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: Pennsylvania Public Utility Commission : Docket Nos.
: versus Pennsylvania Power & Light Company : R-943271
: Investigation into a proposed \$261,000,000 : R-943271C0001
: annual rate increase. : through
: : R-943271C0130
:
: Public Input Hearing :
:
: ----- x

Pages 202 through 236

Council Chambers
Southern Market Center
100 South Queen Street
Lancaster, Pennsylvania

**DOCUMENT
FOLDER**

Friday, March 31, 1995

Met, pursuant to adjournment, at 7:00 p.m.

BEFORE:

ALLISON K. TURNER, Administrative Law Judge

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C O N T E N T S

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
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P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE ALLISON K. TURNER: Now is
3 the time and place for the evening session of the Public
4 Input Hearing in the case of Pennsylvania Public Utility
5 Commission, et al. versus Pennsylvania Power & Light Company
6 at Docket No. R-00943271.

7 Can everyone hear me? My apologies. Can you hear me
8 now?

9 I just went through the exercise of technically
10 opening the record for this evening hearing. Let me explain
11 a little bit about what we're going to do tonight.

12 The subject matter is the increase that PP&L has
13 asked for. It will make an increase in a range I've heard
14 from 2 to 20 percent across the customer base depending on
15 usage and appliances and industrial, commercial and so on.
16 It is the first one that they asked for in ten years, so we
17 do expect there to be a lot of questions and interest.

18 We are here to take testimony for the record in this
19 case. The Commission will review the Administrative Law
20 Judge's decision, and both of those decisions have to be
21 based on the record. If you give sworn testimony tonight,
22 it will be transcribed and it will be available to the
23 Commission and the Judge to use in making their decision.
24 If you only make a statement, which you are free to do, it
25 cannot be relied on as evidence in the case.

1 Now, I do have to say that the Commission can choose
2 among the testimony that is put on the record. They don't
3 have to rely on evidence because it is on the record,
4 obviously, because there is conflicting evidence, but at
5 least if you give your statement under testimony you have a
6 chance of it being heard and considered. So I would urge
7 all of you here tonight to give sworn testimony.

8 We do have a sign-in sheet, as I explained before,
9 and I would ask people who want to give testimony to sign on
10 the green sheet on the clipboard at the corner of the table.
11 Also, as I stated before, there is an explanation of the
12 rate case called "Consumers Guide," "Customers Guide." It's
13 gray with black binding and it was produced by PP&L at the
14 request of the Commission. It's in plain language so that
15 you and I can understand it. And there is also a blue sheet
16 over there that has tips on how to testify at public input
17 hearings should you want to use it as a guideline. That is
18 prepared by the Office of Consumer Advocate.

19 Let me introduce some of the players here. You won't
20 need a score card, I hope.

21 I am Judge Turner. My name is Allison K. Turner. I
22 am one of the Judges assigned to this case to make the first
23 level decision.

24 The company is represented here by Paul Russell, who
25 is sitting facing you.

1 The Office of Trial Staff, which is part of the
2 Commission but independent and cannot be directed by the
3 Commission, is representing a position in this case, and we
4 have the Chief Prosecutor here tonight, Charles F. Hoffman,
5 and representing OTS during the hearing will be Johnnie E.
6 Simms.

7 The Office of Consumer Advocate is also well
8 represented here tonight. We have the Consumer Advocate,
9 Irwin A. Popowsky, and the hearing will be handled by Ms.
10 Gicine Brignola, sitting facing you.

11 The Office of Small Business Advocate is represented
12 by Ms. Karen Oill Moury, facing you.

13 I'm not going to ask them to make a statement of
14 their position on the case. You can assume that the public
15 advocates are at least questioning, if not opposing, the
16 increase, and there will be time for you to talk with them
17 and ask them questions. And, of course, Mr. Russell is a
18 favorite.

19 I would like to say that the Commission's Bureau of
20 Consumer Services is represented here by Ms. Maureen
21 Mulligan, and she would surely like it if you would sign our
22 form for the mailing list, which is up on the table beside
23 the company's statement. She would like to be able to send
24 you information from the Commission on consumer issues, so
25 please sign that.

1 I will take the witnesses as they signed, and rather
2 than swearing them in individually, I will ask those persons
3 who are on this list, I'll read their names, ask them to
4 stand and I will swear them all at once and then call them
5 to the stand, and anyone else who wishes to give testimony I
6 will swear individually later on.

7 The names I have here are Herb Watson, Judy Bentz and
8 Joseph A. Gehris.

9 Will you all raise your right hand?

10 Whereupon,

11 HERB WATSON

12 JUDY BENTZ

13 and

14 JOSEPH A. GEHRIS

15 were duly sworn.

