

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

ORIGINAL

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:  
Application of PECO Energy Company :  
Pursuant to Chapters 11, 19, 21, 22 :  
and 28 of the Public Utility Code, for :  
approval of (1) a plan of corporate :  
restructuring, including the creation :  
of a holding company, and (2) the :  
merger of the newly formed holding :  
company and Unicom Corporation. :  
Public Input Hearing. :  
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Docket No. A-110550E0147

DOCUMENT FOLDER

Pages 357 through 383

Red Lion Room  
Holiday Inn  
334 Arsenal Road  
York, Pennsylvania

Tuesday, April 4, 2000

Met, pursuant to adjournment, at 7:05 p.m.

BEFORE:

CHARLES E. RAINEY, Administrative Law Judge

APPEARANCES:

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(For the Office of Trial Staff)

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WITNESSES

DIRECT

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REDIRECT

RE CROSS

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FORM 2

EXHIBIT INDEX

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FOR IDENTIFICATION IN EVIDENCE

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FORM 2

P R O C E E D I N G S

1  
2 ADMINISTRATIVE LAW JUDGE CHARLES E. RAINEY: Good  
3 evening, and welcome to this public input hearing in PECO  
4 Energy Company's application for approval of its proposed  
5 merger with Unicom Corporation.

6 This proceeding is docketed at A-00110550F0147. My  
7 name is Charles Rainey, and I am the administrative law  
8 judge presiding over this case.

9 This public input hearing is being held for the  
10 purpose of allowing interested persons an opportunity to  
11 provide testimony regarding PECO's application for approval  
12 of its proposed merger with Unicom Corporation. I believe a  
13 brief history of this case may be helpful.

14 On November 22, 1999, PECO filed with the  
15 Pennsylvania Public Utility Commission an application for  
16 the approval of its proposed merger with Unicom Corporation.

17 I note that PECO is required by law to obtain the  
18 Commission's approval of its merger with Unicom Corporation.  
19 By law, in order to obtain the Commission's approval, PECO  
20 must demonstrate that the merger will affirmatively promote  
21 the service, accommodation, convenience or safety of the  
22 public in some substantial way.

23 Additionally, the Electricity Generation Customer  
24 Choice and Competition Act requires the Commission to  
25 consider whether PECO's proposed merger with Unicom will

1 adversely impact retail electric competition.

2 Numerous parties have formally intervened in these  
3 proceedings, including legislators, municipalities,  
4 government agencies, consumer groups, electric generation  
5 suppliers, environmental groups and individuals.

6 A prehearing conference was held in January of this  
7 year. At the prehearing conference a schedule for this  
8 proceeding was established. That schedule included public  
9 input hearings.

10 In addition to tonight's public input hearing, public  
11 input hearings were held in the counties of Philadelphia,  
12 Bucks, Montgomery, Delaware and Chester last week.

13 Evidentiary hearings for the purpose of examining the  
14 parties' expert witnesses were also scheduled. However,  
15 between the time of the prehearing conference and these  
16 public input hearings, the parties engaged in settlement  
17 negotiations. Those negotiations resulted in a settlement  
18 agreement on all of the issues in this case. The settlement  
19 document was filed with the Commission on March 23, 2000.

20 Shortly I will give a representative of PECO an  
21 opportunity to explain the significant terms of the  
22 settlement. I will also allow the other parties to comment  
23 as well.

24 In the settlement document the signatory parties  
25 requested a change in the procedural schedule in this case

1 in light of the settlement. During the public input hearing  
2 on Monday, March 27, I rejected the signatory parties'  
3 proposed revised schedule. I established another revised  
4 schedule instead.

5 The revised schedule which I established provides for  
6 the filing of objections or comments to the settlement by  
7 April 13, 2000. It also provides for the filing of replies  
8 to objections or comments by April 18, 2000. My revised  
9 schedule further provides that evidentiary hearings may be  
10 scheduled if necessary.

11 So concludes my brief presentation of the substantive  
12 and procedural matters involved in this matter.

13 You, the public, may participate in today's hearing  
14 in one of three ways. The first way, and the way that the  
15 Commission finds preferable, is that you submit sworn  
16 testimony under oath.

17 By giving sworn testimony the Commission may consider  
18 your testimony when it decides this case. Sworn testimony  
19 may be subject to questions from the formal parties and me.

20 The second way is to provide unsworn testimony.  
21 Unsworn testimony will not be considered by the Commission  
22 when it makes its decision.

