

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

-----X

Pennsylvania Public Utility Commission :
versus PPL Electric Utilities Corporation. :
 Supplement No. 54 to Tariff Electric - :
 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. :

Docket No. R-00072155

SEP 17 10:19 AM
 [Handwritten signature]

Further Hearing .. **DOCUMENT FOLDER**

-----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

DOCKETED
 SEP 7 - 2007

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

(717) 761-7150

1-800-334-1063

ORIGINAL

50

```

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

```

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

----- -X
:
James Hronich : R-00072155C0016
----- -X
:
Fred Charles : R-00072155C0017
:
----- -X
:
City Complainants (Scranton) : R-00072155C0018
:
----- -X
:
Joseph McAndrew : R-00072155C0019
:
----- -X
:
U.S. Department of Defense and All :
Federal Executive Agencies : R-00072155C0020
:
----- -X
:
Lillian Falcone : R-00072155C0021
:
----- -X
:
Joseph Nabogis : R-00072155C0022
:
----- -X
:
Michael Ochs : R-00072155C0023
:
----- -X

Pages 303 through 334 Hearing Room 1
 Commonwealth Keystone Building
 Harrisburg, Pennsylvania

Thursday, August 16, 2007

Met, pursuant to adjournment, at 10:02 a.m.

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

BEFORE:

SUSAN D. COLWELL, Administrative Law Judge

APPEARANCES:

PAUL RUSSELL, Esquire
Two North Ninth Street
Allentown, Pennsylvania 18101
(For PPL Electric Utilities Corporation)

DAVID B. MacGREGOR, Esquire
Post & Schell, PC
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, Pennsylvania 19103
(For PPL Electric Utilities Corporation)

JOHN H. ISOM, Esquire
Post & Schell, P.C.
100 Pine Street
Harrisburg, Pennsylvania 17101
(For PPL Electric Utilities Corporation)

KENNETH L. MICKENS, Esquire
P.O. Box 3265
Harrisburg, Pennsylvania 17105
(For Office of Trial Staff)

DARLENE R. WONG, Esquire
ARON J. BEATTY, Esquire
555 Walnut Street
Forum Place, Fifth Floor
Harrisburg, Pennsylvania 17101-1923
(For Office of Consumer Advocate)

STEVEN C. GRAY, Esquire
300 North Second Street
Suite 1102, Commerce Building
Harrisburg, Pennsylvania 17101
(For Office of Small Business Advocate)

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

APPEARANCES (Continued):

CRAIG A. DOLL, Esquire
25 West Second Street
Hummelstown, Pennsylvania 17036-0403
(For Richards Energy Group)

VASILIKI KARANDRIKAS, Esquire
McNees, Wallace & Nurick, LLC
100 Pine Street
P. O. Box 1166
Harrisburg, Pennsylvania 17108-1166
(For PP&L Industrial Customer Alliance)

PETER Q. NYCE, JR., Esquire
901 North Stuart Street
Arlington, Virginia 22202-1837
(For Department of Defense and
All Federal Executive Agencies)

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

WITNESS INDEX

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

WITNESS

DIRECT

CROSS

REDIRECT

RE CROSS

(None.)

- 0 -

FORM 1

EXHIBIT INDEX

<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
<u>PPL Hearing Exhibit</u>		
✓1	(affidavits supporting testimony of witnesses)	313 316
✓2	(PPL Electric Utilities Corporation testimony and exhibits)	313 316
<u>PPL Exhibit</u>		
✓JMK 6	(Corrected Results of Exhibit JMK 2A-Revised)	315 316
✓	All Statements and Exhibits Listed in PPL Electric Hearing Exhibit 2	313 316
<u>PPLICA Statement</u>		
✓1	(Baron - Direct, with Exhibits SJB-1 through SJB-4)	322 322
✓2	(Baron - Supplemental Direct, Exhibits SJB-2A through SJB-4A)	322 322
✓3	(Baron - Rebuttal, with Exhibit SJB-1R)	322 322
✓4	(Baron - Surrebuttal)	322 322
<u>OCA Statement</u>		
✓	(Galligan - Direct, with Schedule RAG-4)	323 324
✓1	-Supplemental (Galligan - Supplemental Direct, with Schedules RAG-1 through RAG-3)	323 324
✓1R	(Galligan - Rebuttal)	323 324
✓3S	(Galligan - Surrebuttal, with Schedule RAG-1S)	323 324

