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PUBLIC UTILITY COMMISSION

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Electric Utilities Corporation. :
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 Public Input Hearing :
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Pages 86 through 137

Hearing Room No. 2
Commonwealth Keystone Building
Harrisburg, Pennsylvania

Monday, June 28, 2004

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

BEFORE:

SUSAN D. COLWELL, Administrative Law Judge

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FOR IDENTIFICATION IN EVIDENCE

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1	(Statement of facts concerning	124	125
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FORM 2

P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE SUSAN D. COLWELL: Let's go
3 on the record.

4 Good evening. I'm Susan Colwell. I'm the
5 Administrative Law Judge assigned to conduct this public
6 input hearing. The Administrative Law Judge who is assigned
7 to prepare a recommended decision for the Commission's
8 review and approval is named Allison Turner. She's not
9 present here tonight, but she will be reading the transcript
10 and paying close attention to your comments.

11 As you know, this case is PPL's proposed rate
12 increase. This is PPL's first rate case in many years,
13 because when the electric industry was restructured and
14 competition was introduced, PPL and the Commission put a
15 rate cap in place. It will expire on January 1, 2005, which
16 is the effective date of the proposed new rates.

17 I'm going to tell you what has happened so far in
18 this investigation, what will happen, and how you can
19 participate in this hearing. After that, counsel for PPL,
20 counsel for OSBA, counsel for OCA and counsel for OTS, the
21 people you see up here at this table, will give you opening
22 statements which explains to you what their role is in this.

23 The court reporter that you can see up here on my
24 right is going to transcribe everything that is said, so you
25 can't talk over each other, you can't talk over another

1 person; you have to take turns. She can only get one person
2 speaking at any given time.

3 Also, during this hearing, I ask that you turn off
4 your cell phones, or set them to vibrate, so as not to
5 interrupt any witness or counsel who happens to be speaking.
6 Any conversations you want to have amongst yourselves,
7 please do outside the room.

8 On March 29, 2004, PPL Electric Utilities Corporation
9 filed its rate proposal tariff to become effective June 1,
10 2004, proposing to increase its retail distribution rates by
11 \$164.4 million in additional revenues. Additionally, PPL
12 informed the Commission that transmission charges reflected
13 in retail rates are expected to increase by approximately
14 \$57.2 million. These charges arise under FERC regulated PJM
15 open access transmission tariffs. The combination will
16 produce an overall increase of \$221.6 million, representing
17 an increase in annual revenues of 8.1 percent.

18 According to a PUC press release of May 7, 2004,
19 under the combined proposal, the average monthly bill for a
20 residential customer using 900 kilowatt-hours of electricity
21 would increase approximately \$7.62, from \$77.47 to \$85.09.
22 This is the first base rate increase that PPL has requested
23 since 1995. The increase would affect 1.3 million customers
24 in 29 counties.

25 On May 7, 2004, the Commission suspended the

1 effective date of the rate request until January 1, 2005,
2 and directed that an investigation and hearings be held.
3 The investigation will mostly be carried out by parties and
4 persons who have intervened or filed complaints: the Office
5 of Consumer Advocate, or the OCA, which represents the
6 interests of residential customers as a whole; the Office of
7 Small Business Advocate, the OSBA, which represents the
8 interests of small commercial and industrial customers; PP&L
9 Industrial Customer Alliance, which represents large
10 consumption customers; the Commission's Office of Trial
11 Staff, or OTS, which represents the public interest as a
12 whole; the union, the IBEW; and Mr. Eric Epstein, who
13 represents himself as a customer. Several other utilities
14 have also intervened and various other public interest and
15 special interest groups, including competitors. As a group,
16 these will be referred to as parties.

17 Since PPL has not filed a rate case for a number of
18 years, the parties have not had a chance to scrutinize PPL's
19 operations and rates to see if its actions are prudent and
20 its expenses and revenues and rate of return are fair and
21 reasonable. The parties will examine all these things to
22 find out if there are matters they want to challenge.

23 In addition, PPL has proposed some basic changes that
24 the parties may oppose; for instance, the distribution
25 system improvement charge, which would allow PPL to recover

1 costs associated with system upgrades between base rate
2 proceedings.

3 At a prehearing conference, which was held on May 19,
4 2004, a schedule was set for hearings, discovery meetings
5 and settlement meetings amongst all the parties. The
6 parties have already held one informal discovery conference
7 with PPL, and there has been one settlement meeting, with
8 another scheduled in July. The public input hearings are
9 being held today. One was held this afternoon in Lancaster,
10 this evening here in Harrisburg, tomorrow they will be in
11 Allentown and Bethlehem, and Wednesday in Wilkes-Barre and
12 Scranton. July 19 there will be one in Williamsport.

13 The hearings to take technical evidence are to be
14 held the week of August 9 through 13, 2004 in Harrisburg.
15 Before these hearings are held, the parties will submit
16 their testimony in writing, and at the hearings the
17 witnesses who submitted testimony will be cross-examined.
18 The parties will file briefs on September 2 and September
19 13, 2004, and Judge Turner's recommended decision is due on
20 October 7, 2004. The parties will be able to file written
21 exceptions if they do not agree with the recommended
22 decision. After that, the Commission will enter a Final
23 Order.

24 The purpose of this public input hearing is to hear
25 from you regarding PPL's existing and proposed rates and

1 service. The Commission's policy regarding public input
2 hearings are found at 52 Pa. Code Section 69.321, and they
3 give you three options for talking to the Commission. The
4 first option is that you may testify formally under oath or
5 affirmation and be subject to cross-examination. You'll do
6 that right here tonight. The second option is you may make
7 an unsworn or unaffirmed statement. It will be off the
8 record and not subject to cross-examination, the court
9 reporter will not transcribe your statement, and Judge
10 Turner will not consider it in her recommended decision. Or
11 third, you may provide information to one of the parties
12 sitting here today and they can use it at their discretion
13 in the hearings.

14 I encourage you to testify under oath or affirmation
15 so that Judge Turner and the Commission can use your
16 testimony to the extent that it meets the rules of evidence.

17 To allow as many of you as possible to participate,
18 we may have to look at time limitations, but probably we
19 won't have to do that. We can see how it goes as we get
20 started.

21 Has anybody not signed the sheet that wants to
22 testify? Has anyone come in --

23 (Member of audience raising hand.)

24 JUDGE COLWELL: Would you come up here, please?
25 There's a sheet right over here behind the court reporter.

1 If you will just sign that, we'll put you on the list.

2 Does PPL have employees here to talk about individual
3 service complaints?

4 MR. RUSSELL: Yes, we do, Your Honor.

5 JUDGE COLWELL: I'm sure you'll talk about that in a
6 minute.

7 Do we have any Legislators or staff members present
8 this evening?

9 (No response.)

10 JUDGE COLWELL: I see no response.

11 At this point, I am going to have each of the
12 attorneys up here at the table give you an introductory
13 statement so that you can understand what they do here.

