McNees
Wallace & Nurick LLC

100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Shelby A. Linton-Keddie
Direct Dial: 717.237.5459
Direct Fax: 717.260.1763
skeddie@mwn.com

March 21, 2011

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

RE: Petition of PPL Electric Utilities Corporation for Approval of Changes to its Act 129 Energy Efficiency and Conservation Plan; Docket No. M-2009-2093216

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission are the Comments of the PP&L Industrial Customer Alliance ("PPLICA") in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and Comments, and kindly return them to our messenger for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By
Shelby A. Linton-Keddie

Counsel to the PP&L Industrial Customer Alliance

SLK/km

c: Administrative Law Judge Dennis J. Buckley (via E-mail and Hand Delivery)
Administrative Law Judge Elizabeth Barnes (via E-mail and Hand Delivery)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST-CLASS MAIL

David B. MacGregor, Esq.
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2808
dmacgregor@postschell.com

Paul E. Russell, Esq.
Associate General Counsel
PPL Electric Utilities, Inc.
Two North Ninth Street
Allentown, PA 18108-1179
perussell@pplweb.com

James A. Mullins, Esq.
Tanya J. McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
jmullins@paoca.org
tmccloskey@paoca.org

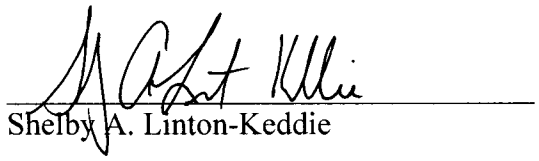
Allison Kaster, Esq.
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105
akaster@state.pa.us

Sharon Webb, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101
swebb@state.pa.us

Kurt E. Klapkowski, Esq.
Commonwealth of Pennsylvania
Department of Environmental Protection
RCSOB, 9th Floor
400 Market Street
Harrisburg, PA 17101-2301
kklapkowsk@state.pa.us

Harry S. Geller, Esq.
Julie George, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
hgellerpulp@palegalaid.net
jgeorgepulp@palegalaid.net

Andrew S. Tubbs, Esq.
Post & Schell, P.C.
17 N. Second St., 17th Floor
Harrisburg, PA 17101
atubbs@postschell.com



Shelby A. Linton-Keddie
Counsel to the PP&L Industrial Customer Alliance

Dated this 21st day of March, 2011, at Harrisburg, Pennsylvania.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

COMMENTS OF THE
PP&L INDUSTRIAL CUSTOMER ALLIANCE

I. INTRODUCTION

On October 15, 2009, Governor Rendell signed into law House Bill 2200, otherwise known as Act 129 of 2008 ("Act 129" or "Act"). Among other things, Act 129 expanded the Pennsylvania Public Utility Commission's ("PUC" or "Commission") oversight responsibilities and set forth new requirements on Electric Distribution Companies ("EDCs") regarding the reduction of energy consumption and demand. In accordance with the Act, on July 1, 2009, PPL Electric Utilities Corporation ("PPL" or "Company") submitted a Petition for Approval of an Energy Efficiency and Conservation Plan ("EE&C Plan" or "Plan"), which was approved in part and rejected in part by Commission Order entered October 26, 2009, at Docket No. M-2009-2093216 ("October 26 Order").

On June 24, 2010, and September 1, 2010, the Commission issued Secretarial Letters addressing the filing procedures for EDCs' Act 129 Annual Reports and proposed revisions to their EE&C Plans. Purportedly in compliance with both the October 26 Order and the Commission's two Secretarial Letters, on September 15, 2010, PPL submitted a Petition to the Commission that requested "approval for two modifications to its EE&C Plan: (1) a change to its Compact Fluorescent Lighting Program; and (2) a change to the classification of direct and

common costs."[1] Upon review of what it believed were the only two proposed modifications to the Company's EE&C Plan, and in accordance with the Commission's June 24, 2010, Secretarial Letter, PPLICA filed a letter with the Commission on October 15, 2010, encouraging the PUC to "vigilantly review all of the Company's proposed changes to its cost allocation method related to the classification of 'Direct Program Costs' and 'Common Costs,' as well as the resulting interclass cost shifting and rate impacts associated with these changes."[2] In addition, by its letter, PPLICA reserved its right to file Reply Comments in response to other parties' Comments or recommendations to the Company's Plan and to participate fully in any hearings scheduled in this matter.[3]