23 The third way is to provide information at the break  
24 or at the conclusion of this hearing to either the Office of  
25 Trial Staff, the Office of Consumer Advocate, or the Office

1 of Small Business Advocate for its use at its discretion at  
2 an evidentiary hearing, if one is held, or during any  
3 additional negotiation sessions, if any are held.

4 I would ask that you limit your testimony to PECO's  
5 proposed merger with Unicom Corporation. Representatives  
6 from PECO Energy Company are here and will help you at the  
7 break or at the conclusion of this hearing with other  
8 matters.

9 I will now ask counsel for PECO to introduce himself,  
10 and to also explain the significant terms of the settlement  
11 agreement.

12 Mr. Murphy?

13 MR. MURPHY: Thank you, Your Honor.

14 Good evening. My name is Kent Murphy, I'm a revenue  
15 of PECO Energy Company tonight. I'm glad to be in York  
16 County.

17 This proceeding was initiated when PECO filed an  
18 application for authorization to restructure its  
19 corporation, as well as to merge with Unicom Corporation,  
20 which is a large company out of Chicago with approximately  
21 3.5 million customers.

22 Twenty-five parties intervened in the proceeding,  
23 most of which have signed the settlement agreement; several  
24 of which have also expressed to us at least that they are  
25 not going to oppose the agreement.

1           The settlement agreement, we believe, is fair and  
2 equitable, and should be approved by the Commission. For  
3 example, there are a number of provisions in there which  
4 substantially benefit the public interest; one of which is  
5 the \$200 million worth of rate reductions that the company  
6 has agreed to implement over a four-year period starting in  
7 the year 2002.

8           That is going to be spread over a four-year period.  
9 And for a typical residential heating customer it's  
10 approximately a two and a half percent rate decrease for  
11 that period.

12           We've also agreed not to file for any rate increases  
13 for an additional period of time ending December of the year  
14 2006. This would mean that PECO would not have filed for a  
15 rate increase for a period of sixteen years since the last  
16 increase in 1990.

17           We've also agreed to develop system-wide enhanced  
18 reliability and customer service standards, which as  
19 projected we believe will actually require more stringent  
20 reliability standards than what the Commission itself  
21 applied to the state utility industry as a whole just this  
22 past fall.

23           We've also agreed to invest a sum of money in wind  
24 and solar generation projects, which will be implemented  
25 over a few years starting with the first year after the

1 consummation of the merger.

2 There are also, with certain parties who are  
3 perceived as competitors of PECO, we've agreed to change the  
4 rules with regard to the electric choice program that we've  
5 implemented as a result of the legislation, electric  
6 legislation a few years back.

7 These new rules are intended to enhance competition,  
8 allow further access to customers of the PECO system so that  
9 electric generation suppliers can sell more freely to the  
10 marketplace.

11 There's a few other provisions which are important,  
12 one of which is with respect to the nuclear decommissioning  
13 costs. An individual here tonight, Mr. Epstein, was a very  
14 hardy negotiator during the several weeks of the negotiation  
15 proceeding. And we've agreed to limit the amount of  
16 recovery on nuclear decommissioning costs that we have with  
17 respect to our several nuclear plants.

18 And then finally, we've also agreed to maintain the  
19 community and charitable involvement that PECO Energy  
20 Company has had over the years, at at least its current  
21 level.

22 For southern York County we have southern York County  
23 we have a number of customers that were attached to our  
24 system. The reliability criteria that we've agreed to in  
25 that settlement will apply to them, as well as certain other

1 commitments we've made with regard to the customers in  
2 southern York County.

3 If you have any questions, feel free to ask them now.

4 Or would you rather after the presentation of the  
5 testimony?

6 JUDGE RAINEY: Well, we can have questions now if  
7 there are persons who have questions to ask as opposed to  
8 testimony to give.

9 Are there any questions from any of the spectators  
10 here today?

11 (No response.)

12 MR. MURPHY: Or we can hold it until afterwards.

13 JUDGE RAINEY: Or if you have questions that you want  
14 to pose to Mr. Murphy in private, you may do that as well.

15 Thank you, Mr. Murphy.

16 MR. MURPHY: Thank you, Your Honor.

17 JUDGE RAINEY: We'll give the other formal parties  
18 who are here now an opportunity to introduce themselves, and  
19 also to present any comments which they may have.

