

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

ORIGINAL

In the Matter of: :

Pennsylvania Public Utility Commission vs. PPL Electric Utilities Corporation. : Docket No. R-00072155
Rate increase. :
Public input Hearing. :

Pages 123 through 202 Hearing Room 1
Scranton State Office Building
100 Lackawanna Avenue
Scranton, Pennsylvania
Thursday, June 28, 2007

**DOCUMENT
FOLDER**

Met, pursuant to notice at 2:00p.m.

BEFORE: SUSAN D. COLWELL,
Administrative Law Judge

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P-R-O-C-E-E-D-I-N-G-S

ADMINISTRATIVE LAW JUDGE SUSAN D. COLWELL:

1 Good afternoon to all of you. I am Susan Colwell, the
2 Administrative Law Judge assigned to conduct this
3 public input hearing and to prepare a recommended
4 decision for the Commission's review and approval.
5
6

7 As you know, the case is a proposed rate
8 increase for PPL Electric Utilities Corporation of 83.6
9 million dollars. And the effective date of the
10 proposed new rates is January 1st, 2008.

11 I will tell you what has happened so far
12 in this investigation, what will happen and how you can
13 participate in this hearing. And after that, the
14 lawyers for PPL and for the public advocates, who are
15 sitting up here at the tables, will give short opening
16 statements that will explain what roles they all play
17 in the rate case before the Public Utility Commission.

18 The court reporter you see up here will
19 transcribe everything that is said. So please remember
20 you cannot talk over another person. Two people cannot
21 talk at once. She can only take down one person at a
22 time. If I happen to be speaking, she will take down
23 what I say.

24 You might as well wait your turn, and I
25 will give you as much time to say whatever it is you

1 want to say. During this hearing, please turn off your
2 cell phone or set them to silent mode so that you don't
3 interrupt any witness or counsel who is speaking. And
4 please conduct any conversations among yourselves
5 outside this room.

6 PPL filed its proposed rate increase on
7 March 29th, 2007 and it affects only its distribution
8 rates. As you all know, your electric bill has gotten
9 a lot more complicated over the last ten years.

10 We used to see one amount which
11 represented all of the different parts of service added
12 up, now the utility companies are required to break
13 down the final bill and show you how much each of the
14 components costs.

15 The main components include distribution,
16 which is the use of facilities for billing, meter
17 reading, maintenance and wires themselves; generation,
18 which is the cost of electricity; and transmission,
19 which is the charge from moving the electricity from
20 the generation facility to the distribution lines of
21 the company.

22 This case is limited to the costs the
23 company can charge you for distribution, which is the
24 cost of delivering the electricity to your home or
25 business.

1 On May 30th, the Commission suspended the
2 effective date of the rate request until January 1st,
3 2008 and directed that an investigation and hearings be
4 held.

5 The investigation will mostly be carried
6 out by parties and persons who have intervened or filed
7 complaints in the formal case itself.

8 We have the parties represented here
9 today. We have the Office Consumer Advocate, which
10 represents the interests of residential customers as a
11 whole; the Office the Small Business Advocate, which
12 represents the interest of small commercial and
13 industrial customers.

14 We have the Commission's Office of Trial
15 Staff, which represents the public interest as a whole.
16 And in addition to those who are represented here
17 today, we have the PPL Industrial Customers Alliance,
18 which represents large consumption customers; the
19 Commission on Economic Opportunity, which assists the
20 low-income population of Luzerne County, to deal with
21 rising utility costs through counseling, payment
22 assistance and energy conservation measures.

23 We also have the Sustainable Energy Fund,
24 which represents the promotion, research and investment
25 in clean and renewable energy technologies, energy

1 conservation, energy efficiencies and sustainable
2 energy enterprises which provide opportunities and
3 benefits for PPL ratepayers.

4 These are the parties, in addition to
5 some pro se complainants to the rate investigation
6 itself.

7 At a prehearing conference, which was
8 held on May 31st, 2007 a schedule was set for hearings,
9 discovery, meetings and settlement meetings.

10 The parties have already held one formal
11 discovery conference with the company. There has be
12 one settlement meeting. Public input hearings, such as
13 this one, were held on June 22nd in Bethlehem and
14 Allentown, and last night in Harrisburg.

15 This evening, we will be in Wilkes-Barre
16 for the last of them. The hearings to take technical
17 evidence are to be held the week of August 13th in
18 Harrisburg.

19 Before those hearings are held, the
20 parties will submit their testimony in writing. And at
21 the hearings, the witnesses who submitted that
22 testimony will be cross-examined by the other parties.

23 Then the parties will all file briefs on
24 September 5th and reply briefs on September the 17th.
25 My recommended decision is due on October 21st. The

1 parties can then file written exemptions if they do not
2 agree with the recommended decision.

3 And after that, the Commission will
4 evaluate the evidence, my recommendation, and the
5 exceptions of the parties before they enter a final
6 order, probably after the December 20th, 2007 public
7 meeting.

8 But the purpose of this public input
9 hearing is to hear from you regarding the utility's
10 existing and proposed rates and service.

11 The Commission's policy regarding public
12 input hearings gives you three options to participate.
13 The first one is the best one. You may testify
14 formally, under oath or affirmation and be subject to
15 cross examination.

16 Don't let that frighten you because the
17 cross examination isn't like you see on television.
18 The people you see up here are actually very
19 mild-mannered when it comes to people such as you. And
20 they're not here to embarrass you in any way. Chances
21 are, none of them will ask you any questions. But they
22 do have the right to do so, and that's why I have to
23 tell you.

24 The second option is, you may make an
25 unsworn or unaffirmed statement. But that will be off

1 the record. It won't be subject to cross examination,
2 but the court reporter won't transcribe your statement.
3 And I can't consider it.

4 The third option, you may provide any
5 information to the Commission's Office of Trial Staff,
6 to the Consumer Advocate or the Small Business Advocate
7 for their possible use at hearings in Harrisburg at
8 their discretion.

9 I do encourage you to testify under oath
10 so that I, and the Commission, can use your testimony
11 to the extent it meets the rules of evidence.

12 Now, I do have a list of people who have
13 signed up. If you have come in since I brought the
14 list up here and you would like to speak, please sign
15 the list that Jen Coaker, who is from our
16 communications office, Commission's communications
17 office has over here. And she will give it to me.

18 There are also a number of pamphlets and
19 information fax sheets available over here at the door,
20 both from our communications office, from the OCA and I
21 think even from the company.

22 I believe the utility also has someone
23 here who can discuss individual service complaints with
24 you if you have those. So, sometime after the hearing,
25 they're here for you. I encourage you to take

1 advantage of that.

2 Before we begin with opening statements,
3 there are a few points I want to make. First, if you
4 are reading from a prepared statement and if you have
5 an extra copy of your statement with you, please give
6 it to the court reporter before you begin to read.
7 That will make it easier for her to record what you are
8 saying and much easier to refer to later.

9 Second, this is a legal hearing.
10 Everyone who testifies is a member of the public and
11 has the right to give testimony, free from
12 interruption, comments from others or heckling of any
13 kind.

14 I do ask that you limit your remarks to
15 the subject matter of this case. If you have
16 questions, we will -- I will give you an opportunity at
17 the end of the hearing to ask them and see if we can't
18 address whatever issues you have left. And you can
19 also speak to the attorneys who are here.

20 When it is your turn to speak, I will ask
21 you your name and ask you to come up here to the
22 witness chair. I will ask your name and address and
23 place of employment. This information is necessary in
24 order for me to consider what you tell me.

25 Now I will ask the counsel for the

1 parties, beginning with the utility, to make brief
2 remarks. Mr. Russell.

3 MR. RUSSELL: Thank you, Your Honor.
4 I'll try to both look at you and look at the audience.
5 My name is Paul Russell. I'm one of the in-house
6 lawyers at PPL. And I'm one of the lawyers
7 representing the company in this case.

8 At the outset, I'd like to thank
9 everybody for coming to the public input hearing today.
10 Public input hearings are a very important part of the
11 Commission's ratemaking process.

12 It gives the Commission the customer
13 perspective on the rate case. The testimony today will
14 be carefully reviewed by the company, by the other
15 parties that are here, ultimately by Judge Colwell and
16 the Commission. So, I encourage you to testify and to
17 testify under oath.

18 The purpose of today's hearing is to get
19 your thoughts and your concerns about the rate filings,
20 so I'll be very brief in summarizing what we've
21 submitted.

22 As the Judge indicated, we're asking the
23 Commission for permission to increase our rates by 83.6
24 million. Any rate change the Commission allows would
25 not become effective before January 1st, 2008.

1 Our filing also includes a number of
2 proposals designed to assist the company's customers
3 and the communities it serves. The first are some new
4 energy and demand side management proposals. The
5 second are enhancements to our universal service
6 programs for low-income customers. And the third is
7 the sustainable development program for our local
8 communities,

9 If you're interested in the details of
10 any of these proposals or any other aspect of the case,
11 our entire filing is on line at www.PPL.com.

12 In conclusion, I want to mention one
13 housekeeping matter. As Judge Colwell indicated, we
14 have another PPL employee with us, Rich Beasley, who is
15 way back in the corner. Rich can answer any questions
16 you might have about your rates or your service.

17 So, I encourage you at a break or at the
18 end of the hearing to either come to Rich or to me with
19 those sort of questions.

20 And with that, I want to thank you again
21 for attending. And I look forward to hearing your
22 comments. Thank you.

23 JUDGE COLWELL: Mr. Gray.

24 MR. GRAY: Thank you, Your Honor. Good
25 afternoon. My name is Steve Gray. I'm with the Office

1 of Small Business Advocate. We represent small
2 businesses across Pennsylvania.

3 And like Your Honor said, we're typically
4 small commercial, small industrial. And we are in this
5 case, defending small businesses against this rate
6 increase.