EXHIBIT INDEX (Continued)

2	<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
3	<u>OCA Hearing Exhibit</u>		
4	✓ 4 (affidavit of Mr. Galligan)	323	324
5	<u>DOD/FEA Statement</u>		
6	✓ 1 (Kincel - Direct, with accompanying schedules and verification)	325	325
7			
8	✓ 1-S (Kincel - Surrebuttal, with accompanying schedules and verification)	325	325
9			
10	<u>OSBA Statement</u>		
11	✓ 1 (Knecht - Direct, with accompanying exhibits)	326	326
12	✓ 2 (Knecht - Rebuttal, with accompanying exhibits)	326	326
13			
14	✓ 3 (Knecht - Surrebuttal, with accompanying exhibits)	326	326

Any reproduction of this transcript is prohibited without authorization by the certifying reporter.

FORM 1

P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE SUSAN COLWELL: Good
3 morning. It is Thursday, August 16, 2007. It's
4 approximately 10:00. This is the time and the place set for
5 further evidentiary hearings in the case captioned,
6 Pennsylvania Public Utility Commission versus PPL Electric
7 Utilities Corporation filed at Docket No. R-00072155, and
8 the accompanying complaints filed against the proposed rate
9 increase ranging from R-00072155C0001 to and including
10 C0023.

11 I note for the record the attendance of the following
12 counsel: on behalf of PPL Electric Utilities Corporation,
13 Paul Russell, David MacGregor and John Isom; on behalf of
14 the Office of Trial Staff, Kenneth Mickens; on behalf of the
15 Office of Consumer Advocate, Aron Beatty and Darlene Wong;
16 on behalf of the Office of Small Business Advocate, Steven
17 C. Gray; on behalf of the PP&L Industrial Customer Alliance,
18 Vicki Karandrikas; on behalf of the Richards Energy Group,
19 Craig A. Doll; and on behalf of the U.S. Department Defense
20 and All Federal Executive Agencies, Peter Q. Nyce, Jr. Is
21 that everybody? Did I miss anybody?

22 (No response.)

23 JUDGE COLWELL: That's everybody, okay. All right.

24 It appeared that at one point we might have a
25 complainant testifying this morning. I don't see anybody

1 here who I can't identify, so I assume Mr. McAndrew is not
2 in attendance; is that correct?

3 MR. MacGREGOR: That is correct.

4 JUDGE COLWELL: All right. Prior to today's hearing,
5 counsel notified me that the main parties have reached an
6 agreement in principle for all outstanding issues in the
7 case. Therefore, there is no need for cross-examination of
8 any witness from those parties and our purpose today is to
9 submit supporting testimony into the record, and to make
10 sure that we're clear on the schedule for the remainder of
11 the case. Have I stated the situation correctly, Mr.

12 MacGregor?

13 MR. MacGREGOR: Yes, Your Honor.

14 JUDGE COLWELL: Is there anything you need to add
15 there to the explanation?

16 MR. MacGREGOR: No.

17 JUDGE COLWELL: No? Okay. Then the next thing we're
18 going to do is have you go ahead and introduce your
19 evidence.

20 MR. MacGREGOR: Thank you, Your Honor.

21 JUDGE COLWELL: Could you use the microphone, please?
22 Are they all on? Turn them all on, please, if you plan to
23 speak today. Thank you.

24 MR. MacGREGOR: Your Honor, we've distributed this
25 morning to Your Honor, to the court reporter and to the

1 parties two documents. First I would like to ask, it is
2 marked and I would to ask that it be marked for
3 identification for the record as PPL Electric Hearing
4 Exhibit 1, which is a set of affidavits supporting the
5 testimony of each of the witnesses in this proceeding.

