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WITNESS INDEX

WITNESSES

DIRECT CROSS REDIRECT RECROSS

(None.)

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FORM 2

EXHIBIT INDEX

NUMBER

FOR IDENTIFICATION IN EVIDENCE

(None.)

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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: This is
3 the time and the place set for the case captioned PA PUC
4 versus PPL Electric Utilities Corporation, docketed at
5 R-00072155, and the ten complaints that go with it brought
6 by the Office of Consumer Advocate, PPL Industrial Customer
7 Alliance, Office of Small Business Advocate, Andrew T.
8 Bosak, Daniel D. Graham, Stephanie Crayton, Judith A. Lewis-
9 Walton, Margaret Gay, Eric Joseph Epstein -- excuse me; the
10 12 complaints that go with it -- Deb Eastman, Frank Tokarz
11 and Gregory B. Clemens. Those are docketed at
12 R-00072155C0001 through C0012. I am Administrative Law
13 Judge Susan Colwell, assigned to preside in this matter.

14 I note for the record the attendance of the
15 following: on behalf of PPL Electric Utilities Corporation,
16 Paul E. Russell, David MacGregor, Michael Hassell, John Isom
17 and Michael Gang; on behalf of the Office of Consumer
18 Advocate, Aron Beatty and Jennedy Santolla.

19 Do I know Jennedy Santolla? Okay.

20 On behalf of the Office of Small Business Advocate,
21 Steven C. Gray; on behalf of the Office of Trial Staff,
22 Kenneth C. Mickens and Charles Daniel Shields; on behalf of
23 the PPL Industrial Customer Alliance, Pamela C. Polacek and
24 Vasiliki Karandrikas. Eric Epstein is appearing on behalf
25 of himself. On behalf of the Richards Energy Group,

1 Incorporated, Craig A. Doll; and on behalf of the Commission
2 on Economic Opportunity, Joseph L. Vullo.

3 Is there any counsel here who has not signed the
4 sheet?

5 (No response.)

6 JUDGE COLWELL: Are there any pro se complainants
7 present besides Mr. Epstein?

8 (No response.)

9 JUDGE COLWELL: My own personal disclosure, I am, in
10 fact, a customer of PPL Electric Utilities Corporation. I
11 do not believe I receive any special treatment from the
12 company, and the fact that I'm evaluating whether to raise
13 my own rates will not interfere with my ability to fairly
14 adjudicate the issues before the Commission in this case.

15 Does anybody have any questions or comments regarding
16 that issue?

17 (No response.)

18 JUDGE COLWELL: Then let's get started with what
19 we're doing here today. The first thing we're doing is
20 setting a schedule, and you have made that very easy as you
21 have given me one that you all agreed to. Therefore, as I
22 understand it, the following schedule will be set. There
23 will be informal discovery in Allentown on June 7 and 8.
24 There will be settlement discussions on June 14. We will
25 attempt to schedule public input hearings from June 21 to

1 June 29. The direct testimony of the parties other than the
2 company, July 6; rebuttal of the company, July 27; and
3 surrebuttal is due August 8. Evidentiary hearings will be
4 set August 13, 14, 16 and 17. Main briefs due September 5,
5 reply brief due September 17.

6 Correct?

7 MR. MacGREGOR: That is correct. There might be
8 rebuttal testimony, cross rebuttal from the other parties;
9 it may not just be company rebuttal on the 27th.

10 JUDGE COLWELL: Okay; fair enough.

11 Let's talk about public input hearings. Keep in mind
12 that the limitations we have on this are that once we have a
13 location that agrees to hold them for us, I have to give the
14 Commissioners' staffs three days to say no or yes -- usually
15 they don't say anything, which we take as yes -- and then
16 the company has to advertise those hearings for two
17 consecutive weeks prior to the public input hearings, so
18 we're on a pretty tight schedule here.

19 Having said that, OCA has some suggestions?

20 MR. BEATTY: Yes, Your Honor. Good morning. We've
21 been contacted by roughly 16 customers requesting public
22 input hearings. In reviewing the Commission's files, we've
23 noticed about ten to 15 more protests and I think five other
24 complaints. I would say that the location of the greatest
25 level of interest is in the Wilkes-Barre/Scranton area and

1 then the Allentown/Bethlehem area, and we would propose that
2 public input hearings be held, at a minimum, in those two
3 locations. Actually, probably a day hearing in Wilkes-Barre
4 and Scranton in the evening, and then the same in the
5 Allentown/Bethlehem area.