14 Mr. Russell, do you want to start?

15 MR. RUSSELL: Thank you, Your Honor.

16 My name is Paul Russell. I'm one of PPL's in-house
17 lawyers and I'm one of the lawyers representing the company
18 in this rate case proceeding.

19 At the outset, I'd like to thank you all for
20 appearing at today's hearing. Public input hearings are an
21 important part of the Commission's ratemaking process, and
22 they often provide valuable customer perspective on a broad
23 range of issues in a rate case. Your testimony today will
24 be carefully reviewed by PPL, by many of the other parties
25 in the case, by the Administrative Law Judge, and ultimately

1 by the Commission. So if you have any views on the case, I
2 would urge you to testify this evening.

3 The purpose of today's hearing is to listen to the
4 public, so I won't take valuable time summarizing our
5 request. However, I would like to make two points about the
6 impact of Pennsylvania's 1996 Customer Choice Act on the
7 case. First, as Judge Colwell discussed, the Act imposed
8 caps on the rates that electric utilities can charge
9 customers, and PPL Electric's distribution rate cap ends
10 December 31, 2004.

11 Second, the Act made the generation of electricity
12 competitive and required electric utilities to unbundle
13 their operations. Because of this change, the rate request
14 now before the Administrative Law Judge and the Commission
15 involves only PPL Electric Utilities, which is the company
16 that provides electric delivery service in central eastern
17 Pennsylvania. The case has nothing to do with PPL's other
18 companies or other operations, its generation of
19 electricity, sales of electricity to other utilities or its
20 international investments.

21 In conclusion, I would like to mention several
22 housekeeping matters. First, if you'd like to look at a
23 copy of the entire filing, we have it available on the
24 internet at www.pplrateinfo.com. Second, there is another
25 PPL employee here with me tonight. His name is Jim Nelton.

1 Jim, would you identify yourself?

2 MR. NELTON: Good evening.

3 MR. RUSSELL: Jim can answer any questions you might
4 have about your individual service or your individual rates.
5 He'll be here the entire evening, so if you do have
6 questions of Jim, please see him during a break or at the
7 conclusion of tonight's hearings.

8 Again, thank you for attending today and I look
9 forward to hearing your comments.

10 Thanks.

11 JUDGE COLWELL: Thank you.

12 Ms. Pennington.

13 MS. PENNINGTON: Good evening. My name is Carol
14 Pennington. I'm an attorney from the Office of Small
15 Business Advocate. For many businesses, the greatest part
16 of their operating expense is utility bills. This fact was
17 recognized by the Legislature when it created the Office of
18 Small Business Advocate. It is our task to represent small
19 businesses in proceedings like this before the Public
20 Utility Commission.

21 We have hired the services of an expert witness.
22 His name is Robert Knecht. He has prepared testimony which
23 will be filed tomorrow. We are protesting the overall
24 amount of the increase in this case, but we are also
25 protesting the way that the rates will be allocated when the

1 final amount is set by the Commission. We are protesting as
2 well the distribution system improvement charge that PPL has
3 proposed so that they can recover the cost of system
4 upgrades between rate cases.

5 If you are the owner or the operator of a small
6 business, I especially encourage you to testify on the
7 record here. The small businesses we represent are
8 primarily GS-1 and GS-3 businesses; however, I urge all of
9 you to testify, and I want to thank you all for coming.

10 JUDGE COLWELL: Thank you.

11 Mr. Beatty.

12 MR. BEATTY: Good evening. My name is Aron Beatty,
13 and I'm an attorney with the Pennsylvania Office of Consumer
14 Advocate. Our office represents the interests of utility
15 consumers, primarily residential consumers, in matters
16 before the Public Utility Commission.

17 As the Judge has explained, we're here tonight to
18 receive your comments on PPL's proposed transmission and
19 distribution rate increase. The company has asked the
20 Public Utility Commission for permission to raise its
21 distribution and transmission rates by \$221 million, or
22 about 8 percent over current rates. For the main
23 residential class, Rate RS, the company proposes a 9.7
24 percent increase. The customer charge would increase from
25 \$6.55 to \$12.20, which would include the first 200 kilowatt-

1 hours of usage.

2 The company's generation rates, as well as the
3 generation rates of competitive suppliers, are not affected
4 by this filing. Generation rates provided by the company
5 are capped until 2010.

6 Our office has filed a complaint against the
7 company's request for a rate increase in order to help
8 ensure that any rate increase that may be awarded is
9 reasonable and fully supported. We've hired expert
10 witnesses in the utility field to analyze the company's
11 case, and these experts will present testimony challenging
12 portions of the company's request.

13 The purpose of this evening's hearing is to hear from
14 members of the public. We want to hear your opinions and
15 your concerns. I would also encourage you to testify under
16 oath so that your testimony becomes part of the written
17 record and that we can refer to it when we submit our
18 written briefs to the PUC.

19 I've brought with me some brochures that explain what
20 our office does, and in that brochure there's a form that
21 you may fill out if you would like to be on our mailing list
22 and receive information about utility developments that
23 affect you.

24 Thanks for coming this evening, and I look forward to
25 hearing your comments.

1 JUDGE COLWELL: Thank you.

2 Mr. Kanaskie.

3 MR. KANASKIE: Thank you, Your Honor.

4 Good evening, ladies and gentlemen. My name is Rick
5 Kanaskie and I'm with the Commission's Office of Trial
6 Staff. First of all, let me thank you all for coming out
7 this evening. I appreciate you taking the time to come out
8 and make your comments part of the record.

9 As the Judge has indicated, there are several ways
10 you can participate in tonight's proceeding, you can make a
11 sworn statement, you can make an off-the-record statement,
12 or you can talk to any counsel up here at the table. I
13 would urge you, if you would, to put your comments on the
14 record, to give sworn statements. That way it becomes part
15 of the record, it's subject to review by all the parties and
16 it can be utilized in the case.

17 A quick background on the Office of Trial Staff. We
18 are part of the Commission, but we are semi-independent. We
19 advocate before the Commission. I'm not here presenting the
20 views of the Commission. I'm a party to this proceeding, or
21 we, the Office of Trial Staff, are a party to this
22 proceeding, like everyone else up here. We have engineers,
23 we have financial analysts. We prepare testimony. We're
24 prepared to participate in this case fully from beginning to
25 end.

1 Every rate case is set against the backdrop of
2 ensuring that rates are just and reasonable. That's part of
3 our job as the Office of Trial Staff. We were formed with
4 the charge of protecting the public interest, and that's an
5 integral part of protecting the public interest; rates must
6 remain just and reasonable. That's our challenge to this
7 proceeding. There are legal aspects of the proceeding we
8 don't agree with, there are financial aspects of the
9 proceeding we don't agree with, and we intend to testify to
10 that in fact tomorrow.

11 But that's only part of a rate case. The other part
12 of a rate case is input from the public, and that's why
13 we're here. You're affected by everything that happens, by
14 everything that the company is proposing. We would like to
15 hear your input, to hear your views, your ideas, your
16 problems, complaints, whatever it is. It helps in the
17 backdrop of putting the whole case together.