6 JUDGE COLWELL: I note that you have them pre-marked.

7 (Whereupon, the document was marked
8 as PPL Hearing Exhibit No. 1 for
9 identification.)

10 MR. MacGREGOR: And the second document which we've
11 pre-marked as PPL Electric Hearing Exhibit 2 is a listing of
12 the company's evidence in this proceeding, so I don't have
13 to read it all into the record, if that's all right with
14 you.

15 (Whereupon, the document was marked
16 as PPL Hearing Exhibit 2 for
17 identification.)

18 MR. MacGREGOR: There are a couple of changes we need
19 to make. On page two, under rebuttal statements and related
20 exhibits, Statement No. 6R, Joseph M. Kleha and Exhibit JMK
21 4, it should be JMK 4 and JMK 5.

22 JUDGE COLWELL: Okay.

23 MR. MacGREGOR: And secondly, there is a
24 typographical error right above that. Statement No. 5,
25 Douglas Krall's rebuttal testimony, that should be Statement

1 5-R.

2 JUDGE COLWELL: Okay.

3 MR. MacGREGOR: And then I need to add an exhibit
4 which I have handed out this morning that I need to
5 separately mark for identification. It is just being
6 submitted today, which is Exhibit JMK 6. So maybe where we
7 are adding JMK 5, just also JMK 4, JMK 5 and JMK 6.

8 And I will explain and ask that you mark for
9 identification what is pre-marked as Exhibit JMK 6, a
10 document I've handed out this morning which is a summary
11 sheet of the revised cost of service study that's captioned
12 at the bottom, "Corrected Results of Exhibit JMK 2A-
13 Revised."

14 JUDGE COLWELL: I don't think I have it.

15 (Document handed to the Court.)

16 JUDGE COLWELL: Thank you.

17 MR. MacGREGOR: This exhibit is a summary sheet of
18 Mr. Kleha's cost of service study slightly revised from what
19 he presented in his rebuttal testimony. In the surrebuttal
20 testimony of Mr. Knecht on behalf of the OSBA, which was
21 entered earlier this week or is going to be entered today,
22 he identified a small error in Mr. Kleha's cost of service
23 study that was inconsistent with the prior cost of service
24 study he had presented.

25 It involves the allocation of services which in our

1 as-filed study and throughout the case we have allocated on
2 a combination of customer basis and demand basis.

3 In preparing some alternative cost of service studies
4 as part of the discovery process in this case, we ran some
5 alternative cost of service studies for some of the parties
6 that allocated all of the service on a customer basis, and
7 those results were accidentally used in the JMK 2A-Revised
8 that was filed with our rebuttal testimony.

9 And these sheets that are JMK 6 corrects for that
10 error, allocates services on a customer and demand basis and
11 this exhibit shows the results, which is pre-marked as JMK
12 6.

13 JUDGE COLWELL: Okay.

14 (Whereupon, the document was marked
15 as PPL Exhibit No. JMK 6 for
16 identification.)

17 MR. MacGREGOR: Your Honor, I would ask that all of
18 the documents and exhibits identified in PPL Electric
19 Hearing Exhibit 2, which are supported by the affidavits
20 contained in PPL Electric Hearing Exhibit No. 1, be admitted
21 into evidence in this proceeding along with the two hearing
22 exhibits.

23 JUDGE COLWELL: Any objection?

24 (No response.)

25 JUDGE COLWELL: Hearing none, they are admitted.

1 (Whereupon, the documents marked as
2 PPL Electric Hearing Exhibits 1 and
3 2, PPL Electric Exhibit JMK 6, and
4 all the statements and exhibits
5 listed in PPL Electric Hearing
6 Exhibit 2 were received in
7 evidence.)

