November 7, 1997

BY HAND

James McNulty, Prothonotary
Pennsylvania Public Utility Commission
North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

PESCO Energy Company
Docket No. R-00973953

Dear Mr. McNulty:

Enclosed please find for filing three (3) copies of a Certificate of Service evidencing service of Enron Energy Services Power, Inc.'s Responses to Senator Vincent J. Fumo's Interrogatories, Set IV.

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

Michael D. Klein

JLG/mas
enclosure
cc: All Parties on Certificate of Service
Daniel Clearfield, Esquire
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

PECO Energy Company

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CERTIFICATE OF SERVICE

I hereby certify that I have on this 7th day of November, 1997, served a true copy of the foregoing Responses to Senator Vincent J. Fumo's Interrogatories, Set IV, on behalf of Enron Energy Services Power, Inc. upon the participants, listed below, in accordance with the requirements of 52 Pa.Code § 1.54:

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Attorney for Enron Energy Services Power, Inc.
November 7, 1997

James J. McNulty, Acting Prothonotary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: PECO Energy Company's Application for Approval of its Restructuring Plan and Joint Petition for Partial Settlement, R-00973953; Petition of Enron Energy Services Power, Inc., for Approval of an Electric Competition and Choice Plan and for Authority Pursuant to Section 2807(e)(c) of the Public Utility Code to Serve as the Provider of Last Resort in the Service Territory of PECO Energy Company, P-00971265

Dear Mr. McNulty:

Kindly accept for filing the original plus nine copies of New Energy Venture's Direct Testimony of David M. Boonin to be filed in the above proceedings.

A copy of this document has been served on all known parties in this proceedings. A Certificate of Service to that effect is enclosed. Certain of the exhibits (Exhibits DMB 8 and 9) contain information subject to a confidentiality agreement. The service copies do not include these exhibits. Parties who desire copies of Exhibits
DMB-8 and 9 may obtain them from the undersigned upon PECO's confirmation that they have executed appropriate confidentiality agreements.

Sincerely,

Joseph A. Dworetzky

JAD:kbs
encl.
c: Certificate of Service
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company's Application
for Approval of its Restructuring Plan
and Joint Petition for Partial Settlement

Petition of Enron Energy Services Power, Inc.,
for Approval of an Electric Competition and
Choice Plan and for Authority Pursuant to
Section 2807(e)(c) of the Public Utility Code
to Serve as the Provider of Last Resort in the
Service Territory of PECO Energy Company

CERTIFICATE OF SERVICE

I hereby certify that on November 7, 1997, I served a true and correct copy of the
Direct Testimony of David M. Boonin as indicated, upon the following counsel.

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The Honorable Marlane R. Chestnut
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Date: November 7, 1997
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company's Application for Approval of its Restructuring Plan and Joint Petition for Partial Settlement

Petition of Enron Energy Services Power, Inc., for Approval of an Electric Competition and Choice Plan and for Authority Pursuant to Section 2807(e)(c) of the Public Utility Code to Serve as the Provider of Last Resort in the Service Territory of PECO Energy Company

DIRECT TESTIMONY
OF
DAVID MAGNUS BOONIN

Regarding Strengths and Weaknesses of Enron's Choice Plan And Alternatives to the Pending Proposals
Q. Please state your name, title and business address.

A. My name is David Magnus Boonin. I am a principal of N.E.V., LLP doing business as New Energy Ventures, Mid-Atlantic. My business address is 1845 Walnut Street, Suite 2525, Philadelphia, PA 19103

PRIOR TESTIMONY

Q. Have you previously testified in these proceedings?

A. Yes. I submitted testimony in connection with PECO's initial restructuring plan. My testimony was captioned NEV Statement No. 1. My qualifications were described in Exhibit DMB-1.

Q. Briefly summarize the central focus of your prior testimony.

A. In my prior testimony, I focused the relationship between estimates of the future market price of generation and the calculation of stranded costs and the setting of CTCs and generation credits.

I pointed out that an underestimate of the future market price of generation would lead to an overestimate of stranded costs, which would in turn lead to an inflated CTC. I described how an inflated CTC would interact with the statutory rate caps to produce (as it did in PECO's original restructuring proposal) an artificially low generation credit. Finally, I pointed out the serious problems that resulted. Under those circumstances there would be an over recovery of stranded costs, and the artificially low generation credit would stifle competition. The
combined impact would be devastating to the achievement of the goals of the Competition Act; customers would be forced to make an excessive payment for stranded costs and not even receive the benefits that were to be the quid pro quo for a just and reasonable level of stranded recovery.

Q. Did you propose a solution?

A. Yes. I pointed out that the problems described above largely result from the fact that the future price of energy is currently unknown and subject to many, many uncertainties. Because of these uncertainties, to the extent that a restructuring plan is based on predictions of the market price of electricity over a multi-year period, there is a high degree of risk of error. As noted above, if the error is in under-estimating the future market price of generation, the consequences may be disastrous.

I went on to suggest that a restructuring plan could eliminate this risk if it contained a mechanism to “correct” inaccurate estimates of the future market price of energy. One way to accomplish this result would be through a variable CTC, that is, through a mechanism that would automatically adjust the CTC (and the generation credit) from time to time depending on the actual market price of energy.

Q. Does your prior testimony remain relevant to the matters currently pending before the Commission?

A. I believe that it does. The variable CTC mechanism I proposed responded to the problem by addressing its cause: the problem of “locking in” energy assumptions
for a multi-year period. Both the PECO Proposal and the Enron Choice Plan (the
"Enron Proposal") fix the level of CTC recovery - and cap generation credits - for
ten year periods. The structure adopted by each proponent necessarily risks the
problems I noted in my original testimony. While the level of risk is vastly
different in the two plans, there is still risk attendant to each.

Because of the seriousness of this risk - and its irreversibility - I believe the
Commission needs to very carefully probe the components of each proposal and
be certain that all fixed components are thoroughly appropriate.

THE ENRON PROPOSAL

Q. What is your general impression of Enron's Proposal?

A. As a general matter, the Enron Proposal demonstrates the range of possibilities
that the Commission must consider. The Proposal demonstrates, as did the
testimony of Steven Mitnick, that the PECO Proposal is not the best that can be
done for consumers. Indeed, Enron has vividly illustrated that the CTC income
stream contemplated by the PECO proposal is far in excess of what is needed to
provide PECO $5.461 billion in stranded cost recovery.

The Enron Proposal also demonstrates the creativity and innovation that
competition brings. Enron has stepped to the plate with more than just analysis
to demonstrate what can be done to improve the PECO proposal and actually
offered to replace PECO as the provider of last resort.
Q. What are the specific strengths of the Enron Proposal?

A. There are several notable strengths of the Enron Proposal compared to the PECO proposal. These include:

1. greater rate decreases and consumer credits in early years which have a better chance of allowing competition;
2. a true-up mechanism to protect against the overcollection of ITC based upon load growth;
3. the development of class tariffs which do not diverge in the area of customer credits as do the tariffs in the PECO proposal;
4. the inclusion of a specific proposal to allow for MBIS services to be provided by licensed providers;
5. inclusion of the concept that someone other than the incumbent utility can be the provider of last resort.
6. the elimination of the discriminatory pricing provisions included in the PECO proposal.
7. the establishment of more reasonable standards of conduct.

Q. Please discuss the first strength.

A. The Enron proposal doubles the rate decreases offered in the PECO proposal. All else being equal, lower rates are better for consumers and the local economy. Pennsylvanians often pay more for utility service than they do for state or local taxes. For example, a typical utility customer could spend $1,000 per year for
electricity, $1,000 for gas, $600 for water and $500 for telephone service. If that person had a taxable income of $30,000 his state income taxes would be about $650. Assuming that this was all wage-related, Philadelphia wage taxes would be $1,500. If the person lived in a $60,000 house, city real estate taxes would be about $700. The total bite out of a household’s budget for utilities in this example is about $2,900, or just as much as his state and local taxes combined (excluding sales taxes). Utility rates are important to the regional economy.

The Enron proposal also allows for further rate decreases through choice in the early years of its proposal through a higher generation credit.

The Commission must keep in mind that the Act is about competition and that competition is what is to provide Pennsylvanians with innovation and savings. The Enron Proposal is marked improvement over the PECO Proposal which denies competition by setting the customer credit too low. Enron takes a large step in the right direction as it starts to produce more realistic credits to attract competition and stimulate choice.

Q. Please discuss the issue of true-ups.

A. The Enron Proposal, like the PECO proposal, bases its recovery of stranded costs on a no growth scenario rather than PECO’s officially filed forecasts of sales. However, Enron, unlike PECO, proposes to true with customers for any differences from actual values. As Mr. Mitnick testified, there is little chance that this will cost consumers and a high probability that it will save consumers a great deal of money.
Q. What do you mean when you state that the Enron Proposal avoids the "diverging" generation credits proposed by PECO?

A. As shown in Exhibit DMB-5, under PECO's tariff the generation rates for each rate class diverge greatly over time. Although there are many good reasons for a difference in the customer credit charged for different rate classes, the diverging of these costs, inter se, over time does not seem to be justified. Enron has maintained the interclass spread at a relatively constant rate. See Exhibit DMB-6. This approach more closely reflects market realities rather than antiquated tariff provisions.

Q. Why is the inclusion of MBIS in Enron's proposal a major improvement over the PECO proposal?

A. As discussed by Nancy Day of NEV in her testimony (NEV/ND-2), the unbundling of MBIS is critical to the development of the competitive electricity industry. Enron's proposal unbundles the services and allows customers choice for services which are not natural monopolies.

Q. How has Enron eliminated the problems of price discrimination present in the PECO proposal?

A. PECO asks to be allowed to charge any price which is below the generation cap at its discretion. This allows PECO, the so-called regulated monopoly, to set prices differently (i.e. different divergence from the cap) among classes and even, apparently, for individual customers. This approach is anti-competitive. Enron limits adjustments to a market based index.
Q. What is your opinion about Enron's Proposal to become the default supplier?

A. This is a move in the right direction. There is no reason why PECO must remain the default provider, particularly given the serious risk in this case of problems of market power. However, there is also no reason to limit the role of default supplier to Enron. This is discussed later.

Q. What is your opinion about the standard of conduct Enron has included as part of its Choice Plan?

A. Strong and meaningful standards of conduct are important to the development of this new market. Enron's explicit inclusion of standards is a positive step. The actual standards as presented are a good outline, but require significant fleshing out. The Commission should have a single standard of conduct for the Commonwealth. Enron's Proposal may be acceptable on an interim basis, pending the establishment of a final standard generically.

WEAKNESSES IN ENRON'S PROPOSAL

Q. Do you have any specific objections to the Enron Proposal?

A. Yes. Because Enron developed its proposal based closely on PECO's Proposal, Enron has carried over some of the problems of PECO's Proposal. Thus, while on the whole Enron has succeeded in significantly improving on the PECO Proposal, it has fallen short of a plan that accomplishes the full promise of the Competition Act.
Q. What are the principal weaknesses?

A. They are:

- excessive recovery of stranded costs;
- the allocation of certain costs to T&D rather than to generation;
- low generation credits especially in later years of the proposal;
- yo-yo rates; and
- the imposition of Enron as the sole default supplier.

Q. Please elaborate on your specific problems with the Enron proposal.

A. The first problem with Enron's proposal is that like PECO's proposal the rates as established (i.e., the ITC) collect more than the targeted level of stranded costs. Proof of this problem is the fact that in reducing the ITC income stream to present value of $5.461 billion the implicit discount rate is 9.66%. There seems to be no basis for this discount rate other than it produces the targeted amount of stranded cost recovery at a zero load growth assumption. As will be discussed in more detail, the discount rate used by Enron (like the rate proposed by PECO) is inappropriate for proposes of the analysis at hand.

Q. How is Enron's position on transmission and distribution costs inadequate?

A. It appears that for purpose of this filing, Enron has adopted PECO's position on T&D costs. As was demonstrated by the witnesses who testified for the Pennsylvania Electric Competition Coalition (the "Coalition") in earlier testimony, this figure is too high as it includes generation related costs.
This is important in and of itself to prevent the subsidization of generation by the entity collecting the T&D charges. It is further important as it acts as a basis for determining the "mini-cap" for generation (i.e., current rates less the T&D charge).

It is recommended that the Commission adopt the Coalition's position of a 2.75 cent/kWh T&D charge, while honoring Enron's approach for unbundling the charges associated with metering, billing and other non-wire charges.

Q. Please discuss your concerns regarding Enron's generation credits.

A. I believe that Enron's starting generation credit is still a bit too low. Numbers around 3.75 cents per kilowatt hour seem to better reflect current market conditions than the 3.48 proposed by Enron. This is approximately the conclusion reached by the Coalition witnesses based upon the estimates of PECO's own witnesses after adjustment to take into account all the costs related to retail delivery.

Further, Enron's figures seem to be too low in the outer years. It is important to remember that these figures are caps. If the cap is too low, everyone becomes a de facto prisoner of the default provider who may or may not be able to serve profitably at that rate. Although Enron's arguments about the long-term cost of new sources of electricity are interesting, the addition of these resources incrementally will not immediately bring the market clearing price down to their total busbar cost. Period ending caps approaching 4.5 to 5 cents are more reasonable than Enron's 4.16 cents per kWh.
Q. What are "yo-yo" rates and why is this a concern?

A. Yo-yo rates are when rates go down and up. Under both Enron and PECO's proposals the rate decreases which are given on the front end evaporate quickly. All things being equal, the Commission should look for sustained rate decreases rather than here today gone tomorrow rate decreases.

Q. Please discuss your concerns about having a single default supplier.

A. There is no reason that there should be a single default supplier. This only creates potential market power problems. After the Commission awards across-the-board rate adjustments, procurement savings will be limited to how well an EGS can beat this generation credit. This may not be enough of a catalyst to promote wide-spread choice. A pool approach to the default supplier issue could provide this catalyst. I recommend that the Commission develop a generic approach where the default supplier is developed through a pool approach. Such an approach would permit Enron, PECO (and other suppliers) to participate as the default supplier. This is even more important given the opportunity that securitization gives PECO to exercise market power.

