


**Pennsylvania Power & Light Company**

Two North Ninth Street • Allentown, PA 18101-1179 • 215/774-5151

 Paul E. Russell  
 Associate General Counsel  
 610/774-4254

FAX: 610/774-6726

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March 6, 1995

**DOCUMENT  
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**Re: Pennsylvania Public Utility Commission**  
**v.**  
**Pennsylvania Power & Light Company**  
**Docket No. R-00943271**

Dear Participant:

Today, Pennsylvania Power & Light Company (PP&L) served revised answers to the Office of Consumer Advocate's Interrogatories, Set I numbered 11 and 19, Set III numbered 29, and Set V numbered 49 upon the active participants in this proceeding.

The Commission's regulations, 52 Pa. Code § 5.342(d), provide that revised answers to interrogatories should be served on active participants. Because these revised answers are voluminous and may not address issues of interest to you, a copy of the revised answers is not being served on you today. If you wish to receive these revised answers, please contact me at the address or telephone number shown above and I will provide a copy to you.

Very truly yours,

Paul E. Russell

cc: John G. Alford, Secretary  
 The Honorable Michael C. Schnierle  
 Certificate of Service

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: Docket No. R-00943271

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing letter upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant):

FIRST CLASS MAIL

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6 Manor Drive  
Mechanicsburg, Pennsylvania 17055

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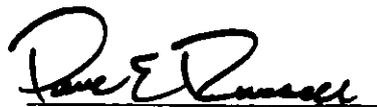
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**Docket No. R-00943271**

Dear Participant:

Today, Pennsylvania Power & Light Company (PP&L) served answers to the Office of Small Business Advocate's Interrogatories numbered 1 through 41 upon the active participants in this proceeding.

The Commission's regulations, 52 Pa. Code § 5.342(d), provide that answers to interrogatories should be served on active participants. Because these answers are voluminous and may not address issues of interest to you, a copy of the answers is not being served on you today. If you wish to receive these answers, please contact me at the address or telephone number shown above and I will provide a copy to you.

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cc: John G. Alford, Secretary  
The Honorable Michael C. Schnierle  
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Re: Docket No. R-00943271

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Dear Participant:

Today, Pennsylvania Power & Light Company (PP&L) served revised answers to the Office of Trial Staff's Interrogatories numbered OTS-RE-5D, OTS-RE-36D, OTS-RE-58D, OTS-RE-70D, OTS-RB-52, and OTS-RB-56D upon the active participants in this proceeding.

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Paul E. Russell

Dated: March 6, 1995  
at Allentown, Pennsylvania



**Pennsylvania Power & Light Company**

Paul E. Russell  
Associate General Counsel  
610/774-4254

Two North Ninth Street • Allentown, PA 18101-1179 • 215/774-5151

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FAX: 610/774-6726

March 6, 1995

**Re: Pennsylvania Public Utility Commission  
v.  
Pennsylvania Power & Light Company  
Docket No. R-00943271**

DOCUMENT  
FOLDER

Dear Participant:

Today, Pennsylvania Power & Light Company (PP&L) served revised answers to the Pennsylvania Power & Light Industrial Consumer Alliance's Interrogatories, Set I numbered 19 and 24 upon the active participants in this proceeding.

The Commission's regulations, 52 Pa. Code § 5.342(d), provide that revised answers to interrogatories should be served on active participants. Because these revised answers are voluminous and may not address issues of interest to you, a copy of the revised answers is not being served on you today. If you wish to receive these revised answers, please contact me at the address or telephone number shown above and I will provide a copy to you.

Very truly yours,

Paul E. Russell

cc: John G. Alford, Secretary  
The Honorable Michael C. Schnierle  
Certificate of Service

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Re: Docket No. R-00943271

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing letter upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant):

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MAR 08 1995

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Paul E. Russell

Dated: March 6, 1995  
at Allentown, Pennsylvania

MCNEES, WALLACE & NURICK  
ATTORNEYS AT LAW

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JAMES P. DOUGHERTY  
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March 6, 1995

Honorable Michael C. Schnierle  
Administrative Law Judge  
PA Public Utility Commission  
G-05 North Office Building  
P. O. Box 3265  
Harrisburg, PA 17120

VIA HAND DELIVERY  
INFO. CONTROL DIV.  
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In Re: Pennsylvania Public Utility Commission, et al.  
v. Pennsylvania Power & Light Company,  
Docket No. R-00943271

Dear Judge Schnierle:

In preparation for the Prehearing Conference scheduled for March 7, 1995 in the above-captioned proceeding, enclosed are two (2) copies of the Prehearing Memorandum of the PP&L Industrial Customer Alliance.

Copies of this Prehearing Memorandum will be served upon all active parties of record at the March 7 Prehearing Conference. A copy of this Prehearing Memorandum has been served upon Secretary John G. Alford.

Very truly yours,

McNEES, WALLACE & NURICK

By *David M. Kleppinger / gm*  
David M. Kleppinger

DMK/gm

Enclosures

c: John G. Alford, Secretary ✓

DOCUMENT  
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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION, ET AL.

v.

PENNSYLVANIA POWER & LIGHT  
COMPANY

:  
:  
:  
:  
:  
:  
:

Docket No. R-00943271

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PREHEARING MEMORANDUM OF  
PP&L INDUSTRIAL CUSTOMER ALLIANCE

---

David M. Kleppinger  
James P. Dougherty  
Derrick P. Williamson  
McNEES, WALLACE & NURICK  
100 Pine Street  
P. O. Box 1166  
Harrisburg, PA 17108-1166  
(717) 237-5214

Attorneys for PP&L Industrial  
Customer Alliance

Dated: March 7, 1995

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I. INTRODUCTION

PP&L Industrial Customer Alliance ("PPLICA"), formerly known as Lehigh Valley Power Committee, is an ad hoc association of energy-intensive industrial customers of Pennsylvania Power & Light Company ("PP&L" or "Company") receiving firm and interruptible service primarily under PP&L's existing Rate Schedule LP-5 and various riders and related tariffs. PPLICA member companies have historically purchased substantial quantities of electricity from PP&L pursuant to its optional interruptible service tariffs. For purposes of this proceeding, PPLICA has expanded its membership to now include the following twenty-one (21) companies:

Air Products and Chemicals, Inc.  
Alumax Mill Products Inc.  
Appleton Papers Inc.  
Armstrong World Industries  
BOC Gases  
CertainTeed Corporation  
Chamberlain Manufacturing Corporation  
Cressona Aluminum Company  
ESSROC Materials Company  
Grinnell Corporation  
Hercules Cement Company  
Hershey Foods Corporation  
International Paper Company  
LaFarge Whitehall Cement  
Liquid Carbonic Industrial Gases  
Magee Carpet Company  
Praxair, Inc.  
R. R. Donnelley & Sons Company  
The Stroh Brewing Company  
Thomson Consumer Electronics, Inc.  
Victaulic Company of America

PPLICA filed a Complaint against PP&L's proposed rate increase on January 18, 1995, and an Amended Complaint on January 30, 1995. Several other parties also filed Complaints.

By Order entered January 27, 1995, the Commission instituted an investigation into PP&L's proposed \$261 million increase in annual base rate revenues, and suspended Supplement No. 50 until September 28, 1995. The case was assigned to Administrative Law Judge Michael C. Schnierle for hearings and Recommended Decision. A prehearing conference has been scheduled for March 7, 1995.

PPLICA submits this Prehearing Memorandum which summarizes PPLICA's positions regarding the issues to be set for hearing.

## II. ISSUES AND SUB-ISSUES

PPLICA hereby identifies several specific issues that it requests be considered and consolidated with the Commission's investigation. The issues of primary, but not exclusive, concern to PPLICA include:

- (a) The proposed distribution of the increase among customer classes;
- (b) The proposed increases to subgroups within classes with particular emphasis on the increases proposed for the Optional Interruptible Power customers;
- (c) The appropriate cost of service study methodology, including the appropriate treatment of interruptible load and allocation of demand-related costs;
- (d) Comparison of PP&L's retail rates to PP&L's wholesale rates;
- (e) The design of the new Rate Schedule LP-6;

- (f) The design of, and proposed changes to, Rate Schedule LP-5;
- (g) The design of, and proposed changes to, interruptible rate provisions;
- (h) The requested return on common equity of 13% and overall rate of return of 10.17%;
- (i) The proposed capital structure;
- (j) The Voluntary Early Retirement Program (VERP);
- (k) The fossil fuel decommissioning fund and nuclear plant decommissioning fund;
- (l) The \$61 million depreciation expense claim and the modified sinking fund depreciation;
- (m) Energy Cost Rate revisions and the Capacity and Energy Sales Agreement with Jersey Central Power & Light Company;
- (n) The appropriate ratemaking recovery of costs associated with Statement of Financial Accounting Standards No. 106;
- (o) Social program expenditures and allocations;
- (p) Environmental remediation expense claim; and
- (q) Amortization of early window deferrals.

PPLICCA reserves the right to raise and address other issues of concern during the course of the proceeding.

### III. POSITIONS ON ISSUES

PPLICA calculates that under PP&L's proposed allocation of the rate increase based on a 12-coincident peak methodology, the Optional Interruptible Power subgroup of customers with Rate Schedule LP-5 would receive a 27% increase compared with the system average increase of 11.7%. This increase exceeds any publicly announced increases by PP&L to its industrial customer base and is highly objectionable to PPLICA.

PPLICA's final positions with respect to this issue, the other issues listed above, and any additional issues that may arise will be contained in its testimony and Main Brief submitted at the conclusion of this proceeding.

### IV. DISCOVERY

PPLICA intends to conduct extensive discovery with respect to all the issues identified above as well as other issues of concern to PPLICA which may arise during the proceeding.

### V. WITNESSES AND DIRECT TESTIMONY

PPLICA has retained the consulting firm of J. Kennedy and Associates, Inc. to address issues on its behalf in this proceeding. The expert witnesses who will be testifying on behalf of PPLICA may include Stephen J. Baron (Cost of Service, Rate Structure, Rate Design, Policy); Richard Baudino (Rate of Return); Randall J. Falkenberg (Cost of Service, Rate Structure, Rate Design); and Lane Kollen (Revenue Requirements, Accounting).

PPLICA will also be presenting testimony by representatives of individual member companies.

Respectfully submitted,

McNEES, WALLACE & NURICK

By David M. Kleppinger /gm

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Attorneys for PP&L Industrial  
Customer Alliance

Dated: March 7, 1995

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March 6, 1995

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Mr. John G. Alford, Secretary  
Pennsylvania Public Utility Commission  
Room G-23; North Office Building  
Harrisburg, Pennsylvania 17105-3265

RE: Pennsylvania Public Utility Commission, et. al.  
v. Pennsylvania Power and Light Company,  
Docket No. R-00943271.

Dear Secretary Alford:

Enclosed for filing, please find an original and two copies of the Petition to Intervene of the University/College Coalition in the above proceeding. A copy of this Petition has been served on all parties of record in this proceeding.

Very truly yours,

*James P. Melia*  
James P. Melia

Enclosure

cc: Hon. Michael Schnierle  
Parties of Record

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION, ET AL. :

v. :

DOCKET NO. R-00943271

PENNSYLVANIA POWER & LIGHT :  
COMPANY :

PETITION TO INTERVENE

AND NOW COMES, the University/College Coalition ("UCC"), by its counsel, Kirkpatrick & Lockhart, and herein petitions to intervene in this proceeding pursuant to Section 5.71 et seq. of the Commission's Rules of Practice and Procedure, 52 Pa. Code § 5.71 et seq. In support of its petition, UCC avers as follows:

1. Petitioner is the UCC which, for purposes of this proceeding, consists as follows:

Muhlenberg College  
Wilkes College  
Kings College  
Messiah College  
University of Scranton

The composition of UCC will be updated as additional members join.

2. The names and address of Petitioner's counsel are:

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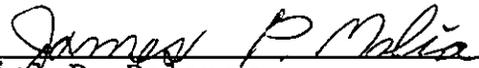
3. UCC is an ad hoc association of PP&L customers receiving service under PP&L's existing Rate Schedules LP-4 and GS-3 and various riders and related tariffs. The cost of electric utility service is a significant component in UCC members' cost of operation. The proposed rate increase and tariff changes may have an adverse impact on UCC members. Therefore, UCC members have an interest in this proceeding that is not represented by any other party of record.
4. UCC alleges that the information and data filed in support of the proposed rate increase and tariff changes in Supplement No. 50 to Tariff Electric Pa P.U.C. No. 200 are insufficient to establish that the rates are just, reasonable and non-discriminatory as required by Sections 1301 and 1304 of Public Utility Code, 66 Pa. C.S. §§ 1301, 1304.
5. UCC's preliminary review indicates the need for Commission investigation into the following issues:
  - (a) The proposed distribution of rate increase among customer classes.
  - (b) The appropriate cost of service study methodology.
  - (c) The design of new Rate Schedules LP-4 and GS-3.

UCC reserves the right to raise additional issues when it has had an opportunity to review discovery and testimony in more detail.

WHEREFORE, for all the foregoing reasons, the University/  
College Coalition respectfully requests that its Petition to  
Intervene in this proceeding be granted.

