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SECRETARY'S OFFICE
Public Utility Commission

July 29, 1986

DAVID M. BARASCH
Consumer Advocate

(717) 783-5048

Edward G. Bauer, Jr., Esq.
Vice President
Philadelphia Electric Company
2301 Market Street
Philadelphia, PA 19101

Re: Philadelphia Electric Co.
- Scott Paper Co.

Dear Mr. Bauer:

The Office of Consumer Advocate has obtained a copy of a letter from you to PUC Secretary Rich dated July 10, 1986. The letter includes an executed agreement between PECO and Scott Paper Company regarding the purchase of energy, at the PJM billing rate, from Scott's qualifying facilities. In addition, the letter contains a specific request for Commission "approval" of the agreement and for Commission "authorization to fully pass through to, and collect from, PECO's ratepayers all energy charges resulting from the Agreement through PECO's Energy Cost Rate."

The OCA has no objection to Commission approval of this agreement. Nor does the OCA object to the recovery of these energy costs through PECO's ECR.

The OCA is concerned, however, that neither the OCA nor any other PECO ratepayers appear to have been served with copies of the Company's request for formal approval and ratemaking treatment of these purchases. In effect, the Company is asking the Commission to issue a declaratory order "approving" the PECO/Scott contract and "authorizing" the recovery of energy costs incurred under the contract through

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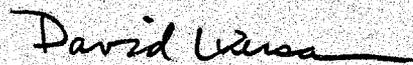
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PECO's ECR. To the extent that you are asking the Commission to make a substantive and binding declaration on this matter, notice to the OCA and other interested parties is both necessary and appropriate. See 52 Pa. Code §5.42(b), regarding service upon OCA and other interested parties of requests for declaratory orders.

To the extent that PECO seeks Commission approval, including substantive ratemaking treatment, of agreements with any qualifying facilities, the OCA hereby requests that it be served with copies of the Company's request.

If you have any questions about the OCA's position on this matter, please contact me.

Sincerely yours,



David Wersan
Assistant Consumer Advocate

4085P

cc: Mr. Jerry Rich
James A. Corrodi, Esq.

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July 30, 1986

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HORACE A. STERN

Honorable Linda Taliaferro, Chairman
Honorable Frank Fischl, Commissioner
Honorable Bill Shane, Commissioner
Pennsylvania Public Utility Commission
North Office Building
Commonwealth Avenue & North Streets
Harrisburg, PA 17120

Re: Application of Philadelphia Electric Company and
Philadelphia Thermal Corporation

Dear Commissioners:

Enclosed for your convenience are copies of the Application of Philadelphia Electric Company to transfer steam system to Philadelphia Thermal Corporation, which was filed with the Secretary earlier today.



Respectfully yours,

Barnett Satinsky
BARNETT SATINSKY

Attorney for Philadelphia Thermal Corporation

BS/me
Enclosures

cc: Gerald Gornish, Esquire
Attorney for Philadelphia Electric Company

Mr. Carl Avers, President
Philadelphia Thermal Corporation

Edward G. Bauer, Jr., Esquire, Vice President & General Counsel
Philadelphia Electric Company

Pennsylvania Public Utility Commission v.
Philadelphia Electric Company, Docket No.
R-850152.

-NOTICE OF PETITION BY David M. Barasch, C
Advocate at No. 2248 C.D. 1986, Commonweal
Court of Pennsylvania, from the order of t
Commission entered June 27, 1986 in the ab
captioned matter.

B-863096 Filed: July 28, 1986

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AUG 7 1986

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-NOTICE OF PETITION BY University of
Pennsylvania/Utility Users' Committee at
No. 2269 C.D. 1986, Commonwealth Court of
Pennsylvania, from the order of the
Commission entered June 27, 1986 in
the above captioned matter.

B-863098

Filed: July 30, 1986

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AUG 01 1986

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-NOTICE OF PETITION BY Philadelphia Electric
Company at No. 2279 C.D. 1986, Commonwealth
Court of Pennsylvania, from the order of the
Commission dated June 27, 1986, in the above
captioned matter.

B-863099 Filed: July 30, 1986

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AUG 30 1986

EXHIBIT FOLDER