Q. Do you have an opinion on some of the concessions included in Enron's Proposal?

A. Enron has basically adopted the major issues that PECO has in its proposal. These are: the expansion of the CAP, the extension of LILR and EDD discounts and the acceleration of implementation of competition. These are positive and should be continued. I do have several comments on these issues.
First, well designed CAPs have been demonstrated to be cost-effective ways of serving low-income customers. They save money. The expansion of the CAP to additional customers should enhance the bottom line of a utility. There is no cost here from current operations. CAP benefits must be portable if low-income customers are to be able to enjoy the benefits of competition. In addition, write-offs associated with CAP customers should be funded by the universal fund. This is not made clear in PECO’s or Enron’s proposal.

The law calls for a rate cap. This should apply to off tariff rates as well as standard rates. These benefits should also be portable. If the regulated monopoly has offered a discount to a customer, it should be applicable regardless of the customer’s chosen energy provider.

NEV supports acceleration of implementation. The phase-in should be completely eliminated after a shake-down operational period (e.g., the pilot). Phase-ins create more problems (who gets in and how) than they solve. They shift the responsibilities of choice from the market to the regulator, the antithesis of what should be occurring.

**COMMISSION ACTION**

Q. Based on your analysis, what should the Commission do at this point?

A. As I note herein, there are strengths and weaknesses to the Enron Proposal. On balance, the Enron Proposal is substantially preferable to the PECO Proposal and, if the Commission were required to accept one or the other, the Enron Proposal should be accepted. However, that is not the choice. The Commission has the
power and the duty to modify the pending proposals to achieve the public interest. For this reason, I believe that the Commission should reject both of the proposals in favor of modifications which fully achieve the public interest.

Q. What modifications do you mean?

A. In recognition of the Commission's power to modify settlement agreements and restructuring plans, modifications have been submitted by the Pennsylvania Electric Competition Coalition and MAPSA. Exhibit DMB-7 attached hereto provides a summary of the key components of:

- PECO's Proposal
- Enron's Proposal
- Coalition's Proposed Modifications
- MAPSA's Proposed Modifications

Q. Which of these should the Commission select?

A. In my view, of these four, the Coalition's proposed modifications represent an appropriate method for resolving these proceedings.

Q. Are there other alternatives?

A. Yes, the Commission has the tools to fine tune the proposals submitted by the parties.
FURTHER ALTERNATIVES

Q. Can you explain what you mean?

A. As I discussed earlier, if the Commission adopts a structure which fixes CTC and generation credits for a multi-year period (as do all the proposals on Exhibit DMB-7), it must be very careful in setting each of the specific components.

I suggest the Commission proceed as follows: First, the Commission should set reasonable T&D rates, being careful to strip out non-T&D costs to give the maximum room under the generation cap. Once the Commission has established an appropriate T&D rate, it should determine a reasonable strip of generation credits, recognizing that these are caps and that in a multi-year proposal the Commission should err to the high side of the number.

Once this has been done, the Commission can easily construct alternative structures. In this process there are a few key variables - primarily the level of sales (which should be adjustable) and the appropriate discount rate.

Q. Please discuss the variables.

A. Load growth has been discussed at length by the Coalition's witnesses and I will not repeat that discussion. I suggest that the Commission use PECO's IRP projection, subject to a sales true up as the Competition Act requires and as Enron has proposed.

Q. Please discuss the discount rate.
A. This has been a great source of discussion during the recent hearings. However, to date, the impact of securitization on the discount rate has not been addressed head on. Net present value is a simple concept. It can be used to compare a string of dollars paid over time to another string of payments over the same or different period, by recognizing the time-value of money. In this case one string of dollars is the revenues collected through the CTC and/or the ITC (adjusted for gross receipts tax). The other string is the stranded costs as of January 1, 1999, the start of competition. This string of CTC/ITC revenues needs to be discounted by the appropriate discount rate such that only the targeted level of stranded costs is recovered.

Two issues are worthy of note: when to start the discounting and what discount rate to use. Discounting starts in 1999 when stranded costs start. Until there is competition there is no stranded cost. Discounting must also reflect the reality that payments of ITC or CTC occur over the course of the year and not at the end of the year (as done by PECO, causing additional overcollection).

The other issue is setting the appropriate discount rate. There seems to be general recognition that an after-tax cost of capital is the appropriate discount rate. This creates a stream of payments which allows PECO to recover an amount equivalent to the return of the stranded costs. If the discount rate is supposed to reflect the after-tax cost of capital, then use of a discount rate of 8.72% (PECO's alleged discount rate) is incorrect. This rate is too high because it assumes a 12.2% return on equity, and because it does not reflect the savings associated with securitization.
The assumed return on equity is incorrect. In its initial securitization order, the Commission found that the appropriate return on equity was 10% rather than the 12% plus rate that PECO proposed. As a result of that change, the Commission determined that the appropriate after-tax cost of capital was 7.53%.

In addition, the after-tax cost of capital associated with stranded cost must be reduced to reflect the value of that securitization (i.e., replacing higher cost instruments with securitized instruments). I have calculated a discount rate of 6.50% based upon a $4 billion securitization, a 10% return on equity (per the Commission's order) and PECO's proposed capitalization structure. See Exhibit DMB-8. If the full $5.461 is securitized as Enron proposes, I calculate that PECO's after tax cost of capital is further decreased to 6.15% (even at a 12% return on equity this discount rate is only increased to 6.75%). See Exhibit DMB-9. The capital structure and cost elements are extrapolations from PECO's numbers.

Q. Did you adjust for gross receipts taxes?

A. Yes. An EDU must pay a portion of every dollar it receives as gross receipts tax. This means that dollars earmarked for an ITC must also pay the gross receipts tax of 4.4%. To make this adjustment it is necessary to divide the revenues received by 1.044. (PECO did this calculation incorrectly and instead multiplied by .956, which inflates the tax impact.)

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1 A more aggressive approach to discounting would be to use the after-tax cost of capital of securitization for the 100% discount approach. This yields a discount rate of 4.35% using the 7.5% securitization rate.
Q. With this information, how should the Commission proceed?

A. With these components in hand an ITC can be determined. A strength of the Enron proposal is that it maximizes the use of securitization. The Commission should allow for a QRO up to the maximum level of stranded costs as a way of minimizing rates. This should be reflected in the discount rate (e.g., the 6.15% I discuss above). The Commission has a long history of imputed capital structures which reduce a utility's cost of capital. The same thing should be done here.

I have produced five sample cases following this process. All cases use the IRP forecasted level of sales (true-up is permitted so the risk here is shared). All use a flat T&D rate. What varies is the discount rate and the level of rate decreases. The first two cases (DMB-10 and DMB-11) assume a 10% rate decrease throughout the period and discount rates of 6.15% (my base case for $5.416B of securitization) and 6.75% (assumes a 12% return on equity instead of the Commission approved 10%). Comparing these two cases shows a small change in the generation credit (usually less than a mil) and an offsetting change to the ITC. This indicates that this analysis is only moderately sensitive to changes in discount rates.

The next two cases (DMB-12 and DMB-13) assume an 8% rate decrease. Case 3 uses the same generation credits as Case 2, but a much higher (and wholly inappropriate) discount rate of 8.72 (the one assumed by PECO). Case 4 applies the benefits of the 6.15% discount rate to higher energy credits.
Case 5 (DMB-14) uses MAPSA's generation credit. Assuming the same level of stranded costs, the Commission would only be able to reduce rates by about 5.5%.

Q. What is the purpose of these 5 cases?

A. Neither the Enron plan nor the PECO plan is sufficient to fully achieve the benefits of competition and should be modified. These cases are not presented to promote a single answer but rather to illustrate a rational approach that the Commission can use in modifying the pending proposals.

Q. Are there any other variables?

A. All of the proposals contained in Exhibit DMB-7 are based on PECO receiving a stranded cost recovery of $5.461 billion. While it should be obvious, it is worth pointing out that $5.461 billion is an enormous recovery of stranded costs. The Competition Act provides that a utility is only entitled to recover a level of stranded costs which is just and reasonable under all the facts and circumstances. I believe there is a good reason for the Commission to consider whether a recovery of $5.461 billion meets that standard.

In my earlier filed testimony, I recommended the use of process which would periodically adjust the stranded cost calculation based upon current assessments of the value of generation. While I favor that approach as a general matter, given the direction taken in the pending proposals, the Commission may prefer to adopt an approach which fixes the components for a multi-year period.
There are many factors which the Commission can consider in making its just and reasonable determination. Among those factors, it would be appropriate for the Commission to reduce the $5.461 billion amount to recognize that the parties reached that number based on underestimating the market value of energy.

To the extent that the Commission changes the balance between the components by increasing generation credits, it would be appropriate for the Commission to decrease stranded costs from PECO's proposal.

Stranded costs should be changed by the difference in the net present value of the market value of generation. The appropriate discount rate for this analysis is the pre-securitization discount rate (e.g. the 7.53% previously established by the Commission). The value of generation should include marketing and customer related generation costs.

If the hypothesis is that PECO's Proposal has balanced the generation caps and level of stranded costs, it can be used as a baseline. If the Commission were to decide to establish a generation strip with an underlying net present value of generation greater than that set in PECO's Proposal, it should reduce the stranded cost by the difference in the two net present values of generation.

Q. When comparing cases, what should the Commission consider?

A. There are many variables to consider when trying to assess which approach provides the greatest benefits to customers (while still meeting all of the objectives). Many of these variables are offsetting or subsumed by other variables. A straight forward approach is available. Once you have established
that each case meets certain basic criteria (e.g. allows for competition, no cross
subsidization, complies with the caps), then the amount of consumer benefit may
be measured by the difference in total of rate decreases and the customer credit,
in net present value. Exhibit DMB-15 provides this type of an analysis first
comparing the Enron proposal to the PECO proposal and then comparing the
Case 1 example to the PECO proposal.

The Enron proposal is clearly better in the early years and worse in the later years
(negative numbers). In total, there is not much difference in nominal terms
although the Enron proposal is better. When net present value analysis is used,
the value of the Enron proposal comes forth. Even using the base discount rate
of 6.15%, Enron’s plan is $574 million better than the PECO plan. If a higher
“consumer” discount rate was used, Enron’s superiority would only grow as its
plan’s benefits are front loaded.

The clear winner is the Case 1 example. It is over $4 billion dollars better than
the PECO Proposal in nominal dollars and $3 billion better than the PECO
Proposal in net present value. These findings are consistent with the
overcollection of CTC found by Mr. Mitnick in his testimony for the Coalition.
(This benefit would be even higher had an adjustment been made to stranded
costs to reflect the higher assumed value of generation.)

It should be noted that these values stay consistent when rate decreases are
exchanged for increases in the customer credit. This is appropriate if all
generation credits are sufficient to allow competition. I should note that I have
not included the approximately $100 million of savings in PECO’s proposal or the
$200 million in Enron’s form rate decreases prior to January 1, 1999.
Q. Have you considered anything else relevant to the Commission's just and reasonable determination?

A. I believe the Commission should condition its award of stranded costs -- at whatever level it determines appropriate -- upon PECO cooperating to achieve competition. PECO should not be simultaneously receiving a stranded cost recovery of, say, $5.461 billion while making every conceivable effort to block competition. I believe the Commission should consider providing specific stated reductions in the allowed level of stranded recovery if PECO does not cooperate in good faith in implementing the Commission's order.

Q. Is there anything you want to add?

A. The Commission should reach out to achieve the promise of the Competition Act by modifying the restructuring plans as allowed under the law. The Commission has the tools to do so. The Commission should not accept a take-it-or-leave-it proposal from either PECO or Enron.

Q. Does that conclude your testimony?

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### $5.461 Billion Securitization

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<th>Weighted Cost Rate</th>
<th>Tax Savings</th>
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**CASE 1**

**6.15% DISCOUNT RATE - 10% RATE CUT**

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<th>IRP Sales</th>
<th>GRT Adj</th>
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$7,077,094  $5,411,127
CASE 2
6.75% DISCOUNT RATE - 10% RATE CUT

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$7,267,264 $5,427,912
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8.72% DISCOUNT RATE - 8% RATE CUT

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<td>4.35</td>
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$7,963,873 $5,500,628
### CASE 4

**6.15% DISCOUNT RATE - 8% RATE CUT**

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<th>Year</th>
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<th>Generation</th>
<th>ITC</th>
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Total: $7,077,094  $5,411,127
CASE 5
6.15% DISCOUNT RATE - MAPSA GEN CREDIT - 5.5% RATE CUT

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$7,117,426  $5,502,419
## COMPARATIVE ANALYSIS

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<th>ENRON Rates</th>
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<td>($304,314)</td>
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- **NPV 0.0615**: $135,190 $574,349 $4,234,896 $3,174,081
November 7, 1997

Mr. and Mrs. Joseph Thompson
920 Brook Avenue
Secane, PA 19018

Dear Mr. and Mrs. Thompson:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
You, Tom Ridge

Thank you for supporting my right to choose electric providers. I support the Choice Plan, which was filed with the PUC – Oct 7, 1993.

This is double the savings over $600.

Thanks again for your interest in this matter.

Joseph E. Thompson
920 Brook Ave.
Secaucus, Pa 19018
Mr. and Mrs. Richard Meade
229 Medifl Line Road
Broomall, PA 19008

Dear Mr. and Mrs. Meade:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
October 14th, 1997

Governor Dear:

We support your choice of my choosing my Electric Suplyer.

Paco has had a field day much to our chagrin. They should be forced to cut rates with condition. I'll pay my share - let them return half. Prev. held fixed income people have to help us out. Then we can help you on electricity only.

Mrs. Margaret A. Mendel

229 Meat Cove Rd

Bloomsburg, PA 17815
November 7, 1997

Mr. Fred Wallace
32 W. Clearfield Road
Havertown, PA 19083

Dear Mr. Wallace:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Governor Tom Ridge

Governor's Office

225 Main Capital Building

Harrisburg, PA 17120

10-19-99

Thank you for supporting my right to choose electricity providers. I want the Choice Plan because it offers meaningful choices and doubles the savings of the RCO plan.

Sincerely,

Fred Wallace

(Republican that voted for you)

P.S. Many of my friends feel the same way.
Mr. Tom Cone  
19 Arbor Lane  
Feasterville Truro, PA 19053-4310  

Dear Mr. Cone:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Dear Gov. Ridge,

Because I have such a low estimate of Politician I was surprised but very pleased that you supported a get the right to choose our electricity providers.

Although I have very limited knowledge of the choice plan I prefer it to any that PECO agrees to.

I'm outraged at the blatant lies and half truths spoken by their discredited (in my mind) CEO.

Please help once again to do the right thing by your taxpayers.

