

DOCUMENT FOLDER

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

ORIGINAL

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 :  
Pennsylvania Public Utility Commission :  
versus PPL Electric Utilities Corporation. : Docket No.  
 Supplement No. 54 to Tariff Electric - : R-00072155  
 Pa. P.U.C. No. 201 Proposing a :  
 Distribution Only Rate Increase in the :  
 amount of \$83,521,261 or 2.67 percent. :  
 Number of customers: 1,382,796. Area :  
 Served: Portions of Berks, Bucks, Carbon, :  
 Chester, Clinton, Columbia, Cumberland, :  
 Dauphin, Juniata, Lackawanna, Lancaster, :  
 Lebanon, Lehigh, Luzerne, Lycoming, :  
 Monroe, Montgomery, Montour, Northampton, :  
 Northumberland, Perry, Pike, Schuylkill, :  
 Snyder, Susquehanna, Union, Wayne, :  
 Wyoming and York Counties. Address of :  
 Utility: 2 North Ninth Street, Allentown, :  
 Pennsylvania 18101. :  
 :  
 Initial Hearing :  
 :  
 -----x  
 :  
 Office of Consumer Advocate : R-00072155C0001  
 :  
 -----x  
 :  
 PP&L Industrial Customers Alliance : R-00072155C0002  
 :  
 -----x  
 :  
 Office of Small Business Advocate : R-00072155C0003  
 :  
 -----x  
 :  
 Andrew T. Bosak : R-00072155C0004  
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AUG 11 2007

DOCKETED

AUG 28 2007

Commonwealth Reporting Company, Inc.

700 Lisburn Road  
Camp Hill, Pennsylvania 17011

(717) 761-7150

1-800-334-1063

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Daniel D. Graham      : R-00072155C0005
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Stephanie Crayton    : R-00072155C0006
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Judith A. Lewis-Walton : R-00072155C0007
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Margaret Gay         : R-00072155C0008
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Eric Joseph Epstein  : R-00072155C0009
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Deb Eastman          : R-00072155C0010
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Frank Torkarz        : R-00072155C0011
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Gregory B. Clemens   : R-00072155C0012
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William J. Vigilante, Jr. : R-00072155C0013
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Richard and Eleanor Cobb : R-00072155C0014
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Denise M. Sater      : R-00072155C0015
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**Commonwealth Reporting Company, Inc.**

700 Lisburn Road  
Camp Hill, Pennsylvania 17011

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James Hronich : R-00072155C0016
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Fred Charles : R-00072155C0017
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City Complainants (Scranton) : R-00072155C0018
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Joseph McAndrew : R-00072155C0019
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U.S. Department of Defense and All :
Federal Executive Agencies : R-00072155C0020
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Lillian Falcone : R-00072155C0021
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Joseph Nabogis : R-00072155C0022
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Michael Ochs : R-00072155C0023
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Pages 269 through 302                      Hearing Room 1  
   Commonwealth Keystone Building  
   Harrisburg, Pennsylvania

Monday, August 13, 2007

Met, pursuant to notice, at 10:00 a.m.

**Commonwealth Reporting Company, Inc.**  
700 Lisburn Road  
Camp Hill, Pennsylvania 17011

BEFORE:

SUSAN D. COLWELL, Administrative Law Judge

APPEARANCES:

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**Commonwealth Reporting Company, Inc.**

700 Lisburn Road  
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## APPEARANCES (Continued):

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 (Pro se)

**Commonwealth Reporting Company, Inc.**

700 Lisburn Road  
 Camp Hill, Pennsylvania 17011

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FORM 1

P R O C E E D I N G S

1  
2 ADMINISTRATIVE LAW JUDGE SUSAN COLWELL: Good  
3 morning. I am Administrative Law Judge Susan Colwell and  
4 this is the time and the place set for the evidentiary  
5 hearings in the case captioned, Pennsylvania Public Utility  
6 Commission versus PPL Electric Utilities Corporation filed  
7 at Docket No. R-00072155, as well as the complaints filed  
8 against the rate increase. If it's okay with you, I'll  
9 forego actually reading that and Mr. Kelly will put them  
10 into the record. They run from the Office of Consumer  
11 Advocate's at C0001 to C00023. A complete list is available  
12 any time you want it.

