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PUBLIC UTILITY COMMISSION

SECRETARY'S OFFICE

Public Utility Commission

Pennsylvania Public Utility Commission, et al. :
 versus Philadelphia Electric Company. : Docket No.
 Investigation into a requested \$660 million : R-850152
 annual rate increase. :

Public Input Hearing.

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County Council Conference Room
 Government Center Building
 Second and Orange Streets
 Media, Pennsylvania
 Thursday, January 23, 1986

Met, pursuant to notice, at 1:32 p.m.

BEFORE:

JOSEPH MATUSCHAK, Administrative Law Judge

APPEARANCES:

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 Harrisburg, Pennsylvania 17120
 (For the Commission Trial Staff)

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 (For Philadelphia Electric Company)

JAN 23 1986

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6 (For the Office of Consumer Advocate)

7 ALSO PRESENT:

8 ROBERT BENNETT
9 Chairman's Office
10 North Office Building
11 Harrisburg, Pennsylvania 17120
12 (Member of Chairman Taliaferro's staff)

13 GEORGE DOWD
14 Bureau of Consumer Services
15 Room 1310
16 State Office Building
17 Broad and Spring Garden Streets
18 Philadelphia, Pennsylvania 19130
19 (Member of the Commission's
20 Bureau of Consumer Services)

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P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE JOSEPH MATUSCHAK: I'm
3 Judge Matuschak. The Commission, as you know, has provided
4 a public -- so-called -- public input hearing here today so
5 that you people who are customers of Philadelphia Electric
6 may have an opportunity to express your opinions and offer
7 your suggestions and concerns on the rate increase requested
8 by Philadelphia Electric.

9 We used to call these hearings non-evidentiary, and
10 I thought that that name was the wrong name because this
11 hearing is as much evidentiary as any of the technical
12 hearings that we have before the Commission. So in that
13 connection anyone who wishes to speak in this matter, we will
14 swear you in so that your remarks may become a part of the
15 public record of this proceeding and this case and so that
16 the Commission may have the benefit of that expression of
17 yours in considering the final adjudication of this matter.

18 I would make some preliminary remarks, also. You
19 may not agree with what some of the people may or may not
20 say, but we would just ask for your indulgence and ask you to
21 give everyone the benefit of saying his piece without any
22 recrimination or abuse and that way we will get along fine.

23 I want to tell you that Commissioner Fischl had
24 intended to be here today. We have received word from
25 Harrisburg that he is tied up with some hearings before the

1 Legislature and he will not be here.

2 We do have, however, here a representative -- he's
3 the Executive Assistant -- of Chairman of the Commission,
4 Linda Taliaferro, Mr. Bennett.

5 MR. BENNETT: Good afternoon. My name is Bob Bennett.
6 I'm Chairman Taliaferro's Executive Assistant.

7 She sent me here this afternoon to hear your concerns
8 so that I can report directly back to her. I will be helping
9 her analyze the Judge's decision and the positions of the
10 parties in the case, so that's why it's important for me to
11 hear exactly what you have to say.

12 Thank you.

13 JUDGE MATUSCHAK: Before we proceed with your
14 expressions we have some of the attorneys here representing
15 the major parties. We have a representative here representing
16 Philadelphia Electric, representing Staff and a representative
17 of the Consumer Advocate.

18 First we will ask Mr. MacGregor, attorney for the
19 Philadelphia Electric Company, to give us some short summary
20 of what the company is requesting in this rate proceeding.

21 Mr. MacGregor.

22 MR. MacGREGOR: My name is David MacGregor. I'm Counsel
23 for Philadelphia Electric Company in this proceeding. With me
24 today from the company are Ray Williams, who is manager of
25 the company's Rate Division, and Bill Sundermeir, also with

1 the company's Rate Division.

2 This request for a revenue increase was filed on
3 September 27th, 1985. At that time the company submitted
4 various testimony and exhibits in support of its requested
5 increase.

6 Since that time the company's witnesses have been
7 cross-examined and over the past three weeks the various
8 opposing parties have filed their own responsive testimony.
9 That testimony will be cross-examined; the company will
10 file responsive testimony; further hearings will be held.
11 The record is scheduled to close in the middle of March of
12 1986.

13 After that time the parties will file briefs. Judge
14 Matuschak will issue a recommended decision and the Commission
15 will review that decision and issue a final order in this
16 case around the end of June of this year.

17 The purpose of the hearing today is to take input
18 and comments from ratepayers and members of the public.
19 That is the reason we are here today.

20 Thank you.

21 JUDGE MATUSCHAK: Thank you, Mr. MacGregor.

22 Mr. Delaney, representing the Commission's Trial
23 Staff.

24 MR. DELANEY: Good afternoon. My name is Daniel
25 Delaney. I represent the Commission Trial Staff in this

1 matter.

2 By statute, the Trial Staff is required to represent
3 the public interest in these types of proceedings before the
4 Commission.

5 At this stage we are approximately halfway through the
6 case. The Staff has challenged all aspects of the company's
7 case through the cross-examination of its witnesses. We have
8 at this point filed testimony, and the position that we take
9 in the testimony is that the majority of the rate increase
10 sought by the company is unjustified and we have put forward
11 evidence that would have a resulting increase of a much
12 smaller amount.

13 By policy statement the Commission has indicated that
14 statements made at these kinds of public interest hearings
15 will be considered part of the record. You have a choice
16 when you come forward to testify. You can either be sworn
17 by Judge Matuschak or you can, if you choose, testify
18 without being sworn. If you are sworn your remarks will
19 become part of the record and be considered by Judge Matuschak
20 and the Commission when it makes its decision in this case.
21 So if you care to make a statement, please come forward.

22 With me today is George Dowd, who is in the back of
23 the room. He is from the Commission's Bureau of Consumer
24 Services. If you have a question about this case or a question
25 or a statement about any aspect of the Commission's regulations

1 Mr. Dowd and myself would be glad to listen to it. If you
2 have a question or a problem we might be able to steer you
3 to someone on the Commission that can help you. I will be
4 up here and I will be glad to speak to anyone during or
5 after the meeting.

6 Thank you very much. Thank you, Judge Matuschak.

7 JUDGE MATUSCHAK: Thank you.

8 Mr. Wersan, from the Consumer Advocate's office.

9 MR. WERSAN: My name is David Wersan. I'm with the
10 Office of the Consumer Advocate. We are an independent state
11 agency representing consumers before the Commission and we
12 are also reviewing the company's claims in this case.

13 As I'm sure most of you know, the prime moving force
14 behind the company's request is its request to put the
15 Limerick Unit 1 nuclear station into its rates. We are
16 reviewing the company claims -- or have reviewed the company's
17 claims with respect to Limerick and have reached a couple
18 conclusions which we are presenting in testimony.

19 The first is that due to delays in construction of
20 Unit 1 that plant is more expensive than it should have been
21 to the tune of many hundreds of millions of dollars.

22 Secondly, it's our opinion that at least approximately
23 40 to 45 percent of the plant represents excess capacity,
24 meaning that it's more plant than is needed to meet the
25 needs of the consumers for reliability and economy at this

1 time and that the company should not be allowed to earn a
2 return on that portion of the plant.

3 Going along with that excess capacity portion of
4 the plant, we are particularly concerned in that the
5 company has been retiring other older plants to make way for
6 Limerick and we think that those retirements, which unfor-
7 tunately have been approved by the Commission, are unwise and
8 uneconomic at this time.

9 We have proposed that rather than an \$878 million
10 rate increase the company at maximum should receive no more
11 than approximately \$135 million, and that we are still
12 reviewing in light of testimony by other parties in the case.

13 I do recommend that you give sworn testimony so that
14 it can be used by the parties and by the Judge in reaching a
15 decision in this case. If you have any questions or problems
16 or any specific problems with Philadelphia Electric and its
17 service you can either talk to myself or Mr. Dowd after the
18 hearing.

19 Thank you very much.

20 JUDGE MATUSCHAK: Thank you.

21 Now, if I might explain the procedure again, you come
22 up to the microphone and you will be sworn first. None of
23 you should be hesitant about that. We want your remarks to
24 be part of the record and we have to do that if your remarks
25 are to be considered by the Commission in this proceeding.

1 representatives got more petitions since then.

2 These are received by me in my official capacity.
3 The original goes to the Chairperson of the PUC. The first
4 photocopy is retained as an official document of the
5 Committee of the Senate of Pennsylvania, a state agency.
6 And I have made under my direction true and correct copies of
7 the same and at this time I would like my friend, Tony
8 Rappucci to present to Your Honor the petitions -- by the
9 way, they are pretty heavy -- of 17,450-some people.

10 For the purpose of the record, also, approximately
11 14,000 are from my district alone.

12 To tell you the story of these petitions, a number
13 of the older citizens who first heard of the rate increase
14 contacted me and asked me to prepare a petition and I did.
15 We circulated some of these forms. As these folks circulated
16 them so many people wanted to sign them that they have been
17 reproduced and reproduced and they spread to other parts of
18 the county -- I represent half of Delaware County, a quarter
19 of a million people. And recently Bucks County has been
20 sending in a number of thousands of signatures. And these
21 aren't all of the four million people in the area, the area
22 that the Philadelphia Electric rate increase covers. It's
23 just one segment.

24 So, Judge, you can imagine the tremendous impact, the
25 tremendous impact, that this 28 percent rate increase has had

1 on the general public.

2 The petition, in plain English, says that we didn't
3 ask that this plant be built, we don't need it and we don't
4 want to pay for it.

5 (Applause.)

6 SENATOR BELL: Now, what is not in there is the
7 fourth message, and that's the message conveyed by so many
8 thousand of people who can't afford it.

9 I have been in politics a long time. I know when I
10 run for reelection it's awful hard to get even 200 names on
11 a petition. But the fact that the people have signed so many
12 petitions shows they have fear. They are afraid.

13 Now, I'm going to go in my presentation to try to
14 tie in the Three Mile Island Supreme Court case, which was
15 decided on December 9, 1985, which is on all four points with
16 this present case because it talks in the Three Mile Island
17 case of the competing equities, the possible bankruptcy of a
18 utility, the bankruptcy of other people -- those are not
19 quite the words, but this is what it means.

20 Now, when a business, a corporation, goes bankrupt
21 they just go out of business. What happens when a person
22 like these older people that are here is bankrupted? It
23 means that they don't have money to buy food; they don't have
24 money to buy coal or oil or gas -- and remember older people,
25 if they have to live in a house that's too cold, they will

1 die. It means that younger people can't afford food and
2 clothes for their kids. And it means that businessmen can't
3 afford to run their businesses. And it means that new
4 industry won't come in and old industry will leave; and that
5 means jobs.

6 That's what I mean when I say that we have in front
7 of us today a massive -- and I believe it's supposed to be
8 a net of \$680 million or so -- rate increase which could
9 bankrupt the people of my district; and I think that's the
10 message in their petitions.

11 I believe there are four million people in this
12 Philadelphia Electric Company area, and you divide four million
13 into 680 million and you come to a figure -- I'm not very
14 good at dividing -- of about \$170 for every man, woman and
15 child. You get a family of three or four people and that's
16 a lot of money.

17 And something that doesn't appear in all the newspaper
18 articles -- it's only 28 percent -- that's the direct charge.
19 The indirect charge is the fact that the City of Chester
20 School District uses electricity and they have to pay the
21 bills. So they raise the taxes. The courthouse uses
22 electricity; the bills go up so the taxes go up. So we have
23 a massive indirect charge on our people in addition to this
24 28 percent and that is what is at issue and that's why there
25 are all these people here today.

1 I ran into a situation, and I hope that one of the
2 people that circulated the petition -- because don't think
3 that this was an organized drive. This is the people
4 speaking, the spontaneous desire of people to sign these
5 petitions.

6 Now, my legal counsel has researched the law as to the
7 jurisdiction of Your Honor and I'm very pleased at what she
8 found: that you are sent out by the PUC, which in turn is a
9 legislative body, and you are charged with looking into all
10 aspects. And I know of your background and I know you will
11 look into all aspects. You're not like a judge in a court
12 where you're restricted to just what the lawyers tell you
13 to look at. You have the authority under the code to go
14 pretty broad on what you're going to look into, and I know
15 you will. That is found in Section 331 of the PUC Code.

16 I, as a Senator, can advise this audience that the
17 PUC only exists for the health, safety and welfare of the
18 people of Pennsylvania. I also suggest to Your Honor that
19 Philadelphia Electric doesn't own the right to use these
20 people for electric purposes. The people of Pennsylvania
21 own the right as to the control of electric energy and the
22 PUC has licensed Philadelphia Electric. They are only in
23 here as a licensee. They don't own us. The people own them
24 as to what they do.

25 There are constitutional restrictions. This is the

1 approach I'm taking because this is a very difficult
2 problem.

3 I would like to refer, Your Honor, to Three Mile
4 Island No. 1, on page four of the decision, to show that that
5 is exactly on point. This is the bottom of page four. And
6 it says the question, the issue, is that utility rates set
7 by regulatory authorities be set at sufficiently high levels
8 to guarantee, irrespective of countervailing consumer
9 interests, the continued financial integrity of the utilities
10 concerned. That was the question in front of the Supreme
11 Court of Pennsylvania in Three Mile Island: whether Philadel-
12 phia Electric or any other utility is guaranteed to have
13 financial integrity.

14 We go on to page seven and eight -- and I won't read
15 it -- but what it says by the Supreme Court's landmark
16 decision -- this is the first time they have addressed this
17 so clearly -- they say that the PUC must balance the equities
18 of the consumer and the stockholders.

19 Then later in this decision we go into other subjects
20 like used and useful. And I submit, Your Honor, when you get
21 into the real, final period, that your decision should reflect
22 the fact that used and useful means what is needed.

23 I have in my possession, which I will submit to you,
24 a publication of Philadelphia Electric Company called
25 "Significant Facts" that showed in October, 1985, that

1 Philadelphia Electric, at the present electric rates, bought
2 32 percent of their capacity on the grid -- that means from
3 other electric companies. At the same time they had their
4 oil generators put on standby because they could go out and
5 buy it on the grid cheaper than what they could produce with
6 oil.

7 And in October I have been informed, and I think
8 that you will look into this, that Pennsylvania alone had
9 50 percent more capacity for making electricity than they
10 needed. So in October Limerick I wasn't needed. It wasn't
11 needed. The capacity was out there. And now all of a sudden
12 they say we need it and raise everybody's rates 28 percent.
13 It doesn't make sense to me.

14 And I go right back into this Three Mile Island case,
15 Your Honor, where it clearly states that the equities of these
16 folks here should be balanced against the shareholders of
17 Philadelphia Electric and that this used and useful should
18 take into effect the fact that there is surplus capacity out
19 there, right out there. In the Pennsylvania Power & Light
20 Susquehanna Nuclear Plant No. 2 case they threw out half of
21 the rate increase because they had surplus capacity then.

22 MEMBER OF AUDIENCE: Give someone else a chance to
23 talk.

24 (Applause.)

25 SENATOR BELL: All right. I'll shut up.

1 But my point, my point here today, is that this is
2 not needed. This facility is not needed. Although Phila-
3 delphia Electric is the only company that can sell electricity
4 in this area it doesn't say in the law that they can only
5 sell their electricity.

6 Under the Three Mile Island case Philadelphia
7 Electric is required to provide the cheapest available
8 electricity; and it's not from Limerick 1.

9 I thank you, Your Honor, and I know you'll look into
10 this. I have talked longer, but I want to say this: these
11 people can't afford it.

12 Thank you.

13 (Applause.)

14 JUDGE MATUSCHAK: Thank you, Senator Bell. It may be
15 of interest to you that this decision that you referred to
16 was a decision that we entered, was confirmed almost entirely
17 by the Commission, was affirmed by the Commonwealth Court and
18 now was affirmed by the Supreme Court. So we have gone into
19 those things before and if that decision was a good decision
20 then we will take our little credit for it.

21 Thank you.

22 In this connection, I might say that we aren't going
23 to promise the people no increase in rates or whatever. Our
24 job in this case is to be fair and that's what we intend to
25 do. Senator, when you spoke about balance of the interests,

1 that's the exact phrase that we used in the Three Mile Island
2 case.

3 Our job here is, first, there are certain constitu-
4 tional rights that the company has in these matters, and
5 then aside from that we have tried and we have expressed our
6 concerns that we consider the interests of the company, the
7 interests of the stockholders and the interests of the
8 consumers, the ratepayers. So that has been our policy in
9 the past and we intend to follow that in the future.

