

ORIGINAL 2072

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

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 :
Pennsylvania Power & Light Company :
 Application for approval of a : Docket No.
 Restructuring Plan. : R-00973954
 :
 Public Input Hearing :
 :
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Pages 2072 through 2125 Brunswick Hotel, Lancaster Hall
 Queen and Chestnut Streets
 Lancaster, Pennsylvania

Tuesday, September 2, 1997

Met, pursuant to adjournment, at 7:03 p.m.

BEFORE:

GEORGE M. KASHI, Administrative Law Judge

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C O N T E N T S

<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RE CROSS</u>
Dr. Charles R. Winter	2083	--	--	--
Francis Rosch	2087	--	--	--
James C. Parks	2090	--	--	--
Thomas G. Tamski	2096	--	--	--
Mark Kauffman	2101	--	--	--
By Mr. Ryan	--	2103	--	--
Zandra Huston	2104	--	--	--
Eugene P. Stelp	2110	--	--	--
By Mr. Mullins	--	2114	--	--
Frank Richards	2115	--	--	--
Ann Goeke	2120	--	--	--
Francis Rosch	2122	--	--	--

E X H I B I T S

<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
(None.)		

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P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE GEORGE M. KASHI: Good
3 evening, ladies and gentleman. My name is George Kashi; I
4 am the administrative law judge who has been assigned the
5 particular restructuring of PP&L that was filed on the
6 1st of August.

7 We've been here once before and had a public input
8 session, and I was not convinced that at that time there was
9 sufficient information out to the public for us to be able
10 to really get some sufficient and adequate input as to how
11 the members of the public felt about what was taking place.

12 So, what we did was, after all the testimony was
13 filed, and after all the cross examination of that testimony
14 was had, we spent the last two weeks in Harrisburg having
15 cross examination of all of the testimony of some 57
16 witnesses in Harrisburg.

17 And I was under the impression that the press and the
18 media were probably going to cover it so that they could
19 inform the citizens of Pennsylvania as to what, in fact, was
20 taking place. To my somewhat naiveté, that did not take
21 place.

22 Alfred Kahn, probably the father of competition,
23 going back to the Jimmy Carter days, testified. And I
24 thought that he would be at least an interesting piece on
25 the sideline. The gentleman's like 80 years old. And he

1 brought us deregulation in the airline and transportation
2 business. But to no avail.

3 So, rather than do nine cities, like we did the first
4 time around, we've scheduled it to be had in three cities.
5 And we've come back here hoping that somehow or other the
6 public has learned more about the restructuring that is
7 taking place. And we are here tonight to hear from you.

8 There are a number of players here who have interests
9 and represent various interests. If you were here before,
10 you know who they are. I will introduce them briefly and
11 ask them to tell you what it is their office does.

12 The present posture of the case is this. I'm holding
13 three more public input hearings. We will close the record
14 on the 9th of September. That's when the last evidence can
15 be submitted, the last late-filed exhibits will be filed on
16 the 9th.

17 Thirty days after that, the briefs will be filed by
18 all the parties. We have some 30-odd parties that are in
19 this case representing all kinds of interests, from various
20 utilities, alternate suppliers, major industrials, consumer
21 organizations, environmental organizations, AARP, public
22 interest groups; you name it. And I consider it a spectrum
23 of the citizens of Pennsylvania to be fairly represented in
24 this case.

25 Once their briefs are all filed, I will take that

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1 record that we have developed since April, and the briefs,
2 and I will file a recommended decision with the Commission
3 on November 13th.

4 On November 13th, when my decision goes out, all the
5 parties come to agreement on one thing, and the only thing
6 they ever can agree on in every case, and that's that the
7 Judge knows nothing absolutely nothing about what he's
8 talking about.

9 (Laughter.)

10 JUDGE KASHI: They will file their exceptions to my
11 decision, which goes to the Commission. The final decision
12 will be made by the Commission on January 8th.

13 We are here to hear from you. I seriously wanted to
14 hear more from the public about this. That's the only
15 reason I scheduled a second round of public input hearings.
16 It's not that I like to go out running around the state at
17 nights after a day at the office, believe me.

18 I thought that there would be more information from
19 the media that would have been given to you people. Somehow
20 or other, in a democracy, we have to depend on that kind of
21 information getting out to the citizens, and it's real hard
22 sometimes to get it out to people.

23 So, there's a sign-up sheet; we will call you up
24 tonight as you have signed up. But first what I would like
25 to do is invite the people who have come tonight, the

1 statutory parties, if they have a few words.

2 To my extreme right is Mr. Johnnie Simms, who
3 represents the Office of Trial Staff. Next to him is
4 Mr. Mullins, who is with the Office of Consumer Advocate.
5 Directly to my right is Mr. Bernard Ryan, who is from the
6 Office of Consumer Advocate. He is the consumer advocate
7 himself. And to my left is Mr. Paul Russell, who represents
8 PP&L, who has filed the application.

9 Did you actually file it?

10 MR. RUSSELL: I did.

11 JUDGE KASHI: All 3,000 some pages of the file. And
12 we've gone through, I think, close to 20,000 pages of
13 testimony, 2,000 pages of cross examination. I was getting
14 ready for someone to ask for an environmental impact
15 statement on the amount of the paper that had been filed.

16 (Laughter.)

17 JUDGE KASHI: Mr. Simms?

18 MR. SIMMS: Thank you, Your Honor.

19 Good evening, ladies and gentlemen. My name is
20 Johnnie Simms; I'm an attorney with the Office of Trial
21 Staff.

22 First of all, I want to thank you for your attendance
23 tonight to participate in this public input hearing.

24 My office is charged with representing and presenting
25 the public interest in this proceeding. The chief

1 prosecutor is Charles F. Hoffman. The office consists of
2 other attorneys, accountants and engineers.

3 In this proceeding we presented three testimonies by
4 our accountants and engineers to testify as to whether or
5 not the company's proposal was in the public interest.

6 We believe our recommendation is in the public
7 interest. However, as the Judge indicated, we have just
8 concluded two weeks of cross examination of about 57
9 witnesses.

10 However, tonight is your opportunity to present your
11 views and comments about this filing. I look forward to
12 hearing your comments, and I encourage you to give your
13 comments under oath so that your comments can be used in the
14 record as evidence.

15 Thank you very much. And thank you again for your
16 attendance.

17 JUDGE KASHI: Thank you, Mr. Simms.

18 Mr. Mullins.

19 MR. MULLINS: Thank you, Your Honor.

20 Good evening. My name is James A. Mullins, and I
21 represent the Pennsylvania Office of Consumer Advocate. Our
22 office was created via statute to represent the interests of
23 the residential customers in the commonwealth. The current
24 consumer advocate is Irwin A. Popowsky, and he has served in
25 that capacity since 1990.

1 As the Judge just indicated, this is an extremely
2 important case, and it will dictate who you receive electric
3 service from in the future and what you pay for that
4 service.

5 The past two weeks, as the Judge indicated, again, we
6 presented testimony set forth by our expert consultants; and
7 those consultants set forth the positions that the Office of
8 Consumer Advocate would now litigate.