7 If, by chance, you represent a small
8 business, please, please testify on the record. It's
9 very helpful to our office. It's very helpful to Judge
10 Colwell and very helpful to the Commission.

11 Thank you all for coming out this
12 afternoon.

13 JUDGE COLWELL: Miss Santolla.

14 MS. SANTOLLA: My name is Jennedy
15 Santolla with the Office of Consumer Advocate. The
16 Office of Consumer Advocate, also known as the OCA, is
17 an independent branch of the Attorney General's Office.

18 We are the statutory representative in
19 the State of Pennsylvania for all residential
20 consumers. Like Mr. Gray said, we highly recommend
21 that you testify under oath for your testimony to be
22 considered part of the record and to be used by all the
23 parties in this proceeding, including our office in the
24 filing of legal documents or briefs.

25 I have put some information up here from

1 our office. And I have more in my bag as well. If you
2 would like any pamphlets or become a member of our
3 mailing list, please see me during the break. If you
4 have any concerns about this issue or any other utility
5 issue, please see me at any time. And I will try to
6 help you out. Thank you.

7 JUDGE COLWELL: Mr. Shields.

8 MR. SHIELDS: Thank you, Your Honor.

9 Good afternoon, folks. Thanks for coming. My name is
10 Charles Daniel Shields. My title is senior prosecutor
11 with the Commission's Office of Trial Staff.

12 Our other senior prosecutor is Kenneth
13 Mickens. He and I have both been assigned to this
14 case. The Office of Trial Staff is a quasi independent
15 arm of the Commission.

16 Our job, technically, is to get involved
17 with rate cases, r-a-t-e increases, such as this one.
18 We put together engineers and financial analysts who
19 are pouring over every page of this filing, who will be
20 looking at the materials and supplies, looking at the
21 rate base, looking at the rate structure.

22 Every penny that is involved in this
23 proceeding will be reviewed by my office, my technical
24 staff, the statutory parties and all the other parties
25 who are involved in this proceeding.

1 Thank you for coming and look forward to
2 hearing your remarks.

3 Thanks, Judge.

4 JUDGE COLWELL: All right. We'll just
5 start down the list then. Would Victoria Mackin please
6 come to the chair?

7 MS. MACKIN: It's Mackin.

8 JUDGE COLWELL: Thank you, ma'am. I
9 apologize for that. Would you raise your right hand?

10 **Whereupon, VICTORIA MACKIN**, having been
11 duly sworn by the Judge, testified as follows.

12 **DIRECT TESTIMONY**

13 JUDGE COLWELL: Please be seated. Let me
14 start. Could you state your name and spell it for the
15 record, please?

16 THE WITNESS: Victoria, K, middle
17 initial, and Mackin, M-a-c-k-i-n. Do you want my
18 address?

19 JUDGE COLWELL: Please.

20 THE WITNESS: One Green Acres, McAdoo,
21 Pennsylvania.

22 JUDGE COLWELL: Are you employed, ma'am?

23 THE WITNESS: No.

24 JUDGE COLWELL: Are you retired from --

25 THE WITNESS: I'm retired.

1 JUDGE COLWELL: Can you tell me from
2 where?

3 THE WITNESS: My husband and I owned a
4 business that was called Sport Craft Incorporated. It
5 was a factory.

6 JUDGE COLWELL: Thank you.

7 THE WITNESS: You're welcome.

8 JUDGE COLWELL: Go ahead tell me what you
9 want me to know.

10 THE WITNESS: Okay. My name is Victoria
11 K. Mackin. I am a president of a taxpayers
12 organization called the Concerned Citizens of
13 Schuylkill County and the Hazleton Area School
14 District.

15 The Concerned Citizens was organized in
16 1980. And the Hazleton Area School District title was
17 added because we are active in the Hazleton Area School
18 Board's activities for many years.

19 We have, over the years, and that's me,
20 have come to these rate increase hearings by PPL and
21 have appeared and offered testimony to that fact. In
22 all these years, we have never had a rate reduction,
23 only increases. I personally am tired and I will not
24 appear at any of these hearings.

25 Someone else from the Concerned Citizens

1 will have to do that, maybe someone who can voice their
2 opinion and be more effective than I am, because it has
3 not worked for me.

4 To me, this seems like a farce. You
5 conduct the hearings and the outcome is always the
6 same. I don't understand it for over 20 years. The
7 same outcome that we have increases, not status quo,
8 not standing still, but a rate increase.

9 If I'm not mistaken, it was just two
10 years ago that PPL got a rate increase. I appeared in
11 Allentown and I voiced my opinion then with other
12 concerned citizens and businessmen. And a rate
13 increase went in.

14 And when I bring this to our meetings, we
15 meet every month and we have for all these years, the
16 people say, I think you're wasting your time.

17 You're just going down there. What are
18 they listening to? They're not listening to you or to
19 us. And I want you to know that the people are
20 disgruntled.

21 We just got a notice that our television
22 rates are going up. PPL is going up. What else is new?
23 We have a governor who said we're going to get property
24 tax reform. We didn't.

25 So, you conduct these hearings and the

1 outcome is always the same. I think it's a waste of
2 time and money. And I don't -- personally, I won't be
3 wasting my time any more.

4 I have just received in March of 2007,
5 what was happening with the former increase. I have so
6 much paper from PPL and from this office, I could paper
7 my house. I don't think we need that.

8 I'm sure if I get all those papers, other
9 people who have signed up for the hearings are getting
10 as much paper as I am. What's the purpose of all that?

11 You made the increase. You took and gave
12 the PPL what they want. Don't even bother telling us
13 about it. We're disgruntled enough reading it in the
14 newspaper.

15 Previously, there were meetings held in
16 Hazleton. I'm from McAdoo. Hazleton is much closer.
17 It's making it more convenient for more people, more
18 ratepayers to show up and attend the meeting. I think
19 you need to look into it. Respectfully, Vicky Mackin.

20 And I brought four copies so you don't
21 have to wonder what I said. Some I ad-libbed. But you
22 get the gist.

23 JUDGE COLWELL: I do. Does anyone have
24 any questions for Mrs. Mackin?

25 MR. RUSSELL: No questions, Your Honor.

1 MR. GRAY: No, Your Honor.

2 JUDGE COLWELL: May I just say, I don't
3 think you're wasting your time. I am listening. I
4 believe the people here are listening. We can't always
5 give you what you want, but we can listen to you.

6 And, most importantly, the company,
7 because you're the consumers, you're the ratepayers,
8 the company is listening to you. They know you're not
9 happy.

10 THE WITNESS: With all respect, Judge,
11 even a stop clock is right twice a day. We never got
12 an increase. I don't understand it. So, maybe
13 somebody can explain it to me from that table. They're
14 looking out for our expense or whatever. I just don't
15 see it.

16 I mean, all these years, never did they
17 come up and say, no PPL you're not getting any more.
18 You're going to have to live with it. What do you
19 think we people, the people who don't get increases,
20 the people who are on Social Security, who do you think
21 they have to do when they don't get increases and all
22 this goes up? We have to tighten our belts.

23 But that doesn't happen with PPL. And
24 don't tell me that they can't look into some of the
25 salaries or some divisions where they are overstaffed.

1 I owned a business. I know what I'm talking about.
2 And it was a union business too.

3 So, I know that there are places they
4 could cut. If they can't, then they're not running the
5 business right. That's all I can say. You can't
6 always increase because what do you want us to do?

7 We can't live without electricity. The
8 people who are sick and need oxygen have to have that
9 air coming into their house and anything else.

10 But it seems that it falls on deaf ears.
11 No matter how we complain about what we're being
12 charged. And I don't mean to go on to another subject,
13 but just let me make an illustration.

14 This television has me so irate. They
15 send us a form in the mail and tell us how much they're
16 charging you. But they don't ask us if we want certain
17 programs. It's what they give us. It's like going
18 into a restaurant. The waiter gives you a menu but he
19 brings you what he wants, and you pay for it.
20 That's how silly it is. And I'm really mad. Sorry.

21 JUDGE COLWELL: That's all right. I can
22 understand it.

23 THE WITNESS: So, you see, and these are
24 the things that people come and tell me. I was at a
25 commissioner meeting yesterday and I was telling the

1 commissioners all the things that my people tell me
2 when they come to a meeting. I says, why am I telling
3 you? I hope somebody can help us. We don't know.
4 We're just looking for help, wherever we can get it.
5 And the rest of you people, I hope you come up and make
6 a really good case.

7 JUDGE COLWELL: I hope so too.

8 THE WITNESS: Thank you.

9 JUDGE COLWELL: Thank you, ma'am. You
10 are excused.

11 (witness left the stand.)

12 JUDGE COLWELL: Mary A. Labert.

13 **Whereupon, MARY A. LABERT,** having been
14 duly sworn, testified as follows:

15 **DIRECT TESTIMONY**

16 JUDGE COLWELL: Would you state your name
17 and spell it for the record, please?

18 THE WITNESS: Mary A. Labert,
19 L-a-b-e-r-t. I'm from McAdoo, Pennsylvania. I'm
20 retired but I'm also a member of counsel. And I came
21 to speak on behalf of our citizens. 63 percent of our
22 town is senior citizens and we only have 2,500 people.

23 But you can see the dilemma that we're in
24 right now. I realize that PPL has to have some kind of
25 an increase. But what I read in one of the papers,

1 that it's going to be almost a 40 percent increase.
2 Our citizens can't afford it.

3 They are paying sewer and water. They're
4 sitting in the dark, some of these senior citizens,
5 because they're afraid that their light bill is going
6 to get too high.

7 They're going without some extra
8 pleasures. They're shirking on their food because
9 they're trying to pay the bills.

10 To the senior citizens, the bills have to
11 be paid first. No luxuries, no enjoyment. We have to
12 take care of our bills. And That's what they worry
13 about.

14 With this rate increase, they didn't get
15 an increase in Social Security 40 percent. They didn't
16 get an increase in any of the other benefits. The
17 program that has for the low-income is only, I think,
18 approximately \$300.00 per year.