10 Mayor Leake. First, we will congratulate you on your
11 election as Mayor of Chester.

12 (Applause.)

13 Whereupon,

14 MAYOR WILLIE MAE JAMES LEAKE
15 having been duly sworn, testified as follows:

16 MAYOR LEAKE: Your Honor, I concur with the feelings
17 of Senator Bell, and I will be brief. I'm here because of the
18 citizens of Chester in particular, but I'm concerned about all
19 citizens. Whenever there is a rate increase by the public
20 utilities it affects all the citizens.

21 I'll give you a case in point. I took a survey of an
22 area in Chester and I find we have young parents who are
23 receiving from Public Welfare a total of \$143 every two weeks.
24 That is a parent with one child.

25 Their rent -- now, remind you, that's \$143 every two

1 weeks. Their rent is \$250 a month. Their electric bill is
2 \$75. And I ask you how do we expect these people to
3 survive?

4 Thank you, Your Honor.

5 JUDGE MATUSCHAK: Thank you, Mayor.

6 Jack Dienna.

7 Whereupon,

8 JACK DIENNA

9 having been duly sworn, testified as follows:

10 MR. DIENNA: Your Honor, as a customer and share-
11 holder of Philadelphia Electric Company, I would urge that
12 the PUC approve the electric rate increase proposed by the
13 Philadelphia Electric Company. This increase would only
14 recover the cost of building Limerick Unit 1.

15 As a consumer and ratepayer, I feel that PE's
16 responsibility not only lies in the present but in the future.
17 The building of Limerick Unit 1, along with Limerick Unit 2,
18 insures a safe, reliable, economic energy supply into the
19 1990s. To not allow a fair return on this investment in the
20 future would be irresponsible on our part.

21 The alternative PE had was to rely on antiquated and
22 costly to maintain oil burning generating stations.

23 The question of whether Limerick is needed was
24 addressed on August 15, 1985 --

25 MEMBER OF AUDIENCE: And they booed Senator Bell.

1 MR. DIENNA: -- when PE's peak demand reached a level
2 which the Administrative Law Judge's report to the PUC
3 projected for 1990. I would venture to guess that if this
4 peak demand could not have been met by PE these same opponents
5 of Limerick would be the first to shout.

6 PE is required by law as a utility to plan ahead.
7 Philadelphia Electric's decision to build Limerick was a
8 good one. To penalize them for good planning is absurd.
9 This planning will impact on our area's economic growth
10 in the future.

11 I urge the PUC to make a realistic assessment of
12 Limerick 1 and our area's needs and in doing so vote in favor
13 of the proposed rate increase.

14 Thank you.

15 (Applause.)

16 JUDGE MATUSCHAK: Marvin Kanze.

17 Whereupon,

18 MARVIN KANZE

19 having been duly sworn, testified as follows:

20 MR. KANZE: My name is Marvin Kanze. I'm a senior
21 citizen. I'm in business in Delaware County. I live in
22 Montgomery County. I'm a ratepayer.

23 I think I'm a little more far-sighted than some of
24 the people I heard boo and interrupt both the Senator and
25 the last speaker.

1 The Senator mentioned 17,000 names. Out of four
2 million? If you multiply that 17,000 out by four people to
3 a household you still leave 3,990,000 who didn't sign
4 petitions against nuclear generation.

5 The reason nuclear generation was even thought of
6 was because of who controls the oil that is burned to produce
7 electricity. Oil is not for burning. Oil is for lubrication.
8 And in our lifetime we are going to find the bottom of the
9 barrel. The more we burn the sooner we are going to find it.

10 I don't want my children and my grandchildren to be
11 concerned about what happens in the Middle East so that they
12 can turn a light on.

13 There are many things to consider here. One is that
14 we have a profitable utility company to supply the energy to
15 attract industry to a dying Delaware Valley.

16 (Applause.)

17 JUDGE MATUSCHAK: J. F. Lowrey.

18 Whereupon,

19 JOHN F. LOWREY

20 having been duly sworn, testified as follows:

21 MR. LOWREY: My name is John F. Lowrey. I'm a senior
22 citizen. I am retired. I'm a resident of Newtown Square and
23 a customer of the Philadelphia Electric Company.

24 I am also the Executive Director of the PDJM Electric
25 Alliance. My remarks today represent both my own and those

1 of the Electrical Alliance.

2 The Alliance encompasses the states of Pennsylvania,
3 Delaware, New Jersey and Maryland and represents all facets
4 of the electric industry: contractors, engineers, manufacturers
5 distributors, dealers and utility personnel.

6 The objective of the Alliance is to supply reliable
7 industry information to government, business and the general
8 public.

9 The Alliance supported the completion of both Limerick
10 generating plants as vital to the supply of adequate and
11 reliable electricity to southeastern Pennsylvania. We now
12 support recovering the monies expended by the utility to
13 provide such electric service to the citizens of this area
14 from Limerick 1.

15 No one likes higher prices, whether it be for food,
16 housing, medical services, et cetera. We know all have
17 increased dramatically with inflation. Unfortunately,
18 electricity, if it is to remain available, will also cost more.
19 No one can expect a plant built in 1985 not to cost most than
20 the plants it replaced, which are over 40 years old.

21 The Alliance deplores the attempt to make Limerick a
22 political issue. We are confident that the Public Utility
23 Commission will reject the political rantings and permit the
24 utility to recover the costs associated with this investment,
25 which will ensure future plants, as well as Limerick, for this

1 area.

2 Thank you.

3 (Applause.)

4 JUDGE MATUSCHAK: D. Frank Palmisano.

5 Whereupon,

6 D. FRANK PALMISANO

7 having been duly sworn, testified as follows:

8 MR. PALMISANO: Your Honor, and all the people here,
9 before I start I would like to say one thing: I wish everyone
10 here would give every speaker the privilege of speaking and
11 not booing. The Senator was booed, the second speaker was
12 booed; I don't think it's right. They are trying to make
13 points.

14 The first thing I want to ask you is how many people
15 in here work for the Philadelphia Electric Company?

16 (Show of hands.)

17 MR. PALMISANO: Put your hands up. There's more than
18 that. I know you. I know you guys. Are you ashamed to put
19 your hand up?

20 MEMBER OF AUDIENCE. Get to the point.

21 MR. PALMISANO: I'll get to the point in a minute.

22 The Consumer Advocate made a point that -- here is
23 my point: in here -- you probably all know him, you work for
24 the Philadelphia Electric Company -- Mr. Neil McDermott --
25 do you know him?

1 (Applause.)

2 MR. PALMISANO: Sure, clap for him.

3 Mr. McDermott says, "Limerick is needed to replace
4 outmoded, expensive, oil-fired generators that must be
5 retired because they are 35 or 40 years old."

6 Well, you people don't know nothing about turbines.
7 I worked for Westinghouse. I've made more turbines than you
8 guys will ever see.

9 In 1939 -- 1939 -- a turbine came in to Westinghouse
10 for repairs that had been running for 35 years. It was one
11 of the first that George Westinghouse ever made.

12 We took it apart. It had copper blades. You guys
13 never seen copper blades. Copper blades on the rotor. So
14 we replaced it and put all new materials in, stainless steel
15 blades and everything else.

16 That turbine is still running. What do you mean
17 outmoded? Thirty-five, 40 years doesn't mean they are
18 outmoded.

19 (Applause.)

20 MR. PALMISANO: You've got enough outmoded equipment
21 that you can run for another 35 years if you would take a
22 minute and repair it for a fraction of the cost that you're
23 paying \$9 billion for Limerick.

24 You started out with the Limerick plant at \$800
25 million. It's now \$9 billion. Where is the money going?

1 Who are your people kidding?

2 MEMBER OF AUDIENCE: They don't know.

3 MR. PALMISANO: They don't know. You're damn right
4 they don't know. I would like to know whose pocket it's
5 going in.

6 Anyway -- go laugh. You guys are only worried about
7 your jobs, that's all. But you can still get jobs. Repair
8 the old plants and you will still have jobs. Repair all
9 your old plants.

10 And you don't want to admit to the fact that you're
11 selling electricity to other companies you have so much
12 electricity. Look, I read the paper. You guys probably
13 don't read the same paper I do. You have been selling --
14 you can buy electricity cheaper than you can make it, but
15 you don't pass the cheap costs on to the customers.

16 JUDGE MATUSCHAK: Just a minute.

17 We asked at the beginning that you show all the
18 speakers the courtesy of remaining silent and allow them to
19 speak their piece whether you agree with them or not. That's
20 the American way. Let's keep it the American way.

21 MR. PALMISANO: That's my point.

22 First thing: I work with senior citizens. I'm Frank
23 Palmisano from Borromeo Senior Citizens Club in Lansdowne,
24 St. Charles. I have so many people come up to me and tell
25 me, hey, Frank, my bill went up \$20 last month and this

1 month it went up another \$20. They say what's going on. I
2 say I don't know. I don't know where these raises are coming
3 from. My own went up \$20 this month. I don't know why. Why
4 are these bills going up like that? Nobody seems to know.

5 We want to know. We want an answer why these bills
6 are going up so high.

7 You know, a columnist wrote in the paper yesterday,
8 just yesterday -- I'm sorry I didn't cut it out and bring it
9 with me. He said in the next five years everybody is going
10 to have a mortgage to pay because the electric company bills
11 will be as high as your mortgage.

12 (Applause.)

13 JUDGE MATUSCHAK: Terry Rumsey.

14 MR. RUMSEY: My name is Terry Rumsey and I'm a
15 resident of Upland, Pennsylvania. I'm the Director of the
16 Delaware County Project Vote, which is a voter registration
17 project based in Chester.

18 JUDGE MATUSCHAK: Excuse me. Raise your right hand
19 and be sworn.

20 Whereupon,

21 TERRY RUMSEY

22 having been duly sworn, testified as follows:

23 MR. RUMSEY: I was going to say in our dealings in the
24 City of Chester registering voters, we come in contact with
25 thousands of low income people, and I have to concur with

1 Mayor Leake and Senator Bell: people simply cannot afford this.

2 You people probably know that HUD has ranked Chester
3 as the most economically depressed city of its size in the
4 entire nation. Well, this rate hike is going to make the
5 people in the City of Chester pay one of the highest electric
6 bills in the entire nation, and those mathematics simply
7 don't work out for the people of Chester.

8 I have to respond to the one gentleman who said that
9 he did not want his children to be captive to the Middle
10 East for electricity. Those of you who know that we need
11 uranium fuel to fuel nuclear power plants and that South
12 Africa is the country that has the world's leading reserves
13 of uranium fuel -- now, who wants to be hostage to the regime
14 in South Africa? I don't want to and I don't want my
15 children to be, personally.

16 (Applause.)

17 MR. RUMSEY: Back to Chester, Pennsylvania, Philadelphia
18 Electric fought Scott Paper when they tried to implement a
19 co-generation project, which is a creative and new way of
20 producing electricity. They didn't care that if Scott didn't
21 get that they would left Chester, that they would have left
22 the people of Chester without thousands of jobs. So, again,
23 the job line is a phony argument, and the fact that they are
24 really trying to meet the electric needs of the people of
25 the region is also a phony argument or they wouldn't have

1 been fighting Scott's innovative approach on the production
 2 of electricity.

3 Where is our solar energy program? Where is our
 4 wind energy program? Where is our conservation programs?
 5 They don't really exist in the way that we could be saving
 6 electricity and producing the kind of reliable electricity
 7 that doesn't make us hostage to Botha or Khadafy.

8 Again, finally, we all know that PE is mismanaged.
 9 We know that there were just ridiculous estimates on the
 10 electricity that we were going to need. But even so, the
 11 very fact that we are trying to rely on nuclear electricity
 12 means that we are not only going to pay for it on Unit 1,
 13 they are going to come back for it on Unit 2. We are going
 14 to pay the health costs when the radiation leaks. We are
 15 going to pay costs when 25 years from now they have to
 16 de-commission the plant because it's too radioactively hot
 17 in order to run it anymore.

18 (Applause.)

19 MR. RUMSEY: And that's a fact. You can repair old
 20 turbines. But a new plant that is too hot because it's over
 21 radioactive has to be shut down. And then we are going to
 22 have to pay for it when we bury the waste. And of course
 23 they haven't come up with the solution on how we are going
 24 to do that, so we are going to be paying for it as they decide
 25 how we are going to bury the waste.

1 People have been fighting the Limerick plant from
2 the get-go. Citizens have been at countless meetings like
3 this and we have been telling the PUC, telling PE, we don't
4 want nuclear power, we don't want the Limerick electric
5 plant, but they keep putting it through. And why do they do
6 that? Because of the people of Chester? No. Because they
7 want profits for the executives and for the shareholders,
8 and I'm not talking about the little shareholder, I'm talking
9 about the ones with the major control of PE.

10 Thank you.

11 (Applause.)

12 JUDGE MATUSCHAK: Fred Schrader.

13 Whereupon,

14 FRED SCHRADER

15 having been duly sworn, testified as follows:

16 MR. SCHRADER: My name is Fred Schrader. I'm an
17 employee of Philadelphia Electric Company and I have been one
18 for 26 years.

19 Excuse me for referring to my notes but it's the best
20 way I can use to get this straight.

21 Nobody applauds the cost of any product or service
22 increasing. It's only reasonable when consumers feel them-
23 selves captive of any product or service they will object.
24 And certainly, I guess, utility tariffs and taxes seem to
25 fall in that category of consumers feeling themselves captive.

1 The consumer reaction to the proposed increases is
2 even more intense as the media and political clout is
3 directed toward informing the public that the energy is not
4 needed and somehow the company has acted in an imprudent way
5 in its investments.

6 I believe that Senator Bell made the remark in the
7 newspaper that why pay for increased price of bread now when
8 four or five years from now a scarcity is going to exist.

9 I don't intend to discredit the sincere interests of
10 the consumer groups or Senator Bell or others who champion
11 lower utility rates. When I saw those petitions on the
12 delicatessen where I eat it was awful tempting to sign it
13 because what they were asking people to do was to give lower
14 utility rates. It was very attractive to sign.

15 But the short-term benefit to ratepayers in denying
16 the utility to recover the cost of its investment is far
17 outweighed by serious long-term effects on the consumer. And
18 more importantly, what we are doing here and what a lot of people
19 are attempting to do is to do damage to a regulatory arrangement
20 that has really served the best interests for all parties
21 concerned for a long period of time. People are saying throw
22 out the rules. Throw out the rules.

23 The essential basis of utility regulation is the
24 investors and consumers in exchange for a monopoly franchise
25 provide the company with that franchise to serve all customers

1 at reasonable terms. Now, the customers are the consumers and
2 the investors, not just the consumers alone.

3 If the company is successful both the investor and
4 the consumer benefit, and certainly if you look at that period
5 of time from 1950 to 1972 both parties fared very well.
6 Consumers got lower rates and investors got a fair return on
7 their capital.

8 Since 1972 we have not been successful and I will
9 fully admit that. The consumer rates have gone up and our
10 investors have seen a decline in the return on their capital.
11 But this is not a heads-the-consumer-wins and tails-the-
12 investor-loses situation. Both parties are involved and we
13 are distorting the institutional arrangement if we weigh the
14 balance in favor of the consumer.

15 The consumer's retort is that the utility investment
16 has not been prudent and that justifies the investor taking
17 it on the chin. I don't buy that argument.

18 The 15 year process of planning and building Limerick
19 took place under the most thorough and intensive examination
20 by the regulatory people, consumer groups and everybody else
21 involved. Under that scrutiny and over that length of time
22 the decision to build Limerick has been consistently upheld
23 as the best available alternative.

24 In summary, the decision to build Limerick and the
25 request by our company to recover those costs through rates

1 is now under debate. I believe it's essential to respect
2 the rules of utility regulation that permit utilities to
3 recover investment costs undertaken in good faith and
4 completed with reasonable confidence.

5 Limerick is the right choice at the right time and
6 I truly believe it will best serve the needs of our consumers
7 and those investors that have placed their capital and all
8 of our customers.

9 Thank you.

10 (Applause.)

11 JUDGE MATUSCHAK: Claude Clark.

12 Whereupon,

13 CLAUDE K. CLARK

14 having been duly sworn, testified as follows:

15 MR. CLARK: I'm from the Delaware County Council of
16 Organizations of Senior Citizens. I'm the Secretary.

17 Now, to the Pennsylvania Public Utility Commission
18 from the Delaware County Council of Organizations of Senior
19 Citizens, Incorporated, subject: the financial question of
20 Limerick No. 1.