13 On March 29, 2007, PPL Electric Utilities Corporation  
14 filed its Supplement No. 54 to its electric tariff to become  
15 effective June 1, 2007 proposing to increase its retail  
16 distribution rate by \$83.6 million in additional revenues  
17 based on a future test year ending December 31, 2007. This  
18 request affects only the company's distribution rates, not  
19 its generation or transmission rates.

20 In addition to the complaints listed, petitions to  
21 intervene were filed by the Commission on Economic  
22 Opportunity, the Richards Energy Group; and PECO Energy  
23 Company. No opposition was filed and accordingly, all  
24 interventions were granted. A notice of appearance was  
25 also filed by the Office of Trial Staff.

1           The Commission suspended the proposed rate increase  
2 for investigation on May 30, 2007. The matter was assigned  
3 to me. We held a pre-hearing conference on May 31, 2007.  
4 The parties agreed to a schedule which includes a settlement  
5 conference on June 14th. I believe the parties have held at  
6 least one telephonic since then.

7           Following discussion, the parties agreed to five  
8 public input hearings recommended by the OCA based on the  
9 interest expressed to their office, which were held on June  
10 22nd in Allentown and Bethlehem; on June 27th in Harrisburg,  
11 and on June 28th in Scranton and Wilkes-Barre. These were  
12 held and generated transcripts ending on page 268.

13           In accordance with the schedule, the parties  
14 submitted direct testimony, rebuttal and surrebuttal prior  
15 to today's hearing. None of that should have been filed  
16 with the Secretary, as none of it was accepted into the  
17 record prior to these evidentiary hearings.

18           Last week, the parties informed me they had reached  
19 an agreement in principle regarding several of the contested  
20 issues, and accordingly, those witnesses whose testimony has  
21 these issues as the subject would not be cross-examined  
22 unless another party expressed a desire for cross-  
23 examination.

24           I note the attendance of the following: on behalf of  
25 PPL Electric Utilities Corporation, Paul E. Russell, David

1 B. MacGregor, John H. Isom; on behalf of the Office of Trial  
2 Staff, Kenneth Mickens and Charles Daniel Shields; on behalf  
3 of the Office of Consumer Advocate, Aron Beatty and Darlene  
4 Wong; on behalf of the Office of Small Business Advocate,  
5 Steven C. Gray; on behalf of the PP&L Industrial Customer  
6 Alliance, we have Vicki Karandrikas and Pamela Polacek; Mr.  
7 Eric Epstein is appearing pro se; on behalf of the Richards  
8 Energy Group, Craig A. Doll; on behalf of the Commission on  
9 Economic Opportunity, Joseph L. Vullo; on behalf of the  
10 Sustainable Energy Fund and the City of Scranton, Thomas T.  
11 Niesen; on behalf of Exelon Business Services, Anthony E.  
12 Gay; and on behalf of the Department of the Army, Peter Q.  
13 Nyce, Jr.

14 Did I miss anybody?

15 (No response.)

16 JUDGE COLWELL: All right, then. At this point, I  
17 will ask counsel for the company to bring us up to date on  
18 what we can expect here today.

19 MR. MacGREGOR: Thank you, Your Honor.

20 As I previously advised Your Honor and the parties,  
21 the parties have reached a settlement on a number of issues  
22 in this case, not all of the issues but a number of issues.  
23 The settled issues at this point include the revenue  
24 requirement settlement with the OTS and OCA and the company,  
25 the three parties who presented revenue requirement

1 testimony; Universal Service issues between the company, OCA  
2 and the Commission on Economic Opportunity, who were the  
3 parties to have submitted testimony on those issues.

4 I think I am authorized to say that we are very close  
5 to having a settlement with the Sustainable Energy Fund and  
6 the City of Scranton on their issues. I also think we are  
7 very close but not quite settled with Richards Energy.

8 At that point, it will leave us primarily with the  
9 issues of revenue allocation and rate design that are not  
10 settled. We have a terms sheet and we are in the process of  
11 finalizing various stipulations among the parties to reflect  
12 and memorialize the settlement.