Shortly thereafter, in preparation of the Company's October 20, 2010, Act 129 EE&C Stakeholder Meeting, on October 18, 2010, PPL circulated a presentation (*see* PPLICA Cross Examination Exhibit No. 2) that includes, among other things, PPL's explanation that the only two changes requiring PUC approval were filed with the Commission on September 15, 2010, (Slide 28) and lists more than 20 "minor changes to program implementation details" (Slides 31-39) that "include things such as the rebate amount, measure descriptions, add/delete a relatively minor measure within a program, and implementation dates for a measure/program." (Slide 32). These changes were apparently listed as an Appendix to PPL's Annual Report (*see* Exhibit PDC-1), but were not included in either the black-lined plan or its Petition to Amend the EE&C Plan on September 15, 2010. *See* Tr. at 75-76.

Moreover, when summarizing these changes, on Slide 39 (and referenced earlier on Slide 20), the Company indicates, in part, that "the projected peak load reductions in the Load

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[1] *See Petition of PPL Electric Utilities Corporation for Approval of Changes to its Act 129 Energy Efficiency and Conservation Plan*, Docket No. M-2009-2093216, at 2 (Sept. 15, 2010).
[2] PPLICA Letter re *PPL Electric Utilities Corporation for Approval of Changes to its Act 129 Energy Efficiency and Conservation Plan,* Docket No. M-2009-2093216, (Oct. 15, 2010).
[3] *Id.*

Curtailment Program have increased from 100 MW to 150 MW based on bids from C[urtailment] S[ervice] P[rovider]s. These increased peak load reductions can be achieved within the original budget of this program, will provide more benefits to customers, and will provide more margin for compliance if other programs do not achieve their projected peak load reductions." (Emphasis added). In addition to claiming that these changes were made based on bids received by CSPs, PPL clearly chose to increase the peak load reduction target for the Large Commercial and Industrial ("C&I") Load Curtailment Program by 50 MW to offset the Company's expectation that other programs, namely the Residential Time-of-Use ("TOU") Program, will dramatically underperform. The originally anticipated peak load reduction target for the TOU Program was 61 MW, with 150,000 anticipated customer participants. *See* PPL St. No. 5 at 29. As of November 15, 2010, PPL projected that less than 25,000 customers will participate in the TOU Program, achieving a demand reduction of 10 MW (*Id.*), but has not conducted any type of formal analysis to determine whether these estimates are accurate. *See* Tr. at 47. Like the changes to the Large C&I Load Curtailment Program, these updated assumptions regarding participation in the TOU Program were not included in the Company's revised EE&C Plan filed on September 15, 2010. Tr. at 75-76.

This proceeding was assigned to Administrative Law Judges ("ALJs") Elizabeth Barnes and Dennis J. Buckley, who presided over an evidentiary hearing in Harrisburg on November 17, 2010. Upon review of parties' Main and Reply Briefs submitted on November 30, 2010, and December 3, 2010, respectively, the ALJs issued a Recommended Decision on December 17, 2010, recommending, among other things, that the Company's September 2010 Petition, including the proposed changes to the Large C&I Load Curtailment Program described above be approved.

Exceptions to the Recommended Decision were filed by PPL and PPLICA on January 5, 2011. Pursuant to the Secretarial Letter circulated for this proceeding, Reply Exceptions were not permitted. On January 28, 2011, the Commission entered an Opinion and Order ("January 28 Order"), which in part: (1) approved the two changes included in PPL's September 15, 2010, Petition; (2) directed that all proposed changes be fully reflected in revised EE&C plans so they can be reviewed by the Commission and affected parties; and (3) required PPL to file a revised Plan within thirty days for Commission and other parties' review and comment before the Commission makes a ruling on the 20+ additional changes originally omitted in PPL's September 15, 2010, Petition, including the proposed changes to the Load Curtailment Program. *See generally*, January 28 Order.