8 MR. MacGREGOR: If I can provide an update on where
9 we stand with the settlement at this point, for the record
10 and talk about the schedule for filing documents, as you
11 indicated, we have reached an agreement in principle with
12 all the parties resolving all issues in this proceeding.
13 The company is currently in the process of preparing a
14 settlement agreement to distribute to the parties for
15 review.

16 In addition, since this is a global settlement, we
17 need to file with that a compliance filing and tariff and
18 rates, the whole package of information required for your
19 review and the Commission's review of the settlement.

20 I propose the following schedule that I discussed
21 with Mr. Mickens but not with the other parties at this
22 point. We believe we will be able to distribute a draft of
23 the settlement agreement at some point tomorrow. The
24 parties can begin to review that next week.

25 We will in all likelihood complete a draft of the

1 compliance filing and tariff sheets by next Wednesday. We
2 hope to get it out to the parties in the Wednesday and
3 Thursday time frame next week so they can review that, and
4 then with the necessary statement of support and negotiating
5 the final language, we think August 26th is probably not a
6 bad estimate of when we'll file the document with Your
7 Honor. I have not talked with the other parties, whether
8 they think that's achievable or not, but I think -- I'm
9 generally too optimistic with these, but I think it's going
10 to take us until about the 26th to get it all together.

11 MR. GRAY: August 26th is a Sunday.

12 MR. MacGREGOR: I'm sorry. It's the Wednesday, 29th,
13 I'm sorry, 29th. Yes, Wednesday, August 29th.

14 JUDGE COLWELL: So when you say "everything," you
15 mean the statement in support, everything?

16 MR. MacGREGOR: Tariff sheets, rates, compliance
17 filing, settlement agreement, statements in support, yes.

18 JUDGE COLWELL: By August 29th?

19 MR. MacGREGOR: I think that should be achievable.

20 JUDGE COLWELL: Does anybody have a problem with
21 August 29th for your statements in support?

22 (No response.)

23 JUDGE COLWELL: Nobody has a problem with that?

24 (No response.)

25 JUDGE COLWELL: Okay. Well, that's considerably

1 earlier than I expected it, so I certainly have no objection
2 to that.

3 MR. MacGREGOR: Well, we could ask for some more
4 time.

5 (Laughter.)

6 MR. MacGREGOR: If we have trouble meeting -- it
7 won't be any later than the 31st, but I don't see why we
8 can't get it done by the 29th. We have spent quite a bit of
9 time -- when I say it's an agreement in principle, we have
10 had detailed and lengthy negotiations over language and a
11 lot of it is done and in place. It's just a matter of
12 putting it together in a document and getting it to the
13 parties to review it. So the main time effort here is to
14 prepare the compliance filing and all the rate schedules to
15 make sure they produce exactly the settlement amount and
16 that the rates are assigned in accordance with the way the
17 parties wish, and that takes a little bit of time.

18 JUDGE COLWELL: Okay. Because I do want to have all
19 of the statements in support before I start reviewing this,
20 all of them. All of them. Okay. I'll talk a little bit
21 about what I want to see in those after we finish putting
22 all the testimony in, because I expect we have three parties
23 yet who need to submit testimony, right? So, anything else
24 at this time? You're good?

25 MR. MacGREGOR: Yes.

1 JUDGE COLWELL: Okay.

2 MS. WONG: Your Honor, if I may --

3 JUDGE COLWELL: You may.

4 MS. WONG: -- just add one more administrative thing
5 for today, I was expecting to see Mr. McAndrew here, and I
6 gave him a call just to make sure that he wasn't on his way
7 and that we would adjourn the meeting while he was on the
8 road.

9 He said that he had not received notice. I think he
10 was expecting an official mailing of the date and time. He
11 was reachable by phone. I don't know if Your Honor would
12 like to patch him in, maybe on a conference line today, and
13 give him an opportunity to speak. He said he was interested
14 in speaking. He just was not notified of the specific date
15 and time.

16 JUDGE COLWELL: Well, there was not going to be an
17 official notification. I told him in a letter -- I believe
18 it was a letter, might have been an e-mail -- to contact the
19 counsel for the company in order to be notified of when he
20 could present testimony if that's what he wanted to do.