6 Aside from that, we would be comfortable going with
7 the public input schedule that was used in the last base
8 rate case. Although they were fairly lightly attended, if
9 the other parties had proposals to address that, we would be
10 willing to talk about that now also. And we would also
11 perhaps request a hearing in the Harrisburg area in the
12 evening, if possible. I would note that we had a Lancaster
13 day hearing in the last case that I think we had maybe one
14 or two people in attendance.

15 JUDGE COLWELL: I did look that up. In the
16 Recommended Decision of Judge Turner last time, she
17 indicated that there four speakers in Lancaster, eight in
18 Harrisburg, three in Bethlehem, one in Allentown, two in
19 Scranton, six in Wilkes-Barre and seven in Williamsport
20 split between two hearings. So with that knowledge, do I
21 have a counter?

22 Mr. Epstein.

23 MR. EPSTEIN: It's not a counter. I spoke briefly
24 with OCA last week and yesterday and I agree with their
25 schedule. The only caveat, if there's a potential request

1 from a Legislative official -- I think that's what occurred
2 last time, which prompted us to have a hearing in I believe
3 it was Williamsport.

4 The suggestion I have, and I haven't had an
5 opportunity to talk with PPL, I'm going to avail myself to
6 you, is the possibility of having PCN tape the Harrisburg
7 proceeding so we could at least get the information out to a
8 wider audience. I wanted to approach the parties today. I
9 know it's a novel way to get the information out. I think
10 there's kind of a disconnect between people who are
11 concerned about the rates, people understanding what's going
12 on with the rates, and people actually going to the
13 hearings. So my proposal would be to concur with OCA, I
14 think that makes a lot of sense, but also explore the
15 opportunity of having PCN cover the hearings. It was done
16 during the gaming hearings, and I know it's like paint
17 drying for some people, but at least -- good paint, latex
18 paint -- but at least we get a lot of audience out there. I
19 just wanted to put that suggestion there, bat it around and
20 see how people felt.

21 JUDGE COLWELL: So you're more concerned about the
22 people getting information rather than the information
23 getting to the Commission?

24 MR. EPSTEIN: Well, I was going to say, the other
25 thing that we could do with PCN, depending on how you do it,

1 is you could also have a call-in show concurrent with that,
2 so, in other words, you can provide the information to
3 people and then have people call in on a specific issue. So
4 I agree with what you're saying, but I would also like to
5 give people an opportunity who may be senior or older or
6 work during the day to communicate via telephone. It's not
7 something we've done in the past, I know it's new, but I
8 thought it might be a way to be more inclusive and not cost
9 the PUC anything, or PPL, which I'm very concerned about.
10 It's a new paragon, getting along these days.

11 JUDGE COLWELL: Anybody else have any input?

12 MR. MacGREGOR: We're okay with those locations,
13 Your Honor.

14 JUDGE COLWELL: With OCA's locations?

15 MR. MacGREGOR: Yes.

16 JUDGE COLWELL: Do you have any comments on what
17 Mr. Epstein said?

18 I'll get to you in a minute, Mr. Doll.

19 MR. MacGREGOR: No, not right now.

20 JUDGE COLWELL: Mr. Doll.

21 MR. DOLL: Thank you, Your Honor. On behalf of
22 Richards Energy Group, we're about 250 customers and what
23 I've been trying to do over the past week is discourage them
24 from burdening the official record. We can go along with
25 the OCA's comments and suggestions as to hearing dates. I

1 think we may have some people showing up in the Harrisburg
2 area.

3 JUDGE COLWELL: Some people who are customers of
4 Richards Energy that technically you are representing?

5 MR. DOLL: We're in the process of putting together a
6 consumer group of 250 customers. We've got quite a few of
7 them signed up, and I will, for the record, I will be
8 submitting a list of those names once we have the group
9 officially set up. They are customers, they are clients of
10 Richards Energy also, and they are individual customers of
11 PP&L. Some of them have expressed an interest in actually
12 testifying. If I had my druthers, I'd like an opportunity
13 to really go through that testimony and present one
14 technical witness, as we suggested in our pre-hearing
15 memorandum; and if those customers are intent on supplying
16 some testimony, I would think we could do it in the context
17 of a public input hearing rather than burden this record.