In accordance with the PUC's January 28, 2011, Order, on February 28, 2011, the Company submitted a Petition for Approval of Changes to its Act 129 EE&C Plan as well as a revised black-line version of its Act 129 EE&C Plan. In its Petition, PPL requests that the Commission approve the modifications that it deferred acting upon in its January 28, 2011, Order, and additionally "encourages the Commission to consider revising the standard articulated in the January 28, 2011, Order and grant EDCs the flexibility to make minor modifications to their EE&C Plans, while maintaining Commission authority over those changes that would result in a shift of EE&C Plan program funds within a customer class, a shift in EE&C Plan program funds between customer classes and the discontinuance of a program." PPL Petition pp. 5-6.

Pursuant to the schedule articulated in the PUC's January 28 Order, PPLICA hereby submits these Comments opposing (1) the Company's proposal to increase the Large C&I Load Curtailment Program by 50 MW at a cost of $3 million and (2) the Company's recommendation that the Commission "institute a generic proceeding in order to evaluate permitting EDCs to

implement minor changes to the Commission-approved Act 129 Plans without specific Commission approval for each minor modification."[4] PPL Petition at 5, n.3. Further, PPLICA reserves the opportunity to submit Reply Comments, as necessary, in accordance with the PUC's January 28 Order.

II. COMMENTS

A. PPL Has Failed to Prove that Increasing the Large C&I Load Curtailment Program Target by 50 MW is Necessary.

In its February 28, 2011, Petition, the Company again claims that "absent the increased peak load reductions from the Company's Load Curtailment Program, the Company likely would not be able to comply with its peak load reduction targets because of projected shortfalls in other programs and likely would be subject to monetary penalties of $1 million to $20 million and would deprive customers from the benefit of peak load reductions." PPL Petition at 12. Further, without specifically mentioning the need to make-up for anticipated shortfalls in the TOU Program (and other programs), the Company notes generally that it (1) "investigated alternatives to increase peak load reductions from other programs or from new programs...[and determined that] it would cost significantly more to achieve the additional 50 MW of peak load reductions form other demand response measures;" (PPL Petition at 12, 13) (2) "was able to obtain the original forecast peak load reduction for [the Large C&I Load Curtailment] program at substantially less than the projected, approved cost...[therefore] the Large C&I customers will pay no more than they were required to pay under the original Commission-approved plan;" (*Id.*

[4] PPLICA's failure to address a specific proposal or recommendation by the Company in its February 28, 2011, Petition does not represent PPLICA's support for, or acquiescence to, such proposal. In addition, specifically in regard to the Company's proposal to increase the total peak load reduction of the Large C&I Load Curtailment Program, PPLICA acknowledges the Commission's direction that "the Parties need *not* reintroduce this evidence or repeat these arguments in connection with the filing of a revised Plan." January 28, 2011, Order at 21 (emphasis in original). Accordingly, PPLICA will not repeat verbatim the arguments made in its Main Brief, Reply Brief and Exceptions already submitted in connection with this proceeding. The arguments made in PPLICA's Briefs and Exceptions remain relevant and are hereby incorporated as if repeated in total herein.

at 12) and (3) "first raised this issue with stakeholders in April 2010...but no stakeholder suggested any alternatives." *Id.* at 13. All of these reasons, in the Company's view, support its proposal to increase the Load Curtailment Program's peak load reduction target by 50 MW at a cost of $3 million. Each of these arguments should be rejected by the Commission.

It is interesting to note that despite repeated claims that without increasing the peak load reduction from the Load Curtailment Program by 50 MW, PPL will likely not meet its peak load reduction target, the Company has yet to adjust downward projected peak load reduction targets for <u>any</u> of its EE&C Programs. *See* PPL EE&C Plan, Table 5a at 27 ("PPLICA Attachment 1"). As indicated in the Company's February 28, 2011, black-lined EE&C Plan, PPL's Plan was already designed to allow for a "margin of error" regarding its originally projected peak load reductions. Specifically, while the Company must reduce its peak load by 297 MW in order to meet Act 129's minimum statutory requirements, PPL's EE&C Plan was designed for 334 MW of peak demand savings, which equates to a 37 MW "cushion." *See id.* However, as summarized in the Company's February 28, 2011, black-lined Plan, Table 5a shows that the Large C&I Load Curtailment Program's MW reduction would be increased from 98 to 148 MW, while every other program's MW reduction would remain unchanged. *Id.* As a result, rather than achieving 334 MW of peak load reduction (which is already some 37 MW in excess of the statutory minimum), PPL now asks that the plan be designed to have an 87 MW "cushion." This is neither necessary nor appropriate without any justification or evidence (other than the Company's unsubstantiated claims) that certain EE&C programs are or will be underperforming in the future and without a full investigation of all alternatives to make-up for the anticipated shortfall in the most cost-effective manner taking into account the Total Resource Cost Test ("TRC") values of various programs within the Plan. As indicated in Table 5a, PPL's proposal would increase both costs