Thank You,

[Signature]

P.S. This writing is my best. Sorry!
November 7, 1997

Mr. Joseph Ziekenbach  
8908 Rising Sun Avenue  
Philadelphia, PA 19115

Dear Mr. Ziekenbach:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
17 October 1997
8998 Ridgely Street
Philadelphia PA 19115

Governor Tom Ridge

Dear Governor Ridge,

I am glad to see Pennsylvania leading the way on competition in utility provisions. I would like you to go one more step and allow the "Choice Plan." I lived in Philadelphia all my life and can see where remember when as a young Federal employee, we would have our annual cost of living adjustment withheld because the economy was not doing that good. My best buddy, however, I would tell me that that is the problem when he works, they always get their raises. He worked for PECO. For years PECO was never responsive to its customers, "where else can they go for electricity?"

Please allow me the right to have the Choice Plan, don't let PECO continue to hold it as a customer hostage.

Sincerely,

Joseph W. Zichnauwski
PA 4 (315) 769-1510
November 7, 1997

Mr. and Mrs. Martin Herbert
Nine Jacalyn Drive
Havertown, PA 19083

Dear Mr. and Mrs. Herbert:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Thank you for supporting deregulation & competition among electricity suppliers, but please give PA consumers a real choice. PECO has been raking its customers for years with the support of the PUC whose members generally expect to work for utilities when their terms are over. No other business is insulated from the economic consequences of their bad business decisions! Consumers should not be responsible for reimbursing PECO for their losses if they have the right to sell their shares, cut their losses & seek a better return on their investment elsewhere. That's the way free & open competition works!!!

Please support the Chance Plan which was filed with the PUC on 10/7/97. Thank you.
Ms. Laura Weiss  
9001 Ridge Avenue  
#10  
Philadelphia, PA 19128  

Dear Ms. Weiss:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Dear Governor Ridge

Thank you for supporting my right to choice in an electricity provider. I am tired of paying such high rates to PECO. Please support the Choice Plan which was filed with the Public Utilities Commission on Oct 7.

Thank you again.

Sincerely
Laura Weiss
November 7, 1997

Mr. and Mrs. Heinz Duerring
522 Raab Street
Willow Grove, PA 19010

Dear Mr. and Mrs. Duerring:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
October 15, 1997

Governor Tom Ridge  
Governor’s Office  
225 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Ridge:

We are writing to ask of you to permit other Utility Companies such as Enron to offer us alternate sources of energy. We would like the Choice Plan because PECO has had a monopoly on energy for so long and they have socked it to us all the time that there is now no time for forgiveness. We are tired of paying the highest electric rates in the nation and the 10% decrease they are offering is too small and would benefit PECO more than it would benefit us. We just don’t trust them anymore. Please give the Enron Corporation a chance to offer us a better deal.

Thank you for making it possible for us to have a choice in electricity providers.

Very truly yours,

Mr. and Mrs. Heinz W. Duerring
522 Raab Street  
Willow Grove, PA 19090
Mr. Gerald McKennor  
135 W. Lehman Avenue  
Hatboro, PA 19040

Dear Mr. McKennor:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
October 15, 1997

Gov. Tom Ridge
225 Main Capitol
Harrisburg, Pa 17120

Dear Gov. Ridge,

In pursuing what I consider my family's best interests, I contacted Enron concerning the future supplier of electricity to me at a very competitive rate.

I hope you will use your good offices to help the people in the Philadelphia area enjoy very attractive rates, as compared to Peco who (am getting no help) have screwed the rate payer for years.

Sincerely,

Gerald P. McKeena
135 W. Heisman Ave
Hatboro, Pa, 19040
November 7, 1997

Mr. Joseph Falcone
354 Eagle Road
Wayne, PA 19087

Dear Mr. Falcone:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Dear Governor Ridge,

Thank you very much for supporting our right to choose our electricity providers.

I would like the choice plan because it increases our savings over Peco and other new 10% discounts.

We're tired of getting ripped off with some of the highest electricity rates in the country.

Thanks very much.

Joseph Falcone
354 East Rd
Wayne, PA 19087
Mr. Mark Sharp
2926 Paprika Road
Doylestown, PA 18901

Dear Mr. Sharp:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Mark E Sharp
2926 Paprika Road
Doylestown PA 18901

home:215-794-5730, work 610-397-7578, fax:610-397-3213, email:sharp@merck.com

16 October 1997

Governor Tom Ridge
225 Main Capitol
Harrisburg PA 17120

Dear Governor Ridge:

The best thing the PUC has done since I have lived in this state is vote 5-0 to hear the proposal by Enron to deregulate the electricity market in southeastern Pa. The way Peco is screaming about it, you'd better believe it must be a better deal for consumers than the shady backroom bailout Peco thought it had in the bag.

Like the tobacco industry, Peco has proven it cannot be trusted and therefore any deal it agrees to is suspect. Consumers have suffered long enough for the benefit of Peco shareholders and employees. Let's put the "Pennsylvania" back in what PUC is supposed to stand for (not "Peco's Utility Commission"). Open the doors to fullblown competition, and let the devil take the hindmost!

Sincerely yours,

Mark E Sharp
Mr. Geoffrey Moulton  
503 Lindley Road  
Glenside, PA 19038  

Dear Mr. Moulton:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
17 October, 1997

Governor Tom Ridge
Governor's Office
225 Main Capital Bldg.
Harrisburg, PA 17120

Dear Governor Ridge:

Thank you for supporting our right to choose electricity providers. This is a step in the right direction to save people in the Commonwealth money by providing true competition. Other states have already shown the way via an open method of allowing utility customers to select their electricity provider.

Although it has been long in coming to the Commonwealth I would prefer to see the Choice Plan, as proposed by Enron, implemented. The Choice Plan offers meaningful choices and greater savings over the current PECO plan.

As you know the people in PECO's area are already paying two times the amount per kilowatt hour as paid by people in other areas of the Commonwealth. The PECO plan does little to bring consumer prices into line. Please show your support for the Choice Plan to the Public Utilities Commission and urge them to approve the plan.

Regards,

Geoffrey Moulton
503 Lindley Rd
Glenside, PA 19038
Ms. Ruth Turk
11 Cable Road
Levittown, PA 19057

Dear Ms. Turk:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Oct. 17, 1920

Governor To: Ridge
235 Main Capitol Bldg.
Harrisburg, Pa. 17120

Dear Tom,

I wish to thank you for supporting my right to choose by choice the electric Co. that I would like to use.

Thanks again, Tom.

Keith A. Durst
17 Cable Rd.
Levittown, Pa.
19057
November 7, 1997

Mr. Joseph DiBonaventura
114 Croton Road
Wayne, PA 19087

Dear Mr. DiBonaventura:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Dear Governor Tom Ridge,

Thank you for letting us choose our electricity provider.

We would like to choose the choice plan because it offers meaningful choices and doubled the savings of the level plan.

My address is:

Joseph Di Bonaventura
114 Craton Rd
Wayne, PA 19087
November 7, 1997

Mr. Gipton McGilvery
2934 Normandy Road
Ardmore, PA 19003

Dear Mr. McGilvery:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
To Governor Tom Ridge,

Dear Sir I am,

writing to thank you for supporting our right to choose electricity providers. I would like the choice plan because it offers meaningful choices and double the savings of the Peco plan.

With thanks,

Yours faithfully,

Gipton McGilvery

2934 Normandy Road
Ardmore PA 19003

October 16th 1997
Ms. Betty Igo  
101 E. Glenolden Avenue  
#204  
Glenolden, PA 19036

Dear Ms. Igo:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Thank you for what you have done and are doing to free the people of Philadelphia from Aco's excessively high rates. Please continue your fight to give us the Choice Plan.

Please send me information on how I can help myself in the coming choice.

Sincerely,

Betty J. Jgo
101 E. Glenolden Ave #214
Glenolden, Pa 19036
November 7, 1997

Mrs. Kathleen DiFeo
457 Delmar Street
Philadelphia, PA 19128

Dear Mrs. DiFeo:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Kathleen Masters
762 Nebraska
Philadelphia PA 19128

Dear Rosemar Ridge,

I tried to get information from 3 Electric Co's. about their service. All they would give me was K.W.H. They all got my address - I got no responses -

Because of 100% off, as P.E.C.O.,

is nothing - no savings -

They change per K.W.H. more than any other company out of this region.

Seems like the other Electric companies want to take advantage. The other Electric companies were written - why would P.E.C.O. give out wrong phone numbers?
November 7, 1997

Mr. and Mrs. Lee White
1110 Remington Street
Chester, PA 19013

Dear Mr. and Mrs. White:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Governor Ridge,

As a senior citizen and registered voter, I would like to thank you for supporting my right to choose which provider from which to purchase my electricity.

I would appreciate your support, also, on the Choice Plan; thus doubling my savings.

Peco's mismanagement has already put utilities sky-high, hurting us on a fixed income.

Lee and Lorettta Whi
1110 Remington St.
Chester Pa 19013
November 7, 1997

Mr. William Spencer
24 Woodview Drive
Doylestown, PA 18901

Dear Mr. Spencer:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
To: Gov. Tom Ridge  Date: 10/15/97

THANX FOR SUPPORTING MY RIGHT TO CHOOSE ELECTRICITY PROVIDERS!

I'm extremely interested in Enron's "Choice Plan" which doubles the saving of the PECO Plan.

It's time somebody is standing up to PECO & I hope Enron will receive a FAIR & UNBIASED REVIEW by the PUC.

W.M. H. Spencer
24 Woodview Dr.

From: Bill Spencer
Dylcestown, PA 19001
November 7, 1997

The Honorable Andrew J. Carn
House of Representatives
House Post Office - Main Capitol
Harrisburg, PA

Dear Representative Carn:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company’s restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

The Chairman and the Commissioners appreciate your thoughtful remarks and please know that the Commission has every intention of carefully weighing all of the evidence and facts surrounding this very important matter as the Commission prepares to deliberate. Also, I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission so your views on this matter will become part of the official filing in this proceeding.

Thank you again for the benefit of your thinking on this extremely important issue.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: Chairman Quain
Vice Chairman Bloom
Commissioner Hanger
Commissioner Rolka
Commissioner Brownell
Acting Secretary McNulty
November 7, 1997

The Honorable Dwight Evans
Democratic Chairman
House Appropriations Committee
House Post Office - Main Capitol
Harrisburg, PA

Dear Representative Evans:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company’s restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

The Chairman and the Commissioners appreciate your thoughtful remarks and please know that the Commission has every intention of carefully weighing all of the evidence and facts surrounding this very important matter as the Commission prepares to deliberate. Also, I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission so your views on this matter will become part of the official filing in this proceeding.

Thank you again for the benefit of your thinking on this extremely important issue.

Sincerely,

Rosemary Chiayetta, Esq.
Director of Legislative Affairs

cc: Chairman Quain
Vice Chairman Bloom
Commissioner Hanger
Commissioner Rolka
Commissioner Brownell
Acting Secretary McNulty
November 7, 1997

The Honorable Mike Horsey  
House of Representatives  
House Post Office - Main Capitol  
Harrisburg, PA

Dear Representative Horsey:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company's restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

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Thank you again for the benefit of your thinking on this extremely important issue.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: Chairman Quain  
Vice Chairman Bloom  
Commissioner Hanger  
Commissioner Rolka  
Commissioner Brownell  
Acting Secretary McNulty
November 7, 1997

The Honorable Harold James
House of Representatives
House Post Office - Main Capitol
Harrisburg, PA

Dear Representative James:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company’s restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

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Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: Chairman Quain
Vice Chairman Bloom
Commissioner Hanger
Commissioner Rolka
Commissioner Brownell
Acting Secretary McNulty
November 7, 1997

The Honorable Babette Josephs  
House of Representatives  
House Post Office - Main Capitol  
Harrisburg, PA

Dear Representative Josephs:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company's restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

The Chairman and the Commissioners appreciate your thoughtful remarks and please know that the Commission has every intention of carefully weighing all of the evidence and facts surrounding this very important matter as the Commission prepares to deliberate. Also, I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission so your views on this matter will become part of the official filing in this proceeding.

Thank you again for the benefit of your thinking on this extremely important issue.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: Chairman Quain  
Vice Chairman Bloom  
Commissioner Hanger  
Commissioner Rolka  
Commissioner Brownell  
Acting Secretary McNulty
November 7, 1997

The Honorable John Myers
House of Representatives
House Post Office - Main Capitol
Harrisburg, PA

Dear Representative Myers:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company's restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

The Chairman and the Commissioners appreciate your thoughtful remarks and please know that the Commission has every intention of carefully weighing all of the evidence and facts surrounding this very important matter as the Commission prepares to deliberate. Also, I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission so your views on this matter will become part of the official filing in this proceeding.

Thank you again for the benefit of your thinking on this extremely important issue.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: Chairman Quain
Vice Chairman Bloom
Commissioner Hanger
Commissioner Rolka
Commissioner Brownell
Acting Secretary McNulty
November 7, 1997

The Honorable Benjamin Ramos
House of Representatives
House Post Office - Main Capitol
Harrisburg, PA

Dear Representative Ramos:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company’s restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

The Chairman and the Commissioners appreciate your thoughtful remarks and please know that the Commission has every intention of carefully weighing all of the evidence and facts surrounding this very important matter as the Commission prepares to deliberate. Also, I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission so your views on this matter will become part of the official filing in this proceeding.

Thank you again for the benefit of your thinking on this extremely important issue.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: Chairman Quain
Vice Chairman Bloom
Commissioner Hanger
Commissioner Rolka
Commissioner Brownell
Acting Secretary McNulty
November 7, 1997

The Honorable Rosita C. Youngblood
House of Representatives
House Post Office - Main Capitol
Harrisburg, PA

Dear Representative Youngblood:

Thank you for your recent letter of October 29, 1997, to Chairman John Quain of the Pennsylvania Public Utility Commission concerning the PECO filing and the Enron proposal. Both of these matters are being considered by the Commission in the context of PECO Energy Company's restructuring filing pending before the Commission. Chairman Quain referred your letter to me for a response.

The Chairman and the Commissioners appreciate your thoughtful remarks and please know that the Commission has every intention of carefully weighing all of the evidence and facts surrounding this very important matter as the Commission prepares to deliberate. Also, I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission so your views on this matter will become part of the official filing in this proceeding.

