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|  | **PENNSYLVANIA**  **PUBLIC UTILITY COMMISSION**  **Harrisburg, PA 17105-3265** | | |  |
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|  | | Public Meeting held May 24, 2012 | | |
| Commissioners Present: | |  | | |
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| Robert F. Powelson, Chairman | |  | | |
| John F. Coleman, Jr., Vice Chairman | |  | | |
| Wayne E. Gardner | |  | | |
| James H. Cawley | |  | | |
| Pamela A. Witmer | |  | | |
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| Pennsylvania Public Utility Commission  v.  PPL Electric Utilities Corporation | |  | Docket No.  R-2012-2290597 | |
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**ORDER**

**BY THE COMMISSION:**

On March 30, 2012, PPL Electric Utilities Corporation, (“PPL” or “the Company”) filed Supplement No. 118 to Tariff Electric – Pa. PUC No. 201, containing proposed changes in rates, rules, and regulations calculated to produce approximately $104.6 million in additional annualrevenues. This rate change represents an average increase in the Company’s distribution rates of approximately 13%, which equates to an average increase in total rates (distribution, transmission, and generation charges) of approximately 2.9%. Supplement No. 118 is proposed to become effective June 1, 2012.

PPL’s proposed general rate increase is based on a future test year ending December 31, 2012, and is designed to allow the Company an opportunity to earn an overall rate of return of 8.46%, including an 11.25% return on equity.

Under PPL’s proposed revenue increase, the total monthly bill for a residential customer using 1,000 kWh of electricity and receiving generation service from PPL will increase from $111.60 to $118.59, an increase of $6.99 or 6.3%. The total monthly bill for a commercial customer using 1,000 kWh with a maximum demand of 3 kW would increase from $94.72 to $95.90, and increase of $1.18 or 1.3%. The total monthly bill for an industrial customer using 150,000 kWh with a maximum demand of 500 kW would increase from $10,248.82 to $10,254.11, and increase of $5.29 or 0.1%.

The Office of Consumer Advocate and the Office of Small Business Advocate both filed formal complaints against PPL’s base rate filing, and the Commission’s Bureau of Investigation and Enforcement filed a notice of appearance in this proceeding. A number of other formal complaints, protests, and expressions of opposition to the Company’s proposed base rate increase have also been filed by various customers of PPL. In addition, two other parties—Dominion Retail, Inc. and the International Brotherhood of Electrical Workers, Local 1600—filed petitions to intervene in this proceeding.

Our investigation and analysis of PPL’s proposed general rate increase and the supporting data indicate that the proposed changes in rates, rules, and regulations may be unlawful, unjust, unreasonable, and contrary to the public interest. It also appears that consideration should be given to the reasonableness of the Company’s existing rates, rules, and regulations. Therefore, based on our analysis of PPL’s filing, and pursuant to 66 Pa. C.S. §1308(d), we will permit Supplement No. 118 to Tariff Electric – Pa. PUC No. 201to be suspended by operation of law for a period not to exceed seven months, or until January 1, 2013, unless permitted by Commission Order to become effective at an earlier date. In addition, we will direct that an investigation be instituted to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Supplement No. 118, as well as the Company’s existing rates, rules, and regulations. We will further direct that the case be assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary, culminating in the issuance of a Recommended Decision. **THEREFORE;**

**IT IS ORDERED:**

1. That PPL Electric Utilities Corporation’s proposed Supplement No. 118 to Tariff Electric – Pa. PUC No. 201 be suspended by operation of law until January 1, 2013, unless otherwise directed by Order of the Commission.

2. That an investigation on Commission motion be, and hereby is, instituted to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Supplement No. 118 to Tariff Electric – Pa. PUC No. 201.

3. That pursuant to 52 Pa. Code §53.71, a tariff supplement shall be filed with the Commission and posted at the office of the Company to announce that Supplement No. 118 to Tariff Electric – Pa. PUC No. 201 is suspended until the date stated in this Order. Such tariff supplement shall be substantially identical in form to the sample tariff supplement sheet attached to this Order, and shall be filed in triplicate, or if applicable, e-filed with the Commission within ten days following the entry date of this Order.

4. That the investigation instituted in Ordering Paragraph No. 2 of this Order shall include consideration of the lawfulness, justness, and reasonableness of the Company’s existing rates, rules, and regulations.

5. That this case be assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary, culminating in the issuance of a Recommended Decision.

6. That a copy of this Order shall be served upon PPL Electric Utilities Corporation, the Office of Consumer Advocate, the Office of Small Business Advocate, the Public Utility Commission’s Bureau of Investigation and Enforcement, and any persons who have filed formal complaints against the Company’s proposed Supplement No. 118 to Tariff Electric – Pa. PUC No. 201.

 **BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 24, 2012

ORDER ENTERED: May 24, 2012

ATTACHMENT

Supplement No. \_\_\_\_\_\_ to

Pa. P.U.C. No. \_\_\_\_\_

(COMPANY’S NAME)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(TERRITORY SERVED BY COMPANY)

The application of rates proposed in Supplement No. \_\_\_\_\_ to Tariff \_\_\_\_\_\_\_\_\_\_\_\_\_ Pa. P.U.C. No. \_\_\_\_ filed to become effective \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (and voluntarily postponed to become effective \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, is hereby suspended until \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, at Docket No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Presently effective rates contained in Tariff \_\_\_\_\_\_\_\_\_\_\_\_ Pa. P.U.C. No. \_\_\_\_\_\_\_ and supplements thereto, will continue in effect until otherwise amended.

Issued: Issued in compliance with

Title 66 PA C.S.