13 Under the settlement, all of the testimony that has  
14 been pre-filed in the case will come into the record to  
15 provide a basis for Your Honor and the Commission to  
16 evaluate the reasonableness of the settlement.

17 The remaining witnesses who need to be cross-examined  
18 or as to whom the parties have cross-examination are in the  
19 revenue allocation and rate design area, and what we  
20 propose, those witnesses were primarily under the original  
21 schedule to appear on Thursday and Friday, and we propose to  
22 hold those dates.

23 We have moved as much up to Thursday as we can, but  
24 there are a couple of witnesses who had been previously  
25 scheduled on Friday who cannot make it on Thursday. So we

1 anticipate a pretty good day of hearings on Thursday and a  
2 short day on Friday at this point.

3 We have prepared a revised hearing schedule of  
4 witnesses and revised cross-examination grid which I think  
5 was distributed, but I don't know. Do you have it?

6 JUDGE COLWELL: I do.

7 MR. MacGREGOR: Okay.

8 JUDGE COLWELL: Did you give the other parties a  
9 copy?

10 MR. MacGREGOR: Yes. It has been distributed to the  
11 parties. If anybody else needs a copy, let us know.

12 So that lays out the witnesses for Thursday and  
13 Friday and the estimated amount of cross-examination. I  
14 would note that it also includes Joseph McAndrew, who did  
15 contact us and indicated that he wished to be a witness, so  
16 we've added him at the beginning of the day on Thursday. I  
17 don't honestly know what he plans to testify about, so we've  
18 listed him as a witness but we are reserving whatever rights  
19 we might have to object to his testimony depending on what  
20 it may be at the time.

21 I think some of the parties have brought along their  
22 testimony and exhibits today and would like to move them in  
23 by stipulation. We plan to bring all of ours in Thursday  
24 morning. We weren't quite able to collect all the  
25 affidavits for this morning so we plan on Thursday morning

1 to bring in our exhibits and have them marked and moved into  
2 the record, and then present our witnesses for cross-  
3 examination followed by the other parties.

4 And I think that should bring everyone up to date on  
5 where we stand at this point.

6 JUDGE COLWELL: Does anybody have any different  
7 understanding?

8 (No response.)

9 JUDGE COLWELL: Okay. So at this point, we're just  
10 going to go through the list and see who wants to hand in  
11 testimony? Okay. I just happen to have a list. Let's just  
12 go down it.

13 Mr. Mickens, you're next on my list.

14 MR. MICKENS: Thank you, Your Honor.

15 We have five witnesses and we'd like to present them  
16 to authenticate their testimony, and I would call at this  
17 time Kevan L. Deardorff to the stand.

18 JUDGE COLWELL: Mr. Deardorff, you have one of the  
19 old-fashioned microphones. Will you make sure it's on,  
20 please? There you go. Will you raise your right hand,  
21 please?

22 Whereupon,

23 KEVAN L. DEARDORFF

24 having been duly sworn, testified as follows:

25 JUDGE COLWELL: Thank you. Please be seated.

1 Go ahead, Mr. Mickens.

2 MR. MICKENS: Thank you, Your Honor.

3 DIRECT EXAMINATION

4 BY MR. MICKENS:

5 Q. Would you please state your name, title and  
6 business address for the record?

7 A. My name is Kevan Deardorff. My title is Fixed  
8 Utility Financial Analyst with the Office of Trial Staff.  
9 My business address is P.O. Box 3265, Harrisburg,  
10 Pennsylvania.

11 Q. Mr. Deardorff, I have three documents in front  
12 of me: OTS Statement No. 1, which is your direct testimony;  
13 OTS Exhibit No. 1, which accompanies your direct testimony;  
14 and OTS Statement No. 1-SR, which is your surrebuttal  
15 testimony. Were these documents prepared by you or under  
16 your direction and control?

17 A. Yes.

18 Q. If I were to ask you the questions herein today,  
19 would your answers be the same?

20 A. Yes.

21 Q. Are there any additions or corrections to these  
22 documents that you would like to make at this time?

23 A. No.

24 MR. MICKENS: Your Honor, I've given two copies of  
25 these documents to the court reporter and I would ask that

1 they be admitted at this time.