and reliance on the second least cost-effective program in its Plan, despite the fact that there are numerous other programs, including those applicable to the residential and small commercial sectors, that are far more efficient for each dollar spent. To allow the Company to increase the reliance on a cost-ineffective program simply because it is the easiest solution for the alleged (but as yet unquantified) underperformance of other measures is likely not the optimum method to obtain the most cost-effective peak demand reductions.

As made clear by PPLICA throughout this proceeding, the Company conceded during the evidentiary hearing that it has conducted no analysis to support the level of underperformance for the TOU Program claimed by PPL Witness Peter Cleff in his testimony. *See* Tr. at 47. As a result, the Company has failed to produce any meaningful evidence, let alone substantial evidence, to show that its projected shortfalls are either realistic or accurate. Review of the Company's February 28, 2011, black-line confirms this fact, as the Company has proposed no changes at all to the participation level or peak load reduction total anticipated for the TOU Program (or any other program other than the Large C&I Load Curtailment Program). As a result, the Company's proposal to increase the peak load reduction target for the Large C&I Load Curtailment Program should be rejected as unnecessary.

Further, as stated in the February 28, 2011, Petition, the Company continues to claim that it has investigated other alternatives but found that "increasing projected peak load reductions from the Load Curtailment Program is the only feasible alternative and the only alternative to increase peak load reductions within the original approved cost budget." PPL Petition at 12. However, and as discussed at length in PPLICA's Briefs and Exceptions in this proceeding, although the Company decided in approximately April 2010 to increase the peak reduction target for the Load Curtailment Program, PPL never formally examined any other alternatives or

determined whether it would be cost-effective to achieve a 50 MW from a combination of other programs (*i.e.*, Direct Load Control, CFL and/or Efficient Equipment). *See* Tr. at 54-55.[5] PPL's analysis, conducted after its proposal to increase the Large C&I Load Curtailment targets was challenged and this case was scheduled for hearings, appears to rely on obtaining the entire anticipated shortfall from a single program, rather than examining whether all customer classes could share a portion of the anticipated shortfall from the TOU and other programs. Moreover, PPL's analysis does not examine the TRC values for the potential alternatives, and simply relies on obtaining the entire anticipated shortfall from a single program with a TRC value below 1.0 (*i.e.*, one that is not meeting the cost-benefit test).[6] There are multiple programs on Table 5a that show TRC values substantially above the Load Curtailment Program. PPL's *post hoc* investigation to attempt to demonstrate that the increase to the Load Curtailment Program is the only feasible alternative was incomplete and should be rejected. The evidence in this proceeding shows that the majority of the Company's investigations were informal and took place during the course of this contested proceeding, which calls into question whether these investigations (and corresponding estimates) were merely an attempt to cost-justify the Company's predetermined action of increasing the peak load reduction for the Large C&I Load Curtailment Program.

Moreover, and as argued by PPLICA throughout this proceeding, the fact that PPL determined it can obtain 50 MW of additional peak load reductions within the original budget for the Load Curtailment Program does not make this proposal *per se* reasonable. When the

[5] Through Cross-Examination at the November 19 hearing, in addition to admitting that informal analysis regarding the Company's estimates of obtaining 50 MW of peak load reductions from the CFL or Efficient Equipment Program contained in PPL St. No. 5 only took place in October, 2010, Mr. Cleff also conceded that PPL conducted "a very cursory analysis" regarding the possibility to obtain the anticipated 50 MW shortfall through a combination of the Direct Load Control, CFL and Efficient Equipment Programs. *See* Tr. at 54-55.