Respectfully submitted,

KIRKPATRICK & LOCKHART  
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(717) 231-4500  
(717) 231-4501 (Facsimile)

  
\_\_\_\_\_  
Daniel P. Delaney  
James P. Melia  
Counsel for University/College  
Coalition

Dated: March 6, 1995

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION, ET AL. :

v. :

PENNSYLVANIA POWER & LIGHT :  
COMPANY :

DOCKET NO. R-00943271

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the attached Petition to Intervene upon the participants listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

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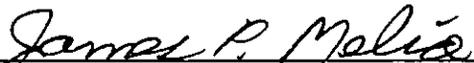
Mr. Thomas S. Catlin  
Exeter Associates, Inc.  
12510 Prosperity Drive  
Suite 350  
Silver Spring, MD 20904

Stephen J. Baron, President  
J. Kennedy and Associates,  
Inc.  
Suite 475  
35 Glenlake Parkway  
Atlanta, GA 30328

Kenneth Eisdorfer, President  
Cook, Eisdorfer & Associates  
2258 Schuez Road  
Suite 205  
St. Louis, MO 63146

Joan O. Brandeis, Esq.  
Schnader, Harrison, Segal &  
Lewis  
Suite 3600  
1600 Market Street  
Philadelphia, PA 19103-4252

KIRKPATRICK & LOCKHART  
240 North Third Street  
Harrisburg, PA 17101  
(717) 231-4500  
(717) 231-4501 (Facsimile)

  
\_\_\_\_\_  
James P. Melia

Counsel for University/College  
Coalition

Dated: March 6, 1995

KIRKPATRICK & LOCKHART

ORIGINAL

KJR

THE PAYNE SHOEMAKER BUILDING  
240 NORTH THIRD STREET  
HARRISBURG, PENNSYLVANIA 17101-1507  
TELEPHONE (717) 231-4500

BOSTON, MA  
MIAMI, FL  
NEW YORK, NY  
PITTSBURGH, PA  
WASHINGTON, D.C.

March 6, 1995

WRITER'S DIRECT DIAL NUMBER

(717) 231-4500

Mr. John G. Alford, Secretary  
Pennsylvania Public Utility Commission  
Room G-23; North Office Building  
Harrisburg, Pennsylvania 17105-3265

**RE: Pennsylvania Public Utility Commission, et. al.  
v. Pennsylvania Power and Light Company,  
Docket No. R-00943271.**

Dear Secretary Alford:

Enclosed for filing, please find an original and two copies of the Prehearing Memorandum filed on behalf of the University/College Coalition in the above proceeding. A copy of this Memorandum has been served on all parties of record in this proceeding.

Very truly yours,

*James P. Melia*  
James P. Melia

Enclosure

cc: Hon. Michael C. Schnierle  
Parties of Record

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ADMINISTRATIVE LAW JUDGE MICHAEL C. SCHNIERLE PRESIDING

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION, ET AL. :

v. :

DOCKET NO. R-00943271

PENNSYLVANIA POWER & LIGHT :  
COMPANY :

PREHEARING MEMORANDUM OF  
UNIVERSITY/COLLEGE COALITION

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AND NOW COMES, the University/College Coalition ("UCC"), by its counsel, Kirkpatrick & Lockhart, and herein files its Prehearing Memorandum in the above-captioned matter pursuant to Rule 5.224(c) of the Pennsylvania Public Utility Commission's ("Commission") Rules of Practice and Procedure, 52 Pa. Code § 5.224(c).

I. INTRODUCTION

The proceeding was initiated by a filing by Pennsylvania Power & Light ("PP&L") of its Supplement No. 50 to Tariff Electric Pa. P.U.C. No. 200, issued December 30, 1994, proposed to become effective February 28, 1995. In this filing, PP&L is requesting a \$261 million or 11.7%, increase in its annual base rate revenues.

UCC is an ad hoc association of PP&L customers receiving service under PP&L's existing Rate Schedules LP-4 and GS-3 and its various riders and related tariffs. Cost of electric utility service is a significant component in UCC members' cost of operation. The proposed rate increase and tariff changes may have an adverse impact on UCC members. Therefore, UCC members have an interest in this proceeding and are not represented by any other party of record.

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## **II. ISSUES**

UCC is primarily concerned with the level of the proposed increase allocated to the GS-3 and LP-4 customer class and the cost of service support for that increase. UCC reserves the right to raise additional issues as the case proceeds.

## **III. DISCOVERY**

UCC does not anticipate the need to conduct any of its own discovery. However, we will request copies of all discovery responses that had been supplied by PP&L thus far.

## **IV. WITNESSES**

UCC has retained the services of Kenneth Eisdorfer for this proceeding. UCC would request that copies of all testimony and discovery responses be served on Mr. Eisdorfer at:

COOK, EISDORFER & ASSOCIATES  
2258 Schuetz Road  
St. Louis, MO 63146

UCC, at this time, does not anticipate presenting an expert witness. UCC reserves the right, however, to submit expert witness testimony by the scheduled date for submission of such testimony.

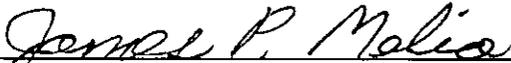
## **V. SCHEDULE OF PROCEEDINGS**

UCC will abide by the schedule which was adopted by the parties in this matter.

**VI. SETTLEMENT**

UCC will be willing to participate in any settlement discussions which may occur in this matter.

Respectfully submitted,

  
\_\_\_\_\_  
Daniel P. Delaney  
James P. Melia

Kirkpatrick & Lockhart  
240 North Third Street  
Harrisburg, PA 17101-1507  
(717) 231-4500  
(717) 231-4501 (Facsimile)

Counsel for University/College  
Coalition

Dated: March 6, 1995

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION, ET AL. :

v. :

PENNSYLVANIA POWER & LIGHT :  
COMPANY :

DOCKET NO. R-00943271

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the attached Prehearing Memorandum upon the participants listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

DELIVERY BY FIRST CLASS MAIL, POSTAGE PREPAID ON THE FOLLOWING:

David E. MacGregor, Esq.  
Morgan, Lewis and Bockius  
2000 One Logan Square  
Philadelphia, PA 19103-6993

Paul E. Russell, Esq.  
Pennsylvania Power and Light  
2 North Ninth Street  
Allentown, PA 18101

David M. Kleppinger, Esq.  
James P. Dougherty, Esq.  
Derrick P. Williamson  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166

Irwin A. Popowsky, Esq.  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Johnnie E. Simms, Esq.  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

D. Jane Drennan, Esq.  
Sarah E. Tomalty, Esq.  
Drennan & Associates  
1216 16th Street, N.W.  
Washington, D.C. 20046

David A. McCormick, Esq.  
Department of the Army  
Office of the Judge Advocate  
General  
901 North Stuart Street  
Arlington, VA 22203-1837

Mr. Robert D. Knecht  
Industrial Economics, Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

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Bernard A. Ryan, Jr., Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Mr. Thomas S. Catlin  
Exeter Associates, Inc.  
12510 Prosperity Drive  
Suite 350  
Silver Spring, MD 20904

Stephen J. Baron, President  
J. Kennedy and Associates, Inc.  
Suite 475  
35 Glenlake Parkway  
Atlanta, GA 30328

Kenneth Eisdorfer, President  
Cook, Eisdorfer & Associates  
2258 Schuetz Road  
Suite 205  
St. Louis, MO 63146

Joan O. Brandeis, Esq.  
Schnader, Harrison, Segal & Lewis  
Suite 3600  
1600 Market Street  
Philadelphia, PA 19103-4252

KIRKPATRICK & LOCKHART  
240 North Third Street  
Harrisburg, PA 17101  
(717) 231-4500  
(717) 231-4501 (Facsimile)

  
James P. Melia  
Counsel for University/College  
Coalition

Dated: March 6, 1995

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE  
1425 Strawberry Square  
Harrisburg, Pennsylvania 17120

IRWIN A. POPOWSKY  
Consumer Advocate

(717) 783-5048

March 6, 1995

DOCUMENT  
FOLDER

Honorable Michael Schnierle  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility  
Commission v. Pennsylvania  
Power & Light Company, Docket  
No. R-00943271

Dear Judge Schnierle:

Enclosed please find two copies of the Office of Consumer Advocate's Prehearing Memorandum in the above-captioned case. Copies will be provided to the Court Reporter and to the parties at the Prehearing Conference scheduled for March 7, 1995.

Sincerely,

Handwritten signature of Tanya J. McCloskey in cursive script.  
Tanya J. McCloskey  
Assistant Consumer Advocate

Enclosure  
18792

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INFO. CONTROL DIV.

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC  
UTILITY COMMISSION

v.

PENNSYLVANIA POWER  
& LIGHT COMPANY

:  
:  
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:  
:  
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Docket No. R-00943271

**DOCKETED**  
MAR 24 1995

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

---

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the prehearing conference notice issued in the above-captioned matter, the Office of Consumer Advocate ("OCA") files this Prehearing Memorandum.

**DOCUMENT  
FOLDER**

I. DISCOVERY STATUS

The OCA has served eight sets of interrogatories upon the Company. To date, the OCA has received answers to most of its interrogatories. The OCA anticipates some further follow up interrogatories when the OCA has completed its review of the initial sets of discovery. The Company has objected to two of the OCA's interrogatories at this time, and those objections have been resolved by a mutual agreement between the Company and the OCA.

## II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of Pennsylvania Power & Light Company's ("PP&L" or "Company") base rate filing of December 30, 1994, and the answers to interrogatories that the OCA has received and analyzed at this time, the OCA has compiled a list of certain issues that it expects to raise in this proceeding. Other issues or sub-issues may arise that the OCA may pursue after it receives and analyzes the Company's responses to its interrogatories.

After the discovery process has been completed, and the Company's case cross-examined, the OCA will file direct testimony which will set forth the specific issues the OCA will address in this proceeding. At that time the OCA will also quantify its specific recommendations.

The following list represents the preliminary issues which the OCA anticipates it will raise in the course of these proceedings. However, the OCA reserves the right to raise additional issues should they arise during the course of discovery and evidentiary hearings.

### A. Rate of Return

1. Cost of Common Equity: The OCA will perform a detailed analysis of the 13.0% cost of common equity requested by PP&L. The analysis will include careful examination of PP&L's methodologies and supporting data.

2. Cost of Long Term and Short Term Debt: The OCA will examine the embedded cost of long term and short term debt claimed by PP&L.

3. Capital Structure: The OCA will examine whether the projected capital structure claimed by PP&L is representative of the period in which the rates will be in effect and is otherwise appropriate for ratemaking purposes.

B. Measures Of Value

1. Cash Working Capital: The OCA will investigate all the components of the Company's cash working capital claim and will examine the lead/lag study used by the Company to determine its cash working capital requirements.

2. Plant in Service: The OCA will investigate the Company's level of plant in service, including any and all plant additions, modifications or retirements projected through the future test year to determine if it is appropriate. The OCA will also investigate the Company's actual expense on pollution control facilities.

3. Fuel Inventories: The OCA will determine whether the levels of the Company's claimed fuel inventories are reasonable and whether the inventories have been estimated at a reasonable cost.

4. Materials & Supplies: The OCA will review the Company's method of calculating the materials and supplies balance and will also review the appropriateness of the M&S items.

5. Construction Work in Progress: The OCA will investigate whether the Company's CWIP claim is in accordance with Commission Policy.

C. Nuclear Issues

1. Operation & Maintenance Expense: The OCA will examine the reasonableness of the Company's request for non-fuel O&M expenses for its nuclear plants. In particular, the OCA will examine whether such expenses should be included in the test year.

2. Nuclear Decommissioning Expense: The OCA will examine the Company's claim to recover the costs of decommissioning the Susquehanna Steam Electric Station to determine whether it is reasonable and conforms with Pennsylvania law and sound ratemaking policy.

3. Capital Additions: The OCA will examine the reasonableness of the nuclear plant capital additions sought to be included in rates by the Company.

D. Revenues And Expenses

1. Sales Projections: The OCA will examine whether the procedures used to estimate sales are appropriate.

2. Susquehanna "Early Window" Deferrals: The OCA will examine whether recovery of these deferrals is timely, reasonable, and in conformance with Pennsylvania law and sound ratemaking principles.

3. Rate Case Expense: The OCA will determine whether the Company's rate case expense claim is reasonable, and whether it has been calculated in accordance with the Commission policy on this issue.

4. Operation and Maintenance Expense: The OCA will examine whether the Company's Operation and Maintenance expense claim is reasonable.

5. Wage and Salary Expense: The OCA will examine whether the Company's wage and salary expense claims are reasonable particularly in light of the Company's reorganization and work force reduction programs.

6. Voluntary Early Retirement Program: The OCA will investigate whether the effects of the Voluntary Early Retirement Program (VERP) and workforce reductions have been properly reflected. The OCA will also examine the amortization period for the VERP costs to determine its reasonableness.

7. Environmental Remediation Expense: The OCA will examine whether the Company's environmental remediation expense claim is reasonable.

8. Post Retirement Benefits Expense: The OCA will examine the Company's claim for Post Retirement Benefits for both the future test year and the prior period to determine whether it is reasonable and conforms with sound ratemaking policy and Pennsylvania law.

9. Management Audit Expense: The OCA will examine the Company's request to recover costs associated with its Management Audit.

10. Social Programs Expense: The OCA will examine the Company's request to recover from ratepayers its expenditures related to social programs to determine whether it is reasonable and in conformance with Pennsylvania law and sound ratemaking principles.