2 JUDGE COLWELL: Any objection?

3 (No response.)

4 JUDGE COLWELL: Hearing no objection, they are  
5 admitted.

6 (Whereupon, the documents were  
7 marked as OTS Statements Nos. 1  
8 and 1-SR and OTS Exhibit No. 1  
9 for identification and received  
10 in evidence.)

11 MR. MICKENS: Thank you, Your Honor. The Office of  
12 Trial Staff would call Janet M. Markovich to the stand.

13 JUDGE COLWELL: Thank you, Mr. Deardorff.

14 (Witness excused.)

15 JUDGE COLWELL: Good morning. Will you raise your  
16 right hand, please?

17 Whereupon,

18 JANET M. MARKOVICH

19 having been duly sworn, testified as follows:

20 JUDGE COLWELL: Go ahead and be seated. Mr. Mickens?

21 MR. MICKENS: Thank you, Your Honor.

22 DIRECT EXAMINATION

23 BY MR. MICKENS:

24 Q. Please state your name, title and business  
25 address for the record.

1           A.    My name is Janet M. Markovich. I am a Fixed  
2 Utility Financial Analyst for the Office of Trial Staff, and  
3 my address is P.O. Box 3265, Harrisburg, PA, 17105.

4           Q.    Thank you. Ms. Markovich, I have before me  
5 copies of three documents: OTS Statement No. 2, which  
6 represents your direct testimony in this proceeding; OTS  
7 Exhibit No. 2, which accompanies your direct testimony; and  
8 OTS Statement No. 2-SR, which represents your surrebuttal  
9 testimony. Were these documents prepared by you or under  
10 your direction and control?

11          A.    Yes, they were.

12          Q.    If I were to ask you the questions herein today,  
13 would your answers be the same?

14          A.    Yes.

15          Q.    Are there any additions or corrections that you  
16 would like to make to these documents at this time?

17          A.    No.

18          MR. MICKENS: Your Honor, I've given two copies of  
19 these documents to the court reporter and I would ask that  
20 they be admitted at this time.

21          JUDGE COLWELL: Any objection?

22          (No response.)

23          JUDGE COLWELL: They are admitted.

24                                 (Whereupon, the documents were

25   marked as OTS Statements Nos. 2

1 and 2-SR and OTS Exhibit No. 2  
2 for identification and received  
3 in evidence.)

4 MR. MICKENS: Thank you, Your Honor.

5 JUDGE COLWELL: Thank you.

6 (Witness excused.)

7 MR. MICKENS: Office of Trial Staff calls Joseph  
8 Kubas to the stand.

9 Whereupon,

10 JOSEPH KUBAS

11 having been duly sworn, testified as follows:

12 JUDGE COLWELL: Thank you. Go ahead and be seated.

13 Mr. Mickens?

14 MR. MICKENS: Thank you, Your Honor.

15 DIRECT EXAMINATION

16 BY MR. MICKENS:

17 Q. Please state your name, title and business  
18 address for the record.

19 A. My name is Joseph Kubas. My title is Fixed  
20 Utility Valuation Engineer. My address is Pennsylvania  
21 Public Utility Commission, P.O. Box 3265, Harrisburg, PA,  
22 17105.

23 Q. Thank you. Mr. Kubas, I have before me copies  
24 of three documents: OTS Statement No. 3, which is your  
25 direct testimony; OTS Exhibit No. 3, which is the exhibit to

1 accompany your direct testimony; and OTS Statement No. 3-SR,  
2 which represents your surrebuttal testimony in this  
3 proceeding. Were these documents prepared by you or under  
4 your direction and control?

5 A. Yes.

6 Q. If I were to ask you the questions herein today,  
7 would your answers be the same?

8 A. Yes, they would.

9 Q. Are there any additions or corrections that you  
10 would like to make to your testimony at this time?

11 A. No.

12 MR. MICKENS: Your Honor, I've given two copies of  
13 these documents to the court reporter and I would ask that  
14 they be admitted at this time.

