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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

July 16, 1999

Honorable John M. Quain, Chairman
Pennsylvania Public Utility Commission
104 North Office Building
Harrisburg, PA 17105

Re: IRRC Regulation #57-203 (#2028)
Pennsylvania Public Utility Commission
Annual Resource Report Filing Requirements

Dear Chairman Quain:

Enclosed are our Comments on the subject regulation. They are also available on our website at <http://www.irrc.state.pa.us>.

Our Comments list objections and suggestions for consideration when you prepare the final version of this regulation. We have also specified the regulatory criteria which have not been met. These Comments are not a formal approval or disapproval of the proposed version of this regulation.

If you would like to discuss these Comments, please contact Mary Lou Harris at 772-1284.

Sincerely,

A handwritten signature in black ink that reads "Robert E. Nyce".

Robert E. Nyce
Executive Director

REN:keg

Enclosure

cc: Blaine J. Loper
Carl Hisiro
Sherri DelBiondo
Office of General Counsel
Office of Attorney General
Pete Tartline

COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION

ON

PENNSYLVANIA PUBLIC UTILITY COMMISSION REGULATION NO. 57-203

ANNUAL RESOURCE REPORT FILING REQUIREMENTS

JULY 16, 1999

We have reviewed this proposed regulation from the Pennsylvania Public Utility Commission (PUC) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act (71 P.S. § 745.5a(h) and (i)) specify the criteria the Commission must employ to determine whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to protection of the public health, safety and welfare; economic impact; and clarity. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

1. Section 57.141. General. – Protection of the public health, safety and welfare; and Clarity.

The existing regulation requires “a public utility” to submit an Annual Resource Planning Report (ARPR) to the PUC. Section 57.141(a) of this proposal replaces the term “public utility” with “electric distribution company” (EDC). Chapter 28, adopted in Act 138 of 1996, included provisions under which an EDC is obligated to serve customers. In the deregulated market, EDCs are frequently, but not always, the “provider of last resort”. We understand that deregulation has resulted in a number of electric generation suppliers (EGSs), as well as smaller subsidiaries of EDCs and EGSs acting as providers of last resort.

Does the PUC plan to gather similar data from providers of last resort that are not EDCs? The PUC should explain how it will ensure that the customer demands will be met in cases where the provider of last resort is not an EDC.

The same section requires that the ARPR be submitted on May 31. The report will contain information pertaining to the “Current year.” “Current year,” as defined in Subsection (b), is “the year in which the filing is being made.” This is unclear, and should be revised to read, “the calendar year preceding the year in which the filing is made.”

2. Section 57.142. Forecast of energy demand, peak load and number of customers. - Clarity.

Subsection (b)(2)(i) requires data for both “summer” and “winter” seasons. No definition exists for either term in this section. The existing definition, “the summer season being June

through September and the winter season being December through March,” is deleted from Section 57.146(a). We recommend inserting the definition in Section 57.141.

3. Section 57.143. Existing and planned generating capability. - Clarity.

Subsection (b) of Section 57.143 requires that the ARPR contain a synopsis of major occurrences including a number of different entries, as well as “any other pertinent information.” We request that this phrase be clarified to reflect that the other pertinent information is related to major occurrences.

4. Section 57.145. Cogeneration and independent power production. – Clarity.

There is no definition of “independent” contained in this section. We recommend a cross-reference to the definition of the term in Section 57.31.

5. Section 57.151. New generating facilities and expansions of existing facilities. - Economic impact; Protection of the public health, safety and welfare.

This existing section is deleted in this proposal. It included detailed reporting of information regarding planned construction and operation of facilities. Instead, “planned” generating capability is added to requirements in Section 57.143 (Existing and planned generating capability). We agree that the amount of detail in the current Section 57.151 is not necessary. However, we question why the PUC has not retained any requirement for reporting of generating units scheduled to be removed. We request the PUC explain how the proposal will provide complete information on available generating facilities without considering units which will be going out of service.

6. Report format. – Clarity.

The current regulation lists formats for the ARPR. The revised rulemaking contains no information regarding formats. Commentators and the PUC have noted that ARPR forms have yet to be revised or developed.

The PUC should develop or revise, as necessary, forms consistent with the new reporting requirements. These forms should be ready for distribution at the time of the submittal of the final-form rulemaking.