Thank you again for the benefit of your thinking on this extremely important issue.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: Chairman Quain
    Vice Chairman Bloom
    Commissioner Hanger
    Commissioner Rolka
    Commissioner Brownell
    Acting Secretary McNulty
November 7, 1997

Mr. Edward Ingram  
1903 Church Road  
Flourtown, PA 19031

Dear Mr. Ingram:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Dear Governor Ridge,

Just a note of thanks for supporting our rights to choose our own electric providers. Being on a fixed income, it really gives us a chance to save on our utility bills. I would prefer the Choice Plan as it offers more savings than Peer.

Sincerely,

Edward A. Abegam
1903 Church Rd.
Elmctown, Pa. 1903
November 7, 1997

Mr. and Mrs. Thomas Hogarty
P. O. Box 57
Folcroft, PA 19032-0057

Dear Mr. and Mrs. Hogarty:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Oct. 15, 1997

Governor Tom Ridge
Gouverneur Office
225 Main Capital Bldg.
Harrisburg, PA 17120

Dear Governor Ridge:

Thank you for supporting our right as consumers, to choose our electric provider.

Since we are on a very fixed income, it means a lot to us to get cost relief whenever and wherever possible. Please permit us the Choice Plan because it will offer us meaningful choice plus double the savings of the PECO plan.

Very truly yours,

Mr. + Mrs. Thomas Hocart
P.O. Box 57
Folcroft, PA 19032-0057
November 7, 1997

Mr. Gary Martin
Crosswicks Farms
653 Forrest Avenue
Rydal, PA 19046

Dear Mr. Martin:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Gary J. Martin  
Crosswicks Farms  
653 Forrest Avenue  
Wyдал, PA 19046

Governor Tom Ridge  
225 Main Capitol  
Harrisburg, Pa. 17120

Dear Governor,

Would you please support more choice for lower electricity prices. Consumers should have a right to select an electricity generating company that offers them a great savings on their bills. The Enron Company from Texas is offering a 20% reduction on electricity bills. Please allow the company and any other company to do business in Pennsylvania.

Thank You,

Sincerely,

Gary J. Martin
November 7, 1997

Mr. Francis Naughton
1104 Lindale Avenue
Drexel Hill, PA 19026

Dear Mr. Naughton:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiaretti, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Dear Governor Ridge,

Thanks for doing a great job to this point. It is exactly the reason you got my vote. Being a fellow Vietnam veteran also helped.

But there is another chance for action. Please continue your fine work on electric deregulation. And please push the choice plan submitted by Enron. If they can double the savings of all Pennsylvanians, PECO cannot that will get an awful lot of votes.

Keep up the good work and God bless you.

Warmest Regards

[Signature]
November 7, 1997

Mr. Charles Sosangelis  
149 Trout Run West  
Media, PA 19063

Dear Mr. Sosangelis:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Dear Governor Tom Ridge

As a senior citizen and a veteran of the Korean war, I am asking you to support the efforts of PPL and EnerTech at being able to compete with any Pennsylvania utilities in providing us with a safe, competitive service of electricity. Since my retirement 5 years ago, I find it very difficult, with my finances, some months at peak heat or cold weather, my utility bills are now in excess of $300.

Please, your honor, assist us with this matter.

Sincerely,

Charles Sosangelis

Charles Sosangelis
149 Trout Run West
Media, PA 19063
November 4, 1997

Ms. Carmen Greco
911 League Street
Philadelphia, PA 19147

Dear Ms. Greco:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Dear Sir,

Dear Sir, I am writing to tell you about the form you sent me. For this I thank you. I would like the choice plan in your brochure.

Thank you very much.

Mr. Carmen Garcia
911 League St
Philadelphia, Pa. 19147
November 7, 1997

Mr. Joseph Seibert
214 Corinthian Avenue
Essington, PA 19029-1228

Dear Mr. Seibert:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
GOVERNOR TOM RIDGE
GOVERNOR OF PENNSYLVANIA

Dear Tom,

I would sincerely like to thank you for supporting my Right to Choose electricity providers. I prefer the Choice Plan because it offers meaningful choice and double the savings of the PECO plan, with their numerous surcharges and fuel surcharges.

Thank you for your support.

Joseph V. Seibert
Ms. Nancy Lorentson  
9601 Hoff Street  
Philadelphia, PA 19115

Dear Ms. Lorentson:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
October 15, 1997

Governor Tom Ridge
225 Main Capitol
Harrisburg, PA 17120

Dear Governor Ridge:

I am writing to state that I feel we should be allowed to really cut our energy costs by being allowed to truly choose whom we obtain our electricity from. If you are deregulating this, then do so not by some phoney baloney scheme put out by PECO but by having a true choice. I would like to be able to choose ENRON even though I have not been selected to participate in the trial program. I’ll tell you one thing, in our state we don’t get very many real choices in either our electricity or in choosing the school we wish our children to attend. Are you sure that you are a Republican?? Why can’t we have these choices that are already in place in other states?

I would appreciate your attention to both these matters.

Thank you.

Nancy Lorentson
9601 Hoff Street
Philadelphia, PA 19115

Philadelphia, PA 19115
Mr. Raymond Fienman  
851 Red Lion Road.  
Apt. H-2  
Philadelphia, PA 19115-1405  

Dear Mr. Fienman:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
October 16, 1987

Governor Tom Ridge

Dear Governor Ridge

I would like to thank you for permitting the people of Penna. the freedom to choose their electricity supplies.

I would like to choose the Emerco Choice Plan as my electricity supplier. The benefits they offer far exceed what most other companies offer.

As a retired citizen a rate reduction in my electric bill would come in very well appreciated.

Thanks again.

Sincerely,

Raymond Friedman


Philadelphia, Pa. 19115-1405
November 7, 1997

Mr. Jim McTague  
12004 Sewell Road  
Philadelphia, PA 19116  

Dear Mr. McTague:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Dear Governor:

Thank you for supporting my right to choose electrical providers. I choose the choice plan. I am 72 years old and need every penny I can save. I have been paying PECO a lot more than I should. Thank you Governor Tom for looking out for the little guy.

Jim Metzger
12004 Sewell R.D.
Philadelphia, Pa. 19116
November 7, 1997

Mr. Paul McFadden  
1045 Archer Lane  
Lansdale, PA 19446-4820

Dear Mr. McFadden:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Hon. Governor Thomas Ridge
225 Main Capitol
Harrisburg, PA. 17120

Dear Governor Ridge:

As a participant on PECO's Energy Customer Choice Pilot Program I am writing you to inform you that savings proposed by PECO's Energy Service Plan for 1998 are to low.

I favor the Enron Energy Service Plan which I believe will double my savings over those proposed by PECO. While I am in favor of PECO recovering stranded costs, the savings should be higher in view of the high rates we currently are paying (third highest in the nation, I understand).

Let PECO do it's thing in Nuclear Power Generation Consolidation, but not on the backs and out of the pockets of it's ratepayers. Let Enron's plan prevail and give us some relief from these high rates both on residential and commercial customers.

Sincerely,

Paul J. McFadden
610 584-0264
Ms. Debra Sweeney  
2451 S. Woodstock St.  
Philadelphia, PA 19145

Dear Ms. Sweeney:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

[Signature]

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
October 20, 1997

Ms. Debra M. Sweeney
2451 S. Woodstock Street
Philadelphia, PA 19145

Governor Tom Ridge
Governor's Office
225 Main Capitol Building
Harrisburg, PA 17120

Dear Gov. Ridge:

Just a short note to thank you for supporting our right to choose electricity providers.

Being a single parent, it is extremely beneficial for me to be able to save money and cut costs any way that I could. This is certainly a great way for me to get started! I would appreciate being a part of the Choice Plan because it does offer just that, meaningful choices and savings! Competition is healthy in preventing a monopoly, thus making rates more affordable for hopefully everyone in the Philadelphia area.

Again, thank you for supporting this exciting venture! I look forward to hearing from your office.

Sincerely,

Debra M. Sweeney
November 7, 1997

Mr. Seymour Phillips
9879 Bonner Street
Philadelphia, PA 19115

Dear Mr. Phillips:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Dear Governor Ridge:

Thank you for supporting my right to choose an electricity provider. We are tired of paying 40% more than the national average. I want the ENRON Choice Plan because it offers meaningful choices and it doubles the savings of the PECO plan.

I am requesting your continued support. Thank you.

Sincerely,

[Signature]

Seymour Phillips
November 7, 1997

Mr. and Mrs. Arnold Gorneau
150 Dilworthtown Road
West Chester, PA 19382

Dear Mr. and Mrs. Gorneau:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Governor Tom Ridge  
225 Main Capitol  
Harrisburg, PA 17120  

Dear Governor Ridge.  

I want to add my name and my husband's to the list of people who support alternate energy sources in the state. Our electric bills are astronomical and I would like to see Entron available to us in the near future.  

They advertise that my electric bills can be cut by 20%. As retired teachers living on pensions, we would certainly appreciate the savings.  

Thank you for your attention to this important issue.  

Sincerely,  

Ruth and Arnold Gorneau  
150 Dilworthtown Rd.  
West Chester, PA 19382
November 7, 1997

Mr. and Mrs. Kenneth Hadfield
1122 Creamery Road
Perkasie, PA 18944

Dear Mr. and Mrs. Hadfield:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Dear Governor Ridge:

Thank you for supporting our right to choose electricity providers.

We want the Choice Plan. It offers us meaningful choices as well the distinct possibilities of saving money with lower rates. Every consumer should have the right to choose their electric company.

Sincerely yours,

Kenneth E. Hadfield
Ann H. Hadfield
November 7, 1997

Mr. Ed Bonner
410 Parkstone Road
Broomall, PA 19008

Dear Mr. Bonner:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
October 18, 1997

GOVERNOR TOM RIDGE
Governor's Office
225 Main Capital Bldg.
Harrisburg, PA 17120

SUBJECT: THE HYPOCRISY AND BALD-FACED LYING OF PECO

Here's a public utility that for over thirty years has been charging the citizens of the Philadelphia area about 40% more than the national average rate for electricity--without any shame. A utility who owns and runs a private golf course in Delaware County for its executives and buddies on land worth at least $20-million: Oh, so it's just a perk, huh?

Moving on, PECO is now running TV commercials in which their spokesman says we users will get a 10% decrease in our rates in a year or two. Then he BOASTS that PECO will provide its consumers with a bigger rate decrease than any other utility. SURE. THEY'RE CHARGING FORTY PERCENT MORE...CAN GIVE A BIGGER CUT THAN ANYBODY. But anybody who believes they'll ever do it, is in serious need of psychiatric care.

Now, among such carefully scripted lies and evasions of PECO, we discover that they're publishing full page ads in the local newspapers that only mention HORIZON--never mention that it's a PECO dummy-corp. Sign up with HORIZON!

SO NOW ALONG COMES ENRON...offering 20% savings. Their initial plan seems reasonable. PECO is 40% ABOVE the national average, so ENRON and others can easily provide a 20% decrease in rates and still make a profit. But why do I have the sinking feeling that they are dead ducks in the polluted water governed by the PUC?

CAN YOU, GOVERNOR RIDGE, AT LEAST SEE THAT ENRON'S PROPOSAL, AND ANY OTHERS, AT LEAST GETS A FAIR HEARING FROM THE PUC. (Why do I, and most others I'm sure, feel the PUC ALWAYS gives the awards their utilities want, after some minot tinkering?)

Looking for you to do your best,

Ed Bonner
410 Parkstone Rd.
Broomall, PA 19008
Mr. Robert Reutzel  
3505 Bartram Road  
Willow Grove, PA 19090

Dear Mr. Reutzel:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

[Signature]
Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Dear Governor Ridge,

Thank you for supporting our right to choose electricity providers.

I now urge you to accept the Enron Choice Plan. The Choice Plan was filed with the Pa. P.U.C. on Oct 7, 1997.

The Enron Choice Plan offers twice the savings of the PECO plan. PECO has been charging 40% more than the national average. Why support failure?

Sincerely,

Robert H. Reutzel

Robert H. Reutzel
3505 Bartram Road
Willow Grove, PA 19090
215-657-1382
November 7, 1997

Patrick Purdy, Ph.D.
509 Plymouth Road
Glenside, PA 19038

Dear Dr. Purdy:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Oct. 17, 1997

509 Plymouth Rd.
Glenside, Pa. 19038

Hon. Tom Ridge, Gov.
Commonwealth of Pa.
Governor's Office
225 Main Capitol Bldg.
Harrisburg, Pa. 17120

Dear Gov. Ridge:

I am writing to seek your continued support for the right to choose electric providers.

Knowing that our electric rates through PECO are among the highest in the nation has been a rather depressing piece of knowledge over the years, especially since nothing could be done in the past about it. Now, with the prospect of electric competition, all that has changed. Unfortunately, the deal struck with PECO affects only a limited number of electric customers and no longer seems to be the best deal on the table. That, I believe, calls for a new and serious look at the competing proposals. The Philadelphia Inquirer compared the PECO and Enron plans with the latter coming out ahead for everyone concerned, including PECO!

Thank you for your attention to this matter.

Sincerely,

[Signature]

Patrick Drudy, Ph.D.
November 7, 1997

Mr. John latesta
Four White Birch Lane
Horsham, PA 19044

Dear Mr. latesta:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Governor Tom Ridge

Dear Governor:

I thank you for supporting my right to choose my electricity provider.

I prefer the CHOICE PLAN because it doubles the savings of the PECO plan, and offers me meaningful choices.

Sincerely,

John J. Falstaff
November 7, 1997

Mr. Robert Widdop
1221 Cedar Road
Ambler, PA 19002

Dear Mr. Widdop:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Governor Thomas Ridge  
225 Main Capitol  
Harrisburg, Pa. 17120

Re: Electric Deregulation

Dear Governor Ridge;

With the deregulation of the electric utility industry about to take place on November 1, 1997, the subscribers of PECO pay some of the highest rates in the Commonwealth of Pennsylvania. I believe that it would be in the best interest to all citizens in the Commonwealth to allow EN-RON to also compete in Pennsylvania. As we reside in Upper Dublin Township, Montgomery County PECO is our supplier of electricity. If we lived only five to eight miles north, PP&L would be our supplier and our rates would be much, much lower.

EN-RON has announced that they could afford an up front cost reduction of 20%, a 100% increase in savings over the offer of 10% announced by PECO.

Please allow true competition and the lowest rates for all Pennsylvania residents, approve EN-RON and all those that wish to compete.