15 JUDGE COLWELL: Any objection?

16 (No response.)

17 JUDGE COLWELL: Hearing none, they are admitted.

18 (Whereupon, the documents were  
19 marked as OTS Statements Nos. 3  
20 and 3-SR and OTS Exhibit No. 3  
21 for identification and received  
22 in evidence.)

23 MR. MICKENS: Thank you.

24 JUDGE COLWELL: Thank you, Mr. Kubas.

25 (Witness excused.)

1 MR. MICKENS: Office of Trial Staff calls Amanda  
2 Gordon to the stand at this time.

3 JUDGE COLWELL: Will you raise your right hand,  
4 please?

5 Whereupon,

6 AMANDA GORDON

7 having been duly sworn, testified as follows:

8 JUDGE COLWELL: Thank you. Please be seated.

9 Mr. Mickens?

10 MR. MICKENS: Thank you, Your Honor.

11 DIRECT EXAMINATION

12 BY MR. MICKENS:

13 Q. Please state your name, title and business  
14 address for the record.

15 A. My name is Amanda Gordon. I am a Fixed Utility  
16 Financial Analyst with the Office of Trial Staff. My  
17 business address is P.O. Box 3265, Harrisburg, Pennsylvania.

18 Q. Thank you. Ms. Gordon, I have before me three  
19 documents: OTS Statement No. 4, which is your direct  
20 testimony in this proceeding; OTS Exhibit No. 4, which is  
21 the exhibit to accompany your direct testimony; and OTS  
22 Statement No. 4-SR, which is your surrebuttal testimony in  
23 this proceeding. Were these documents prepared by you or  
24 under your direction and control?

25 A. Yes, they were.

1 Q. If I were to ask you the questions herein today,  
2 would your answers be the same?

3 A. They would.

4 Q. Are there any additions and/or corrections that  
5 you would like to make to these documents at this time?

6 A. No.

7 MR. MICKENS: Your Honor, I've given two copies of  
8 these documents to the court reporter and I would ask that  
9 they be admitted at this time.

10 JUDGE COLWELL: Any objection?

11 (No response.)

12 JUDGE COLWELL: Hearing none, they are admitted.

13 (Whereupon, the documents were  
14 marked as OTS Statements Nos. 4  
15 and 4-SR and OTS Exhibit No. 4  
16 for identification and received  
17 in evidence.)

18 MR. MICKENS: Thank you, Your Honor.

19 JUDGE COLWELL: Thank you, Ms. Gordon.

20 (Witness excused.)

21 MR. MICKENS: Finally, Your Honor, Office of Trial  
22 Staff calls Debra J. Backer to the stand.

23 JUDGE COLWELL: Would you raise your right hand,  
24 please?

25 Whereupon,

1 DEBRA J. BACKER

2 having been duly sworn, testified as follows:

3 JUDGE COLWELL: Thank you. Please be seated.

4 Mr. Mickens?

5 MR. MICKENS: Thank you.

6 DIRECT EXAMINATION

7 BY MR. MICKENS:

8 Q. Please state your name, title and business  
9 address for the record.

10 A. My name is Debra Backer. I am a Fixed Utility  
11 Financial Analyst for the Office of Trial Staff. My  
12 business address is P.O. Box 3265, Harrisburg, Pennsylvania,  
13 17105.

14 Q. All right. Ms. Backer, I have before me four  
15 documents. First is OTS Statement No. 5, which is your  
16 direct testimony in this proceeding; OTS Exhibit No. 5,  
17 which is the exhibit to accompany your direct testimony; OTS  
18 Statement No. 5-SR, which is your surrebuttal testimony in  
19 this proceeding; and OTS Exhibit No. 5-SR, which is the  
20 exhibit that accompanies your surrebuttal testimony in this  
21 proceeding. Were these documents prepared by you or under  
22 your direction and control?

23 A. Yes.

24 Q. If I were to ask you the questions herein today,  
25 would your answers be the same?

1 A. Yes.

2 Q. Are there any additions and/or corrections that  
3 you would like to make to these documents at this time?

4 A. No.

5 MR. MICKENS: Your Honor, I've given two copies of  
6 these documents to the court reporter and I would ask that  
7 they be admitted at this time.