18 JUDGE COLWELL: So you want to put on testimony at
19 public input hearings?

20 MR. DOLL: All I'm suggesting is that I would agree
21 with the OCA's suggested hearings. Most of those customers
22 are in Harrisburg. It would be the normal, routine public
23 input, non-written, non-technical testimony.

24 JUDGE COLWELL: Then what do they need you for?

25 MR. DOLL: Well, because we do have -- Richards

1 Energy Group, it's kind of like, in a sense, PPLICA, only
2 different members, medium sized members, in that group, and
3 we are going to be sponsoring a technical witness where it's
4 appropriate to put the testimony on here. And since
5 Richards Energy Group, Inc. is a corporation, they do need
6 counsel.

7 JUDGE COLWELL: But you will not be presenting them
8 at the public input hearing.

9 MR. DOLL: I --

10 JUDGE COLWELL: You will not be presenting them at
11 the public input hearings.

12 MR. DOLL: No. It's not my intention. Believe me,
13 it is not my intention.

14 JUDGE COLWELL: Okay.

15 MS. POLACEK: Your Honor, as counsel for PPLICA, I
16 can tell you sometimes they just show up.

17 JUDGE COLWELL: I understand that. I understand
18 that.

19 MS. POLACEK: Despite what you might advise your
20 clients, they do tend to maybe just show up at public
21 inputs. I think that might be what Mr. Doll was alluding
22 to.

23 MR. DOLL: That's what I was alluding to, yes.

24 JUDGE COLWELL: And if you know that ahead of time,
25 you will tell them that they need to tell us who they are.

1 MR. DOLL: Yes.

2 JUDGE COLWELL: Then they can say whatever they
3 please.

4 MR. DOLL: I will so advise them.

5 JUDGE COLWELL: Thank you.

6 So you're okay with the same schedule that OCA has
7 recommended?

8 MR. DOLL: Yes, I am, Your Honor.

9 JUDGE COLWELL: Anybody else?

10 (No response.)

11 JUDGE COLWELL: Resounding silence. I think we had
12 too many last time. I'm looking at the number of people who
13 actually talked, and it presents a little bit of a problem
14 because you have such a wide area to cover.

15 So you're actually coming up with six; right?

16 MR. BEATTY: I think five.

17 MR. MacGREGOR: Seven. Wilkes-Barre/Scranton in one
18 day, Allentown/Bethlehem in a day, Harrisburg/Lancaster in a
19 day, and Williamsport.

20 MR. EPSTEIN: I think Harrisburg was just one, wasn't
21 it?

22 MR. MacGREGOR: We're not doing Lancaster?

23 MR. EPSTEIN: No.

24 MR. MacGREGOR: Oh, okay. I'm sorry.

25 MR. EPSTEIN: I thought it was five of those

1 presented.

2 JUDGE COLWELL: Wilkes-Barre and Scranton, those are
3 -- were you recommending one or two for that area?

4 MR. BEATTY: Two for that area, Your Honor.

5 JUDGE COLWELL: I have noticed that people in Wilkes-
6 Barre and Scranton don't realize how close they are and they
7 like to go to one place or the other. Okay, I understand;
8 like an afternoon and evening?

9 MR. BEATTY: Yes, that's correct. I think that's how
10 it was handled the last time.

11 JUDGE COLWELL: And Allentown and Bethlehem the same,
12 an afternoon and evening?

13 MR. BEATTY: Yes, Your Honor.

14 JUDGE COLWELL: And then Harrisburg, evening.

15 MR. BEATTY: Evening, Your Honor. And certainly, if
16 we receive any more interest, we would let the parties know
17 and move from there.

18 JUDGE COLWELL: All right. I'll see what I can do
19 about getting locations nailed down for those quickly so
20 that we can get the approvals done and you can get the
21 publication done.