[6] Because PPL also proposes to limit the curtailments under the Load Curtailment Program to 2012, the anticipated "benefits" of this program will change in comparison to the Company's September 15 as-filed Plan. As indicated in the Company's February 28, 2011, black-lined EE&C Plan, the Load Curtailment Program as proposed for the Large C&I class went from a TRC Ratio of 0.68 to 0.53. *See* PPL February 28, 2011, black-lined EE&C Plan at 268.

Commission reviewed the Company's proposed EE&C Plan in the Fall of 2009 and agreed to the EE&C Plan's projected budget, there was no indication that the PUC, without evaluating actual data after the Plan's implementation as part of the Annual Review process (such as that at issue in this proceeding), predetermined that the originally budgeted amounts for each program were *per se* reasonable for the life of the Plan. Conversely, the Commission, in its October 26 Order, specifically stated that "the annual review...will include an evaluation of the reasonableness of all program costs and their allocation to the applicable customer classes." *See* PPLICA Exceptions at 15 (citing October 26 Order at 74). The budget was used to establish the customers' Act 129 surcharges with the expectation that a reconciliation process would occur. Accordingly, the Commission should reject the assertion that because "Large C&I customers will pay no more than they were required to pay under the original Commission-approved plan" that the modification proposed is reasonable. As stated above and throughout PPLICA's pleadings, in the absence of analysis that other programs are or will be underperforming and the absence of any meaningful investigation of other alternatives, increasing the Large C&I Load Curtailment Program by 50 MW at a cost of $3 million is inappropriate at this time.

Finally, the Company, in its Petition, argues that "PPL Electric first raised this issue [of increasing the peak load reduction target of the Load Curtailment Program] with stakeholders in April 2010 and encouraged stakeholders to identify and recommend alternatives to increase peak load reductions, especially alternatives that are primarily limited to residential customers, but no stakeholder suggested any alternatives." PPL Petition at 13. However, while PPLICA agrees that no stakeholder suggested any alternatives, PPLICA disagrees that the Company specifically sought alternatives "primarily limited to residential customers" or that the absence of a stakeholder suggestion at the April 28, 2010, Stakeholder Meeting should have any bearing on

whether the proposed modification to increase the peak load reduction target for the Large C&I Load Curtailment program is reasonable, necessary or appropriate. Ratepayers are paying PPL's consultants to develop a reasonable, fair and balanced Plan.

Mr. Cleff's testimony indicates that "[i]n April 2010, PPL Electric asked stakeholders for input and suggestions on how to increase peak load reductions in other programs." PPL St. No. 5 at 31. In the context of the April 2010, Stakeholder Meeting, this question arose because of PPL's suspicion that the TOU Program would underperform. Specifically, as indicated on Slide 23 of the Company's April 28, 2010, Stakeholder Presentation, the Company summarizes its anticipated shortfall for the TOU Program and notes that it "will need to revise EE&C Plan to pick-up peak load reductions from other programs, <u>most likely Load Curtailment</u>. Stakeholder input and suggestions are important." *See* PPLICA Cross Examination Exhibit No. 1, Slide 23 (emphasis added). In addition, when describing changes <u>under consideration</u> for June 1 that need stakeholder input and acceptance, the Company summarized that it was considering (but notably had not made any definitive determination about) reducing the expected TOU participation and peak load reductions while concurrently "increasing the Load Curtailment target from 100 MW to 150 MW to replace TOU MWs that are unlikely." *See Id.*, Slide 35. It was after PPLICA vocalized its disagreement over this proposal that PPL Electric asked where else it was to get this peak load reduction. At that point, no stakeholder gave any direct input on where else the Company could achieve this reduction. Regardless, the problem with PPL's assertion above is that throughout this proceeding, the Company argues against "micromanagement of its EE&C Plan" from the Commission and Parties, stating that PPLICA's actions in this proceeding, specifically <u>cross-examining the Company's witness</u> is "clearly an effort to micro-management the EE&C Plan" (*see* PPL M.B. at 11, n.9) yet states in its February 28 Petition that "no

stakeholder suggested any alternatives" as apparent justification for its decision to increase the Load Curtailment Program over PPLICA's objection. *See* PPL Petition at 13. The Company cannot have it both ways. Because stakeholders were not able to articulate a different plan for additional peak load reductions when the Company initially presented its "guesstimates" regarding TOU Program participation and how the Company may act to make-up this shortfall cannot be justification that the proposed change to the Load Curtailment Program is reasonable.