18 Again, thank you for coming out this evening. I
19 appreciate it. I urge you to speak on the record.

20 Thank you, Your Honor.

21 JUDGE COLWELL: Thank you.

22 Now I ask Clare Jones to come forward.

23 (Pause.)

24 JUDGE COLWELL: May I ask you to stand and raise your
25 right hand, please?

1 Whereupon,

2 CLARE JONES

3 having been duly sworn, testified as follows:

4 JUDGE COLWELL: Thank you. Please be seated.

5 Would you state your name and spell it for the
6 record, please?

7 DIRECT TESTIMONY

8 THE WITNESS: Certainly. Good evening. My name is
9 Clare Jones, C-l-a-r-e J-o-n-e-s. I live in Harrisburg,
10 Pennsylvania, and I'm here tonight on behalf of my
11 organization, the National Organization for the Advancement
12 of Colored People, and we're interested in this rate case.

13 JUDGE COLWELL: Can I ask you, do you have the
14 authority to testify on behalf of your organization?

15 THE WITNESS: This is both a yes and no situation.
16 We are in between our sessions, and so a president can
17 testify on anything that we have an agreed-upon position;
18 otherwise, she does so at her peril that she will affirmed
19 at the next meeting. Our meeting is not until the end of
20 July, so I have come knowing that I bring this back to my
21 group for confirmation.

22 JUDGE COLWELL: Thank you for the clarification.
23 Please go ahead and tell us -- well, first I have to ask
24 you: are you a PPL customer?

25 THE WITNESS: Yes, I am.

1 JUDGE COLWELL: By whom are you employed? I know you
2 mentioned your organization, but is that employment or
3 volunteer work?

4 THE WITNESS: That is not employment. I am self-
5 employed as a writer.

6 JUDGE COLWELL: As what?

7 THE WITNESS: As a writer.

8 JUDGE COLWELL: Okay. Thank you. Go ahead and tell
9 us why you're here.

10 THE WITNESS: I came tonight because we received
11 several query calls at the NAACP about the utility, and
12 always in the course of the winter we get calls from people
13 who are sometimes desperate, their utilities are about to be
14 cut off, and then we refer them to various sources, but
15 those calls tell us something. They tell us that of that
16 1.3 million people that are affected by this rate change, at
17 least in Harrisburg there are a considerable amount of
18 people that find making their utility bills difficult as it
19 now stands, and for them the fairly modest amount of money
20 of \$7.62 presents a problem. We would like to be sure -- we
21 get marginal individuals who are not only African Americans,
22 Hispanic and Caucasian that call our office -- that every
23 penny that is included in the rate is carefully considered,
24 is seriously considered, because that money for many people
25 comes from other sources. It means medicine that they won't

1 take, it means that a child goes without a meal when they're
2 very poor, and so it's important to us to make sure that the
3 utility needs this money.

4 We're also concerned when we look at a utility and we
5 say: how many people of color do you employ? And what kind
6 of benefit? We know what we get as a customer: our lights
7 go on; we're very grateful for that. But we also want to
8 know what kind of relationship do you have with us to help
9 us enhance our community, so that we can have jobs for
10 people in Pennsylvania. But I'm particularly concerned with
11 people of color. My questions are, in terms of your board,
12 of your governing board, do you have any African Americans
13 sitting on the corporate board? And if not, why not? Are
14 there women sitting on the corporate board? Are there any
15 other ethnic groups sitting on that corporate board?
16 Because I think it makes a difference to understand the
17 impact of a request, to have someone there who can be an
18 advocate and say, "I know something about this." That also
19 means we're concerned about middle management. And I
20 haven't been able to do the analysis on this, but I'd like
21 to see what those figures look like in terms of this
22 particular utility.

23 I would also like to say that when they're
24 considering an impact, I'd like them to go out in the
25 community where they're affected. It's wonderful that we're

1 all here tonight, but the most affected, profoundly affected
2 community won't come here. They have constraints of getting
3 here, maybe a financial problem, or just getting here. We
4 have people in Harrisburg who don't know how to get around
5 downtown Harrisburg, and we do deal with that. So we would
6 suggest that when hearings are being prepared, that they be
7 set in the heart of these impacted areas. Like a YWCA or
8 YMCA on North Sixth Street in Harrisburg would put you in
9 the middle of that community. If we wanted to look at the
10 Latino community of Central Pennsylvania, we would be out on
11 the Hill at the Hispanic Center. Both of these present --
12 this environment is somewhat foreign to both groups to be in
13 this kind of situation. I think you would get more direct
14 impact and input from people if that were the case.

15 My comments do not go much beyond that. I will be
16 looking at the data from the Office of Consumer Advocate as
17 soon as it's available to us and taking it to my state NAACP
18 meeting, because I would like the input from the state and
19 their analysis of this also to weigh in. But it is terribly
20 important to understand that these few dollars can become
21 significant dollars to the people that we represent.

22 That's all I have to say for this evening. PPL
23 Electric Utilities Corporation, I would like to have an
24 analysis of your relationship with the minority community in
25 terms of how many vendors you're buying from presently that

1 are minority vendors, what's your stated policy, how do you
2 implement that policy, if you know, because I think it's
3 significant. And one of the other things the NAACP in
4 Harrisburg has been looking at is contracts, contractual
5 situations with our vendors from the African American
6 community, and trying to get them to be known in larger
7 pools, because we have some very capable, talented people in
8 business that can offer services and we would like to see
9 them become part of your family of service providers.

10 That's all I have to say.

11 JUDGE COLWELL: Mr. Russell, would any of that
12 information be available for Ms. Jones?

13 MR. RUSSELL: Yes, Your Honor. What we could make
14 available, we file annual diversity reports with the PUC
15 that address both the diversity of our work force and the
16 diversity of our contracting, the entities we contract with.
17 I would be happy to make those available.

18 If you could leave your address with either me or Mr.
19 Nelton, we can get that out to you the first thing tomorrow.

20 THE WITNESS: And thank you all for scrutinizing the
21 elements of this request. I think it's just very important
22 that we all have our say.

23 Thank you.

24 JUDGE COLWELL: Let me ask if any of the other
25 attorneys have any questions for you.

1 First, Mr. Russell, do you have any questions for Ms.
2 Jones?

3 MR. RUSSELL: No, Your Honor. Thank you.

4 JUDGE COLWELL: Ms. Pennington?

5 MS. PENNINGTON: No, Your Honor.

6 JUDGE COLWELL: Mr. Beatty?

7 MR. BEATTY: No, Your Honor.

8 JUDGE COLWELL: Mr. Kanaskie?

9 MR. KANASKIE: No questions, Your Honor.

10 JUDGE COLWELL: Thank you, Ms. Jones, for coming out
11 tonight.

12 THE WITNESS: Thank you.

13 (Witness excused.)