21 We, of the Delaware County Council of Organizations
22 of Senior Citizens organized 18 years ago to investigate
23 problems and to advocate for improvement. Thus, speaking
24 for the elderly and to keep them informed of changes, we
25 represent some 15,000 senior citizens and listened to by

1 many thousand more.

2 We feel that Philadelphia Electric Company is
3 justified in looking into the future and updating equipment
4 to provide electricity in sufficient quantity to meet the
5 demand at that time.

6 However, we protest rate increases as proposed to
7 cover the cost of Limerick No. 1. We ask the PUC to deny the
8 immediate demand of \$3.8 billion and to spread it over a
9 greater number of years, say at \$1.5 billion per year.

10 Let's not forget that the company must show a profit.
11 Remember too that an increase in electrical rates must be
12 paid for by retired people who live on a fixed income. Keep
13 any increases within a reasonable inflational schedule.

14 Claude Clark, Secretary.

15 (Applause.)

16 JUDGE MATUSCHAK: James E. Turner.

17 Whereupon,

18 JAMES E. TURNER

19 having been duly sworn, testified as follows:

20 MR. TURNER: Your Honor, fellow ratepayers, I am an
21 employee of Philadelphia Electric Company. I am here on my
22 own time because I am also a ratepayer. I may also add that
23 I'm a very good customer because our family does use quite a
24 bit of electricity. I have two teenaged daughters in college
25 and a younger one, and between them and my wife I'm sure we

1 use at least our share of electricity.

2 MEMBER OF AUDIENCE: Good customers conserve.

3 MR. TURNER: That's right. Customers have been
4 conserving since 1973.

5 However, there are a few items that were mentioned
6 that I did want to bring up if I could. The first one was
7 the one this gentleman mentioned about Scott Paper and
8 co-generation. It's interesting to know that co-generation
9 does sound like a great idea. It sounds like, boy, you just
10 get electricity from waste products and stuff and it works
11 really well.

12 However, one thing, and something that might be
13 worthwhile for you to look into, all of those people that
14 are advocating co-generation so much, the rules by which the
15 companies get paid for the energy that they produce actually
16 makes the cost of that energy more expensive than it costs
17 PE to generate, than it costs at Limerick, than it costs just
18 about anywhere else. And if you look into it honestly, sir,
19 I think you will find that instead of shaking your head. It
20 will be worthwhile.

21 MEMBER OF AUDIENCE: Excuse me. How do you know so
22 much about that? You're not involved with that co-generating
23 plant?

24 JUDGE MATUSCHAK: Just a minute. Just a minute.
25 A few minutes ago I asked you to permit a speaker to speak

1 whether you agree with him or not. That is the American
2 way and that is the way we want to keep it.

3 Now, if you have something to say we are going to
4 give you an opportunity regardless of how long we stay here
5 tonight. But please, please, listen to the speaker and let
6 him have his say whether you agree with him or not.

7 MR. TURNER: Thank you, Your Honor.

8 And to answer your question --

9 MEMBER OF AUDIENCE: You don't have to answer.

10 JUDGE MATUSCHAK: Just one minute. I don't want you
11 to direct your response to anybody there because then we get
12 into a confrontation. You make your statement.

13 MR. TURNER: Okay. I will continue to make my state-
14 ment.

15 I'm not anxious for rates to go up and I think every-
16 body feels that way. But there are other things that we also
17 should consider because to say you can't afford it is not a
18 good reason to say the rates shouldn't go up. It isn't. If
19 I don't want to pay more for food do I expect the farmers to
20 give it to me? If we don't want to pay more for electricity
21 why should we expect the shareholders to absorb all the blame?

22 One reason people's electric bills go up is because
23 they probably use more electricity. I will wager that a lot
24 of the people that are complaining, saying they can't afford
25 it, are going to end up going home, turning on their TV

1 tonight and watching the Bill Cosby show, Hill Street Blues
2 or something like that.

3 So at any rate -- and also mentioning or brining
4 in TMI has nothing to do with Limerick. Limerick so far,
5 from what I understand and from what I've read, has had an
6 excellent operating condition.

7 We didn't ask for it, no. As ratepayers we didn't
8 ask for Limerick. But as ratepayers we have asked the
9 Legislature to give us the opportunity to have electricity.
10 As I mentioned, I have three children. I would like to see
11 that they do have electricity available when my ten year old
12 daughter is reaching 40 or 50 years old. It would be nice if
13 when she turns on the light switch that there is electricity
14 there.

15 So to be fair, and I'm sure the Commission will be
16 and the Judge, you've really made me feel good just hearing
17 you. I think you're a very fair man. I'm sure you will
18 look at all of the areas pro and con, and I think that's all
19 we can ask for because to get a fair rate increase is worth-
20 while both for the company and ultimately for everybody that
21 lives in the area that Philadelphia Electric serves.

22 Thank you for your time.

23 (Applause.)

24 JUDGE MATUSCHAK: Samuel D'Bartano. I don't know
25 if I pronounced that name correctly.

1 (No audible response.)

2 JUDGE MATUSCHAK: All right. Bill Plisko.

3 Whereupon,

4 BILL PLISKO

5 having been duly sworn, testified as follows:

6 MR. PLISKO: My name is Bill Plisko. Can you hear
7 me out there, stockholders and all?

8 I am a retiree out of Westinghouse. I am also a
9 World War II veteran, which I fought in the Philippines for
10 you people, stockholders and all of America. I think I've
11 done my share.

12 I hope I'm not hurting a lot of toes, but what I'm
13 trying to put across to you is think of the people down
14 here -- and I'll mention Westinghouse -- that is closing
15 their gates, laying off people. Them people need a job to
16 pay your electric bill. Where are they going to get a
17 job?

18 Are they going to get minimum wage? Could you live
19 on that? No. I will answer that.

20 Also, a retiree, what do they give a retiree? We
21 just got an increase. You people are trying to take that
22 away from us and other people are trying to take it away
23 from us. Taxes just went up. I live in Nether Providence.
24 Oh, boy. I could go from there.

25 But what I'm trying to make is the point that you

1 stockholders and Philadelphia Electric just go into a
2 food store and look for yourself at a retiree that don't
3 have a pension, that is just on Social Security. They will
4 pick up a piece of meat, look at it, shake their head, and
5 put it back.

6 Now, think of what I'm telling you. Don't think of
7 your own pocketbooks. Think of that poor guy that needs to
8 eat and needs to live in this world.

9 The United States government hands out cheese to the
10 retirees. Do you know what cheese does to a retiree? It
11 constipates us. They hand out butter. Do you know what that
12 does to a retiree? Cholesterol. What are they trying to do,
13 kill us off? They give you honey to sweeten you up. For what?

14 So all I'm asking you utilities is please give us
15 retirees a break, lower rates, even if it means lower stocks,
16 profits. I know the people got to make a profit, but how much
17 of a profit? You can only go so far because like I said, I
18 was raised -- I didn't say it, but I have to say it -- I was
19 raised during the Depression. I was born in 1920. I seen a
20 lot in my life about people losing their homes, electric being
21 shut off, gas being shut off. In my time I've been a veteran
22 over and over and over, such as the war, depression, Westinghous
23 with all the strikes and now being a senior citizen. It's
24 going to be another war to survive.

25 I thank you.

1 (Applause.)

2 JUDGE MATUSCHAK: Tony Rappucci.

3 Whereupon,

4 TONY RAPPUCCI

5 having been duly sworn, testified as follows:

6 MR. RAPPUCCI: Listen, people, I'm not a very good
7 speaker. You will have to put up with me -- can you hear
8 me?

9 As I was saying, I'm not a very good speaker but
10 I'm going to try to make my point as clear as possible. First,
11 I would like to comment on the man who said that we only had
12 17,000 petitions. The reason why we only had 17,000 petitions
13 is because Senator Bell is an outgoing man and he's trying to
14 help the lower part of Delaware County. You have to remember
15 there are more counties in Pennsylvania than just Delaware
16 County, and there are some of those areas that aren't as
17 interested in PE's electric rate, but Senator Bell is.

18 I am a volunteer working for Senator Bell. I have
19 submitted a lot of petitions, in drugstore, food stands,
20 Wawas -- I will name some more places -- eating places. So
21 that's how we get around.

22 I've talked to many, many people in reference to
23 this PE electric raise and everybody objects to it. They
24 ask me to give them petitions so they can pass them around.
25 We cover a good area here in Delaware County. Now, if the

1 people in the whole state of Pennsylvania would try something
2 like that you would probably find that your people would be
3 for it also like we are.

4 Now, that takes care of that point.

5 That man who said things about Scott Paper and the
6 co-generating plant, I worked at Scott Paper for 31 years
7 and that man doesn't know what he's talking about. If it
8 wasn't for that plant Scott Paper would close today. I know
9 that as a fact because I'm a stockholder too myself. And
10 now by building that plant they are going to be able to
11 save \$1 million a month. You may not believe that but it's
12 a fact.

13 At the same time, there's people from all over
14 going down to Chester and looking at that plant and maybe
15 considering building one themselves. I don't know that for
16 sure.

17 Another thing. Now, I'm a senior citizen. I fought
18 in World War II. I think us senior citizens are more wise
19 than you are today, the younger people, because you younger
20 people are going to be senior citizens some day and you're
21 going to find the same complications we are having now if
22 you don't have a good income. I know people that live on
23 less than \$340 a month. That's not very much to live on,
24 and they deserve a right to have a good living while they are
25 old.

1 Also, PE, they are not considering all the
2 disadvantages of having nuclear plants. They are having
3 a hard time getting rid of the wastes. They are having
4 trouble transporting the wastes from one state to another.

5 There are other means of generating electricity.
6 Just the other day Westinghouse completed a couple windmills.
7 They were built near Lester and they were shipped out to
8 Hawaii. I don't know if you people saw that article in the
9 paper yesterday or not -- or Monday. I think that's a good
10 idea. It may not be practical but at least they could try.
11 It's a lot cheaper than building nuclear plants.

12 Nuclear plants are dangerous. We all know that.
13 I would like to see my grandchildren be able to live in this
14 country of ours and have a good life instead of conditions
15 that are going to be deteriorating by radiation from some-
16 thing it take to make electric power.

17 (Applause.)

18 MEMBER OF AUDIENCE: Remember, you're sworn.

19 MR. RAPPUCCI: I beg your pardon?

20 MEMBER OF AUDIENCE: Remember, your sworn to tell the
21 truth.

22 MR. RAPPUCCI: I am telling the truth.

23 JUDGE MATUSCHAK: Let's not have any comments.

24 MR. RAPPUCCI: You people who talk like that, you
25 don't know what you're talking about, Mister. I'll swear on

1 my mother's death if I have to because that's how I feel
2 about the whole thing. You people should realize that we
3 are human beings and should be treated like human beings.
4 I'm not here to make fun of you and I don't want you to make
5 fun of me. If that fair enough? I'm doing the best that
6 I can.

7 (Applause.)

8 MR. RAPPUCCI: Well, listen, I think I said enough.
9 I have more to say but I will cut it short now that I said
10 my point.

11 Thank you very much for listening to me.

12 (Applause.)

13 JUDGE MATUSCHAK: George W. Tewkes.

14 Whereupon,

15 GEORGE W. TEWKES

16 having been duly sworn, testified as follows:

17 MR. TEWKES: I'm George Tewkes. I worked for the
18 Philadelphia Electric Company for 42 years. I'm retired 21
19 years.

20 I am certainly in favor of a fair increase for the
21 Philadelphia Electric Company and I would like to support it
22 this way. Much has been said already, which I don't want to
23 repeat because I want to conserve your time. But let me say
24 this: I think the way our Law Judge here has stated the
25 position of the Commission should be fair to all of us.

1 That is, recognize the interests of the customer, the
2 company and the stockholders. Unless you balance those
3 interests and just give one side the full amount you're going
4 to hurt the others.

5 On the other hand, isn't it difficult for any
6 commission to hear the things they hear today and to know
7 what the fair amount should be? For example, if those
8 oppose the increase because they can't afford it, how far
9 down do you go with the increase? There are those who can't
10 afford it no matter how far down you go, and that's why you
11 have Welfare. A utility company cannot develop its rates to
12 fit the purpose of a particular family or the neighbors would
13 be side by side and paying different rates. That certainly
14 isn't fair either.

15 Now, let me put it this way: if you have a ballgame
16 do you want an umpire that's going to listen to the stands
17 as they yell and then make his decisions? If so, you're
18 going to tar and feather that man and you won't like it.
19 Do you want the Commission to do that sort of thing too?

20 Now, let me say, too, I did my 42 years. I have spent
21 over 15 years working with members of the Commission on the
22 rates that are charged by the company. And I will say, in
23 fairness to the Commission, that I believe that they have done
24 their duty to the best of their ability. And yet when they
25 are through I have heard people say, oh, yeah, the electric

1 company doubles the amount of money it wants, the Commission
2 gives them half and everybody is fine. That just ain't so.

3 You couldn't do that. You couldn't keep a secret
4 like that in the utility company. You couldn't keep it
5 out of the newspaper. Because you've got to consider
6 everybody's interests.

7 Therefore, let me just say a few things. If you were
8 building an automobile 15 years ago -- maybe I'm over-
9 simplifying it but please bear with me -- if you were,
10 would you have anticipated inflation at the rate that it
11 came through? Would you have thought of pollution? Would
12 you have thought of the OPEC people and all their ramifications?
13 Would you have thought of all the safety requirements? If
14 so, look at the car that you would have had built 15 years
15 ago and try to use it today. That car maybe cost \$2,000 in
16 1971 and that same kind of car -- even smaller and lighter --
17 would cost you \$8,000.

18 You know, you've gotten it so gradually that you don't
19 realize how far it's gone up. Or, hopefully, your wages have
20 gone up too. So therefore, the \$8,000 doesn't look too bad.
21 But you come by it slowly.

22 Let's see what happened with the electric company.
23 In 1971 when they were contemplating the building of that
24 plant they had to consider what were the conditions ahead.
25 The economy was growth at the rate of five percent. You might

1 assume, then, that for the next 15 to 20 years it was
2 going to grow at five percent. How did you know that
3 inflation was going to come along and change that?

4 But then along comes Three Mile Island with its
5 explosive effect. Now the design that you made and which
6 was in use at other plants is no longer useful. You have to
7 consider earthquakes. You have to consider the explosion
8 of the plant. You have to consider evacuating people in
9 great numbers in a ten mile radius. Therefore, all of those
10 have to be considered.

11 MEMBER OF AUDIENCE: They should have thought of
12 this beforehand.

13 JUDGE MATUSCHAK: Just a minute. We ask you again,
14 this is America. We want to keep it the American way.
15 Let the man say his piece. If you have any comments to make
16 we will stay here and hear your comments regardless of how
17 long we have to stay.

18 MR. TEWKES: Now, they are the things that have
19 influenced the cost of Limerick. Surely, if you look back
20 on it, hindsight is beautiful. It's 20/20 vision. So when
21 you look back and say why did you do this and why did you do
22 that?

23 And look what happened with the OPEC oil. Everybody
24 cut-down because of the cost of oil. Employment went down.
25 And the rate of growth dropped, instead of five percent, down

1 to three and even two percent. And now you look back on
2 it and say what in judgement you use.

3 You know, you might make the same decisions today
4 when you're buying a house. What's it going to be 15 years
5 from now? Do you think you're going to outguess everybody?
6 I doubt it.

7 Now, you could look back on it and say I was a fool
8 or I was smart. But either way it's your judgement and you've
9 got to live by it, and we all do.

10 Thank you

11 (Applause.)

12 JUDGE MATUSCHAK: Walt Draving.

13 Whereupon,

14 WALT DRAVING

15 having been duly sworn, testified as follows:

16 MR. DRAVING: My name is Walt Draving. I also work
17 for Philadelphia Electric Company and I just want to take a
18 few minutes to address some of the remarks about alternatives.
19 I've worked with some of the groups in the area that have
20 considered alternatives and I've worked with many of the
21 people who have actually tried alternatives.

22 The alternatives in our area, really, people think,
23 well, let's try windmills. Well, maybe a dozen of our
24 customers have tried windmills and no one has really been
25 able to get anything out of them that is worthwhile. I can

1 put you in touch with the people and you can talk with them.

2 As far as hydroelectricity is concerned, we have two
3 principal waterways, the Schuylkill River and the Delaware
4 River. There's very little hydroelectricity available from
5 these sources. Fortunately, way back when Philadelphia
6 Electric Company saw fit to invest in a hydroelectric project
7 called the Conowingo Dam, which produces 512,000 megawatts of
8 electricity and we still continue to get the electricity from
9 that. It was a good investment. Beyond that hydroelectricity
10 doesn't really serve our needs.

