

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

ORIGINAL

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.

Docket No. A-110550F0147

Public Input Hearing.

Pages 172 through 204

Spruce Room Radisson Hotel 2400 East Old Lincoln Highway Trevoese, Pennsylvania

DOCKETED

APR 05 2000

Tuesday, March 28, 2000

Met, pursuant to notice, at 7:02 p.m.

BEFORE:

CHARLES E. RAINEY, JR., Administrative Law Judge

APPEARANCES:

KENNETH MICKENS, Esquire P. O. Box 3265 Harrisburg, Pennsylvania 17105 (For the Office of Trial Staff)

PAUL R. BONNEY, Esquire 2301 Market Street Philadelphia, Pennsylvania 19101-8699 (For PECO Energy Company)

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APPEARANCES (CONTINUED):

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Harrisburg, Pennsylvania 17101
(For the Office of Consumer Advocate)

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(None.)

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P R O C E E D I N G S

1
2 JUDGE RAINEY: Good evening and welcome to this
3 public input hearing on PECO Energy Company's application
4 for approval of its proposed merger with Unicom
5 Corporation. This proceeding is docketed at
6 A-00110550F0147.

7 My name is Charles Rainey and I am the
8 Administrative Law 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
12 approval of its proposed merger with Unicom Corporation.

13 I believe that a brief history of this case may be
14 helpful.

15 On November 22, 1999, PECO filed with the
16 Pennsylvania Public Utility Commission an application for
17 the approval of its proposed merger with Unicom
18 Corporation. I note that PECO is required by law to
19 obtain the Commission's approval of its merger with
20 Unicom Corporation. By law in order to obtain the
21 Commission's approval PECO must demonstrate that the
22 merger will affirmatively promote the service,
23 accommodation, convenience or safety of the public in
24 some substantial way. Additionally, the Electricity
25 Generation, Customer Choice and Competition Act requires

1 the Commission to consider whether PECO's proposed merger
2 with Unicom Corporation will adversely impact retail
3 electric competition.

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

8 A prehearing conference was held in January of this
9 year. At the prehearing conference the schedule for this
10 proceeding was established. That schedule includes
11 public input hearings which are being held in the
12 counties of Philadelphia, Bucks, Montgomery, Delaware and
13 Chester this week. In addition, a public input hearing
14 is being held in York next week on April 4. Evidentiary
15 hearings for the purpose of examining the party's expert
16 witnesses were also scheduled.

17 However, between the time of the prehearing
18 conference and these public input hearings the parties
19 engaged in settlement negotiations. Those negotiations
20 resulted in a settlement agreement on all of the issues
21 in this case. The settlement document was filed with the
22 Commission on March 23, 2,000.

23 Shortly I will give a representative of PECO an
24 opportunity to explain the significant terms of the
25 settlement. I will allow the other parties to comment as

1 well.

2 In the settlement document the signatory parties
3 requested a change in the procedural schedule in this
4 case in light of the settlement. During the public input
5 hearing held on Monday, March 27, I rejected the
6 signatory parties' proposed revised schedule. I
7 established another revised schedule instead.

8 The revised schedule which I established provides
9 for the filing of objections or comments to the
10 settlement by April 13, 2000. It also provides for the
11 filing of replies to objections or comments by April 18,
12 2000. My revised schedule further provides that
13 evidentiary hearings may be scheduled if necessary.

14 So concludes my brief presentation of the
15 substantive and procedural matters involved in this case.

16 You, the public, may participate in today's hearing
17 in one of three ways. The first way and the one that the
18 Commission finds preferable is that you submit sworn
19 testimony under oath. By giving sworn testimony the
20 Commission may consider your testimony when it decides
21 this case. Sworn testimony may be subject to questions
22 from the parties and me.

23 The second way is to provide unsworn testimony.
24 Unsworn testimony will not be considered by the
25 Commission when it makes its decision.

1 The third way is to provide information at the
2 break or at the conclusion of this hearing to either the
3 Office of Trial Staff, the Office of Consumer Advocate or
4 the Office of Small Business Advocate for its use at its
5 discretion at an evidentiary hearing if one is held or
6 any additional negotiation sessions if any are held.

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

11 I will now ask Counsel for PECO to introduce
12 himself and also explain the significant terms of the
13 settlement agreement.