20 We'll start with you, Mr. Ryan.

21 MR. RYAN: Thank you, Judge Rainey.

22 I'm Bernard Ryan, I'm the state's Small Business  
23 Advocate. The office that I head represents the interests  
24 of the small business customers of all of Pennsylvania's  
25 public utilities. And that, of course, includes PECO. So

1 we've been a party to all these negotiations, and we are a  
2 signatory to the settlement, which I strongly support.

3 I particularly like, obviously, the rate reductions,  
4 the extension of the rate cap, the nuclear decommissioning  
5 provisions that limit the liability of the ratepayers; and  
6 some of the provisions that I think are going to make the  
7 developing competitive market even more robust, because they  
8 will encourage new entrants to come into the business.

9 But I think that's about all I need to say at this  
10 point. I'll listen to hear what you have to say.

11 JUDGE RAINEY: Thank you, Mr. Ryan.

12 Mr. Mickens?

13 MR. MICKENS: Thank you, Your Honor.

14 My name is Kenneth L. Mickens, I'm a senior  
15 prosecutor with the Commission's Office of Trial Staff. We  
16 are a quasi-independent office of the Public Utility  
17 Commission, and we're charged with the responsibility of  
18 prosecuting rate cases in the public interest.

19 My office is also a signatory to the settlement. As  
20 indicated earlier, we believe that the most important  
21 provisions to our office concern the \$200 million  
22 distribution rate cut and the extension of the distribution  
23 rate cap, and the limitations on decommissioning costs; and  
24 also the strong language there which protects PECO customers  
25 from being charged with nuclear decommissioning costs

1 attributable to Unicom units. We think that that's very  
2 important, and we think that the language in the settlement  
3 is very strong on that particular point.

4 Of course, we're here tonight to hear from you. And  
5 I would suggest that if you are going to testify tonight,  
6 that you testify on the record so that your testimony can be  
7 used by the administrative law judge and by the Commission  
8 in a determination of this proceeding.

9 I'll be happy to answer any questions that you have  
10 concerning my office at the break or at the conclusion of  
11 this hearing. Again, thank you for coming.

12 JUDGE RAINEY: Thank you, Mr. Mickens.

13 Mr. Keene?

14 MR. KEENE: Thank you, Your Honor.

15 Good evening, ladies and gentlemen. My name is  
16 Steven Keene, and I'm an attorney with the Pennsylvania  
17 Office of Consumer Advocate. We represent the interests of  
18 utility consumers, in particular residential utility  
19 consumers, in matters before the Public Utility Commission.

20 Our office filed a protest against the proposed  
21 merger in this proceeding, and we've been an active  
22 participant in this proceeding throughout.

23 We recently engaged in extensive settlement  
24 negotiations with PECO and the other active parties in this  
25 case, which have resulted in us agreeing to a settlement

1 with PECO and a wide range of parties.

2 We believe that this proposed settlement will bring  
3 substantial benefits to PECO's ratepayers and additional  
4 protections.

5 I've also brought with me tonight some brochures  
6 which describe our office and some of the services that we  
7 provide. Those have a form on there if you'd like to fill  
8 it out and leave it with me, or mail it in if you want to  
9 get on our mailing list and be apprised of developments  
10 involving your local public utilities.

11 I've also brought with me some electric shopping  
12 guides. For those of you that might be interested in  
13 choosing an alternative electric supplier, these shopping  
14 guides provide some useful information to make that choice  
15 easier.

16 Again, as the Judge said, we're here to listen to  
17 your comments, your concerns tonight. Thank you for coming  
18 out. I look forward to hearing your comments.

19 JUDGE RAINEY: Thank you, Mr. Keene.

20 I would also note that Mr. Eric Epstein is here, and  
21 he is a formal party as well. But I see that he has signed  
22 up to testify here this evening, so we'll allow him to  
23 provide any comments that he has during his testimony.