11 We have talked about solar energy. I have been
12 involved in a couple of solar organizations myself, and solar
13 energy has a place. It has a lot of interest as far as
14 passive is concerned. You see a lot of people putting it into
15 their homes. But as far as any amount of electricity or any
16 reduction in electric needs, I don't see it is and I don't
17 think anybody has ever been able to show it to me. Photo-
18 voltaic cells that produce electricity sometime may be of
19 value.

20 Oil. We talked about oil. Oil comes from foreign
21 countries. One day it's up and the next day it's down.
22 Not only that, it's a limited resource. Somebody mentioned
23 it's used for lubricating. When oil is gone, it's gone. We
24 are going to have to manufacture it synthetically at very high
25 cost.

1 So to me, as far as I can see, it boils down to
2 two alternatives. You can build a coal plant to produce
3 your electricity or you can build a nuclear plant.

4 Now, I think if you talk with the coal miners who
5 have families dying, family members dying, in coal accidents,
6 I think if you talk to people who live in parts of Pennsyl-
7 vania where they have coal, banks of old coal clum that is
8 constantly being washed into the waterways, I think if you
9 talk to those people they would say no, let's cut this use
10 of coal out.

11 There are people who are making money from coal, sure,
12 and we are using coal at Philadelphia Electric Company in the
13 most efficient and clean manner that we can possibly use it.
14 But when it comes down to it, coal is burned and it produces
15 products of combustion. Even in very restricted plants you
16 still have combustion products continuously going into the
17 air.

18 With a nuclear power plant, it's true that we have
19 very exotic materials that have to be controlled and have to
20 have many people supervising their control. But we are
21 talking about much, much smaller amounts of material that
22 have to be controlled. And the availability of energy from
23 that small amount of material is much, much greater. It
24 takes carloads and carloads -- railroad carloads -- of coal
25 to make the equivalent of a very small amount of uranium which

1 you can hold in your hand.

2 Now, those are my basic points as far as the
3 alternatives are concerned. I really don't see a good
4 alternative. I think it was a wise decision and I think that
5 our future in this area is going to be made better by it.

6 The other thing is people mention, well, they have
7 people in their family, senior citizens or whatever, that
8 are suffering from rates. Well, I have young children too
9 and I want to see -- at some point in time I'm willing to
10 invest a little bit more of the money I have to spend right
11 now so that we can level out the electricity prices at some
12 time in the future. And I think the Public Utility Commission
13 is considering that. They want to make sure that there may
14 be a rate increase that's going to happen right away, but
15 hopefully during the term of this plant that the plant will
16 provide electricity to myself and everybody else in this area
17 at the lowest possible price.

18 You can't hang everything on that initial increase.
19 That 28 percent increase is not something that's going to
20 happen all at once, hopefully. It's going to happen in stages.

21 There is no one at Philadelphia Electric Company that
22 I know of that wants to break somebody's back. I have
23 relatives who are senior citizens. I don't want to see anybody
24 suffer under rates that are so high that they can't afford to
25 buy food and live in houses. I want those types of things

1 to be avoided also.

2 I feel like I work toward -- in discussions in my
3 work and other things -- toward helping our customers to
4 achieve reasonable rates. And I would just like to ask the
5 Commission to consider the long-term picture and consider
6 what's going to happen to the people 10 and 20 years from
7 now and not just the effect of the immediate increase.

8 Thank you.

9 (Applause.)

10 MEMBER OF AUDIENCE: Your Honor, a point of order.
11 I was just curious as to the process you're using to select
12 speakers to come up to the microphone.

13 MEMBER OF AUDIENCE: When do we talk?

14 MEMBER OF AUDIENCE: I just wanted to know, though,
15 what process you're using for the list on the sign-up sheet
16 in the back of the room.

17 JUDGE MATUSCHAK: I'm trying to arrange this thing
18 so we have an expression from all sides of the issue.

19 MEMBER OF AUDIENCE: I was under the impression that
20 as you signed, the number you signed next to, you were going
21 to be called in that order.

22 JUDGE MATUSCHAK: Well, I don't want to do that
23 because I don't want all the express from one side. I'm
24 trying to do this evenly.

25 MEMBER OF AUDIENCE: Well, it was just whoever got

1 here first. But I understand.

2 JUDGE MATUSCHAK: Jeff Nagorny.

3 Whereupon,

4 JEFF NAGORNY

5 having been duly sworn, testified as follows:

6 MR. NAGORNY: First of all, I would like to say that
7 the idea that coal and nuclear energy are the only viable
8 alternatives to the future is very narrow-minded, because
9 again, we will not only run out of coal, but there will be a
10 lack of nuclear fuel available also.

11 MEMBER OF AUDIENCE: We have enough coal to last
12 another 500 years.

13 MR. NAGORNY: I, myself, would not want to be within
14 two miles of a lump of plutonium, let alone hold it in my
15 hand. It's very unsafe, unstable material, very deadly to
16 human life.

17 Which brings up the point of nuclear waste. The
18 problem of nuclear waste disposal is very, very large and is
19 looming on the horizon. It's like the tip of the iceberg.
20 We haven't even seen yet what it's going to bring.

21 There is no solution right now to the nuclear waste
22 disposal problem, although we are told that there are many
23 alternatives being considered. They have not come up with
24 one that is really going to work.

25 They are talking seriously about deep burial in

1 supposedly stable geological formations in different parts
2 of this country. Well, it may be potentially stable
3 geological formations but the waste that is put down there
4 has the potential to cause untold trouble in the future,
5 and leaves the burden of risk and responsibility on future
6 generations -- your children, my children, grandchildren,
7 and great grandchildren down the road. That waste is going
8 to be dangerous for many, many thousands of years to come.

9 But this is not a discussion of alternative energy
10 forms. This is the ratepayers' hearing and we are supposed
11 to be talking about a projected rate increase. Unfortunately,
12 the projected energy requirements are much lower than
13 originally planned. The need for Unit 2 at Limerick is not
14 there. The capacity of Unit 1 will not even be nearly fully
15 utilized.

16 Now, as far as I can see, most business ventures that
17 are embarked upon in this country assume the risks involved.
18 The individuals and/or corporations that invest in said
19 businesses realize the risk involved and weigh that risk
20 against the benefits which might be realized as a result of
21 that investment.

22 The fact that the costs associated with the construction
23 of Philadelphia Electric's Limerick Nuclear Generating Unit
24 No. 1 were grossly underestimated in the past is unfortunate,
25 indeed and is something we all have to be concerned about. But

1 the fact is that the burden of responsibility for assuming
2 the financial risk involved lies with the shareholders of
3 Philadelphia Electric Company, not with the ratepaying
4 customers of Philadelphia Electric.

5 (Applause.)

6 MR. NAGORNY: That's why they invested the money in
7 the first place, and they are going to reap the benefits,
8 the profits, on those shares, not the ratepaying customers.

9 We, in this area, already have some of the highest
10 electric rates in the country and this is certainly not the
11 fault of the ratepayers. What it comes down to is the fact
12 that Philadelphia Electric Company has had some serious
13 shortcomings in the management of its operations and its
14 financial affairs. Maybe it would be advisable for
15 Philadelphia Electric Company to contact Lee Iaccoca and
16 Chrysler Corporation to arrange for some assistance in its
17 time of need.

18 Thank you.

19 (Applause.)

20 JUDGE MATUSCHAK: Lowell Bingham.

21 Whereupon,

22 LOWELL BINGHAM

23 having been duly sworn, testified as follows:

24 MR. BINGHAM: I'm not a public speaker and I didn't
25 have anybody writing my script for me. So I'm going to try

1 to keep this short.

2 I'm a local electrical user in the area. My job
3 is I'm a district manager of a machine tool company from
4 the midwest, so I don't have an axe to bear on this.

5 But I just wonder where Philadelphia Electric sees
6 this upcoming need for all this additional electrical
7 capacity. In my business I call on the industry in the
8 area, mostly heavy industry: the Westinghouses that used to
9 be, the Mack Trucks that is no longer. And what I'm seeing
10 is more and more work is being exported to their foreign
11 facilities and brought back over here, and with that the
12 electrical needs are going to fall off, too, in the area.

13 I, myself, checked my own records. I compared my
14 electrical use in 1978 and 1977, when I moved here, against
15 last year and I'm now using 73 percent of what I used in
16 '78.

17 (Applause.)

18 MR. BINGHAM: If the price of electricity goes up
19 I'm going to even reduce it more. I keep three kerosene
20 heaters in the house. I have a heat pump and I set it at
21 60 degrees. Now, I'm young enough that I can handle that
22 temperature -- my wife screams at me all the time. But I
23 keep it at 60 degree. I keep three kerosene heaters, and we
24 live in an affluent neighborhood and most other people in
25 that area use the same way of getting heat in their house:

1 they use a kerosene heater.

2 The other side of that coin is I wonder how many
3 fires have been started in homes through improper use of
4 the kerosene heaters that were probably there to offset
5 electrical usage.

6 And then I turn on the TV and I see these sappy ads
7 from Philadelphia Electric acting as a benefactor to all of
8 us. Now, if they are so concerned about our well being
9 they should be more concerned about keeping the cost of
10 energy down so that they don't have to use kerosene heaters.
11 There's got to be a lot of house fires started because of
12 this.

13 I just don't understand where this so-called
14 increasing need for more and more electricity comes from.
15 In my travels and talking to industry this area is depressed
16 and I know one thing. When I retire in about three or four
17 years I sure as hell don't want to pay half of my retirement
18 income to Philadelphia Electric.

19 (Applause.)

20 Two months ago -- I don't know how many of you saw
21 this in USA Today. The Philadelphia area is number two in
22 the country in electrical costs, behind New York City. That
23 was before Limerick I. Now, what happens after Limerick 2?
24 Sure, we are going to have higher utility costs. Why, why,
25 do we have to be number two going to number one in the country?

1 (Applause.)

2 JUDGE MATUSCHAK: I have a problem reading a name
3 here. George something, representing St. Eugene's Senior
4 Citizens.

5 Whereupon,

6 GEORGEANNE MacNAMARA CLEMMENSEN

7 having been duly sworn, testified as follows:

8 MS. CLEMMENSEN: I swore to statements that are
9 entirely my own thoughts. I am not a scholar. It's just
10 what I live by.

11 Your Honor, people of the electric company, I don't
12 blame you for fighting for your rights. If I belonged to
13 the electric company I would fight for my job too.

14 But in the meantime, I am a senior citizen. I go
15 to different citizens groups of the seniors. We are all in
16 the same way. We do not have an abundance of money. I just
17 thank the Lord that so many of us have had their homes bought
18 and they are making a struggle to pay their taxes and utility
19 bills right now.

20 I would like to ask a question. Isn't the Philadelphia
21 Electric Company a free enterprise self-owned company?

22 JUDGE MATUSCHAK: Pardon me a minute. Would you give
23 the reporter your full name because I can't read it.

24 MS. CLEMMENSEN: My name is Georgeanne MacNamara
25 Clemmensen, and I have lived in Upper Darby for 59 years.

1 My father and mother bought the home. That's why I can
2 live in it today on my Social Security.

3 A free enterprise company is made up, I understand,
4 of people who put money in to get money out. Now, if a
5 person wants to increase their business or wants to increase
6 their facilities, they generally go to an institution, a
7 banking institution, and borrow money besides putting up
8 their own money to make their business better. They don't
9 come and ask the customer to pay for it. They go and do it
10 themselves.

11 Why not Philadelphia Electric? Is it because they
12 have used up all of their credit and can't get anything
13 from any other company? I don't know.

14 I ask why ask your customers to pay for enlarging
15 your business. The people have fought against on these
16 different plants for the danger it's putting in to their
17 people, their children and their animals. They don't want
18 it, they don't need it.

19 Naturally a company has to grow. There was something
20 at one time, a solar system. What happened to that? The
21 electric company, I understand, was very much interested in
22 that. You don't hear that anymore.

23 Another thing, I'm going to read this. And another
24 thing, if you can't get this money any other way, then you
25 should at least give your customers stock for the percentage

1 of helping you out, giving them at least a chance to get
2 some of their money back in interest. I think that's only
3 fair.

4 (Applause.)

5 MS. CLEMMENSEN: Another thing. Your request is
6 unreasonable, unwarranted and unaffordable to all your
7 customers regardless of their income and I beg the PUC for
8 once to deny any rate raise whatsoever, as we the people
9 cannot afford. That's all the senior citizens and a lot
10 of the young people who are now looking for jobs and they are
11 on Welfare.

12 You claim people don't pay you. Your people don't
13 pay because they don't have the money to pay. Therefore,
14 if your rates would come down or stay stable where they are,
15 instead of only getting 40 or 50 percent of the people paying
16 and then putting them under bad debts, turning off the
17 electric, you would get 88, 89, 90 percent of the people
18 paying their bills as they did when I first fought with the
19 PUC and the electric company. What was it, about 20 years
20 ago? I think the gentleman, Mr. Tewkes, I remember him from
21 being at one of our meetings.

22 Now, another thing that has come up. This is the
23 first meeting I have attended in quite a while. But of all
24 the meetings I have attended, this is the first meeting that
25 the electric company has padded a meeting for their people

1 to come up and talk.

2 (Applause.)

3 MR. CLEMMENSEN: Now, they must be awfully scared
4 of the people if they have to have their people come up
5 here and fight for them. That, I hope, you will take into
6 consideration. All other meetings have been the majority of
7 the people against the rate raise. Why? Because the
8 electric company, I have book like this of the electric
9 company putting in why should get their rates. The PUC
10 doesn't need you people to come up here. They know everything
11 that you're going to say. They have it all written down.
12 I have things to prove that they have.

13 MEMBER OF AUDIENCE: We are also ratepayers.

14 MR. CLEMMENSEN: Now, in closing we citizens believe
15 in paying our bills. We try to. But the electric company is
16 putting such a drain on us that instead of paying your full
17 bill the majority will only be paying half the bill because
18 they won't be able to afford the full bill. If these people
19 don't hold the line and we have to pay, we will have no
20 independence in the company.

21 I thank you.

22 (Applause.)

23 JUDGE MATUSCHAK: Harry B. Lush.
24
25

1 Whereupon,

2 HARRY B. LUSH

3 having been duly sworn, testified as follows:

4 MR. LUSH: My name is Harry Lush. I reside in
5 Bethel Township. I'm retired, 17 years now, and I think
6 there's a lot of people here that find the same thing I do.
7 We keep getting utility increases, tax increases and whatnot.

8 I know there has been a lot said about nuclear plants
9 and my thoughts have been that ever since they started
10 Limerick -- even before -- there have been other parts of the
11 country that have the same problem we do. We are going to be
12 buried in trash before long, and they have built plants at a
13 lot lower cost and generate electricity at a lot lower cost
14 and I think this is something that it's about time it was
15 considered.

16 All the municipalities that we are seeing on the
17 news, over in Jersey, throughout the Delaware Valley,
18 Philadelphia has a problem, the landfills are getting
19 scarcer and scarce, and they are not doing any good to the
20 underground water where a lot of people get their water from
21 wells.

22 I think this is an alternative. In other parts of
23 the country it has been done. It's very profitable. It
24 solved the problem of the trash and also cheap electric rates.

25 Thank you.

1 (Applause.)

2 JUDGE MATUSCHAK: Lewis B. Beatty III.

3 Whereupon,

4 LEWIS B. BEATTY III

5 having been duly sworn, testified as follows:

6 MEMBER OF AUDIENCE: Your Honor, I got here pretty
7 early in the hope I might get on before too long.

8 JUDGE MATUSCHAK: What is your name?

9 MEMBER OF AUDIENCE: I'm number 17.

10 JUDGE MATUSCHAK: You will be on very shortly.

11 MR. BEATTY: My name is Lew Beatty. I work for
12 Philadelphia Electric Company in the Transportation and
13 Operations Division, and I would just like to say that I
14 think that the customers should have to pay for the electricity
15 that they use and they should have to pay for a plant that
16 is going to be used by them. I don't think it would be fair
17 for Philadelphia Electric to have to pay for a plant that has
18 been delayed so long not because of their own fault but
19 because of, you know, public outcry and the PUC.

20 MEMBER OF AUDIENCE: If there's such a public outcry
21 maybe it shouldn't be built.

22 (Applause.)