11. Fossil Decommissioning Expense: The OCA will examine the Company's claim to recover costs associated with decommissioning the Company's fossil-fueled power plants to determine whether it conforms with Pennsylvania law and ratemaking policy.

12. Depreciation Expense: The OCA will examine the Company's proposal to modify its depreciation method for the Susquehanna nuclear generating station as well as other aspects of the Company's depreciation expense claim. The OCA will examine whether the Company's proposed changes to its depreciation expense claim are reasonable and in accordance with sound ratemaking policy.

13. Advertising Expense: The OCA will examine the reasonableness of the Company's advertising expenditures.

#### E. Taxes

1. Taxes: The OCA will investigate the Company's tax claims in this proceeding for reasonableness.

F. Rate Structure/Cost Of Service/Rate Design

1. Distribution of the Proposed Increase: The OCA will examine the Company's distribution of the proposed increase with particular emphasis on the increase to residential customers. The OCA will propose an alternative distribution if deemed appropriate.

2. Cost of Service Study: The OCA will examine the Company's cost of service study and determine whether it has properly allocated the costs of production plant, distribution lines, uncollectible expense, and other costs. The OCA may propose alternative allocations of these costs.

3. Rate Design: The OCA will examine the Company's proposed tariff changes including, but not limited to, increases to the residential tariffs' customer charges, and changes in the residential energy charges.

4. Economic Development Rates: The OCA will examine the Company's economic development initiatives, including any Company proposal for recovering revenue shortfalls from the provision of discounted rates.

G. Excess Capacity

1. The OCA will examine whether there is physical or economic excess capacity on the PP&L system. In particular, the OCA will investigate the Company's claim for a return on common equity for Susquehanna Unit 2 to determine if such unit constitutes physical or economic excess capacity.

## H. Non-Jurisdictional Capacity Sales Issues

1. Expiration of JCP&L Agreement: The OCA will investigate the Company's proposal to allow recovery of the Pennsylvania jurisdictional portion of the non-energy revenue requirements associated with bulk power capacity and energy agreements which have terminated to determine whether it conforms with sound ratemaking policy and Pennsylvania law.

2. SBRCA Tariff Rider: The OCA will examine the Company's proposal to exclude a portion of the credit associated with the ACE agreement from the SBRCA tariff rider to determine whether it is reasonable.

3. FERC-Jurisdictional Requirements Sales: The OCA will investigate the Company's sales to FERC-jurisdictional requirements customers and the effect of the Company's allocation methodology of these revenues on retail ratepayers to determine its reasonableness.

## III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of the following witnesses in this proceeding. Each witness will present testimony in written form and will also attach various exhibits, documents, and explanatory information which will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be sent directly to the

expert witness(es) responsible for the area of the case, as well as mailing a copy to counsel for the OCA.

A. Rate of Return, Excess Capacity, and Non-Jurisdictional Capacity Sales Issues

Matthew I. Kahal  
Exeter Associates, Inc.  
12510 Prosperity Drive  
Suite 350  
Silver Spring, MD 20904  
Telephone (301) 622-4500  
FAX (301) 622-2686

B. Rate Base, Revenues, Expenses, Taxes and General Accounting

Thomas S. Catlin  
Exeter Associates, Inc.  
12510 Prosperity Drive  
Suite 350  
Silver Spring, MD 20904  
Telephone (301) 622-4500  
FAX (301) 622-2686

C. Rate Structure, Cost of Service and Rate Design

Dr. Charles Johnson  
Exeter Associates, Inc.  
12510 Prosperity Drive  
Suite 350  
Silver Spring, MD 20904  
Telephone (301) 622-4500  
FAX (301) 622-2686

D. Nuclear Issues

Dale Bridenbaugh  
MHB Technical Associates  
1723 Hamilton Avenue, Suite K  
San Jose, CA 95125  
Telephone (408) 266-2716  
FAX (408) 266-7149

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be

necessary for any portion of its case, all parties of record will be notified.

#### IV. SERVICE ON OCA

The OCA will be represented in this case by Assistant Consumer Advocates, Tanya J. McCloskey, Mary C. Kenney and Gicine P. Brignola. Three copies of all documents should be served on the OCA as follows:

Mary C. Kenney  
Assistant Consumer Advocate  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Telephone: (717) 783-5048  
Telecopier: (717) 783-7152

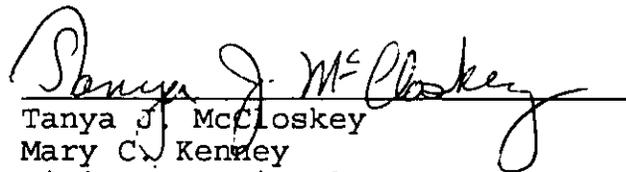
#### V. PUBLIC INPUT HEARINGS

The Office of Consumer Advocate submits that there is strong public interest in these proceedings, as evidenced by letters received from consumers, on file with the Commission. The OCA respectfully requests that in light of the public interest in these proceedings, that public input hearings be held at appropriate times and in appropriate locations within PP&L's service territory.

VI. SCHEDULE

The OCA has developed a proposed schedule for the litigation of this case, which is attached hereto as Appendix A. This schedule incorporates the dates provided by Administrative Law Judge Schnierle in his first Prehearing Order.

Respectfully submitted,



Tanya J. McCloskey  
Mary C. Kenney  
Gicine P. Brignola  
Assistant Consumer Advocates

For:  
Irwin A. Popowsky  
Consumer Advocate

Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120  
(717) 783-5048

DATED: March 7, 1995  
17838

APPENDIX A  
OCA PROPOSED SCHEDULE

|                            |   |
|----------------------------|---|
| March 7                    | Prehearing Conference   |
| March 21-23<br>March 27-29 | Cross of Company's Witnesses<br>Additional Cross time   |
| April 7                    | Direct Testimony of Other Parties on<br>Rate of Return and Excess Capacity  |
| April 12                   | Direct Testimony of Other Parties on<br>Rate Structure/Rate Design and Non-<br>Jurisdictional Capacity Sales Issues |
| April 14                   | Direct Testimony of Other Parties on<br>General Accounting, Nuclear Issues<br>and All Other Issues                  |
| April 24-28                | Cross of Other Parties' Witnesses   |
| May 5                      | Company Rebuttal Testimony on Excess<br>Capacity and Rate of Return   |
| May 9                      | All Parties' Rebuttal Testimony on<br>Rate Structure/Rate Design and Non-<br>Jurisdictional Capacity Sales Issues   |
| May 12                     | Company Rebuttal on General<br>Accounting, Nuclear and All Other<br>Issues  |
| May 17                     | Written Surrebuttal Testimony on<br>Rate of Return  |
| May 19                     | Written Surrebuttal Testimony on All<br>Issues  |
| May 22-26                  | Cross of Rebuttal, Surrebuttal and<br>Oral Rejoinder  |
| May 26                     | Close of Record   |
| June 15                    | Main Brief (due in hand to ALJ and<br>all parties)  |
| June 26                    | Reply Brief (due in-hand to ALJ<br>only)  |

\*All Due Dates are in hand dates, unless otherwise specified

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCUMENT  
FOLDER

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION

vs.

DOCKET NO.

R-00943271

PENNSYLVANIA POWER & LIGHT  
COMPANY

---

PREHEARING MEMORANDUM  
OF  
BETHLEHEM STEEL CORPORATION

---

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INFO. CONTROL DIV.

Pursuant to the notice of prehearing conference issued by the Office of Administrative Law Judge, Bethlehem Steel Corporation ("Bethlehem") submits this Prehearing Memorandum.

DOCKETED  
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I. INTRODUCTION

On December 30, 1994, Pennsylvania Power & Light Company ("PP&L") filed Supplement No. 50 to Tariff Electric-Pa.P.U.C. 200 to become effective February 28, 1995. Supplement No. 50 requests changes in PP&L's rates which, if approved, would result in an increase of \$261,635,000 in PP&L's annual base rate revenues.

Bethlehem, one of PP&L's largest industrial customers, filed a Petition to Intervene in the proceeding on January 24, 1995.

Bethlehem is represented in this proceeding by:

Stephen J. Selden, Esquire  
Assistant General Counsel  
Bethlehem Steel Corporation  
Eighth and Eaton Avenues  
Bethlehem, Pennsylvania, 18016

and

Joan O. Brandeis  
SCHNADER, HARRISON, SEGAL & LEWIS  
1600 Market Street  
Philadelphia, Pa. 19103

Bethlehem requests that, concurrently with service on Mrs. Brandeis, all parties to this proceeding serve copies of data requests, interrogatories and responses, testimony, briefs and all other documents on its consultant, Maurice Brubaker at the address specified below.

## II. IDENTIFICATION OF ISSUES

Bethlehem is primarily concerned with rate structure and rate design issues including the cost of service methodology and the value and pricing of interruptible power.

## III. WITNESSES

Bethlehem intends at this time to present the testimony of

Maurice Brubaker  
Drazen-Brubaker & Associates, Inc.  
7730 Forsyth Boulevard, Suite 200  
St. Louis Mo. 63105-1819

Bethlehem intends to actively participate in this case through the presentation of its witness and by cross-examination of PP&L's and other parties' witnesses, and reserves the right to address additional issues during the course of this proceeding.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joan O. Brandeis". The signature is written in black ink and is positioned above the typed name and address.

Joan O. Brandeis  
SCHNADER, HARRISON, SEGAL & LEWIS  
Suite 3600  
1600 Market Street  
Philadelphia, Pennsylvania 10103  
Attorneys for Bethlehem Steel Corporation

Dated: March 7, 1995

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION, et al. :

v. :

PENNSYLVANIA POWER & LIGHT :  
CO., :

Respondent :

DOCKET No. R-00943271 et seq.

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PREHEARING MEMORANDUM  
OF  
CENTRAL EASTERN PENNSYLVANIA  
FUEL OIL DEALERS

---

DOCKETED

MAR 24 1995

TO THE HONORABLE MICHAEL C. SCHNIERLE,  
PRESIDING ADMINISTRATIVE LAW JUDGE:

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. §333, Section 5.524 of the Commission's Rules of Practice and Procedure, 52 Pa. Code §5.524, and the Commission's Notice entered in the above-captioned proceeding, Central Eastern Pennsylvania Fuel Oil Dealers ("CEPFOD")<sup>1</sup> hereby submits its Prehearing Conference Memorandum to set forth its position in the above-captioned general rate proceeding.

---

<sup>1</sup> The members are identified in Appendix A. All members have an interest as customers of PP&L.

## INTRODUCTION

On February 28, 1995, CEPFOD filed a formal Complaint against Pennsylvania Power & Light's (PP&L) proposed rate increase that alleged, inter alia, that PP&L's Rate Schedule RTS was unjust and unreasonable and should be eliminated.

## WITNESSES AND EVIDENCE

CEPFOD may present the following witness and his area of testimony:

Steven Anderson, Ph.D.  
Economic & Policy Analysis, Inc.  
13300 Council Bluff Drive  
Austin, TX 78727

cost of service analysis and anti-competitive pricing by monopoly

The above witness' testimony may be supplemented by other witnesses as necessary. CEPFOD's witnesses will submit prepared direct testimony and exhibits in support of CEPFOD's position.

## DISCOVERY

CEPFOD is in the process of serving discovery on Respondent.

PROCEDURAL SCHEDULE

CEPFOD has been unable to confer with other parties concerning a proposed procedural schedule.

SETTLEMENT

CEPFOD will pursue settlement of the issues raised by its complaint.