While PPL may, at some point, be subject to monetary penalties ranging anywhere from $1- $20 million if it does not achieve the requisite peak load reduction contained in Act 129, the Company has no problem directly assigning Large C&I ratepayers an additional $3 million that would not be necessary if other EE&C programs were performing according to expectations, despite the fact that there has been neither a reduction in peak load targets for any of the Company's other EE&C programs nor an adequate or formal investigation of any other alternatives to achieve its sought after 50 MW of additional peak load reduction. Before overly relying on one program and one class for PPL's peak load reduction, the Commission should instead seek a reasonably balanced Plan that spreads both costs and benefits fairly across customer sectors. Here, the Company has failed to produce any evidence, let alone substantial evidence, that the TOU Program (or any other program) will underperform as claimed, thus necessitating the increase in peak load reduction sought in this Petition. As a result, the Commission should reject PPL's proposal to increase the Large C&I Load Curtailment Program as inappropriate.

B. The Commission was Correct When Finding That All Proposed EE&C Plan Changes Must be Fully Reflected in EE&C Plans.

In its February 28, 2011, Petition, despite stating that "it is not PPL Electric's intention with this filing to re-litigate the determinations made the January 28, 2011 Order," PPL specifically "encourages the Commission to institute a generic proceeding in order to evaluate permitting EDCs to implement minor changes to the Commission-approved Act 129 Plans without specific Commission approval for each minor modification." PPL Petition at 5, n.3. Such a proceeding is neither appropriate nor necessary.

PPLICA's interpretation of the requirements articulated in Act 129, the October 26 EE&C Order, as well as the Commission's June 24, 2010, and September 1, 2010, Secretarial Letters are fully discussed in its Main Brief, Reply Brief and Exceptions filed during this proceeding, and accordingly, will not be repeated here. However, it is notable that, as summarized by ALJs Barnes and Buckley in the December 17, 2010, Recommended Decision, the Commission has already rejected a similar PPL proposal to modify its EE&C Plan without Commission review or approval. Specifically, the ALJs stated:

> Significantly, the Commission did not adopt PPL's proposal in the October 2009 Order regarding stakeholder and Commission involvement with revisions to EE&C Plans. PPL suggested at that time that PPL be permitted to notify the Commission of minor changes through quarterly and annual EE&C reports to the Commission. For major changes, PPL suggested it would notify stakeholders and the Commission, discuss these changes with stakeholders and seek appropriate Commission approval. PPL requested a major change be defined as one that will increase the cost of the program by more than $5 million or more than 10%, whichever is greater. The Commission never approved this request.

R.D. at 12. Here, although the Company purportedly does not "seek to re-litigate the Commission's January 28 determination," PPL specifically requests that EDCs be given "the

flexibility to make minor modifications to EE&C Plans, while maintaining Commission authority over those changes that would result in a shift of EE&C Plan program funds within a customer class, a shift in EE&C Plan program funds between customer classes and the discontinuance of a program." PPL Petition pp. 5-6. This is precisely the finding that PPL sought throughout this proceeding.

Significantly, as articulated by the Commission in the January 28, 2011, Order, "because the EDC's Act 129 Plans are approved by Commission Order, procedures for rescission and amendment of Commission orders must be followed to amend that Order and to assure due process for all affected Parties. Accordingly, if the EDC believes that it is necessary to modify its Act 129 Plan, the EDC must file a petition requesting that the Commission rescind and amend its prior Order approving the plan." January 28 Order at 18. PPL's renewed proposal to institute a generic proceeding fails to acknowledge that any modification (whether classified by the Company as "major" or "minor") to its EE&C Plan would modify a Commission Order, and therefore, must follow the statutory procedures for rescission and amendment to assure due process for affected Parties. This proceeding is a clear illustration of the necessity for Commission review and procedures to ensure notice of all EE&C Plan changes to all affected parties.