23 JUDGE MATUSCHAK: Robert L. Anthony.

24 MR. ANTHONY: May I affirm?
25

1 Whereupon,

2 ROBERT L. ANTHONY

3 having duly affirmed, testified as follows:

4 MR. ANTHONY: I'm Robert Anthony. I live in Moreland,
5 Nether Providence.

6 I have been researching for at least eight years now
7 the Limerick nuclear plant as an amateur and a citizen advocate
8 paid by nobody. I've spent thousands of hours of my own
9 time and hundreds of dollars of my own money to try to
10 protect me, my family and all of you from this monstrous
11 thing which threatens us.

12 I have brought along one briefcase full of the stacks
13 and stacks of paper that I have in my house which get sent
14 to me by the Nuclear Regulatory Commission and Philadelphia
15 Electric Company. You are all paying to clutter up my
16 house. No thanks, people.

17 But this is an example of what happens and what you
18 don't know about. I started out six years ago and applied
19 to be a citizen intervenor, which means I have a chance to
20 speak and to bring up objections to the nuclear plant at
21 Limerick. I have brought those up on my own behalf and as a
22 representative of a citizens organization, Friends of the
23 Earth.

24 I started out with the idea that individuals and
25 groups of citizens can protect their own interests. I have

1 just about lost faith that this is possible.

2 I'm hoping that the Commission can help to restore
3 my faith that our health and our budgets, our financial
4 interests and the future of our children and grandchildren
5 can be protected from nuclear power.

6 (Applause.)

7 MR. ANTHONY: Now, if I had time to show you the
8 papers I would show to you what I've learned myself, that
9 the Nuclear Regulatory Commission is protecting Philadelphia
10 Electric's interests. They are not protecting yours and
11 mine. And the Public Utility Commission is under a lot of
12 pressure to do the same thing, and I hope they will stand out
13 for us.

14 (Applause.)

15 MR. ANTHONY: I'm convinced that you and I and
16 Philadelphia Electric would be better off if Unit No. 1 is
17 never used to produce electricity. I believe it was a
18 fraudulent process by which they got the license to operate
19 and I, for one, have fought it all the case. One of my
20 cases is in the Third Circuit Court in Philadelphia, the
21 U. S. Court, right now along with two other citizens groups.

22 I'm not asking for any big applause for what I've
23 done. It's because I have a basic interest in doing things
24 in harmony with nature, and I think the nuclear process is
25 directly unharmonious with nature.

1 Now, as far as Philadelphia Electric Company's part
2 in whether they are able to operate Limerick so as to
3 protect us, I have evidence here that that is not so.
4 Here are papers that are published by the Nuclear Regulatory
5 Commission regulations for each time that there is a
6 potential accident at the Limerick Plant. Through the early
7 part of December there were 93 such incidents. They are
8 right here. If anybody is interested you can see them.
9 I think there were about 100 for the one year period.

10 That means two a week, two incidents, that could be
11 another potential Three Mile Island. Now, this is not only
12 Philadelphia Electric's bad operation and faulty equipment,
13 it's a part of the danger of the whole process.

14 The Nuclear Regulatory Commission is turn there back
15 on protecting my interests and yours. However, they did give
16 Philadelphia Electric a little bit of a slap on the wrist in
17 May of this year. There again, I have the evidence from the
18 documents from the NRC.

19 Their inspectors found at Philadelphia Electric's
20 other plant at Peach Bottom that they were demonstrating
21 inadequate oversight and control of contractor activities.
22 And this is the point. It's not limited to that particular
23 facility management, but also includes corporate management.

24 At Limerick the complaint was that there were great
25 loopholes in the security system. For the laxity at

1 Peach Bottom and Limerick the Office of Inspection and
2 Enforcement proposed to issue the enclosed notices of
3 violations and proposed impositions of civil penalties in
4 the cumulative amount of \$75,000. Well, that's not just
5 peanuts, but it's peanuts compared to what dangers we are
6 under.

7 These 100 incidents in a year and they are not
8 getting any better. The one that I have pursued in court
9 is the lack of Philadelphia Electric Company to have a
10 prescribed evacuation exercise. I'm not sure I will get
11 anywhere with that, but I'm pursuing it.

12 Just last fall, when Hurricane Gloria was threatening
13 Philadelphia Electric decided and observed what I and others
14 had already pointed out to them: that their cooling towers,
15 which are monstrous things standing up on a hill above the
16 plant, which is down here, that those cooling towers are
17 susceptible to any violent windstorm. They will collapse.
18 I hope you won't laugh when it happens.

19 Philadelphia Electric and the NRC have pictures of
20 these towers that have collapsed. They are built in a very
21 thin shell so that they can collapse when a tornado hits.

22 When they collapse they fall into the ponds that are
23 underneath them, the cooling ponds. At Limerick this water
24 is up here, it flows down here and it floods the reactors.

25 In October, when Hurricane Gloria was about to strike

1 Philadelphia Electric all of a sudden decided gravity is
2 against us and brought in tons of sandbags and piled them
3 up between the cooling towers and the nuclear reactor.
4 This was another sign of the corrupt process that's going
5 on.

6 We pointed this out to them in the hearings but the
7 NRC said nothing doing, you've got a fantasy here. But now
8 the NRC is having to admit this was true.

9 However, but that is not solved either because just
10 January 17th I have a new notice from the NRC which says,
11 we are calling to your attention, and this is a very
12 serious violation, that there are still openings where this
13 water can get in and not only can the water get in but there
14 are openings so that the security people can't tell who
15 might get into the plant and do some damage.

16 Well, I hope I've said enough to show you that I'm
17 in this subject. I'm very worried and I think the Public
18 Utility Commission doesn't have the direct connection about
19 regulating nuclear power. And in concluding I want to say
20 that the gentleman from Philadelphia Electric who made a plea
21 for the public utility process -- Public Utility Commission
22 process -- I'm for him. What's gone wrong is that the
23 federal government got messed up in our lives with sponsoring
24 nuclear power.

25 (Applause.)

1 MR. ANTHONY: And I think the Public Utility
2 Commission has an obligation to us and to the government to
3 assert their own authority again and go back to the days when
4 they used to control whether Philadelphia Electric was able
5 to put in the rate base a coal or oil-fired power plant. Now
6 this has all passed into the hands of the United States
7 government and it should go back to us, the people, and have
8 our interests protected.

9 Thank you.

10 (Applause.)

11 JUDGE MATUSCHAK: John F. McDevitt.

12 Whereupon,

13 JOHN F. McDEVITT

14 having been duly sworn, testified as follows:

15 MR. McDEVITT: I'm John F. McDevitt. I live in
16 Springfield, Pennsylvania. I'm a consumer and a stockholder.

17 I'm not here to say I like rate increases. No one
18 does. But I am in favor of having a financially sound utility
19 for our area. If PECO is not granted a rate increase that
20 provides a reasonable rate of return PECO will no longer be
21 considered an investment grade stock and will not be able to
22 finance any construction except at very high interest rates.
23 This will ultimately mean higher costs to the consumers.

24 The cost of Limerick Unit 1 was much more than
25 originally estimated. Much of the increased costs were beyond

1 the control of PE Company. The Three Mile Island accident
2 probably was the major cause, due to changes in the construc-
3 tion plans that the NRC believed to be necessary as an
4 extra precaution.

5 The cost would also be about one-third lower if the
6 PUC allowed the utility to enter into the rate base the new
7 capital construction as it occurred rather than the policy
8 of used and useful that currently decides when new plant
9 construction can be applied to the rate base. The used and
10 useful policy means that all construction must be completed
11 and the plant in commercial operation before any customer is
12 asked to pay anything towards the cost of the plant.

13 This may sound great to the consumer but really it
14 is a short-sighted, short-term approach. One-third of the
15 cost of Limerick 1 is the cost of the money that had to be
16 borrowed by PE Company to build the plant. If the costs of
17 the new construction were allowed to be included in the rate
18 base as they were incurred the company could finance the
19 costs with earned revenue and avoid the cost of borrowed
20 funds. This would not only soften the cost increase impact
21 on the customer but reduce the total cost by about one-third.

22 Limerick 1 was built with the approval of the
23 Pennsylvania Public Utility Commission, financed with the
24 approval of the Public Utility Commission, and is a well-
25 built and safe plant that is needed to supply the electric

1 needs of our community. In my opinion it is in the best
2 interests of all PE customers to have the Pennsylvania
3 Public Utility Commission approve a rate increase that
4 will provide a reasonable rate of return on the plant
5 investment.

6 I would also ask that the Pennsylvania Public Utility
7 Commission consider revising the used and useful policy so
8 that later construction at Limerick 2 or subsequent
9 construction can come into use at less cost to all customers.

10 Thank you.

11 (Applause.)

12 JUDGE MATUSCHAK: Barnett Adler.

13 MEMBER OF AUDIENCE: I came in and signed in two
14 hours ago. I have been waiting very long.

15 JUDGE MATUSCHAK: What is your name?

16 MEMBER OF AUDIENCE: Margaret Protassowsky.

17 JUDGE MATUSCHAK: All right. You will be on soon.

18 Whereupon,

19 R. BARNETT ADLER

20 having been duly sworn, testified as follows:

21 MR. ADLER: My name is Barney Adler. I'm a registered
22 professional engineer in the Commonwealth of Pennsylvania
23 and I hold a PhD. in electrical engineering. I live in
24 Middletown, adjacent to Media.

25 I can understand the dilemma that we are in. Nobody

1 wants higher electric bills. They are already high enough.
2 But who is going to pay for capacity that I believe we
3 need?

4 MEMBER OF AUDIENCE: The shareholders.

5 MR. ADLER: The shareholders is a possibility. The
6 government could give energy stamps, which could possibly
7 take care of the Welfare function. Or the users could pay
8 for the plant. As a speaker said a while ago, there has to
9 be a balance between these three.

10 Regarding the size of the increase, Philadelphia
11 Electric by law cannot charge the customers anything for a
12 plant until it is in operation, and it has been 15 years that
13 costs have been accumulating. Any costs, if allowed to
14 accumulate over 15 years, are going to add up to a sizeable
15 bill.

16 Philadelphia Electric saw that too in the newspaper
17 that it has high electric bills, energy costs, compared to
18 the other utilities. But when you look into that and see
19 why it's because other utilities cut their construction a
20 while back. They have postponed their construction.

21 Over the past 15 years there has been a lot of
22 inflation. Money has had to be borrowed to finance this
23 plant over 15 years at rates that were double digit, and it
24 adds up to a large amount and that is this rate increase.
25 My feeling is that there is going to definitely be a shock

1 but that it will result in stable rates because one of the
2 advantages with nuclear power -- people will argue with this --
3 one of the advantages of nuclear is that fuel costs are very
4 low. Once you build the plant the fuel cost is very low,
5 like a hydro plant, similar to a hydro plant.

6 Coal, however, has a fuel cost that will increase
7 with time and oil --

8 MEMBER OF AUDIENCE: So will uranium.

9 MEMBER OF AUDIENCE: Oil is going down.

10 MR. ADLER: Oil, there is an oil glut right now. It
11 is a temporary oil glut. It is a temporary oil glut. Because
12 oil is limited. There is an oil glut.

13 MEMBER OF AUDIENCE: What about uranium?

14 MR. ADLER: Uranium, there is a definite surplus.
15 Most of the yellowcake does not come from South Africa. It
16 comes from Australia. The United States and Canada have very
17 large domestic supplies of yellowcake.

18 I think you can look at this rate increase like a
19 house mortgage: when you first buy the house that house
20 mortgage is large. As inflation occurs, as your wages go
21 up with inflation, the house mortgage becomes a smaller
22 portion. And that is what Limerick is going to do for the
23 Delaware Valley. It's going to stabilize electric rates and
24 it's going to be a stable, secure supply.

25 So what I'm advocating is looking to the future. I

1 think we have to depend on statesmen and not politicians.
2 We have to look to the future.

3 MEMBER OF AUDIENCE: Politicians are people too.
4 Stop putting down politicians.

5 MR. ADLER: The need for Limerick. That has come up
6 again and again. How long can you operate an old car? You
7 can overhaul the old car. You can overhaul it. But at a
8 certain point parts get expensive. You end up rebuilding
9 the entire car. And fuel costs, fuel economy, is something
10 that the new technology affords. So we have to retire our
11 old generation in this area.

12 This is oil generation along the Delaware and
13 Schuylkill River. It has to be retired sometime.

14 One statement was brought up that why not buy it from
15 the grid. Well, that's true. We could buy it from the grid.
16 We could buy it from the other power plants that have been
17 recently commissioned, like Susquehanna. We could buy it
18 as long as there's a surplus. We could buy it from the
19 Dust Bowl in Ohio. But what happens if our automobile
20 industry in that area does revived? That surplus is not
21 going to be available.

22 MEMBER OF AUDIENCE: What about Mack Truck and
23 Westinghouse?

24 MR. ADLER: There is a lot of high tech industry
25 that is taking over the heavy industry that we now buy from

1 other countries, and the high tech depends on reliable
2 electricity, no interruptions. If you look at other
3 countries that don't have very much generation reserve or
4 are depending on generation that is in need of maintenance,
5 the failure rate increases with age. Those countries have
6 rotating brown-outs. There are certain times that you do
7 not expect to take an elevator in a high-rise because of
8 routine brown-outs in Puerto Rico.

9 So we don't want to depend, our Delaware Valley
10 does not want to depend on the grid in the 1900s because other
11 people are going to depend on the grid. Those other companies
12 like Potomac Electric Power Company, who has no construction
13 program, they are highly rated, have low rates, no construc-
14 tion program, they are depending on the grid and they are
15 going to depend on it the same time we are in 1990.

16 And then finally we have to serve new load. The
17 high tech. The high tech load, that's where our salvation
18 is in the Delaware Valley. Along Route 202 there is a lot
19 of medical technology being developed, a lot of computer
20 technology --

21 MEMBER OF AUDIENCE: Is high tech energy intensive?
22 It's very unintensive.

23 MEMBER OF AUDIENCE: We don't want a high school
24 lecture.

25 JUDGE MATUSCHAK: Just a minute.

1 MR. ADLER: Okay. I agree. You already know about
2 this. I don't need to go over it.

3 JUDGE MATUSCHAK: Just a minute. Let him conclude.

4 MEMBER OF AUDIENCE: I think we ought to have a time
5 limit.

6 JUDGE MATUSCHAK: Well, you conclude as soon as
7 you can.

8 MR. ADLER: Yes, I will.

9 MEMBER OF AUDIENCE: He will keep going on all day.

10 MEMBER OF AUDIENCE: He hasn't gone on as long as
11 Senator Bell.

12 (Applause.)

13 MR. ADLER: Anyway, I just feel that Limerick is
14 the foundation for future growth in the Delaware Valley and
15 in the long run that benefits us all.

16 (Applause.)

17 JUDGE MATUSCHAK: Margaret Protassowsky.

18 Whereupon,

19 MARGARET PROTASSOWSKY
20 having been duly sworn, testified as follows:

21 MS. PROTASSOWSKY: I'm Margaret Protassowsky and
22 I live at 9 Prices Lane, Rose Valley for the last ten years.

23 When I collected signatures for Senator Bell's
24 petition protesting the rate hike of the electric rate because
25 of Limerick 1, I did meet with an overwhelming success.

1 Every person I contacted was outraged at the idea of having
2 to pay for energy. People in the supermarket, in the bank,
3 at Woolworth's on State Street in Media signed. They told
4 me that they could not pay any more, that enough is enough.

5 I am asking the Public Utility Commission now to
6 listen to the consumers. We speak with one voice. We do not
7 was to, we cannot afford to, pay higher prices for electricity.
8 Why has the PUC repeatedly ignored us?

9 Besides, as everybody knows, if electricity prices
10 go up everything else will get more expensive: rents, public
11 transportation, manufactured goods, et cetera.

12 So please listen to the people.

13 Thank you.

14 (Applause.)

15 JUDGE MATUSCHAK: Samuel D'Bartano.

16 (No audible response.)

17 JUDGE MATUSCHAK: William J. Johnson.

18 Whereupon,

19 WILLIAM J. JOHNSON

20 having been duly sworn, testified as follows:

21 MR. JOHNSON: My name is William Johnson. I'm a
22 native of Delaware County. I've lived here over 70 years
23 except for the four years I spent in the service of my
24 country. I presently live in Springfield. I recall back
25 in the 1920s when my mother used to send me to the store to

1 buy a loaf of bread, which I could buy for five cents, I
2 looked up and I saw at that time at the cost of electricity,
3 the Philadelphia Electric Company rates were about ten cents
4 a kilowatt hours. That's the price of two loaves of bread.