24 So why don't I call you up at this time, Mr. Epstein.  
25 Step up to the microphone, please.

1 May I swear you in?

2 MR. EPSTEIN: Yes.

3 JUDGE RAINEY: Would you raise your right hand,  
4 please?

5 Whereupon,

6 ERIC JOSEPH EPSTEIN

7 having been duly sworn, testified as follows:

8 JUDGE RAINEY: Please provide your full name.

9 THE WITNESS: Eric Joseph Epstein.

10 JUDGE RAINEY: And please spell your last name for  
11 the record.

12 THE WITNESS: E-P-S-T-E-I-N.

13 JUDGE RAINEY: And please provide your address.

14 THE WITNESS: 4100 Hillsdale Road, Harrisburg, PA  
15 17112.

16 JUDGE RAINEY: And who are you appearing here on  
17 behalf of, Mr. Epstein?

18 THE WITNESS: Tonight I'm appearing on behalf of the  
19 EFMR Monitoring Group, at Three-Mile Island, which has 330  
20 members; Three-Mile Island Alert, which has 600 members; and  
21 the York Environmental Alliance, which is based in York as  
22 well. And then I can talk about some of the groups that I  
23 polled who support the agreement as well.

24 JUDGE RAINEY: Okay. Please provide your testimony.

25

## DIRECT TESTIMONY

1  
2 THE WITNESS: First of all, I'd like to thank you,  
3 Judge Rainey, for allowing this proceeding to go forward. I  
4 didn't realize when the date was scheduled that it was the  
5 opening day of baseball for the Phillies.

6 (Laughter.)

7 THE WITNESS: Or voting.

8 And I'd also like to acknowledge Bev and Frank Davis,  
9 and Jean Fencks (phonetic). And if I could just for a  
10 moment, when I got involved with this issue I was young  
11 enough that they could put me over their knee and spank me.  
12 And I think what has occurred in the last 20 years, that now  
13 they all have plastic knees.

14 (Laughter.)

15 THE WITNESS: By the way, Bev and Frank are from the  
16 Environmental Coalition on Nuclear Power, and Jean is with  
17 the York Environmental Alliance.

18 I think I'm a victim of my own success. We sent out  
19 mailings, 500 mailings, for the hearing tonight. The people  
20 that called in -- and let me just at least enumerate the  
21 groups that support the agreement but said they couldn't  
22 make it tonight. The Peachbottom Alliance, which is based  
23 in York County; the Community Environmental Legal Defense  
24 Fund, which is based in Shippensburg; and the Susquehanna  
25 Valley Alliance, which is based in Lancaster.

1           In addition, I briefed the PP&L Sustainable Energy  
2 Fund, and they had no objections to the agreement.

3           I guess I'm in a difficult position of supporting  
4 just about everything in the agreement, which I never  
5 thought I'd say. Maybe I'm getting old, I don't know.

6           Let me just go over a couple things which I feel are  
7 important, and at the same time remind folks of what  
8 President Clinton says, or said when he was in India and  
9 Pakistan several weeks ago. And that is simply, you can  
10 engage your adversary, but that doesn't mean you endorse  
11 their behavior.

12           And although I support the agreement, I think that  
13 the company knows that I will continue, and these groups  
14 that I mentioned, will continue to aggressively monitor the  
15 activities at Peachbottom and Three-Mile Island.

16           What I think is really unique, and Bev and Frank and  
17 Jean can probably attest to, after the Three-Mile Island  
18 accident, anything to do with nuclear power was extremely  
19 acrimonious and adversarial, at least until October 4, '85,  
20 when the plant restarted.

21           So I'm proud that we've at least entered into a new  
22 paradigm, whether it's constructive resolutions of really  
23 complex problems. And I don't think any of us in 1979 would  
24 have thought we'd get where we are now.

25           I didn't think I'd be bald or divorced, but that's

1 another issue.

2 (Laughter.)

3 THE WITNESS: But I'm over it.

4 I guess when I've spoken to people in Media,  
5 including Charlie Young, and people throughout the country,  
6 I really do think this is the formula to follow. If people  
7 are going to get engaged in resolving very volatile social  
8 issues and problems, I think it's not enough anymore to say,  
9 no, I'm opposed.

10 And I think what came out of this agreement were a  
11 number of things that's beneficial for the community. And  
12 as Kent mentioned, we negotiated in a rather robust fashion  
13 over the last four to six weeks. And I would just like to  
14 point out some of the things that I think are ground-  
15 breaking as well as really positive for the community.

16 The \$50 million in decommissioning expenses that the  
17 company is willing to pick up is a tremendous legal  
18 precedent. Essentially what the company is saying is  
19 they're willing to put their pocketbook where their pen is.  
20 And that is something that really hasn't been done before.

21 In addition to that, one of the things that came out  
22 of the TMI accident -- and let me just go back for a moment.  
23 That plant cost \$700 million to build, and \$973 million to  
24 de-fuel. Not to decommission.