Further, PPLICA is in agreement with the Commission's observations on Page 19 of the January 28 Order regarding the "burden" associated with submitting all EE&C Plan changes to the Commission in an accurate, revised EE&C Plan so they can be reviewed by the Commission and affected parties. Specifically, PPLICA agrees that submission of revised Plans, if done when a number of plan changes are aggregated over time, should not result in substantial administrative or regulatory burdens. In addition, and as noted by the majority of "changes"

submitted within both the September 15, 2010, and February 28, 2011, Petitions, it is unlikely that most Plan revisions will necessitate extensive litigation, since many revisions to date have had no significant comments or objections.

Because the Commission correctly concluded that "all proposed changes must be fully reflected in EE&C Plans so they can be reviewed by the Commission and affected parties" as consistent with Act 129, and Commission procedures, as well as Commission Orders and Secretarial Letters regarding EE&C Plans, PPL's recommendation "to institute a generic proceeding to evaluate permitting EDCs to implement minor changes to Commission-approved Act 129 Plans without specific Commission approval for each minor modification" should be rejected outright.

III. CONCLUSION

WHEREFORE, the PP&L Industrial Customer Alliance respectfully requests that the Pennsylvania Public Utility Commission:

1. Consider and adopt the foregoing Comments;
2. Reject PPL Electric Utilities' proposal to increase the Large Commercial and Industrial Load Curtailment Program by 50 MW at a cost of $3 million dollars;
3. Reject PPL Electric Utilities' proposal to institute a generic proceeding to evaluate permitting EDCs to implement minor change to Commission-approved Act 129 Plans without specific Commission approval for each minor modification; and
4. Take any other action as necessary and deemed appropriate.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By _____

Pamela C. Polacek (I.D. No. 78276)
Shelby A. Linton-Keddie (I.D. No. 206425)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300

Counsel to the PP&L Industrial Customer Alliance

Dated: March 21, 2011

Section 1: Overview of Plan

Table 5a. Program Summary by Sector ($1,000)