5 Today the cost of electricity is again just about
6 ten cents a kilowatt hour. Now, what do two loaves of bread
7 cost you? Two bucks, if you're lucky. What has bread
8 risen in those 60 years?

9 Now, that is just as important to you as electricity.
10 But do you go to the grocer and say you have to absorb most
11 of the price, most of the cost of the increased price of
12 bread. I can't afford to buy bread. The grocer has to pay
13 the difference.

14 What would he say? You just wouldn't get any bread,
15 would you?

16 How would it be without any electricity? How would
17 it be if the electric company behaved to you like the phone
18 company does at Christmastime when you try to call your
19 relatives on the west coast and they say sorry, all the lines
20 are busy, try some other time. My son lives out in the west
21 and he tried all day Christmas Day to call me. I tried all
22 day Christmas Day to call him. Neither one of us could get
23 through. Do you want the electric industry to be like that?
24 When you want some electricity, no, sorry, somebody else is
25 using it today.

1 Now, I'm a registered professional engineer in
2 Pennsylvania. I had been in the electric power industry
3 for some 45 years before I retired. I have worked with
4 companies all over the country. I was an advisor to the
5 Electricity Division of the Bureau of Standards in Washington
6 for five years and I was an advisor to the Electric Power
7 Research Institute in California for some ten years. So I
8 think I'm qualified to answer some of these technical
9 questions which have been raised by the self-styled experts.
10 I'm think I'm qualified.

11 I'm not going to take your time because I'm sure
12 those questions have been answered by the experts and are
13 part of the record.

14 My reason for being here is to point out to you that
15 it is absolutely necessary that we have a viable electric
16 company, that the cost of electricity has just as much right
17 to go up as the cost of bread, transportation or anything
18 else.

19 Thank you.

20 (Applause.)

21 JUDGE MATUSCHAK: Robert B. Rowell.

22 MEMBER OF AUDIENCE: The article in the paper said
23 that this meeting was to hear from the public regarding this.
24 I don't think people acting as employees of PECO are really
25 the public, are they?

1 Whereupon,

2 ROBERT B. ROWELL

3 having been duly sworn, testified as follows:

4 MR. ROWELL: The gentleman brought up the question
5 of nuclear waste and I have a little release here from the
6 Princeton Institute: Advantages of Fusion.

7 Will it take too long to read this?

8 JUDGE MATUSCHAK: I don't want a long statement.

9 Is it long?

10 MR. ROWELL: This much. (Witness indicating.)

11 JUDGE MATUSCHAK: Okay.

12 MR. ROWELL: The source of energy, fusion, would have
13 many advances. The major fuel, deuterium, may be readily
14 extracted from ordinary water, which is available to all
15 nations. The surface waters of the earth contain more than
16 10 million million -- that's 10^{13} -- tons of deuterium, an
17 essentially inexhaustible supply. The tritium required to
18 be produced from lithium, which is available in land deposits
19 or from sea water which contain thousands of years supply.
20 The worldwide availability of these materials would thus
21 eliminate international tensions caused by imbalance in fuel
22 supply.

23 That was item one. Item two: The amounts of
24 deuterium and tritium in the fusion reaction zone will be
25 so small that a large uncontrolled release of energy would be

1 impossible. In the event of a malfunction, the plasma
2 would strike the walls of its containment vessel and cool.

3 Item three. Since no fossil fuels are to be used
4 there will be no release of chemical combustion products
5 because they will not be produced.

6 Item four. Similarly, there will be no fission
7 products formed to present a handling and disposal problem.
8 This is a very serious question today. The activity will
9 be produced by neutrons interacting with the reactor
10 structure and careful material selection is expected to
11 minimize the handling and ultimate disposal of activated
12 materials.

13 Item five. Another significant advantage is that
14 the materials and by-products of fusion are not suitable
15 for use in the production of nuclear weapons.

16 This is from the information office at Princeton
17 University, Plasma Physics Laboratory, P. O. Box 451,
18 Princeton, New Jersey 08544.

19 MEMBER OF AUDIENCE: Item six. Limerick is a
20 fission plant.

21 MR. ROWELL: Well, this is when Limerick becomes too
22 radioactive to keep in operation.

23 MEMBER OF AUDIENCE: Then what do we do?

24 MR. ROWELL: Pour concrete over it and leave it for
25 a million years.

1 Recent analyzes of materials -- this is reported in
2 the October, 1985, Atlantic -- you think I'm kidding?

3 MEMBER OF AUDIENCE: I believe you're serious.
4 That's what's so funny.

5 MR. ROWELL: You think it's funny?

6 JUDGE MATUSCHAK: Sir, make your statement. I don't
7 want any exchanges.

8 MR. ROWELL: This is in the Atlantic Magazine,
9 October and November. There is a discussion of the de-
10 commissioning of reactors and they have found two materials
11 which will be so radioactive at the end of a million years,
12 nobium and one of the nickle elements that they will be too
13 hot to handle without manipulators.

14 MEMBER OF AUDIENCE: Thank you for the research.

15 MR. ROWELL: The discussion of the PBF-2, which is
16 the most advanced fusion hardware, which is being assembled
17 in completion at this moment at Sandia Labs was part of this
18 news release from Sandia National Laboratories, April 15,
19 1985.

20 First paragraph. Target experiments leading to the
21 ignition of the fuel pellet will be carried out on a powerful
22 accelerator, PBF-2, Particle Beam Fusion Accelerator No. 2,
23 beginning in 1988 as a collaboration among Sandia, Los Alamos
24 and Lawrence-Livermore Laboratories. Designed to deliver
25 100 trillion watts of power, PBF-2 is in its final year of

1 construction at Sandia. It's first test shot is scheduled for
2 January, 1986, which is now.

3 They expect to have, as it says, target experiments
4 in 1988.

5 Here is another picture of a drawing diagram of
6 PBF-2, which will will little pellets of sand dropping
7 through, ten per second, to be imploded, that is squeezed,
8 to give off neutrons and heat.

9 Thank you very much.

10 (Applause.)

11 JUDGE MATUSCHAK: Reverend Leath. Reverend Jeffrey
12 Leath.

13 Whereupon,

14 REVEREND JEFFREY LEATH

15 having been duly sworn, testified as follows:

16 REVEREND LEATH: Your Honor, I have come today to
17 fill what I consider a void in the moral voice of many in
18 this state. The matter of concern is not, therefore, the
19 propriety of nuclear power plants nor their safety. I am
20 not primarily concerned nor interested in all of the
21 technical battles which have gone before the Public Utility
22 Commission in years gone by. The particular success of the
23 shareholders gaining a higher return on their investment
24 or the overall profits of the utility aren't foremost in my
25 mind.

1 Rather, my concern is whether the government and
2 its agencies are dealing with the utility in a sensible
3 and a fair fashion. Without question this is not a popular
4 cause. Most voices sound forth the same question from the
5 other side: is the utility dealing with the ratepayer
6 morally.

7 Nevertheless, the Legislature has created an
8 environment where the utility is a victim and not merely
9 the victimizer. Consider, for example, the inability of the
10 utility to regain its investment in a new power plant before
11 the plant is in operation. This makes good political sense
12 and the populus enjoys lower temporary rates. In the long
13 run, though, the Legislature has not helped anyone except
14 the banks and other lending institutions, as the ratepayer
15 ends up paying for the plant plus the cost of borrowing.

16 This political end-around run has not only cost and
17 will not only cost the ratepayer more, but the burden to the
18 consumer is going to have a greater sudden impact.

19 The government is dealing with the utility legally.
20 This is not a question. But is government treating the
21 utility morally? This is the question which faces us when
22 we look at a situation where the government has told the
23 utility to build the plant, then told them they will not be
24 paid until the plant is complete and they will allow the
25 delay in the construction of the plant already approved.

1 When this Commission gives a utility the authority
2 to pursue a project it seems that the Commission also has a
3 moral responsibility to the utility to see the project
4 through to completion. The time for protest and dissention
5 is before authorization, not after authorization, not when
6 the company has proceeded in good faith and they are in
7 compliance with a plan for the best service of their customers.

8 For better or for worst, the consumer is forced into
9 a partnership with the utility for survival. Government has
10 aided and protected this monopoly for the sake of the
11 safety and the welfare of the public. As a mediator between
12 the interests between the public and the utility, the
13 Public Utility Commission is that entity which can ensure
14 a moral atmosphere for this very necessary relationship.

15 We are essentially partners. The ratepayers cannot
16 expect the utility to take all of the risk of investment
17 while we, through the PUC, have encouraged development. We
18 must recognize that whether we like it or not we are all in
19 this together.

20 The nuclear question has been addressed. The social
21 implications of increased rates have and will be considered.
22 But what now are our moral responsibilities?

23 The PUC made the best decision it could at the time
24 relative to the construction of the Limerick facilities. It
25 is now incumbent upon the Commission to support a project which

1 it in fact authorized and gave the utility the go-ahead
2 for construction.

3 If there are problems with profit margins and/or
4 management practices let those be considered in due course.
5 Look at each problem and make assessments of each according
6 to the merit of the case with an eye to equity. However,
7 I ask that you be mindful also of the path down which the
8 utility has been led.

9 Help us fulfill those commitments to both company
10 and public without regard to emotionalism and political
11 rhetoric. Beyond legal contracts we are, and you are in
12 particular, dealing with moral commitments that the public
13 has made to the utility as well as those commitments, both
14 present and future, which the utility has and will be making
15 to the public.

16 Therefore, I ask you to consider three points:

17 Firstly, I ask that you might consider and encourage
18 the Legislature to reconsider the folly of delaying
19 construction costs until the end of a project. This can
20 be little more than an immoral guise to sidetrack a pre-
21 approved project. We have to stand by and watch a fight
22 over a plant. Then we must watch a skirmish over whether to
23 pay for a plant that we have already approved through the PUC
24 and have already consented to even though there are those who
25 still disagree with its safety and merit. The point is the

1 decision has been made.

2 The Legislature should own up to those decisions.
3 They should allow us to pay for it in a reasonable fashion,
4 a fashion that is advantageous to the ratepayer not to the
5 vote-getter.

6 Secondly, the current decision ought to be made on
7 the basis of the commitment that we have made, the public
8 and also the Public Utility Commission, to the company
9 shareholders and ratepayers at the time at which this project
10 was started. To renege at this point is unconscionable.
11 When the PUC said yes to construction they were also saying
12 yes to paying a fair price for that construction.

13 And thirdly, the Public Utility Commission should
14 be encouraged to follow through on plans which have been
15 developed from this partnership between public and the
16 utility. We are joined together, the public and the
17 utility, by the PUC. If a decision has been made then we
18 ought to do it, we ought to follow through and complete
19 projects as expeditiously as possible. To do anything else
20 is not only unfair to the utility but is also unfair to the
21 public.

22 These moral decisions -- not legal, not business, but
23 moral decisions, a matter of commitments which are being made
24 and have been made -- ought to be considered in these delibera-
25 tions and ought to bear on future decisions made by the Public

1 Utility Commission.

2 (Applause.)

3 JUDGE MATUSCHAK: Carol Anne Doering.

4 Whereupon,

5 CAROL ANNE DOERING

6 having duly affirmed, testified as follows:

7 MS. DOERING: My name is Carol Doering. I'm a
8 housewife and mother and I live two miles from the Limerick
9 Generating Station.

10 I have watched, read and listened to reports of the
11 construction and now the testing of Limerick. It is having
12 tremendous success. PE has been given high grades and good
13 reports for the operation of the plant up to now, and I have
14 no reason to believe that they wouldn't continue to do the
15 same in the future since PE has operated all of its power
16 plants well, including Peach Bottom 1, which is retired, and
17 2 and 3.

18 Philadelphia Electric Company has never asked for a
19 rate hike this large before. But PECO has never been forced
20 into a position quite like this before. The PUC voted many
21 years ago that Limerick was in the best interests of the
22 consumer for our future energy needs. Because of this
23 recommendation PE went ahead with the construction of the
24 Limerick project.

25 When we buy an automobile we have two options or

1 financial choices. We may pay cash or we may borrow the
2 money. We could save a tremendous amount of money if we
3 could avoid the interest on a loan. And so it could have
4 been with PE. But they had no option other than borrowing
5 money.

6 Some states allow utilities to use small regular
7 rate increases to pay for the plant as it is being built.
8 This practice is called construction work in progress,
9 CWIP. The Pennsylvania Public Utility Commission does not
10 allow this. So as a result PECO has had to borrow money for
11 Limerick for 15 years at a high interest rate and has not
12 been permitted to pay back the loan until the plant is in
13 commercial operation. This amounts to approximately one-
14 third of the cost of Limerick, and about half of the cost
15 of those two units. Utilities don't make the laws but the
16 Philadelphia Electric Company must follow the PUC's
17 recommendations.

18 PECO is concerned about the customer and hopes to
19 make this increase a progressive increase over a three year
20 period, not all at once. It also has several means by which
21 they can meet the needs of the people who need assistance.

22 I, for one, want to see a secure energy future. If
23 PE has difficulty meeting their financial needs I do not
24 want to see the government come in and cause skyrocketing
25 costs for electricity. When the government stepped into the

1 AT&T and Bell Telephone issue, not because of financial
 2 reasons, the separation of these companies has caused my
 3 service to be poorer and my phone bill to be higher.

4 A recent report in the Reading Eagle of January
 5 15th stated that the bottom line for a utility and its
 6 customers is the safe generation of low cost power. In the
 7 case of Met Ed the return of TMI has meant pretty substantial
 8 customer savings.

9 It may mean an initial bite in the pocketbook of the
 10 PE consumer, but in the long term there will be a savings.
 11 As an officer of the Pennsylvania Voice of Energy, we stand
 12 for energy independence and a secure future for our
 13 country's energy needs.

14 (Applause.)

15 JUDGE MATUSCHAK: Theodore S. Fetter.

16 (No audible response.)

17 JUDGE MATUSCHAK: Theodore Fetter.

18 (No audible response.)

19 JUDGE MATUSCHAK: Denise Dickinson.

20 Whereupon,

21 DENISE DICKINSON

22 having been duly sworn, testified as follows:

23 MS. DICKINSON: Good afternoon. My name is Denise
 24 Dickinson. I'm a stockholder, a ratepayer. I'm a mechanical
 25 engineer that works for Philadelphia Electric Company and I

1 reside in Chester County.

2 As a life member of the Greater Philadelphia Chamber
3 of Commerce, I realize that adequate electricity and water
4 are two basic requirements for continued growth and
5 prosperity of the Philadelphia area. PECO for the last 15
6 years has been ensuring that this area will have adequate
7 electrical capacity. It's our turn to start to support that
8 effort.

9 An approximate nine percent increase in our electric
10 rates over the next three years is a small price to pay for
11 maintaining low unemployment, continued appreciation of our
12 homes and better living standards. I support the proposed
13 increase and realize that it is a good long-term investment.

14 Thank you for your time.

15 (Applause.)

16 JUDGE MATUSCHAK: Robert F. Mantey.

17 Whereupon,

18 ROBERT F. MANTEY

19 having been duly sworn, testified as follows:

20 MR. MANTEY: I am a senior citizen from this area and
21 I live in Delaware County.

22 My first comment is that the PUC is to be congratu-
23 lated for allowing Limerick 2 to be built. I'm sure it was
24 a difficult but necessary decision that was made even harder
25 because of all of the adverse anti-nuclear protesting by the

1 media, newspapers and TV.

2 PE needs adequate rates of return and the Limerick
3 1 rate base cost to reflect all of the Limerick 1 costs
4 incurred. PE did not cause some delays. PE did cause some
5 delays and so did others.

6 As a result of the Three Mile Island nuclear incident
7 a number of things happened. New government regulations and
8 over-regulating the demand for ever more and more equipment
9 in the name of safety increased the cost. The U. S. Nuclear
10 Regulatory Commission red tape, delays, long hearings, anti-
11 nuclear protesting delays, prison activated delays, all
12 helped to delay the plant operations and increase the cost
13 tremendously.

14 PE also caused some of the delays.

15 Without adequate rate base for Limerick 1 stock
16 dividends could be reduced or ended. PE would be hard
17 pressed to raise capital to build Limerick 2. Electric
18 reliability could be reduced.

19 On TV a few nights ago a distinguished U. S. Senator
20 made the remark, "Projections are always wrong." I understand
21 from reading a local newspaper that an economist had performed
22 a computer study that with the Limerick 1 rate increase it
23 could cost the region 19,000 jobs by 1989. Both the U. S.
24 administration and Congress, with their call on many economic
25 experts throughout the country, cannot even project costs

1 in effect even a year in advance.