19 And in the wintertime, that's gone with
20 the winters that we have. So, I'm asking -- as I said,
21 I understand PPL needs some kind of an increase, but I
22 don't think they need that much.

23 We have to be concerned about the
24 citizens of our area, especially the senior citizens.
25 Thank you.

1 JUDGE COLWELL: Thank you. Are there any
2 questions for Miss Labert?

3 MR. RUSSELL: No questions.

4 MR. GRAY: No questions, Your Honor. But
5 if I may, at last night's public input, you had Mr.
6 Russell summarize some of the details in this case.
7 That might be appropriate, if I may be so bold to
8 suggest that.

9 JUDGE COLWELL: I believe it is
10 appropriate. I believe now is as good a time as any.
11 I would ask Mr. Russell to explain how they get to the
12 different cases and how that adds up to the different
13 amounts of increases.

14 MR. RUSSELL: Thank you, Your Honor.
15 Thank you, Mr. Gray.

16 MR. GRAY: Certainly.

17 MR. RUSSELL: There really are three
18 cases that you probably read about in the newspapers.
19 And they're all separate and distinct. But at the end
20 of the day, they all will have an effect on your bill.

21 The first one, the first case is what we
22 refer to as the remand case. It is a case that comes
23 out of our 2004/2005 rate increase.

24 We had filed, in 2004, for an increase to
25 be effective January 1st, 2005. The Commission granted

1 a part of that increase and a number of parties
2 appealed that order to the Commonwealth Court. The
3 Commonwealth Court reversed a part of the Commission's
4 order and found that the Commission had allocated the
5 increase improperly among customers.

6 Basically finding that the commercial and
7 industrial customers were not paying -- were paying too
8 much. And the residential customers were not paying as
9 much as they should.

10 The Commission and the company both
11 appealed that to the Supreme Court. And the Supreme
12 Court refused to hear the appeal. So, what happened
13 then is the case came back to the Commission, with
14 instructions to implement the court's decision.

15 The parties met. We had about two weeks
16 of settlement discussions. And we were able to reach a
17 settlement of the remand proceeding, which we have
18 filed with Judge Colwell for her review and,
19 ultimately, after she issues a recommended decision for
20 review by the entire Commission.

21 Basically, what the court required and
22 what our settlement does is shift some of the
23 responsibility for rates away from commercial,
24 industrial customers to the residential class.

25 In the remand case, there's no additional

1 revenue coming to PPL. It's just a shifting between
2 the customers that are responsible to pay that.
3 So, that's the first case.

4 The second case is the distribution rate
5 increase that we're here talking about today. It's the
6 83.6 million that we've requested to be effective
7 January 1st, 2008.

8 That will obviously result in, if it's
9 partially or totally allowed, increase for the company.
10 And part of the case also includes a reallocation of
11 the revenues between residential and commercial and
12 industrial.

13 The third item which is not a case yet is
14 the expiration of our generation rate cap, December
15 31st, 2009. And what that means is beginning January
16 1st, 2010, PPL will have to go to the competitive
17 market to buy electricity for any of its customers who
18 don't shop from competitive suppliers and stay on the
19 PPL system for the energy itself.

20 We'll always be your delivery company, to
21 deliver the energy you buy. You have the choice to buy
22 it from any competitive supplier, or not buy it from a
23 competitive supplier. We have a legal obligation to
24 make it available.

25 Our generation rates have been capped for

1 about ten years. And during that time period, even as
2 costs increased, fuel, pollution control, we were not
3 allowed to pass those increases on because of the cap.

4 When we go to market January 1st,
5 2005 [sic], the expectation is that generation rates
6 will be significantly higher than they are currently.
7 We have talked publicly about an increase at that time
8 of approximately 30 percent.

9 But we don't know because we don't know
10 what the market is going to be for electricity in 2010.
11 We are in the middle of a program that was approved by
12 the Commission to try to do everything we can to reduce
13 that increase.

14 And what we're in the middle of doing is
15 going to the market now, this month, in October of '07
16 and twice in 2008 and twice in 2009 to buy one-sixth of
17 our needs in each of those solicitations for delivery
18 in 2010.

19 And what we're hoping is, what we're
20 trying to make happen really is by going into the
21 market at these times, we'll be able to keep the amount
22 of the increase in 2010 lower than it otherwise would
23 be.

24 Those solicitations will not affect your
25 bills in 7, 8 or 9 because we're not going to have

1 delivery of that electricity until 2010. At that time,
2 the cost that we had to pay to buy the electricity will
3 show up on your bills.

4 JUDGE COLWELL: Thank you, Mr. Russell.
5 Mr. Shields.

6 MR. SHIELDS: Judge, we can't
7 cross-examine Mr. Russell.

8 JUDGE COLWELL: No, you can't
9 cross-examine Mr. Russell.

10 MR. SHIELDS: If I can chime in, Judge,
11 if I may. I think what prompted Mr. Gray's comments,
12 was the last witness talked about 40 percent increase.
13 And Mr. Russell mentioned the 87 million additional
14 annual revenues they're asking for this year. What is
15 the percentage increase, assuming the Commission would
16 grant that full amount, percentage over current bills?

17 MR. RUSSELL: In this case?

18 MR. SHIELDS: Yes.

19 MR. RUSSELL: If you look at total bill,
20 it's 2.7 percent.

21 MR. SHIELDS: Thanks, Judge.

22 THE WITNESS: Could I ask one question?

23 JUDGE COLWELL: Yes, you may.

24 THE WITNESS: If You're going to have all
25 these increases and get something, how about the

1 low-income families? Can't you raise that amount? I
2 that going to be staying the same at \$300.00 or can't
3 it be upped to \$500.00 or something? Give these people
4 something else that they're going to need so they have
5 at least heat and light in their home, because they
6 can't afford it otherwise. Have you considered that?

7 MR. RUSSELL: We have considered it. And
8 part of this increase, we're proposing significant
9 additional expenditures for our low-income programs.

10 THE WITNESS: How significant? Easy to
11 say significant, but.

12 JUDGE COLWELL: He has the paperwork.
13 He'll tell you the truth. He has it written down right
14 there. And he already filed it.

15 MR. RUSSELL: We're asking permission to
16 increase spending for our four low-income programs by a
17 little over 7 million dollars, which equates to about a
18 36 percent increase over current spending. Would take
19 us to a total of almost 28 million dollars a year for
20 those programs.

21 THE WITNESS: Okay: Thank you.

22 JUDGE COLWELL: Anything else? Any other
23 questions for Mr. Russell?

24 MR. GRAY: Not now, Your Honor.

25 MR. POPLOWSKI: May I ask a question of

1 Mr. Russell, Your Honor, on this particular topic?

2 JUDGE COLWELL: Excuse me. You have to
3 tell us who you are.

4 MR. POPLOWSKI: Anthony Poplowski,
5 P-o-p-l-o-w-s-k-i. This is my first time at one of
6 these hearings. Part of naivety at this with this
7 issue.

8 You state that you weren't able to
9 recover what you were spending for generation and
10 capacity over the last ten years, correct?

11 MR. RUSSELL: Right.

12 MR. POPLOWSKI: This whole setup has
13 precluded you from doing that. At the same time, I
14 don't recall the specific figures. But year by year,
15 PPL has received handsome profits from the company,
16 correct? And you haven't experienced a downgrade in
17 your company profits, have you?

18 MR. RUSSELL: If you look at PPL
19 Corporation, the holding company, no. We have -- the
20 holding company has done well over the last number of
21 years. The electric utility has not.

22 Our earnings eroded to, right now, we're
23 earning a return of about 7 percent on our investment.
24 The Commission allowed, in our last case, a return of
25 10.7 percent.

1 So, if you look just at PPL Electric,
2 which is the way you really have to look at a rate case
3 because we're the only entity that's regulated by the
4 Commission. We're the only entity that's here asking
5 for a rate increase.

6 We are -- our earnings are subpar,
7 they're below what the Commission allowed in the
8 '04/'05 case.

9 JUDGE COLWELL: All right. Now, next on
10 our list I have Vincent Labert.

11 MR. LABERT: I am declining to speak. He
12 already answered my questions.

13 JUDGE COLWELL: All right. Thank you,
14 sir. William Needham, is that correct?
15 Will you be sworn?

16 MR. NEEDHAM: Yes.

17 **Whereupon, WILLIAM NEEDHAM,** having been
18 duly sworn, testified as follows:

19 **DIRECT TESTIMONY**

20 JUDGE COLWELL: Would you state your name
21 and spell it for the record?

22 THE WITNESS: William, W-i-l-l-i-a-m, G.
23 N-e-e-d-h-a-m.

24 JUDGE COLWELL: Are you employed, sir.

25 THE WITNESS: No, I'm retired.

1 JUDGE COLWELL: Retired from what,
2 please?

3 THE WITNESS: Topps Chewing Gum.

4 JUDGE COLWELL: Go ahead and tell us what
5 you want us to know.

6 THE WITNESS: First of all, I'd like to
7 start with, because I'm so upset with this increase
8 because I have a total electric home. This time of my
9 life to start retooling or re, you know, going to
10 another source of heat, I have a total electric home,
11 duplex home, I can't see any bills or utility bills
12 that I get from PPL where this global data or whatever
13 this special rate was when the house was put up. Where
14 is this special rate coming in for using all electric,
15 for going all electric?

16 When the house was put up, we checked gas
17 and the other utilities, oil, coal. PPL, at that time,
18 seemed like it was the most logical way to go, because
19 the rate was in the ball park.

20 But it's going up, up, up, up. And I
21 can't see anywhere on my bill, anywhere on the
22 statement where they give you any kind of a special
23 rate.