9 As the Judge indicated, briefs will be due in
10 September and October, and at that time we will take the
11 legal arguments that were set forth by the consultants and
12 incorporate those into our briefs.

13 It's important for you to take the stand today and
14 testify under oath, because if you do that, your testimony
15 becomes a part of the official record, and we can use that
16 testimony in formulating our legal briefs.

17 Once again, thank you for coming out. I look forward
18 to hearing from you. And once again, please take the stand
19 and testify under oath so that your testimony does become a
20 part of the official record.

21 JUDGE KASHI: Thank you, Mr. Mullins.

22 Mr. Ryan.

23 MR. RYAN: Thank you, Your Honor.

24 I'm Bernard Ryan, the small business advocate of
25 Pennsylvania. Our office represents the small business

1 customers of PP&L, and indeed, of all utilities operating in
2 Pennsylvania.

3 We've been an active participant in the case; we have
4 an expert witness under contract who has testified in the
5 case. And our goal is to ensure that this new arrangement
6 that we're going into under the new Generation Choice Act
7 that was passed last year is fair for all customers, but
8 particularly for our clients, the small business customers.

9 But we came to hear you, and I'll sit down now and do
10 that. Thank you.

11 JUDGE KASHI: Thank you, Mr. Ryan.

12 Mr. Russell.

13 MR. RUSSELL: Thank you, Your Honor.

14 My name is Paul Russell, I'm a lawyer in the PP&L
15 legal department, and I'm responsible for PP&L's
16 representation in this case.

17 PP&L was an early advocate of competition in retail
18 electric sales. We supported the passage of the Customer
19 Choice Act. And one aspect of that act requires each
20 utility to file a restructuring plan to move the utility to
21 competition.

22 PP&L asked the PUC for permission to file its plan
23 early. That request was granted, and we filed on April 1st.
24 And that's the plan that's the subject of tonight's public
25 input hearing.

1 PP&L strongly supports public input hearings. We
2 believe that they are an essential part of the Commission's
3 process of reviewing any major filing before it. It
4 provides an opportunity for input from customers to be
5 brought to the record and put before the Judge and the
6 Commissioners.

7 I want to join the other parties in thanking you for
8 attending today. I also want to join the other parties in
9 encouraging you to testify. We're interested in hearing
10 your thoughts on restructuring the electric utility
11 industry.

12 In closing, I would like to introduce one other
13 person from PP&L; Larry Downing is sitting over to my right.
14 He's the community development director in this area.
15 Either Larry or I will be available throughout the night to
16 answer any questions you may have that are directed to your
17 specific service or rates.

18 Again, thank you.

19 JUDGE KASHI: One thing that I would like to say
20 before we begin; and I normally make the statement first.
21 You have two ways of presenting your views here tonight.
22 One, you can give sworn testimony, which we all encourage
23 you to do. If your testimony is sworn, you're subject to
24 cross examination by the parties, it becomes part of the
25 record, which I can then consider in writing my decision,

1 and which the Commission can consider when it renders the
2 final decision in the matter.

3 If, in fact, you'd rather not swear to your testimony
4 and you're just here to get something off your chest, that,
5 too, we will listen to; however, I want you to understand,
6 it does not become part of the record.

7 One of the things, when it comes to asking questions,
8 we're now at a rather delicate situation in the proceeding.
9 And it would be very difficult for me at the present time,
10 who is going to render a decision, to begin to start
11 commenting on the various positions that some of the parties
12 have already taken.

13 Primarily by virtue of the fact that we are in an on-
14 the-record proceeding, and those parties who not here,
15 to begin a dialog without them present would constitute some
16 kind of ex parte communications, which we just don't engage
17 in. We are here to hear what you have to say about the
18 plan.

19 So, with that, I would ask the reporter to please
20 hand me the sign-up sheet, and we'll begin.

21 (Pause.)

22 JUDGE KASHI: Dr. Charles Winter.

23 DR. WINTER: I've decided to be sworn.

24 JUDGE KASHI: Could you raise your right hand and be
25 sworn, sir?

1 Whereupon,

2 DR. CHARLES R. WINTER

3 having been duly sworn, testified as follows:

4 JUDGE KASHI: Could you please state your name and
5 address for the record, sir?

6 THE WITNESS: Dr. Charles R. Winter, 80 School House
7 Road, Lancaster, PA 17603.

8 JUDGE KASHI: What is it you do, sir?

9 THE WITNESS: I have owned and built a retirement
10 home seventeen years ago. And at the time, when we were in
11 the planning stage in 1988, I was approached by PP&L to use
12 electricity for heating, and everything.

13 JUDGE KASHI: So you run a nursing home?

14 THE WITNESS: No, it's not a nursing home. That is
15 the important part.

16 JUDGE KASHI: A retirement home?

17 THE WITNESS: It's a retirement home. Or, as now the
18 official designation as personal care facility.

19 JUDGE KASHI: All right. Now, correct me if I'm
20 wrong, sir. But when we were here back in May, you, in
21 fact, testified at that time; is that correct?

22 THE WITNESS: Yes, I did.

23 JUDGE KASHI: And at that time you told us the
24 problems that you were having, and it was kind of an
25 individual problem with your business between the nursing

1 home and the retirement home; is that correct?

2 THE WITNESS: Yes.

3 JUDGE KASHI: So, what brings you here tonight, sir?

4 THE WITNESS: I wanted again; I talked to PP&L, and
5 they wanted to look into this. Now, the question was, when
6 we then opened up, we found out that in spite of the fact
7 that we are a retirement home, or a personal care facility,
8 where people are residents, if we call them patients, then
9 the state gets after us and says they are not patients, they
10 are residents. And that in spite of this fact, we are
11 charged commercial rates for electricity.

12 Now, the worst thing is not the higher commercial
13 rate, but we also have to pay a certain charge for peaks,
14 for energy peaks. And you cannot avoid this, that people
15 get up at a certain time because they eat their breakfast
16 and then they take showers, so there is a peak. And this is
17 over several thousand dollars a year extra charges just for
18 those peaks that we pay.

19 JUDGE KASHI: Excuse me for interrupting you, sir.
20 But are you familiar with the restructuring plan and how the
21 new plan might benefit you and your problem?

22 THE WITNESS: No, so far I watched every publication
23 on this, but there is not very much in the press. So I
24 don't know what they want to do.

25 JUDGE KASHI: So your purpose here tonight is to

1 describe a current problem that you're having, it's not to
2 talk about how the new way that you're going to be able to
3 buy from alternate suppliers, your generation, as to what's
4 taking place and how you feel about that?

5 THE WITNESS: Yes. I mean, I do realize, I know that
6 part of the restructuring. But I was under the impression
7 that what PP&L told me, that during the restructuring that
8 they could also possibly make some changes in the charging
9 of facilities that are strictly residential, the residential
10 rates rather than the commercial rates.

11 And this is why I am here. And I want to emphasize
12 this. When they do the restructuring, I want to see that
13 this is given consideration.

14 JUDGE KASHI: So your concern, sir, is that during
15 restructuring and the definition of how power is being sold,
16 that somehow or other, whether it is a business, but in fact
17 it's not a nursing home, but it's a residential home, that
18 that should somehow or other be charged at residential rates
19 rather than commercial rates?