25 That's a tremendous amount of money for a plant that

1 operated for 90 days. And one of the lessons we learned  
2 from that is ratepayers need some kind of insulation.

3 And I think what came from this agreement is we have  
4 the insulation not only for any cost overruns for  
5 decommissioning, but a formula, the 95/5 cost-sharing  
6 formula, that I think is not only just, but protects future  
7 generations.

8 One of our concerns that we've always had is, hey,  
9 what happens to someone who buys electric from Peachbottom  
10 or TMI on the last day it's up. They're exposed to clean  
11 the plant up as is someone who has enjoyed the benefits for  
12 40 years.

13 So I think this agreement is not only good for  
14 current present ratepayers, but for future ratepayers. So I  
15 would concur with OTS, the Small Business Advocate and OCA  
16 in supporting that.

17 And also I would agree with Kenneth in supporting the  
18 insulation from that. I think that was a huge concern, that  
19 we would not be accountable for cost overruns in Illinois.

20 One of the things I did learn from this agreement is  
21 that it is Illinois and not "Illi-noise".

22 (Laughter.)

23 THE WITNESS: So I'm profoundly grateful to Com-Ed  
24 (phonetic) for that.

25 On the nuclear side, I think one of the things that's

1 really important is that the EFMR monitoring group has been  
2 authorized to continue monitoring at Peachbottom.

3 We will be using a low-volume air sampler on-site to  
4 monitor for gamma on a weekly basis. We'll deploy an  
5 additional 30 rad alerts. And I do need to talk to the  
6 company about that, because we already have places for  
7 those. There will be an increase information flow, an  
8 annual report.

9 The company has agreed not to use mixed uranium oxide  
10 for five years at any of its plants. And that is  
11 substantial for those of us who have nuclear concerns.  
12 That's a weapons grade fuel that we felt could lead to  
13 nuclear proliferation. In addition, the company has agreed  
14 not to store nuclear waste at Peachbottom that is not  
15 generated on-site.

16 Finally, I think one of the things that's good for  
17 the workers -- and what we've always said over the years,  
18 that the workers are not our adversaries, they work here,  
19 they're important members of our community -- is that the  
20 company and the EFMR will spend half a million dollars on  
21 robotics research aimed at reducing worker exposure.

22 So I think it's a win/win situation for the people  
23 that are concerned about safe energy, for consumers, who  
24 will have rate reductions, and from the employees.

25 And again, I can't say this enough. The employees

1 are part of our community, they're an important part of our  
2 community. And if there's anything we can do to reduce  
3 their health risks, I think that's a positive.

4 From the parochial vantage point, I've got to be  
5 honest with you, Judge, I notice that PECO in Phillie gives  
6 to the Penn relays and gives to the jazz festival. I  
7 thought we did okay, even though we're only getting shad and  
8 deer.

9 (Laughter.)

10 THE WITNESS: I think I got PECO to agree not to feed  
11 the shad to the deer. Although we have to work on that  
12 issue.

13 Actually, we exceeded what people in Philadelphia  
14 got. There will be a five-percent annual increase in  
15 community investment in Southeastern Pennsylvania. That's  
16 compared to Philadelphia, which is three percent. So I  
17 think that is good for the community. Especially for the  
18 people who don't derive electric from PECO.

19 In addition, the universal service for poor or  
20 disadvantaged customers will increase, and EFMR will get a  
21 report on the Mason-Dixon services provided to low-income  
22 folks.

23 Again, I'm grateful for you all coming down to York  
24 County. I know I was probably somewhat voluble in insisting  
25 on a hearing here. And I would just like to say that the

1 number of people that responded to me, maybe ten to a dozen,  
2 to be honest, were all positive.

3 So I haven't heard any negative feedback yet, except  
4 from my mother, who expects me to pick her up at the airport  
5 at 5:30 on Saturday, which is not going to happen.

6 (Laughter.)

7 THE WITNESS: I'd be willing to entertain any  
8 questions. But again, I just think that this formula, this  
9 paradigm, this method for resolving complex societal  
10 problems is something that should be emulated by other  
11 communities.

12 JUDGE RAINEY: Thank you, Mr. Epstein.

13 Are there any questions for Mr. Epstein from the  
14 formal parties?

15 THE WITNESS: One other comment. I think the record  
16 should note I tried to date both Bev and Frank's daughter,  
17 and Jean's daughter unsuccessfully.

18 (Laughter.)