14 JUDGE COLWELL: I ask Earl Kibler to step forward,
15 please.

16 (Pause.)

17 MR. KIBLER: May I just not be disposed and ask
18 questions for clarification and not be --

19 JUDGE COLWELL: We'll go off the record.

20 (Discussion off the record.)

21 JUDGE COLWELL: Let's go back on the record then.

22 Would you raise your right hand, please?

23 Whereupon,

24 EARL KIBLER

25 having been duly sworn, testified as follows:

1 JUDGE COLWELL: Thank you. Please be seated.
2 Could you state your name and spell it for the
3 record, please?

4 DIRECT TESTIMONY

5 THE WITNESS: My name is Earl Kibler, K-i-b-l-e-r.

6 JUDGE COLWELL: Could you give us your address?

7 THE WITNESS: I live in Mechanicsburg, 1226 Scenery
8 Drive.

9 My concern was --

10 JUDGE COLWELL: Before you go further, I have just a
11 couple questions to get out of the way here.

12 By whom are you employed, sir?

13 THE WITNESS: I'm retired.

14 JUDGE COLWELL: From where?

15 THE WITNESS: From Downingtown School District.

16 JUDGE COLWELL: Thank you. And are you a PPL
17 customer?

18 THE WITNESS: I am not, but my companion is.

19 JUDGE COLWELL: Okay; fair enough. Then go ahead.

20 THE WITNESS: The concern I had was the way it was
21 advertised for the rate increase being 8 percent or 9.2
22 percent, or whatever it was, when the rates are only going
23 up on 32 percent of the charges of our electricity, being
24 the distribution charges and the transmission charges.
25 Transition charges and generation charges at this time are

1 not being raised. In my opinion, it should have been the
2 rates were going up 27 percent, because that's what the
3 distribution charges are going up, and also the transmission
4 charge. So I guess my concern was that, for the public, a
5 lower percentage was put out there to be more palatable for
6 the electric users. And in 2010, when the cap goes off the
7 generation charges, then those prices again can go up, and
8 probably will, because that's where the big amount of our
9 charges for power is, and that is in the fuels to make the
10 electricity.

11 That's about what I have to say, is that I think
12 maybe we're less than being honest on the actual rate,
13 percentage of electricity going up, is my concern.

14 JUDGE COLWELL: Mr. Russell, do you want to respond
15 to that?

16 MR. RUSSELL: Yes. Thank you, Your Honor.

17 We thought long and hard about the best way to
18 characterize the rate increase when we filed it, and the
19 reason we characterized it the way we did is we thought it
20 reflected the rates that most of our customers pay to us.
21 Most of our customers don't shop. Most of our customers pay
22 PPL the delivery, distribution charge, the transmission, the
23 energy and capacity and the transition; the whole bill is
24 paid to PPL. We thought to characterize this increase as a
25 percentage of that bill would give those customers a more

1 accurate idea of what would happen to their bills than if we
2 did it as you suggested; and we certainly thought about
3 that. But if we characterized the increase as the impact
4 only on distribution rates, we were concerned it would
5 mislead customers, because nobody, no customer, pays just
6 distribution rates. Even a customer that's shopping for
7 capacity and energy from another supplier is still paying to
8 PPL distribution and transition charges, which are CTC and
9 ITC. So we thought to just isolate distribution and talk
10 about a percent increase on that would be applicable to no
11 one's bill, and we thought it just wouldn't be informative.
12 We chose the approach we did; we thought it would be more
13 meaningful. I understand your point, but that certainly was
14 not our motive.

15 THE WITNESS: Can I respond?

16 JUDGE COLWELL: Sure; go ahead.

17 THE WITNESS: I called -- as soon as I read this in
18 the paper, I called PP&L to ask for an explanation, and I
19 didn't get an explanation; I got -- they sent me something
20 in the mail that I eventually got the rest of from the
21 internet explaining it all. I guess since the electric bill
22 is divided into four categories, I thought that these
23 categories should have been handled separately, showing yes,
24 this is going up a certain percentage, the other category
25 is, and the last two weren't.

1 So that's what I had to say. Thank you.

2 JUDGE COLWELL: Do any of the other attorneys have
3 any questions for Mr. Kibler?

4 Ms. Pennington?

5 MS. PENNINGTON: No, Your Honor.

6 JUDGE COLWELL: Mr. Beatty?

7 MR. BEATTY: No, Your Honor.

8 JUDGE COLWELL: Mr. Kanaskie?

9 MR. KANASKIE: No questions, Your Honor.

10 JUDGE COLWELL: Do you have anything further, Mr.
11 Russell?

12 MR. RUSSELL: No, Your Honor.

13 JUDGE COLWELL: Anything further from you, sir?

14 THE WITNESS: No.

15 JUDGE COLWELL: Thank you very much for coming out
16 tonight.

17 THE WITNESS: Thank you.

18 (Witness excused.)

19 JUDGE COLWELL: May I have Betsy Ruth step forward,
20 please?

21 (Pause.)

22 JUDGE COLWELL: May I ask you to raise your right
23 hand, please?

24 Whereupon,

25 **BETSY RUTH**

1 having been duly sworn, testified as follows:

2 JUDGE COLWELL: Thank you. Please be seated.

3 Please state your name and spell it for the record.

4 DIRECT TESTIMONY

5 THE WITNESS: Betsy Ruth, R-u-t-h. Betsy is
6 B-e-t-s-y.

7 JUDGE COLWELL: May I have your address, please?

8 THE WITNESS: 356 William Drive, Hershey,
9 Pennsylvania.

10 JUDGE COLWELL: By whom are you employed, Ms. Ruth?

11 THE WITNESS: I'd like to say that I'm here to
12 testify as an individual and not on behalf of my employer,
13 who is a prominent Harrisburg law firm, and I'm employed as
14 a paralegal.

15 JUDGE COLWELL: Okay; I think that's enough
16 information. Are you a PPL customer?

17 THE WITNESS: Yes, I am.

18 JUDGE COLWELL: Please tell us what you'd like to
19 say.

20 THE WITNESS: Thank you for the opportunity tonight.

21 I'd like to speak to the aspect of the rate proposal
22 that talks about service, specifically service in the Derry
23 Township/Hershey, Pennsylvania area. We, as a consumer, see
24 outages in that area on an average of every three weeks.
25 Now, I have no statistics, I've not kept them, but I can

1 tell you that if the Commission was interested in seeing
2 what that record is, it would be advantageous to ask PPL to
3 produce their outage records, absent the Hershey Medical
4 Center, Hershey Foods and Hershey Park, for the last two
5 years. We go home on an average of every three weeks to
6 find out that those outages have been momentary, they've
7 been half-an-hour, they've been several hours. Last
8 November it was three days.