Respectfully submitted,

METTE, EVANS & WOODSIDE



---

Robert P. Haynes, III, Esquire  
3401 North Front Street  
P. O. Box 5950  
Harrisburg, PA 17110-0950  
(717) 232-5000

Wayne M. Thomas  
KOHN, NAST & GRAF, P.C.  
1101 Market Street, 24th Floor  
Philadelphia, PA 19107  
(215) 238-1700

David L. Pennington  
Catherine Panchou Cox  
HARVEY, PENNINGTON, HERTING  
& RENNEISEN, LTD.  
Eleven Penn Center  
1835 Market Street, 29th Floor  
Philadelphia, PA 19103  
(215) 563-4470

DATED: March 7, 1995

Attorneys for Complainants

Appendix A

Yeager's Fuel, Inc.,  
1431 Green Street  
Allentown, PA 18102

B&D Fuel Oil Company  
52 Magna Drive  
Coplay, PA 18037

Dries and Reichard Coal Yard  
775 Furnace  
Emmaus, PA 18049

Flores Air Conditioning, Inc.  
259 Race Street  
Catasauqua, PA 18032

Frey's Fuel Oil Service  
1433 Lehigh Street  
Allentown, PA 18103

Fritch Fuel Company  
116 River Street  
Bethlehem, PA 18015

Harharts Service Station, Inc.  
21st & Main Streets  
Northampton, PA 18067

Harned Durham Oil Co.  
4893 Buckeye Road  
Emmaus, PA 18049

R. P. Hutchinson, Inc.  
33 South Lea Street  
Macungie, PA 18062

Keller Coal & Oil Co.  
507-11 Washington Avenue  
Northampton, PA 18067

George A. Kohler & Brother  
4136 South Church Street  
Egypt, PA 18052

C. A. Lessign, Inc.  
P. O. box 158  
Wind Gap, PA 18091

Loikits Oil & Heating  
4401 Spruce  
Whitehall, PA 18052

Charles H. Mantz  
65 2nd Street  
Slatington, PA 18080

R. L. Muth Plumbing & Heating  
4806 Blue Church Road  
Coopersburg, PA 18036

Patterson Petroleum  
2432 South Law Street  
Allentown, PA 18103

Remaly Fuel, Inc.  
6751 PA Route 873  
Slatington, PA 18080

Szilagyi Fuel Co., Inc.  
1414 East 4th Street  
Bethlehem, PA 18015

The Oil Man  
518 Main Street  
Hellertown, PA 18055

Morris E. Wisser  
1829 Pope Road  
Allentown, PA 18104

Lamar E. Wolfgang, Inc.  
1635 Main  
Orefield, PA 18069

Whitlock & Woerth, Inc.  
1220 Georgetown Road  
Christiana, PA 17509

Zongora Fuel, Inc.  
1545 East Susquehanna Street  
Allentown, PA 18103

Dieter Brothers Fuel Company, Inc.  
1226 Stefko Boulevard  
Bethlehem, PA 18017

Pipeline Petroleum, Inc.  
P. O. Box 159  
Macungie, PA 18062

Mansfield Fuel Oil Company  
1640 Clauser Street  
Hallerton, PA 18055

Schwanger Brothers & Company, Inc.  
P. O. Box 4186  
Lancaster, PA 17604

Sico Company  
P. O. Box 27  
Mount Joy, PA 17552

Senick, Inc.  
1603 Freemansburg Road  
Bethlehem, PA 18017

Carlos R. Leffler, Inc.  
P. O. Box 278  
Richland, PA 17087-0278

H. John Davis, Inc.  
P. O. Box 68  
Mount Pocono, PA 18344

Arthur J. Ulrich, Inc.  
139 Main Street  
Landisville, PA 17538

Union Fuel Company  
710 Bushkill Drive  
Easton, PA 18042

Guy Heavener, Inc.  
480 School Lane  
Harleysville, PA 19438

W. C. Reichenbach & Son, Inc.  
P. O. Box 869  
Allentown, PA 18105

Apgar Oil Company, Inc.  
639 East Congree Street  
Allentown, PA 18103-1299

Freyman's Fuel Oil Company, Inc.  
826 Hanover Avenue  
Allentown, PA 18103

**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission )  
et al. )  
)  
vs. )  
)  
Pennsylvania Power and Light Company, )  
Increased Rates for Electric Service )  
vice )

Docket No. R 94-3271

PREHEARING MEMORANDUM

**DOCUMENT  
FOLDER**

-----  
Robert N. Kittel  
Chief  
Regulatory Law Office  
Office of The Judge Advocate General  
Department of the Army  
DAJA-RL 3848  
901 North Stuart Street, Room 713  
Arlington, VA 22203-1837

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INFO. CONTROL DIV.

For

THE DEPARTMENT OF DEFENSE AND  
THE FEDERAL EXECUTIVE AGENCIES

**DOCKETED**  
MAR 24 1995

-----  
David A. McCormick  
Attorney

Of Counsel

Dated: 7 March 1995

BEFORE THE  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|  |                      |
|--|----------------------|
| Pennsylvania Public Utility Commission )<br>et al. )<br>vs. )<br>Pennsylvania Power and Light Company, )<br>Increased Rates for Electric Service )<br>vice ) | Docket No. R 94-3271 |
|--|----------------------|

PREHEARING MEMORANDUM

In accord with the notice in this proceeding of a prehearing conference dated February 7, 1995, below are listed the requested information on behalf the Secretary of Defense on behalf of the consumer interest of the United States Department of Defense and other affected Executive Agencies (collectively hereinafter "DOD").

The "other affected Executive Agencies" include the federal civilian agencies pursuant a delegation of authority from the General Services Administration (GSA), a copy of which is appended hereto (Appendix A). Civilian federal executive agencies procure about \$2.7 million in electricity from Pennsylvania Power & Light Co. (PP&L), annually. Billings to Naval facilities are over \$3 million, annually. Billings to Army facilities are over \$7 million, annually. Most large federal facilities involved have extensive investments in distribution plant and receive service at high voltages. Most have a moderate load factor and end usage patterns

similar to a municipal utility. Most service is procured under Rate LP-5, a small amount is procured on Rate LP-4. No other party can adequately represent the consumer interest of the federal government. The consumer interest of the federal government has played an active role in prior proceedings involving this utility: Pennsylvania Public Utility Commission vs. Pennsylvania Power & Light Co., Docket No. R 82-2169, 57 Pa. PUC 559, 55 P.U.R. 4th 185 (1983), Pennsylvania Public Utility Commission vs. Pennsylvania Power & Light Co., Docket No. R 84-2651, 59 Pa. PUC 332, 67 P.U.R. 4th 30 (1986).

While DOD does not intend to engage in any redundant cross or to duplicate efforts by the Commission's Office of Trial Staff, or any other party, DOD plans to be an active participant in the proceeding. As to position at this prehearing conference, DOD states:

(1) Issues that may be addressed in proceeding:

- (a) The proposed 13 percent return on common equity sought by PP&L in support of its proposed 10.22 % overall rate of return is excessive in light of the risks faced by the utility, financial market conditions and equity returns found reasonable in recent Pennsylvania electric utility decisions.
- (b) Revenue Requirements. Accounting adjustments might include SFAS No. 106. DOD may oppose some portions of the proposed SFAS No. 106 recovery, as calculated by PP&L, where the utility has not fully justified the proposed level of cost recovery.
- (c) Reasonable Fuel Inventory and Calculation of Fuel Inventory Costs. DOD is still reviewing PP&L's proposed fuel inventory and inventory costs used in calculating the requested revenue requirements. DOD may take issue with some PP&L calculations.

- (d) Future Test Year Adjustments including the projected level of (1) working capital, (2) materials and supplies inventories, (3) proposed levels of payroll, labor and retiree expenses, VERP program and (4) the construction budget as proposed by PP&L in support of proposed rates are now being examined by DOD and may be matters questioned at hearings.
- (e) Demand Side Management. In accord with Section 502 Executive Order 12902 (March 8, 1994), as well as provided for in 42 U.S.C.A. § 8256 and 10 U.S.C.A. § 2865, DOD supports cost effective demand side management programs.
- (f) Decommissioning costs and changes in depreciation. The level of decommissioning costs for nuclear plants that must be recovered in rates is prescribed by federal regulation. Whether any decommissioning costs are a realistic cost of service for fossil fuel and/or hydro plants is a contested matter -- in light of possible actions which might extend generating plant life. The reasonable level of decommissioning costs, if any, for fossil fuel plants would also be a contested matter.
- (g) Other Accounting Adjustments. DOD reserves the right to raise other issues involving accounting adjustments to PP&L's proposed overall cost of service.
- (h) Class cost allocation. At this time DOD has not ascertained any disagreement with PP&L on this issue. However, PP&L or others parties may propose class cost and revenue allocation methods and allocations that DOD may oppose.
- (i) Rate design. At this time, DOD has not ascertained any sharp disagreement with PP&L on rate design. While there is arguably room for improving rate design and refine the class costs of service method, PP&L's proposal does not appear unreasonable on its face. PP&L's cost allocation study (JMK-2) for a test period ending September 30, 1995 has proposed a class return for sales on LP-4 above the proposed overall return. In the course of this proceeding, PP&L or other parties may propose rate design changes that DOD would oppose. DOD does not oppose the proposed new Rate LP-6 to the extent the new rate creates no new subsidy by recovering class costs of service and earning a return at unity with the overall authorized return.

(2) List of possible proposed witnesses:

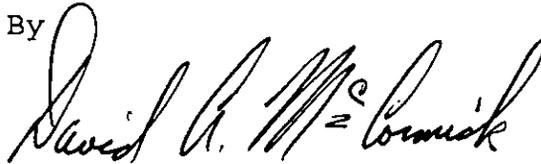
- (a) DOD has not determined whether it will sponsor any expert witness in this proceeding. DOD will advise the Commission and the parties of any decision on this matter as soon as possible. Two possible witnesses have been identified at this time: Thomas J. Prisco of the Department of the Army on accounting adjustments to overall cost of service and Dan L. Neidlinger of Neidlinger Associates of Phoenix, AZ on rate design and class cost of service issues. A background sheet on Mr. Neidlinger is attached as Appendix B; some background material on Mr. Prisco is attached as Appendix C to this Prehearing Memorandum.

(3) Statement of the type of evidence DOD may present:

- (a) DOD may offer expert testimony and/or exhibits including cross examination exhibits in support of DOD's position. While DOD reserves the right to raise additional issues, review of the utility's rate filing has given rise to probable issues discussed in response to 1(a-i) above, which are at least exemplary of DOD's concerns.
- (b) Consideration is being made as to sponsor accounting testimony on revenue issues by Mr. Thomas J. Prisco. As stated above DOD is considering whether it should sponsor testimony on class cost allocation testimony and rate design, perhaps by Mr. Dan L. Neidlinger.
- (4) DOD is willing to enter into efforts to narrow issues and enter settlement discussions related to this litigation, in accord with 52 Pa. Code 5.231. As a manifestation of this, one notes DOD was a party to the recent partial settlement mentioned at page 101 of the Opinion and Order of the Commission adopted December 15, 1994 in Pennsylvania P.U.C. vs. West Penn Power Company, Docket No. R 94-2986.
- (5) DOD will cooperate with other parties in an effort to

arrive at a mutually acceptable hearing and briefing schedule.

By



David A. McCormick  
Attorney I.D. No. 17357

Regulatory Law Office  
Office of The Judge Advocate General  
Department of the Army (DAJA-RL 3848)  
901 North Stuart Street, Room 713  
Arlington, VA 22203-1837

Telephone: (703) 696-1646  
Telecopy: (703) 696-2960



FEB 15 1995

General Services Administration  
Public Buildings Service  
Washington, DC 20405

DOD Position Statement  
Appendix A, Page 1 of 2

OFFICE OF THE  
SECRETARY OF DEFENSE

95 FEB 24 AM 8:41

The Honorable William J. Perry  
Secretary of Defense  
Washington, DC 20301

Dear Mr. Secretary:

By letter dated January 17, 1995, to the Assistant Commissioner, Office of Procurement, General Services Administration, Robert N. Kittel, Chief, Regulatory Law Office, Office of the Judge Advocate General, Department of the Army, requested the enclosed delegation of authority.

The delegation is made to the Secretary of Defense in accordance with section 205(d) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 486(d)), which provides that the Administrator of General Services may make such a delegation to the head of any other Federal agency.

The delegation of authority authorizes the Secretary of Defense to represent the consumer interests of the executive agencies of the Federal Government, consistent with Administration policy, in proceedings before the Pennsylvania Public Utility Commission concerning Pennsylvania Power and Light Company's request for an increase in electric rates, Docket No. R 94-3271.

We understand that the Department of the Army, Office of the Judge Advocate General, will perform the functions being delegated to the Secretary of Defense by the enclosed delegation of authority, and that the Office of General Counsel, General Services Administration, will be kept fully advised of the progress of the proceeding.

Sincerely,

ROBERT J. DILUCHIO  
Assistant Commissioner for  
Governmentwide Real Property Policy

Enclosure

cc: Honorable Togo D. West, Jr.  
Secretary of the Army  
Washington, DC 20310

Robert N. Kittel  
Chief, Regulatory Law Office  
901 North Stuart Street  
Arlington, VA 22203-1837



GENERAL SERVICES ADMINISTRATION  
PUBLIC BUILDINGS SERVICE

D - 95-06

DELEGATION OF AUTHORITY TO THE SECRETARY OF DEFENSE

1. Purpose. This delegation authorizes the Secretary of Defense to represent the consumer interests of the executive agencies of the Federal Government in proceedings before the Pennsylvania Public Utility Commission.

2. Effective date. This delegation is effective immediately.

3. Delegation.

a. Pursuant to the authority vested in the Administrator of General Services by sections 201(a)(4) and 205(d) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 481(a)(4) and 486(d)), authority is delegated to the Secretary of Defense to represent the consumer interests of the executive agencies of the Federal Government in proceedings before the Pennsylvania Public Utility Commission concerning Pennsylvania Power and Light Company's request for an increase in electric rates, Docket No. R 94-3271.

b. The Secretary of Defense may redelegate this authority to any officer, official, or employee of the Department of Defense.

c. This authority shall be exercised in accordance with Administration policy and the policies, procedures, and controls prescribed by the General Services Administration (GSA), and shall be exercised in cooperation with the responsible officers, officials, and employees thereof.

d. This authority will expire 2 years from the date of issuance.

Dated: FEB 15 1995

  
ROBERT J. DILUCHIO  
Assistant Commissioner for  
Governmentwide Real Property Policy

DAN L. NEIDLINGER

STATEMENT OF QUALIFICATIONS

I. General:

Mr. Neidlinger is President of Neidlinger & Associates, Ltd., a Phoenix consulting firm specializing in utility rate economics and financial management. During his consulting career, he has managed and performed numerous assignments related to utility ratemaking and regulatory matters.

II. Education:

Mr. Neidlinger was graduated from Purdue University with a Bachelor of Science degree in Electrical Engineering. He also holds a Master of Science degree in Industrial Management from Purdue's Krannert Graduate School of Management. He is a licensed Certified Public Accountant in Arizona and Ohio.