24 Now, for me to look and see here, in
25 their news release, where John Q. property owner is

1 going to pick up the responsibility for somebody that
2 has a business and may be a big business, naturally,
3 they're going to use more kilowatt hours than a
4 homeowner. So, why should the homeowner, indeed,
5 suffer for somebody that wants to run a business?

6 Either run the business with your own
7 finances. Can't pass it on to somebody else. That
8 would be like me opening a business tomorrow and saying
9 that the ratepayers have to help me pay my utilities
10 bill. It's not right.

11 And this 2.7 percent increase, starting
12 in January 2008, I believe that 2.7 is going to
13 materialize into a nice-sized increase when they start
14 -- what he just -- Mr. Russell just stated.

15 When this rate cap comes off, there's no
16 telling how far you're going. If you come right down
17 lower, they're even talking about, in their news
18 release, 6.8 percent increase.

19 And I can't -- you know, I mean, to say
20 that going to special hours of using your utilities.
21 You don't use them in certain hours and gone and come
22 home, if you got a computer, you got to go on line.

23 In an electric home, you got to put your
24 heat on. It's cold in the wintertime here. It's the
25 Pocono Northeast. Cold in the morning and afternoon

1 and cold in the morning. Where are you going to save?

2 And it seems to me that this rate
3 increase, other than the distribution, the payment for
4 distribution, which I say, is a huge expenditure, but,
5 I mean, why is it all being put almost saddled on the
6 residential property owner?

7 I mean, that's not -- that's not fair.
8 They should -- you know what I mean? Everybody should
9 pay for what they use. If you're in business, like I
10 stated before, you're going to use more power than you
11 did before.

12 And to take it out on the people, and I
13 think that percentage of increase, there should be
14 something marked on your statement, the kilowatt hours
15 you use. The bill should be broke down. For senior
16 citizens to look at their bill, they don't know what
17 they're paying. This is ludicrous.

18 And if you use a thousand kilowatts per
19 month, your bill would increase 6.8 percent. I mean,
20 and then up here, they're talking about 2. I'm willing
21 to bet anything, when this rate cap comes off, these
22 bills are going to go up, up, up, up. We're going to
23 be back for another increase, be back for another
24 increase.

25 And if anybody could explain to me why

1 that was done, I mean, they're going to start buying
2 power. If I'm wrong, somebody please correct me.
3 They're going to start buying power from other
4 companies, instead of generating their own. Could
5 somebody answer that, PPL?

6 JUDGE COLWELL: Mr. Russell, could you
7 answer that?

8 MR. RUSSELL: Yes, Your Honor. We're not
9 just going start now. In 1996 -- 1999, the electric
10 utility industry in Pennsylvania was restructured and
11 the delivery function, what we're here to talk about
12 today, distribution, was separated from generation.
13 Generation was deregulated.

14 And PPL Electric transferred all of its
15 electric generating units to another unaffiliated
16 company -- unregulated company. And since 1999, we
17 purchased electricity from that company under the rate
18 caps.

19 That contract ends, the rate caps ends.
20 And we'll be to the market in 2005. But it's all the
21 result of the restructuring of legislation in the late
22 '90s.

23 THE WITNESS: Not going to buy the power
24 from other companies, you're going to generate rate
25 your own?

1 MR. RUSSELL: No, we're going to buy it.

2 THE WITNESS: Buy it? Yes?

3 MR. RUSSELL: Yes. PPL is buying power.

4 THE WITNESS: Buying power. You're going
5 to continue what you're doing. If you're going to
6 continue what you're doing, this rate cap, when it
7 comes off, the rates shouldn't shoot that high up. If
8 you're going to do the same thing, am I correct?

9 MR. RUSSELL: No. I think the difference
10 is, we'll be basically doing the same thing. But the
11 rates will not be capped and they'll have to reflect
12 what we have to pay for the power. And we expect what
13 we have to pay will be higher than the current capped
14 rates.

15 THE WITNESS: But the culprit is taking
16 the caps off. That what seems like opens up for the
17 raise, the increase, taking the cap off.

18 MR. RUSSELL: Going to the competitive
19 market and taking the cap off.

20 THE WITNESS: Right. Is that beneficial
21 to both parties, the company and the people who is
22 paying for the power?

23 MR. RUSSELL: It is not beneficial to the
24 company. The company just pays for the power and
25 recovers the cost of that payment from customers.

1 There's no profit. We're just a pass-thru.

2 THE WITNESS: At a higher rate. That's
3 why this rate increase is going to win. When this rate
4 cap comes off, I don't know. I mean, I may have to
5 sell my home, because I don't think I'm going to be
6 able to keep up with the power rates at this rate. Not
7 in a duplex, not an electric home.

8 And that's it. I mean, some of these
9 things in here, in your own newsletter, a lot of it is
10 self-explanatory. I can see you people coming back and
11 asking for another nice-sized increase the minute this
12 cap comes off.

13 Not only the 2.7 in January of 2008. And
14 right down the bottom, looking at 6.8 percent for 1,000
15 kilowatt hours per month, which is not much, really.

16 Just don't understand it. And I don't.
17 -- I think -- I certainly hope that this when this goes
18 through, that there's a ruling in favor of the
19 consumer.

20 And maybe if these people got this
21 newsletter, there's a lot of self-explanatory things in
22 here. They know what they're doing. But there's
23 seniors out there that don't know what side is up.
24 Plus all the others, all the other assets that you have
25 to be paying.

1 I don't know. That's the alternative.
2 If you have -- and to turn it over, what really got me
3 was the business aspect of it. Everybody is on their
4 own. This is free enterprise.

5 If I want to go into business tomorrow, I
6 know, well, I'm going to have a power bill. I'm going
7 to have a PPL bill or whatever my utility company is.
8 They should pay it.

9 JUDGE COLWELL: Perhaps Mr. Gray could
10 explain to you a little bit about business rates.

11 MR. GRAY: Certainly. I'm the
12 representative from the Small Business Advocate's
13 Office. I have to be a little careful because I'm
14 before Judge Colwell on the remand case and this
15 current case.

16 But when we went into the case in 2004,
17 all parties, I want to make sure you understand this,
18 the company, the OCA, this is the residential
19 representative, our office, the Department of Defense,
20 Walmart, who had their own representation, all agreed
21 that the small business customers were overpaying their
22 bills.

23 Now, this is a certain class of small
24 business. And so, in that case, this class of
25 customers -- so, you're running a Wendy's. And you're

1 paying -- you're not just paying what you said before.
2 Pay your fair share. They weren't paying their fair
3 share. They were overpaying significantly.

4 Then the case comes in. And the company
5 assigns a bigger-than-average increase. So, when an
6 overpaying bunch of small businesses got to overpay
7 even more. And that's what was the result of the 2004
8 case. And my office took it up to the Commonwealth
9 Court. We said, it's not fair.

10 And it's just exactly what you said.
11 Everybody should pay their fair share. And those small
12 business customers were being punished, almost. And,
13 so, that was our duty. We represented them. We took
14 it up. And we got the remand proceeding.

15 And we're trying to make progress so we
16 achieve exactly your result. Everyone pays their fair
17 share, whether they're a big industrial concern, the
18 small business like Wendy's down the street or you
19 residential customers.

20 THE WITNESS: Okay. Aren't they --
21 aren't these small businesses and businesses, aren't
22 they metered service?

23 MR. GRAY: Yeah. Most of them are, yes.

24 THE WITNESS: We didn't use that power,
25 they did.

1 MR. GRAY: Yes. But the thing is, when
2 you look at your bill and you're charged a certain
3 amount per kilowatt hour, the company has a formula to
4 determine how much you pay as a residential, how much
5 Pittsburgh Plate and Glass down at Mount Holly Springs
6 pays and how much Wendy's pays two blocks down the
7 street.

8 You have a rate and the big industrials
9 have a rate and the small businesses have a rate. If
10 you look at that with your expert witness, you can see,
11 Okay. It's called cost of service. How much does it
12 cost to serve you in your home versus Wendy's versus a
13 big industrial concern.

14 And all the cost of service analysis,
15 everybody agreed, that the small businesses were badly
16 overpaying. And, so, the question is, so what. Let
17 the small businesses overpay.

18 The problem is, they're going to pass
19 along their costs to you. Or, in the worst case
20 scenario, the small businesses, like the small
21 manufacturing outfits, we have some snowplow
22 manufacturing down in our area. They're going to
23 leave. They're going to go to Kentucky. And we don't
24 want that.

25 We want to keep our small businesses here

1 in Pennsylvania. You turn on the TV at night, and
2 frequently you say, oh, 99 percent of the employers in
3 Pennsylvania are small businesses.

4 If they leave and go to a competitive
5 state like Kentucky or down south like Texas and
6 Arizona, like I saw in Seattle when my dad was in the
7 military. I was 6 years old, driving out of Seattle.
8 Big sign. Would the last person out of Seattle, please
9 turn out the lights? That's going to happen here.

10 THE WITNESS: Agree with you. If you go
11 the other scenario, if they were metered, they should
12 be paying just like a residential customer.

13 MR. GRAY: As long as they're charged the
14 correct rate, and that's what we tried to fix in the
15 2004 case.

16 THE WITNESS: I couldn't see that. You
17 should pay. If it's metered service, you should pay
18 metered service.

19 MR. GRAY: Agreed.

20 THE WITNESS: Correct. I can't see now,
21 because they lost money, everybody is going to make up
22 the differential. My meter kept going, winter and
23 summer.

24 MR. GRAY: If you were paying one rate
25 and Wendy's down the street was paying a lot more, as a

1 rate.

2 THE WITNESS: You know that when you go
3 in business, these are parameters you look for when you
4 go into business. What you're --

5 MR. GRAY: That's right.

6 THE WITNESS: Before you put an employee
7 in the building.

8 MR. GRAY: That's right. So, when you're
9 a snowplow manufacturer and you have a choice, I can go
10 to Pennsylvania, where rates are through the roof. I
11 can go to Kentucky, where they'll subsidize us or go to
12 Texas where everything is cheap.