Program	Residential	Low-Income	Small C&I	Large C&I	Institutional	**TOTAL- Direct Program Cost**	Total MWh/yr Reduction**	% of Total ~~MWH~~ MWh/yr	Total MW Reduction***	% of Total MW***	Benefit Cost Ratio
Efficient Equipment Incentive	$7,481 ~~$7,824~~	-	$55,071 ~~$57,837~~	$14,371 ~~$14,583~~	$12,011 ~~$12,612~~	**$88,934 ~~$97,857~~**	715,875	52.5%	75	19.7% ~~22.5%~~	2.7 - 3.4* ~~2.6 - 3.0*~~
Energy Assessment & Weatherization	$2,658 ~~$2,756~~	-	-	-	-	**$2,658 ~~$2,756~~**	5,961	0.4%	0.3	0.1%	1.3 ~~1.2~~
CFL	$17,712 ~~$13,887~~	~~$3,050~~	~~$795~~	-	-	**$17,712 ~~$17,733~~**	292,137	21.4%	31	8.0% ~~9.3%~~	4.8
Appliance Recycling	$9,082 ~~$10,036~~	-	-	-	-	**$9,082 ~~$10,036~~**	114,761	8.4%	9	2.4% ~~2.7%~~	10.9 ~~9.8~~
ENERGY STAR® New Homes	$2,731 ~~$2,819~~	-	-	-	-	**$2,731 ~~$2,819~~**	5,211	0.4%	0.3	0.1%	1.4
Renewable Energy	$1,097 ~~$1,109~~	-	-	-	$4,484 ~~$4,540~~	**$5,581 ~~$5,649~~**	18,490	1.4%	1	0.3% ~~0.4%~~	1.1 - 1.5*
Direct Load Control	$6,280 ~~$6,931~~	$1,258 ~~$1,389~~	$2,866 ~~$3,159~~	-	$218 ~~$243~~	**$10,621 ~~$11,722~~**	0	0.0%	32	8.4% ~~9.6%~~	0.2
Time of Use Rates	$4,128 ~~$4,038~~	$830 ~~$813~~	$766 ~~$750~~	-	$56 ~~$56~~	**$5,781 ~~$5,657~~**	0	0.0%	61	15.9% ~~18.3%~~	3.1 - 3.5* ~~3.2 - 3.6*~~
Energy Efficiency Behavior & Education	$2,830 ~~$2,579~~	-	-	-	-	**$2,830 ~~$2,579~~**	18,100	1.3%	2	0.4% ~~0.5%~~	3.3 ~~3.7~~
Low-Income WRAP	-	$28,657 ~~$29,038~~	-	-	-	**$28,657 ~~$29,038~~**	18,695	1.4%	2	0.5% ~~0.6%~~	0.8
ePower Wise	-	$681 ~~$542~~	-	-	-	**$681 ~~$542~~**	1,080	0.1%		0.0%	1.1 ~~1.4~~
C&I Custom Incentives	-	-	$14,386 ~~$14,829~~	$2,876 ~~$2,965~~	$3,336 ~~$3,458~~	**$20,598 ~~$21,252~~**	140,459	10.3%	15	3.9% ~~4.5%~~	2.3 - 3.1* ~~2.2 - 3.0*~~
HVAC Tune-up	-	-	$1,257 ~~$1,154~~	-	$90 ~~$83~~	**$1,347 ~~$1,238~~**	22,176	1.6%	7	1.8% ~~2.1%~~	5.7 ~~5.8~~
Load Curtailment	-	-	-	$12,045 ~~$11,901~~	$2,616 ~~$2,585~~	**$14,661 ~~$14,486~~**	15,000 ~~9,750~~	1.1% ~~0.7%~~	148 ~~98~~	38.4% ~~29.3%~~	0.5 ~~0.7~~
Total- Direct Program Cost	$53,999 ~~$51,979~~	$31,426 ~~$34,832~~	$74,346 ~~$78,524~~	$29,292 ~~$29,449~~	$22,812 ~~$23,577~~	**$211,875 ~~$218,361~~**	-	-	-	-	-
Common Cost Allocation	$8,698 ~~$6,580~~	$5,062 ~~$4,409~~	$11,976 ~~$9,940~~	$4,718 ~~$3,728~~	$3,675 ~~$2,984~~	$34,129 ~~$27,641~~	-	-	-	-	-
TOTAL ESTIMATED COST	**$62,697 ~~$58,559~~**	**$36,488 ~~$39,241~~**	**$86,322 ~~$88,464~~**	**$34,010 ~~$33,177~~**	**$26,487 ~~$26,561~~**	**$246,004**	-	-	-	-	**2.79**
Total Estimated ~~kWH~~ MWh/yr Reduction**	469,558 ~~406,164~~	19,775 ~~68,562~~	602,782 ~~618,051~~	139,811 ~~135,311~~	135,054 ~~134,609~~	-	1,366,979# ~~1,362,697~~	100.0%	-	-	-
~~kWH~~ MWh/yr Reduction Target	-	-	-	-	-	-	1,146,431	-	-	-	-
Total Estimated MW Reduction***	109 ~~103~~	15 ~~20~~	84 ~~86~~	137 ~~92~~	38 ~~33~~	-	-	-	384# ~~334~~	100.0%	-
MW Reduction Target	-	-	-	-	-	-	-	-	297	-	-

Section 1: Overview of Plan

* Varies by customer sector.
** Life of Plan (thru 5/31/13)
*** As of 9/30/12 (assumes energy efficiency measures with peak load reductions are installed by 5/31/12 so their peak load reductions count in the summer of 2012).
# Projected load reductions increased in the Load Curtailment program by 50 MW. The additional 50 MW of load curtailment slightly increases the energy savings (MWh/yr) associated with those curtailments, thereby slightly increasing the energy savings for the Load Curtailment Program and the EE&C Plan as a whole.

Section 1: Overview of Plan

Updates to Table 5a reflect changes in direct program costs, the reallocation of CFL Program costs, and the updated peak reduction for the Load Curtailment program.

The reclassification of common and direct costs changed the percentage of each sector's direct costs. Because common costs are allocated based on direct costs, the reclassification resulted in a shift of common costs between sectors.

The change in MWh/yr and MW for the residential, low-income, and small C&I sectors is due to the reallocation of CFL Program savings to the residential sector, while the increase in MW reductions (and resultant increase in MWh/yr) for Load Curtailment is due to the change in forecasted peak load reductions from that program.