21 MS. WONG: It appears there must have been some sort
22 of miscommunication then because he indicated to me that he
23 was waiting to hear, but he was interested. He is
24 available. I just reached him by phone. I mean, it's up to
25 Your Honor, but I know that he was expecting to have a

1 chance to speak and he was --

2 JUDGE COLWELL: Okay. When we're done with what
3 we're doing here, we'll look into getting him on the phone.
4 Remind me if I forget.

5 MS. WONG: Okay. And I will give him a call and make
6 sure he's available.

7 JUDGE COLWELL: Okay. Thank you.

8 In the meantime, Ms. Karandrikas?

9 MS. KARANDRIKAS: Yes, Your Honor. I just wanted to
10 clarify for the record, and we discussed this with the
11 parties, that while we anticipate none of our members will
12 object to the settlement, we do have to get official client
13 approval to sign off on the settlement, and we are giving
14 our clients a deadline of Monday, August 20 to voice any
15 objections or concerns, but we don't anticipate any problem.

16 JUDGE COLWELL: Okay. Are you willing to put in
17 testimony today or are you not going to do that?

18 MS. KARANDRIKAS: We do feel very confident that we
19 will be admitting the testimony today.

20 JUDGE COLWELL: Why don't we go ahead and do that.

21 MS. KARANDRIKAS: Okay. We would like to identify
22 Mr. Baron's various statements --

23 JUDGE COLWELL: Is yours on? I am having a little
24 trouble hearing you.

25 (Pause.)

1 MS. KARANDRIKAS: Can you hear me? Okay. The first
2 one we'd like to mark as PPLICA Statement No. 1, the direct
3 testimony and exhibits of Stephen J. Baron consisting of 33
4 pages of testimony in question-and-answer format and related
5 exhibits that have been marked as Exhibits SJB-1 through
6 SJB-4.

7 Next we would like to mark as PPLICA Statement No. 2
8 the supplemental direct testimony and exhibits of Stephen J.
9 Baron which consist of six pages of testimony in question-
10 and-answer format and related exhibits that have been marked
11 as Exhibits SJB-2A through JSB-4A.

12 Next we'd like to mark as PPLICA Statement No. 3 the
13 rebuttal testimony and exhibits of Stephen J. Baron
14 consisting of 23 pages of testimony in question-and-answer
15 format and a related exhibit that has been marked as SJB-1R.

16 And finally, we'd like to mark as PPLICA Statement
17 No. 4 the surrebuttal testimony of Stephen J. Baron which
18 consists of ten pages of testimony in question-and-answer
19 format.

20 We've previously submitted those statements to
21 the parties and provided the court reporter with two copies
22 of each, and we respectfully move for the admission of
23 PPLICA Statements 1 through 4 and related exhibits subject
24 to the admission of Mr. Baron's affidavit which we expect
25 next week.

1 JUDGE COLWELL: Any objection?

2 (No response.)

3 JUDGE COLWELL: Subject to the submission of the
4 affidavits, those statements are admitted.

5 (Whereupon, the documents were
6 marked for identification as PPLICA
7 Statements Nos. 1 through 4 with
8 accompanying exhibits and received
9 in evidence.)

10 MS. KARANDRIKAS: Thank you, Your Honor.

11 JUDGE COLWELL: All right. Do we have any
12 outstanding OCA --

13 MR. BEATTY: Yes, Your Honor. We have the testimony
14 of Richard A. Galligan.

15 JUDGE COLWELL: You're prepared to put that in right
16 now?

17 MR. BEATTY: Yes, Your Honor. Thank you.

18 JUDGE COLWELL: Go ahead.

19 MR. BEATTY: The Office of Consumer Advocate has
20 previously distributed copies of the direct, supplemental
21 direct, rebuttal and surrebuttal testimonies of OCA Witness
22 Richard A. Galligan to the other parties. I've handed two
23 copies of each of these testimonies to the court reporter.