8 JUDGE COLWELL: Any objection?

9 (No response.)

10 JUDGE COLWELL: They are admitted.

11 (Whereupon, the documents were  
12 marked as OTS Statements Nos. 5  
13 and 5-SR and OTS Exhibits No. 5  
14 and 5-SR for identification and  
15 received in evidence.)

16 MR. MICKENS: Thank you, Your Honor. That concludes  
17 the testimony for admittance by the Office of Trial Staff.

18 JUDGE COLWELL: All right. Thank you, Mr. Mickens.

19 (Witness excused.)

20 JUDGE COLWELL: Let's move on to the OCA. Mr.  
21 Beatty?

22 MR. BEATTY: Thank you, Your Honor.

23 The Office of Consumer Advocate has previously  
24 distributed copies of the direct and surrebuttal testimonies  
25 of OCA Witnesses Lafayette Morgan, Roger Colton and David

1 Parcell in this matter to the other parties. I've handed  
2 two copies of each of these testimonies and accompanying  
3 affidavits to the court reporter.

4 The OCA would ask that the direct testimony of  
5 Lafayette K. Morgan, Jr., consisting of 25 pages of  
6 testimony in question-and-answer format and Schedules LKM-1  
7 through LKM-20 be marked for the record as OCA Statement No.  
8 1, and that Mr. Morgan's surrebuttal testimony, which  
9 consists of 11 pages of testimony in question-and-answer  
10 format and Schedules LKM-1S through LKM-20S, be marked for  
11 the record as OCA Statement No. 1S.

12 JUDGE COLWELL: That's fine.

13 (Whereupon, the documents were  
14 marked as OCA Statements Nos. 1  
15 and 1S with accompanying schedules  
16 for identification.)

17 MR. BEATTY: And the OCA would ask that the affidavit  
18 executed by Mr. Lafayette Morgan to accompany OCA Statements  
19 Nos. 1 and 1S and their accompanying schedules be marked for  
20 the record as OCA Hearing Exhibit No. 1.

21 JUDGE COLWELL: Okay.

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

25 MR. BEATTY: The OCA would also ask that the direct

1 testimony of David C. Parcell, consisting of 42 pages of  
2 testimony in question-and-answer format and Exhibit DCP-1,  
3 Schedules 1 through 15 be marked for the record as OCA  
4 Statement No. 2, and that Mr. Parcell's surrebuttal  
5 testimony, which consists of 14 pages of testimony, also  
6 Exhibit DCP-1, Corrected Schedule 7 and Updated Schedules 13  
7 and 14, and Exhibit DCP-2, Schedule 1 be marked for the  
8 record as OCA Statement 2S.

9 JUDGE COLWELL: Okay.

10 (Whereupon, the documents were  
11 marked as OCA Statements Nos. 2  
12 and 2S with accompanying schedules  
13 for identification.)

14 MR. BEATTY: The OCA would ask that the affidavit  
15 executed by Mr. David Parcell to accompany OCA Statements 2  
16 and 2S and their accompanying schedules and attachments be  
17 marked for the record as OCA Hearing Exhibit 2.

18 JUDGE COLWELL: That's fine.

19 (Whereupon, the document was marked  
20 as OCA Hearing Exhibit No. 2 for  
21 identification.)

22 MR. BEATTY: Finally the OCA would ask that the  
23 direct testimony of Roger Colton, consisting of 40 pages of  
24 testimony in question-and-answer format and Schedules RDC-1  
25 through RDC-8, along with Attachment A, be marked for the

1 record as OCA Statement No. 4, and that Mr. Colton's  
2 surrebuttal testimony, consisting of 19 pages of testimony  
3 and Schedule RDC-SR1, be marked for the record as OCA  
4 Statement 4S, and the OCA would ask that the affidavit  
5 executed by Mr. Roger Colton to accompany OCA Statement Nos.  
6 4 and 4S and their accompanying schedules and attachment be  
7 marked for the record as OCA Hearing Exhibit 3.