14 Mr. Bonney.

15 MR. BONNEY: Thank you, Your Honor.

16 My name is Paul Bonney. I am Counsel for PECO
17 Energy. I welcome everybody.

18 As Judge Rainey indicated, we have entered into a
19 settlement with a number of the parties to the case after
20 weeks and weeks of negotiations and additional weeks of
21 discovery. It is a comprehensive settlement. It is
22 broad ranging and it deals with all elements of the
23 public interest. It provides for significant rate
24 reductions, \$200 million over a four year period
25 beginning in 2002. We will have \$60 million across the

1 board rate decreases in each of 2002 and 2003 and \$40
2 million in 2004 and 2005. In addition, we will expand
3 the cap on our distribution rates for another
4 year-and-a-half through 2006. As a consequence, PECO
5 will have been without a rate increase since 1990, for 16
6 years. A significant period.

7 We also have a number of provisions in the
8 settlement that deal with protections against recovery of
9 costs for nuclear decommissioning, enhancements for
10 reliability and customer service, protections for low
11 income customers. We are providing benefits to our
12 competitive suppliers to enhance competition in the
13 market. We also are providing provisions in the
14 settlement that maintain our corporate presence here in
15 southeastern Pennsylvania and Philadelphia. We have
16 committed to continue charitable and civic contributions,
17 to maintain PECO's headquarters in Philadelphia as well
18 as maintain certain levels of employment.

19 So we think it is a well balanced and good proposal
20 and we think it is in the public interest.

21 Thank you.

22 JUDGE RAINEY: Thank you, Mr. Bonney.

23 We will now give the other parties an opportunity
24 to introduce themselves and to also provide comments or
25 opening statements if they wish.

1 We start with Mr. Mickens.

2 MR. MICKENS: Thank you, Your Honor.

3 Good evening. My name is Kenneth L. Mickens. I am
4 a senior prosecutor with the Public Utility Commission's
5 Office of Trial Staff.

6 My office is a quasi-independent office of the
7 Public Utility Commission and we are charged with
8 prosecuting utility rate cases for the most part in the
9 public interest.

10 In this proceeding we have been proceeding in that
11 light, and I agree with Mr. Bonney that the settlement
12 that has been achieved by most of the parties in the case
13 is a good settlement from the public interest
14 perspective. We particularly believe that details such
15 as the \$200 million distribution rate reduction, the
16 extension of the distribution rate cap and the
17 limitations that the company has placed upon itself with
18 regard to recovering decommissioning costs in the future
19 and also the prohibition against PECO customers having to
20 pay future decommissioning costs for Unicom plants, we
21 think that is important. There are also environmental
22 concerns that are addressed quite adequately in the
23 settlement that we think the customers would be very
24 interested in and would approve of.

25 We would like to hear from you tonight. And feel

1 free to come to me at the break or at the conclusion of
2 the hearing if you have any further questions concerning
3 this proceeding.

4 I urge anyone who testifies to testify under oath
5 because then your testimony can be used by the Judge and
6 by the full Commission when they render their decision.

7 Again, thank you for coming.

8 JUDGE RAINEY: Thank you, Mr. Mickens.

9 Mr. Ryan.

10 MR. RYAN: Thank you, Judge Rainey.

11 My name is Bernard Ryan. I am the Small Business
12 Advocate of Pennsylvania.

13 My office represents small business customers of
14 all public utilities and that, of course, includes the
15 PECO customers.

16 We were part of the negotiations that led to the
17 settlement. We are a party to the settlement. We
18 strongly support it. We were delighted that there are
19 these rate reductions and they will apply to all classes,
20 including small businesses. There will be enhancements
21 to reliability. And that rate cap is an important
22 feature. It continues the rate stability that has been
23 in place for many years for PECO.

24 So with that, I would say that we are in favor of
25 it and we want to hear from you as to what your views are

1 on this merger and on the settlement.

2 Thank you.

3 JUDGE RAINEY: Thank you, Mr. Ryan.

4 Mr. Keene.

5 MR. KEENE: Good evening, ladies and gentlemen. My
6 name is Stephen Keene and I am with the Pennsylvania
7 Office of Consumer Advocate.

8 The Office of Consumer Advocate is a state agency
9 which is tasked with representing the interests of the
10 consumers and in particular residential consumers in
11 matters involving Pennsylvania's public utilities.