20 THE WITNESS: That's right.

21 JUDGE KASHI: And your reason for saying that, that
22 it's not a business, is what, sir?

23 THE WITNESS: The effect that these people, many of
24 them are old, and it's personal care. I mean, there are
25 some personnel that help them to feed themselves and wash

1 themselves if they can't do it, but they are residents. And
2 if they were independent in efficiency apartments or so,
3 they only would be charged residential rates. So, why, when
4 they are institutionalized because of their health, they are
5 in a worse condition, and they have to pay the higher rates?

6 JUDGE KASHI: If we put them in a hospital and they
7 were maintained in a hospital, would you want the same rate
8 charged them in the hospital?

9 THE WITNESS: No, that's an institution.

10 JUDGE KASHI: Well, you just prefaced this last
11 statement on the basis that they were institutionalized.

12 THE WITNESS: Well, this maybe was the wrong legal
13 term. I stand corrected.

14 JUDGE KASHI: Well, are they or aren't they?

15 THE WITNESS: No, they're not really
16 institutionalized. I mean, we have, by law, certain
17 obligations to them as being just residents there. We have
18 to set certain monies aside to pay for their necessities,
19 which certainly is not done in an institution. So, it is
20 like residents with aid to the residents.

21 JUDGE KASHI: Is there anything further you want to
22 add, sir?

23 THE WITNESS: No, that's all.

24 JUDGE KASHI: Are there any questions from counsel?

25 MR. RUSSELL: No questions.

1 MR. SIMMS: No questions.

2 MR. RYAN: No questions.

3 MR. MULLINS: No questions, Your Honor.

4 JUDGE KASHI: Thank you very much, sir. You're
5 excused.

6 (Witness excused.)

7 JUDGE KASHI: Mr. Rosch.

8 Do you wish your testimony to be sworn or unsworn,
9 sir?

10 MR. ROSCH: Sworn.

11 JUDGE KASHI: Would you raise your right hand and be
12 sworn?

13 Whereupon,

14 FRANCIS ROSCH

15 having been duly sworn, testified as follows:

16 JUDGE KASHI: Would you please state your name and
17 address for the record, sir?

18 THE WITNESS: Francis Rosch, 1837 Sturbridge Drive,
19 Lancaster 17601.

20 JUDGE KASHI: What is it you do, sir?

21 THE WITNESS: I'm a mechanical engineer. I've worked
22 in fossil and nuclear power for about the last 45 years.

23 JUDGE KASHI: What brings you out tonight?

24 THE WITNESS: I have two items of concern. The
25 amount of the stranded cost concerned me. I think the

1 utilities deserve stranded cost for legitimate items. I'm
2 concerned about Susquehanna 2. I thought Susquehanna 2 was
3 not included in the rate base and that PP&L was working, in
4 effect, as an independent power producer, and that it would
5 seem unfair for that to be in the rate base.

6 I've been in some of the plants. I think I've been
7 in Conemaugh. There's a lot of old equipment around there
8 that really is worth very little. And I'm concerned that
9 the very strong PP&L, very competent lobby, can lean too
10 much on the side of that equipment being evaluated higher
11 than it ought to be.

12 JUDGE KASHI: Well, what I want you to understand is
13 that in the past two weeks, in the cross examination of all
14 the PP&L witnesses, there were four days to be spent on
15 nothing but the calculation of stranded cost and what was
16 being claimed by PP&L as stranded cost; what was being
17 claimed by PP&L as stranded cost that would only be allowed
18 under the rate cap.

19 But the particular items that you're talking about,
20 not only all the statutory parties here looked at all of
21 those figures and cross-examined on those figures, but other
22 parties.

23 One of the largest issues in the case, of course, is
24 the calculation of the stranded cost. And everybody, I can
25 assure you, is trying to get the figure of those costs down

1 to the lowest possible level that they can.

2 And the things that you're talking about, in fact,
3 have been looked at, sir. I can guarantee you that.

4 THE WITNESS: The second concern is, and I testified
5 to the PUC, is I'm concerned about the competitive pressures
6 on the utilities, particularly for the safety of nuclear
7 power plants, and also for the pollution that can be
8 incurred.

9 I've worked at nuclear power plants and seen these
10 competitive pressures that are a predecessor, or before,
11 because of the threat of deregulation. And I think that the
12 state really should takes steps to ensure safety and to take
13 off the competitive pressures on those plants.

14 Nuclear power plants are extremely -- PP&L's a very
15 competent nuclear power provider. But I think even the most
16 competent plants are too susceptible to competitive
17 pressures, and it would be so -- and poor operating
18 decisions and poor maintenance equipment decisions.

19 Thank you.

20 JUDGE KASHI: Thank you very much.

21 Are there any questions for the gentleman?

22 MR. SIMMS: No questions.

23 MR. MULLINS: No questions.

24 MR. RYAN: No questions.

25 MR. RUSSELL: No questions.

1 JUDGE KASHI: Thank you very much, sir. You're
2 excused.

3 (Witness excused.)

4 JUDGE KASHI: Dr. Parks.
5 Do you wish your testimony to be sworn or unsworn,
6 sir?

7 DR. PARKS: Under oath, please.

8 JUDGE KASHI: Would you raise your right hand and be
9 sworn?

10 Whereupon,

11 JAMES C. PARKS

12 having been duly sworn, testified as follows:

13 JUDGE KASHI: Could you state your name and address
14 for the record, sir?

15 THE WITNESS: My name is James C. Parks; I live at
16 865 LeTort Road, Washington Borough, Pennsylvania.

17 JUDGE KASHI: What is it that you do, sir?

18 THE WITNESS: I'm a professor of biology at
19 Millersville University.

20 JUDGE KASHI: What brings you here tonight,
21 Dr. Parks?

22 THE WITNESS: Well, I'd like to speak to something
23 that perhaps you haven't heard before. And that has to do
24 with consequences of deregulation on the management of lands
25 held by Pennsylvania Power & Light Company.

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1 JUDGE KASHI: Go ahead.

2 THE WITNESS: I've been a professor at Millersville
3 for 29 years. I'm a teaching biologist, and very involved
4 with preparing biology teachers and biologists, who will be
5 the scientists of the future. I'm also an expert on ferns,
6 and I'm concerned about bio-diversity and its preservation.

7 In this capacity I've worked with Pennsylvania Power
8 & Light Company for a long time on certain aspects of the
9 extensive lands they hold in the gorge of the Susquehanna
10 River in Lancaster and York Counties. I would like to speak
11 to some potential changes and threats to these lands that
12 deregulation may bring.

13 These lands were acquired a long time ago when the
14 public saw it suitable to allow power companies like PP&L
15 and their predecessor to take lands under eminent domain so
16 that they could build dams and provide power to meet those
17 needs.

18 For years PP&L and others have operated as a
19 monopoly, and they had the privilege of doing so. And one
20 of the things that they had to do was maintain some of these
21 lands for the public good, and so there are lakes, parks and
22 other lands that are available for people to use.