16 JUDGE TURNER: All answered in the affirmative.

17 Please take your seat.

18 Often we have representatives of the Commission,
19 either their staff or the Commissioners themselves, here.
20 There is not a Commissioner here this evening, although
21 Commissioner Hanger was here this afternoon.

22 I don't think there is anyone else I need to
23 introduce, so with that I will call the first witness, and
24 when you are finished with your statement, please remain at
25 the podium in case anyone has questions to ask you.

1 Mr. Watson.

2 Whereupon,

3 HERBERT WATSON

4 having been duly sworn, testified as follows:

5 JUDGE TURNER: Will you please state your name and
6 spell it for the record, and give your address and who you
7 are representing here. You're representing yourself, right?

8 DIRECT TESTIMONY

9 THE WITNESS: My name is Herbert Watson and I reside
10 at 9 Russet Lane in Millersville, and I'm representing
11 myself.

12 JUDGE TURNER: Go ahead with your statement, please.

13 THE WITNESS: I'm concerned about the amount of the
14 requested increase. Just a little bit on my background. I
15 worked nine-and-a-half years for Northeast Utilities up in
16 Connecticut as a Community Service Representative, and I
17 represented that firm, which is a major electric and at one
18 time gas utility with Connecticut and Western Massachusetts
19 among our service areas. I'm a little familiar with the
20 utility industry after nine-and-a-half years working with
21 them.

22 My concern as a consumer now is, like I said, the
23 amount requested in the increase, 11.7 percent, on top of
24 the other utility increases that I'm experiencing, such as
25 my water bill went up 40 percent as of December 1, 1994. My

1 income has not gone up in the past two years, but if it does
2 go up it will go up approximately 3 percent. I haven't
3 gotten it yet, but it's already being spent on utilities
4 over which I have no control.

5 Now, the electric utility, being a natural monopoly,
6 has no competition in terms of me choosing to go elsewhere.
7 I can't go anywhere else. I have to, living in an all-
8 electric facility, a townhouse, I rely heavily on the
9 electric company for everything I do, to take a bath,
10 cooking, heating, air-conditioning. My wife and I are
11 grandparents. We're empty-nesters, so we don't have any
12 little ones running around turning on things and turning on
13 lights and heat and that type of thing; it's just us. We
14 have lived with approximately 65 degree temperatures all
15 winter long trying to conserve energy and trying to lessen
16 our bill.

17 This past year being a mild winter, we thought we did
18 a pretty good job of getting caught up and we're still not.
19 We're on the budget plan, but we can't seem to stay ahead of
20 the game. And now another 11.7 percent is going to put us
21 further behind, further behind than we are already. I think
22 that's just a bit much. I would rather see the utility come
23 at its consumers a little more frequently with a little less
24 percentage increase, because when I had a 20 percent water
25 bill going up, and now 11.7, almost 12 percent electric bill

1 going up, I'm going to be working essentially for the
2 utilities. I don't think that's fair. I can't look forward
3 to my own retirement trying to keep above-board and just
4 paying my bills. And I have no choice, like I said, to go
5 anywhere else for electric rates. So I would like to see
6 what PP&L is doing to cut costs.

7 I have talked with their customer service
8 representatives from time to time questioning my bill. For
9 example, I tried to get caught up and pay up one item, and I
10 said I paid that, but they said I didn't write a letter
11 stating what the amount was for and it didn't get credited
12 that way. It was only \$22.00, but that's what I wanted to
13 do to even up the annual balance, because after 12 months I
14 wanted to avoid any threats. Talking to their customer
15 service representative was no help at all. It just
16 frustrated me, quite frankly, and having worked for a
17 utility I know, number one, I should have been treated a
18 little better, and number two, given a little better
19 explanation. I wasn't aware that I had to write a letter
20 when I sent the extra \$22.00 to even my account up. I wrote
21 that on the check. I saw that on the bill, that that's what
22 I was behind, and that's what I paid them to even it up. It
23 wasn't credited that way.

24 JUDGE TURNER: You say you wrote it on the check,
25 actually?

1 THE WITNESS: I wrote it on the memo on the check,
2 this is to bring my balance up.

3 JUDGE TURNER: And that wasn't sufficient?

4 THE WITNESS: That wasn't sufficient. The lady said
5 I should have written a letter because they don't look at
6 the memos. They say they have thousands and thousands of
7 checks. They don't look at the memo box on checks.

8 So that's the kind of frustration I experienced with
9 PP&L just recently, just this year, 1995, we're talking.

10 The other thing is I would like -- in terms of
11 reading my meter, I had to go round and round trying to get
12 when are they reading my meter? I have an outdoor meter,
13 outside the garage. It's available to the meter reader. We
14 have no animals. I asked them when do they read the meter
15 and this type of thing, and I had to go through about four
16 different individuals to get that answer. To me that is
17 mismanagement.

