

IBEW Exh. 1

8/18/97 R-973954  
J. P. Kalt *JR H67*

**Pennsylvania Power & Light Company  
Response to Interrogatories  
of the Mid-Atlantic Power Supply Association  
Dated August 7, 1997  
Docket No. R-00973954**

- Q.JPK-2. Reconcile your statement on page 18 of your rebuttal testimony that "the positive role for the Commission is in breaking down legal and regulatory barriers to entry, in ensuring non-discriminatory access, and in preventing cross-subsidization of common utilities' non-monopoly activities by their monopoly activities" with PP&L's refusal to unbundle services that are capable of competitive provision and which competitors wish to provide, specifically revenue cycle services, and in particular, billing, metering, and meter reading as you discuss on page 24 of your rebuttal testimony.
  
- A.JPK-2. As explained by Professor Kalt, in his Rebuttal Testimony on page 24 lines 17-22, page 25, lines 1-18, and page 26, lines 1-8, competitive provision of revenue cycle services is not required in order for competition to be introduced successfully into supply services. Since revenue cycle services are subject to just and reasonable rate standards and non-discrimination provisions applicable to monopoly activities, this assures protection of the consumer and polices the use of such services as mechanisms of anticompetitive preferential treatment of suppliers.

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