

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

July 24, 2009

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Petition of PPL Electric Utilities
Corporation for Approval of an Energy
Efficiency and Conservation Plan
Docket No. M-2009-2093216

Dear Secretary McNulty:

Enclosed for filing is the Prehearing Memorandum of the Office of Consumer Advocate,
in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "James A. Mullins".

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066

Enclosures

cc: Honorable Susan D. Colwell

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL Electric Utilities Corporation : Docket No. M-2009-2093216
Energy-efficiency and Conservation Plan :

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On July 1, 2009, PPL Electric Utilities Corporation (PPL or Company) filed its Energy Efficiency and Conservation (EE&C) Plan with the Commission. The proposed EE&C Plan consists of 14 voluntary programs for customers and describes an extensive portfolio of energy-efficiency, conservation, and peak load reduction measures, programs, and education. These 14 programs are designed to meet the goals established by Sections 2806.1 and 2806.2 of Act 129. The Plan also incorporates elements of PPL's coordination activities with Pennsylvania's other electric distribution companies, including ideas, insights, and consistent program features, design elements, and implementation details. For residential customers, PPL proposes to offer the following programs: 1) Efficient Equipment Incentive Program, 2)

Residential Energy Assessment & Weatherization, 3) Compact Fluorescent Lighting Campaign, 4) Appliance Recycling, 5) ENERGYSTAR New Homes, 6) Renewable Energy Program, 7) Direct Load Control, 8) Time of Use Rates, and 9) Energy Efficiency Behavior & Education. Additionally, for low-income customers, PPL will offer Low-Income WRAP and E-Power Wise Program. PPL requests that the Commission approve all of these programs together as an integrated portfolio designed to meet Act 129 energy-efficiency and conservation goals in the Company's service territory.

The Company also proposes to implement an Act 129 Compliance Rider (ACR) to be applied, on a non-bypassable basis, to charges for electricity supplied to customers who receive distribution service from the Company. The ACR shall be computed separately for Residential, Small Commercial and Industrial, and Large Commercial and Industrial classes. The rider is to be applied to the monthly bill of each customer receiving distribution service from the Company and will be reconciled on an annual basis for under-collections and over-collections experienced during the previous year.

The Company's filing was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judge Susan D. Colwell for investigation. On July 1, 2009, a Prehearing Conference Order was issued by ALJ Colwell specifying, among other things, that a prehearing conference will be held in Harrisburg on July 27, 2009. Further, as required by Act 129, a public input hearing will be held in the Company's service territory on July 30, 2009. Additionally, technical evidentiary hearings will be held in this proceeding on August 17 and 18, 2009.

On July 7, 2009, the Office of Consumer Advocate filed its Notice of Intervention and Public Statement in this matter. The OCA is also presently compiling questions to be

submitted as interrogatories to the Company. On August 7, 2009, the OCA will file Direct Testimony and Comments which will set forth the specific issues that the OCA has identified.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of PPL's filing, the OCA has compiled a list of issues and sub-issues which it anticipates will be included in its investigation of the Company's filing. It is anticipated that other issues may arise and may be pursued once the answers to all of OCA's interrogatories have been received and analyzed. The OCA has also participated in several stakeholder meetings with the Company.

The following list sets forth the issues at this time that the OCA anticipates it will examine:

- (1) Reasonableness of the Company's proposed energy conservation and demand response plan and the individual program design for meeting the requirements of Act 129.
- (2) Reasonableness of the balance of the portfolio of programs and whether the programs are equitably distributed.
- (3) Review whether the Company's Plan meets the requirements of Act 129 for low-income customers and governmental/non-profit customers.
- (4) Review the reasonableness of the Company's proposed program costs, including the proposed budgets.
- (5) Review the reasonableness of the Company's proposed cost recovery mechanisms and the allocation of overhead and common costs.

- (6) Review the reasonableness and cost effectiveness of the proposed programs, including whether the Plan meets the requirements of the Total Resource Cost (TRC) test.
- (7) Reasonableness of the Company's proposed measurement and verification and evaluation plans.
- (8) Review the need for an on-going role of a stakeholder group.

The OCA specifically reserves the right to raise additional issues as may be necessary.

III. WITNESSES

The OCA intends to present the direct testimony of the following witness in this proceeding to accompany the OCA's Comments. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, comments, and answers to interrogatories be mailed directly to the expert witness as well as mailing a copy to counsel for the OCA.

EE&C Plan and Cost Recovery

Richard Hahn
LaCapra Associates
9th Floor
One Washington Mall
Boston, MA. 02108
Telephone: 617-778-2467
E-mail: rhahn@lacapra.com

The OCA specifically reserves the right to call additional witnesses, as necessary.

As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, Your Honor and all parties of record will be notified.

IV. SERVICE ON OCA

The OCA will be represented in this case by Assistant Consumer Advocate, James A. Mullins and Senior Assistant Consumer Advocate, Tanya J. McCloskey. Two copies of all documents should be served on the OCA as follows:

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066
E-Mail: jmullins@paoca.org
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

As a courtesy, the OCA requests that all electronic correspondence be copied to Jessica J.

Horner (JHorner@paoca.org).

V. DISCOVERY

In order to effectively investigate and adequately develop a record on these issues, the OCA requests a modification of the Commission's procedural rules, as set forth below:

- (1) Answers to written interrogatories shall be served in-hand within seven (7) calendar days of service.
- (2) Objections to interrogatories shall be communicated orally within three (3) calendar days of the service of interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.
- (3) Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.
- (4) Answers to motions to dismiss objections and/or answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
- (5) Ruling over such motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion.
- (6) Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within seven (7) calendar days.
- (7) Requests for admissions will be deemed admitted unless answered within seven (7) calendar days or objected to within five (5) calendar days of service.

The OCA reiterates that all time periods established in the foregoing discovery schedule should be calculated using calendar days.

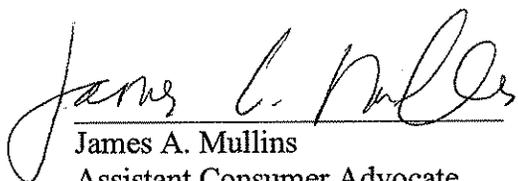
VI. SCHEDULE

The OCA will work with the other parties to address any scheduling issues.

VII. PUBLIC INPUT HEARINGS

A public input hearing has been scheduled for Thursday, July 30, 2009, at 6 p.m. in Bethlehem, Pennsylvania. In the event that the OCA receives additional requests for a public input hearing, the OCA will notify the ALJ and parties immediately. Given the expedited nature of this proceeding, the OCA requests that consideration be given to alternative means of receiving input from those members of the public who cannot attend the public input hearing. The OCA recommends telephonic public input hearings along with written comments.

Respectfully Submitted,



James A. Mullins
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Senior Assistant Consumer Advocate
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Counsel for:
Irwin A. Popowsky
Consumer Advocate

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Dated: July 24, 2009
00115610

CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities :
Corporation for Approval of an Energy : Docket No. M-2009-2093216
Efficiency and Conservation Plan :

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 24th day of July 2009.

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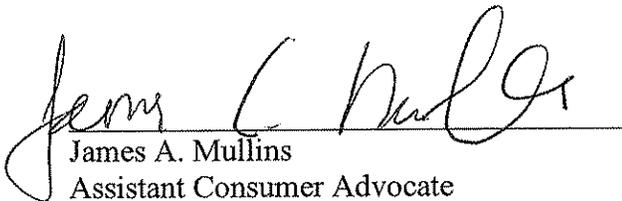
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