18 I would like to see them cut costs and to, let's say,
19 come at us consumers with a little more kindness instead of
20 11.7 percent. Most of us can't take those kind of raises
21 here. The economy is such that we can't take those kind of
22 raises, but we're going to have to pay our bills. It's
23 going to put most of us out of the ballpark.

24 It's very frustrating for a person my age, I'm 57
25 years old, almost 58, looking forward to retirement, and I'm

1 trying to put something aside. I can't put anything aside
2 with these kinds of rate increases. And I don't know what
3 else will come down the road next. I'm told my fuel at the
4 gas pump is going to be going up this summer. I just don't
5 have the money. I'm not expecting a raise until June, and
6 I'm already told I'm going to get 3 percent.

7 So these kind of things here, like I said, a utility
8 being a natural monopoly, we have no alternative but to come
9 to you and --

10 JUDGE TURNER: Excuse me, Mr. Watson. I think you've
11 set your position forward very clearly and very well. Can
12 you tell me who you work for now?

13 THE WITNESS: I work for the Pennsylvania Turnpike
14 Commission.

15 JUDGE TURNER: I have a question of PP&L. Do you
16 have a person in the room who could discuss with him about
17 meter reading? Our regulations require that they be read
18 every other month, and you should be able to get that
19 answer. I would like PP&L to get that answer to you
20 tonight. And second of all, I would hope there would be
21 somebody here who could possibly arrange to credit that
22 amount, the \$22.00, wherever it is he intended it. It seems
23 to me there might be an easier way for consumers to know how
24 to direct credits, to check off on the bill or something of
25 that nature, because many people do not know to write a

1 letter.

2 But before we turn to that, does any counsel have any
3 questions for Mr. Watson?

4 (No response.)

5 JUDGE TURNER: If not, Mr. Russell, is there someone
6 who could talk to Mr. Watson?

7 MR. RUSSELL: Yes, Your Honor. Ray Suhocki is in the
8 back of the room, and I think he can help out.

9 JUDGE TURNER: Thank you. Mr. Watson has already
10 talked to Mr. Suhocki tonight, but if he wouldn't mind
11 either going to the back of the room or out in the hall,
12 whichever, so it won't interfere with other people
13 testifying, and see if he can get those two things worked
14 out for you, Mr. Watson.

15 THE WITNESS: Thank you.

16 JUDGE TURNER: You're welcome.

17 (Witness excused.)

18 JUDGE TURNER: Judy Bentz.

19 Whereupon,

20 JUDY BENTZ

21 having been duly sworn, testified as follows:

22 JUDGE TURNER: Will you state your name for the
23 record and spell it?

24 DIRECT TESTIMONY

25 THE WITNESS: My name is Judy Bentz, B-e-n-t-z.

1 JUDGE TURNER: Can you give your address?

2 THE WITNESS: My address is 2195 Andrew Avenue.
3 That's in Elizabethtown.

4 JUDGE TURNER: And you're testifying on behalf of
5 yourself?

6 THE WITNESS: Yes, I am, but also several of my
7 neighbors who are on the same program that I am on, the RTS
8 program.

9 JUDGE TURNER: That's very good. We had some
10 testimony on that program this afternoon, too, so that is a
11 matter of some concern, apparently, and I'm glad you're here
12 to add to that. So please go ahead, Ms. Bentz.

13 THE WITNESS: Thank you. I do have one question
14 first. I brought copies of my letter and copies of the
15 information, and from what I understand on the blue sheet, I
16 am to give you and the stenographer information. Do I give
17 that to you now or afterwards?

18 JUDGE TURNER: Yes, you can give it to me now, and
19 you should provide a copy to each of the counsel as well, if
20 you have it.

21 THE WITNESS: I don't know if I have that many
22 copies.

23 JUDGE TURNER: Well, I can skip it if that's the
24 case, but you should give two to the court reporter and one
25 each to the counsel, if you can, and I will look at somebody

1 else's, because it will be in the record for me. And
2 counsel can probably share it if you don't have enough.

3 (Documents distributed by the witness.)

4 THE WITNESS: If I may, I would like to start by
5 reading a letter that I think might --

6 JUDGE TURNER: Excuse me. Did you intend to read it
7 completely, from beginning to end?

8 THE WITNESS: It's very brief. It's just two pages.

9 JUDGE TURNER: It would be more interesting if you
10 could summarize it, and then we could put that in the
11 record. I think sometimes, in terms of people listening, if
12 you're reading two pages you lose their attention, but we
13 can mark that as an exhibit and then maybe you could
14 summarize from it, and then we could admit it into the
15 record as your testimony.

16 Would that be acceptable to you?

17 THE WITNESS: Yes. I would like to begin with the
18 first page that I have, Attachment No. 1, which is a letter
19 that I received from PP&L. It was mailed on March 27, 1995.

20 JUDGE TURNER: That would be Bentz Exhibit 1.

21 THE WITNESS: Thank you.

22 (Whereupon, the document was marked
23 as Bentz Exhibit No. 1 for
24 identification.)