2 Limerick 1 was built during times when inflation was
3 high and in some years there was double digit inflation. We
4 must now bite the bullet and pay for it. PE was not
5 responsible for the economy and what resulted.

6 Both Limerick 1 and, later, Limerick 2 will be good
7 for the environment and the ratepayer need for electricity.
8 We don't need more coal plants with its harm of the
9 environment and the air we breathe and the enormous problems
10 of disposing of coal burning wastes. Oil burning plants,
11 with oil however cheaper in the future, will also pollute
12 the air we breathe.

13 The Salem 1 nuclear plant in 1985 generated over
14 9 billion kilowatt hours and had a capacity factor of over
15 95 percent, which means it operated about 350 days, 24 hours
16 a day.

17 At the last PUC meeting in this room there was much
18 rhetoric against Salem because of downtime for repairs.

19 In conclusion, I, for one, am willing to pay the
20 so-called Limerick 1 30 percent increase in cost for elec-
21 tricity. I bought a new car in 1982. That same model car
22 in 1986 is up more than 30 percent. So much for projections.

23 Thank you.

24 (Applause.)

25 JUDGE MATUSCHAK: Schrader. I can't read the first

1 name. S-c-h-r-a-d-e-r.

2 (No audible response.)

3 JUDGE MATUSCHAK: John C. Todd.

4 Whereupon,

5 JOHN C. TODD

6 having been duly sworn, testified as follows:

7 MR. TODD: My name is John Todd. I'm an employee of
8 Philadelphia Electric Company. I'm a stockholder of
9 Philadelphia Electric Company. And I'm also a consumer of
10 the electricity produced by Philadelphia Electric Company.

11 Back 15 years ago when PE first began the construction
12 of Limerick, they did it with the approval of the Public
13 Utility Commission. When they entered into this project
14 they did it to ensure the availability of energy, to ensure
15 the economic stability and the potential for growth of this
16 area. Now that the plant is complete it is time for the
17 Public Utility Commission to approve the means for PE to
18 recoup the money invested in this project for the stockholders.

19 Thank you.

20 (Applause.)

21 JUDGE MATUSCHAK: Carlton B. Adams.

22 Whereupon,

23 CARLTON B. ADAMS

24 having been duly sworn, testified as follows:

25 MR. ADAMS: Good afternoon. My name is Carlton B.

1 Adams. I'm a resident of Yeadon, Delaware County.

2 What I'm concerned with today is, obviously, the
3 rate hearing, but in the larger scope of things my concern
4 is that as an area of the country we are guilty of being
5 short-term planning people. A direct example, if I draw
6 an analogy to the auto industry, the auto industry in the
7 United States got very comfortable with the way things were
8 and started building cars that were very inefficient and
9 very expensive. When new technologies were derived -- and
10 those technologies came directly from the United States --
11 they were overlooked because of the fact that they were not
12 concerned with the consumers because they knew that they
13 had customers.

14 What I'm suggesting to you is that if we look more
15 towards long-term planning and eliminate the short-term
16 planning in looking at what is cheap today rather than
17 what will be cheap in the long run, then we are not going to
18 be setting a good economic base for ourselves.

19 The Philadelphia Electric Company started planning
20 for Limerick 15 years ago. They did not start planning for
21 it recently. We never took into consideration that oil was
22 a depletable energy source because we did not look at the
23 long-term effects of the use of oil and the added use of
24 oil.

25 So what I'm suggesting to you that there is a

1 energy source that is readily available not only in this
 2 country but in other countries with which we do have good
 3 diplomatic relations, and we can use that source to more
 4 efficiently generate electricity to supply to you. We will
 5 not be using fossil fuels, which should be used for other
 6 things such as the production of pharmaceuticals, to
 7 generate electricity. I submit to you that that is
 8 wasteful.

9 I would also submit to you who have come up here
 10 and suggested that you deserve lower electric rates, I think
 11 that you have the wrong perception of what electricity is.
 12 Electricity is not a gift. It is not provided for you in
 13 the Constitution of the United States. You do not have a
 14 right to electricity, just like I can't walk into a clothing
 15 store and say I have a right to a \$500 suit. I buy it
 16 because I want it and I work for it to buy it. If you
 17 want electricity you have got to work for it to buy it.
 18 There is no guarantee that the prices will not go up.

19 The problem was the PUC said that Philadelphia Electric
 20 can build the plant but we are not going to pay for it now,
 21 we, the customers, will not pay for it now. That's like
 22 putting it on your charge card and trying to wait to pay for
 23 it for another, as it turns out, 15 years. Now, all that
 24 time, if you put something on your charge card and don't pay
 25 for it, you would be paying 18 percent interest for 15 years

1 and then you will have to pay for it all at one time.

2 What I'm saying is that if you had paid for it
3 all along you wouldn't have noticed it, just like the price
4 of bread which has been alluded to in several instances today.

5 I suggest that this rate increase be considered
6 strongly as a good alternative because these costs will have
7 to be incurred at some point. It is not necessarily up to
8 the shareholders to do that because the customers have a
9 responsibility also and that has to be allocated equally.

10 Thank you.

11 (Applause.)

12 JUDGE MATUSCHAK: Denise N. Yakonick.

13 (No audible response.)

14 JUDGE MATUSCHAK: Is she here?

15 (No audible response.)

16 JUDGE MATUSCHAK: David E. Merrick.

17 (No audible response.)

18 JUDGE MATUSCHAK: Berman Bowles.

19 (No audible response.)

20 JUDGE MATUSCHAK: George Oravez.

21 (No audible response.)

22 JUDGE MATUSCHAK: Kurt Grotz.

23 (No audible response.)

24 JUDGE MATUSCHAK: Walter Pozer.

25 (No audible response.)

1 JUDGE MATUSCHAK: William Bowers.

2 Whereupon,

3 WILLIAM BOWERS

4 having been duly sworn, testified as follows:

5 MR. BOWERS: Your Honor, thank you for the opportunity
6 to talk today. My name is William Bowers. I live in Chester
7 County, just over the Delaware County Line. I'm an engineer
8 for Philadelphia Electric Company and have been for 25
9 years.

10 Many of the points that I intended to make I thought
11 were made a lot more eloquently than I could by many of the
12 recent speakers, but I just want to relate something to you
13 that is very close to me in my memory.

14 Back in the '60s when all the utilities in the area
15 were having problems, the PJM interconnection was having
16 problems with capacity, I happened to be a representative
17 for some of the large customers in this area and I remember
18 many a night and many a day calling those customers up
19 and asking them to curtail their power. I don't know, for
20 those of you who haven't gone through something like that,
21 I don't know how you would feel about not being able to
22 use power when you want it. I know that some of the
23 industrial customers were rather upset; some of the large
24 commercial customers were rather upset.

25 I just hope that in my experience for the rest of

1 my career in the utility industry and, hopefully, someday
2 as a retiree that we don't have that same situation here
3 again in the Delaware Valley and in the area.

4 It has been alluded that costs have been going up.
5 I have several examples here. Many have made those examples
6 about how other items have gone up far more than electricity
7 and are continuing to go up far more than electricity has gone
8 up.

9 I think it's a wise investment to get the capacity
10 now so that in the future the recovery that we are now
11 enjoying here in the Delaware Valley, be it high tech, be it
12 whatever, if we can continue to enjoy that then our children
13 and their children can continue to live in a manner to which
14 we have become accustomed.

15 I hope that you will give this rate increase your
16 sincere consideration. Thank you very much.

17 (Applause.)

18 JUDGE MATUSCHAK: Jack Eliason.

19 Whereupon,

20 JACK ELIASON

21 having been duly sworn, testified as follows:

22 MR. ELIASON: My name is Jack Eliason. I'm from
23 Newtown Square and I represent two organizations: the
24 Newtown Square Civic Association and the Springton-Crum
25 Creek Conservancy.

1 There are two points that I wanted to make because
2 most every other point I wanted to make has already been
3 made before.

4 The one point is that I don't believe that the
5 environmental conditions have been considered enough as far
6 as the shortage of water and the quality of the water. We
7 are concerned because our water supply is tied in with the
8 Pickering Reservoir and Green Lane -- mostly Pickering. And
9 we are concerned about the fact that perhaps you could have
10 a TMI catastrophe there of some type and this would pollute
11 the underground water and we, in turn, the Philadelphia
12 Suburban Water Works pumps this water into Newtown Square
13 and other areas in Delaware County, Chester County and what
14 have you.

15 As a conservancy we are interested in whether there
16 has been an environmental impact done on this type of thing.
17 I don't know if there has been or to what degree. But we
18 feel this should be studied very thoroughly before you get
19 into any nuclear reactor, which is only 20 miles away, or
20 25 miles away, as the crow flies from Newtown Square,
21 Chester County.

22 So this is the number one concern.

23 Also, I think we should -- it looks like Philadelphia
24 Electric has gotten themselves into a bind with this Limerick
25 1 and Limerick 2. Perhaps they should study for their own

1 benefit where this has been effective and ineffective.

2 Now, nuclear energy was a big item 20 years ago.
3 This was supposed to be the answer to everything. They
4 experimented with it. They wrote a lot about it. They put
5 it in production in Pennsylvania. They had had accidents
6 with it and they are continuing to have accidents -- small
7 accidents, nothing as big as TMI.

8 But where has it been that successful to merit the
9 great cost compared to oil and coal and hydroelectric power.
10 As I understand it there are other companies in the country,
11 electric companies, that are making out very well without
12 nuclear. I will just name a few: Utah Power & Light, Nevada
13 Power & Light, Wisconsin Electric Company. Wisconsin Electric
14 last year, in 1984, they gave a rate decrease to their
15 customers. In '85 they gave a five percent rate decrease.
16 They had a nuclear facility which only cost them a very small
17 amount to produce. But then when they found that this wasn't
18 practical for them they squelched the other nuclear facility
19 that they were building. They figure it's not worth it to
20 get into nuclear costs that cost \$4,000 for a megawatt, or
21 however they measure it. I'm not too up on that. The
22 engineers from Philadelphia Electric and other engineers would
23 be more up on that. But it's very expensive to make them
24 compared to what it was 20 years ago. It's almost prohibitive
25 now.

1 Now, there must be dangerous attributes to this
2 facility because, for example, Sweden has no oil or no
3 coal, and yet they were very heavy on nuclear facilities
4 and nuclear power a few years back. That's all they were
5 building. Yet they realized that they were getting into
6 problems. So they either phased them out or eliminated
7 them in the future. They kept, I guess, what they had and
8 did what they could with them. But in the future they said,
9 well, no more, we just can't afford the costs plus the
10 health hazards, whatever they were, to the people of
11 Sweden.

12 Now, Sweden is 90 percent dependant on technical
13 manufacturing and high tech manufacturing, coal, steel --
14 they are in everything.

15 So I would think that the Public Utility Commission
16 should make a study of these areas and the past history,
17 these other companies that are making do without it, they
18 are making money, they are giving high dividends -- Wisconsin
19 has a 15 percent -- 15.6 percent -- return on their equity,
20 which is average or above, which is all an electric company
21 needs or at least can justify. Let's really find out whether
22 the health hazards and so forth and the high costs merit this
23 Limerick 1 and Limerick 2 -- or if the Limerick 1 has to be
24 built than the Limerick 2 perhaps should be squelched.

25 Thank you.

1 (Applause.)

2 JUDGE MATUSCHAK: Helene Greenstein.

3 Whereupon,

4 HELENE GREENSTEIN

5 having been duly sworn, testified as follows:

6 MS. GREENSTEIN: My name is Helene Greenstein. I
7 have been a resident of Limerick for the last 23 years and
8 now I'm living in Wallingford.

9 I have been involved with this issue since 1971,
10 but I'm not going to go into the hazards of nuclear power.
11 I want to address what the real issue is, and that is whether
12 there should be a rate increase or not.

13 I just feel -- I am a business person and I have
14 very high fixed overhead. I do the additional cost of
15 electricity where I cannot shop around and get competitive
16 prices. I'm tied in to accept that which is -- what I have
17 to pay for by the electric company because there is only
18 one.

19 I feel that I just have to be here and say that I
20 am against the rate increase. I will have to pass on the
21 cost of the additional electricity to my customers and I
22 feel in manufacturing and industry they, too, will have the
23 additional cost of electricity in producing their products
24 and therefore that too will be passed on to the public. So
25 we will not only be paying more money for our electric, but

1 you will be paying more for your products and for your
2 services.

3 Thank you very much.

4 (Applause.)

5 JUDGE MATUSCHAK: Ray Rudich.

6 Whereupon,

7 RAY RUDICH

8 having been duly sworn, testified as follows:

9 MR. RUDICH: My name is Ray Rudich. I have a Masters
10 in Business Administration. I operate a life care community.

11 In January the Social Security increase was 3.1
12 percent. I can't see keeping my operation going if I have
13 to take another rate increase at our facility.

14 As a person trained in management I offer to the
15 PUC to please look into the cost of administration of PECO
16 and other costs as compared to other industries and companies.
17 They have the highest wages. They have no caps on anything.

18 I am in the process of doing my annual budget. Our
19 electric costs have skyrocketed every year. It's the highest
20 increase I have in anything.

21 We are government regulated in the health care
22 industry severely. We have a cap on administrative costs.
23 We have caps and ceilings on everything. I can't go to my
24 people anymore for an increase. It's impossible. They do
25 not have the money.

1 Business people have to have electricity, and at
2 reasonable rates. The PUC should see that the cost of
3 PECO is kept down administratively, supply-wise. They
4 have a monopoly.

5 I didn't hear any negotiation about wages or
6 wage strikes ever with PECO because they always get their
7 wage increase. I had to negotiate four months with the
8 union just to stay in business with my increase with the
9 union. PECO has never took a cut in wages or gone without
10 a rate increase in their salaries. Their administrative
11 staff keeps increasing.

12 They don't need it. They have ways they can cut.
13 And I suggest that the PUC do a study why PECO is the most
14 costly electricity in the whole United States.

15 Thank you.

16 (Applause.)

17 JUDGE MATUSCHAK: Marie Hosler.

18 Whereupon,

19 MARIE HOSLER

20 having been duly sworn, testified as follows:

21 MS. HOSLER: I'm Marie A. Hosler. I'm a resident
22 of Nether Providence and an elected Commissioner of Nether
23 Providence.

24 I oppose the rate increase as it is unfair to the
25 consumer and that it gives too great a return to investors

1 compared to other stocks, especially when utility stocks
2 have tax advantages. I want the PUC to investigate the
3 following before giving any increase:

4 One, production efficiency of PE. Can it be
5 improved instead of an increase?

6 Two, maintenance costs of all equipment versus
7 new equipment. Which is the most cost-effective? Would
8 it be better to repair rather than replace?

9 Three, collection of delinquent payments versus
10 rate increases. How diligently are they going after
11 delinquents? Could it be done better in order to avoid a
12 rate increase?

13 Four, the real rate of investment return, including
14 the tax advantage for the investor.

15 Five, the feasibility of co-generation from Delaware
16 County's solid waste. Right now Delaware County is having
17 a problem with their solid waste. They are looking into a
18 solid waste plant and I would like the PUC to investigate the
19 possibility of PE using some of the solid waste for the
20 generation of electricity.

21 Six, the feasibility of Philadelphia Electric using
22 solid waste in place of oil or nuclear energy. Would that
23 be more cost-effective?

24 Seven, the cost per kilowatt hour of electricity
25 generated by oil versus the cost per kilowatt hour of

1 electricity generated by nuclear energy. Which is the most
2 cost-efficient way of generating electricity?

3 Eight, the PE management projection figures for
4 future use. Are these figures for increased capacity
5 correct? Can they be pared down? What are they based on?

6 Nine, the possibility of expanded off-peak service
7 for their customers instead of new building expansion.
8 Is expansion really a needed priority?

9 Ten, the impact of rate increases on the consumer,
10 who will be forced to use less electricity because of the
11 increase, thereby increasing the demand for increased
12 expansion. If they use less they will not need the expansion.

13 As an elected official, I am concerned with the cost
14 of electricity for our street lights. I think that the rate
15 charged for pole light maintenance, installation and electricity
16 is unfair and want the PUC to investigate this particular
17 rate structure. The municipalities using PE have been
18 paying too high a rate in proportion to the rates PE charges
19 for other uses.

20 So I would wish that the PUC would review the overall
21 rate structure that is in effect at the present time and see
22 if it can be made better.

23 Thank you.

24 (Applause.)