23 Now, these things are maintained as part of the cost
24 of doing business. We benefit a lot in this area from some
25 of the parks, picnic areas, campgrounds, hiking trails; and

1 Middle Creek Wildlife Preserve, which is visited by
2 thousands of people annually, PP&L has, in my view, shown a
3 strong commitment to maintain these lands, and not only
4 that, but to use them for public education and the
5 environment.

6 I think this presents a valuable service to us all.
7 It's presents a service to me and my colleagues because
8 these lands are available to us to use for our research and
9 for teaching of our students. These lands are available for
10 recreation by many people.

11 So what does this have to do with the hearing? Well,
12 in a deregulatory environment there will be increased
13 pressure from PP&L and other companies in their position to
14 maintain the lowest possible costs, because they're going to
15 have to be competitive.

16 Now, someone from "Fly-by-Night" Power comes in, some
17 power broker, who does not have these lands to maintain,
18 with that cost of doing business, they may be able to supply
19 power at a slightly lower cost.

20 If PP&L wishes to minimize that cost, then the
21 easiest thing for them to do is get out of this land
22 business, or at least to increase fees commensurate with
23 use.

24 I really think that, as these many years, we've
25 allowed the monopolies to operate, and the understanding was

1 that in turn there would be some things done for the common
2 good, that we should not throw out this baby with the bath
3 water of deregulation.

4 Now, I'm not quite sure what ought to be done here,
5 but I don't think that it's a level playing field when some
6 power companies who maintain these lands, and they have them
7 as a cost of doing business, have to compete with other
8 power providers who do not.

9 So, it may be that, as a cost of selling electric
10 power in Pennsylvania, every company should either maintain
11 parks, lakes and lands for the common good, as has been the
12 practice with PP&L and a number of other power companies,
13 or, if a power provider does not provide such, they should
14 put funds into, pay money as a cost of doing business, into
15 a fund which would support those power companies that do
16 provide those lands.

17 As you know, Governor Ridge is putting expensive
18 funds into improving parks and forests, and tourism is our
19 second most important resource and industry; and I would
20 think that the governor would be especially receptive to a
21 private/public partnership of this type, and that we should
22 be careful not to lose the valuable common resources that
23 people like PP&L provide.

24 Thank you very much for the opportunity to speak.

25 JUDGE KASHI: Doctor, do you understand that in this

1 matter that's going on before us now, there are a number of
2 environmental groups that, in fact, are participating;
3 you're aware of that?

4 (No response.)

5 JUDGE KASHI: And you're aware that the issues are so
6 fraught with emotion that there are certain things that we
7 are considering as far as the labeling of, quote/unquote,
8 green power, when it comes down to some of the environmental
9 issues. You're familiar with that?

10 THE WITNESS: Well, yes, I am. But I think that some
11 people may be able to hide behind green power. Many of
12 these things are a matter of definition, and I'm concerned
13 that some of the definitions of green power would be such
14 that these lands would be lost.

15 JUDGE KASHI: So, you see this issue as a sub-
16 issue, --

17 THE WITNESS: Yes.

18 JUDGE KASHI: -- or an issue to the side, even?

19 THE WITNESS: I really do, yes. I'm sure most of the
20 people here think that somebody's getting away with excess
21 costs, as has already been mentioned, or the power bills are
22 going to go up, and so forth.

23 JUDGE KASHI: Right.

24 THE WITNESS: I really am not competent to speak to
25 that.

1 JUDGE KASHI: Any questions for Dr. Parks?

2 MR. SIMMS: No questions.

3 MR. MULLINS: No questions.

4 MR. RYAN: No questions.

5 MR. RUSSELL: No questions.

6 JUDGE KASHI: Thank you very much, sir, for coming.

7 We appreciate your testimony.

8 (Witness excused.)

9 JUDGE KASHI: Louise Huzzard.

10 MS. HUZZARD: Cross me off, please.

11 VOICE: Excuse me. Could I request that the speakers
12 use the microphone a little bit?

13 JUDGE KASHI: All right.

14 Jane Martin.

15 Do you wish your testimony to be sworn or unsworn,
16 ma'am?

17 MS. MARTIN: Unsworn, Your Honor.

18 JUDGE KASHI: Unsworn. You just want to get it off
19 your chest? We can't talk you into being sworn so I can
20 consider it when I make a decision here? It's your choice.

21 MS. MARTIN: Thank you, sir.

22 JUDGE KASHI: All right.

23 (Whereupon, the statements of JANE MARTIN were
24 presented unsworn, off the record.)

25 JUDGE KASHI: Clair Brubaker.

1 MR. BRUBAKER: I'm going to speak for some
2 stockholders.

3 JUDGE KASHI: Do you wish your testimony to be sworn,
4 sir?

5 MR. BRUBAKER: No, I was here May 30th.

6 JUDGE KASHI: All right. You don't wish your
7 testimony to be sworn?

8 MR. BRUBAKER: No.

9 JUDGE KASHI: All right, get it off your chest.

10 **(Whereupon, the statements of CLAIR BRUBAKER were**
11 **presented unsworn, off the record.)**

12 JUDGE KASHI: Thomas Tamski.

13 Sir, do you wish your testimony to be sworn or
14 unsworn?

15 MR. TAMSKI: Yes, sir, I do, Your Honor.

16 JUDGE KASHI: Would you raise your right hand and be
17 sworn?

18 **Whereupon,**

19 **THOMAS G. TAMSKI**
20 **having been duly sworn, testified as follows:**

21 JUDGE KASHI: Could you please state your name and
22 address for the record, sir?

23 THE WITNESS: My name is Thomas G. Tamski, I live at
24 6 Cedar Drive, Willow Street, 17584.

25 JUDGE KASHI: And what is it you do, sir?

1 THE WITNESS: Well, I've been following this
2 deregulation proceeding probably from day one. I've got a
3 pile of dockets about that high. And I look at this
4 deregulation of the utilities in the same sense that I
5 looked of the breakup of Ma Bell.

6 Ma Bell has been a dog from day one. I end up with
7 fifteen sheets of paper for a lousy \$23.00 bill, served
8 through Bell Telephone, AT&T.

9 But as far as deregulation is concerned, I heard a
10 young lady here comment about the stock market. Well, since
11 deregulation on PP&L, I'm looking at a \$4,300 long-term
12 capital loss, because PP&L plunged as a result of
13 deregulation.

14 But one of the things that I addressed when I was
15 here in April was the transition cost. And in looking at
16 this piece of paper that PP&L has published, they indicate
17 that their stranded cost is \$4.6 billion. They only want to
18 recover \$4 billion.

19 They say my rates will not go down, they're going to
20 stay the same. So they want to eat six tenths of a billion
21 dollars. If the PUC approves only \$4 billion, how do they
22 propose to collect the other \$.6 billion?

23 Now, on the other side of this paper, there's
24 something referred to as a competitive transition charge.
25 The charge would be in effect through 2005, would be

1 provided for recovery of transition cost.

2 Now, man speak with forked tongue. If on the first
3 half of this paper it says that my rates will not go down,
4 they're capped at the rates of January 1, '97, the PUC
5 approves a transition cost to be recovered by customers, I
6 don't see how this piece of paper is worth a lick, because
7 somebody has got to pay for that. And you know who that
8 somebody is? Tamski.