9 When we had the three-day outage -- we have above-
10 ground utilities -- we tried to tell them, through the
11 numerous phone calls where you talk to the machine and get
12 no satisfactory answer, that the problem was a transformer
13 in our backyard. They were out there several times with
14 trucks, with linemen. Three days it took us to convince
15 them that the outage was there. They eventually came and
16 had to replace that transformer after three days that we
17 lived without any electric. That was in November; it wasn't
18 exactly warm at that time. When they finally came, they
19 themselves sent the wrong transformer to be replaced, so
20 their linemen were there for approximately, I would say,
21 about four to five hours, including the time that they
22 waited until a new transformer was sent from Harrisburg to
23 Hershey. That, I would suggest, is not reliable service.

24 I would also call to your attention the comments of
25 their own linemen, five or six of whom were there for most

1 of the time, saying that PPL -- and I say this, this is
2 hearsay, I realize, but I think it's probably very true
3 based on the fact that we've lived in Hershey since 1965, at
4 the same property since 1967 -- that PPL bought the Hershey
5 Electric Company, and when they bought the Hershey Electric
6 Company, it, of course, was a small operation. Hershey was
7 smaller at the time. They have done very few upgrades on
8 that equipment down in that area. They also are really not
9 sure what kinds of equipment they have, because when they
10 bought the utility from Hershey Electric, it was a
11 hodgepodge of equipment. Consequently, I think that's
12 probably an explanation as to why we got the wrong
13 transformer and had to wait additional hours till the right
14 transformer came; attribute it to the fact that they
15 probably don't even have accurate records of what they do
16 have in that area.

17 It's very upsetting, as a utility payer, to come
18 home, know that you have a couple of ponds in the backyard
19 that run with a pump and could potentially, of course, go
20 down to a certain point, but could also burn up a pump of
21 significant expense, to say nothing else that might happen
22 in your house on an average of every three weeks.

23 I think when PPL asks for that rate increase -- and
24 perhaps it may be justified in other aspects -- I would
25 suggest that they produce the information on not only what

1 their record is in Hershey for service, absent those three
2 large consumers, who I'm sure don't lose power like we do as
3 a private individual. Secondly, I would like to know what,
4 with their rate increase, they would propose to provide by
5 way of improvement of service in the Hershey/Derry Township
6 area. And I'm not talking Hershey proper or -- there is no
7 Hershey. I'm not talking what you would consider to be the
8 town, I'm talking out to perhaps Route 743, some of the
9 other environs, but certainly not outside what normal people
10 would consider to be Hershey, because right now we don't
11 know when the power might go out.

12 I might add also that usually it's when the sun's
13 out; it's not when it's raining, it's not when it's bad
14 weather, the sun is shining brightly, as it was this
15 Saturday morning. I think most of you would remember that.
16 The sun was out Saturday morning. The electric was out for
17 three hours.

18 So I would like to propose that we see what your
19 statistics are with your outages, and what you propose to
20 improve that situation with the equipment in Hershey,
21 because I think that's probably one of the things you plan
22 to upgrade with your increase.

23 Thank you.

24 JUDGE COLWELL: Ma'am, when you talk about the
25 outages, what size area are we talking about; do you know?

1 Do you know where the limits are?

2 THE WITNESS: I don't know. That long outage of
3 three days was a group of five houses, maybe eight houses,
4 I'm not sure. It was in the immediate environs of our --
5 it's a subdivision. Some of the other outages, I don't know
6 what they are. But now even given the new transformer that
7 was put in our backyard, obviously --

8 JUDGE COLWELL: And when was that? Do you remember
9 when that was?

10 THE WITNESS: That was in November. But even given
11 that, this Saturday, sun out brightly, three hours.

12 Thank you for the opportunity to testify.

13 JUDGE COLWELL: Thank you.

14 Can I ask the attorneys if they have any questions
15 for you?

16 Mr. Russell?

17 MR. RUSSELL: No questions, Your Honor.

18 JUDGE COLWELL: Ms. Pennington?

19 MS. PENNINGTON: No questions, Your Honor.

20 JUDGE COLWELL: Mr. Beatty?

21 MR. BEATTY: None, Your Honor.

22 JUDGE COLWELL: Mr. Kanaskie?

23 MR. KANASKIE: I have no questions, Your Honor.

24 JUDGE COLWELL: Thank you very much for coming out
25 tonight.

(Witness excused.)

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JUDGE COLWELL: I ask Frank Davis to step forward.

(Pause.)

JUDGE COLWELL: Mr. Davis, would you raise your right hand, please?

Whereupon,

FRANK DAVIS

having been duly sworn, testified as follows:

JUDGE COLWELL: Thank you. Will you please be seated?

Will you state your name and spell it for the record?

DIRECT TESTIMONY

THE WITNESS: My name is Frank Davis, F-r-a-n-k D-a-v-i-s.

JUDGE COLWELL: Can I have your address, please?

THE WITNESS: I live at 200 Gettysburg Pike, Mechanicsburg, Pennsylvania?

JUDGE COLWELL: Are you employed, sir?

THE WITNESS: Pardon?

JUDGE COLWELL: Are you employed? Do you have a job?

THE WITNESS: I'm retired.

JUDGE COLWELL: Can you tell us from where?

THE WITNESS: I'm retired from the Commonwealth of Pennsylvania.

JUDGE COLWELL: Thank you. And are you a PPL

FORM 2

1 customer?

2 THE WITNESS: Yes, I am.

3 JUDGE COLWELL: Thank you. Please tell us why you
4 came out tonight.

5 THE WITNESS: Very simply, I'm here to suggest that
6 the Public Utility Commission trim the PP&L rate request to
7 2.71 percent, which is approximately like one-third of what
8 was requested, because it's my belief that utilities quite
9 often ask for about three times as much as they reasonably
10 expect will be granted and that can be justified.

11 Thank you very much.

12 JUDGE COLWELL: Thank you.

13 Do any of the attorneys have questions for Mr. Davis?
14 Mr. Russell?

15 MR. RUSSELL: No, Your Honor.

16 JUDGE COLWELL: Ms. Pennington?

17 MS. PENNINGTON: No, Your Honor.

18 JUDGE COLWELL: Mr. Beatty?

19 MR. BEATTY: No, Your Honor.

20 JUDGE COLWELL: Mr. Kanaskie?

21 MR. KANASKIE: No, Your Honor.

22 JUDGE COLWELL: Thank you very much, sir. I
23 appreciate you coming out tonight.

24 THE WITNESS: Thank you.

25 (Witness excused.)

1 JUDGE COLWELL: I ask L. Nathaniel Craig to step
2 forward, please.

3 (Pause.)