25 THE WITNESS: On that it basically gives the proposed

1 rates as increased. I took our electric bills and figured
2 out the proposed rate for 1995-1996 based on the last nine
3 months of electric bills that I have, and when I figured
4 this out I came up with a 37 percent increase in rates, and
5 I believe that is unacceptable. The reason I believe that
6 is unacceptable is, obviously, my husband is not getting a
7 37 percent increase in rate. I am not opposed to an
8 increase, I understand that these increases must be made,
9 but we were solicited by PP&L when we purchased our new
10 home, which was in 1990; and I do have a letter from Mr.
11 Joseph Adams. You can see that was written March 20, 1990.

12 JUDGE TURNER: We'll mark that as Bentz Exhibit 2.

13 THE WITNESS: Thank you.

14 (Whereupon, the document was marked
15 as Bentz Exhibit No. 2 for
16 identification.)

17 THE WITNESS: Mr. Adams was asking us to basically
18 make our home a Four Star Home, and by that we would be
19 added in a program called Heat Pump Plus. That was an
20 additional cost to us of \$2,300.00. PP&L would pay \$700.00
21 additional to that. We could have chosen at that time to
22 add oil heat, but we were given the information that we
23 would have much lower bills, so we decided to stick with
24 PP&L and try this program.

25 The third thing I would like you to see is a receipt.

1 I have a receipt that we did indeed pay this amount to our
2 builder.

3 JUDGE TURNER: That would be Bentz Exhibit 4.

4 THE WITNESS: Thank you. And also, a chart, an
5 electric bill comparison that we figured out --

6 JUDGE TURNER: Excuse me, the court reporter
7 corrected me. That was 3, and the chart would be Bentz
8 Exhibit 4.

9 THE WITNESS: Okay. Thank you.

10 (Whereupon, the documents were marked
11 as Bentz Exhibits Nos. 3 and 4 for
12 identification.)

13 THE WITNESS: This goes down, it starts in June of
14 1994 and goes to March of 1995, and shows our present
15 electric bills and then at proposed rates what the electric
16 bills would be next year, and the percentage increase, which
17 the average would be 37 percent. In one month, January to
18 February 1995, it would be a 39 percent increase.

19 JUDGE TURNER: Could you give us the dollar figure,
20 the absolute dollar figure?

21 THE WITNESS: Yes. I would be glad to. I'll start
22 with June through July of 1994 would be a \$23.26 increase.
23 That's much above the \$20.00 so-called average in their
24 letter that they mailed us would be. Then it goes to July
25 through August 1994, \$27.41; August through September 1994,

1 \$27.44. The next one would be September through October of
2 1994, \$31.23. The next one would be October through
3 November, 1994, \$34.48.

4 JUDGE TURNER: Thank you. I think that gives us
5 better idea.

6 THE WITNESS: I would also like to add to that the
7 next exhibit, which is some information that PP&L provided
8 to us in soliciting us to join this program. That basically
9 at the top says, "Is the Extra Investment in an Off-Peak
10 Storage System Worth it?"

11 JUDGE TURNER: I think we will leave the numbering up
12 to the court reporter. That will be the next Bentz exhibit.

13 THE WITNESS: Thank you.

14 (Whereupon, the document was marked
15 as Bentz Exhibit No. 5 for
16 identification.)

17 THE WITNESS: Basically, that is telling us and
18 trying to convince us how many years pay-off it would be to
19 pay off the \$2,300.00 investment that we made. The lowest
20 amounts of years they show is five years. In April we will
21 be in our home five years. Some other years they show are
22 seven and ten years. There are two pages to that. There
23 was a front and a back, but we copied it on two pages.

24 The next thing they also provided us with was a
25 comparison of electric bills for Residential Service versus

1 the RTS in trying to convince us of the route we should go.

2 JUDGE TURNER: That will be your next exhibit.

3 THE WITNESS: Thank you.

4 (Whereupon, the document was marked
5 as Bentz Exhibit No. 6 for
6 identification.)

7 THE WITNESS: Then I did provide copies of my
8 electric bills, if that would be of interest.

9 JUDGE TURNER: Fine. We'll mark that the next
10 exhibit.

11 (Whereupon, the document was marked
12 as Bentz Exhibit No. 7 for
13 identification.)

14 JUDGE TURNER: And how about your letter?

15 THE WITNESS: And my letter, yes.

16 JUDGE TURNER: That will be the next Bentz exhibit.

17 (Whereupon, the document was marked
18 as Bentz Exhibit No. 8 for
19 identification.)

20 THE WITNESS: In PP&L's letter they were saying we
21 would receive a 16 percent increase, and the information,
22 according to my bills, showed a 37 percent increase. That
23 is much above what PP&L is telling us, which obviously does
24 not make us very happy.