12 As the Judge explained, we are here tonight to hear
13 the public's comments on the proposed merger between PECO
14 and Unicom. Our office did file a protest against the
15 proposed merger and we were an active participant in this
16 proceeding. Since that time we entered into intensive
17 settlement negotiations with the company and other
18 parties and we have reached a proposed settlement
19 agreement with those parties which we believe brings
20 substantial benefits and additional protections to
21 ratepayers in PECO's service territory.

22 I have also brought with me some brochures which
23 are in the back of the room by the sign-in sheet which
24 describe our office in a little more detail and some of
25 the functions and services that we provide. I have also

1 brought with me some shopping guides to help those
2 individuals that are interested in choosing an
3 alternative electric supplier to help them in making that
4 choice by providing them with the information necessary
5 to evaluate various competitive suppliers services.

6 The purpose of this evening's hearing is to hear
7 from the public so I would encourage those of you who are
8 here tonight to testify, and I would echo Mr. Mickens and
9 the Judge that if you are going to testify to do so under
10 oath.

11 Thank you for coming out tonight. I look forward
12 to hearing your comments.

13 JUDGE RAINEY: Thank you, Mr. Keene.

14 Prior to taking testimony are there any persons who
15 want to testify who have not signed the sign-in sheet
16 which I have here?

17 Would you please come up and sign this?

18 (Pause.)

19 JUDGE RAINEY: Is there anyone else who wants to
20 testify who has not signed the sign-in sheet?

21 (No audible response.)

22 JUDGE RAINEY: I will now begin to take testimony.
23 Prior to giving testimony I ask that each witness provide
24 and spell their name and provide their address. Each
25 witness should also state whether he or she is a PECO

1 customer. Additionally, each witness should provide the
2 name of the organization they are representing, if any.

3 I first call Mr. Joseph DiGirolamo.

4 May I swear you in, sir? Would you raise your
5 right hand?

6 Whereupon,

7 JOSEPH DIGIROLAMO

8 having been duly sworn, testified as follows:

9 JUDGE RAINEY: Please give your full name, spelling
10 your last name, and also provide your address, whether
11 you are a PECO customer and whether you are appearing
12 here on your own behalf or on behalf of some
13 organization.

14 THE WITNESS: Joseph DiGirolamo,
15 D-I-G-I-R-O-L-A-M-O. I am a PECO customer. I represent
16 Bensalem Township, which also is a PECO customer,
17 personally and with the township. And what was your
18 other question, Judge?

19 JUDGE RAINEY: You provided your address?

20 THE WITNESS: I don't think I provided the address.
21 2400 Byberry Road, Bensalem, Pennsylvania.

22 JUDGE RAINEY: Thank you.

23 DIRECT TESTIMONY

24 THE WITNESS: ladies and gentlemen, Judge, I thank
25 you for the opportunity and I appreciate it to be here

1 tonight to give some comments on the proposed merger
2 between PECO and Unicom Corporation.

3 As a retired businessman and now as mayor of
4 Bensalem Township I have experienced cost savings and a
5 high quality of service from PECO Energy. I have also
6 found local PECO representatives to be responsive and
7 reliable in addressing customer service concerns.

8 With the pending merge of PECO and Unicom I
9 anticipate that service will become even more reliable
10 and more dependable and that the high level of customer
11 service will continue and improve. I believe that with
12 this merger electric and gas reliability will continue to
13 remain a top priority. I understand that standards will
14 be designed and improved to bring about higher
15 performance on the part of PECO.

16 Last week's news clips mentioned the creation of a
17 new plan to improve reliability and customer service.
18 This plan is committed to achieve certain goals. As I
19 understand it, one of the goals of the pending merger
20 will be to more closely monitor power outages in hopes of
21 reducing the frequency and the duration of these outages.
22 Closer monitoring should provide quicker and better
23 service.

24 Another goal is to provide a annual score card on
25 how the company is doing each year. This seems like an

1 excellent idea.

2 In all my years in business and over the past six
3 years as mayor of my community PECO has always done --
4 almost always done -- a good job. Hopefully the merger
5 will bring about even better performance.

6 In closing, I'm hopeful that the merger will result
7 in cost savings this the customers and a better quality
8 of life for all.