4 JUDGE COLWELL: Would you raise your right hand,
5 please?

6 Whereupon,

7 L. NATHANIEL CRAIG

8 having been duly sworn, testified as follows:

9 JUDGE COLWELL: Thank you. Please be seated.

10 Will you state your name and spell it for the record,
11 please?

12 DIRECT TESTIMONY

13 THE WITNESS: L. Nathaniel Craig, C-r-a-i-g.

14 JUDGE COLWELL: May I have your address, please?

15 THE WITNESS: 202 Harris Street, Harrisburg.

16 JUDGE COLWELL: Are you employed, sir?

17 THE WITNESS: I'm retired.

18 JUDGE COLWELL: From where, sir?

19 THE WITNESS: The Commonwealth.

20 JUDGE COLWELL: Thank you. Are you a PPL customer?

21 THE WITNESS: Yes, I am.

22 JUDGE COLWELL: Please tell us why you're here
23 tonight.

24 THE WITNESS: Well, I'm here because the amount or
25 the rate of the increase just jumped out at me, 8 percent.

1 In working most of my life, born and raised here in this
2 town, I don't recall of ever the rank-and-file employee or
3 the common or the middle class people getting a rate
4 increase of 8 percent. It's always around 2, 3, 4 percent.
5 I realize that this company has costs of doing business, but
6 we must realize that individuals do, too, and they have no
7 control over that either; they're asked to adjust and make
8 do. My taxes on my house went up 100 percent. My income
9 didn't go up that much. Every tax that I have, real estate,
10 school tax, has gone up tremendously. My stipend hasn't
11 gone up in that percentage rate. So I can't see why they
12 have a different barometer than those individuals who are
13 carrying most of the load as far as taxes. The middle
14 class, poor folks, you know, they pay the bulk of the money,
15 and yet when it comes to increases in stipends, they don't
16 get it; they get 2 percent, 3 percent. I just object to the
17 amount of the increase.

18 JUDGE COLWELL: Do you have any comments on the
19 quality of the service you receive?

20 THE WITNESS: I personally don't, I personally don't,
21 but it's always the fact that I feel we're being dumped on
22 all the time. We're made to feel that we have to just suck
23 it up, and the companies don't have to suck it up. You see?
24 We have costs, too. We have costs of food that's going up,
25 gasoline is going up, fuel oil is going up, heating oil is

1 going up, all these things are going up, but we have to
2 adjust with the stipend that we get, and these companies
3 seem to not adhere to those kind of guidelines.

4 That's all I have to say.

5 JUDGE COLWELL: Let me ask the lawyers if they have
6 any questions for you.

7 Mr. Russell?

8 MR. RUSSELL: No questions, Your Honor.

9 JUDGE COLWELL: Ms. Pennington?

10 MS. PENNINGTON: No questions, Your Honor.

11 JUDGE COLWELL: Mr. Beatty?

12 MR. BEATTY: No questions, Your Honor.

13 JUDGE COLWELL: Mr. Kanaskie?

14 MR. KANASKIE: No, Your Honor.

15 JUDGE COLWELL: Thank you, Mr. Craig. I appreciate
16 you coming out tonight.

17 THE WITNESS: Thank you.

18 (Witness excused.)

19 JUDGE COLWELL: I ask John McDermott to step forward.

20 (Pause.)

21 JUDGE COLWELL: Would you raise your right hand,
22 please?

23 **Whereupon,**

24 **JOHN McDERMOTT**

25 **having been duly sworn, testified as follows:**

1 JUDGE COLWELL: Thank you. Please be seated and
2 state your name and spell it for the record.

3 DIRECT TESTIMONY

4 THE WITNESS: John McDermott, M-c-D-e-r-m-o-t-t.

5 JUDGE COLWELL: May I have your address, please, sir?

6 THE WITNESS: 427 West Simpson Street, Mechanicsburg,
7 PA.

8 JUDGE COLWELL: Are you here representing yourself or
9 another entity?

10 THE WITNESS: Myself, as well as the Borough of
11 Mechanicsburg.

12 JUDGE COLWELL: And in what capacity do you represent
13 the Borough of Mechanicsburg?

14 THE WITNESS: I'm a Borough Council member.

15 JUDGE COLWELL: Are you authorized to speak on their
16 behalf?

17 THE WITNESS: Yes. Actually, our Borough Manager has
18 sent with me a statement to present for the record, although
19 I can use a brief portion of that as my testimony.

20 JUDGE COLWELL: Are you a PPL customer?

21 THE WITNESS: I am.

22 JUDGE COLWELL: Are you employed outside the Borough?

23 THE WITNESS: Yes. I'm a Legislative Assistant for
24 the House of Representatives.

25 JUDGE COLWELL: Thank you. Please go ahead and

FORM 2

1 present your testimony.

2 THE WITNESS: Mechanicsburg Borough is a community of
3 9,100 residents. In two of the last three years, the
4 Borough has regrettably had to pass on substantial
5 increases. These increases, combined with property tax
6 increases, reductions in state funding -- we were just
7 informed last year that, as a result of the state budget, we
8 lost over \$71,000 through the elimination of one line item.
9 Our Borough pays \$107,000 for electricity for our street
10 lights. We also pay over \$100,000 for electricity for our
11 wastewater treatment plant. Basically, an increase of the
12 size proposed, I don't know where we would go, what further
13 cuts we could make; this would pose a substantial additional
14 difficulty on the Borough and also, of course, our
15 residents, many of whom live on low and fixed income.

16 I'm here tonight just to ask the Commission to oppose
17 or to seek a lower increase.

18 JUDGE COLWELL: Do you have any comments on the
19 quality of service that you or your residents have received
20 from PPL?

21 THE WITNESS: No.

22 JUDGE COLWELL: Let me ask the lawyers if they have
23 any questions for you.

24 Mr. Russell?

25 MR. RUSSELL: No questions, Your Honor.

1 JUDGE COLWELL: Ms. Pennington?

2 MS. PENNINGTON: No questions, Your Honor.

3 JUDGE COLWELL: Mr. Beatty?

4 MR. BEATTY: No questions, Your Honor.

5 JUDGE COLWELL: Mr. Kanaskie?

6 MR. KANASKIE: No questions, Your Honor.

7 JUDGE COLWELL: Thank you.

8 Thank you, Mr. McDermott. I appreciate you coming
9 out tonight.

10 (Witness excused.)

11 JUDGE COLWELL: Will Jena East please step forward?

12 Mr. McDermott, before you leave, since you have given
13 us a hand-out, I'd like to have it marked as Borough of
14 Mechanicsburg Exhibit 1 and ask the attorneys if they have
15 any objections to admitting it into the record.

16 (Whereupon, the document was marked
17 as Borough of Mechanicsburg Exhibit
18 No. 1 for identification.)

19 JUDGE COLWELL: We have to give them a minute to read
20 it.

21 (Pause.)

22 MR. RUSSELL: No objection, Your Honor.

23 MS. PENNINGTON: No objection.

24 MR. BEATTY: No objection, Your Honor.

25 MR. KANASKIE: No objection.

1 JUDGE COLWELL: It is admitted without objection.

2 Thank you, Mr. McDermott.

3 (Whereupon, the document marked
4 as Borough of Mechanicsburg Exhibit
5 No. 1 was received in evidence.)