8 JUDGE COLWELL: That's just fine.

9 (Whereupon, the documents were  
10 marked as OCA Statements Nos. 4  
11 and 4S with accompanying schedules  
12 and attachment and OCA Hearing  
13 Exhibit No. 3 for identification.)

14 MR. BEATTY: The parties have agreed to admit without  
15 cross-examination OCA Statement Nos. 1, 1S, 2, 2S, 4 and 4S  
16 and their accompanying schedules and attachments, including  
17 the affidavits marked as OCA Hearing Exhibits 1, 2 and 3,  
18 and at this time the OCA would move to admit for the record  
19 OCA Statements 1, 1S, 2, 2S, 4 and 4S and their accompanying  
20 schedules and attachments.

21 JUDGE COLWELL: Any objections?

22 (No response.)

23 JUDGE COLWELL: Hearing none, they are admitted.

24 (Whereupon, the documents marked as  
25 OCA Statements 1, 1S, 2, 2S, 4 and

1 4S with accompanying schedules and  
2 attachments and OCA Hearing  
3 Exhibits Nos. 1, 2 and 3 were  
4 received in evidence.)

5 MR. BEATTY: That's all, Your Honor. Thank you.

6 JUDGE COLWELL: All right. Thank you.

7 Mr. Gray?

8 MR. GRAY: Your Honor, I have nothing for you this  
9 morning.

10 JUDGE COLWELL: All right, then.

11 Next on the list, Ms. Karandrikas.

12 MS. KARANDRIKAS: We also have nothing for you this  
13 morning, Your Honor.

14 JUDGE COLWELL: All right. Mr. Brady?

15 (No response.)

16 JUDGE COLWELL: I'm sorry, I put the wrong name on my  
17 list. Mr. Vullo?

18 MR. VULLO: Yes, Your Honor. We have previously  
19 distributed the direct testimony of Eugene M. Brady, marked  
20 as CEO Statement No. 1. It's my understanding that no party  
21 has any cross-examination for Mr. Brady and will stipulate  
22 as to the admissibility of his direct testimony. I have  
23 provided the court reporter with two copies of his direct  
24 testimony along with a corresponding affidavit and I would  
25 respectfully request that his direct testimony marked as CEO

1 Statement No. 1 be admitted and that the affidavit marked as  
2 CEO Hearing Exhibit No. 1 also be admitted.

3 JUDGE COLWELL: Any objection?

4 (No response.)

5 JUDGE COLWELL: Hearing none, it is admitted.

6 (Whereupon, the documents were  
7 marked as CEO Statement No. 1 and  
8 CEO Hearing Exhibit No. 1 for  
9 identification and received in  
10 evidence.)

11 JUDGE COLWELL: Is that all for CEO?

12 MR. VULLO: Yes.

13 JUDGE COLWELL: Okay. Mr. Doll?

14 MR. DOLL: Thank you, Your Honor. May I approach for  
15 a second?

16 JUDGE COLWELL: Yes.

17 (Pause.)

18 MR. DOLL: Your Honor, this morning we would like  
19 marked for identification Richards Energy Group Statement  
20 No. REG-1. I have furnished two copies to the court  
21 reporter. The court reporter's copies do have the affidavit  
22 of Mr. Frank Richards appended to the testimony. I've also  
23 distributed to the other parties an affidavit of Mr.  
24 Richards. It is my understanding that no party has cross-  
25 examination for Mr. Richards and therefore we would

1 respectfully move that Statement No. REG-1 and the  
2 accompanying affidavit be admitted into the record.

3 JUDGE COLWELL: Any objection?

4 (No response.)

5 JUDGE COLWELL: Hearing none, it is admitted.

6 (Whereupon, the document was marked  
7 for identification as Richards  
8 Energy Group Statement No. REG-1  
9 with accompanying affidavit for  
10 identification and received in  
11 evidence.)