9 I thank you for the opportunity to present these
10 comments.

11 JUDGE RAINEY: Thank you, Mr. Mayor.

12 Are there any questions for the mayor?

13 (No audible response.)

14 JUDGE RAINEY: If not, you may stand down. Thank
15 you.

16 THE WITNESS: Thank you, Your Honor.

17 (Witness excused.)

18 JUDGE RAINEY: Toni Hansen.

19 Ms. Hansen, may I swear you in?

20 MS. HANSEN: I am with the American Red Cross.

21 JUDGE RAINEY: That's fine. May I swear you in?

22 MS. HANSEN: I'm sorry.

23 Whereupon,

24 TONI HANSEN

25 having been duly sworn, testified as follows:

DIRECT TESTIMONY

1
2 JUDGE RAINEY: Please provide your full name,
3 spelling both names. Also provide your address, who you
4 are appearing on behalf of for the record, please.

5 THE WITNESS: Toni Hansen, T-O-N-I, H-A-N-S-E-N. I
6 am appearing on behalf of the American Red Cross. It is
7 at 1909 New Rogers Road in Levittown.

8 JUDGE RAINEY: Thank you, Ms. Hansen. Please
9 provide your testimony.

10 THE WITNESS: Okay.

11 Good evening. As I said, I am Toni Hansen,
12 executive director of the American Red Cross. And I am
13 here to support the merger and to talk about the
14 community spirit of PECO as the American Red Cross sees
15 it.

16 As you may or may not know, the American Red Cross,
17 the Lower Bucks chapter, is located in Levittown. We
18 also run a homeless shelter that houses 85 residents 24
19 hours a day. It is our experience that since I have at
20 least been here for the last five years PECO has been an
21 outstanding community partner with the American Red
22 Cross.

23 We count on PECO to support us. We are a partner
24 with PECO. They have given us in-kind donations and
25 corporate donations and support us. As you all know, we

1 are the number one disaster relief agency and we have
2 counted on them many times to support us with things and
3 support. So I am here to support you.

4 JUDGE RAINEY: Thank you, Ms. Hansen.

5 Are there any questions for Ms. Hansen?

6 (No audible response.)

7 JUDGE RAINEY: If not, you may stand down.

8 (Witness excused.)

9 JUDGE RAINEY: Ms. Eileen Zolotorofe.

10 May I swear you in?

11 MS. ZOLOTOROFE: Yes, sir.

12 Whereupon,

13 EILEEN ZOLOTOROFE

14 having been duly sworn, testified as follows:

15 DIRECT TESTIMONY

16 JUDGE RAINEY: Please provide your full name,
17 spelling your last name, and also provide your address
18 and whether you are a PECO customer.

19 THE WITNESS: Eileen Zolotorofe, E-I-L-E-E-N,
20 Z-O-L-O-T-O-R-O-F-E, 600 Sacketts Ford Road, Ivyland,
21 Pennsylvania 18974. And I am a PECO customer.

22 JUDGE RAINEY: Thank you. Please provide your
23 testimony.

24 THE WITNESS: Thank you. Thank you, Your Honor.
25 Thank you all of you.

1 I am here as a very satisfied PECO customer and I
2 have been for over 30 years since I have left home, I
3 guess I should say. But most recently last summer as we
4 all know we all went through that horrible drought. We
5 had a very interesting experience that had a positive
6 outcome and I shared it with Bill Brady recently and not
7 knowing that this was taking place tonight and he said
8 would I come and share it with you.

9 On July 4 with a house full of guests -- I live on
10 an old country road in Richboro, actually -- we heard
11 this loud bang. Well, because it was the 4th of July we
12 assumed that it was some folks setting off fireworks.

13 As it turned out, as we went back in the house --
14 we were having a picnic on the property -- we noticed
15 that all of the electricity was off. We picked up the
16 telephone. However we could only use the phone that was
17 still wired in. We couldn't use the portable phone. We
18 were able to call PECO.

19 Immediately they answered the phone. First rate
20 response which we were kind of surprised since it was a
21 holiday. And the gal told me, Ma'am, she said we may not
22 be able to get someone out -- this was about 6:30 p.m. --
23 until about nine tonight. What could I say? I said
24 fine, thank you.