6 JUDGE COLWELL: Ms. East, would you please raise your
7 right hand?

8 Whereupon,

9 JENÁ EAST

10 having been duly sworn, testified as follows:

11 JUDGE COLWELL: Thank you. Please be seated.

12 Will you state your name and spell it for the record,
13 please?

14 DIRECT TESTIMONY

15 THE WITNESS: It's Jená.

16 JUDGE COLWELL: I'm sorry.

17 THE WITNESS: That's okay. It's J-e-n-á; there's an
18 accent over the "a." My last name is East, E-a-s-t.

19 JUDGE COLWELL: May I have your address, please?

20 THE WITNESS: 4242A Catalina Lane. I live in Lower
21 Paxton Township.

22 JUDGE COLWELL: Are you a PPL customer?

23 THE WITNESS: Yes, I am.

24 JUDGE COLWELL: Are you here representing yourself or
25 another entity?

1 THE WITNESS: Both my company and the African
2 American Chamber of Commerce, and yes, I have the authority
3 to speak for the African American Chamber of Commerce.

4 JUDGE COLWELL: And your company is?

5 THE WITNESS: The Glo Russ Group. We are a public
6 relations, community relations and lobbying firm in
7 Harrisburg, and we're also a small business owner.

8 JUDGE COLWELL: Please go ahead and give us your
9 statement.

10 THE WITNESS: Good evening. I'm here for a couple of
11 reasons. When we first initially read about the rate
12 increase, I was concerned on several counts, and one is
13 basic economics. I don't have an issue with the 8 percent
14 increase. I'll be very honest about that. Those things
15 happen in America. That's where we live. Things go up
16 every day, as the other gentleman alluded to. What I do
17 have a concern with, as a small African American female
18 business owner here in the Commonwealth of Pennsylvania,
19 particularly in Dauphin County, is I looked on the web site
20 and I don't see anyone on the board of directors of PP&L
21 that looks like me, or that looks like my Latino friend, or
22 looks like my Asian friend. I'm concerned that there is an
23 absence of diversity and cultural consciousness with PP&L.
24 And for them to come before the Commission to ask for an
25 increase, I would ask the Commission to say: We will give

1 you an 8 percent increase if you will increase the number of
2 minorities that serve on your executive board, the number of
3 minorities that serve in executive positions, the number of
4 contracts that you issue throughout the Commonwealth. I
5 would also ask the Commission to ask them how much money has
6 PPL Utilities given to the United Negro College Fund, to
7 NAACP, which I'm also a member of the board, to the Urban
8 League throughout their service area?

9 I'm also concerned about the absence of minority
10 contractors. I talked to the African American Chamber of
11 Commerce this evening to ask if they had any dealings, and
12 they represent all minority small businesses within the
13 service delivery area of PPL Utilities, and Mr. Jackson, who
14 is the founder and president of the African American
15 Chamber, said no; and he has made attempts to reach out to
16 PP&L, because we want to do business with PP&L. If they
17 want a rate increase, we ask The Honorable Court to ask
18 them: you want an increase, well, we insist that you
19 increase the number of minorities that you do business with,
20 the number of minorities that make decisions in your
21 positions.

22 Again, it's on the web page. I looked at it again
23 this morning, and unless they swore somebody in that's an
24 African American or Latino, they have nobody, absolutely
25 nobody on the board of directors. I looked at their stock

1 report, very few African Americans own any stock in PP&L.
2 I'm concerned, as a consumer, 52 percent of this community
3 in Harrisburg -- I can't speak for Allentown, Williamsport
4 or any other jurisdiction that they serve -- are minorities,
5 and we don't see anybody that we can call, reach out to that
6 have concern for minorities.

7 And I am concerned about the rate increase for the
8 poor. There should be mechanisms set in place for people
9 that are not in the position to pay the increase. But my
10 greater concern this evening is how we do business. I don't
11 think PPL is accountable for how they do business in their
12 jurisdiction with African Americans and Latinos and other
13 people of color.

14 Thank you.

15 JUDGE COLWELL: Mr. Russell, I think Ms. East would
16 like a copy of the same information you're sending to Ms.
17 Jones.

18 MR. RUSSELL: I think you're right. We'll be happy
19 to make that available.

20 JUDGE COLWELL: Do you have any questions for Ms.
21 East, Mr. Russell?

22 MR. RUSSELL: I do not, Your Honor.

23 JUDGE COLWELL: Ms. Pennington?

24 MS. PENNINGTON: No questions, Your Honor.

25 JUDGE COLWELL: Mr. Beatty?

1 MR. BEATTY: No questions, Your Honor.

2 JUDGE COLWELL: Mr. Kanaskie?

3 MR. KANASKIE: I have no questions, Your Honor.

4 JUDGE COLWELL: Do you have anything else to add to
5 your testimony?

6 THE WITNESS: No, I don't. Thank you, Your Honor.

7 JUDGE COLWELL: Thank you very much for coming out
8 tonight. I appreciate your concerns.

9 (Witness excused.)

10 JUDGE COLWELL: Could I ask Mr. Marcy to step
11 forward?

12 (Pause.)

13 JUDGE COLWELL: Would you raise your right hand,
14 please, sir?

15 Whereupon,

16 KEVIN MARCY

17 having been duly sworn, testified as follows:

18 JUDGE COLWELL: Thank you. Please be seated.

19 Would you state your name and spell it for the
20 record, please?

21 DIRECT TESTIMONY

22 THE WITNESS: My name is Kevin Marcy, K-e-v-i-n
23 M-a-r-c-y. I live at 205 Pennsylvania Avenue, Camp Hill,
24 Pennsylvania.

25 JUDGE COLWELL: Are you here representing yourself or

FORM 2

1 another entity, sir?

2 THE WITNESS: I'm here representing myself and the
3 children.

4 JUDGE COLWELL: Are you employed?

5 THE WITNESS: Yes -- no, ma'am. I retired most
6 recently from the Commonwealth.

7 JUDGE COLWELL: You are a PPL customer?

8 THE WITNESS: Yes, ma'am.

9 JUDGE COLWELL: Then go ahead and tell us what you'd
10 like us to hear.

11 THE WITNESS: I would urge the Commonwealth and the
12 PUC to deny PP&L's rate increase, period. A few years ago
13 this Commission granted PP&L the authority to put in, to
14 install automatic meter readers in each and every one of
15 their individual residential as well as commercial
16 properties. In doing so, they basically out-sourced "x"
17 number of jobs, which I congratulate PP&L's corporate
18 communications office on having absolutely no one available
19 to answer any questions or phone calls. I spoke to the
20 office on two occasions, spoke to either -- left voice mail
21 with a Mr. Lewis, spoke to a Roseanne, who then transferred
22 me to a Connie, and Roseanne apparently, while she is very
23 helpful, is apparently just a secretary. I was not able to
24 ascertain any information as to the total number of
25 employees that PP&L downsized from the meter reading

1 positions. I'm very pleased that PP&L has spent \$160
2 million, according to their latest piece of communication
3 which arrived in my bill, but to do this I question how many
4 dollars were saved and the projected savings over the entire
5 career, including retirement savings of each of the
6 individuals which they downsized.