25 The other thing I think that you should know and

1 probably was discussed earlier is that we're not just being
2 given this break. We do have to make sacrifices. During
3 the hours of 7:00 a.m. to 5:00 p.m. we only have 80 gallons
4 of hot water, and there have been times that we have run out
5 of hot water. We basically have to use very tepid water,
6 which to some people may not be satisfactory, but we've made
7 that choice so that we would have the lower rate.

8 The other thing is we must cycle, as PP&L calls it,
9 our electric usage. Those are heating elements like the
10 microwave oven, stove burners, the dryer. We never use the
11 dryer during the day. We never use the dishwasher during
12 the day. I never use more than one burner at a time. I do
13 not use one burner and the microwave. I have to think about
14 each unit that I use. And for those reasons PP&L did state
15 that we would be rewarded by a discount, so I believe that
16 that should be honored. We paid an extra amount of money
17 and we changed our whole lifestyle, and now they're going to
18 give us a 37 percent increase. Basically, I feel that is
19 unacceptable.

20 I also brought with me seven letters from neighbors
21 who are on the same system. I probably could have brought
22 more but we only received the letter from PP&L a day or two
23 ago, since it was mailed on the 27th, so that's all I was
24 able to bring along with me.

25 JUDGE TURNER: Does that conclude your statement?

1 THE WITNESS: Yes, I believe it does.

2 JUDGE TURNER: I think in terms of numbering the
3 Bentz exhibits, it would be best to mark your exhibits Bentz
4 Exhibit No. 1 and all of the other documents consecutively.

5 As to the letters from your neighbors who are not
6 here, normally we consider that hearsay because they are not
7 here to testify to them as you are here to testify to yours.
8 I can mark them as part of the record. The only caution I
9 will give you is we may not be able to rely upon them
10 because they are hearsay, but basically your own testimony
11 corroborates those letters because you have a similar
12 experience.

13 THE WITNESS: Yes.

14 JUDGE TURNER: So I believe we could mark them maybe
15 as one exhibit, all seven letters together.

16 THE WITNESS: Okay.

17 JUDGE TURNER: And as long as you understand that, we
18 can mark them -- I don't know at this point how to mark
19 them; maybe the last Bentz exhibit.

20 (Whereupon, the document was marked
21 as Bentz Exhibit No. 9 for
22 identification.)

23 JUDGE TURNER: Does any counsel have any objection to
24 entering those documents into the record?

25 MR. SIMMS: No, Your Honor.

1 MR. RUSSELL: No, Your Honor.

2 JUDGE TURNER: The exhibits identified and marked
3 throughout Ms. Bentz's testimony will be entered into the
4 record and considered part of the record in this case.

5 (Whereupon, the documents marked as
6 Bentz Exhibits Nos. 1 through 9 were
7 received in evidence.)

8 JUDGE TURNER: If there are no questions and you have
9 no further comments, you may be excused.

10 MR. SIMMS: I have a clarification.

11 JUDGE TURNER: I'm sorry. I didn't understand.

12 Mr. Simms.

13 MR. SIMMS: With respect to your March 27, '95
14 letter, was this schedule (indicating) provided by PP&L?

15 THE WITNESS: No. That schedule my husband and I
16 made up. That is basically showing our present electric
17 bill versus the proposed electric bill.

18 MR. SIMMS: So this is a schedule that you and your
19 husband calculated?

20 THE WITNESS: Correct. Based on that letter of the
21 rates that they had proposed.

22 JUDGE TURNER: Does that finish your questions on
23 clarifications, Mr. Simms?

24 MR. SIMMS: Yes, Your Honor.

25 JUDGE TURNER: Does any other counsel have questions?

1 MR. RUSSELL: No, Your Honor.

2 JUDGE TURNER: Mrs. Bentz, thank you very much for
3 coming out tonight, and thank you for your very clear and
4 well-put testimony.

5 THE WITNESS: Thank you.

6 JUDGE TURNER: You're welcome.

7 (Witness excused.)

8 JUDGE TURNER: Joseph A. Gehris.

9 Whereupon,

10 JOSEPH A. GEHRIS

11 having been duly sworn, testified as follows:

12 JUDGE TURNER: Mr. Gehris, if you could put the
13 microphone up a little higher. You're a tall gentleman, and
14 sometimes we've had trouble hearing today.