25 I went back outside and it was about 104 degrees.

1 And you can check. You all remember that. We went back
2 outside and we heard the constant banging of the
3 fireworks, so we thought. Here it was the arcing from
4 the transformer that had burned out down to the ground.

5 It was kind of scary. We were in a drought
6 situation. It was very dry.

7 I looked at my husband and said should we call them
8 again and tell them or should we call the fire company?
9 What should we do.

10 I went back in and maybe a few more rings this
11 time. Again, a positive response. A very lovely girl on
12 the other end of the line. She said, Ma'am, I'm glad you
13 called. Whenever there is arcing or any sparking you
14 should return the call immediately. She said should we
15 send the fire company. And I said yes.

16 So they came out and wet down the property, et
17 cetera. You know the routine if you have been involved.

18 She said to me, Ma'am, the folks will be out from
19 PECO in about an hour.

20 I mean right to the hour they pulled up. We live
21 on a very bad bend on Sacketts Ford Road. It is very
22 tedious to park there. When they pulled the trucks off
23 they were very careful with our properties, both the
24 fellow across the street and our property.

25 And he said, well, the transformer is out. I

1 cannot get a crew back until midnight but they will be
2 here and at that time it is going to take about
3 three-and-a-half hours to replace this transformer.

4 Of course, we wanted to die. We live in an old
5 farmhouse. When the electricity goes off, you can't get
6 a drink of water, you can't flush the toilet. You can't
7 do just about anything. The air conditioning is gone.
8 The whole bit. We kind of stepped back in time. The
9 house is 200 years old. It was kind of a fun experience,
10 albeit very hot.

11 But the folks were back at midnight and in exactly
12 three hours that transformer was replaced. We were
13 really such a fine group of guys, from the folks on the
14 phone to the folks that showed up to repair this. It was
15 a very positive experience for both my husband and my
16 other neighbors on the other side of the street.

17 So I just want to say this can only be better for
18 PECO. I can't imagine it getting better from our
19 standpoint, from the Zolotorofe's standpoint.

20 I thank you, Judge, for allowing me to share this.

21 JUDGE RAINEY: Thank you, Ms. Zolotorofe.

22 There are any questions for Ms. Zolotorofe?

23 (No audible response.)

24 JUDGE RAINEY: If not, you may stand down.

25 (Witness excused.)

1 JUDGE RAINEY: Mr. Robert Saucier.

2 May I swear you in.

3 MR. SAUCIER: Yes.

4 Whereupon,

5 ROBERT SAUCIER

6 having been duly sworn, testified as follows:

7 DIRECT TESTIMONY

8 JUDGE RAINEY: Please give your full name, spelling
9 your last name, also give your address for the record and
10 state whether you are a PECO customer.

11 THE WITNESS: Robert Saucier, S-A-U-C-I-E-R, 1113
12 Olive Street, Coatesville, C-O-A-T-E-S-V-I-L-L-E,
13 Pennsylvania 19320. PECO customer.

14 JUDGE RAINEY: Mr. Saucier, let me just note that
15 you did provide testimony at the Philadelphia public
16 input hearing yesterday and it is my understanding you
17 have some additional testimony that you want to give. So
18 that you will not repeat the testimony that you gave
19 yesterday?

20 THE WITNESS: No.

21 JUDGE RAINEY: Thank you. Please proceed.

22 THE WITNESS: I am a former nuclear plant operator
23 at Limerick so I know the ins and outs of a lot of things
24 going on at PECO.

25 The political structure is that there is the

1 government, state government, PUC. They are appointed.
2 The PUC is appointed. And then of course the energy
3 company like PECO goes and tries to get the PUC
4 blessings.

5 And then there is the money system, PECO PAC, which
6 donates money to our people there are running for
7 election. And then they try to influence who wins the
8 elections, who wins the Governor's position and then the
9 Governor's position puts the PUC people in. So it is one
10 big circle with the ratepayers really putting money into
11 the system just to kick them in the butt again.

12 Now, it used to be PECO Company. Now it is PECO
13 Energy transitioning to Excelon. All right. There is a
14 big worry about what is going on down on 23rd and Market
15 about all those jobs leaving. Good reason for that.
16 Because PECO corporate structure doesn't need it. And
17 neither did the shareholders. The top of the line don't
18 care about the average worker. They are a dime a dozen,
19 although PECO has probably got the best in the nation if
20 not the world for utility workers, technicians.