III. Consulting Experience:

Mr. Neidlinger has presented expert testimony on financial, accounting, rate of return and rate structure issues in regulatory proceedings involving companies from every segment of the utility industry. He has testified before regulatory bodies and agencies in Alaska, Arizona, Colorado, Guam, Idaho, New Mexico, Nevada, Texas, Utah, Wyoming and the Province of Alberta, Canada. Testimony presented to these boards and commissions has been on behalf of commission staffs, applicant utilities, industrial intervenors and consumer agencies.

Mr. Neidlinger has also testified in a number of civil litigation matters involving utility ratemaking and once served as a Special Master to a Nevada court in a law suit involving a Nevada public utility.

IV. Professional Affiliations:

Professional affiliations include the American Institute of Certified Public Accountants.



TESTIMONY OF THOMAS J. PRISCO  
BEFORE REGULATORY AGENCIES  
1989 TO PRESENT

| COMPANY  | PROCEEDING             | JURISDICTION         | ACTION & SUBJECT       |
|--|------------------------|----------------------|------------------------|
| POTOMAC ELECTRIC POWER COMPANY                             | CASE NO. 912           | DISTRICT OF COLUMBIA | TESTIMONY REV REQMT    |
| POTOMAC ELECTRIC POWER COMPANY                             | CASE NO. 929           | DISTRICT OF COLUMBIA | TESTIMONY REV REQMT    |
| POTOMAC ELECTIC POWER COMPANY                              | CASE NO. 8251          | MARYLAND             | SETTLEMENT NEGOTIATION |
| POTOMAC ELECTRIC POWER COMPANY                             | CASE NO. 8466          | MARYLAND             | SETTLEMENT NEGOTIATION |
| POTOMAC ELECTRIC POWER COMPANY                             | CASE NO. 8565          | MARYLAND             | SETTLEMENT NEGOTIATION |
| INTEGRATED RESOURCE PLANNING RULE MAKING FOR GAS UTILITIES | DOCKET NO. 91-677-G    | SOUTH CAROLINA       | TESTIMONY DSM          |
| DEMAND SIDE OPTIONS & CONSERVATION PROCEEDING              | DOCKET NO. 900834-EI   | FLORIDA              | ASSISTED COUNSEL       |
| ATLANTA GAS LIGHT COMPANY                                  | DOCKET NO. 4451-U      | GEORGIA              | TESTIMONY REV REQMT    |
| UNITED GAS PIPELINE COMPANY                                | DOCKET NO. RS-92-26000 | F. E. R. C.          | ASSISTED COUNSEL       |
| UNITED CITIES GAS COMPANY                                  | DOCKET NO. 4188-U      | GEORGIA              | TESTIMONY REV REQMT    |

TESTIMONY OF THOMAS J. PRISCO  
BEFORE REGULATORY AGENCIES  
1989 TO PRESENT

| COMPANY  | PROCEEDING                                  | JURISDICTION   | ACTION & SUBJECT         |
|--|---|----------------|--------------------------|
| EL PASO ELECTRIC COMPANY   | DOCKET NO. 12700                            | TEXAS          | TESTIMONY<br>REV REQMT   |
| NIAGARA MOHAWK POWER CORPORATION   | CASE NOS. 94-E-0098<br>94-E-0099, 94-E-0100 | NEW YORK       | REV REQMT<br>PRICE CAPS  |
| ENERGY POLICY ACT OF 1992 SEC 115<br>CONSERVATION EFFORTS BY GAS UTILITIES | DOCKET NO. 93-730-G                         | SOUTH CAROLINA | TESTIMONY<br>DSM         |
| WHEELING & LAKE ERIE RWY ABANDONMENT                                       | DOCKET NO. AB-227<br>(Sub-No. 2X)           | I.C.C.         | ASSISTED<br>COUNSEL      |
| INVESTIGATION OF SELF GENERATION<br>AND ECONOMIC INCENTIVE RATES           | DOCKET NO. E100,<br>(Sub 73)                | NORTH CAROLINA | TESTIMONY<br>INC RATES   |
| INVESTIGATION INTO ELECTRIC POWER<br>COMPETITION                           | DOCKET NO. I 94=0032                        | PENNSYLVANIA   | TESTIMONY<br>COMPETITION |
|  |   |                |                          |
|  |   |                |                          |
|  |   |                |                          |
|  |   |                |                          |

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION :  
v. :  
PENNSYLVANIA POWER & LIGHT :  
COMPANY :

Docket No.  
R-00943271

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INFO. CONTROL

PREHEARING MEMORANDUM  
OF THE OFFICE OF TRIAL STAFF

DOCKETED  
MAR 24 1995

TO ADMINISTRATIVE LAW JUDGE MICHAEL C. SCHNIERLE:

The Office of Trial Staff (OTS) respectfully submits the following prehearing memorandum in the above-captioned proceeding in response to the notice from the Office of Administrative Law Judges dated January 20, 1995. The OTS attorneys in this proceeding are Johnnie E. Simms, Kenneth L. Mickens and Stephen Gorka. The address and telephone number are as follows:

Johnnie E. Simms, Esquire  
Kenneth L. Mickens, Esquire  
Stephen Gorka, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
(717) 787-1976

DOCUMENT  
FOLDER

I. INTRODUCTION

On December 30, 1995, Pennsylvania Power & Light Company ("PP&L" or "Company") filed Supplement No. 50 to Tariff Electric-Pa. P.U.C. No. 200 to become effective February 28, 1995. This filing contains proposed changes in rates, rules and regulations calculated to produce \$261,635,000 in

additional annual revenues, based upon the level of operations for the twelve months ended September 30, 1995. Pursuant to 66 Pa. C.S. §1308(d), the filing will be suspended by operation of law until September 28, 1995, unless permitted by Commission Order to become effective at an earlier date.

By Order adopted January 26, 1995 and entered January 27, 1995, the Commission instituted an investigation into the lawfulness, justness and reasonableness of the proposed increase as well as the Company's existing rates.

#### I. ISSUES, WITNESSES, EVIDENCE

OTS provides notice that it will fully investigate the accuracy and reasonableness of every significant accounting entry and adjustment that comprises the Company's claim in this case. If, as a result of such investigation, any accounting entry or adjustment is found to be lacking in adequate supporting documentation, reasonableness or basic fairness, that fact will be placed on the record by means of direct testimony, cross-examination and/or exhibits and will be presented in brief.

The following list identifies for OTS the possible major issues in this proceeding. OTS contemplates that the witnesses identified below will testify in the indicated subject areas. However, this list should not be considered as a limitation upon OTS' right to call additional witnesses or pursue other issues which may arise during the course of the proceeding. If additional issues arise during the course of

the proceeding or as the result of further discovery, or if facts or circumstances undergo a material change during the proceeding, OTS reserves the right to pursue additional issues and to change any previously stated positions. It is possible that some of the issues listed will not require hearing time if they can be resolved either through stipulation or discovery. It is also possible that there may be issues of Commission policy where legal interpretation cannot be properly the subject of testimony, or factual issues which are clear on the record, which therefore need not be supported by testimony. OTS reserves the right to dispense with testimony when in its opinion an issue can be dealt with adequately in its brief.

WITNESSES

Charles Weakley  
Timothy Wallick  
Stephen Reed  
Joseph Sivulich  
Paul Yarolin  
Paul Metro  
Kevan Deardorff

ISSUES

Rate Base

Excess capacity  
Fossil Fuel Plants  
Decommissioning  
Sinking fund  
Capital stock tax

Rate Design

Customer charges  
Rate blocks  
Interruptibles

Revenues and Expenses

ECR  
Miscellaneous tax  
Early window on Unit 1 and Unit 2  
Early retirement  
Service Club membership  
Rate Case Expense  
Social Programs  
DSM

In addition to the direct testimony and exhibits of OTS witnesses and cross-examination of parties opponent, OTS also intends to rely upon the Company's filing, answers to data requests and interrogatories, the Annual Report to the Commission, other Commission filings, general financial market information sources and other public documents and reports.

II. SCHEDULE

A proposed schedule has been attached to this Prehearing Memorandum.

Respectfully submitted,



Johnnie E. Simms  
Senior Prosecutor  
Office of Trial Staff

Dated: March 7, 1995

## OTS PROPOSED SCHEDULE

PP&L

Docket No. R-00943271

|             |  |
|-------------|--|
| March 7     | Pre-Hearing Conference                             |
| March 7     | Company Files Testimony                            |
| March 20-23 | Cross of Company Witnesses Direct Testimony        |
| April 18    | OTS, OCA and Other Parties File Testimony          |
| May 8-10    | Cross of OTS, OCA & Other Parties Direct Testimony |
| May 16      | Company Files Rebuttal Testimony                   |
| May 23-26   | Cross of Company Rebuttal and Any Oral Surrebuttal |
| May 26      | Close of Record                                    |
| June 15     | Main Briefs Due                                    |
| June 26     | Reply Briefs Due                                   |

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

KJR

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION, et al.

v.

PENNSYLVANIA POWER & LIGHT  
COMPANY

:  
:  
:  
:  
:  
:  
:

DOCKET NO. R-00943271

**DOCKETED**  
MAR 24 1995

PREHEARING CONFERENCE MEMORANDUM

OF

PENNSYLVANIA POWER & LIGHT COMPANY

Before Administrative Law Judge Michael C. Schnierle

Thomas P. Gadsden  
David B. MacGregor  
Morgan, Lewis & Bockius  
2000 One Logan Square  
Philadelphia, PA 19103

Paul E. Russell  
Pennsylvania Power & Light  
Company  
Two North Ninth Street  
Allentown, PA 18101

Counsel for Pennsylvania Power  
& Light Company

DOCUMENT  
FOLDER

OF COUNSEL:

MORGAN, LEWIS & BOCKIUS  
2000 One Logan Square  
Philadelphia, PA 19103  
(215) 963-5234

DATED: March 7, 1995

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INFO. CONTROL DIV.

## I. INTRODUCTION

Pennsylvania Power & Light Company ("PP&L" or the "Company") was founded in 1920 through the consolidation of eight electric companies. PP&L presently serves a 10,000 square mile territory in 29 counties of central-eastern Pennsylvania. This territory contains extensive agricultural and industrial areas as well as over 800 communities, including the cities of Allentown, Bethlehem, Harrisburg, Lancaster, Scranton, Wilkes-Barre and Williamsport. PP&L serves approximately 1,207,606 customers in its authorized service territory.

On December 30, 1994, PP&L filed Supplement No. 50 to Tariff Electric - Pa. P.U.C. No. 200 ("Supplement No. 50"), requesting an increase in total annual operating revenues of \$261,635,000, or approximately 11.7% over the level of revenues anticipated for the future test year ending September 30, 1995. The principal purposes of this filing are to bring PP&L's rates for retail electric service in line with the cost of providing that service and to position the Company's rates to respond to an increasingly competitive market for electric power. The requested increase is necessary to cover the Company's cost of service including a fair return on its capital investment, to address future known changes in several aspects of the Company's business and to avoid future financial deterioration.

By Order entered January 27, 1995, the Pennsylvania Public Utility Commission (the "Commission") instituted a formal investigation at Docket No. R-00943271 to determine the

lawfulness, justness and reasonableness of the Company's existing and proposed rates. Supplement No. 50 was thereby suspended by operation of law for a period of up to seven months, or until September 28, 1995. As of March 6, 1995, the Company has been served with 103 formal Complaints filed against the proposed rate increase, including the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA") and the Pennsylvania Power & Light Industrial Customer Alliance ("PPLICA"). Petitions to Intervene have been filed by M&M/Mars, Inc., and Bethlehem Steel Corporation.

Accompanying Supplement No. 50, the Company filed the extensive and detailed supporting information required by the Commission's regulations, including the prepared written testimony and exhibits of its 14 initial witnesses. During the course of this case the Company may submit additional testimony and exhibits in response to the presentations of, or cross-examination by, other parties and with respect to any specific issues that might be raised by such parties. In addition, certain testimony and exhibits may be updated to reflect known changes which should be considered in this proceeding.

In support of the proposed rate increase, the Company has presented complete and separate data for the historic test year ended September 30, 1994 and the future test year ending September 30, 1995. The Company intends, however, to rely primarily on the future test year data in support of its proposed

rate increase. The Company submits that the record at the close of this proceeding will fully demonstrate that the rates proposed in Supplement No. 50 are just, reasonable and lawful and should be approved in full by the Commission.

## II. ISSUES

Attached as Appendix A to this Memorandum is a copy of the Company's "Statement Of Specific Reasons For Proposed Increase In Rates," which was submitted with the Company's filing in response to the Commission's filing regulations. This document sets forth the issues and sub-issues which are anticipated in this proceeding and contains a summary of the Company's position on those issues.

## III. WITNESSES

Summarized in Appendix B hereto, are the initial witnesses for the Company and the subject matter of their direct testimony and exhibits. Appendix B reflects one change from the Company's initial filing. Mr. Bujnowski, who sponsored Statement No. 11 on Customer and Community Needs Programs, has been transferred to a new position and is no longer responsible for these programs. PP&L proposes to substitute Mr. Thomas C. Stathos for Mr. Bujnowski. Copies of PP&L Statement No. 11-S, which provides a summary of Mr. Stathos' education, training and employment experience will be distributed at the prehearing conference.

