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PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 14th day of May, 1998.

CASE NO. 98-0452-E-GI

General Investigation to determine whether West Virginia should adopt a plan for open access to the electric power supply market and for the development of a deregulation plan.

COMMISSION PROCEDURAL ORDER

By Order issued on April 20, 1998, the Commission instituted this General Investigation to carry out its obligations under new legislation enacted by the West Virginia Legislature as House Bill 4277 and codified at West Virginia Code § 24-2-18.

Pursuant to the new legislation, the Commission must hold public meetings for the purpose of determining whether it would be in the public interest for West Virginia to adopt a plan for open access to the electric power supply market and, if necessary, for the development of a deregulation plan.

Consistent with the foregoing, the Commission scheduled a series of workshop meetings to obtain the input of all interested persons regarding their respective interests and concerns relating to restructuring of the electric industry, input regarding whether it is

in the public interest for West Virginia to adopt a plan for open access, and to afford participants with an opportunity to assist in the drafting of either a Workshop consensus report or a plan for deregulation, or, in the event consensus is not reached, the drafting of an alternative report or reports.

The first Workshop meeting was held on May 11, 1998. The purpose of this Order is to announce the agenda for the next workshop meeting to be held on May 20, 1998, and to adopt the new Commission approved service list in this proceeding.

**May 20, 1998 Workshop Agenda**

The new legislation provides that the Commission may not submit a plan for restructuring of the Electric Utility Industry to the Legislature for approval unless it finds, among other things, that the deregulation plan:

Is conditioned upon workable competition with a level playing field for all buyers and sellers, and provides for a code of conduct for electric service providers to be established by commission rule; and

Ensures that regulated industries do not subsidize non-regulated industries and businesses; and

Addresses and maintains adequate protections for low income consumers and gives meaningful consideration to the development of funding mechanisms to protect senior citizens and other persons on fixed incomes, low income persons and the working poor

. . . .

Accordingly, the workshop agenda for May 20th will include presentations and/or discussion of as many of the following items as possible in the following order:

- Item 1: Presentation of views on the concept of protections and safeguards that would guarantee a level playing field for buyers and sellers in a competitive power supply market. The Commission further invites proposals and discussion on codes of conduct, both with respect to treatment of customers by electric suppliers, and relating to prohibitions against anti-competitive behavior among competitors.
- Item 2: Presentation of views regarding protection against subsidization of non-regulated industries and businesses by a regulated monopoly business. The Commission recognizes this issue as multi-faceted and one that has some degree of applicability in the absence of restructuring. For example, in a restructured industry, concerns for subsidization of a non-regulated power supply affiliate (or division) by the regulated transmission/distribution entity must be addressed. However, concerns for subsidization of an ancillary services affiliate (or division) that might be providing equipment and/or services in a competitive market must be considered with or without restructuring and deregulation of power supply. Some public interest groups have expressed concerns regarding utility diversification. These groups are concerned that consumers can face substantial risk when participants in a concentrated market diversify into unrelated or non-regulated businesses to benefit the shareholders.
- Item 3: Presentation of views regarding how low income consumers should be protected in a restructured electric supply market and recommended funding mechanisms to protect senior citizens and other persons on fixed incomes, low income persons and the working poor.
- Item 4: Presentation of views regarding how universal electric service at reasonable rates can be preserved and assured in a restructured electric supply market.

The Commission expects the workshop structure to provide for interactive discussion of various proposals. Any participant that

desires to make an initial presentation on these agenda items should contact Earl Melton, of the Commission's Utilities Division, at (304) 340-0392, prior to the beginning of the Workshop. This will facilitate scheduling of participation. However, all participants are invited and encouraged to contribute their input on these issues whether they offer initial prepared comments or not.

Commission Approved Service List

The Commission has added several parties to the Commission approved service list who should have been included from the inception of this case. In addition, duplicative service addresses have been omitted and some outdated service addresses have been updated. It is appropriate, therefore, that the Commission approve the Commission approved Service List attached to this Order as Attachment A, in lieu of the list attached to the Commission's April 20, 1998 Order.

Organizations that are already parties to this proceeding but which have requested that additional names of persons within their organizations be added to the service list have been contacted by Commission personnel and asked to circulate documents among personnel to avoid unnecessary expansion of the service list. Persons who are not parties to this case, and have not filed petitions to intervene in this case, but who have requested to be added to the service list, have been contacted by Commission personnel and informed that only persons or entities requesting intervenor status and who are granted

intervenor status, may be added to the service list. Any interested person may review filings in this matter on the Commission's Internet website at the following address: <http://www.state.wv.us/psc/elecrest/elecindx.htm>. Interested persons may also request copies of filings in this proceeding by contacting the Commission's Executive Secretary.

On April 29, 1998, the Commission received a petition to intervene from Dry Fork Power Inc. Dry Fork Power Inc. is represented by Leonard Knee who is already on the service list in this proceeding. Accordingly, Dry Fork's petition will be granted, but no new address need be added to the Commission's service list.

On May 5, the Commission received a petition to intervene from Eastern Associated Coal Corporation. As Eastern did not participate in the first Workshop meeting held on May 11, 1998, Commission personnel contacted Eastern to determine if it intends to participate in this proceeding as a party. Counsel for Eastern indicated that Eastern is merely interested in monitoring this proceeding at this time and would withdraw its petition to intervene. Eastern intends to monitor this proceeding by reviewing case filings located on the Commission's Internet website. Accordingly, Eastern's petition to intervene will not be granted and Eastern will not be added to the service list.

ORDER

IT IS THEREFORE ORDERED that the agenda for the May 20, 1998 Workshop meeting will consist of Items 1 - 4, set forth above.

IT IS FURTHER ORDERED that the May 20, 1998 Workshop meeting, and the meetings scheduled thereafter shall be held in the Commission's Hearing Room 2 located at the Commission's offices at 201 Brooks Street in Charleston, West Virginia, unless an alternate location is announced.

IT IS FURTHER ORDERED that the service list attached as Attachment A to this Order is the Commission approved service list on and after the date of this Order.

IT IS FURTHER ORDERED that the petition to intervene filed by Dry Fork Power, Inc. is hereby granted.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order on each of the parties listed on Attachment A by First Class Mail, and upon Commission Staff by hand delivery.

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Otis D. Casto, Commissioner

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Attachment A

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