21 It's not competition that is driving the rate
22 decrease here. It's the merger. Think about that.
23 Especially the PUC should think about it. Because
24 competition was what was supposed to drive the rate
25 decreases. It's the merger.

1 And since that is the case as a ratepayer I would
2 like proposed to Excelon, PECO Energy, Unicom and the PUC
3 that North and South America merge all the utilities into
4 one big conglomerate which would reduce the rates and
5 actually at some point in time the ratepayers are going
6 to start receiving money back because we are going to be
7 competing again the other global utility companies that
8 are going to develop. I am joking a little bit but it is
9 already starting to happen. PECO is one of the lead
10 companies developing it.

11 But it's not competition driving the rate decrease.
12 It's the merger. PECO Energy, Excelon, Unicom, they got
13 to get the ratepayers' sympathy and they got to get the
14 people out there to believe that things are at least
15 going to stay the same if not get better. And they are
16 not going to.

17 Here is the whole thing. It's 12 cents a kilowatt
18 hour in PECO territory. You go a few miles over to PP&L
19 territory it is eight cents a kilowatt hour. One-third
20 decrease in cost. No matter who is selling it, Excelon,
21 PP&L, Green Mountain, that is a lot of money when you
22 think about it. What could we in this area be doing with
23 one-third of that money when we send to PECO? It could
24 be invested in other areas of the economy, hospitals,
25 education. You name it.

1 whether or not you are a PECO customer.

2 THE WITNESS: Okay.

3 My name is Courtney Yelle, C-O-U-R-T-N-E-Y,
4 Y-E-L-L-E. I live at 16 Sunrise Court in Holland,
5 Pennsylvania.

6 JUDGE RAINEY: Are you a PECO customer?

7 THE WITNESS: I am a PECO customer.

8 I am here really to speak for two reasons. One is
9 that as my office -- I want to speak about my office. I
10 am the director of consumer protection and the chief of
11 weights and measures for Bucks County. The county pays
12 me to work for you and the other half million people of
13 Bucks County. I have been doing this for ten years.

14 During my service as the director of consumer
15 protection the chance to interact with PECO through
16 consumer concerns has been infrequent. But when it has
17 happened PECO has always been responsive to my consumer
18 issues. The consumer complaints when they are received,
19 we contact the PECO representative in the area. The
20 response is very rapid and very forthcoming. They
21 swiftly resolve the issue. We have no unresolved issues
22 and they seldom take more than a few days to get to the
23 bottom of the issue.

24 You know, many times companies choose to ignore a
25 call from my office for whatever reason and it takes them

1 weeks to kind of come to a mediated solution. That isn't
2 the case with PECO with regard to the consumer issues
3 that do come to my attention.

4 For the last several years PECO has been funding a
5 special hotline that was started with the students in
6 Free Enterprise, a student group at the community
7 college, as a special assistant to people who are
8 throughout Bucks County and near Bucks County issue with
9 regard to a consumer concern. It is a hotline. It is an
10 800 number. We call it 1-800-96CANNY. The the canny,
11 canny consumer. We call it the canny consumer hotline, a
12 smart, knowing person, a canny person.

13 This 800 number rings in our consumer protection
14 office but has been spearheaded and funded by these
15 caring students and business at the community college.
16 And we have really appreciated having that support from
17 PECO in preparing the background and funding this for our
18 office to use. And it has been very useful to us.

19 We get about 8,000 calls a year in our office,
20 consumer concerns. About 500 of those calls turn into
21 written complaints. So we are getting a call every 15
22 minutes. I would say probably a third to a half of those
23 may come in on the canny consumer hotline. So we are
24 grateful to PECO for their generosity.

25 I would also like to speak as a citizen of Bucks

1 County. As a volunteer leader in the boy scout area, the
2 executive board of Bucks County has regularly had a
3 member of the PECO community on our board. They have
4 been very generous with the support that comes to us
5 through an annual breakfast. It is a money raising thing
6 for those of us who are trying to support the good things
7 that Bucks County scouting has had these many years. As
8 the past council president for the Bucks County board,
9 the boy scout council, I really appreciate the support
10 that PECO has provided to us on that score.