Sincerely,

Robert R. Widdop
November 7, 1997

Mr. A. Hershel Muchnick
138 Montrose Avenue, #22
Rosemont, PA 19010-1561

Dear Mr. Muchnick:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
A. HERSHEL MUCHNICK
138 Montrose Avenue, #22
Rosemont, PA 19010-1561
Phone: (610) 520-9873 Fax: (610) 520-9885

FAX MESSAGE

TO GOVERNOR TOM RIDGE

COMPANY STATE OF PENNA

FROM HERSH MUCHNICK

TOTAL NO. PAGES 1 (INCLUDING COVER)

DATE 10/21/97

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL AT ONCE FOR A RESEND

COMMENTS PLEASE CONSIDER THIS FAX AS A VOTE FOR INCLUDING ENRON AS A CHOICE FOR THE SUPPLYING OF ELECTRICITY WHEN Deregulation becomes effective.

I FEEL THAT THEY ARE A POSITIVE FORCE WHEREVER THEY ARE UTILIZED. FURTHER, I AM DISGUSTED WITH THE NEGATIVE IDIOT-TYPE OF ADVERTISING SO AT&T-LIKE UTILIZED BY PECO.

AHER

HERSH MUCHNICK
Ms. Mary Muller  
534 Shadeland Avenue  
Drexel Hill, PA 19026

Dear Ms. Muller:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
Dear Sir, Ridge,

I want to thank you for supporting my right to choose my electricity provider! I very much am in favor of the choice plan. Because it is 10% more in savings then Reed's plan. I am a widow—receiving $13.00 a month in Soc. Sec. It becomes more difficult every year to meet my utilities and takes. I do not know why it is not constitutional to give a break-top to senior citizens on low income when these children have been out of school for 20 and more years. Thank you again for supporting the Choice plan. your sincere friend,

Sincerely,
Mary J. Muller
534 Shadeland Ave
Dearfield Hill, Pa
19026
Mr. and Mrs. Ernest Buckley
2217 Dickens Lane
Broomall, PA 19008

Dear Mr. and Mrs. Buckley:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron’s Choice Plan proposed in PECO Energy Company’s restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Honorable Thomas Ridge  
Governors Office  
225 Main Capital Building  
Harrisburg, Pa. 17120

Dear Governor:

We wish to thank you for supporting the rights of my wife and myself to choose electricity providers.

The ENRON Choice Plan with its anticipated 20% savings over the PECO Plan is the one for us.

My wife (an invalid) at age 86 and me at 87 have found the high cost of PECO costs to have been quite burdensome over the years compared to those in other areas.

Many thanks to you and for successes in the future.

Sincerely,

ERNEST J. BUCKLEY

EJB: B
November 7, 1997

Ms. Harriet Colbert
106 E. Jefferson Street
Media, PA 19063

Dear Ms. Colbert:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
RE: Electrical utility competition

Governor Tom Ridge
Governor's Office
225 Main Capitol Bldg.
Harrisburg, PA 17120

Dear Governor,

I am writing to let you know that my family and I want at the very least the Choice Plan offered by Enron. Preferably, we would prefer the 43% savings offered by the latest entrant. We pray you are not going to let us be railroaded by PECO.

Sincerely,

Harriet L. Colbert

106 E. JEFFERSON ST.
MEDIA, PA 19063
November 7, 1997

Mr. and Mrs. Brian Flack
249 Bernick Drive
Langhorne, PA 19047

Dear Mr. and Mrs. Flack:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
October 15, 1997

Governor Tom Ridge
225 Main Capitol
Harrisburg, PA 17120

Dear Mr. Governor:

I write to you today to urge your support of the Enron energy proposal. PECO energy has supplied southeastern Pennsylvania with some of the nation’s highest electricity cost for years. The current PECO proposal has a high level of waste that will go to PECO, rather than back into the pockets of the customers. Enron is willing to take less, with the users benefiting from the difference. The Enron proposal will pay PECO the stranded costs, give more back to the customers, and still let PECO operate their future business the same as they would under the PECO proposal.

PECO is rightfully upset. If the Enron proposal is accepted, PECO will lose the extra fat in their current plan, which far exceeds the 5.461 billion stranded costs that they claim. It is time to decide in favor of the consumer. South Eastern Pennsylvanians deserve more. As a current PECO customer, and a voter, I again urge you to support the Enron proposal, or an equivalent sponsored by PECO or any other company.

Sincerely,

Brian B. Flack
Laura E. Flack
November 7, 1997

Mr. L. Rodman Page, III
318 Midland Avenue
Wayne, PA 19087

Dear Mr. Page:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
    Chairman John Quain
    Acting Secretary James McNulty
L. Rodman Page, III  
318 Midland Avenue  
Wayne, PA 19087

October 17, 1997

Governor Tom Ridge  
Governor’s Office  
225 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Ridge;

Thank you for supporting our right to choose electricity generation providers. I still think there are larger real savings to be made and I would urge you to support the Choice Plan. It is not a perfect plan but there are savings above the 10% that PECO is offering.

sincerely,

L. Rodman Page, III
Mr. Michael Milillo  
Two Aspen Way  
Schwenksville, PA 19473-177502

Dear Mr. Milillo:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.  
Director of Legislative Affairs

cc: The Hon. Tom Ridge  
Chairman John Quain  
Acting Secretary James McNulty
RE: ELECTRIC DEREGULATION

E-MAIL LETTERS TO AND FROM ENRON CORPORATION THAT WANTS TO
BE PART OF PENNSYLVANIA'S PILOT PROGRAM.
October 20, 1997

dear miss fraser:

first of all, your web site states that the deregulation for the airline industry was good for consumers. that enron wants to do for pennsylvania what deregulation did for the airlines. have you really noticed what has happened to airlines since deregulation? it has gotten worse. but, at least with airlines, i have a choice: to fly or not to fly.

with electricity, there is no choice. it is needed for basic survival. to discuss the two products is to confuse the consumers and citizens of pennsylvania. flying and electricity are not the same. one is a necessity and the other is a luxury.

also, if enron plans to hire PECO employees, would you do so at the same wages. would Enron downsize PECO in order to provide the twenty percent cost reduction they promise. also, after four years what happens then. that concerns me as well. by then PECO will be out of business and all that is left is Enron. where will competition be then? and most importantly what options will the Pennsylvania electric consumers have then?

why doesn't Enron just go out and buy PECO? it would be the honest way to go about entering pennsylvania's electrical market rather than use this shell game? i don't believe Enron should be allowed to participate in pennsylvania's pilot program.

if Enron wants to contribute to pennsylvania charities as you suggested in your letter below, then do it without being active in this shell game to confuse pennsylvania's consumers. that way the charity is given from the heart and out of concern for people's needs; not in the matter you suggested in your letter below. if Enron is part of and only part of the pennsylvania's pilot program, then enron may contribute to pennsylvania's charities.

also, what happens to the elderly who cannot afford to pay for electrical heat with deregulation. do they get abandon and left to die? does each electric company, including Enron, get to choose which consumer they would accept into their program? in which case, the elderly would figuratively and literally be left in the cold.

lastly, what is the salary and bonuses paid to Enron's chairman and president in compensation. Enron has not made that information known. none of that is being reported in your television commercials.

i don't want deregulation and i don't want Enron. Enron should either buy outt
Jennifer Fraser wrote:

Dear Sir:

Thank you for interest in Enron and electricity deregulation.

With regard to your concerns about Enron and its presence in Pennsylvania, please note the following:

1. Enron is active in the Pennsylvania pilot program and intends to establish a greater presence once we are allowed to fairly compete in the Philadelphia market.

2. Presently, Enron contributes more than $6 million annually in community outreach and charitable contributions. Enron would like to extend that community assistance to Philadelphia.

3. The Enron Choice Plan provides job security for PECO employees since we will contract with PECO to provide generation, transmission and distribution, and metering services.

4. Enron is actively promoting competition in the electrical industry in all states.

5. Enron’s Choice Plan doubles PECO’s rate cuts for four years. What’s best for any electric customer, regardless of location, is lower rates and better service. The Enron Choice Plan guarantees 20% rate cuts for 28 months and removes economic disincentives to other new electricity providers attempting to enter this market that could offer lower rates and innovative services.

Please let us know if we can provide you with any other information on Enron and our electric industry deregulation efforts.

J. Fraser

"Elizabeth Linnell/HOU/EES" AT EES@CCMAIL on 10/20/97 09:44:59 AM

To: Jennifer Fraser

Subject: please stay out of pennsylvania deregulation of energy

------- Forwarded by Elizabeth Linnell/HOU/EES on 10/20/97 09:45 AM -------

Please respond to lmikemilio@gte.net

To: regulatory-affairs@enron.com

cc: Senator@santorum.senate.gov, senator_specter@specter.senate.gov, jonfox@hr.house.gov (bcc: Elizabeth Linnell/HOU/EES)
Subject: please stay out of Pennsylvania deregulation of energy

OCTOBER 17, 1997
ENRON CORPORATION,
WHO KNOWS WHERE, USA

DEAR CHAIRMAN:

YOU ARE AN "NOT" ACTIVE BUSINESS OPERATING IN PENNSYLVANIA.
ON THAT BASIS, STAY AWAY FROM PENNSYLVANIA ENERGY DEREGULATION. YOU ARE NOT
A PLAYER AND SHOULD NOT BE A PLAYER UNTIL THE STATE UTILITY COMMISSION HAS
DETERMINED ITS FEASIBILITY. AS AN OUT-OF-STATE CORPORATION, YOU WOULD NOT
CARE ABOUT JOB LOSSES TO PENNSYLVANIA RESIDENTS. IT WOULD BE EASIER FOR
YOU TO JUSTIFY DOWNSIZING THEN A IN-STATE BUSINESS THAT HAS BEEN OPERATION
FOR YEARS.
SO, PLEASE TAKE YOUR BUSINESS ELSEWHERE. AND MOST IMPORTANTLY, STAY OUT OF
PENNSYLVANIA POLITICS. LEAVE PENNSYLVANIA TO CITIZENS WHO LIVE AND WORK IN
PENNSYLVANIA.

REGARDS,

MICHAEL MILILLO
2 ASPEN WAY
SCHWENKSVILLE, PA

CC: GOVERNOR THOMAS RIDGE
SPEAKER MATT RYAN, PA STATE ASSEMBLY
SENATOR FRANK SALVATORE, PA STATE SENATE
SENATOR ERWIN HOLL, PA STATE SENATE
HONORABLE RAYMOND BUNT, PA STATE ASSEMBLY
CONGRESSMAN JON FOX
CONGRESSMAN CURT WELDON
SENATOR RICK SANTORIUM
SENATOR ARLEN SPECTER
November 7, 1997

Mr. F. Peirce Eichelberger
41 East Fourth Avenue
Collegeville, PA 19426-2341

Dear Mr. Eichelberger:

Thank you for your recent letter to Governor Tom Ridge expressing your support for Enron's Choice Plan proposed in PECO Energy Company's restructuring filing proceeding under the Pennsylvania Electric Generation Customer Choice and Competition Act.

Please know that I have taken the liberty of forwarding your correspondence to the Acting Secretary of the Commission for inclusion into the official file of this proceeding.

Thank you again for the benefit of your thinking on this very important matter.

Sincerely,

Rosemary Chiavetta, Esq.
Director of Legislative Affairs

cc: The Hon. Tom Ridge
Chairman John Quain
Acting Secretary James McNulty
Dear Governor Ridge:

I am receipt of a mailing pertaining to the PA Electricity pilot program. The notice is that we were not selected for the pilot program. In the same envelope, we received a longer letter from PECO worrying about ENRON’s last minute push to open up the program...

Please Governor Ridge.....open up the program now, why do we have to wait two years to receive any savings on our electric bill? PECO has the second highest rates in the nation and we have to continue to suffer. PECO’s concerns are just a delaying action to keep stuffing overcharges into their pocket.

Please give us some relief.....it will have an immediate affect on the PA economy. Why can’t everyone benefit from the 10% or more rate reduction now.....Think of it as an economic development incentive as well. Lower rates will have an immediate positive impact on the PA economy, why can’t all Pennsylvanians benefit....now, not in two or three years?

Maybe ENRON has a good idea....maybe PECO is fighting a delaying action. Give me choice now, anyone but PECO for lower rates.

Thanks for listening.....A house full of registered voters.....
BY HAND

James McNulty, Prothonotary
Pennsylvania Public Utility Commission
North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

PECO Energy Company
Docket No. R-00973953

Dear Mr. McNulty:

Enclosed please find for filing three (3) copies of a Certificate of Service evidencing service of Enron Energy Services Power, Inc.'s Responses to Indianapolis Power and Light Company's Interrogatories, Set I.

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

Michael D. Klein

MDK/mas
enclosure
cc: All Parties on Certificate of Service
Daniel Clearfield, Esquire
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION


PECO Energy Company

CERTIFICATE OF SERVICE

I hereby certify that I have on this 10th day of November, 1997, served a true copy of the foregoing Responses to Indianapolis Power and Light Company's Interrogatories, Set I, on behalf of Enron Energy Services Power, Inc. upon the participants, listed below, in accordance with the requirements of 52 Pa.Code § 1.54:

Paul R. Bonney, Esquire
Noel H. Trask, Esquire
Ward L. Smith, Esquire
Assistant General Counsel
PECO Energy Company
2301 Market Street, P.O. Box 8699
Philadelphia, PA 19101-8699
(PECO Energy Company)

Paul E. Russell, Esquire
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101
(Pennsylvania Power & Light Company)

Senator Vincent J. Fumo
Christopher B. Craig, Esquire
Senate Democratic Appropriations Committee
Main Capitol Building, Room 545
Harrisburg, PA 17120
(Senator Vincent J. Fumo)

Donald A. Kaplan, Esquire
Lisa M. Helpert, Esquire
Preston Gates Ellis & Rouvelas Meeds
1735 New York Avenue, N.W., Suite 500
Washington, DC 20006
(Pennsylvania Power & Light Company)
Steven P. Hershey, Esquire
Philip A. Bertocci, Esquire
Community Legal Services
1424 Chestnut Street, 4th Floor
Philadelphia, PA 19102
(Community Legal Services)

Joseph A. Dworetzky, Esquire
John Lavelle, Jr., Esquire
Hangley, Anonchick, Segal and Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103
(New Energy Ventures, Inc.)