9 Now, nowhere on here do I see that my rates will come
10 down. If the object of deregulation is to provide me the
11 opportunity to shop for prices, then I think it behooves
12 PP&L to indicate on this thing that if this plan is
13 approved, what percentage of decrease can I expect.

14 Now, if the gentleman from PP&L chooses to answer it,
15 I would be glad to hear it, Your Honor.

16 JUDGE KASHI: That's one of the issues currently
17 that's going in the case, and we're running the gamut
18 somewhere between ten to seventeen percent as far as the
19 decrease on your electricity. Which is a different view.
20 That's not your total bill as far as what you will be billed
21 by any of the people that you might be getting electricity
22 from. But there's a spread on the testimony at the present
23 time as to what would actually be the savings on your
24 electricity.

25 If you take a look at your bill, your electricity

1 amount, is one of the smallest items that's on there.

2 THE WITNESS: In one of the dockets that I read, in
3 looking at my bill, I'm paying six and a half cents a
4 kilowatt hour. In one of the dockets that I read there was
5 some indication that a reduction of 2.3 cents per kilowatt
6 hour might be achieved as a result of deregulation. That
7 probably was hearsay. I haven't seen anything since then
8 relative to any reduction.

9 Now, let me state that I've got no bitch against
10 PP&L. Over the years they have served me faithfully. So my
11 issue really is not so much with PP&L; their service has
12 been good. What I fault is the fact that this deregulation
13 of the utility is being painted as one of the great gifts
14 from, you know, the seven wonders of the world. And I'm not
15 convinced that that is about to occur, because I'm still
16 skeptical about what I see occurring with the breakup of
17 AT&T.

18 But that concludes my testimony, sir.

19 JUDGE KASHI: All right, thank you, Mr. Tamski.

20 THE WITNESS: You're welcome.

21 JUDGE KASHI: Do you have any cross examination of
22 the gentlemen?

23 MR. SIMMS: No questions.

24 MR. MULLINS: No questions.

25 MR. RYAN: No questions.

1 MR. RUSSELL: No questions.

2 JUDGE KASHI: Thank you, sir.

3 (Witness excused.)

4 JUDGE KASHI: Scott Cover.

5 Mr. Cover, do you wish your testimony to be sworn or
6 unsworn?

7 MR. COVER: Best be unsworn; thank you.

8 JUDGE KASHI: Unsworn?

9 MR. COVER: Yes.

10 JUDGE KASHI: All right.

11 (Whereupon, the statements of SCOTT COVER were
12 presented unsworn, off the record.)

13 JUDGE KASHI: Mr. John Bitor.

14 Sir, do you wish your testimony to be sworn or
15 unsworn?

16 MR. BITOR: Unsworn.

17 JUDGE KASHI: Unsworn; all right.

18 (Whereupon, the statements of JOHN BITOR were
19 presented unsworn, off the record.)

20 JUDGE KASHI: That concludes the people who have
21 signed up on my sheet. Is there anybody here in this room
22 who at this time would like to testify, would like to sign
23 up yet and testify, who has not yet been heard?

24 Come forward, sir, and sign the sheet.

25 (Pause.)

1 JUDGE KASHI: Mr. Kauffman, do you wish your
2 testimony to be sworn or unsworn?

3 MR. KAUFFMAN: Sworn.

4 JUDGE KASHI: Please raise your right hand and be
5 sworn.

6 **Whereupon,**

7 **MARK KAUFFMAN**

8 **having been duly sworn, testified as follows:**

9 JUDGE KASHI: Could you please state your name and
10 address for the record?

11 THE WITNESS: Mark Kauffman, 1325 Needle Avenue,
12 Lancaster.

13 JUDGE KASHI: What is it you do, sir?

14 THE WITNESS: We are an energy supplier.

15 JUDGE KASHI: What brings you here tonight?

16 THE WITNESS: Well, I guess two reasons. First of
17 all, of course, we're anxious to become a participant in the
18 choice program, or at least in the state of Pennsylvania,
19 for electric. We are currently a supplier of natural gas to
20 Pennsylvania customers in Columbia Gas's system. And also
21 as a consumer myself.

22 The concern that I have as a consumer and as an
23 energy marketing firm is maybe not so much directed at
24 really the hearing that you're holding today as much as it
25 is the actual delivery costs that get transferred, or at

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1 least get charged to customers.

2 We are concerned, and as am I myself, about the
3 amount of charges that a utility is allowed to so-called
4 trans -- to charge the customer as a distribution cost, as a
5 delivery service cost.

6 Because quite often -- as I said, we are
7 participating in some natural gas programs right now whereby
8 the delivery cost combined with commodity cost provides very
9 little savings to the customer. And virtually, there's very
10 little market, or very little profit margins in that
11 marketplace as well.

12 And secondly, when you have a company being able to
13 charge X dollars for delivery service cost, and there being
14 very little margin available to, let's say, a competitor,
15 that still places the utility in a favorable situation.
16 Because they're going to charge the customers whether
17 they're their own customers or whether they're a customer of
18 someone else, the same delivery service cost. And with the
19 margin so slim on the commodity side, it really places the
20 utility in a more favorable situation.

21 So, again, I'm concerned as a consumer and as,
22 hopefully, a participant in this program, that the
23 transition costs, the stranded investments, and the delivery
24 service costs are monitored very closely.

25 That's it.

1 JUDGE KASHI: Have you filed an application? I'm
2 just curious.

3 THE WITNESS: We're in the process of it if it hasn't
4 been filed yet.

5 JUDGE KASHI: Is there anything further you'd like to
6 add, sir?

7 THE WITNESS: No.

8 JUDGE KASHI: Any questions for the gentleman?

9 MR. SIMMS: No questions, Your Honor.

10 MR. RYAN: No questions.

11 JUDGE KASHI: Mr. Ryan?

12 **CROSS EXAMINATION**

13 BY MR. RYAN:

14 Q. I'm just curious. What's the name of the
15 company? You want to be a competitive supplier, if I
16 understand?

17 A. Yes.

18 Q. What's the name of the company?

19 A. ProMark Energy.

20 Q. You're in the gas already?

21 A. Right. We're a wholly owned subsidiary of Con
22 Edison.

23 Q. So, you'll be a reseller, I take it?

24 A. That's correct.

25 Q. You'll be buying in bulk?

1 A. Right. Well, we do have generation, or, I mean,
2 our parent has generation, but --

3 Q. They'll plan to generate it up there and send it
4 down here?

5 A. Depends.

6 Q. Thank you.

7 MR. RYAN: That's all.

8 JUDGE KASHI: Thank you, sir.

9 Thank you very much, sir. We appreciate your
10 testimony.

11 (Witness excused.)

12 JUDGE KASHI: One last call. Is anybody here who
13 wishes to be heard?

14 Could you please come forward?

15 (Pause.)