**IV. DISCOVERY**

To date, PP&L has received a total of 667 Interrogatories propounded by the various parties involved in this proceeding as illustrated below:

|        |           |
|--------|-----------|
| OTS    | 228       |
| OCA    | 338       |
| OSBA   | 41        |
| PPLICA | <u>60</u> |
| TOTAL  | 667       |

As of March 6, 1994, PP&L has responded to 607 of these questions. PP&L has responded to all questions due on or before March 6, 1995.

The Company has submitted Objections to OCA Set I, Question No. 6, on February 14, 1995; to OCA Set V, Question No. 48 on February 15, 1995 and to PPLICA Set II, No. 10.b, on February 16, 1995.

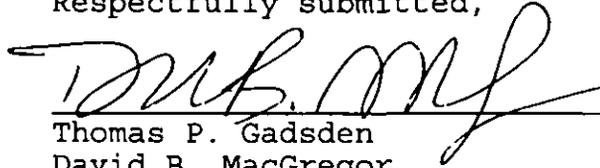
**V. PROPOSED SCHEDULE**

Attached as Appendix C to this Memorandum is a proposed schedule for hearings, the submission of testimony and the filing of briefs in this proceeding.

VI. CONCLUSION

Based on the evidence referenced above, PP&L submits that the rates proposed in Supplement No. 50 to Tariff Electric - Pa. P.U.C. No. 200 are just, reasonable and lawful in all respects. Accordingly, the requested rate increase should be approved by the Administrative Law Judge and the Commission at the close of this proceeding.

Respectfully submitted,



Thomas P. Gadsden  
David B. MacGregor  
MORGAN, LEWIS & BOCKIUS  
2000 One Logan Square  
Philadelphia, PA 19103

Paul E. Russell  
Pennsylvania Power & Light Company  
Two North Ninth Street  
Allentown, PA 18101

Counsel for Pennsylvania Power  
& Light Company

OF COUNSEL:

MORGAN, LEWIS & BOCKIUS  
2000 One Logan Square  
Philadelphia, PA 19103  
(215) 963-5234

DATED: March 7, 1995

APPENDIX A

**PENNSYLVANIA POWER & LIGHT COMPANY**

**Statement of Reasons  
for the Proposed Increase  
Docket No. R-00943271**

**STATEMENT OF REASONS  
FOR THE PROPOSED INCREASE**

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1. Introduction

The purpose of this filing is to bring Pennsylvania Power & Light Company's ("PP&L" or the "Company") rates for retail electric service in line with the cost of providing that service. PP&L is requesting an overall annual net increase of approximately \$261 million, based on a future test year ending September 30, 1995. This level of additional annual revenue will produce an increase in overall rates of about 11.7%.

This increase in rates is necessary to cover the Company's cost of service including a fair return on its capital investment. In addition, an increase in rates is necessary to address future known changes in several aspects of the Company's business and to avoid future financial deterioration.

2. PP&L's Rate Philosophy

The Company's overall approach to ratemaking over the past ten years has been based on two objectives. The first has been to maintain rate stability. Since the Susquehanna Unit 2 case was concluded in April 1985, the Company has undertaken extensive efforts to avoid filing a base rate increase. For example, during this period, PP&L undertook a \$3.46 billion refinancing program to replace high cost securities at a lower cost. The Company has implemented a series of cost

reduction measures, including reductions in staff levels, elimination of unnecessary functions, a fundamental restructuring at the corporate level and a re-engineering of critical processes. In addition, the Company has pursued revenue growth opportunities in both the retail market and the bulk power market.

The Company has been successful in these efforts. PP&L's last retail base rate increase request was filed with the Commission on July 27, 1984, more than a decade ago. During that ten-year time period, every major electric utility in Pennsylvania has filed at least one base rate increase request; some have filed a number of requests.

The Company's second ratemaking objective has been to pass through to customers the rate impacts of certain non-recurring cost savings. Under traditional ratemaking practice, changes that occur outside of a base rate proceeding are not generally reflected in customer rates until the utility's next base rate proceeding. PP&L generally follows this traditional approach because the various changes in costs and revenue that occur between rate cases can offset one another and, thereby, eliminate or moderate the need for interim rate changes.

However, PP&L has adopted a different approach if the change is non-recurring and, in a number of instances, has developed innovative mechanisms to flow through to customers specific non-recurring cost savings. For example, in 1986, the Company passed through the impact of reductions in its Federal income tax liability. PP&L returned this credit to customers by creating a special rate clause -- the Income Tax Adjustment ("ITA"). In 1991, the Company began to pass through

(over a five year period) the cost savings associated with a change in the method of accounting for spare parts inventory at its power plants. A year later, PP&L began another five-year pass through of the proceeds from a settlement of potential litigation with the General Electric Company. These two credits currently are reflected on customer bills through another unique clause -- the Special Base Rate Credit Adjustment ("SBRCA").

The decision to file the present case was a difficult one and was made only after all other alternatives for maintaining the Company's financial health had been explored. Both the revenue requirements component and the rate design component of the filing are designed to maintain, to the extent possible, the stability of the Company's retail rates. Moreover, as discussed in more detail below, the present filing reflects a number of cost savings that substantially reduce PP&L's overall revenue requirement.

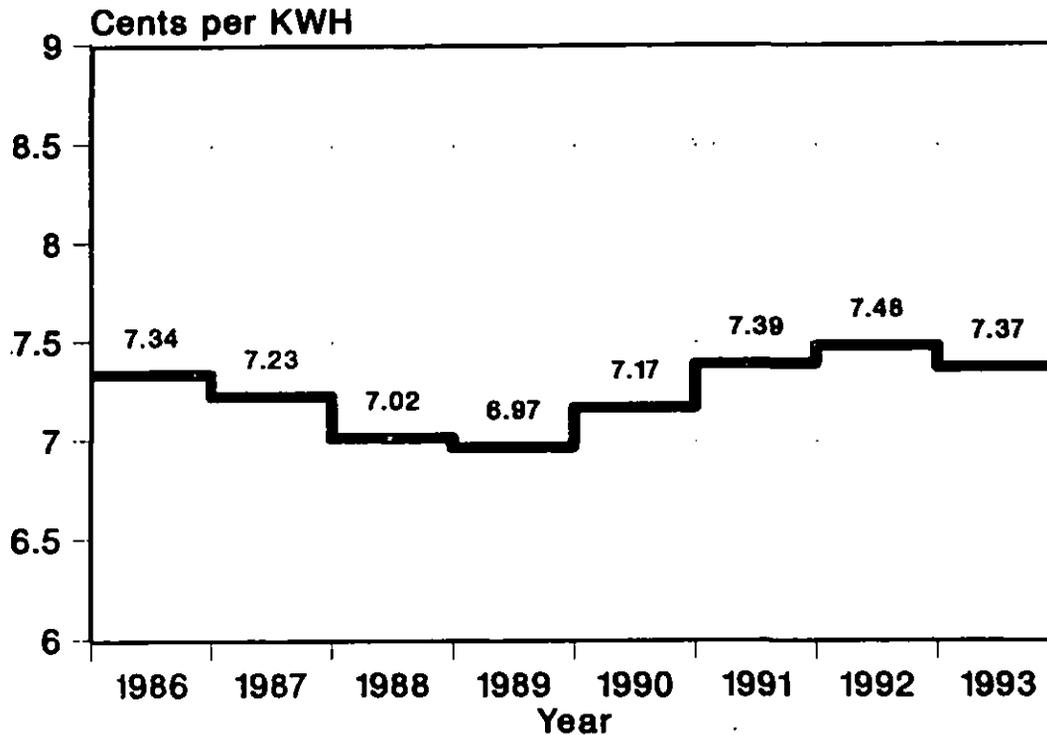
### 3. Comparisons of PP&L's Rates

An analysis of PP&L's retail rates demonstrates that its ratemaking philosophy has been successful. The Company's rates have remained relatively stable over the last decade; its rates over this time period have not tracked the general rate of inflation; and PP&L's rates compare favorably to the rates of other electric utilities in the region.

As shown in the chart below, after the Susquehanna Unit 2 base rate case concluded in 1985, PP&L's average price (based upon customer use in that

year) was 7.34¢ per KWH. In 1993, the Company's average price for electricity was only 7.37¢ per KWH.

## PP&L Total Price

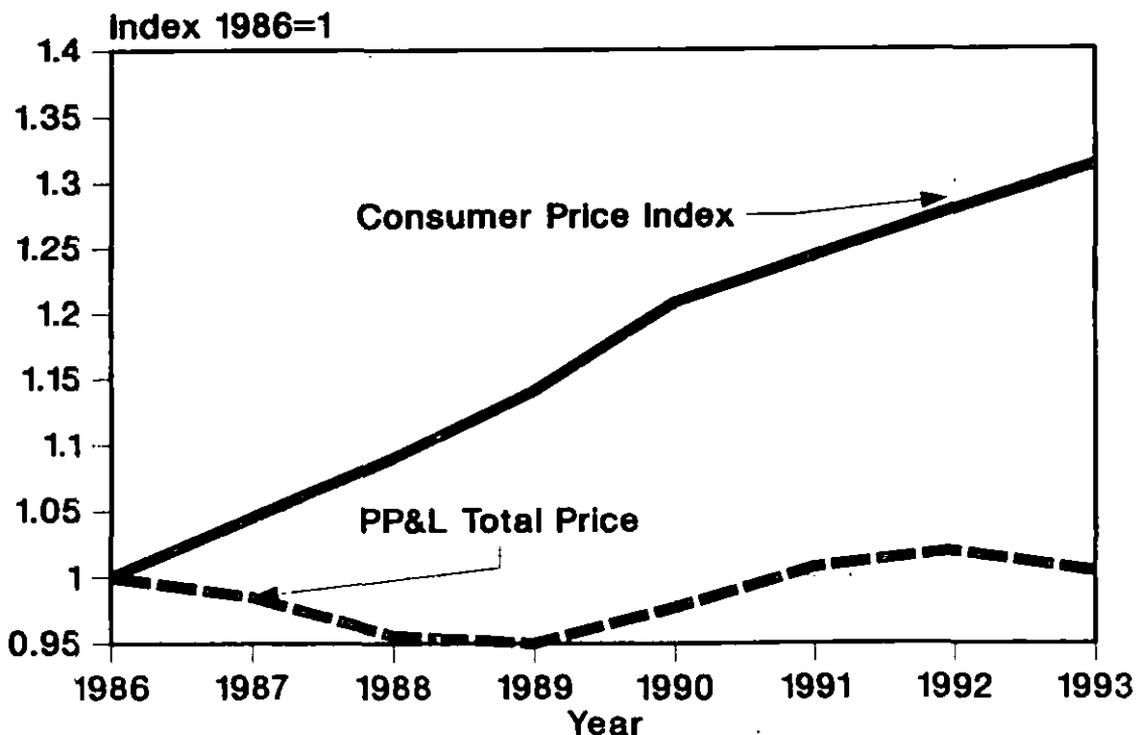


Thus, since the Company's last base rate case, its average price has remained essentially unchanged.

PP&L's average price also compares favorably with increases in the Consumer Price Index ("CPI"). As previously discussed, during the period from 1986 through 1993, the Company's average price remained essentially unchanged.

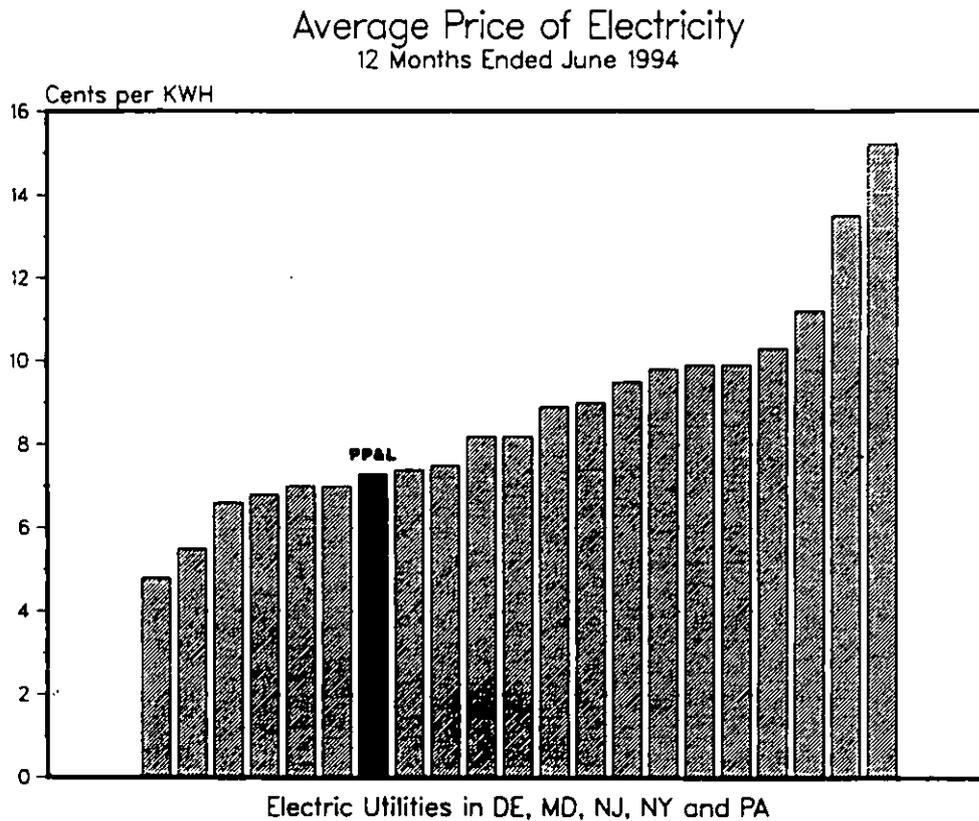
However, as shown on the chart below, over the same time period, the CPI increased by 31%.