13 What are you going to do? You're going
14 to go to Texas.

15 THE WITNESS: They probably would.
16 That's their prerogative. I'm sure, when you put the
17 structure up, you look at the operating expense, the
18 factory, the plant, the restaurant, whatever it maybe.

19 Now they're trying to take it back on the
20 back -- we didn't cause that. The residential
21 ratepayers did not cause that problem. We're going to
22 have to make it up.

23 MS. MACKIN: Excuse me. I have to leave.
24 Hazleton Area School District is going to give us an
25 increase too, and I have to talk about that tonight.

1 JUDGE COLWELL: Tell them what they need
2 to know.

3 MS. MACKIN: I hope I give them some
4 wisdom.

5 JUDGE COLWELL: I have faith in you.
6 Thank you very much. All right, Joseph E-a-r-y-e-s.

7 MR. EARYES: I decline. I heard a lot
8 that I was going to speak about.

9 JUDGE COLWELL: Are you sure you don't
10 want to say me too?

11 MR. EARYES: No. I just want to ask Mr.
12 Russell. How is people on Social Security going to pay
13 these high rates? They can't even get along now.

14 MR. RUSSELL: I would suggest talking to
15 Mr. Beasley after the hearing. We have a lot of
16 programs for people, customers who are having
17 difficulty paying their bills.

18 JUDGE COLWELL: Neil Coolican.

19 **Whereupon, NEIL COOLICAN**, having been
20 duly sworn, testified as follows.

21 JUDGE COLWELL: Please be seated.

22 **DIRECT TESTIMONY**

23 THE WITNESS: My name is Neil Coolican,
24 C-o-o-l-i-c-a-n. I'm an assistant city clerk for the
25 City of Scranton and reside in Scranton. I have a

1 letter that I'd like to read into the record.

2 JUDGE COLWELL: Could you read it slowly?

3 THE WITNESS: On behalf of Scranton City
4 Council, Council President, Judy Gatelli, requested
5 that I come here today as their representative to
6 inform you that of their opposition to any rate
7 increase that PPL is proposing.

8 Due to the large population of elderly
9 residents in our community who are on fixed incomes,
10 Scranton City Counsel feels that any rate increase will
11 cause an extreme burden on them as well as on all
12 residents on the City of Scranton.

13 City of Scranton Council would like to
14 ask that you consider these concerns for the residents
15 of the City of Scranton before making your decision to
16 grant any increases. Thank you.

17 JUDGE COLWELL: Any questions for Mr.
18 Coolican? I also note for the record that the City of
19 Scranton is represented in the case itself, and that
20 they have an attorney who will be presenting evidence
21 at the evidentiary hearings in August. Thank you, sir.

22 (Witness left the stand.)

23 JUDGE COLWELL: Elizabeth Jones.

24 INTERPRETER: I'd like to decline. I was
25 just here as a visitor. I didn't realize that I would

1 have to testify by signing that.

2 JUDGE COLWELL: Okay. We would certainly
3 encourage you to do so, if you have something you want
4 us to know. Do that last guys with the letter. Can I
5 swear you in?

6 **Whereupon, ELIZABETH JONES,** having been
7 duly sworn, through the interpreter, testified as
8 follows:

9 JUDGE COLWELL: Thank you. Please be
10 seated. Before we start, I need to swear the
11 interpreter. Do you certify that you are spoken fluent
12 in English as well as sign language?

13 INTERPRETER: Yes.

14 **Whereupon, KRISTEN FITZGERALD,**
15 **INTERPRETER,** having been duly sworn, to interpret the
16 proceedings, through sign language, testified as
17 follows?

18 **DIRECT TESTIMONY**

19 THE WITNESS: My name is Elizabeth Jones,
20 J-o-n-e-s. And I'm a resident of Gouldsboro. I've
21 lived there for five years this December. And it's one
22 of two homes. I have a home in Florida as well.

23 I really enjoy living here during the
24 summer, because of how much less expensive the
25 electricity is here compared to Florida. I did live

1 here through the winter one year and I wasn't able to,
2 because of how expensive it was with the propane gas
3 that I used to heat my gas, which is very expensive, as
4 well as electricity.

5 I did look at competitors, and I did find
6 one other competitor that had a dollar difference in
7 their rates.

8 So, with propane, you can look for
9 competitors. But as we all know, with electricity,
10 there's only one choice and, so, we have to buy from
11 PPL and go with whatever rate they give us.

12 So, it's very hard for people to be able
13 to afford it if they can't -- they don't have any
14 competitors and are forced to take the rate changes as
15 PPL decides.

16 And we all know how that feels with gas
17 and how, when gas goes up, we feel stuck having to pay
18 those prices because that's what's in the area and
19 that's what we do with PPL as well.

20 I know -- I do understand that prices go
21 up no matter where you live. And the only hope that we
22 have is when other companies get into the race and look
23 for other options like I could for propane.

24 And as you know, in Pennsylvania, we know
25 property taxes up high and everything. It's what does

1 a person do? I think PPL has to consider how to help
2 us and residence of Pennsylvania live comfortably.
3 That's all I got to say.

4 JUDGE COLWELL: Thank you very much.
5 (Witness left the stand.).

6 JUDGE COLWELL: Betty Lou Findler.

7 INTERPRETER: No, I'm not comfortable
8 with testifying. Thank you.

9 JUDGE COLWELL: All right. Well, if you
10 change your mind.

11 INTERPRETER: Maybe afterwards.

12 JUDGE COLWELL: I'll ask again later.
13 Ellen Exner.

14 **Whereupon, ELLEN EXNER,** having been duly
15 sworn, testified as follows:

16 **DIRECT TESTIMONY**

17 JUDGE COLWELL: Thank you. Please be
18 seated. Would you state your name and spell it for the
19 record?

20 INTERPRETER: Sure. Ellen Exner,
21 E-x-n-e-r. I'm a resident of Clarks Summit. I own a
22 house in Clarks Summit. And I work part-time and I
23 don't have a big income.

24 My husband, you know, works as well. We
25 have been okay with paying the bills. But with the

1 price the rates from PPL going up so quickly, we
2 realize that we're going to have a really hard time
3 paying the bills once the rate increase goes through,
4 because of how big the rate increase is and how quickly
5 it is going to come, I think the bill is going to come
6 for our budget to actually afford it.

7 It seems like once the increase goes
8 through and another increase is right on its tail.
9 When I received the letter from PPL, my English is not
10 the best, so I did try to make sure I understood what
11 the letter was saying. But I did get the idea that the
12 rates were going up.

13 And I was worried about how we would
14 afford to pay those, to pay with the new rate. And,
15 you know, people don't have just electric bills to pay.
16 They also to feed their family and clothe their family.

17 And I am on Social Security myself. And
18 so, I don't have a very high income. Like I said, with
19 my husband, even with the two of us, we're going to
20 have a hard time paying the bill with the rate
21 increase. That's what I would like to say.

22 JUDGE COLWELL: I need to ask where are
23 you employed, ma'am?

24 INTERPRETER: Northeast Pennsylvania
25 Center for Independent Living. Just a part-time job.

1 JUDGE COLWELL: Thank you.

2 (Witness left the stand.)

3 JUDGE COLWELL: Rosemary Gallagher.

4 Rosemary Gallagher.

5 MS. GALLAGHER: Would you mind if I
6 stood, because of a slight breathing problem?

7 JUDGE COLWELL: Wherever you are
8 comfortable, that's fine with me.

9 **Whereupon, ROSEMARY GALLAGHER,** having
10 been duly sworn, testified as follows:

11 **DIRECT TESTIMONY.**

12 JUDGE COLWELL: State your name and spell
13 it for the record.

14 THE WITNESS: Rosemary, R-o-s-e-m-a-r-y,
15 Gallagher, G-a-l-l-a-g-h-e-r. Do you want my address
16 also? 1718 Capouse, C-a-p-o-u-s-e, Avenue, Scranton,
17 Pennsylvania 18509.

18 JUDGE COLWELL: Are you employed, ma'am?

19 THE WITNESS: No. I wish I were. I wish
20 I got paid for all the volunteer activity I do. But I
21 get such pleasure out of it. I used to be a PR and
22 development person.

23 By the way, I'm partly responsible for
24 this meeting, because I'm in the loop there with -- and
25 when I got the letter stating that PPL wanted to

1 increase their rates, they said, would you like a
2 hearing? So, I called immediately and I said, yes.
3 Please do come.

4 And I did promote it through W.I.L.K.
5 and so on. So, I'm happy that I had that kind of pull,
6 at least.

7 JUDGE COLWELL: I'm happy too. We have
8 quite a good turn-out. Thank you.

9 THE WITNESS: I think that I'm, in part,
10 responsible for this. You know, I have heard that
11 Pennsylvania has the highest electric rates in the
12 country.

13 And whether or not that is the truth, it
14 must be that we're close, so that I'm wondering why
15 that is, if that is correct.

16 JUDGE COLWELL: I don't have those
17 figures in front of me. I don't think it is correct.
18 I don't think we are the highest.

19 THE WITNESS: I've heard that through
20 some medium. I'm sorry I don't know which one. I did
21 hear it. And if we aren't at the top, I'm just
22 wondering why we're so close to that.

23 I'm sort of annoyed with the PUC because
24 I know they're supposed to advocate for us. And I have
25 been responsible for a number of these hearings and

1 attended many more. And I don't know that that's the
2 case.

3 I mean, just doesn't seem that they ever
4 say no. Irwin said today on W.I.L.K, like, 10 or 15
5 years ago, they did say no. But most of the time they
6 do say yes.

7 And somebody has to speak for us. We
8 can't obviously get out on the street corners or go
9 into courts and so on. So, I feel a little letdown by
10 the Commission. I have to say that the Consumer
11 Advocacy Program seems to do their job, seem to be
12 pushing for us. And I'm very happy about that.

