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Cc: willett@udel.edu; Bunting George (LegHall); ismurray@juno.com

Subject: Another submission for site

Dear Ron, et al:

Because the power plant operators raised the issue of "deregulation" in their presentations--as obstacles to paying for cleanups of units--I think it becomes relevant to consider public reactions to this. Something on this is below.

Also, I understand that Dr. Willitt Kempton (<http://www.ocean.udel.edu/cms/wkempton/>) wants to address the committee, but is not available on April 6, 2006. My understanding is that he wants to talk about the (in)appropriateness of encouraging the building of additional coal capacity in view of the implications for climate change. He and his students have been studying the potential for offshore wind near Delaware. I am not endorsing his presentation in advance (Kempton and I have our points of agreement and also disagreement, and the UD College of Marine Studies as a whole is surely no friend of environmental advocacy.) but I think this subject is important, especially in view of all the hype that has surrounded possible coal gasification projects.

Therefore I hope that the committee will have a meeting at which it can hear from Kempton, before the Department presents a draft regulation.

Also, while citizens have been asserting concerns about the health effects of power plant emissions, the Delaware Division of Public Health seems so far to have maintained its usual silence. I think the time when citizens are willing to accept this from "their" public health officials is coming to an end and Green Delaware is looking for better in this particular proceeding.

Also, I have in the past visited the E-M power plant, and have arranged to visit the McKee Run plant. Previous--quite a while ago--requests to visit the IRPP have been rejected. I would be interested in visiting this facility.

Yours very truly,

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23 impact of 45 cents per month for the average customer.
24 Someone might say, well, what's the big deal about that?

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1 But when I look at it, I believe that, if Green Delaware
2 was an intervenor in this case, we would object to a
3 number of the company's proposals. It is not clear to me
4 that the numbers support a rate increase. I don't think
5 the imposition of standby charges and such is
6 appropriate. Because in the long run, many of us who
7 follow these things envision a transition in the
8 electricity distribution system from a top down one to
9 more of a distributed generation pattern. And that is
10 not compatible with punishing small generators with
11 various kinds of standby charges and so on. It would
12 tend to make projects uneconomical.

13 With regard to charges for service
14 installations, extensions, special installations and
15 private lines, I have some personal experience with
16 asking the utility to help me modernize a residential
17 service move from aerial to underground and so on. And I
18 have found a certain degree of confusion and
19 inconsistency in those issues being addressed. So I
20 agree that some clarification might be in order. But I
21 rather think that the company should become more
22 accommodating to customers in that regard and more
23 supportive of those things. And probably charges always [error or
misstatement here]

24 ought to go down rather than up. And beyond that, I

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1 won't go on.

2 I hope that -- I'm not aware that there
3 are intervenors in this docket who are representing what
4 I would consider to be our interests. I hope that that
5 is not the case.

6 Now, I want to address myself to the
7 issue that I think has really brought people here
8 tonight. I don't think people are here about the
9 45-cent-per-month rate impact of this docket. I think
10 they're really here about the large projected increases
11 in electric utility cost.

12 Today, in preparation for this hearing,
13 I pulled out House Bill 10 which enacted the
14 restructuring, and I pulled out the roll call votes. And
15 I pulled out our testimony in that matter. And as I
16 recall, on the day in March of 1999 when that bill was
17 passed, Legislative Hall crawled with more lobbyists than
18 perhaps had been seen ever before or since. And I asked
19 myself at that time: If in fact this legislation is in
20 the public interest, why are there literally dozens of
21 lobbyists found in the building? And I asked myself why
22 had the House of Representatives found it necessary to
23 alter its conflict of interest rules so that legislators
24 could -- representatives could vote for this bill who

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1 otherwise would have been precluded from doing so by
2 their ownership of utility stock.

3 And I won't go on about that except I'm

4 going to tell you what the vote was. In the House of
5 Representatives, the vote was yes, 35; no, zero; not
6 voting, one; and absent, five. Those who were absent
7 were DiPinto, Keeley, Reynolds, Scott, Arthur Scott of
8 Wilmington, and Williams, Dennis Williams of Wilmington.

9 So it seems rather noticeable to me that
10 representatives who have many constituents who would be
11 negatively effected by electric restructuring chose to
12 take a walk during this vote. The one not voting was
13 Representative Valihura.

14 Now, in the Senate the vote was 20 to 1.
15 One senator, George Bunting, voted against the
16 restructuring legislation, and 20 senators voted in favor
17 of it. And the legislation was carefully enough
18 structured to put the consequences off a few years into
19 the future. And I suggested, if the situation had been
20 set up so that the consequences of this action would have
21 taken effect immediately, it's possible that the vote
22 would have been different. But my recommendation to
23 those of you who are in the audience and who are
24 interested in this matter is to discuss with your

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1 legislators their votes on this legislation. And I think
2 I -- that I won't continue on, although there's a great
3 deal more that I would be inclined to say about this.