25 JUDGE MATUSCHAK: A. L. Padula.

1 Whereupon,

2 A. L. PADULA

3 having been duly sworn, testified as follows:

4 MR. PADULA: My name is A. L. Padula. I'm a
5 consulting engineer. I live in Yeadon. I worked for
6 44 years and retired from the Corps of Engineers, U. S.
7 Army. I have already devoted 16 years helping senior
8 citizens, and when I say helping senior citizens I'm the
9 kind of fellow that makes out all their forms, their rebate
10 forms, their pay forms, their income tax forms, at no
11 charge because I know many of these senior citizens are on
12 low fixed incomes and they can't afford it.

13 I remember very well back when I was with the
14 Army engineers and we built a lot of retention reservoirs
15 and dams. They are still out there. And at that time
16 we thought of making them hydroelectric, and I can also
17 tell you there was an awful big lobby to keep electric out
18 of those reservoirs. I don't have to tell you who those
19 people were, but they were there, from Washington, from the
20 state and from many, many utility companies. They do not
21 want low electrical costs.

22 You people can remember the Tennessee Valley
23 Authority, which was started years ago, all hydroelectric.
24 It was very economical. It still is economical.

25 About 20-some years ago, like everybody else, they

1 thought they would have to have something new. Nuclear
2 came on the scene. Everybody and their brother jumped on
3 the wagon. That's the way it goes. And I can say that they
4 even fooled the federal government because they were using
5 figures, small cost projected figures, of what these plants
6 were going to cost. They didn't have the slightest idea
7 what had to be put in a nuclear plant. Everything they just
8 figured, well, that's close enough.

9 And with that feeling nuclear power, let's say,
10 gripped the nation and many, many nuclear plants were
11 planned throughout these United States. All one has to do
12 is look over how many of them have been scrubbed out because
13 that is not the way to go.

14 Now, here we have right in our valley here PE
15 Company. To give a little background, I'm an investor. I
16 have stock and yes I'm very happy to receive the premiums
17 they pay on the stock I have. But I can tell you that their
18 rates aren't right and I say that for any investor in PE
19 Company or any company if it isn't wise take the loss and
20 get out and change to another company. That's what you do.
21 You just don't perpetuate something that's going on wrong.

22 Right now what we need here -- let's say a parallel --
23 is we need a Chevrolet. I don't need a Cadillac. What we
24 are building here is a Cadillac that is going to have such
25 capacity.

1 Now, they project that. Will they, by agreement,
2 if they project a certain capacity and when the time comes
3 they only use half of that -- now, get that point, half --
4 would they reduce the rates 50 percent? No. They are still
5 going to charge it to the high rate of somebody's projection.

6 Now, I heard an awful lot of comparisons here about
7 the price of bread went up and you go in the store and you
8 got to pay for what it is. But let me tell you, if you're
9 talking about stores or places where you buy things, there
10 are many, many of them. We are a captive group. We have
11 only one electric company here. What can you do? You
12 can't go anywhere else.

13 Now, I think what should be done is what happened to
14 the telephone company. You've got a monopoly here. We
15 ought to break up this company. We ought to bring people
16 here who can generate electricity, even if it is the
17 federal government, and not leave it in the hands of one
18 group.

19 I know this sounds terrible to all these people who
20 work for PE Company but it wouldn't be too bad because I
21 heard that people are engineers and they are this and they
22 are that. If you're engineers and this and that you can get
23 jobs with somebody else, not necessarily PE Company.

24 You're all worried about your jobs and you rightfully
25 should be, and I can tell you -- before I say that, I'm

1 77 years old. I've seen an awful lot of things go down the
2 pike and over the dam and I've seen many, many companies
3 come and go. And I don't know why we, of this valley, have
4 to subsidize the PE Company. Let them stand on their own
5 and stop gouging the costs of these things to the senior
6 citizens who can't afford it.

7 Thank you.

8 (Applause.)

9 JUDGE MATUSCHAK: Marie W. Inslee.

10 Whereupon,

11 MARIE W. INSLEE

12 having duly affirmed, testified as follows:

13 MS. INSLEE: I'm Marie Inslee and I live in Downingtown,
14 Chester County, and I see many faces that I've seen at
15 earlier hearings through the years.

16 And I say that we are all together and we are walking
17 on the edge of the precipice. I didn't expect today to talk
18 about the dangers of nuclear energy because I thought that we
19 were talking about the rates. There are immeasurable rates
20 which we are going to pay through the years because we don't
21 know what we have created, and there isn't a PhD. or an
22 electrical engineer here who could deny this because we have
23 the future to deal with. And we don't have any projections
24 as to what we have created.

25 Now, that's just prologue. I know you're all tired

1 and I earlier wanted to take a census here and say would all
2 the stockholders of PE and also the people working in
3 Philadelphia Electric -- although you took the day off,
4 bless you that you took the time out to come here -- but
5 it's too late to ask a question like that.

6 It is a moral issue and you have a tremendous
7 responsibility to all of us.

8 The prologue is that you have decided -- Linda
9 Taliaferro has said that the delays in building Limerick
10 they are not the fault of Sierra Club or any of the other
11 groups that are concerned about your lives and my life,
12 but the financial concern of Philadelphia Electric Company.
13 So and in delaying two delays, according to Linda Taliaferro,
14 the question of the prudence of the delays is closed. But
15 it was a substantial concern.

16 And I'm glad that Philadelphia Electric looks into
17 the financial problems of this country, and I'm glad that
18 you follow policies of thrift, and I'm glad that I have a
19 chance at free enterprise and using my own creativity and
20 making my own money if I have to two. two jobs -- and I have
21 heard many people say that that's how they are making it.

22 So that is prologue.

23 It's also astonishing to me, and I spoke to someone
24 from your company outside the door, that you have cancelled
25 18 working -- you have agreed that Philadelphia Electric

1 should cancel 18 working oil-fired plants. I can't imagine
2 the original cost of those plants.

3 Now, let me say when I affirmed that I would tell
4 the truth, I have read these things and I have the sources.
5 I was told today that those plants only produce 20 percent
6 efficiency. But I have seen a 75 year old locomotive that
7 is well oiled and painted and working.

8 And I don't know the difference between restoring
9 plants and tearing everything down and starting over in the
10 billions.

11 I thank Bob Anthony for his endless strength and his
12 high intelligence and his research because if you want to know
13 what's happening you ask Bob Anthony. If you don't want to
14 know and you get shaky hearing what's happening don't ask
15 him and don't do your own researching into what the atomic
16 age is doing to us. Don't find out.

17 And we can say of the '80s it's a period of arrogance,
18 apathy and ignorance. Arrogance, apathy and ignorance.

19 Now, what all of us need to do is get wise. And it
20 isn't just looking in books or looking at statistics. It's
21 believing that many Norman and Majorie Aumont and their
22 studies should have been included in the nuclear records that
23 were accumulated for TMI, and they were ignored. And there
24 are people dying of colon cancer today.

25 The prediction was that perhaps in ten years somebody

1 would find the symptoms. Well, there are people who have
2 died in five years after they were in the windflow.

3 We don't know everything. And as a Sierra Club
4 member I think that we should realize this and we should have
5 reverence and we should admit our ignorance and start from
6 there to find out what it's all about.

7 I would ask the PUC to rescind that order. If those
8 plants are working right now and there's a breakdown of
9 Limerick -- none of us wants to talk about a real accident --
10 I went through the TMI accident. I was 90 miles away and
11 I walked out in the beautiful air that night and took a
12 deep breath and suddenly I realized that wind was coming from
13 Harrisburg.

14 We don't know what's happening to us on these
15 issues.

16 To speak to points of thrift, our David Barsch,
17 consumer defender or advocate or whatever, has said that
18 we shouldn't be charged \$600 million -- I can't get used
19 to these figures. You put a B in front of it and it's much
20 higher. It's beyond our comprehension what we are doing.
21 It's beyond our comprehension what we are spending. And
22 what we are getting for it is peril.

23 I don't believe Pennsylvania is going to have a
24 tornado and blow down the cooling towers. But I think Bob
25 Edgar is a brilliant man -- what am I saying -- I think

1 Bob Edgar is a brilliant man, but I meant Bob Anthony.
2 I think Bob Anthony is looking into the possibilities
3 which none of us want to deal with.

4 You have apparently in building these plants made a
5 mistake, a \$900 million mistake. I blame the federal
6 government too.

7 But when you say -- one came up here and said
8 electricity isn't free. If you want to get on a treadmill
9 and pound it out with a bicycle it can be done, but it
10 won't be very much help -- maybe lighting a flashlight.
11 That young man who came up here and said that we have
12 to pay for our electricity is absolutely right. But what
13 we are paying is another question.

14 The federal government has launched you, as Queen
15 Isabella launched Columbus with three ships to come across
16 the ocean. The nuclear industry has been financed by the
17 federal government to the tune of \$86 billion -- \$86 billion.
18 So you were given a gift to start this nuclear industry,
19 and the nuclear industry leads into uranium bombs, which is
20 a delightful thought for all of us to deal with because we
21 are going to have to deal with it.

22 And as many side issues that have come up today,
23 there aren't any side issues. They are all related and
24 they are all profound and there is no room for laughing about
25 any single person and what he says because these are all

1 our problems.

2 So, of course, we should pay for our electricity
3 and, of course, there may have to be a rate increase. But
4 apparently for the poor suffering hard working 12-hour-a-day
5 fathers and mothers and all the rest who are working to
6 survive the suggestion is a \$133 million increase might be
7 a more fair figure.

8 It's very late but I feel that I have to say that
9 the utilities and the PUC are for us, just as your minister
10 is for you or your pastor. And if you ladies bake a pie
11 because your minister is coming to dinner, don't forget
12 that that man has dedicated his life to you. He is your
13 servant. He is your pastor of his flock. He is ministering
14 unto you. And a utility is serving the public or it would
15 not exist.

16 It has served us. I live out in the woods and
17 trees have fallen down and PE has come out and cut those
18 trees up for us. They spent four hours once taking down a
19 magnificent chestnut. I regret that they did it, but they
20 did it willingly. The chestnut stood there bleached in the
21 sun for years. It was much older than I am. I would never
22 take it down now because it was a magnificent structure.

23 The point is Philadelphia Electric has been serving
24 us, but don't stop. And don't stop measuring your 30 year
25 old Limerick plant. What is going to happen when that is

1 so radioactive that you have to bury it, when you have to
2 break it up, smash it up -- how you're going to do it I
3 don't know -- and cart it away? And where are you going
4 to take it? And then still bury what is so radioactive
5 underneath.

6 I think the room snickered and laughed when someone
7 here said it would be a million years. The time back to
8 the pyramids. That's what we need to save ourselves from
9 plutonium and its faults.

10 So I want to make a constructive suggestion. You
11 go into alternative energy sources, Philadelphia Electric.
12 You find out about wind farms because the reason they have
13 failed is that the government didn't subsidize it. You go
14 to Washington and ask for subsidies. Don't laugh.

15 The west has working farms. NASA, who brought the
16 men home after a couple of days of cloudy weather, NASA
17 predicted that we in this country can get a third of our
18 electricity from wind farms. It's so easy. It's too
19 easy. We have to spend billions of dollars to boil water.

20 Now, don't let us down. Thirty years you have to
21 find another technology and let's have a \$133 million
22 rate hike.

23 Bless you all.

24 JUDGE MATUSCHAK: Is there anyone else who wishes to
25 be heard in this matter?

1 MEMBER OF AUDIENCE: One statement. One nuclear
2 reactor will give in one year enough plutonium to make
3 five million bombs.

4 JUDGE MATUSCHAK: Do you want to make a statement?
5 If you want to make a statement come here and I'll swear
6 you in.

7 Whereupon,

8 EDWARD ORR
9 having been duly sworn, testified as follows:

10 JUDGE MATUSCHAK: Give us your name, first, for the
11 reporter.

12 MR. ORR: Edward Orr.

13 I would just like to suggest that the peril to our
14 society is not radiation but dollars. Around nuclear
15 plants they have large yellow and orange signs which proclaim
16 a radiation hazard. I suggest that maybe they should have a
17 large dollar sign.

18 The other point that I would make is about recovering
19 costs in advance of delivery of services. If an automobile
20 company builds a plant they do not recover any of the cost
21 of that plant from buyers of automobiles until that automobile
22 is delivered to the customer.

23 Thank you.

24 JUDGE MATUSCHAK: Anyone else?
25

1 Whereupon,

2 CHARLES MOORE

3 having been duly sworn, testified as follows:

4 JUDGE MATUSCHAK: Give us your name.

5 MR. MOORE: Charles Moore.

6 There's not very many people left here. I was here
7 just as well as a lot of you at the inception here.

8 I work for Philadelphia Electric Company. I've
9 worked all my life. I've raised my family. I've paid my
10 debts. I paid my dues just as well as everybody else.

11 I have a mother-in-law that lives with me. She's
12 on Social Security. I see what she gets. God forbid that
13 she would have to be by herself and pay the debts with what
14 is given to her every month.

15 So if somebody says PE Company employees aren't
16 worried about what's going on in life, we are. I have sat
17 down many a night and tried to figure out just what is
18 going on, where are we headed. And you know what I finally
19 come to the conclusion? That these gentlemen up here won't
20 go away from here tonight just figuring out a rate case for
21 Philadelphia Electric Company. They will go away from here
22 tonight figuring out how much of the cost of the American
23 system the people are willing to pay.

24 Thank you.

25 (Applause.)

1 JUDGE MATUSCHAK: This is your last opportunity. Is
2 there anyone else? I ask you once again.

3 Whereupon,

4 ANN TAYLOR
5 having been duly sworn, testified as follows:

6 JUDGE MATUSCHAK: Give your name.

7 MS. TAYLOR: Ann Taylor.

8 I have only one thing to say, and that is that the
9 electric company is a monopoly. All companies, all
10 businesses, have a moral responsibility to everyone, every
11 citizen. But the electric company, being a monopoly, has
12 more so of a responsibility to every citizen.

13 I heard the comparison about buying bread, cars and
14 other things. There are more than one company baking
15 bread. I can make my own bread. I don't really have an
16 option about electricity. It's use or don't use.

17 The other thing I feel strongly about is that if I
18 do use electricity -- and I'm not too worried about myself
19 because I can afford electricity. It's not a terrible
20 hardship for me at this point. But for those who can't and
21 for those who try to do with less, whether it's less electricity,
22 less gas or whatever it may be, that is the people I worry
23 about; and even when you use less electricity you are still
24 paying the same amount of money. You can go down to your
25 barest minimum and you're still paying an enormous amount

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of your income.

1 And I fear that we have lost our feeling of morality
2 towards our fellow man.

3 I'm definitely against nuclear energy. In some of
4 the testimony they talk about this building sitting around
5 for 15 years. How can we project -- we can't -- we cannot
6 project anything with certainty. I'm sure that the electric
7 company in their wildest dreams probably did not think they
8 were going to sit around for 15 years. That was not their
9 intention when they built it. But yet it happened and there
10 are so much of the unknown in our everyday life. We have
11 to work with that.

12
13 But we have to feel a moral responsibility to our
14 fellow man, and especially if we are in a business that is a
15 monopoly.

16 Thank you.

17 (Applause.)

18 JUDGE MATUSCHAK: Does that conclude the hearing?
19 Is there anyone else? Now, this is your last opportunity.

20 (No audible response.)

21 JUDGE MATUSCHAK: Very well. Having had the
22 opportunity of hearing all of those who gave their comments
23 here we want to thank not only those who came to express
24 their opinions and concerns but we want to thank all those
25 others who did not speak but who came here to become more

1 educated and to be able to view the situation in a more
2 intelligent manner.

3 So we want to thank all of you who have been here
4 today for your kind and considerate respect for the
5 opinions of other members of your community here. We are
6 very well pleased that you were orderly in your demeanor
7 and your conduct here today.

8 And last but not least I want to thank the county
9 officials here in Media, Delaware County, for having provided
10 a space where your concerns could be expressed.

11 The record of those who spoke, those who gave their
12 concerns, will be a part of the record in this case the
13 same as any other of the more technical details of the
14 case.

15 Thank you.

16 (Whereupon, at 4:55 p.m., the hearing was concluded.)
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C E R T I F I C A T E

1 I hereby certify, as the stenographic reporter,
2 that the foregoing proceedings were taken stenographically
3 by me and thereafter reduced to typewriting by me or under
4 my direction; and that this transcript is a true and accurate
5 record to the best of my ability.
6

7
8 COMMONWEALTH REPORTING COMPANY, INC.

9
10 By: Robert J. Stonaker
11 Robert J. Stonaker
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