Roger Clark, Esquire
Environmentalists
905 Denston Drive
Ambler, PA 19002-3901
(The Environmentalists)

John L. Munsch, Esquire
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601
(Allegheny Power)

Craig A. Doll, Esquire
214 State Street
Harrisburg, PA 17101
(Deleware Power & Light Company, d/b/a
Conectiv Energy)

Stephanie Sugrue, Esquire
Mary Ann Ralls, Esquire
Duane, Morris & Heckscher
L.L.P.
1667 K Street, N.W.
Suite 700
Washington, DC 20006
(QST Energy, Inc.)

Gordon J. Smith, Esquire
John & Hengerer
1200 17th Street, N.W.
Suite 600
Washington, DC 20036
(Self), (Duke Energy Trading & Marketing, LLC), (Noram Energy Management, Inc.),
(Vastar Power Marketing, Inc.), (Electric Clearinghouse, Inc.)

Audrey Van Dyke, Associate Counsel
Naval Facilities Engineering Command
Washington Navy Yard, Bldg 218,
Room 200
901 M Street, S.E.
Washington, DC 20374-5018
(Department of Navy)

Walter W. Cohen, Esquire
Andrew J. Giorgione, Esquire
Obermayer Rebmann Maxwell & Hippel,
L.L.P.
204 State Street
Harrisburg, PA 17101
(Indianapolis Power & Light Company)

Bernard Ryan, Esquire
Karen Oill Moury, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(OSBA)
Tanya McCloskey, Esquire
Steven K. Steinmetz, Esquire
Office of the Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120
(OTA)

Robert Mills, Esquire
McNees, Wallace & Nurick
100 Pine Street, P.O. Box 1166
Harrisburg, PA 17108-1166
(PA Retailers' Association)

Terrance J. Fitzpatrick, Esquire
David M. DeSalle, Esquire
Ryan, Russell, Ogden & Seltzer, L.L.P.
800 North Third Street, Suite 101
Harrisburg, PA 17102-2025
(GPU)

William T. Hawke, Esquire
Janet Miller, Esquire
Todd Stewart, Esquire
Malatesta, Hawke & McKeon, L.L.P.
Harrisburg Energy Center
100 North Tenth Street
Harrisburg, PA 17105-1778
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Attorney for Enron Energy
Services Power, Inc.
November 10, 1997

James McNulty, Prothonotary
Pennsylvania Public Utility Commission
North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

PESCO Energy Company
Docket No. R-00973953

Dear Mr. McNulty:

Enclosed please find for filing three (3) copies of a Certificate of Service evidencing service of Enron Energy Services Power, Inc.'s Responses to PESCO Energy Company's Interrogatories, Set XVI (Nos. 1 through 5, 7, and 9 through 21).

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

Michael D. Klein

MDK/mas
enclosure
cc: All Parties on Certificate of Service
Daniel Clearfield, Esquire
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

PECO Energy Company

Docket No. R-00973953

CERTIFICATE OF SERVICE

I hereby certify that I have on this 10th day of November, 1997, served a true copy of the foregoing Responses to PECO Energy Company's Interrogatories, Set XVI, Nos. 1 through 5, 7, and 9 through 21, on behalf of Enron Energy Services Power, Inc. upon the participants, listed below, in accordance with the requirements of 52 Pa.Code § 1.54:

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Christopher B. Craig, Esquire
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Attorney for Enron Energy Services Power, Inc.
November 10, 1997

BY HAND

James McNulty, Prothonotary
Pennsylvania Public Utility Commission
North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

PECO Energy Company
Docket No. R-00973953

Dear Mr. McNulty:

Enclosed please find for filing three (3) copies of a Certificate of Service evidencing service of Enron Energy Services Power, Inc.'s Supplemental Response to PECO Energy Company's Interrogatory, Set X, No. 1

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

Michael D. Klein

cc: All Parties on Certificate of Service
Daniel Clearfield, Esquire
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

Docket No. R-00973953

PECO Energy Company

CERTIFICATE OF SERVICE

I hereby certify that I have on this 7th day of November, 1997, served a true copy of the foregoing Supplemental Response to PECO Energy Company's Interrogatory, Set X, No. 1, on behalf of Enron Energy Services Power, Inc. upon the participants, listed below, in accordance with the requirements of 52 Pa.Code § 1.54:

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Attorney for Enron Energy  
Services Power, Inc.
November 10, 1997

James McNulty, Prothonotary
Pennsylvania Public Utility Commission
P.O. Box 3265
Room 206, North Office Building
Harrisburg, PA 17105-3265


Dear Mr. McNulty:

In accordance with the Commission’s Order entered November 6, 1997, at Docket Nos. R-00973953 and P-00971265, please be advised that the Mid-Atlantic Power Supply Association (“MAPSA”) has no objection to the issuance of a Commission decision either on December 11, 1997, or on January 30, 1998, as long as that decision considers and finally decides the entire PECO Energy Company (“PECO”) restructuring case, including the Joint Petition for Settlement submitted by PECO and the Joint Signatories, MAPSA’s counter proposal, and Enron’s Provider of Last Resort (PLR) Petition. That is, if other parties believe they need more time to develop the complete record envisioned by the Commission, MAPSA does not object to a request by PECO to extend the Commission’s consideration period until January 30, 1998. MAPSA does object, however, to any request for an extension of time until January 30, 1998, if that extension means that the Commission’s decision on December 11, 1997, would be limited only to accepting or rejecting the Joint Petition for Partial Settlement or the Enron PLR Petition.
If you have any questions regarding MAPSA's position, please feel free to contact me.

Very truly yours,

William T. Hawke

Counsel for Mid-Atlantic Power
Supply Association

WTH\jlm

cc: Chairman John Quain
Vice Chairman Robert Bloom
Commissioner John Hanger
Commissioner David Rolka
Commissioner Nora Mead Brownell
Honorable Marlane R. Chestnut
Honorable Charles E. Rainey, Jr.
CERTIFICATE OF SERVICE

I hereby certify this day that a copy of the foregoing document has been served upon the parties and in the manner indicated below.

Service by Facsimile and/or First Class Mail:

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DATED: November 10, 1997

William T. Hawke

9711010th 4:10:10
November 10, 1997

James J. McNulty, Esquire
Prothonotary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: Application of PECO Energy Company for Approval of its Restructuring Plan under Section 2806 of the Public Utility Code.
Docket No. R-00973953

Dear Mr. McNulty:

In accordance with the Commission's Order of November 6, 1997 in the above-captioned matter, enclosed please find the original and nine copies of the Objections of New Energy Ventures and Conectiv Energy to the Deferral of the Certification of the Restructuring Case.

A copy of these Objections have been served upon all parties of record as set forth on the attached Certificate of Service.

Respectfully,

Craig A. Doll

Attachments

cc: Honorable Marlane R. Chestnut
Honorable Charles E. Rainey, Jr.
All parties of record
OBJECTION OF NEW ENERGY VENTURES AND CONECTIV
TO DEFERRAL OF CERTIFICATION OF RESTRUCTURING CASE

NEV and CONECTIV, by their counsel, object to the deferral of certification to the Commission of PECO's restructuring case and, in support thereof state as follows:

1. The Commission's Order dated November 6, 1997 provides that the record of PECO's entire restructuring case is to be submitted to the Commission on December 2, 1997, together with the portions of the case relating to the Partial Settlement and Enron's Choice Plan unless (a) PECO notifies the Prothonotary that it is willing to defer resolution of its restructuring case until January 30, 1998; and (b) no party objects to that procedure.

2. The Commission's Order requires PECO's election and any objections to this procedure to be transmitted to the Prothonotary by 5:00 p.m. on
November 10, 1997. NEV and CONECTIV have been unable to determine whether PECO intends to request a deferral and file this objection as a protective matter in the event that PECO elects to defer the restructuring issues until January.

3. NEV and CONECTIV object to the deferral because their interests would be prejudiced by the Commission's consideration of the Partial Settlement on a separate time track than the remainder of the restructuring. The issues are completely intertwined. Moreover, NEV and CONECTIV have submitted proposed modifications to the Partial Settlement and rely, in part, upon the Commission's power to modify restructuring plans as support for the Commission's authority to accept the modifications.

4. In addition, under these circumstances, there is reason to believe that PECO will use the deferral of the restructuring case as a reason why the Commission should approve the Partial Settlement. If the restructuring issues have been deferred, PECO will argue that the Commission can not expect the proceedings to be completed by the close of January, and press the Commission to choose between the "bird in the hand" settlement and a much delayed resolution.

5. Under these circumstances, the far preferable course is for the restructuring case to be certified with the Partial Settlement and the Enron Choice Plan. Such a procedure will indisputably give the Commission authority to resolve the entire case. Of course, this procedure does not prevent the Commission from
rejecting PECO's plan and commencing the 30 day period for resubmission under Section 2806(F) of the Competition Act.

For the foregoing reasons, NEV and Conectiv object to deferral of certification of the restructuring proceeding and reserve their rights with respect thereto.

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Attorneys for New Energy Ventures, Inc.

Craig A. Doll
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Harrisburg, PA 17101

Attorney for CONECTIV Energy

Dated: November 10, 1997
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re the Application of PECO Energy
Company for Approval of its
Restructuring Plan Under Section 2806
00973953
of the Pennsylvania Public Utility Code

Petition of Enron Energy Services Power, Inc.,
for Approval of an Electric Competition and
Choice Plan and for Authority Pursuant to
Section 2807(e)(c) of the Public Utility Code
to Serve as the Provider of Last Resort in the
Service Territory of PECO Energy Company

Docket No. R-

CERTIFICATE OF SERVICE

I hereby certify that on November 10, 1997, I caused a true and correct copy of the
Objection of New Energy Ventures and Conectiv to Deferral of Certification of Restructuring Case
upon the following counsel by telecopy. I further certify that the manner of service satisfied the
requirements of 52 PA. Code §§ 5.75 and 1.54.

The Honorable Charles E. Rainey, Jr.
Administrative Law Judge
Pennsylvania Public Utility Commission
1302 Philadelphia State Office Building
Philadelphia, PA 19130

The Honorable Marlane R. Chestnut
Administrative Law Judge
Pennsylvania Public Utility Commission
1302 Philadelphia State Office Building
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355 North 21st Street
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Date: November 10, 1997
November 10, 1997

VIA OVERNIGHT MAIL

James J. McNulty, Acting Secretary
Pennsylvania Public Utility Commission
North Office Building Room 206
Commonwealth Avenue and North Street
Harrisburg, PA 17105-3265

RE: Petition of Enron Energy Services Power, Inc. for Approval of an Electric Competition and Customer Choice Plan and for Authority Pursuant to Section 2807(e)(3) of the Public Utility Code to Serve as the Provider of Last Resort in the Service Territory of PECO Energy Company
Docket No. P-00971265

PECO Application for Approval of its Restructuring Plan and Joint Petition for Partial Settlement
Docket No. R-00973953

Dear Prothonotary McNulty:

Enclosed for filing is the Answer of Enron Energy Services Power, Inc. to the Motions of Senator Fumo and Indianapolis Power and Light Company to Dismiss Objections and Compel Answers to Interrogatories.

Copies of the foregoing are being served on the presiding Administrative Law Judges and all parties pursuant to the enclosed Certificate of Service.

Very truly yours,

Gerald Gornish
For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

cc: Marlane R. Chestnut, ALJ (Via Telecopy)
Charles E. Rainey, ALJ (Via Telecopy)
All Parties of Record
ENRON ENERGY SERVICES POWER, INC.'S ANSWER TO MOTIONS OF SENATOR FUMO AND INDIANAPOLIS POWER AND LIGHT COMPANY TO DISMISS OBJECTIONS AND COMPEL ANSWERS TO INTERROGATORIES

Enron Energy Services Power, Inc. ("Enron"), by its counsel, submits this Answer, pursuant to 52 Pa. Code § 5.342(e)(1), in response to the Motion of Senator Vincent J. Fumo to Dismiss Objections and to Compel Answer to Senator Fumo's Fourth Set of Interrogatories, and in response to Indianapolis Power & Light Company's ("IPALCO") Motion to Compel Answer to Interrogatories. These motions should be denied primarily because Senator Fumo and IPALCO seek production of privileged attorney-client communications. In support of its objections to Senator Fumo’s interrogatories and in opposition to both Senator Fumo’s and IPALCO’s Motions to Compel, Enron states as follows:

1. The following interrogatories are at issue, Senator Fumo — Set IV, which were served on Enron on October 24, 1997, and IPALCO — Set I, which were served on November 6, 1997. Enron has filed timely objections to questions Nos. 2, 3, 5 and 6 of Senator Fumo — Set IV, and to questions Nos. 2, 3, 4, and 6 of IPALCO — Set I.
I. Factual Background

The Rules of this Commission provide, in pertinent part, that “a participant may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action.” 52 Pa. Code § 5.321(c) (emphasis added). The Rules contain a further limitation specifically stating: “No discovery or deposition is permitted which: . . . Relates to matter which is privileged.” 52 Pa. Code § 5.361(a)(3).

Senator Fumo’s Fourth Set of Interrogatories and IPALCO’s First Set of Interrogatories are objectionable insofar as these questions attempt to probe both the substance of communications between a witness and counsel and counsel’s conclusions based upon those communications. Because these interrogatories unquestionably relate to matter which is protected by the attorney-client privilege, they exceed the scope of permissible discovery under the Rules.

The interrogatories at issue and the subsequent motions arise out of a portion of the testimony of Ms. Susan P. Voorhees, Managing Director of the Global Asset-Backed Securities Group at Chase Securities, Inc. (“Chase”). This testimony was given in support of Enron’s Electric Competition and Customer Choice Plan (the “Choice Plan”). See Voorhees Direct at 9:25 to 10:23, attached as Exhibit A. Specifically, this portion of Ms. Voorhees’ testimony addresses whether Chase views pending legal challenges\(^2\) to Pennsylvania’s Electricity Generation Customer Choice and Competition Act (the “Act”) as likely to impact adversely upon

the securitization proposal contained in the Choice Plan. When asked specifically whether two lawsuits brought by the Utility Workers Union of America, Local 102, and by IPALCO, respectively, were “likely to adversely affect the marketing or constitute a legal impediment to the issuance of the Pass-Through Certificates,” Ms. Voorhees responded that although an adverse determination in those lawsuits would “impair the marketing” of the proposed securities, Chase had been “informed by counsel” that the lawsuits are without merit. *Id.*

More specifically, Senator Fumo’s Interrogatory number 2 seeks “a copy of all memoranda, working papers, briefs or written opinion letters from said counsel concerning the merits of [the Utility Workers of America] lawsuit.” Senator Fumo’s Interrogatory number 4 seeks the same material pertaining to the IPALCO suit. IPALCO’s Interrogatory number 3 asks to see any written opinion of counsel, or absent a written opinion, to have a description of “how the information was received.” Such interrogatories invade an area of privileged communications and have been properly rebuffed by Enron for this reason.