13 To the issue at-hand, however, I do want
14 to say that years ago, we used to get a bill that said,
15 yes, you used so many watts of energy. Therefore, you
16 know, your bill is this. You have to pay this.

17 Obviously, the PPL was forced to break
18 down their costs. But it seems that they're getting
19 sort of away with things by saying, okay, increase the
20 whole cost, increase it one at a time, distribution and
21 so on and so forth.

22 And they also let us pay their taxes,
23 which is pretty good. We can't do anything. We are at
24 the bottom of the line. And, yet, it is our money that
25 allows everybody else to do what they want to do and

1 what they have to do.

2 And, so, that's a terrible disparity as
3 far as I'm concerned. The 2.4 doesn't seem to be a lot.
4 But, according to the Times Tribune, I see we have a
5 reporter here, so I want you to know that I read your
6 paper, like everybody else.

7 They're starting 2.8 percent increase
8 August 1st. I don't know when they got that okay. But
9 all right. So, they got that increase. Now they're
10 interested in getting the 2.7.

11 But they're on different services. But
12 the bottomline is, we're paying for it. We're talking
13 -- I certainly, obviously, I am a senior citizen. At
14 76, I can attest to that.

15 But there are many other people also, at
16 least in this area, who are on variable income. I'm
17 going get my Social Security every month. But we have
18 many, many people and they're young people, and they
19 are sustaining families as well. And they have to
20 piece together several jobs to come up with a
21 reasonable wage.

22 That also means they don't get any
23 benefits or minimal benefits. They have to pay the
24 same thing. So, what is the result? The result is
25 that you have only so much money coming in. And with

1 the exception of the professional communities, I don't
2 know anybody that has a really expansive salary.

3 You need certain things. Electricity is
4 absolutely basic to our life. A couple days ago, and
5 Rich can attest to that, if we have all managers like
6 Rich, the company in good shape. He is absolutely,
7 incredibly efficient.

8 And, you know, there we are.
9 Fortunately, my husband had just fixed up our
10 flashlights so we could have light. That's all we
11 could have.

12 And it really brought home the fact that
13 electricity is basic to life, that and water more than
14 anything else. And I know somebody told me when her
15 mother was on oxygen and were very worried about that
16 period of time that she couldn't use the oxygen.

17 So, we're talking about convenience. But
18 we're talking about basic necessity. We're talking
19 about life and death. And that is to enable this
20 company to increase their profits.

21 A company has to make money, otherwise,
22 it's going to go out of business. We have to be able to
23 pay our bills. Otherwise, we can't live. It's that
24 simple. And all this has to be taken into
25 consideration.

1 I have been retired now for ten years.
2 And I took a significant drop in my income. But I
3 didn't want to lower my standard of living. So,
4 therefore, I had to change my attitude.

5 And I think attitude is absolutely basic.
6 You just say, we need more money, so we'll raise rates.
7 Maybe that isn't the way to do it all together. For
8 instance, I shop differently.

9 I've had to decrease some of my luxuries.
10 shall we say, although having a car today isn't having
11 a luxury. I was in an accident and my car was totaled.

12 And, so, my husband said, you better get
13 another car. You're so active. We have to do
14 something. I said, no, I just won't.

15 I just will not have that expense. so,
16 we have one car. It's a Jeep. So it gets us every
17 place, no matter what the weather. And we just have to
18 coordinate our calendar. And we've been successful in
19 doing that.

20 It's a little bit of an inconvenience. I
21 may have to start out earlier. He has an appointment
22 at such and such. But it doesn't make any difference.
23 We get where we want to go. I've had to change my
24 shopping habits. I go to discount places more than I
25 did before.

1 Sometimes I just say, I really don't need
2 that. So, I do without. Now, I realize that PPL, with
3 all the unions they have to deal with and it's a very
4 complex utility, I realize that. And I appreciate
5 that.

6 But somewhere along the line, somebody
7 has got to be able to say, we really don't need that.
8 Like, I always worked for nonprofit agencies. And we
9 have never had enough money, even though I worked hard
10 to bring as much money in as I could.

11 But, we would be told, you have to
12 decrease your budget and your department by 10 percent.
13 And if you don't do it, I will do it.

14 Well, certainly, I had my department. I
15 didn't want somebody else running my department. So,
16 if I had to decrease my expenses by ten percent, I did
17 decrease it because I knew what was essential or what
18 was iffy.

19 Maybe their purchasing could be changed.
20 Maybe their suppliers could be changed. Maybe they can
21 think of a new way of doing things. I think PPL is
22 very creative. They have to be, otherwise, they
23 wouldn't be doing all they're doing.

24 So, certainly, somebody there has got to
25 be able to say, you know, maybe we have cut back on

1 this. Or maybe we can coordinate our spending with
2 another company or maybe a couple offices can work
3 together and do something.

4 Do you know what I'm saying? I'm not
5 suggesting anything dramatic, dramatic change. But if
6 we have these little changes, these little, you know,
7 savings, these smaller savings, it adds up.

8 But we just cannot continue this
9 increase. And then, the last sentence is that they --
10 when they removed the rate caps, the generation rates
11 are anticipated to go up 30 percent or more by some
12 estimates.

13 Now, that's enough to blow your mind. As
14 Mr. Needham said, I'll have to sell my house. He is
15 going to have to sell his house. So are other people.
16 They're going to have to move. If they heat by
17 electricity, which is the most expensive kind of heat.

18 Look at all the disruption in the lives
19 of people because of that. I don't think that the
20 administration of PPL is thinking of that. I mean,
21 they're obliged to think of the welfare of their own
22 company.

23 But I wonder if they think of the
24 ramifications of it, the way it impacts the ratepayers
25 whose money, once again, is paying for all they want to

1 do.

2 I don't think -- I don't think they think
3 of that. That sort of escapes them. And I think they
4 have to be aware that people's lives are being
5 affected.

6 If Mr. Needham had children and he sold
7 his house, they would have to be taken into another
8 school district, another neighborhood, other friends
9 and this sort of thing.

10 That impacts young people. So, I just
11 wanted to offer that, in hopes that someone will take
12 that into consideration and say maybe we can look at
13 this differently. And that really is all I have to
14 say.

15 JUDGE COLWELL: Well, I can't tell you
16 what happens at the company before they file their
17 request for a rate increase, but I can tell you what
18 happens afterwards.

19 When they come into the PUC, they bring
20 us a box this big, that is filled with testimony and
21 exhibits that support their request that they're asking
22 for.

23 And it's filled with all of these charts
24 and all of this financial information in little fine
25 print. And it immediately goes to the offices of these

1 three people sitting over here.

2 They have technical people to look over
3 them well magnifying glasses and they go over
4 everything. And they have to -- the numbers have to
5 add up, the request has to be justified.

6 And then the people who are -- the
7 witnesses that are put on from the public advocate
8 offices will offer other appointments of view. And
9 that's what will happen in August, when they come to
10 the evidentiary hearings.

11 Then they'll fight about whether or not
12 the evidence that PPL has submitted supports the amount
13 of the rate increase. And if it doesn't, then the
14 Commission will grant none or less than what they've
15 asked for.

16 THE WITNESS: I'm sure that whatever the
17 request is is well-substantiated as far as they're
18 concerned. But, for instance, in our own city, Mayor
19 Dougherty, took a five percent decrease in salary and
20 required all his people to do the same thing.

21 So, I'm sure what they're offering is
22 factual. But I don't think that they're being totally
23 creative. And I'm not saying that they're just, you
24 know, making up figures. I just wouldn't say that and
25 I don't believe it.

1 But I'm just saying that the action
2 behind these figures can be changed. Maybe they don't
3 have to buy from this particular company. Like I said
4 to our school board, go on e-commerce and find out what
5 it costs to provide paper supplies for this district,
6 which must be an enormous cost.

7 I didn't say, don't buy paper. I said,
8 use another means of purchasing these things.

9 JUDGE COLWELL: Another function of the
10 Commission, that isn't as widely advertised, is that we
11 have an entire Bureau of Audits that actually go to the
12 utilities and they do management audits. And they look
13 at how the money is spent and make recommendations on
14 how to cut back and save money. And that happens all
15 the time too.

16 THE WITNESS: I'm glad to hear that. I
17 really am. I can't go to the federal government and
18 say, I can't live within the bounds of this Social
19 Security. I can't do that.

20 And I cannot pass any cost on to anybody
21 else. The utilities can. Businesses can. We, whose
22 money we use to run these utilities, can't. So, you
23 know, the buck stops here. And we are at the bottom,
24 like an inverted pyramid. All the people up here and
25 so on. There we are, carrying the whole load.

1 And somebody has to speak for us. Somebody has to do
2 something. I don't know.

3 JUDGE COLWELL: I'm sorry that you're
4 disappointed in the Commission. What the Commission's
5 job is, as you know, is to take the ratepayers'
6 interest and the utility's interest and try to balance
7 them.

8 Need a healthy utility or they're not
9 going to be able to offer the service that the
10 ratepayers deserve. You have to make sure they're
11 making enough money, and make sure they're healthy
12 enough to be interesting to investors.

13 Can't let them take advantage of the
14 ratepayer. It's a very delicate balance. That's why
15 we have all these big cases where all the experts are
16 thrown into the mix to try to find out what is closest
17 to the truth.

18 Even though the Commission doesn't often
19 turn down a rate increase, they almost always cut it
20 down usually substantially.

21 THE WITNESS: I'm an investor in PPL.
22 Obviously, I'm not only an I user, I believe in the
23 company. But I have to be responsible for my own
24 welfare first.

25 JUDGE COLWELL: Absolutely.

1 THE WITNESS: I hope I've been helpful.

2 JUDGE COLWELL: Very interesting hearing
3 you talk. Thank you.

4 (Witness left the stand.)