11 So with PECO having been here for more than 100
12 years and who will probably be here for many hundreds
13 after in some form or other, we look forward to the
14 continuation of this well established relationship.

15 JUDGE RAINEY: Thank you, Mr. Yelle.

16 Are there any questions for Mr. Yelle?

17 (No audible response.)

18 JUDGE RAINEY: If not, you may stand down.

19 THE WITNESS: Thank you.

20 (Witness excused.)

21 JUDGE RAINEY: Are there any other persons who want
22 to speak here this evening?

23 (No audible response.)

24 JUDGE RAINEY: If not, this concludes the public
25 input session of this evening.

1 I do want to take up something with the formal
2 parties. Everyone is invited to remain for that or they
3 may leave.

4 I would like to thank all those persons who
5 participated in this public input hearing and also all of
6 these who are just in attendance. Thank you very much.
7 I hope you all have a very nice evening.

8 Sir?

9 MR. ABRAMOVITZ: I didn't want to testify. I just
10 wanted to get a point of clarification.

11 JUDGE RAINEY: Sure.

12 MR. ABRAMOVITZ: Larry Abramovitz, Warrington and a
13 PECO customer.

14 You said that we are getting a \$200 million rate
15 reduction starting 2001.

16 MR. BONNEY: I'm sorry. I meant to say 2002. .

17 MR. ABRAMOVITZ: 2002?

18 MR. BONNEY: Yes.

19 MR. ABRAMOVITZ: Okay.

20 Presently right now PECO -- last year PECO had an
21 eight percent reduction in rates in 1999. It went to a
22 six percent reduction in 2000, which was actually a rate
23 increase. Is this \$200 million going to come off that
24 number or are we going to go back to zero? In other
25 words, get a six percent increase in our rates less

1 whatever the \$200 million comes out over the years?

2 MR. BONNEY: In addition to the rate decreases that
3 are occurring in this case there will be another \$60
4 million rate decrease in 2001 as a result of additional
5 securitization of stranded investment coming out of our
6 restructuring. So that our rates will remain -- I guess
7 we will have the eight percent discount that you
8 mentioned --

9 MR. ABRAMOVITZ: Which is now six percent this
10 year.

11 MR. BONNEY: Six percent this year. And then it
12 will go to two percent and then it will remain at that
13 level for three years and then go to whatever 40 million
14 is in percentage terms.

15 MR. ABRAMOVITZ: So it will not go back to zero?
16 It will still continue to be a slight reduction?

17 MR. BONNEY: Yes.

18 MR. ABRAMOVITZ: Okay. Instead of going down to
19 zero we will still get the two percent reduction?

20 MR. BONNEY: Correct.

21 MR. ABRAMOVITZ: Okay. Thank you, Paul.

22 JUDGE RAINEY: Any other questions from anyone else
23 here this evening?

24 (No audible response.)

25 JUDGE RAINEY: Thank you very much.

1 Formal parties, I have a question for you.
2 Actually it is a request relating to the settlement
3 document which was filed.

4 I notice that in volume one of that document at
5 pages two, five and six the joint settlement petitioners
6 request that the Commission grant certain approvals and
7 make certain findings. What I would like as an addendum
8 to the joint settlement petition would be for you to
9 propose specific language for each approval you want
10 granted and each finding you want made. And of course I
11 would expect that the proposed language would be
12 concurring in by all of the signatory parties.

13 If you would endeavor to get that to me by April 4
14 that would be appreciated.

15 Are there any questions with regard to that
16 request?

17 MR. BONNEY: No.

18 If I may off the record, Your Honor?

19 JUDGE RAINEY: Sure.

20 (Discussion off the record.)

21 JUDGE RAINEY: Back on the record.

22 And that will be in ordering paragraph format.

23 Are there any matters which the parties would like
24 to take up at this time?

25 MR. BONNEY: No, Your Honor.

1 MR. RYAN: No, Your Honor.

2 MR. MICKEN: No, Your Honor.

3 MR. KEENE: No, Your Honor.

4 JUDGE RAINEY: If not, thank you very much. This
5 proceeding is adjourned.

6 (Whereupon, at 7:41 p.m., the public input hearing
7 was adjourned, to be reconvened at 7:00 p.m. on
8 Wednesday, March 29, 2000, in Norristown, Pennsylvania.)

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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 accurate record to the best of
my ability.

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