15 Please go ahead. You've been sworn in.

16 DIRECT TESTIMONY

17 THE WITNESS: My name is Joseph A. Gehris.

18 JUDGE TURNER: Will you spell it for the record,
19 please?

20 THE WITNESS: G-e-h-r-i-s.

21 JUDGE TURNER: Thank you.

22 THE WITNESS: I live at 303 Hager Street, Lancaster,
23 Pennsylvania.

24 I heard some comments here which are good, and some
25 of them I'm not going to bother with because it was already

1 brought up. But I do have something to say. I think it's
2 about 25 years ago I started with electric heat, PP&L. I
3 was wondering why, when I was told then it would be really
4 good -- and I didn't get no bonuses or anything like that.
5 So I turned my whole house over to electric heat with
6 everything electric. It's an old house, not a new one. But
7 at the rate we're going now, I was wondering why PP&L has to
8 make this extra charge to electric heat more than it should
9 be. I think they are not more or less I can't say
10 discriminating, but I think they're doing something that
11 they shouldn't be doing when they promise people that the
12 rates wouldn't go up so great; they would go eventually but
13 not as great as they have been going.

14 That was the only question I had.

15 JUDGE TURNER: Mr. Gehris, do you have a special all-
16 electric rate for an all-electric home? Is that what you
17 have?

18 THE WITNESS: Yes. My house is all electric,
19 everything, the heat and everything, when it was first
20 started years ago, so I was one of the pioneers maybe with
21 it. But I don't know, maybe I'm getting too old. I was
22 just wondering why it was jumping up as it is now.

23 JUDGE TURNER: How much is it jumping?

24 THE WITNESS: I didn't figure it out, but what
25 they're telling me here, it's going to go up by \$14.00 or 12

1 percent more from what I read in the paper. I don't know.
2 I know I don't use that much electric for two grown people
3 in the house.

4 JUDGE TURNER: Have you ever had an energy audit with
5 PP&L where you've gotten suggestions on how you could save
6 heat?

7 THE WITNESS: No, I didn't. I was thinking about it
8 but I never got around to it.

9 JUDGE TURNER: Maybe you could speak with a PP&L
10 employee tonight and arrange for them to do it.

11 THE WITNESS: No. I'll speak to them. I'll go out
12 to their office. I'll make some plans out there and see
13 what's going on. But that was my concern, why it was going
14 up. I know where I lived somewhere else, that that company
15 buys electric from them, and they get it cheap. So maybe
16 that's where the problem is. Maybe they ought to charge the
17 out-of-state ones more than for me to be getting into
18 covering everybody else's bill for electric.

19 JUDGE TURNER: Does that conclude your statement?

20 THE WITNESS: Yes.

21 JUDGE TURNER: Do you have any questions, Mr.
22 Russell?

23 MR. RUSSELL: No, Your Honor.

24 JUDGE TURNER: Any other counsel have questions?

25 MR. SIMMS: No, Your Honor.

1 MS. MOURY: No, Your Honor.

2 JUDGE TURNER: Thank you very much, Mr. Gehris, for
3 coming out on a Friday night.

4 THE WITNESS: Thank you.

5 (Witness excused.)

6 JUDGE TURNER: I have one other name at this point.
7 Richard Haas.

8 Mr. Haas, will you step up to the podium?

9 Whereupon,

10 RICHARD HAAS

11 having been duly sworn, testified as follows:

12 JUDGE TURNER: Will you give your name for the record
13 and spell it, and your address, and identify who you are
14 testifying on behalf of?

15 DIRECT TESTIMONY

16 THE WITNESS: My name is Richard Haas. My last name
17 is spelled H-a-a-s. I live at 2181 New Danville Pike in
18 Pequea Township, about three miles south of Lancaster city.
19 I want to thank the PUC and you folks for coming to
20 Lancaster tonight to hear us, hear what we have to say.

21 I've been a PP&L customer for 32 years. I'm a
22 farmer.

23 JUDGE TURNER: Excuse me; before you go on, Mr. Haas,
24 you have here Cherry Hill Orchard. Is that a business that
25 you --

1 THE WITNESS: Yes. I'm the owner of that business.

2 JUDGE TURNER: Okay. Thank you.

3 THE WITNESS: I'm a farmer and I have Cherry Hill
4 Orchards in New Danville.

5 Each month I get six electric bills. I tallied them
6 up. I paid \$1,900.00 during the last period. So I'm a
7 large customer, a relatively large customer, for PP&L's
8 services.

9 I'm also a stockholder in PP&L. I have about 450
10 shares of PP&L stock, which means that in the course of a
11 year I pay \$1,900.00 a month, and in the course of a year my
12 stock generates about \$700.00 worth of income. Now, that's
13 to say that my testimony shouldn't be biased by that because
14 I'm paying a lot more monthly than I gain from my stock
15 holdings.

16 I couldn't produce the eggs -- I produce 50,000 eggs
17 a day, and I couldn't produce those without electricity.
18 The electric provides the feed, it provides the water; it
19 distributes the feed, it pumps the water. It ventilates the
20 birds. The birds have to have continuous ventilation. As a
21 back-up I have a \$25,000 system. In the event that the
22 electricity would fail for even an hour, I have to have a
23 \$25,000 piece of equipment on standby so that my birds won't
24 die from asphyxiation or suffocation in the summertime.