### Total Price Changes Relative to CPI 1986 Price = 1



Thus, while the overall rate of inflation, as measured by the CPI, increased more than 30%, PP&L's average price for electricity remained virtually the same.

In addition, the Company's total price for electricity compares favorably with the average prices of other electric utilities in the region. The chart below shows a comparison for the 12-month period ended June 30, 1994.



In summary, these three comparisons demonstrate the success of PP&L's ratemaking philosophy.

#### 4. PP&L's Commitment to Communities

For decades, PP&L has been firmly committed to the communities it serves in central-eastern Pennsylvania. This commitment is demonstrated in at least three ways.

First, the Company continues to support and enhance economic development within its service area. Over the past ten years, the Company has proposed, and the Commission has approved, a series of economic development initiatives. Examples of these initiatives include interruptible service options; demand-free day options; and rate credits for incremental electricity use.

Recently, the Commission approved two innovative rates proposed by PP&L to respond to competitive pressures and to promote economic development in its service area. The first is a competitive rate rider. Under this program, PP&L can offer flexible rates to customers that have a credible alternative to the purchase of electricity from the Company. The second program is real time pricing which provides qualifying customers with an opportunity to purchase incremental energy at the cost PP&L actually incurs to provide that electricity. Because costs generally are lower during off-peak periods, the rates that customers will pay under this program will be lower during those periods. Customers who can add load during off-peak periods and/or shift load to those periods will experience cost savings under this rate option.

Second, PP&L supports efficient and effective use of energy by its customers. To this end, the Company has developed a portfolio of demand-side

management (DSM) programs and high-efficiency energy use programs. The Company's DSM plan has been submitted to the Commission and currently is under review. In addition, the Company continues to develop new initiatives in this area.

Third, PP&L has a long history of developing and supporting programs that assist the communities and individuals that it serves. Examples of successful existing programs in this area include Operation HELP, CARES, WRAP and "On Track" -- the Company's pilot customer assistance program. In addition to these programs, most of which have been in place for over ten years, PP&L has developed an extensive family of new programs. With this combination of existing and new initiatives, PP&L can continue to assist its customers who truly are in need.

#### 5. Specific Claims in the Filing

This base rate increase is being requested to cover the Company's cost of service including a fair return on capital investment. In addition, an increase in rates is needed to address future known changes in several aspects of the Company's business and to avoid future financial deterioration. Attachment A to this Statement of Reasons and the following discussion summarize the major components in the filing.

Environmental costs. As one of its principal corporate objectives, PP&L is committed to fully meeting all of its environmental responsibilities. With passage of the 1990 amendments to the Clean Air Act, these responsibilities have increased dramatically. The Company expects to incur significant additional costs to comply

with these amendments and other legal requirements regarding the emission of air pollutants such as sulfur dioxide and nitrogen oxide. The future test year data in this filing reflect the costs that PP&L will incur as of September 30, 1995, for these items.

Susquehanna depreciation. Currently, the Company depreciates the cost of Susquehanna nuclear plant facilities placed in service prior to January 1, 1989, using a sinking fund method. That method was proposed by PP&L and approved by the Commission in the Susquehanna Unit 1 case (Docket No. R-822169) and the Susquehanna Unit 2 case (Docket No. R-842651). Under the sinking fund method, the annual depreciation expense for Susquehanna increases every year until 1999. In this filing, the Company is requesting permission to set Susquehanna's depreciation expense for facilities placed in service prior to January 1, 1989, at a level amount of approximately \$173 million per year through 1998. When the plant's depreciation switches to straight-line in 1999, this expense will fall to about \$102 million per year. In this filing, PP&L is proposing to reduce its rates in 1999 by approximately \$70 million to recognize this change.

Fossil plant depreciation. This filing reflects a proposal to decrease, for depreciation purposes, the lives of certain fossil-fueled plants on the Company's system. This change is based on studies of the economic lives of these plants that considered, among other things, the cost of complying with new environmental requirements. The studies conclude that the depreciation lives of Holtwood Unit 17, Martins Creek Units 1 & 2 and the Sunbury station should be reduced by amounts that range from six to twelve years to reflect the uncertainties introduced by these

new requirements. The Company is proposing a deactivation date of 2003 for these units.

Susquehanna decommissioning. This filing includes a claim to recover the estimated cost of decommissioning the Susquehanna nuclear plant. This claim is based upon a site-specific study of the cost of decommissioning the plant that was conducted in late 1993 by TLG Services, Inc. That study estimated that the Company's 90% share of the total cost of decommissioning will be approximately \$724 million (in 1993 dollars), including both the radioactive and non-radioactive portions of the plant. The Company is proposing to use an annuity to collect this cost over the remaining life of Susquehanna.

Fossil plant decommissioning. This filing also includes a claim to recover the cost of decommissioning the Company's fossil-fueled power plants. The claim is based upon a study of the cost of decommissioning those plants that was conducted by TLG Services, Inc. earlier this year. The total cost of decommissioning is estimated to be \$614 million. If this request is granted, the Company proposes to use an annuity to collect this cost over the remaining lives of the affected plants.

SFAS 106. This filing reflects an estimate of the costs that PP&L will incur to comply with Statement of Financial Accounting Standards No. 106 (SFAS 106). Under SFAS 106, most major corporations, including PP&L, must accrue for the cost of certain post-retirement benefits rather than reflect those costs on a "pay-as-you-go" basis. In PP&L's case, this accrual is approximately \$17 million more than its annual cash payments for these benefits.

## 6. Issues Related to JCP&L Agreement

This filing addresses the upcoming termination of PP&L's capacity and energy sales agreement with Jersey Central Power & Light Company (JCP&L). That contract phases out in five steps, beginning on January 1, 1996. As the capacity and energy formerly sold to JCP&L is used to serve retail customers, PP&L should begin to recover the associated costs from those customers. The Company has not reflected any of those costs in the filing. Rather, PP&L is proposing that it be permitted to recover the costs through its Energy Cost Rate ("ECR") beginning on January 1, 1996.

An issue related to the JCP&L agreement is the Company's ratemaking treatment of revenue from its off-system sales of (1) installed capacity credits, (2) output reservations, and (3) transmission entitlements. Pursuant to a Commission-approved settlement agreement (Docket No. M-00930406), a portion of the revenue from installed capacity credit sales now is flowed through the ECR. If its proposal regarding the JCP&L agreement is approved, the Company proposes to flow through the ECR all current and future revenue from these capacity-related off-system sales.

## 7. Credits in the Filing

The discussion above summarizes the major specific items reflected in this filing. An equally important issue is the number of credits that PP&L has

included in the filing that reduce, to the extent possible, the amount of its rate increase request. Following is a discussion of four principal credits reflected in the filing.

Refinancings. Over the past several years, PP&L has vigorously pursued refinancing opportunities to replace high cost securities at a lower cost. The Company was in a unique position to benefit from these opportunities because during construction of the Susquehanna plant it was forced to borrow funds at rates exceeding 16%. Through its refinancing efforts, the Company was able to reduce its average embedded cost of long-term debt from 11.24% at December 31, 1985, to 7.97% in the future test year in this filing. Similarly, PP&L was able to reduce its average embedded cost of preferred and preference stock from 10.02% at December 31, 1985, to 7.31% in the future test year in this filing. The cumulative reduction in the Company's annual revenue requirement attributable to these reductions in embedded cost rates is approximately \$133 million.

Voluntary Early Retirement Program. Another revenue requirement credit arises from the Company's Voluntary Early Retirement Program ("VERP"). The VERP was offered to all employees 55 and older; approximately 850 employees were eligible. As of December 15, 1994, the cut-off date for participation, over 600 employees have elected to take early retirement under this program. The estimated impact of the VERP is reflected in the Company's filing as the annual savings less the total cost amortized over five years. The result is a net credit which will reduce the Company's rate increase request by \$12 million.

Depreciation of T&D facilities. The Company has determined that the depreciation lives of some of its transmission and distribution ("T&D") facilities are too short. In this filing, the Company is proposing to increase the lives of those facilities. This change will reduce the Company's revenue requirement by \$31 million.

Off-System Sales. As a part of its effort to avoid retail base rate increases and maintain rate stability, PP&L vigorously pursued capacity-related off-system sales. These sales can take many different forms. As indicated above, they have included: (1) sales of installed capacity credits, (2) output reservations, and (3) sales of transmission entitlements. In the future test year, revenue from these sales will reduce the Company's revenue requirement by about \$21 million.

#### 8. Rate of Return

In line with the Company's rate philosophy described earlier, the requested rate increase will produce a conservative return on rate base. PP&L's rate of return expert is recommending, and his studies support, a minimum rate of return on common equity of 13%. In light of the ongoing changes in the electric utility industry and recent trends in financial markets, this claim clearly is at the low end of the range of reasonableness. Moreover, the requested rate levels are designed to produce a rate of return on common equity slightly less than the claimed 13%.

## 9. Rate Design

As in previous cases, PP&L has prepared cost allocation studies designed to establish the rate of return for each rate class and the relationship of those rates of return to that of the system under both present and proposed conditions. Upon careful review of this material, it was concluded that the findings of these studies would form a principal basis for the assignment of increases to each rate group. Following this method produces varying percentage increases for each major customer class.

The Company is not proposing any major changes in the design of residential rates. The Residential Thermal Storage rate will continue to provide significant savings for qualifying customers. However, the Company is proposing to restrict the size of farms taking service under residential rate schedules.

PP&L also is proposing to re-price a credit that customers receive for taking interruptible service. This re-pricing will more closely approximate the current value of interruptible load to the Company. The credit now reflected in PP&L's tariff, which was established several years ago, is much higher than the current value of interruptible load.

The Company is proposing to offer a new rate to large high load factor industrial customers. This rate is designated Rate Schedule LP-6. In addition, PP&L will continue several economic development initiatives currently reflected in its tariff. Under one of these programs, qualifying industrial and commercial customers can receive credits for expanded electric use. Under the other program, the Company

can declare demand-free days so that qualifying customers will not incur any demand charges when they use electricity.

#### 10. Conclusion

As discussed above, the Company's overall approach to ratemaking has been based on two objectives. The first is to maintain rate stability. The second is to pass through to customers the rate impacts of specific non-recurring cost savings. This two-part philosophy has been successful. The decision to file the present case was made only after extensive analysis and deliberation. Both the revenue requirement component and the rate design component of the filing are designed to maintain, to the extent possible, the stability of the Company's retail rates.

**PENNSYLVANIA POWER AND LIGHT COMPANY**  
**MAJOR COMPONENTS OF THE 1994 BASE RATE INCREASE**

| <u>Component</u>   | <u>Amount</u><br><u>(\$-Millions)</u> |
|--|---------------------------------------|
| Traditional Rate Items   | \$150                                 |
| (Includes, among other things: increases in rate base, depreciation and operating and maintenance expenses, a return on the common equity invested in Susquehanna Unit No. 2 and SFAS 106 costs, offset by sales growth and savings from the Company's refinancing program.) |                                       |
| Decommissioning  |                                       |
| Nuclear  | 18                                    |
| Fossil   | 43                                    |
| Depreciation   |                                       |
| Levelize Susquehanna Sinking Fund Depreciation   | 33                                    |
| Shorten Fossil Plant and General Lives   | 28                                    |
| Lengthen T&D Lives   | (31)                                  |
| Voluntary Early Retirement Program   |                                       |
| Savings  | (23)                                  |
| Amortize Costs   | 11                                    |
| Miscellaneous Items  | 20                                    |
| (Includes, among other things: amortization of deferred SFAS 106 costs, the recovery of deferred operating and maintenance costs for the Susquehanna station, social programs, annualizing depreciation and environmental remediation.)                                      |                                       |
| Gross Receipts Tax   | <u>12</u>                             |
| Total  | <u>\$261</u>                          |