16 JUDGE KASHI: Ms. Huston, do you wish your testimony
17 to be sworn or unsworn?

18 THE WITNESS: Sworn, please.

19 JUDGE KASHI: Would you raise your right hand and be
20 sworn, please?

21 **Whereupon,**

22 **ZANDRA HUSTON**

23 **having been duly sworn, testified as follows:**

24 JUDGE KASHI: State your name and address for the
25 record, please.

1 THE WITNESS: My name is Zandra Huston, I live at 146
2 North Mulberry Street, Lancaster 17603.

3 JUDGE KASHI: What is it you do, ma'am?

4 THE WITNESS: I'm a graduate student of policy
5 studies at Johns Hopkins University.

6 JUDGE KASHI: What brings you here tonight?

7 THE WITNESS: I am a homeowner and resident of
8 Lancaster. And I realize that there are several
9 environmental groups involved with the testimony, but I
10 wanted to speak as an individual citizen this evening.

11 My concern is that with deregulation the generation
12 of energy will be hiding behind the distribution of energy,
13 and that the media and public knowledge about their energy
14 will be coming mainly from the distributors, and that all of
15 the talk and concern over energy distribution is going to be
16 centered around cost effectiveness and lowering bills and
17 lowering rates. And I'm concerned that the environmental
18 impact of the competition on the generation of energy will
19 take a back seat, and that the public will not be well
20 informed over those impacts; not just from a standpoint of
21 protecting wilderness areas, which I am a proponent of, but
22 also how it affects them from an economic standpoint and
23 from a health standpoint.

24 And that's all I have.

25 JUDGE KASHI: How do you propose that we get that

1 information to the public?

2 THE WITNESS: Well, I would hope that it would be put
3 in everybody's monthly bill, just as PP&L right now puts out
4 a newsletter that they inform the public of different kinds
5 of energy saving, cost-effective techniques, etcetera.

6 I guess I'm asking for full disclosure in a readable,
7 comprehensive, comprehensible way.

8 JUDGE KASHI: By all energy suppliers?

9 THE WITNESS: Yes, sir.

10 JUDGE KASHI: Suppose all of the suppliers aren't
11 going to do the billing, and it's going to be done through
12 just a distributor?

13 THE WITNESS: That's one of my concerns, that the
14 distribution itself is going to be the only thing that the
15 public sees, but all of the information that we get is going
16 to be from the distributor. And that's all the public is
17 really going to be concerned about, because that's where the
18 money is immediately going, and that's where the energy
19 immediately comes from, is our source of distribution. But
20 the actual generator, whoever generates our energy, if it's
21 in Ohio, that I'm not going to care about what's happening
22 in Ohio environmentally. But really, it wafts.

23 JUDGE KASHI: My concern is, how that information is
24 transformed and how the public in Pennsylvania becomes
25 informed about those particular issues.

1 THE WITNESS: It's a very complicated question. And
2 it sounds like a lot of money, is what it sounds like, just
3 to inform the public of such a thing. But I feel like we're
4 owed that, or that that at least should be of concern to
5 this panel.

6 JUDGE KASHI: Oh, it's a concern all right. The
7 question is how you get it there. We've spent the last two
8 days of testimony on cross examination of issues relating to
9 consumer education as to what, in fact, has to be done to
10 get some of these issues across to the public.

11 THE WITNESS: Is there any way of setting up a
12 subcommittee to work on education?

13 MR. RYAN: They exist. The Commission has a task
14 forces, they're called.

15 JUDGE KASHI: We have a task force and all kinds of
16 subcommittees. I believe there is a Commission task force
17 on consumer education that is all set and ready to go, and
18 has done things that as soon as the competition gets off the
19 ground, that they will be working with the companies in
20 trying to provide the various information.

21 One of the problems with the case is, at the present
22 time, what kind of information is going to be provided and
23 who's going to provide it. There's a real argument as to
24 whether mass media serves any purpose other than to make
25 people aware of whether there's any educative value to the

1 mass media.

2 THE WITNESS: I'm not sure that the mass media can
3 answer that. And I'm not sure that it really can come from
4 the companies themselves.

5 JUDGE KASHI: Well, the other argument then is -- and
6 we went through pamphlet after pamphlet, with lawyers
7 arguing when it says, "when your electric goes out," as
8 opposed to "if your electric goes out."

9 (Laughter.)

10 JUDGE KASHI: Okay? As to what kind of biased
11 information that's going to be. And there are further
12 arguments that what we need are community standards and
13 community-neutral type of groups to provide this
14 information. And obviously there has to be consideration,
15 and is consideration, or arguably so, that we have to get
16 into the schools and start with the kids now, because
17 obviously competition isn't going to be here for seven
18 years, or three-year phase-ins; and we're going to have to
19 start teaching them. Just like we teach them what to do
20 with a checkbook, they're going to have to be taught how to
21 buy electricity.

22 So I can just assure that, in fact, it is an issue, a
23 major issue, in the case. In fact, it's not even an issue,
24 it's a major component. This case breaks into four major
25 components. One of them is the education that you're

1 talking about.

2 THE WITNESS: Okay. I mean, I don't know if what
3 you're saying it should come from the government. I don't
4 know if that's a bad thing or not these days.

5 JUDGE KASHI: Well, I guess the quote that I came
6 away with from the case was from Alfred Kahn, who, as I
7 said, is the father of competition. And I said to him,
8 "Mr. Kahn, sir, when I go out and we have public input
9 hearings, and the people come in and they tell me about what
10 they see as the problems that have happened in the airline
11 industry, that we can go to San Francisco for \$200, but it
12 costs me \$500 to go to Pittsburgh; and on an alternate day,
13 to go to San Francisco it could cost me \$1,800. And all the
14 problems that I've heard from people at public inputs about
15 deregulation," I said, "give me your best argument as to why
16 competition is, in fact, viable in a monopolistic, regulated
17 thing like the electric industry."

18 And his answer to that was, "It will keep big
19 government from making any big mistakes." And I asked him,
20 "You mean like this case?" And he didn't respond.

21 So, a lot of problems, a lot of problems.

22 THE WITNESS: Is there any way that we'll be apprised
23 of what the task force is doing or how the education
24 component is coming along?

25 MR. RYAN: Maureen Mulligan, of the PUC staff, is the

1 head of that task force.

2 THE WITNESS: Maureen?

3 MR. RYAN: Maureen Mulligan. She's a consumer
4 liaison or something like that, in Harrisburg.

5 JUDGE KASHI: And she heads the group. And the group
6 is fairly broad and wide-ranging, is my understanding.
7 There may be as many as 30 some people on that group that is
8 putting together the consumer education.

9 THE WITNESS: Thank you.

10 JUDGE KASHI: Thank you.

11 (Witness excused.)

12 JUDGE KASHI: One more? Would you like to sign this,
13 sir?

14 (Pause.)

15 JUDGE KASHI: Do you wish your testimony to be sworn
16 or unsworn, sir?

17 MR. STELP: Sworn, please, Your Honor.

18 JUDGE KASHI: Would you raise your right hand and be
19 sworn?

20 **Whereupon,**

21 **EUGENE STELP**

22 **having been duly sworn, testified as follows:**

23 JUDGE KASHI: Now, before anybody hears any of his
24 testimony, in case you want me to recuse myself, Gene and I
25 used to be neighbors for a million years.