25 Electric service is extremely important to me. A few

1 years ago we had a water problem. Our pump in the well
2 failed us and we hit the underground electric line. Within
3 an hour, PP&L was out with three trucks and about eight men,
4 and in about four hours time, while that big diesel engine
5 was roaring away, burning diesel fuel and smoking up the
6 air, they were working diligently to put us back in service.
7 We got back in service in about four hours. To me that's
8 service.

9 In spite of the fact that I get six bills a months, I
10 don't pay any of them. PP&L's service provides me with the
11 means to have it taken from my checking account. So I don't
12 have to pay a secretary to process the bills, I don't have
13 to mail them, and they always provide that service on the
14 last day the bill is due, so I pay no penalty, and yet I
15 don't have my money withdrawn from my account earlier than
16 need be. To me that is service.

17 In the course of the 32 years that I've been a farmer
18 in Lancaster County, we have had power failures, but they
19 have never been for extended periods. They have been short
20 periods and we've been back in service. And we've always
21 received courteous responses when we called in.

22 When my birds were in jeopardy -- the cost of my
23 operation is about a half a million dollars to have the
24 facilities and have the birds there. We have several
25 hundred thousand dollars worth of birds invested, and if we

1 would have lost power and it wasn't replaced quickly, those
2 birds would have died. So the service has been superior.
3 I've been well pleased with the service we've received from
4 PP&L over the years.

5 The fact is, PP&L has not raised its rates since
6 April 28, 1985. There has not been a rate increase in ten
7 years. The number of employees at PP&L in 1985 was about
8 8,500. Today it's about 6,900. There has been an 18
9 percent reduction in the number of employees at PP&L during
10 that ten-year period. They have increased their customers
11 by about 8 percent, which is about 150,000 people. With the
12 reduction in employees, with the increase in customer
13 service, they haven't raised their rates.

14 I want continued good service. The homeowner who
15 uses 500 kilowatts of energy only pays about \$1.50 a day.
16 You can't get a burger at McDonald's for \$1.50 a day, and
17 yet they have electricity that lights their house, heats
18 their hot water, cooks their food, runs their microwave,
19 does their dishes, does their laundry, for \$1.50 a day.

20 I think the most important thing is for us to have
21 good electric service. We have lost our telephone service.
22 The telephone, since Judge Green ruled in Washington some
23 years ago, our telephone service has deteriorated
24 dramatically. The cost has gone up, the service is poor.
25 But I want to continue the good service that we have with

1 the electric companies.

2 As an example of that, when I got the stockholders
3 report and turned to the back and saw who the people were at
4 PP&L, it reads like a Who's Who. These people have been
5 with this company for 25, 30 years. The President -- the
6 Chairman of the Board of PP&L, is 51 years old. He's been
7 with the company for 30 years. And you go down the list of
8 people and the first one is the Chairman, the President, the
9 Chief Executive Officer, 51 years old. He's been with the
10 company for 30 years. The next --

11 JUDGE TURNER: Excuse me. I think that if you have a
12 report, it's probably already in the record, and rather than
13 reading every --

14 THE WITNESS: I won't. I just wanted to use those as
15 examples of people who are committed to the company, to the
16 community and to service at large, people who have not job
17 hopped from one utility to another, from one place to
18 another. As you go down the list, they are all 20-year and
19 longer veterans.

20 To me, when a group like that says we need a raise,
21 we need an increase, after ten years -- in today's paper
22 there is a half a percent decrease in the average rate.
23 Just today's paper indicated that because of the cost of
24 energy going down, they are going to reduce the rates by
25 half of 1 percent. Other times PP&L has requested

1 reductions in rates.

2 The nuclear plant at Berwick was on line for 400
3 days. This set a record, the longest in the country. These
4 people are doing a quality job and I would like the PUC to
5 take that into account when they consider their request for
6 rate relief. We want continued quality service. We're
7 getting it with PP&L, and I think after ten years of no
8 increase, we can accede to their request, coming from a
9 group of qualified people like these people are.

10 JUDGE TURNER: So it's your testimony that you would
11 like PP&L to get every penny of the increase?

12 THE WITNESS: Yes. Even though I pay more than twice
13 a month what I get in the course of a year. We need to
14 continue to invest capital in our utility services. We have
15 a grid that has served us well for years now; with the
16 states around us we have this electric energy grid. We
17 don't run out of power. We have a good system, and I don't
18 want to mess it up like the telephone system, like the
19 government messed up the telephone system. I'm here to say
20 that free-wheeling is not for us. We want a system of
21 regulated, responsible utilities. We want you people to
22 regulate. We want you to be fair with them. We want you to
23 give them the needed raises so the service can continue, so
24 that I can have men out to fix a repair that is sorely
25 needed. At the present time, our telephone service, I don't

1 get that kind of service. I would like to elaborate on that
2 after this meeting. But with the electric utilities, PP&L,
3 we're getting good service. We want it to continue. We
4 want you to give them the raise they need, that they
5 requested, after ten years without a raise.