II. These Motions to Compel Seek Privileged Information

In Pennsylvania, the attorney-client privilege has been codified as follows:

In a civil matter counsel shall not be competent or permitted to testify to confidential communications made to him by his client, nor shall the client be compelled to disclose the same, unless in either case this privilege is waived upon the trial by the client.

42 Pa. Cons. Stat. Ann. § 5928. Senator Fumo does not dispute that the privilege applies to the communications at issue. IPALCO appears to question whether the privilege is applicable, but ultimately rests its argument on the same reasoning used by Senator Fumo, that the privilege has somehow been waived in this instance. In large part, therefore, the supporting memoranda submitted by Senator Fumo and IPALCO attempt, without success, to squeeze the circumstances
surrounding Ms. Voorhees’ testimony into one of the few narrow exceptions to the attorney-client privilege.

The purpose of the attorney-client privilege is to promote a full and frank dialogue between the attorney and his or her client without apprehension that the contents of that dialogue will later be disclosed to an opposing party. Estate of Kofsky, 487 Pa. 473, 409 A.2d 1358 (1979). The attorney-client privilege is by now so well-established that it has been called “the most revered of our common law privileges.” Commonwealth v. Maguigan, 511 Pa. 112, 511 A.2d 1327, 1333 (1986). Because the attorney-client privilege “serves the ends of justice, it is worthy of maximum legal protection.” Rhone-Poulenc Rorer, Inc. v. Home Indemnity Co., 32 F.3d 851, 862 (3d Cir. 1994). Accordingly, courts strive “to apply the privilege in ways that are predictable and certain.” Id. at 863. Attempts to undermine the privilege, such the intervenors here advocate, should be viewed with skepticism. “An uncertain privilege — or one which purports to be certain, but rests on widely varying applications by the courts — is little better than no privilege.” Id. (quoting In re von Bulow, 828 F.2d 94, 100 (2d Cir. 1987)).

III. There Has Been No Waiver of the Privilege in These Circumstances

Because the attorney-client privilege is of paramount importance to our legal system, courts recognize only a few narrow exceptions to the general protection it affords. The present attempt to squeeze the facts and circumstances surrounding Ms. Voorhees’ testimony before this Commission into one of these narrow exceptions is thoroughly unsuccessful. For example, in support of his Motion to Compel, Senator Fumo cites Brennan v. Brennan, 281 Pa. Super. 362, 422 A.2d 510 (1980), which stands for the unremarkable proposition that discovery may be ordered when the client has abused the privilege by using it to commit a crime or fraud. It is
equally well established that a party waives the attorney-client privilege when asserting a breach of duty committed by his or her attorney. General State Auth. v. Hineline, 62 Pa. D.&C.2d 322, 325-26 (Monroe C.P. 1972). Similarly, when a plaintiff’s cause of action is based upon allegations that her attorney became, even unwittingly, a conduit for fraud, that plaintiff cannot assert the privilege to protect the very communications upon which her cause of action is based. Naglak v. Pennsylvania State Univ., 133 F.R.D. 18, 22 (M.D. Pa. 1990). None of these cases, all of which are cited by Senator Fumo, is remotely pertinent to the issue presently before this Commission.

IPALCO fares little better in its citation to authority. For example, IPALCO contends that once the attorney-client privilege has been waived as to one communication, in this case the conclusion of counsel as to the merits of the pending lawsuits, the privilege is waived as to all matters and communications relating to that conclusion. While it is obvious that disclosure of part of a privileged communication waives the privilege as to the information disclosed, the authorities disagree as to whether a partial disclosure waives the protection for the entire communication. 3 Jack B. Weinstein, Weinstein’s Federal Evidence § 511.06 (2nd ed. 1997). One Pennsylvania court has recently rejected the proposition that a partial waiver, effected in that case by the use of documents contained in an attorney’s confidential file to refresh memory at trial, constitutes a waiver of privilege as to the entire file. Bond v. Bond, 455 Pa. Super. 610, 689 A.2d 275, 278 (1997). IPALCO’s citation to one Ohio case and two federal cases in no way resolves this issue in its favor.

Nor does the testimony of Ms. Voorhees come within the doctrine of “implied waiver.” A waiver of the attorney-client privilege may be implied when a party expressly relies upon the
advice of counsel to prove an essential element of his or her claim or affirmative defense. This implied "voluntary" waiver can only occur when a party places the privileged matter "at issue" in the litigation. See Garfinkle v. Arcata Nat’l Corp., 64 F.R.D. 688, 689 (S.D.N.Y. 1974); Hearn v. Rhay, 68 F.R.D. 574 (E.D. Wash. 1975).

In Hearn, the court outlined three factors common to this type of implied waiver of the attorney-client privilege:

(1) assertion of [the] privilege was a result of some affirmative act, such as filing suit, by the asserting party; (2) through this affirmative act, the asserting party put the protected information at issue by making it relevant to the case; and (3) application of the privilege would have denied the opposing party access to information vital to [its] defense.

Id. at 580. Subsequent cases have rejected, or at least restricted Hearn, by stressing that privileged material is not "at issue" merely because it has been made relevant, but only when the advice of the attorney will support an essential element of one party’s claim or defense. Rhone-Poulenc, 32 F.3d at 864.

In Rhone-Poulenc, the plaintiffs had purchased liability insurance from The Home Indemnity Company and filed a declaratory judgment action seeking coverage for certain claims brought against them. In his deposition, the Chairman and Chief Executive Officer of Rhone-Poulenc revealed that the company had secured legal advice from its outside counsel which related to the potential for claims such as those underlying the coverage action. The insurer immediately sought documents relating to the attorney's advice. Rhone-Poulenc objected to discovery on the ground of attorney-client privilege. In its motion to compel, the insurer argued that, by filing suit and putting these matters at issue, the plaintiffs had waived any attorney-client privilege with respect to those documents.
Applying Pennsylvania law, the Third Circuit rejected the insurance company's assertion that the defendants in that action had placed the advice of counsel at issue simply by bringing the declaratory judgment action seeking coverage of the claims:

Advice is not in issue merely because it is relevant, and does not necessarily become in issue merely because the attorney's advice might affect the client's state of mind in a relevant manner. The advice of counsel is placed in issue where the client asserts a claim or defense, and attempts to prove that claim or defense by disclosing or describing an attorney-client communication.

32 F.3d at 863.

The Third Circuit described Hearn as appearing "to rest on the conclusion that the information sought is relevant and should in fairness be disclosed." Id. at 364. The court then explained:

Relevance is not the standard for determining whether or not evidence should be protected from disclosure as privileged, and that remains the case even if one might conclude the facts to be disclosed are vital, highly probative, directly relevant or even go to the heart of an issue.

Id. (emphasis added).

Rhone-Poulenc easily disposes of Senator Fumo's contention that "inquiry into the basis for the counsel's conclusions is also relevant." Fumo Motion to Compel at 6. Attorney-client communications are protected from disclosure even when they are undeniably relevant. In the present circumstances, as in Rhone-Poulenc, no party has "interjected the advice of counsel as an essential element of a claim."

Thus, the applicability of the "at issue" exception to the attorney-client privilege turns on the distinction between circumstances in which the "advice of counsel" is an essential element of a claim or defense and cases in which that advice merely goes to the client's state of mind.

Compare Rhone-Poulenc, 32 F.3d at 864 (explaining that plaintiff does not waive the attorney-

At least one trial court in Pennsylvania has adopted the very distinction set forth in Rhone-Poulenc. Mueller v. Nationwide Mutual Insurance Co., 31 Pa. D.&C.4th 23 (Allegheny C.P. 1996). Mueller involved a “bad faith” claim in which the insurance company sought to protect its communications with counsel regarding the underlying claims against its insured. The plaintiff argued that the insurer, by asserting that it had acted in good faith, waived the protection of the attorney-client privilege as to any materials relating to that defense. Id. at 32. In Mueller, Judge Wettick rejected the plaintiff’s argument, holding that the attorney-client privilege protected the insurer’s communications with counsel because the insurer had not, at least up to that point, expressly interjected the advice of counsel in support of its good faith defense. Id. at 32-33. The Mueller court noted the absence of Pennsylvania appellate court case law on this issue, but predicted that those courts would also reject a claim of waiver simply because the “state of mind” of a litigant will be an issue in the case. Id. at 40.

In the present circumstances, it is plain that neither Enron nor Ms. Voorhees has asserted advice of counsel in support of an “essential element” of any claim or defense belonging to Enron. In these Motions to Compel, the intervenors seem to contend that each individual component of the Choice Plan is somehow an “element” of Enron’s “claim.” Even accepting
this dubious analogy, however, the existence of "legal impediments" within the meaning of paragraph 35(g) of the Choice Plan will not be proven or finally resolved by the information which Ms. Voorhees received from counsel in the same sense that "good faith" can, in certain circumstances, be conclusively established the advice of counsel. Whether the pending legal challenges to the Pennsylvania statute have merit will finally be decided by another tribunal. The information from counsel referred to by Ms. Voorhees, therefore, merely points to one underlying basis for Chase's present belief that the Pass-Through Certificates would be marketable despite the pendency of the two lawsuits in question. Accordingly, whether there will ultimately be "legal impediments" is not an essential element to be decided in this case by the PUC.

The intervenors' facile attempt to draw an analogy between Ms. Voorhees' testimony and cases in which a party interjects the advice of counsel to prove a claim or affirmative defense simply will not work. The specific testimony given by Ms. Voorhees, from beginning to end, only addresses the high degree of confidence Chase places in the success of the securitization proposal contained in the Choice Plan. It is axiomatic that confidence is a state of mind. Judge Wetlick, writing in Mueller, squarely rejected the notion that a litigant may probe into privileged attorney-client communications in an effort to inquire into an opposing party's state of mind. Mueller, 31 Pa. D.&C.4th at 36. The Pennsylvania Public Utility Commission should similarly reject such an assertion.

WHEREFORE, for all of the foregoing reasons, Enron respectfully requests the presiding Administrative Law Judges and the Commission to deny the Motions to Compel filed by Senator Fumo and IPALCO, and to sustain Enron's objections to Senator Fumo's Interrogatories — Set
IV, Questions Nos. 2, 3, 5 and 6, as well as Enron’s objections to IPALCO’s Interrogatories —
Set I, Questions Nos. 2, 3, 4, and 6.

Respectfully submitted,

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Dated: November 10, 1997
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code

Petition of Enron Energy Services Power, Inc. for Approval of an Electric Competition and Choice Plan and for Authority Pursuant to Section 2007(e) of the Public Utility Code to Serve as the Provider of Last Resort in the Service Territory of PECO Energy Company

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Answer of Enron Energy Services Power, Inc. to Motion to Compel Answers to Interrogatories of Senator Fumo and Indiana Power and Light Company to participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant):

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Gerald Gornish

Dated: November 10, 1997
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Pennsylvania Public Utility Commission
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Re: Application Of PECO Energy Company For Approval Of Its Restructuring Plan
Under Section 2806 Of The Public Utility Code;
Docket No. R-00973953
Petition of Enron Energy Service Power, Inc.; Docket No. P-00971265

Dear Secretary McNulty:

In accordance with the Commission's November 6, 1997 Order in this proceeding, PECO Energy hereby informs the Commission that it accepts the January 30 deadline for a decision in PECO's Restructuring case. This acceptance is based and conditioned on our understanding that the Commission will issue a decision on December 11, 1997 accepting or rejecting the Joint Petition For Partial Settlement, and in the event that the Commission does not adopt the Joint Petition for Partial Settlement on December 11, 1997, the parties would then resume litigation covering all issues required for decision in the Restructuring case. It is PECO's understanding that the settling parties (CEPA, Office of Consumer Advocate, Lance Haver, Office of Trial Staff, Office of Small Business Advocate, Philadelphia Area Industrial Energy Users Group, American Association of Retired Persons and Department of the Navy) fully support the above.

Respectfully submitted,

[Signature]
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PRB/mbo

cc: John M. Quain, Chairman
David W. Rolka, Commissioner
John Hanger, Commissioner
Robert K. Bloom, Commissioner
Nora Mead Brownell, Commissioner
Administrative Law Judge Marlane R. Chestnut (by fax and first class mail)
Administrative Law Judge Charles E. Rainey, Jr. (by fax and first class mail)
All parties of record (by fax and first class mail)
Certificate of Service

I hereby certify that I have this day served the foregoing document on the following in the matter of Pennsylvania Public Utility Commission v. PECO Energy Company Pa. PUC Docket No. R-0097395.

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Dated: November 10, 1997
November 11, 1997

James J. McNulty, Acting Secretary
Pennsylvania Public Utility Commission
North Office Building
Harrisburg, PA

Re: Application of PECO Energy Company for Approval of its Restructuring Plan Under Sections 2806 of the Public Utility Code, Docket No. R-00973953;
Petition of Enron Energy Services Power, Inc. for Approval of an Electric Competition and Customer Choice Plan and for Authority Pursuant to Section 2807(e)(3) of the Public Utility Code to Serve as the Provider of Last Resort in the Service Territory of PECO Energy Company, Docket No. P-00971265

Dear Mr. McNulty:

The purpose of this letter is to respond to the attached letter from PECO’s counsel, dated November 10, 1997, which purports to provide required notification as to whether PECO accepts the extension of the statutory deadline applicable to the above-referenced restructuring through January 30, 1998. While PECO’s letter agrees to an extension, the extension appears to be expressly conditioned on an inappropriate restriction on the Commission’s decision making authority at its December 11, 1997 public meeting—which restriction is inconsistent with the Commission’s stated directives. The Commission’s November 9, 1997 Opinion and Order enables the Commission to reach three potential results at its December 11, 1997 Public Meeting. These potential results are:

1. The Commission’s November 6, 1997 Opinion and Order in the above-referenced dockets required PECO to notify the Commission no later than November 10, 1997 as to whether PECO accepts a statutory extension. However, the Commission expressly stated that if PECO accepts the extension “the Commission still would issue a decision on December 11, 1997 accepting or rejecting the Joint Petition for Partial Settlement and the Enron PLR Petition ...”. In contrast, PECO’s letter appears to attempt to restrict the scope of the Commission’s decision of December 11, 1997 to accepting or rejecting the Partial Settlement and implicitly is attempting to bar the Commission from considering and accepting Enron’s Choice Plan at its December Public Meeting.
1. Approve Enron’s Choice Plan without modification;

2. Approve the Partial Settlement without modification; and

3. Reject both proposals and postpone its final decision until its January 22, 1997 Public Meeting to adopt an alternative restructuring plan for PECO. ²

To the extent PECO’s letter attempts to further restrict the scope of the Commission decision on December 11, 1997 through a condition on extension of the statutory deadline, the condition seeks yet another reconsideration of the Commission’s underlying October 9, 1997 Opinion and Order, it should be rejected.