5 JUDGE COLWELL: Joseph Berkowitz.

6 JUDGE COLWELL: Having a little trouble
7 reading today.

8 MR. BURKHARDT: Have to read a lot of
9 names.

10 JUDGE COLWELL: That's all right.

11 **Whereupon, JOSEPH BERKOWITZ,** having been
12 duly sworn, testified as follows.

13 **DIRECT TESTIMONY**

14 JUDGE COLWELL: Please be seated. Will
15 you state your name and spell it for the record?

16 THE WITNESS: Joseph Berkowitz. I live
17 on Russell Lane in Tafton. B-e-r-k-o-w-i-t-z. That's
18 in Pike County.

19 JUDGE COLWELL: Are you employed, sir.

20 THE WITNESS: No, I'm retired.

21 JUDGE COLWELL: Where are you retired
22 from.

23 THE WITNESS: I was in the printing
24 business for a lot of years.

25 JUDGE COLWELL: Thank you. Go ahead and

1 tell us what you want us to hear.

2 THE WITNESS: I did a lot of research.
3 But a lot of it is their own research. I did research
4 on PPL, I guess the holding company, and found out just
5 things pertaining to PPL. But notwithstanding, PPL
6 Electricity has been making a profit all these years.

7 And I have been on Social Security for
8 the past ten, eleven years. And our increases have
9 gone up maybe 3, 4 percent a year.

10 But along with that, our Medicare
11 increases take away that increase. So, basically,
12 there's no increase of income coming to my house. But
13 we do have many added expenses, constantly; fuel, food.
14 Because of fuel, everything else goes up, including the
15 electric and taxes.

16 And it gets to the point where you can't
17 -- you can't survive with these increases. Can't cut
18 back, without cutting back on food.

19 Can't cut back on electricity because you
20 need the heat, you know, need the heat in the winter.
21 We sleep in a room that's turned the heat down to 60
22 degrees every night and put extra blankets on. We got
23 the house buttoned up so there's no waste of energy
24 going out. And there is no way to really cut back.

25 We have supplemental heat too. I use

1 propane to heat the basement and I switch back and
2 forth between whatever is less expensive. If propane
3 goes all the way up, I cut that off and use electric in
4 the basement. That helps to heat the house too.

5 But I also have to run the
6 air-conditioners from the beginning of spring in our
7 house, for we have allergies. And we can't deal with
8 the pollen and everything. So, I have this problem.
9 And I'm sure there is a lot of senior citizens that
10 have problems, even worse than mine.

11 Got asthma or they're sensitive to the
12 cold, which I am a little bit. But, you know, I can
13 put a jacket on when I'm working downstairs on the
14 computer or something. But I just don't understand why
15 PPL has to have this increase.

16 They say it's for fuel costs. Fuel costs
17 are part of doing business, cost of doing business. We
18 all have fuel increases. You know, of course, go to
19 where we have to go.

20 The people before us talked about
21 possibly PPL being able to cut their costs down. I'm
22 sure they can. One way is probably with the executive
23 salaries and bonuses and stock options that they have,
24 which, you know, some of the executives are bringing in
25 4, 6, 5 6 million dollars in earnings.

1 I'm asking, is this increase just to make
2 it look good on paper for the stockholders, so that the
3 stock prices go up and the stock and the people who own
4 the stock make more money, and the people that are the
5 executives make more money when they sell their stock?

6 I don't know. A question Mr. Russell
7 may be able to answer. I have found out they did get
8 an increase, okay, on partial, okay, on this new power
9 line that they were going to run, which is supposed to
10 save them, I think, like 450 million dollars in costs.

11 JUDGE COLWELL: You know, Mr. Berkowitz,
12 that will be another case. They haven't filed it yet.
13 They will file it. And there will probably be
14 numerous --

15 THE WITNESS: In the future, they can
16 maybe hold on the increase, until they can get the
17 differential, because they're still making money.
18 They're not losing money on their power generation.

19 And I know especially they're not losing
20 money on power generation in our area where they have
21 the cost of producing electricity is minimal. It's run
22 by Lake Wallenpaupack water. It's a hydroelectric
23 plant. And that is not affected by fuel costs.

24 Their power generation plant down in
25 Berwick and they have a couple other nuclear plants.

1 They don't have an increase in fuel costs due to oil.
2 They're not burning oil.

3 Mostly, the utilities can go, turn around
4 and go back to coal. I know they have to increase the
5 costs. Of course, they have to keep the pollution down
6 from coal. But these are options. And I just am
7 against this.

8 I don't know how I'm going to pay for it,
9 and I don't know how other people are going to pay for
10 it, especially after the increase comes from the
11 deregulation or regulation, whatever the nonsense is.
12 And that's basic like I said.

13 JUDGE COLWELL: All right. Well, thank
14 you for coming in and expressing your opinion.

15 (witness left the stand.)

16 JUDGE COLWELL: Sally Meller.

17 MS. MELLER: Sally Meller. They all
18 covered what I was going say. Okay.

19 JUDGE COLWELL: Okay. Thank you, ma'am.
20 And Bob Miller.

21 MR. MILLER: Same thing.

22 JUDGE COLWELL: Same thing. Lawrence
23 Jecksner, Junior. Did I say that wrong?

24 MR. JECKSNER: Lawrence Jecksner. No.

25 JUDGE COLWELL: You don't want to speak?

1 Are you sure?

2 MR. JECKSNER: No.

3 JUDGE COLWELL: Mr. Thomas, we're down to
4 you.

5 **Whereupon, MICHAEL P. THOMAS**, having been
6 duly sworn, testified as follows.

7 **DIRECT TESTIMONY**

8 JUDGE COLWELL: Make yourself
9 comfortable. Could you state your name and spell it
10 for the record?

11 THE WITNESS: Michael P. Thomas,
12 T-h-o-m-a-s.

13 JUDGE COLWELL: And I know that you are
14 employed. You're employed by a legislator.

15 THE WITNESS: Yes, Your Honor.

16 JUDGE COLWELL: Tell us who that is.

17 THE WITNESS: Employed by the Pennsylvania
18 House of Representatives. I'm here today on behalf of
19 representative Ken Smith, 112th Legislative District,
20 Lackawanna County.

21 JUDGE COLWELL: Thank you. Do you have
22 something that you want to read?

23 THE WITNESS: I have notes from which
24 I'll read. Thank you, your Honor. As I said before,
25 I'm here on behalf the representative Ken Smith. First

1 of all, we are grateful for the PUC for having the
2 public hearings and providing the opportunity for the
3 public to state their case and inform the PUC, as well
4 as the parties, of our thoughts, our feelings, and our
5 arguments regarding the proposed rate increase.

6 Representative Smith wishes he could be
7 here himself. He's in Harrisburg today, where the
8 House is in session and debating issues, such as the
9 state budget, transportation and energy independence.

10 he's not the only person from the 112th
11 District who wishes they could be here but cannot.
12 They're the people who are working in the hospitals,
13 working in our libraries, working in our job sites, and
14 barber shops. They're the people who have called
15 Representative Smith's office, e-mailed him or stopped
16 into his offices and said, we're working as hard as we
17 can to maintain our independence to pay for our food
18 and shelter and to pay for supporting our children and
19 make sure that we are as independent as we can be and
20 don't need to turn to others to help support us.

21 They're the people who have said, we
22 understand if PPL needs to raise rates, because of
23 their costs, whether it's infrastructure you're or
24 research or their programs working with the PUC to
25 educate the public on matters such as energy

1 conservation and intelligent usage, but we're tapped
2 out.

3 We're paying as much as we can afford.
4 We're paying our bills, trying put some aside, some
5 money aside for ourselves, for our enjoyment, for our
6 education of our children.

7 And we want to make absolutely sure that
8 all of steps are taken before these rate increases are
9 made final, that the PUC is absolutely certain that
10 they are the appropriate increases and they're
11 absolutely necessary.

12 As a general rule, we ask the PUC that --
13 I'm sorry, PPL work with the PUC Office of Audits,
14 which was mentioned before, thoroughly and completely
15 to evaluate the revenue streams coming in, as well as
16 the expenditures, such as special programs, economic
17 development and other areas where PPL spends their
18 money, to ensure that the increases are necessary.

19 And those that are passed on to the
20 residential customers, especially, are absolutely
21 needed, before the ladies and gentlemen across the
22 service area find that bigger bill in their mailbox.
23 They're the people, along with the government
24 customers, they're the people along with the business
25 and corporate customers who are paying the bill, are

1 keeping PPL in business, essentially.

2 As was mentioned before by the previous
3 witnesses, electric deregulation is fast approaching.
4 And, at that time, when the market is deregulated, the
5 market forces, in addition to the PUC and in addition
6 to the other agencies that play in Pennsylvania right
7 now, will determine what we pay for our electricity.
8 And that will most likely present a great challenge.

9 And we hope, by working together, we hope
10 by government, industry, and the ratepayers working
11 together, we can ensure that the businesses and
12 industry thrive. But also the ratepayers and the
13 citizens and constituents are able to succeed and able
14 to maintain a correct balance and appropriate balance
15 for the best interest of all involved.

16 Finally, we are opposed to the rate
17 increase. And we do ask the Pennsylvania Public
18 Utility Commission to deny or dramatically mitigate or
19 reduce the amount being requested by PPL.

20 And, Your Honor, if I may, there was a
21 chart published in the Allentown Morning Call on June
22 23, 2007, quoting PPL Corporation of historical rate
23 increases. If I may read it into the record.

24 JUDGE COLWELL: Sure. Go ahead.

25 THE WITNESS: Thank you. Again, this is

1 from the Allentown Morning Call Newspaper. June 23,
2 2007, PPL Corporation's rate hikes in the increase for
3 a typical residential customers since January 1st,
4 2005. January 1st, 2005, 8.3 percent increase. Cause
5 was higher distribution and transmission costs.

6 January 1st, 2006, 5.3 percent increase
7 because of higher generation costs. August 1st, 2007,
8 again, depending on the PUC's actions, request of 8.3
9 percent increase, shifting some of the distribution and
10 transmission costs from business to residential
11 customers.