12 JUDGE COLWELL: Anything else, Mr. Doll?

13 MR. DOLL: I have nothing else, Your Honor.

14 JUDGE COLWELL: Okay. Mr. Niesen?

15 MR. NIESEN: Yes, Your Honor. Good morning. On  
16 behalf of the Sustainable Energy Fund, I have written direct  
17 testimony and written surrebuttal testimony by Ms. Jennifer  
18 Hopkins who's the president of the Sustainable Energy Fund.  
19 I have a verification attached to both the direct testimony  
20 and the surrebuttal testimony, and if Your Honor pleases,  
21 I'd like to have Ms. Hopkins' direct testimony marked for  
22 identification as SEF Statement No. 1 and Ms. Hopkins'  
23 surrebuttal testimony marked as SEF Statement No. 1-SR.

24 JUDGE COLWELL: That's fine.

25 (Whereupon, the documents were

1 marked as SEF Statements Nos. 1  
2 and 1-SR with accompanying  
3 affidavits for identification.)

4 MR. NIESEN: I have the original verification to  
5 provide to the reporter. It's attached to the testimony. I  
6 understand, Your Honor, that there is no cross-examination  
7 for Ms. Hopkins in respect to either the direct testimony or  
8 the surrebuttal testimony and I would ask that it be  
9 admitted into the record.

10 JUDGE COLWELL: Any objections?

11 (No response.)

12 JUDGE COLWELL: Hearing none, it is admitted.

13 (Whereupon, the documents marked  
14 as SEF Statements Nos. 1 and 1-SR  
15 with accompanying affidavits were  
16 received in evidence.)

17 MR. NIESEN: Concerning the City of Scranton, Your  
18 Honor, I have testimony by Mr. George Parker, direct  
19 testimony and surrebuttal testimony. However, I do not yet  
20 have his verification in support of the statement. It did  
21 not arrive in my office this morning before the hearing.  
22 I'm wondering if it would be appropriate, since I would not  
23 plan on participating in the hearings after today, if we  
24 could mark and admit his direct and surrebuttal testimony  
25 and then I could provide the affidavits later today.

1 JUDGE COLWELL: We can do that, but admission is  
2 subject to receipt of the affidavit.

3 MR. NIESEN: Very good.

4 JUDGE COLWELL: Any objections?

5 (No response.)

6 JUDGE COLWELL: Hearing none, they are admitted.

7 (Whereupon, the documents were  
8 marked as City Statements Nos. 1  
9 and 1-SR with accompanying  
10 affidavits for identification and  
11 received in evidence.)

12 MR. NIESEN: I'll give copies of Mr. Parker's direct  
13 and surrebuttal testimony to the reporter. Thank you, Your  
14 Honor.

15 JUDGE COLWELL: Thank you, Mr. Niesen. And I  
16 believe, Mr. Nyce, we'll be hearing from you on Thursday.

17 MR. NYCE: That's correct, Your Honor. And as  
18 clarification for the record, when you noted my appearance  
19 earlier, you said on behalf of the Army. I work for the  
20 Army but I'm appearing on behalf of the Department of  
21 Defense and All Federal Executive Agencies.

22 JUDGE COLWELL: I think the record is clear on that.  
23 I simply used a shorthand.

24 MR. NYCE: Yes, ma'am. Thank you.

25 JUDGE COLWELL: Thank you, sir.

1 Does anybody else have anything to be admitted to the  
2 record today?

3 (No response.)

4 JUDGE COLWELL: Okay. From the resounding silence,  
5 I'll take that as a "no." At this point, does anybody have  
6 anything to say?

7 (No response.)

8 JUDGE COLWELL: No? Then as I understand it, some of  
9 us, anyway, will meet back here Thursday morning at 10:00.  
10 That will give us enough time, or should we start earlier?

11 MR. MacGREGOR: May I have just a moment, Your Honor?

12 (Pause.)

13 MR. MacGREGOR: Ten o'clock should be fine, I think,  
14 Your Honor.

15 JUDGE COLWELL: Okay. Then until 10:00 Thursday, we  
16 are adjourned.

17 (Whereupon, at 10:30 a.m., the hearing was adjourned,  
18 to be reconvened at 10:00 a.m., Thursday, August 16, 2007,  
19 in Harrisburg, 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.

COMMONWEALTH REPORTING COMPANY, INC.

By: John A. Kelly

John A. Kelly,  
Certified Verbatim Reporter

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