1 (Laughter.)

2 THE WITNESS: We never talked PUC issues.

3 JUDGE KASHI: That's right. We talked about dogs and
4 country, and all that kind of stuff.

5 MR. RYAN: We won't hold it against either one of
6 you.

7 (Laughter.)

8 JUDGE KASHI: They're not going to hold it against
9 us, Gene.

10 (Laughter.)

11 MR. RYAN: Against either one of you.

12 JUDGE KASHI: Could I get you to put your name and
13 address on the record, sir?

14 THE WITNESS: Yes. My name is Eugene P. Stelp, 1550
15 Fishing Creek Valley Road. It's above Harrisburg; 17112.

16 JUDGE KASHI: What is it you do, sir?

17 THE WITNESS: I'm an advocate for energy and
18 environmental issues.

19 JUDGE KASHI: What brings you here tonight?

20 THE WITNESS: The reason I came to Lancaster tonight
21 is because Lancaster is a very unique opportunity. This is
22 the first of the new public input hearings, if you will.

23 And I also wanted to point out that I was here on
24 May 30th at 7:00 p.m. when this hearing was held before. At
25 that time there was barely any notice given to the public

1 until the beginning of the case, and the expert witnesses in
2 the case had a few more weeks before they had to file their
3 testimony, and the people of Lancaster and the surrounding
4 area were expected to file their testimony at public input
5 before the experts.

6 And I thought it was very unusual; and at that time I
7 sat in the audience and watched people testify about
8 everything from chicken houses to their Bell Telephone
9 rates. It was very interesting. It was obvious that the
10 PUC had not done their job of telling people what was going
11 on and what was coming.

12 And I come here tonight because of the PUC, as a
13 representative of the PUC, and the other people that have
14 dealt with the PUC, wonder why people are not responding to
15 this deregulation or competition, or so-called re-regulation
16 bill.

17 And what we're finding is that you're searching for
18 answers; and I think I can give you one or two. One of the
19 facts is that there is such a wide gulf between the
20 citizenry of places like Lancaster and the PUC, such a wide
21 gulf, because nobody basically believes what the PUC is
22 doing.

23 Under Ridge's PUC, we recently had a decision in the
24 PECO area. PECO wanted \$3.5- or \$3.3 billion for a
25 securitization. The administrative law judge, a man like

1 yourself, came back and gave them hardly anything. And
2 everybody said it was amazing that a PUC judge did that.
3 And then a few weeks later, Ridge's PUC reversed it and gave
4 them \$1.1 billion that basically they didn't deserve.

5 So therefore, forgetting the numbers, you have a gulf
6 between the citizens and the PUC. They just don't believe
7 what government is doing.

8 And then the citizens of Lancaster, they come here to
9 a public hearing tonight, but they notice also this is the
10 entire Lancaster County you're talking about. Why is it
11 there's never a hearing in Ephrata? Why no hearing up the
12 pike in a town near the river? It always has to come to the
13 town. Maybe there's more public hearings that should have
14 been held in this case. I realize it's too late now, but
15 more throughout the entire region.

16 But then again, we have another problem. And this
17 deals directly with, not with the PUC, but the people who
18 put you onto this task. And that is with the
19 representatives and senators.

20 If you look around in the meeting room tonight, I was
21 looking for a representative from anybody's office. There's
22 not one person here to testify on behalf of their
23 constituents from either the senate -- you don't see
24 Senator Armstrong, Senator Wenger's office here, or the
25 gentlemen; you don't see any representative who represents

1 any part of Lancaster County, or anybody who passed this law
2 through the legislature, here to speak on behalf of their
3 constituents, small businesses, large businesses; just sort
4 of passed the bill and let the people out here swim or sink.

5 So, one, it's not fair that the legislators don't
6 come here and speak on behalf of their constituents; and
7 they should, because people do not know for the most part
8 exactly how this is going to affect them.

9 The legislature, legislators, have the duty of coming
10 out here and telling people how it's going to affect them,
11 and also coming before you and telling you to do your job
12 and protect these people and their rates.

13 That's all I have.

14 JUDGE KASHI: Thank you, sir.

15 THE WITNESS: Thank you.

16 JUDGE KASHI: Any questions of the gentleman?

17 MR. MULLINS: Just one, Your Honor.

18 JUDGE KASHI: Sir.

19 **CROSS EXAMINATION**

20 BY MR. MULLINS:

21 Q. Mr. Stelp, how was the notice for the second
22 round of public inputs, in your opinion?

23 A. How was the notice?

24 Q. I assume it was better than the first. I think
25 we have a larger turnout.

1 A. Well, I have no way of objectively saying that.
2 Being a party, I have no way of objectively saying how the
3 public received the notice, because we get it mailed to us.
4 But I have no way of objectively saying how the people of
5 Lancaster saw that notice. I have no way of doing that.

6 MR. MULLINS: Thank you.

7 THE WITNESS: Thank you.

8 JUDGE KASHI: Thank you very much, sir.

9 (Witness excused.)

10 JUDGE KASHI: One last call. Anyone who is in the
11 hearing room who wishes to be heard and has not yet been
12 heard?

13 Come forward, sir.

14 MR. RICHARDS: I was here in May, too, and I have an
15 answer for you.

16 (Pause.)

17 JUDGE KASHI: Mr. Richards, do you wish your
18 testimony to be sworn or unsworn?

19 MR. RICHARDS: Sworn.

20 JUDGE KASHI: Please raise your right hand and be
21 sworn.

22 **Whereupon,**

23 **FRANK RICHARDS**

24 **having been duly sworn, testified as follows:**

25 JUDGE KASHI: Could you please state your name and

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1 address for the record, sir?

2 THE WITNESS: My name is Frank Richards, Richards
3 Energy Group, 1325 Crown Vetch Drive, Landisville 17538.

4 JUDGE KASHI: What is it you do, sir?

5 THE WITNESS: I consult with industrial and large
6 commercial users on energy issues, electric and gas.

7 JUDGE KASHI: What brings you here tonight?

8 THE WITNESS: Well, to answer your question, there
9 was a nice big spread yesterday in -- I don't know if it
10 was the morning or evening paper, the business section, it
11 was a first-page thing that had a major article about this
12 whole thing happening and the fact that this was happening
13 tonight. And I suspect that might be one reason why there's
14 a number of people here.

15 I actually heard about this from the Office of
16 Consumer Advocate, because I came here last time and said a
17 couple of words and swore myself, and everybody said I'd be
18 on their mailing lists. But I only heard from you. That's
19 the only one that I heard from. I've not been put on any
20 mailing lists; this is my complaint time, I guess. I don't
21 know of any mailing lists I've been put on.

22 I was assure that the web site that the PUC was
23 putting up would be ready the following day or two. And it
24 is up, there is a web site up there. But the restructuring
25 plan, the 2,000 pages that PP&L filed, is nowhere to be

1 seen, except for the one section that's in the PP&L web
2 site. I was assured that that information was all going to
3 be there.

4 And I guess I really decided to stand up here,
5 because when I heard about this education issue, this is --
6 information is important to me to try to advise other people
7 what they should be doing. And the information -- and of
8 course, I get paid to dig for it. But it doesn't come very
9 easily from a lot of sources.