22 MR. EPSTEIN: Your Honor, my request for PCN, if you
23 decide, was just for Harrisburg, just a one-time thing.

24 JUDGE COLWELL: I don't think the Commission does
25 that kind of contact. As far as I can tell, PCN shows up

1 whenever they please.

2 MR. EPSTEIN: I mean, I do that, and I didn't want to
3 go out and do something and then fall in disfavor. I'm
4 trying to get direction.

5 JUDGE COLWELL: Oh.

6 MR. EPSTEIN: I've worked with them on other issues.
7 Before making the request, I wanted to -- if that's
8 something you don't prefer, I'm not going to make the
9 request.

10 JUDGE COLWELL: From my point of view, these are
11 public hearings. If they don't have anything else to put on
12 the air some night, that's up to them. I'll try to behave.
13 I can't promise anyone else will.

14 MR. EPSTEIN: Does the company have any objection?

15 MR. MacGREGOR: No.

16 JUDGE COLWELL: As we were just talking, Mr. Doll,
17 the complainants who appear, individual complainants who
18 appear at public input hearings will be permitted to testify
19 in accordance with the Commission's policy statement. That
20 was approved at the April 13 public meeting. I do not
21 expect any attorneys to be putting them on, however. That's
22 going above and beyond the intent of the policy statement.

23 Any problems with that, questions, comments?

24 (No response.)

25 JUDGE COLWELL: The paragraph you agreed to, as I

1 understand it, for the due dates: they are in-hand dates.
2 Service can be by electronic means on the due date, if
3 transmission occurs before 4:00 p.m. and hard copies follow,
4 only to those parties which have agreed to electronic
5 service. And as I understand it, OSBA has not; correct?

6 MR. GRAY: Let me answer this way. We are happy with
7 electronic service on the date it's due followed by hard
8 copy.

9 JUDGE COLWELL: That's the way it is right now
10 anyway.

11 MR. GRAY: That's acceptable to us.

12 JUDGE COLWELL: That was the intent, wasn't it?

13 MR. MICKENS: Yes.

14 MR. EPSTEIN: Is that at 4:00, Steve, electronic copy
15 at 4:00?

16 MR. GRAY: Yes.

17 JUDGE COLWELL: Yes, it's 4:00.

18 MR. EPSTEIN: Okay.

19 JUDGE COLWELL: Over-size exhibits or photographs or
20 attachments may be served by hard copy only, but must be
21 sent by overnight mail if the testimony is sent
22 electronically on the due date. For those parties not
23 accepting electronic service, hard copies are due in hand on
24 the following business day.

25 I'm going to ask that you not serve me testimony

1 electronically. The practical reason for this is I am
2 personally not going to be available from July 4 through 8,
3 because that's a holiday, and one of your due dates falls in
4 there and you would completely overwhelm my mailbox. So
5 don't send me that testimony electronically. You can send
6 me a certificate of service and that will be fine, but send
7 me the testimony in hard copy only and that also will be
8 fine. I will put a paragraph to that effect in the
9 scheduling order.

10 Witness listing and cross-examination grid, is that
11 something that you are more comfortable preparing, or do you
12 want me to do it?

13 MR. ISOM: We prepared one in the last case for Judge
14 Turner.

15 JUDGE COLWELL: I would like to have it prior to the
16 hearing, though, not on the desk when I show up.

17 MR. MacGREGOR: That's a perfectly reasonable
18 request, Your Honor.

19 JUDGE COLWELL: Here's a warning for you. The phrase
20 "subject to check" is not one that I like to hear. If you
21 use it, you must immediately turn to me and tell me who's
22 going to check it and how you're going to get that
23 information into evidence. I don't like it's use, I think
24 it's cheating, and it isn't helpful at all when you go back
25 and try to attribute something to the record.

1 Settlements. If you give me a settlement, a full
2 settlement should be submitted by the due date for the reply
3 briefs to allow for timely processing through the rest of
4 the Commission. If you personally, on behalf of whoever
5 you're representing, filed a complaint, you must include in
6 your statement of support why this settlement addresses the
7 issues that you raised in your complaint. I know that
8 settlements prior to hearing save litigation costs, and you
9 can put that in your statement in support, but if that's all
10 you put in your statement in support, I will send it back to
11 you with an order to tell you to do it right. I do not like
12 that. I need to have reasons. I have reasons, I have a
13 standard I have to meet. Make sure I can do that, then
14 everything will be fine.