24 The OCA would ask that the direct testimony of
25 Richard A. Galligan consisting of 31 pages in question-and-

1 answer format and accompanying Schedule RAG-4 be marked for
2 the record as OCA Statement No. 3.

3 I would also ask that Mr. Galligan's supplemental
4 direct testimony which consists of three pages of question-
5 and-answers and Schedules RAG-1 through RAG-3 be marked for
6 the record as OCA Statement No. 1-Supplemental.

7 I would also ask that Mr. Galligan's rebuttal
8 testimony which consists of 11 pages in question-and-answer
9 format be marked for the record as OCA Statement No. 1R, and
10 that Mr. Galligan's surrebuttal testimony which consists of
11 29 pages of questions and answers and accompanying Schedule
12 RAG-1S be marked for the record as OCA Statement No. 3S.

13 The OCA would ask that the affidavit executed by Mr.
14 Galligan to accompany OCA Statement No. 3, 1-Supplemental,
15 3S and 1R and their accompanying schedules be marked for the
16 record as OCA Hearing Exhibit No. 4.

17 JUDGE COLWELL: That's fine.

18 (Whereupon, the documents were
19 marked as OCA Statements Nos. 3,
20 1-Supplemental, 3S and 1R with
21 accompanying schedules and OCA
22 Hearing Exhibit No. 4 for
23 identification.)

24 MR. BEATTY: The parties have agreed to admit without
25 cross-examination Statements 3, 1-Supplemental, 1R and 3S

1 and their accompanying schedules including the affidavit
2 marked as OCA Hearing Exhibit No. 4 and at this time the OCA
3 moves to admit for the record OCA Statements Nos. 3,
4 1-Supplemental, 1R and 3S and their accompanying schedules
5 including OCA Hearing Exhibit No. 4.

6 JUDGE COLWELL: Any objection?

7 MR. MacGREGOR: None.

8 JUDGE COLWELL: Hearing none, they are admitted.

9 (Whereupon, the documents marked as
10 OCA Statements Nos. 3,
11 1-Supplemental, 1R and 3S with
12 accompanying schedules and OCA
13 Hearing Exhibit No. 4 were
14 received in evidence.)

15 MR. BEATTY: Thank you, Your Honor.

16 JUDGE COLWELL: Mr. Nyce?

17 MR. NYCE: Thank you, Your Honor.

18 The Department of Defense and Federal Executive
19 Agencies would like to enter two --

20 JUDGE COLWELL: I'm having a little trouble hearing
21 you, sir. It's on. Just pull it a little bit closer.
22 Thank you.

23 MR. NYCE: The Department of Defense and Federal
24 Executive Agencies would like to have admitted into the
25 record two pieces of evidence containing questions and

1 answers and schedules and a verification of each. They are
2 respectively marked DOD/FEA Statement 1, direct testimony of
3 Kenneth Kincel, and DOD/FEA Statement 1-S, surrebuttal
4 testimony of Kenneth Kincel.

5 JUDGE COLWELL: Do you have the affidavits today?

6 MR. NYCE: Yes. The affidavits are contained within
7 the testimony. They are in fact verifying statements.

8 JUDGE COLWELL: Yes. Any objection?

9 (No response.)

10 JUDGE COLWELL: Hearing none, they are admitted.

11 (Whereupon, the documents were
12 marked as DOD/FEA Statements Nos.
13 1 and 1-S with accompanying
14 schedules and verifications for
15 identification and received in
16 evidence.)

17 MR. NYCE: Thank you, Your Honor.

18 JUDGE COLWELL: Mr. Gray?

19 MR. GRAY: Yes, Your Honor. The OSBA previously
20 distributed to the parties three documents. The first one
21 is the direct testimony and exhibits of Robert D. Knecht.
22 We'd ask that be marked as OSBA Statement No. 1.

23 The second document we distributed was the rebuttal
24 testimony and exhibits of Robert D. Knecht, which we ask be
25 marked as OSBA Statement No. 2.

1 (No response.)