The Commission has finally resolved this issue. PECO has been given the opportunity to accept statutory extension under the Commission’s stated terms, and only those terms. It cannot be permitted to reject the Commission’s terms and design its own terms through its November 10, 1997 letter. Accordingly, the Commission should either reject the conditions included in PECO’s letter or, in the alternative, clarify that the Commission retains the intended scope of its scheduled December 11, 1997 consideration of PECO’s restructuring proceeding.

Respectfully,

Alan C. Kohler
For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

cc: Hon. John Quain
Hon. David Rolka
Hon. Nora Mead Brownwell
Hon. Robert Bloom
Hon. John Hanger
Hon. Marlene R. Chestnut
Hon. Charles E. Rainey, Jr.
All Parties of Record

² Enron expects that the Commission will have the entire PECO Restructuring record before it on December 11, 1997 and if the Commission rejects both the Choice Plan and the Partial Settlement, it will tentatively set forth a preferred restructuring plan for PECO with final consideration of such plan at its January 22, 1997 Public Meeting.
By Hand Delivery
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Pennsylvania Public Utility Commission
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Re: Application Of PECO Energy Company For Approval Of Its Restructuring Plan
Under Section 2806 Of The Public Utility Code;
Docket No. R-00873953
Petition of Enron Energy Service Power, Inc.; Docket No. P-00971265

Dear Secretary McNulty:

In accordance with the Commission's November 6, 1997 Order in this proceeding, PECO Energy hereby informs the Commission that it accepts the January 30 deadline for a decision in PECO's Restructuring case. This acceptance is based and conditioned on our understanding that the Commission will issue a decision on December 11, 1997 accepting or rejecting the Joint Petition For Partial Settlement, and in the event that the Commission does not adopt the Joint Petition for Partial Settlement on December 11, 1997, the parties would then resume litigation covering all issues required for decision in the Restructuring case. It is PECO's understanding that the settling parties (CEPA, Office of Consumer Advocate, Lance Haver, Office of Trial Staff, Office of Small Business Advocate, Philadelphia Area Industrial Energy Users Group, American Association of Retired Persons and Department of the Navy) fully support the above.

Respectfully submitted,

Paul R. Bonney
PRB/mbo

cc: John M. Quain, Chairman
    David W. Rolka, Commissioner
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    Robert K. Bloom, Commissioner
    Nora Mead Brownell, Commissioner
    Administrative Law Judge Marlane R. Chestnut (by fax and first class mail)
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Dear Counsel:

Enclosed is PECO Energy Company’s Answer to Enron’s Interrogatory:

Set X: 38.

Sincerely,

Paul Bonney

PRB/mbo
Enclosures

cc: w/enclosures
Certificate of Service (w/enclosure)
James McNulty, Acting Prothonotary (Certificate of Service Only)
Certificate of Service

I hereby certify that I have this date served the following Answers by facsimile, first class or overnight/express mail, upon the persons addressed below:

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Dated: November 11, 1997
November 12, 1997

James McNulty, Acting Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17105-3265


Dear Secretary McNulty:

Enclosed for filing with the Commission are an original and three copies of PECO Energy Company’s Answer to Enron Energy Services Power, Inc. for Extension of Time For Submission Of Rebuttal Testimony.

Sincerely,

Paul R. Bonney

PRB/mbo

cc: Administrative Law Judge Marlane R. Chestnut (fax and first class mail)
Administrative Law Judge Charles E. Rainey, Jr. (fax and first class mail)
Certificate of Service
On November 10, 1997, Enron Energy Services Power, Inc. ("Enron") filed a Motion, nominally pursuant to the sanction provisions applicable to discovery contained in 52 Pa. Code §§5.371 and 5.372, requesting that: (1) PECO Energy Company ("PECO") be compelled to produce additional documents by November 13, 1997; and (2) that Enron be provided 12 days, to November 19, 1997, to submit certain rebuttal testimony. In the alternative, Enron moves to strike portions of the testimony of PECO's witness J. Barry Mitchell (PECO Statement No. 20-E) and portions of other testimony submitted by PECO which refers to or relies upon Mr. Mitchell's testimony.

For the reasons explained herein, Enron has already been provided the requested documentation, the "motion to compel" and the alternative motion to strike are moot, and should thus be denied. Additionally, Enron's request for a one-week extension for submission of further rebuttal testimony is without merit, and should
likewise be denied.


Section 5.371 of the Public Utility Code provides that sanctions may be imposed for failure to comply with the Commission’s rules related to discovery. Section 5.372 defines the sanctions which may be imposed. However, as Enron’s Motion makes clear, there has been no failure to comply with the Commission’s discovery rules, and thus the sanctions provided by Sections 5.371 and 5.372 are inapplicable.

The substance of Enron’s motion is that it does not have access to the financial information necessary to confirm Mr. Mitchell’s conclusions that the Enron Plan would have a severe negative effect upon PECO’s financial integrity. However, Enron’s motion does not assert that PECO has failed to respond to discovery. In fact, Enron has not served PECO with any discovery regarding Mr. Mitchell’s testimony. PECO did, however, as an accommodation to Enron, supply the information in response to Enron’s counsel’s informal oral request. And, as the next section explains, PECO has previously (on September 25\textsuperscript{th} and 26\textsuperscript{th}) provided Enron with similar information to enable Enron to perform the analysis it now desires to present. As a result, there is no basis for the imposition of discovery sanctions pursuant to Sections 5.371 and 5.372. On this basis alone, Enron’s Motion must be denied.
2. PECO Previously Provided to Enron the Necessary Documentation to Enable Enron to Calculate the Financial Effects of the Enron Plan Upon PECO

Even if Section 5.371 of the Public Utility Code did authorize the Administrative Law Judge ("ALJs") to impose sanctions in the absence of a violation of a discovery rule, no such sanctions would be appropriate in this instance because Enron already has been provided with the necessary documentation to confirm Mr. Mitchell's conclusions.

Enron would like the ALJs to believe that Mr. Mitchell has opened a new area of inquiry, at the last minute, with respect to the effects of the Enron Plan upon PECO's financial integrity. PECO's financial integrity as a result of restructuring, however, has been an issue throughout this case, and PECO has provided substantial information to the Commission and, through discovery, to the parties regarding PECO's financial integrity. If any party is to be criticized for failing to document the financial effects of the Enron Plan, it is Enron, not PECO.

Mr. Mitchell first submitted responsive testimony concerning the financial effects of various parties' restructuring proposals in rebuttal testimony submitted on July 18, 1997 (PECO Statement No. 20-R). His testimony explained that PECO's financial integrity would be severely compromised by the adoption of proposals submitted by the OTS, OCA and PAIEUG. Thereafter, Mr. Mitchell was available to provide responses to discovery concerning his testimony. Enron chose not to participate through testimony or discovery in these financial issues.
Subsequent to the submission of Mr. Mitchell's Statement No. 20-R, PECO and other parties entered into the Partial Settlement. At that time, Enron, through its counsel, Mr. Clearfield, requested copies of detailed calculations prepared by PECO, under counsel's direction, to analyze the financial effects of the Partial Settlement upon PECO. Enron's counsel and other parties' counsel deposed Mr. Mitchell regarding these analyses, and by correspondence dated September 25 and September 26, 1997, PECO provided financial information and the underlying assumptions used by PECO. Copies of those confidential calculations and assumptions were provided to the ALJs and are incorporated herein, confidentially, by reference. Portions of the financial information PECO provided were, in fact, entered into the record (under seal) during cross-examination of PECO witnesses in the hearings held on October 14-16.

Those calculations, with revisions to certain assumptions to reflect the financial effects of the Enron Plan, were thereafter used by Mr. Mitchell to prepare the financial analysis of the Enron Plan that was submitted in Mr. Mitchell's Statement No. 20-R. Thus, although Enron could have duplicated the calculations and analysis itself from information previously available to it, apparently it did not.

On Monday afternoon, November 10, we spoke with Enron's counsel who called to request certain background information and underlying assumptions regarding Mr. Mitchell's analysis with respect to the Enron Plan. PECO provided such assumptions and calculations to Enron's counsel via fax the next morning, on Tuesday, November 11, 1997. A copy was also provided to the ALJs and is incorporated herein, confidentially, by reference.
As the foregoing demonstrates, Enron has already been provided with the necessary financial data to enable it to confirm Mr. Mitchell's conclusion that the Enron Plan would result in a downgrading of PECO's bond rating to junk bond status and otherwise imperil PECO's financial integrity. Thus, Enron's motion to compel and motion to strike are moot.

3. Enron Should Not be Granted Additional Time to Prepare Financial Analyses Which it Should Have Provided as Part of its Direct Case

The only remaining issue is whether Enron should be granted any extension, beyond the November 12, 1997 date set by the ALJs for submission of surrebuttal testimony, to respond to Mr. Mitchell's calculations. The answer is no. Enron should not be given additional time to present testimony which, properly, it should have submitted previously or, at a minimum, should have anticipated it might want to file in rebuttal.

As explained above, Enron has been on notice since at least July 18, 1997, that the question of PECO's financial integrity under any restructuring plan would be at issue. Indeed, Enron itself considered this issue to be important, as evidenced by its discovery request for financial information over six weeks ago, following the submission of the Partial Settlement. Enron had the burden to demonstrate, as part of its direct case in this round, the financial effects of its plan upon PECO. This is particularly so given that Enron has conditioned its own service obligations under its Choice Plan on PECO's performance. Indeed, such demonstration is necessary if Enron's proposed plan is to be found to meet the statutory standards of "maintaining the safety and
reliability of the electric system" and "in the public interest."

Even if Enron is allowed to file surrebuttal testimony regarding the effects of the Enron Plan upon PECO’s financial integrity, Enron should not be heard to complain that it was caught unaware and could not respond in a timely fashion. As explained previously, Enron had more than adequate notice that the financial effects of its plan would be examined, and Enron should not be granted more time, at this late stage of the proceeding, to develop a response. Rather it should be required to comply with the procedural schedule to which Enron agreed, and which the ALJs established, for the orderly disposition of this proceeding.

WHEREFORE, for all of the foregoing reasons, the Motion of Enron Energy Services Power, Inc. for an expedited ruling from the bench to compel PECO to produce workpapers and other supporting information or to strike portions of PECO’s testimony should be denied.

Respectfully submitted,

Paul R. Bonney, Esq.
Assistant General Counsel
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2301 Market Street, S23-1
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(215) 841-4252

November 12, 1997
VERIFICATION

I, T. P. Hill, Jr., hereby declare that I am Vice President and Controller of PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Answer to Enron's Energy Services Power, Inc. for the Extension of Time For Submission Of Rebuttal Testimony are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. §4904 pertaining to false statements to authorities.

Date: November 12, 1997

T. P. Hill, Jr.
Certificate of Service

I hereby certify that I have this day served the foregoing document on the following in the matter of Pennsylvania Public Utility Commission v. PECO Energy Company Pa. PUC Docket No. R-00973953.

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Dated: November 12, 1997
November 12, 1997

BY HAND

James McNulty, Prothonotary  
Pennsylvania Public Utility Commission  
North Office Building  
P.O. Box 3265  
Harrisburg, PA 17105-3265

PECO Energy Company  
Docket No. R-00973953  

Dear Mr. McNulty:

Enclosed please find for filing three (3) copies of a Certificate of Service evidencing service of Enron Energy Services Power, Inc.'s Response to Indianapolis Power and Light Company's Interrogatory, Set I, No. 5.

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

Michael D. Klein

MDK/mas  
enclosure  
cc: All Parties on Certificate of Service  
Daniel Clearfield, Esquire
CERTIFICATE OF SERVICE

I hereby certify that I have on this 12th day of November, 1997, served a true copy of the foregoing Response to Indianapolis Power and Light Company's Interrogatory, Set I, No. 5, on behalf of Enron Energy Services Power, Inc. upon the participants, listed below, in accordance with the requirements of 52 Pa.Code § 1.54:

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Attorney for Enron Energy Services Power, Inc.
November 12, 1997

BY HAND

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P.O. Box 3265  
Harrisburg, PA 17105-3265

PECO Energy Company  
Docket No. R-00973953

Dear Mr. McNulty:

Enclosed please find for filing three (3) copies of a Certificate of Service evidencing service of Enron Energy Services Power, Inc.'s Amended Response to PECO Energy Company's Interrogatory, Set XIII, No. 6.

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

Michael D. Klein

MDK/mas
enclosure
cc: All Parties on Certificate of Service  
Daniel Clearfield, Esquire
I hereby certify that I have on this 12th day of November, 1997, served a true copy of the foregoing Amended Response to PECO Energy Company's Interrogatory, Set XIII, No. 6, on behalf of Enron Energy Services Power, Inc. upon the participants, listed below, in accordance with the requirements of 52 Pa.Code § 1.54:

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(717) 232-8199  
Attorney for Enron Energy Services Power, Inc.
November 12, 1997

Dear Mr. McNulty:

Enclosed please find for filing three (3) copies of a Certificate of Service evidencing service of Enron Energy Services Power, Inc.’s Responses to PECO Energy Company’s Interrogatories, Set XVII.

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

Michael D. Klein

MDK/mas
enclosure
cc: All Parties on Certificate of Service
Daniel Clearfield, Esquire
I hereby certify that I have on this 11th day of November, 1997, served a true copy of the foregoing Responses to PECO Energy Company's Interrogatories, Set XVII, on behalf of Enron Energy Services Power, Inc. upon the participants, listed below, in accordance with the requirements of 52 Pa.Code § 1.54:

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