12 January 1st, 2008, again, this is
13 projected, 6.8 percent increase, due to higher
14 distribution and transmission costs and further
15 shifting of those costs.

16 Finally, January 1st, 2010, again,
17 estimated based on current prices from information
18 provided to the Morning Call by PPL Corporation, a 30
19 percent increase based on higher generation costs.

20 Again, we understand that this proceeding
21 is a result of a Commonwealth Court decision ordering
22 more appropriate rates between residential customers
23 and business customers. But we ask the PUC take into
24 account the effect this has on the people who are
25 getting up every day, going to work, who are working to

1 pay their bills, the people on Social Security and
2 fixed incomes, who are trying as best they can to keep
3 supporting themselves and not turning to anyone else
4 for help.

5 JUDGE COLWELL: Any questions for Mr.
6 Thomas?

7 MR. GRAY: One clarification. This is
8 not the remand proceeding. This is just the
9 distribution increase proceeding. The remand
10 proceeding, Mr. Russell talked about earlier, that's on
11 a separate track.

12 THE WITNESS: I apologize. I misspoke.

13 MR. GRAY: Just to make sure we're all
14 clear.

15 THE WITNESS: Thank you for the
16 clarification.

17 MR. SHIELDS: Just to make a statement,
18 my office did not indicate that I agree with the
19 characterization of the reasons for those rate
20 increases.

21 JUDGE COLWELL: Noted.

22 THE WITNESS: And Your Honor, if I may,
23 those rate increases, again, I was reading from an
24 article in the Morning Call, which I will be happy to
25 provide to Your Honor for the record. And those

1 reasons for the rate increases were based on
2 information provided by PPL Corporation. I would be
3 happy to provide that.

4 MR. SHIELDS: Maybe I do have a question,
5 Your Honor, if I may.

6 JUDGE COLWELL: Sure.

7 MR. SHIELDS: A second or third one you
8 said for increased generation costs.

9 THE WITNESS: Yes, sir. January 1st,
10 2006.

11 MR. SHIELDS: Yes. Increased generation
12 costs. You understand that their generation costs are
13 capped. So whatever the reason for that rate increase
14 was, wasn't an increase in generation cost.

15 THE WITNESS: I do. Again, I was simply
16 providing the information for the record which was
17 available in the newspaper provided by PPL.

18 MR. SHIELDS: I understand that. I'm not
19 saying you agree with it. But I wanted to pin down the
20 characterization. That's all I have, Judge. Thank
21 you.

22 MR. GRAY: Could we get a copy of that
23 article? Is that possible?

24 JUDGE COLWELL: I'm sure it's possible.
25 Except Mr. Thomas doesn't have the article. I'm sure

1 Miss Coaker does.

2 MR. GRAY: Thank you.

3 JUDGE COLWELL: Thank you very much for
4 coming.

5 (witness left the stand.).

6 JUDGE COLWELL: I do have a list with two
7 more names on it. Joseph Rodney.

8 **Whereupon, JOSEPH RODNEY,** having been
9 duly sworn, testified as follows:

10 **DIRECT TESTIMONY**

11 JUDGE COLWELL: Please be seated. Could
12 you state your name and spell it for the record,
13 please?

14 THE WITNESS: Joseph Rodney, R-o-d-n-e-y.

15 JUDGE COLWELL: Where do you live, sir.

16 THE WITNESS: I live in 80 Matthews Road,
17 Spring Brook Township, PA.

18 JUDGE COLWELL: Are you employed?

19 THE WITNESS: I'm self-employed. I have
20 Rodney auto. It's a frame shop. I'm a public
21 adjuster. I have a document destruction, work for
22 document destruction business. And I own Barnabus Land
23 Company, and I have several properties.

24 JUDGE COLWELL: Go ahead and tell us what
25 you want us to hear.

1 THE WITNESS: Actually, a couple
2 questions and kind of all coincides. Two of my tenants
3 notified me in January that their electric bill is
4 extremely high.

5 And I did note in my electric bill one of
6 those little pieces of paper that I don't know what the
7 rate was, if it was transmission or whatever, but it
8 was going from point 012 to point 120 something. And,
9 to me, that's double. I'm not certain on the
10 generation and the distribution.

11 Years ago, the milk man came in a fancy
12 truck and delivered the milk. He was the distribution
13 guy. The electric lines have been in the same pole as
14 long as I lived in Spring Brook. I certainly
15 understand. Like, I was expecting the rates to go up a
16 little because of the fuel situation.

17 Electric being the cheapest heat source
18 currently. I would probably accept a rate increase of
19 equal opportunity. That seems to be the word I see on
20 every sign, equal opportunity employment, equal
21 opportunity this and that.

22 I received a paper in my electric bill
23 stating that the big factories or industry, their rates
24 are actually going to go down. While the working
25 person, like myself, our rates are going to go up.

1 What happened to the equal opportunity is
2 basically my question. I'm looking for the
3 Wallenpaupack hydraulic electric plants or the Berwick
4 nuclear plant or the wind generators that are being put
5 up. Who benefits from these resources?

6 I mean, they're basically natural
7 resources, which are very beneficial to whoever is
8 getting the revenues. But I'm recently told that these
9 wind generators belong to go a Florida-based plant.

10 And I see on the news where some private
11 individuals are beginning to use their own wind
12 generator and are shut down by the local municipalities
13 by certain rules and regulations.

14 I'm basically looking for the equal
15 opportunity. You know, I don't want to see the rich
16 getting richer and people like myself, needing to get
17 more jobs just to make ends meet.

18 I have four businesses and work two
19 part-time jobs just to make ends meet, along with
20 taking care of a mom who had a stroke eight years ago.
21 It's very tough for the working man. Even though I
22 have no family, like I think it is Miss Gallagher said,
23 there is no extras.

24 I basically get about 18 hours a year
25 off. I can't be sick. You know, I take Christmas Eve

1 off and basically the world stops turning on New Years.
2 So, I have no choice but to take those two days.
3 Otherwise, I'd be looking to fill that spot with a job
4 to make my ends meet.

5 I've been told that Americans are tax
6 slaves. That's a different conversation. I wanted to
7 come to speak to say, I'm a label-reader. I read the
8 pieces of paper that normally most people throw in the
9 garbage.

10 And nobody can understand an electric
11 bill, so much for this many hours, and so much for that
12 many hours. I think it would be more practical for all
13 of us to be charge the same amount.

14 It's the same wires that deliver the same
15 power to me, as it does for some of the places that I
16 worked that pay more in electric bills per month than
17 the average person in this area makes in a year. I
18 think if it was all equally paid, and then have a
19 credit for if they had their own solar panels or wind
20 generation, sell the electric back to the utility,
21 whoever the provider is.

22 JUDGE COLWELL: Working on that.

23 THE WITNESS: It's too confusing who
24 generates rates or who delivers it. It comes from the
25 same pole with the same wire and does the same job when

1 you turn on the switch.

2 So, even though I don't understand the
3 bill, I'm with the rest of the people who can only see
4 that everything is going up. You know, the costs of
5 economy goes up about 4 percent per year. But the pay
6 doesn't. Same pay.

7 I was actually told, when I did work for
8 somebody else, that the local chamber of commerce
9 regulates how much people are allowed to be paid. Tell
10 the corporations, you can't pay these people too much.
11 They're not used to making that kind of money. That's
12 a fact.

13 And the people move away and their
14 children move away. And all that's left behind are the
15 retirees and the people who did have something at one
16 time, now they don't because they have to sell off
17 their farm or their merchandise or whatever they have
18 to try and make ends meet.

19 And that only lasts so long. Or
20 sometimes the government will pay them not to plant a
21 crop, to make a profit at the end of year. And then
22 there's nothing left. When all the old people die off
23 and gone, and the children moved away to work, because
24 there is no work here because they can't pay the bills.
25 There's nothing left. So, we won't need electric.

1 Won't need utilities. There will be no houses or
2 farms. And there will be no working people.

3 So, basically, to sum it up, I would like
4 to see -- I'm not against progress. I will work two
5 more jobs if I need to make an equal opportunity,
6 working beside somebody else that is doing the same
7 thing I am, trying to do the same thing as the person
8 working next to me, whether he has a lot of money or a
9 little money, I want to pay the same thing equally as
10 my fellow worker.

11 That's what my goal is. So, with this
12 piece of paper that I received in my electric bill that
13 basically said, the rich are still getting richer and
14 the poor are still paying for it. I'd like to see that
15 stopped. That's why I'm here today. That's pretty
16 much all I have to say.

17 JUDGE COLWELL: Okay. Any questions?
18 Thank you, sir.

19 (witness left the stand.).

20 JUDGE COLWELL: Thomas Shaffer.

21 VOICE: He had to leave. Ran out of
22 time.

23 JUDGE COLWELL: I'm sorry. I didn't
24 realize there was a schedule. I would have bumped him
25 up. At this point, is there anybody that wants to

1 speak that hasn't? No. Then I can only say thank you
2 very much. This has been a very meaningful public
3 hearing and I appreciate you all coming out and
4 expressing your views.

5 That's what we're here for and we would
6 like to hear from you. With that, we are off the
7 record.

8 (Whereupon, at 3:34 p.m, the public input
9 hearing was concluded.)

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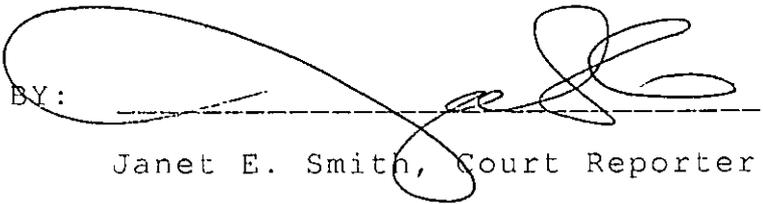
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CERTIFICATE

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

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