15 Are we modifying the discovery rules? The company
16 doesn't think we need to, OCA thinks we do.

17 Mr. Beatty.

18 MR. BEATTY: Yes, Your Honor. We had proposed the
19 discovery modifications, the exact modifications that were
20 approved in the 2004 base rate case. The schedule worked
21 out in this case was based on that schedule. Just looking
22 at the time frames, for example, between when the other
23 parties' case in chief is due, July 6, and rebuttal to that
24 testimony, July 27, if we don't shorten the -- the OCA feels
25 if we don't shorten the discovery time frame, for example,

1 for that time period, meaningful discovery will be difficult
2 in terms of turning it around in our rebuttal testimony. So
3 we would propose the same modifications that were adopted in
4 the last rate case.

5 MR. MacGREGOR: We have no objection with two
6 limitations that we would propose. One is that the rule
7 apply to discovery propounded today forward and not to
8 discovery that has been previously propounded, because we
9 could get caught with a short due date unexpectedly.
10 Secondly, I think it's a fairly standard stipulation that
11 interrogatories, because of the very short time frame for
12 objections, served after noon on Friday are counted as
13 served on Monday.

14 JUDGE COLWELL: Mr. Beatty?

15 MR. BEATTY: That's fine with the OCA, Your Honor.

16 JUDGE COLWELL: Anyone else?

17 (No response.)

18 JUDGE COLWELL: No one else cares; okay. All right.
19 I have no problem writing it that way.

20 As always, parties to a discovery dispute are
21 encouraged to attempt to resolve them themselves before
22 bringing them to me. I, as I told you, will be available
23 most days except for those that I told you in July when I
24 know I will be out of the office. I probably will not be
25 available on July 12 and 13 either.

1 MR. MICKENS: Excuse me, Your Honor?

2 JUDGE COLWELL: Yes.

3 MR. MICKENS: Could you tell us again what dates
4 you'll be out of the office in July?

5 JUDGE COLWELL: July 4 is a Wednesday this year. I
6 will be out the following Thursday and Friday, and then the
7 following week I'll be out the 12th and I think the 13th, at
8 least part of the day.

9 MR. MICKENS: Thank you.

10 JUDGE COLWELL: At this point does anybody have
11 anything else we have to discuss? Did I miss anything?

12 Yes, sir.

13 MR. VULLO: CEO filed a petition to intervene, and I
14 would ask --

15 JUDGE COLWELL: A petition to intervene, and I didn't
16 see any objection to that.

17 MR. MacGREGOR: It is unopposed, Your Honor, by the
18 company.

19 MR. VULLO: And be added to the service list. For
20 some reason we haven't been getting -- we're not on the
21 service list.

22 JUDGE COLWELL: All right. Okay.

23 MR. VULLO: Thank you, Your Honor.

24 JUDGE COLWELL: Sure.

25 Anything else? Mr. Doll.

1 MR. DOLL: Your Honor, Richards filed a petition to
2 intervene and I haven't received any objection to it as of
3 yet.

4 MR. MacGREGOR: We have not opposed it.

5 JUDGE COLWELL: Then those two will be granted. I
6 think those were the only two petitions, the rest are
7 complaints, aren't they?

8 (No response.)

9 JUDGE COLWELL: As far as I know. All right.

10 Then from here I will ask my scheduling staff to get
11 cracking on the public input hearings. I'm sure that they
12 will do that quickly. I'll issue a scheduling order, which
13 says everything we said here today and most of the things
14 that you need to know in order to go forward. I'll also be
15 giving you advance copies of how to prepare your briefs in
16 case you start doing that before you actually have to. Most
17 of you already know that there's a briefing instruction list
18 that I will be handing out.

19 If there's nothing else?

20 (No response.)

21 JUDGE COLWELL: Thank you very much. We're off the
22 record.

23 (Whereupon, at 10:21 a.m., the pre-hearing conference
24 was adjourned.)

25 ***

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.

COMMONWEALTH REPORTING COMPANY, INC.

By: Judith A. Valencik
Judith A. Valencik

2007 JUN -5 AM 10:14
SECRETARY'S BUREAU

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