2 JUDGE COLWELL: Okay. While we're waiting for Ms.
3 Wong to come back, let's talk a little bit about statements
4 in support. I know I mentioned this at the pre-hearing
5 conference. A statement in support has to actually support
6 the settlement. If you filed a complaint against this, you
7 have to tell me why the settlement addresses those issues,
8 how it settles it.

9 Petitions to intervene and just the notice of
10 intervention, you have not set yourself a very high
11 standard, but if you filed a complaint and you're willing to
12 settle this, I want to hear why it settles it. I mean,
13 you've given all the evidence telling me what the problems
14 were. Now you have to tell me why it's fixed.

15 I do not want to hear, we're just going to settle
16 here because we're going to have the battle in the next rate
17 case. That doesn't help me. I will not look upon that
18 kindly, again. Are there any questions about the statement
19 in support?

20 (No response.)

21 JUDGE COLWELL: All right. Let's go off the record
22 while we wait for Ms. Wong.

23 (Discussion off the record.)

24 JUDGE COLWELL: Back on the record.

25 Pursuant to a phone call that Ms. Wong had with

1 Joseph McAndrew who is Complainant No. 0019 in this case, he
2 did not realize that today was going to be his day to
3 testify and therefore we are going to try to hook him up by
4 telephone. That's what I'm going to do right now.

5 (Pause.)

6 VOICE FROM SPEAKERPHONE: Thank you for calling the
7 McAndrew residence. Please leave your message after the
8 beep.

9 JUDGE COLWELL: Good morning. My name is Susan
10 Colwell and I am the Administrative Law Judge at the Public
11 Utility Commission who is conducting the evidentiary
12 hearings in the PPL rate case even as we speak.

13 It is 10:35 on Thursday morning and we will call back
14 again in about ten minutes, and if you are not present at
15 that time, your opportunity for giving testimony will have
16 disappeared. Thank you.

17 Okay. Ms. Wong, would you please state for the
18 record what you have done here?

19 MS. WONG: Yes, Your Honor. I contacted Mr.
20 McAndrew, who we expected to see in the hearing room today.
21 I was concerned about adjourning the hearings with him being
22 on the road and I wanted to make sure that he wasn't on the
23 way to the hearing room.

24 When I contacted him, he was at home. He indicated
25 to me that he did intend to testify; however, he was not

1 notified of the specific time and date. He is aware through
2 me that we had hearings scheduled Thursday and Friday. He
3 said he was available. I said I would give him a call back,
4 and we would talk about his testimony and whether he'd be
5 able to testify.

6 I came back and reported to Your Honor this
7 arrangement, and with Your Honor's consent, I went back out
8 and contacted Mr. McAndrew several times and he was not
9 answering his phone. I got his voice mail. So I had
10 suggested that perhaps with the parties all in the room,
11 that we might continue to try to contact Mr. McAndrew for,
12 you know, some period of time this morning and give him an
13 opportunity to testify.

14 JUDGE COLWELL: Thank you. And Mr. MacGregor, was
15 Mr. McAndrew notified of his opportunity?

16 MR. MacGREGOR: I'm sorry?

17 JUDGE COLWELL: Was Mr. McAndrew notified of his
18 opportunity to testify this morning?

19 MR. MacGREGOR: He was, Your Honor, although I will
20 frankly say for the record there may have been some
21 confusion. We sent him an e-mail indicating that we had him
22 scheduled to testify on Thursday morning, but I believe the
23 e-mail indicated that that was our proposal and it had not
24 been formally approved by the Judge.

25 And I do not believe we ever then re-notified him

1 that you had approved the schedule. We were running around
2 trying to get the settlement negotiations done and I don't
3 have any recollection that we ever re-contacted and then
4 told him absolutely officially that he was on for Thursday.
5 He has been receiving copies of the various settlement
6 documents and settlement drafts and the e-mails among the
7 parties going back and forth.