7 Going on PP&L's web site I found very interesting,
8 and I agree with you as far as the stockholders are
9 concerned; I'm very sorry that I don't own about 2,000
10 shares of their stock. According to their stock report in
11 their stockholders' area, if you would have invested, in
12 December 31, 1998, \$100.00 in PP&L, today, or as of
13 12/31/03, you would have a gain, by reinvestment of the
14 dividends and earnings, of \$188.00. That's 44 percent.
15 That comes down to 8.8 percent per year. Reduce the cost of
16 living and the taxes that you and I pay out of our pockets
17 to fund government and the services which we enjoy, that
18 brings us back to basically a net return of approximately
19 5.9 percent per year. I don't think the senior citizens,
20 which make up the vast majority of the population of this
21 state, are enjoying that rate of return at the local savings
22 and loans, and if they are, please inform me where that is
23 and I'll be more than happy to pull my money out of the
24 stock market and put it in an insured account that way.

25 The reported net earnings for PP&L -- and I'm sorry,

1 I will take exception to the fact of PP&L saying that the
2 distribution and the electric utilities are under a separate
3 corporate heading. If I, as a shareholder, go to buy a
4 share of stock in PP&L, I get a stock report. Your FCC
5 filings are all -- Security Exchange Commission filings are
6 all done under the panel head of PPL. It's one umbrella,
7 it's one company. I don't care if you want to call it
8 apples and oranges, it's all owned by the groves.

9 The division of power that you're saying is going to
10 be the distribution of power, I don't think that the
11 telephone pole that was erected, according to the little old
12 lady that lives next door to me that bought the home in
13 1949, that she has her clothesline attached to, has been
14 replaced in the last 54 years. I can tell you when the
15 transformer was replaced, because it was leaking oil for
16 almost eight weeks down around the pole and around the base
17 of the pole, and weekly phone calls to PP&L did very little
18 except to say they would send an investigator or supervisor.
19 I'm retired; I'm home all day. I sit -- I have a den in the
20 back of my house. I look out at the pole. Ladies and
21 gentlemen, nobody showed up till the damn thing caught fire.
22 Then it was the fire company that showed up. Then it was
23 the fire chief that called PP&L. And whether you know it or
24 not, the next person to God underneath the pecking order is
25 the fire chief when you have a fire; either the utility

1 companies show up or they're in deep trouble.

2 I don't think that a rate increase of 6 percent --
3 I've heard different numbers thrown around here this
4 evening, which I jotted down, 6 percent, 8 percent, 9.7
5 percent, I believe one woman -- what was it, 27 percent --
6 27 percent, under the guise of distribution or anything
7 else, under any portion of my bill -- I go to the grocery
8 store, I buy roast beef, I buy ham, I buy bread, I buy milk.
9 I walk out of that "x" grocery store chain with a bill. I
10 know because I use that every day. I think, sir, you're
11 insulting the public. We are no longer stupid. Many of us
12 have actually graduated from high school and have college
13 degrees and advanced degrees. We know how to read. Try
14 being honest with us. It might behoove not only PPL but all
15 of the utilities; it might behoove all of you.

16 I would comment on service. I live in Camp Hill.
17 Last September, we all remember, we had a little hurricane
18 that went through. I thank God that I have a generator --
19 oh, and by the way, so do four of my neighbors -- because
20 for \$35.00 worth of gasoline, I managed to keep our
21 refrigerators, our freezers, our lights, our TVs all running
22 while the pole at the next block had a fuse dangling and 125
23 homes were left without power for five days after PPL pulled
24 their crews to come back to the East Shore, because they
25 managed to get a few of the trees down. One hundred and

1 twenty-five homes. How much refrigerator -- Judge, may I
2 ask, how many chops do you have in your freezer? I managed
3 to keep six houses from actually throwing out their meat,
4 their food. Everybody else got to toss it. Charcoal grills
5 were real popular. Did you ever try to fry an egg on a
6 grill? It doesn't work real well.

7 I urge the Public Utilities Commission, do not grant
8 this increase. For a change, let's make the utilities earn
9 it. They haven't earned it in my eyes.

10 I said earlier that I was representing the children.
11 Pennsylvania's largest product is grown here. It's called
12 agriculture. I was born in Scranton and raised in
13 Wilkes-Barre. Forty years ago, when I was in school, all
14 the teachers used to say the biggest product in Northeastern
15 Pennsylvania is no longer anthracite coal, it's the youth.
16 Ladies and gentlemen, your PP&L customers are no longer the
17 vast majority of the members of the "working class." They
18 are rapidly becoming members of the senior citizen set. The
19 baby boomers have arrived. We are retiring or being forced
20 into retirement through downsizing, what-have-you, and
21 between the taxation in this state, the outrageous cost of
22 utilities, they're booking like it's going out of style.
23 And if you doubt my word, ladies and gentlemen, get in your
24 cars, drive 50 miles north, talk to any real estate agent in
25 Shamokin, Tremont, McAdoo. Hey, let's go to Wilkes-Barre.

1 It was once the jewel of the anthracite valley. I served in
2 Vietnam, ladies and gentlemen, and I got news for you, I've
3 seen bombed out villages that had more activity.

4 I'm done.

5 JUDGE COLWELL: Let me ask the lawyers if they have
6 any questions for you, sir.

7 Mr. Russell?

8 MR. RUSSELL: No questions, Your Honor.

9 JUDGE COLWELL: Ms. Pennington?

10 MS. PENNINGTON: No questions.

11 JUDGE COLWELL: Mr. Beatty?

12 MR. BEATTY: No questions, Your Honor.

13 JUDGE COLWELL: Mr. Kanaskie?

14 MR. KANASKIE: I have no questions, Your Honor.

15 JUDGE COLWELL: Thank you very much, Mr. Marcy. I
16 appreciate you coming out.

17 THE WITNESS: Thank you for the opportunity.

18 (Witness excused.)

19 JUDGE COLWELL: Is anyone else present in this room
20 who would like a chance to speak?

21 (No response.)

22 JUDGE COLWELL: I'm seeing no responses. I assume
23 everyone who has already spoken are the only people who want
24 to speak.

25 At this point, I want to take the opportunity to

1 thank each and every one of you for coming out, for showing
2 an interest in an issue that's very important. The
3 Commission does take this issue very, very seriously.
4 They're interested in hearing everything that the
5 constituency has to say. The PPL customers' opinions are
6 very important. We appreciate you coming out and letting us
7 know how you feel.

8 If there is nothing else from any of the attorneys --

9 MR. RUSSELL: Nothing, Your Honor.

10 MR. KANASKIE: Nothing, Your Honor.

11 JUDGE COLWELL: -- then we'll go off the record.

12 Thank you very much.

13 (Whereupon, the public input hearing was adjourned,
14 to be reconvened at 2:00 p.m. on Tuesday, June 29, 2004, in
15 Bethlehem, Pennsylvania.)

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C E R T I F I C A T E

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

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