4 But I am aware of only one organization
5 that actively fought this legislation and sought the
6 privilege of the floor and testified against it on the
7 floor of the Senate. And that was us. And I said to the
8 members of the Senate in March of 1999 that this
9 legislation was not good for consumers, was not good for
10 the environment and should not be passed.

11 And many of the senators who had spent
12 about an hour listening to Howard Cosgrove, the then head
13 of Conectiv and who left in the [with a] golden parachute of \$6 [or]
7

14 million, found that when we were speaking against the
15 bill was an appropriate time to rustle papers and go to
16 the bathroom. So the public interest was not extremely
17 apparent in Legislative Hall when this bill was passed.

18 But for anyone who even casually looked
19 at it, the consequences were predictable. And what we
20 are seeing now is not only the predictable consequences
21 of a deregulation process that has produced an
22 unregulated monopoly -- and that we're seeing layered on
23 top of fuel cost increases and such like this [that] possibly
24 weren't directly anticipated at this [that] time.

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1 But people are being told that they're
2 going to look at a 60 percent increase in their bills,
3 and they're being told that this is the result of a
4 bidding process that is not open to public scrutiny, as
5 far as I know. And they're being told that essentially
6 they have no say about it. In other words, the
7 mechanical process that was put in place in 1999 was
8 carefully structured so that when the excrement hit the
9 fan the public would not be in the loop. And I recommend

10 to you that the only potentially meaningful solution to
11 this is for the legislature to undue some of what it
12 unwisely and irresponsibly did back in March.

13 And I'll close very briefly with a
14 story. When I began to interact with the Delaware Public
15 Service Commission, it was chaired by a lady named Nan
16 Norling who was very interested in the public interests.
17 She was removed from the Commission by Governor Carper
18 who appointed a gentleman named Robert McMahon to chair
19 the Commission. And Dr. McMahon began his service on the
20 Commission like many Public Service Commissioners do,
21 knowing little about it. And he sat in his seat as chair
22 and he said that his only purpose in being there was to
23 help the utilities. And he looked at me with scorn.

24 But Dr. McMahon learned. And I don't
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1 know him very well. I never did. And he died last year.
2 But Dr. McMahon came to realize that deregulation was not
3 in the public interest. And he wrote against it in the
4 pages of the Delaware State News and elsewhere. The
5 consequences of that, of course, was that he ceased to be
6 chair of the Delaware Public Service Commission. And I
7 invite you to think about that.

8 The Delaware Public Service
9 Commission -- and I mean no offense to any of the
10 commissioners, who I'm sure are all very nice people --
11 does not contain a representative of the public interest.
12 It does not contain a representative of environmental
13 concerns. It does not contain a representative of the
14 concerns of Wilmington people. In fact, it is a utility
15 service commission.

16 I don't want to be bombastic. For years
17 we tried to work on these issues, and nobody really paid
18 any attention. And the reason, I think, is that people
19 don't pay much attention until things begin to hit the
20 wallet. Now, folks, it's going to hit everyone's wallet
21 hard, and it's late in the game to do anything about it.
22 And I won't go on any more except to say that this was
23 all very predictable to those of us who were watching.
24 And if anyone wants to talk to our organization about it

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1 any more, we'll be happy to do that.

2 Thank you for listening.
3 THE HEARING OFFICER: Thank you,
4 Mr. Muller.

5 Senator Cathy Cloutier.

6 SENATOR CLOUTIER: I stand here tonight
7 as a single mother. I'm a widow. I have three small
8 children. And I owe \$178 on my electric bill. Well, my
9 bill is \$1,111. But I stand here because -- in 1998 my
10 husband passed away. I ran for his office in 1999. I
11 was in that room. I was a representative for three --
12 about three months. I was given information on this
13 bill -- what it would do. It would bring in competition.
14 It would lower our rates. At the time it was the right
15 thing to do. I believe we were given incorrect

16 information. So I did vote -- I was one who voted yes on
17 that bill.

18 Now, it didn't work, as you know. So in
19 the year 2000, I ran for senate. So now I'm in the
20 senate on the Energy & Trans Committee. It didn't work.
21 No competition came. We cannot allow monopolies to set
22 their own rates.

23 I don't want to take up much time. But
24 I want to tell you that we in the General Assembly did
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1 this to you and it is our responsibility to fix it. I do
2 make that commitment to you this evening that I will do
3 everything in my power to see that that happens.

4 THE HEARING OFFICER: Thank you,
5 Senator.

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