19 JUDGE RAINEY: So noted on the record.

20 (Laughter.)

21 MR. RYAN: No questions, Your Honor.

22 JUDGE RAINEY: Thank you very much, Mr. Epstein. You  
23 may stand down.

24 (Witness excused.)

25 JUDGE RAINEY: Mr. Epstein was the alpha and omega as

1 far as this list is concerned. Are there any other persons  
2 desirous of testifying here this evening?

3 (No response.)

4 JUDGE RAINEY: Are there any other matters which need  
5 to be taken up here this evening?

6 MR. EPSTEIN: I just have one clarification from the  
7 company. And I don't know if you have the same concern. I  
8 don't know who signed and didn't sign the final agreement.  
9 I've been getting dribs and drabs.

10 Ken, I don't know if there's going to be --

11 MR. MURPHY: We can share that.

12 MR. EPSTEIN: Yes. Because I'm concerned, because  
13 some of the parties that actively negotiated, I think, had  
14 an obligation to sign. I'm just curious as to who did and  
15 who did not.

16 JUDGE RAINEY: Mr. Murphy, why don't you state for  
17 the record what the status of matters are with regard to  
18 those parties which have signed off on the agreement and  
19 those which have not.

20 MR. MURPHY: Yes, Your Honor. Would you like a  
21 listing of each of the signatories?

22 JUDGE RAINEY: Yes, why don't you give a listing of  
23 each of the signatories, and then state what the status of  
24 the parties who have not signed on to the agreement.

25 MR. MURPHY: The parties which have signed the

1 agreement include PECO Energy, Citizens for Pennsylvania's  
2 Future, and et al., which is a reference to a couple of  
3 others who are represented by that organization;  
4 Senator Vincent Fumo, Eric Epstein, The Philadelphia Area  
5 Industrial Energy Users Group, Enron Energy Services, Office  
6 of Consumer Advocate, Connectiv Energy, Clean Air Council,  
7 Amtrak, formal name National Railroad Passenger Corporation;  
8 Consumers Education and Protective Association, et al.,  
9 which is based out of Philadelphia; Patricia McNamara, the  
10 Mid-Atlantic Power Supply Association, the Industrial Energy  
11 Consumers of Pennsylvania, the Office of Trial Staff, the  
12 Office of Small Business Advocate, New Energy Ventures.

13 There are six parties who have indicated that they do  
14 not oppose or will take no position regarding the  
15 settlement. These include Allegheny Energy Supply and its  
16 affiliate, Allegheny Power; Greg Pastore, East Brandywine  
17 Township, Wallace Township, and Shell Energy Services.

18 There's two parties with which we're still  
19 negotiating. Those include the City of Philadelphia, and  
20 Councilman David Cohen, Councilman of the City of  
21 Philadelphia.

22 And then one party which has not staked a position is  
23 PP&L.

24 MR. EPSTEIN: What about the U.S. Navy? Because I  
25 know that they were admitted at the --

1 JUDGE RAINEY: It's my understanding that U.S. Navy  
2 withdrew their intervention. I did receive notification of  
3 that through PECO, their filing stating that they were  
4 withdrawing their intervention in the case.

5 MR. EPSTEIN: Well, I hope their late filing is not  
6 an indication of their readiness to serve in time of  
7 military crisis.

8 (Laughter.)

9 JUDGE RAINEY: Well, let me just note that they did  
10 file late, and I did grant their late-filed intervention.  
11 And subsequent to that point in time it's my understanding  
12 that they withdrew their intervention in the case.

13 MR. EPSTEIN: And PP&L has not said whether they're  
14 sign or are not opposed?

15 MR. MURPHY: The best information that we have is  
16 that they are going to ask for some clarification on certain  
17 provisions of the settlement with regard to whether or not  
18 this case or settlement may constitute precedent in other  
19 proceedings.

20 MR. EPSTEIN: My prayers are with you.

21 Does this mean I won't be getting responses to that  
22 last interrogatory?

23 (Laughter.)

24 JUDGE RAINEY: Thank you, Mr. Epstein.

25 Are there any other questions or comments to be made

1 here this evening?

2 (No response.)

3 JUDGE RAINEY: If not, I would like to thank everyone  
4 for attending. And this hearing is adjourned.

5 (Whereupon, at 7:30 p.m., the hearing was adjourned;  
6 to be reconvened only in the event that evidentiary hearings  
7 are required.)

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FORM 2

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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FORM 2