APPENDIX B

**Pennsylvania Power & Light Company**  
**Docket No. R-00943271**  
**Index of Direct Testimony**

| <u>Statement</u> | <u>Description of Testimony</u>  | <u>Company Witness</u> |
|------------------|--|------------------------|
| 1                | - Overall Rate Philosophy<br>- Management Effectiveness<br>- Financing Plans<br>- Investment Of Nuclear<br>Decommissioning Reserve Fund              | Ronald E. Hill         |
| 2                | - Operating Budgets<br>- Voluntary Early Retirement<br>Program<br>- SFAS 106 Cost Containment  | Michael J. Berish      |
| 3                | - Expense Adjustments<br>- Taxes<br>- Cash Working Capital<br>- Fuel Inventories And Reserves<br>- Decommissioning Annuities<br>- Early Window Costs | Ronald J. Bernini      |
| 4                | - Depreciation<br>- Levelized Sinking Fund<br>Depreciation   | Donald S. Hoch         |
| 5                | - Capital Budget<br>- Pollution Control CWIP<br>- Fossil Plant Lives<br>- Coal Upgrading   | Douglas A. Krall       |
| 6                | - Sales And Peak Demand Forecasts<br>- Annualization Of Sales And<br>Revenue<br>- Load Research  | John J. Slivka         |
| 7                | - Cost Allocation<br>- Energy Cost Rate<br>- Special Base Rate Credit<br>Adjustment<br>- Property Held For Future Use                                | Joseph M. Kleha        |
| 8                | - Pro Forma Revenue Adjustments<br>- Class Revenue Allocation<br>- Rate Design<br>- Proof Of Revenues  | Oliver G. Kasper       |

| <u>Statement</u> | <u>Description of Testimony</u>  | <u>Company Witness</u> |
|------------------|--|------------------------|
| 9                | - Electrical System<br>- Capacity Planning And Reserve Margins<br>- Value Of Interruptible Load          | John F. Sipics         |
| 10               | - Economic Development<br>- Demand-Side Management<br>- Energy Efficiency                                | Gerald S. Farber       |
| 11               | - Customer And Community Needs Programs  | Thomas C. Stathos      |
| 12               | - Cost Of Common Equity<br>- Fair Rate Of Return<br>- Capital Structure<br>- Embedded Capital Cost Rates | Paul R. Moul           |
| 13               | - Nuclear Plant Decommissioning<br>- Fossil Plant Decommissioning  | Thomas S. LaGuardia    |
| 14               | - SFAS 106 Costs   | Clyde D. Beers         |

Pennsylvania Power & Light Company  
Docket No. R-00943271  
Index of Exhibits

| <u>Exhibit</u>        | <u>Description</u>  | <u>Company Witness</u> |
|-----------------------|---|------------------------|
| PP&L Exhibit 1        |   |                        |
| Part 1                | Summary Of Filing   | Various                |
| Part 2                | Primary Statements Of Rate<br>Base And Operating Income                     | Various                |
| Part 3                | Rate Of Return  | Various                |
| Part 4                | Rate Structure And Cost<br>Allocation                                       | Various                |
| Part 5                | Plant And Depreciation<br>Supporting Data                                   | Various                |
| Part 6                | Unadjusted Comparative<br>Balance Sheets And<br>Operating Income Statements | Various                |
| Exhibit<br>Historic I | Summary Of Measures & Value<br>& Rate of Return                             | Various                |
| Exhibit<br>Future I   | Summary Of Measures & Value<br>& Rate Of Return                             | Various                |
| MJB 1                 | Introduction To The Budget<br>Manual-Chapter 110                            | Michael J. Berish      |
| MJB 2                 | Specialized Data Produced<br>For The Operating Budget                       | Michael J. Berish      |
| MJB 3                 | Cost Areas - September 1, 1994  | Michael J. Berish      |
| MJB 4                 | 1995 Budget Preparation<br>Schedule   | Michael J. Berish      |
| MJB 5                 | Budget Item Codes   | Michael J. Berish      |
| MJB 6                 | Operating Budget Data<br>12-Months Ended<br>September 30, 1995              | Michael J. Berish      |

| <u>Exhibit</u> | <u>Description</u>  | <u>Company Witness</u> |
|----------------|---|------------------------|
| MJB 7          | Electric Operating Budget<br>Data By Quarters<br>12-Months Ended<br>September 30, 1995        | Michael J. Berish      |
| MJB 8          | Estimated Cost Of The<br>Voluntary Early<br>Retirement Program                                | Michael J. Berish      |
| DSH 1          | Service Life Study  | Donald S. Hoch         |
| DSH 2          | Future Plant Estimation<br>Process  | Donald S. Hoch         |
| DAK 1          | 1994-95 Construction Budget   | Douglas A. Krall       |
| DAK 2          | 1995-96 Construction Budget   | Douglas A. Krall       |
| DAK 3          | Adjustment to the 1994-95 &<br>1995-96 Capital<br>Construction Budget                         | Douglas A. Krall       |
| DAK 4          | Proposed Deactivation Dates<br>For Fossil And Hydro<br>Generating Plants                      | Douglas A. Krall       |
| JJS 1          | Annual Sales By Customer<br>Class   | John J. Slivka         |
| JMK 1          | Cost Allocation Study<br>Test Year Ended<br>September 30, 1994                                | Joseph M. Kleha        |
| JMK 2          | Cost Allocation Study<br>Test Year Ended<br>September 30, 1995                                | Joseph M. Kleha        |
| JMK 3          | Distribution Subfunctional-<br>ization/Classification<br>Studies<br>Allocation Of Meter Costs | Joseph M. Kleha        |
| OGK 1          | Supplement No. 50 to Tariff<br>Electric - Pa. P.U.C.<br>No. 200                               | Oliver G. Kasper       |

| <u>Exhibit</u> | <u>Description</u>  | <u>Company Witness</u> |
|----------------|---|------------------------|
| OGK 2          | Digest Of Proposed Changes Requested In Supplement No. 50 to Tariff Electric - Pa. P.U.C. No. 200                   | Oliver G. Kasper       |
| OGK 3          | Allocation Of Proposed Rate Increase  | Oliver G. Kasper       |
| OGK 4          | Cost Of Service Analysis Of EDI/IDI Programs  | Oliver G. Kasper       |
| JFS 1          | PP&L Load And Capacity Forecast 1994-2003   | John F. Sipics         |
| JFS 2          | 1993-94 Winter Forecast Conditions vs. Annual Conditions  | John F. Sipics         |
| PRM 1          | Schedules Concerning Fair Rate Of Return  | Paul R. Moul           |
| TSL 1          | Dismantling Cost Study For The Holtwood, Sunbury, Martins Creek, Brunner Island and Montour Steam Electric Stations | Thomas S. LaGuardia    |
| TSL 2          | Decommissioning Cost Study For The Susquehanna Steam Electric Station, Units 1 & 2                                  | Thomas S. LaGuardia    |
| CDB 1          | Preliminary Actuarial Report For Fiscal Year Ending December 31, 1995 and Plan Year Beginning January 1, 1995       | Clyde D. Beers         |

APPENDIX C

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PENNSYLVANIA POWER & LIGHT COMPANY

DOCKET NO. R-00943271

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PROPOSED LITIGATION SCHEDULE

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1. Prehearing Conference : March 7, 1995
2. Cross-Examination of : March 21-23, 1995  
Company Witnesses : March 27-29, 1995
3. Receipt of Opposing : April 7, 1995 (Rate of Return  
Party Testimony : and Generating Capacity);  
: April 12, 1995 (Cost of Service,  
: Rate Structure and Rate Design);  
: April 14, 1995 (General Accounting  
: and all other issues)
4. Cross-Examination of : April 25-28, 1995 (Rate of Return,  
Opposing Party Witnesses : Generating Capacity, Cost of  
: Service, Rate Structure and Rate  
: Design);  
: May 2-3, 1995 (General Accounting)
5. Receipt of Rebuttal : May 5, 1995 (Rate of Return and  
Testimony : Generating Capacity;  
: May 9, 1995 (Rate Structure, Cost  
: of Service and Rate Design);  
: May 12, 1995 (General Accounting  
: and all other issues).
6. Receipt of Surrebuttal : May 17, 1995 (Rate of Return);  
Testimony/Outlines : May 19, 1995 (all other issues)
7. Cross-Examination of : May 22-26, 1995  
Rebuttal/Surrebuttal :  
Witnesses, Rejoinder :  
Testimony and Close :  
of Record :
8. Initial Briefs Due : June 15, 1995
9. Reply Briefs Due : June 26, 1995

APPEARANCE SHEET

ALJ HEARING REPORT

KJ.

P 1 of 2

Docket No. R-00943271, et al.

Case Name P.U.C. v. PP&L

Location Harrisburg

Date March 7, 1995

ALJ Schnierle

Reporting Firm Commonwealth

CHECK THOSE BLOCKS WHICH APPLY:

RECEIVED  
 Prehearing held YES  NO  
 Hearing held 95 MAR 13 AM 11:24 YES  NO   
 Testimony taken PA. P. U. C. YES  NO   
 Transcript due INFO. CONTROL DIV. YES  NO   
 Hearing concluded YES  NO   
 Further hearing needed YES  NO   
 Estimated add'l days 23  
 RECORD CLOSED YES  NO

DOCKETED  
 MAR 24 1995

DATE  
 Briefs to be Filed YES  NO   
 DATE Main - Due 6/15/95  
 Reply Due 6/26/95  
 BENCH DECISION YES  NO

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 MAR 10 1995

DOCUMENT  
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OFFICE OF ALJ/PA PUC  
 ELIZABETH L. PLANTZ  
 MAR 07 1995

REMARKS: Set Hrg hearings - 3/21, 3/23, 3/24, 3/27, 3/28, 3/29; 4/25-4/28; 5/2-5/3; 5/22-5/26  
 Public Inputs (Locations to follow): 3/30, 3/31, 4/3-4/6.

OFFICE OF C.A.L.J  
 PUBLIC UTILITY COMMISSION

NAMES, ADDRESSES AND TELEPHONE NUMBERS OF PARTIES OR COUNSEL OF RECORD  
 PLEASE PRINT CLEARLY  
 INCOMPLETE INFORMATION MAY RESULT IN DELAY OF PROCESS

| NAME and TELEPHONE NUMBER   | ADDRESS   | APPEARING FOR                     |
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| Jim Melia<br><del>University of Pennsylvania</del><br>Telephone No. <del>610/393-1111</del> | 240 North Third St.<br>H'burg PA 17101-1507<br>City: H'burg PA 17101-1507 | University/<br>College Coalition  |
| Mary Kennedy<br>Glorie P. Brangola<br>Telephone No. 717 783-5048                            | 1425 Strawberry Sq.<br>City: Harrisburg PA 17102                          | Office of<br>Consumer<br>Advocate |

CHECK THIS BOX IF ADDITIONAL PARTIES  
 OR COUNSEL OF RECORD APPEAR ON BACK.

Judith A. Valerak, CRC, Inc.  
 REPORTER

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| X David A. McCormick<br>(703) 696-1646<br>Telephone No.                          | US Department of Army (DATA-RL)<br>901 No. Stuart Street Rm 713<br>City Arlington State VA Zip 22203-1837 | consumer interest<br>of US Dept. of<br>Defense  |
| X Robert P. Haynes<br>Telephone No. 717 232-5000                                 | Mette, Evans + Woodside<br>3401 N. Front St<br>City Hbg State PA Zip 17110                                | <del>Central Eastern<br/>           Pennsylvania Fuel<br/>           oil Refiners' Assn</del> |
| X Wayne M. Thomas<br>Telephone No. (215) 238-1700                                | 1101 Market Street<br>24th Floor<br>City Phila State PA Zip 19103   | Central Eastern<br>Pennsylvania Fuel<br>oil Refiners' Assn                                    |
| X Joan BRANDEIS<br>Telephone No. 215-751-2278                                    | Schnader, Harrison, SEGAL<br>+ Lewis 1600 Market St<br>City Phila. State Pa Zip 19103                     | Bethlehem<br>Steel<br>Corporation   |
| X Stephen J Selden<br>Telephone No. 610-694-2533                                 | Bethlehem Steel Corp<br>City Bethlehem State PA Zip 18016   | Bethlehem Steel   |
| Telephone No.  | City State Zip  |   |
| Telephone No.  | City State Zip  |   |

ALJ HEARING REPORT

Docket No. R-00943271 etc.

Case Name PUC v PP&L

Location Hbg

Date 3/7/95

ALJ Schnierle

Reporting Firm Commonwealth

CHECK THOSE BLOCKS WHICH APPLY:

Prehearing held YES  NO

Hearing held YES  NO

Testimony taken YES  NO

Hearing concluded YES  NO

Further hearing needed YES  NO

Estimated add'l days \_\_\_\_\_

RECORD CLOSED YES  NO

DATE \_\_\_\_\_

Briefs to be Filed YES  NO

DATE \_\_\_\_\_

BENCH DECISION YES  NO

REMARKS:

**RECEIVED**  
MAR 10 1995

OFFICE OF ALJ/PA PUC  
ELIZABETH L. PLANTZ

**RECEIVED**  
MAR 07 1995  
OFFICE OF C.A.L.J  
PUBLIC UTILITY COMMISSION

NAMES, ADDRESSES AND TELEPHONE NUMBERS OF PARTIES OR COUNSEL OF RECORD  
PLEASE PRINT CLEARLY  
INCOMPLETE INFORMATION MAY RESULT IN DELAY OF PROCESS

| NAME and TELEPHONE NUMBER  | ADDRESS   | APPEARING FOR                            |
|--|---|--|
| X DAVID B. MACBREGOR<br>THOMAS P. GALSIDE<br>+ MORGAN, LEWIS + BOCKIUS<br>Telephone No. 215-963-5234 | 2000 ONE LOGAN SQ<br>City PHILA State PA Zip 19103      | PP&L                                     |
| X PAUL R. RUSSELL<br>Telephone No. 610-774-4254  | 2 NORTH 9TH STREET<br>City ALLENTOWN State PA Zip 18101 | PP&L                                     |
| X CRAIG KUENEN<br>Telephone No. 717-826-0510   | 211 S. MAIN ST<br>City WILKES-BARRE State PA Zip 18701  | COMMISSION ON<br>ECONOMIC<br>OPPORTUNITY |

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OR COUNSEL OF RECORD APPEAR ON BACK.

*Judith A. Valenik*  
REPORTER

CRC, Inc.