8 He has been on the service list for the case, and
9 there has been discussion about the schedules there, but
10 that may be the source of the confusion, is that I'm not
11 sure we ever specifically told him that Your Honor had
12 approved the schedule and that he was officially on for
13 Thursday. So that may be the source of the problem and I
14 apologize for that if it was the source of confusion.

15 JUDGE COLWELL: Okay. Well, we'll give him another
16 ten minutes and then we'll try one more time, and at that
17 point I don't think that -- I don't know of any reason why
18 we should delay it any longer.

19 While we were off the record, I also mentioned that
20 there are a number of pro se complainants in this case and
21 these pro se complainants will need an opportunity to review
22 the settlement documents and there will be some period of
23 time where they'll have an opportunity to file comments as
24 well.

25 I'm thinking ten days from the day we send them to

1 them for the submission. Anybody have a problem with that?

2 (No response.)

3 MR. ISOM: Should we include a provision to that
4 effect in the settlement agreement or would you prepare a
5 cover letter to the complainants notifying them that they
6 have ten days in order to sign on or comment?

7 JUDGE COLWELL: I think the best way to do it is if I
8 send the documents from the Commission with a cover letter
9 giving them ten days to file comments or to object, and if
10 there is a serious objection we'll have to deal with it.

11 MR. ISOM: So you would prefer that we not serve
12 them? I'm satisfied either way, it's just so they get a
13 copy.

14 MS. WONG: Your Honor?

15 JUDGE COLWELL: Yes?

16 MS. WONG: May I suggest that in other cases, what
17 the OCA has done -- and we could help Your Honor if you like
18 -- that we have sent a letter reporting to the complainants
19 that a settlement has been reached, attached to the letter
20 is the settlement, and we indicate that there is ten days
21 for them to respond to the ALJ, you know, either in support,
22 and we would provide a signature line on the letter with the
23 settlement document attached if they wanted to sign on to
24 the settlement, or they could write to you with their
25 objections which then would be taken into consideration in

1 your recommended decision.

2 JUDGE COLWELL: Okay. What I would like you to do is
3 to e-mail or send me a copy of what you would send, but I
4 would prefer to send it.

5 MS. WONG: Oh, definitely, we will do that.

6 JUDGE COLWELL: Okay. Thank you. All right. We can
7 go off the record again.

8 (Discussion off the record.)

9 JUDGE COLWELL: We are back on the record. We are
10 calling Mr. McAndrew one more time.

11 (Pause.)

12 VOICE FROM SPEAKERPHONE: Thank you for calling the
13 McAndrew residence. Please leave your message after the
14 beep.

15 JUDGE COLWELL: Good morning. My name is Susan
16 Colwell at the Pennsylvania Public Utility Commission again,
17 calling to give Mr. McAndrew an opportunity to give
18 testimony in the PPL rate case. As he is not available, the
19 record is going to close on this case. Thank you.

20 All right. Mr. McAndrew is not available. From what
21 I can tell, he was given ample opportunity to contact my
22 office or the company or the OCA in order to let us know of
23 his availability and he did not do so. Therefore, we are
24 going to close the record out today and his testimony is not
25 going to be included.

1 Does anybody have anything else we need to discuss on
2 the record? Is there anything we talked about off the
3 record that I should have put on that I am not thinking
4 about?

5 (No response.)

6 JUDGE COLWELL: All right then. Where we leave it
7 is, I am going to wait until I get a nice settlement package
8 all wrapped up. At that point, I will serve it or I will
9 have the Commission serve it upon all of the pro se
10 complainants who have filed complaints in this case and give
11 them a ten day comment period. At the end of that time, I
12 will prepare a recommended decision for the Commission.

13 Anything else that needs to go on the record?

14 (No response.)

15 JUDGE COLWELL: Thank you all, and we are off the
16 record.

17 (Whereupon, at 10:52 a.m., the proceedings were
18 concluded.)

19

20

21

22

23

24

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: *John A. Kelly*

John A. Kelly,
Certified Verbatim Reporter

- 0 -

[Signature]

SECRETARY'S BUREAU

2007 AUG 17 2:10:49

FORM 1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25