10 And some of the information should be coming from --
11 well, let's take, what was it, two weeks ago, this big
12 announcement came out about the pilot program being settled.
13 Okay; where's the order? I came clicking on that every day
14 on the PUC --

15 JUDGE KASHI: That order we fought tooth and nail to
16 get our hands on, and we were able to get our hands on it
17 Friday at 2:30. We got it in the hands of the intervenors
18 so they could read it while they were discussing some
19 matters. So, I don't know that it has actually even been
20 filed.

21 THE WITNESS: Was this a leak to the press, or what?
22 What's going on? Why do they have that, and then not have
23 the information?

24 JUDGE KASHI: It was entered late Friday afternoon.

25 THE WITNESS: It was in the papers two weeks ago.

1 JUDGE KASHI: What was in the paper two was the fact
2 that the Commission, at a public meeting, acted on that.
3 The actual written decision as described had not yet been
4 completed, and was not completed and filed until this past
5 Friday.

6 THE WITNESS: But in it, it said that these pilot
7 folks were going to be able to -- they mentioned some
8 numbers of great reductions, and then some other factor,
9 which I presume, because I don't know, was the reduction of
10 the transition charge.

11 But that was just an allusion. It was alluded to
12 that that was what was happening. And my efforts -- even
13 shortly that I came out and I talked to people at PP&L, and
14 they didn't, at least the folks I talked to, didn't know
15 what that meant.

16 JUDGE KASHI: Are you familiar with the group PPLICA,
17 PP&L's industrial customers?

18 THE WITNESS: Yes.

19 JUDGE KASHI: Are you associated with them in any
20 way, sir?

21 THE WITNESS: No, I'm not.

22 JUDGE KASHI: There's a rather large group of
23 industrial customer in that interest group that you might
24 want to get in touch with.

25 THE WITNESS: You mean they get the answers, but the

1 public doesn't?

2 JUDGE KASHI: No.

3 MR. RYAN: They're a party to the case.

4 JUDGE KASHI: They're a party to the case, and
5 they're participating. They've presented evidence, they
6 know what the evidence is. I'm just suggesting that you
7 might be able to get some firsthand, inside kind of
8 information off of them.

9 THE WITNESS: All right.

10 JUDGE KASHI: The document that you're talking about
11 has been filed, and it's available to the public in
12 Harrisburg.

13 THE WITNESS: Okay. But not by electronic means at
14 this point?

15 JUDGE KASHI: To the best of my knowledge, no. I
16 know I got burnt on that. I was given that information by
17 the Commission about the web site and everything else like
18 that, only to find out that it was not true. And I
19 apologize for that.

20 THE WITNESS: I think it's a good idea. I mean,
21 you're talking about how can we get this information out to
22 people. I think it's a good idea. If you have to rely on
23 the mass media to know what's going on, when they're only
24 giving little dribbles to start with, and they're only
25 printing press releases that are coming out, they have to do

1 some real hard investigative work to find out anything
2 themselves to put in the paper. And that information then
3 other folks just don't have.

4 JUDGE KASHI: I understand.

5 THE WITNESS: Okay. Thank you.

6 JUDGE KASHI: Thank you very much, sir.

7 (Witness excused.)

8 JUDGE KASHI: One last time. And this is the last
9 time, so you'd better all put your hands up now and come up
10 and sign up.

11 This person will be the last one who's going to
12 testify.

13 (Pause.)

14 MS. GOEKE: Ann Goeke.

15 JUDGE KASHI: Do you wish your testimony to be sworn
16 or unsworn?

17 MS. GOEKE: Sworn.

18 JUDGE KASHI: If you'll raise your right hand and be
19 sworn.

20 **Whereupon,**

21 **ANN GOEKE**

22 **having been duly sworn, testified as follows:**

23 JUDGE KASHI: Please state your name and address for
24 the record.

25 THE WITNESS: Yes, my name is Ann Goeke, that's

1 G-O-E-K-E; I live at 730 Hamilton Street, Lancaster 17602.
2 And I'm also the coordinator of the Lancaster Greens, which
3 is an environmental group.

4 I'm just here to say that the Lancaster Greens are
5 interested in this issue, and we have just begun to become
6 knowledgeable about this restructuring, and that we are
7 signing on to the Pennsylvania campaign for clean,
8 affordable energy.

9 JUDGE KASHI: Are you part of Mr. Barak's group, the
10 environmentalists?

11 THE WITNESS: No.

12 JUDGE KASHI: Alan Barak, the attorney who represents
13 that group?

14 THE WITNESS: No, no, no.

15 JUDGE KASHI: There is a rather large group
16 represented by Mr. Barak, and by people from Washington also
17 that have participated, have presented evidence, have cross-
18 examined almost all the witnesses. In fact, they're one of
19 the most active parties in the case.

20 THE WITNESS: Okay. Well, as Lancaster Greens, and
21 as green, what we want to see promoted is basically things
22 like the incentive to bring in cleaner energies,
23 progressive, sort of -- if you're going to go through the
24 trouble of restructuring that, to do it in a way that has
25 the future in mind.

1 that the consumer information could be based on something
2 like the nutrition label.

3 I'm always amazed that how people have come to read
4 nutrition labels. And if we can master that, I think we can
5 -- I'm sure that the state can direct some way to develop a
6 label that we can understand where we will be aware of the
7 pollution and the dangers and the benefits that the
8 utilities can be provide.

9 Thank you.

10 JUDGE KASHI: Thank you, sir. That's Mr. Rosch;
11 correct?

12 THE WITNESS: Yes.

13 JUDGE KASHI: Thank you.

14 (Witness excused.)

15 JUDGE KASHI: I want to thank you all for coming, and
16 those of you who have testified under oath so that we can
17 consider it when it comes time to make the decision, and the
18 Commission can have the opportunity to review that testimony
19 also.

20 And on behalf of myself and the statutory parties who
21 have appeared here tonight, we once again thank you. And we
22 can look forward to a decision in the case, the first one in
23 November.

24 The parties currently, the intervening parties, have
25 attempted some negotiations to be able to come up with some

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1 sort of proposal to put before the company, as opposed to
2 having the company respond to all the issues brought up by
3 each and every one of the parties, to see whether there can
4 be some sort of general framework, perhaps.

5 Without that happening, like I said, the record
6 closes on the 9th, briefs are due and my decision is due
7 November 13th. The Commission will decide the case on
8 January 8th.

9 Thank you very much, thank you for coming; and we
10 stand adjourned.

11 (Whereupon, at 8:25 p.m., the hearing was adjourned,
12 to reconvene at 1:00 p.m., on Wednesday, September 3, 1997,
13 in Harrisburg, Pennsylvania.)

14 ***

C E R T I F I C A T E

I hereby certify, as the stenographic reporter,
that the foregoing proceedings were taken stenographically
by me, and thereafter reduced to typewriting by me, or under
my direction; and that this transcript is a true and accu-
rate record to the best of my ability.

COMMONWEALTH REPORTING COMPANY, INC.

By: William J. Horst

William J. Horst

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9/6/97 2:00pm