6 JUDGE TURNER: You say you are a stockholder. Do you
7 have any other interest or affiliation with the company?

8 THE WITNESS: No, I don't. I did check numbers and I
9 asked questions and I got answers, and you kind of smiled
10 when I quoted some numbers, but they came from what I
11 consider to be honest, straightforward answers.

12 JUDGE TURNER: Well, there is information over
13 there --

14 THE WITNESS: I tried to do a little homework. I
15 wanted you to know how I feel about it.

16 JUDGE TURNER: Because I smiled did not mean that I
17 was skeptical, sir. I hope you did not take it that way.

18 THE WITNESS: I didn't think you were skeptical. I
19 just thought you were following along with my wording.

20 JUDGE TURNER: Does any counsel have any questioning
21 of this witness?

22 MR. RUSSELL: No questions, Your Honor.

23 MR. SIMMS: No questions, Your Honor.

24 JUDGE TURNER: I guess I would be interested, sir, in
25 what part of your production cost your electricity is. In

1 other words, you are primarily in the business of raising
2 chickens and eggs and selling eggs.

3 THE WITNESS: No. That's a part of my business.
4 That might be a third of my business. I'm also an
5 orchardist, and we refrigerate our fruit, and we have a
6 store, retail store. So about equal amounts of electricity
7 are used to take care of the birds on a monthly basis and
8 also to refrigerate the fruit and cold storage.

9 JUDGE TURNER: So what percent of your overall
10 production cost, as a farmer or businessman, is electricity?

11 THE WITNESS: I never equated it that way. I'll just
12 take an estimate of 8 percent. That's without sitting down
13 and figuring it out.

14 JUDGE TURNER: I understand. I'm just asking you for
15 a ballpark figure. We asked a number of the other business
16 people who testified this afternoon the same figure, and
17 there was a wide range; some people it was low, and some
18 people it was high. Thank you for being willing to give
19 that estimate.

20 THE WITNESS: Electricity, we wouldn't be here
21 tonight if we didn't have this. We want to continue good
22 service.

23 JUDGE TURNER: Thank you, Mr. Haas.

24 (Witness excused.)

25 JUDGE TURNER: Is there anyone else here who would

1 like to testify?

2 (No response.)

3 JUDGE TURNER: It being quarter to 8:00, I will go
4 off the record at this point and wait until 8:00, and if at
5 that time no one else has appeared, we will adjourn. I
6 would also ask counsel, when we come back on the record, to
7 give me their opinion on how to handle the statement from
8 Daniel Donovan.

9 Off the record.

10 (Recess.)

11 JUDGE TURNER: Could I have your attention, please?
12 I would like to go back on the record. I kind of hate to
13 break this up because it sounds like a good party up here,
14 everybody is talking and standing around, exchanging ideas,
15 and I think that is part of what public input hearings
16 should do. On the other hand, it is past 8:00 and I think
17 probably a lot of people would like to get home.

18 There are no further persons who wish to testify. No
19 one has signed on. I spoke to several people in the
20 audience who have not testified, and they didn't wish to
21 make a statement.

22 That leaves one piece of business, and that is Mr.
23 Donovan's statement and letter. Ms. Brignola has agreed to
24 call Mr. Donovan and ask him to submit an affidavit.
25 Therefore, we will mark the letter and statement as Donovan

1 Exhibit 1, and it will be admitted, subject to receiving an
2 affidavit, it will be admitted into the record. If the
3 affidavit does not come in, then it will not be used as
4 evidence. But assuming that Mr. Donovan does work with Ms.
5 Brignola, it will be admitted into the record with the
6 affidavit to support it.

7 (Whereupon, the document was marked
8 as Donovan Exhibit No. 1 for
9 identification, and was received in
10 evidence.)

11 JUDGE TURNER: I believe that is all the business we
12 have tonight.

13 Does any counsel have any other matter to raise?

14 MR. RUSSELL: I have nothing, Your Honor.

15 MR. SIMMS: No, Your Honor.

16 MS. MOURY: No, Your Honor.

17 MS. BRIGNOLI: No, Your Honor.

18 JUDGE TURNER: In that case I would like to thank all
19 the witnesses and all the customers who came out to be with
20 us on this Friday evening. We are adjourned. Thank you.

21 (Whereupon, at 8:05 p.m. the public input hearing was
22 adjourned.)

23 ***

C E R T I F I C A T E

1
2 I hereby certify, as the stenographic reporter, that
3 the foregoing proceedings were taken stenographically by me,
4 and thereafter reduced to typewriting by me or under my
5 direction; and that this transcript is a true and accurate
6 record to the best of my ability.

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