

August 29, 2012



KENNETH L. MICKENS, ESQUIRE LLC
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Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission
v.
PPL Electric Utilities Corporation
Docket No. R-2012-2290597
Sustainable Energy Fund Letter in Lieu
of Main Brief (Net Metering)**

Dear Secretary Chiavetta:

In accordance with revised PUC Regulation 52 Pa. Code § 5.502(b)(1), enclosed please find a signed original of the Sustainable Energy Fund's Letter in Lieu of Main Brief for filing in the above-referenced proceeding. Parties have been served in accordance with the attached Certificate of Service.

Sincerely,


Kenneth L. Mickens, Esq.
Attorney for the Sustainable
Energy Fund

KLM/bls
Enclosures
Honorable Susan D. Colwell
Certificate of Service

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Re: Pennsylvania Public Utility Commission
v.
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Docket No. R-2012-2290597
Sustainable Energy Fund Letter in Lieu
of Main Brief (Net Metering)

Dear Judge Susan D. Colwell & Parties:

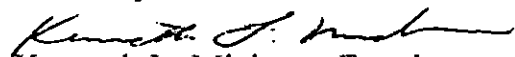
In its direct case, PPL Electric proposed to establish a limitation on the size of generator relative to the associated customer usage that would be eligible for net metering. PPL Electric Ex. DAK 2, p. 4. After the proposed limitation was opposed by Sustainable Energy Fund (“SEF”) witness John M. Costlow and Granger Energy witness Joel M. Zylstra in their Direct and Surrebuttal testimonies¹, PPL Electric revised its position in witness Douglas A. Krall’s Rejoinder testimony. Mr. Krall states “the Company believes it is appropriate to withdraw its proposal and, instead, propose a tariff revision, Exhibit DAK 6, which incorporates the language from the Commission’s Order. DAK 6 would replace the net metering tariff page previously provided as part of Exhibits DAK 1 and DAK 1A.” PPL Electric St. 5-RJ, p. 2.

SEF supports Mr. Krall’s revision and tariff change because it is consistent with Mr. Costlow’s Direct and Surrebuttal testimonies. However, after making the above-referenced revision, PPL Electric witness Mr. Krall argued for the first time in his Rejoinder testimony that customer-generators engaged in net metering avoid paying usage charges, including those usage charges that recover distribution costs, on usage offset by generation. Mr. Krall then alleges that “[t]his is an example of the type of inequity that would be addressed by the Company’s proposal to increase the monthly fixed charge for distribution service.” PPL Electric St. 5-RJ, p. 3. Since it is not clear what support PPL Electric has for its position that customer-

¹ In this regard, SEF witness Mr. Costlow has argued that a recent Commission Order (Net Metering - Use of Third Party Operators, Docket No. M-2011-2249441 (entered March 29, 2012)) prohibits the net metering limitation initially advocated by PPL Electric witness Mr. Krall. SEF St. 1, pp. 8-9.

generators create costs that are not fully recovered, SEF will review PPL Electric's Main Brief on this issue and respond in its Reply Brief in this proceeding.

Sincerely,



Kenneth L. Mickens, Esquire
Attorney for the Sustainable Energy
Fund

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Honorable Susan D. Colwell
Certificate of Service

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CERTIFICATE OF SERVICE

Docket No. R-2012-2290597

I hereby certify that I have this day served a copy of the foregoing SEF Letter in Lieu of Main Brief in accordance with the requirements of 52 Pa. Code §1.54 et.seq. (relating to service by a participant).

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