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August 29, 2012

**VIA HAND DELIVERY**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Filing Room  
Harrisburg, PA 17120

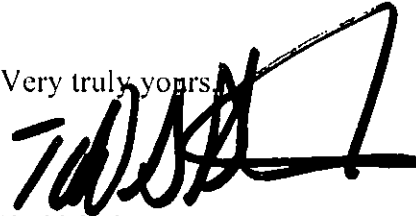
RE: PPL Electric Utilities Corporation Supplement No. 118 to Tariff Electric PA PUC No. 201 (Rate Increase Filing); Docket No. R-2012-2290597; **MAIN BRIEF OF DOMINION RETAIL, INC.**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the original and three (3) copies of the Main Brief of Dominion Retail, Inc. d/b/a Dominion Energy Solutions in the above-captioned docket. Copies of the Main Brief have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions related to this filing, please contact the undersigned.

Very truly yours,



Todd S. Stewart  
*Counsel for Dominion Retail, Inc.*

TSS/alh  
Enclosures

cc: ALJ Susan D Colwell, (via email and hand delivery)

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PPL Electric Utilities Corporation :  
Supplement No. 118 to Tariff Electric : Docket No. R-2012-2290597  
PA PUC No. 201 (Rate Increase Filing) :

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**MAIN BRIEF OF DOMINION RETAIL, INC.**

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DATED: August 29, 2012

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## **I. INTRODUCTION**

### **A. PROCEDURAL HISTORY**

On or about March 30, 2012, PPL Electric Utilities Corporation (“PPL”) filed Supplement No. 118 to its Tariff - Electric Pa. P.U.C. No. 201 (“Supplement No. 118”) with the Pennsylvania Public Utility Commission (“Commission”) seeking approval of a rate increase in the total amount of approximately \$104.6 million in distribution rates to be effective for service on or after June 1, 2012.

On April 9, 2012, Dominion Retail, Inc. d/b/a Dominion Energy Solutions (“DES”) filed a Petition to Intervene in this matter. Petitions to Intervene and/or Notices of Appearance were filed by a considerable number of parties including the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Commission’s Bureau of Investigation and Enforcement (“I&E”). By Notice and Prehearing Order both dated May 17, 2012, this matter was assigned to Presiding Administrative Law Judge Susan D. Colwell and a Prehearing Conference was scheduled for May 31, 2012. At the conclusion of the Prehearing Conference, a Scheduling Order was issued by ALJ Colwell, establishing a procedural schedule that included the submission of multiple rounds of written testimony and in-person hearings to be held in Harrisburg on August 6-10, 2012. The number of actual hearing days was shortened to August 7-9, as the hearings progressed. Pursuant to that Order, Main Briefs were to be filed on or before August 29, 2012, and Reply Briefs by September 14, 2012.

### **B. STATEMENT OF THE CASE**

DES’ concern with regard to PPL’s Supplement No. 118 is focused on, and limited to PPL’s proposed adjustment to its POR discount of approximately fifty (50) basis points. PPL claims that its write-offs rose, approximately 25% (Transcript, “Tr.” 408:16-18), since 2010, and that it needs an increase in POR discount, which is intended to compensate PPL for the

uncollectables account expense associated with purchased receivables. The irony is that even if one were to believe PPL's conjecture that its uncollectables expense will rise substantially, PPL admits that it has no way of knowing whether cost responsibility for any of that alleged increase will lie with customers of competitive suppliers such as DES. (Tr. 404:1-405:6). Suppliers are being asked to pay a significantly higher POR discount without any evidence that they are responsible for any increased costs.

As if it were not bad enough that PPL is seeking to saddle suppliers with a higher POR discount without knowing if the suppliers caused any increase in expense, PPL's so-called uncollectables expense calculation is essentially a made-up number. That is, by its own admission, PPL's calculation of the POR discount it seeks in this case is "the sum of projected write-offs and the projected change in the reserve for doubtful accounts for 2012." (PPL Statement No. 8-R, 44:3-4)(emphasis added). PPL's projections do not account for any reduction in energy costs or the likelihood that with lower energy costs customers would be more able to pay their bills. (DR St. No. 1, 5:9-21). Moreover, DES' witness Mr. Thomas Butler has raised serious doubts about the numbers that PPL uses in the first instance (DR St. No. 1, 5:9-12), and it appears that PPL is not at all concerned about a 25% alleged jump in uncollectable accounts, thus lending credence to the argument that the numbers may not be correct. This state of affairs led Mr. Butler to recommend that PPL be required to use the average of its past two years **actual write-offs** without including any allowance for increasing PPL's allowance for doubtful accounts. (DR St. No. 1, 6:12-14).

The difference between using these two measures is significant as the uncollectables expenses item is a forward looking projection of what PPL expects its uncollectables to be in the future plus includes an adjustment to PPL's allowance for bad debt, which increases the estimate even more significantly. This is in contrast to the use of average of the actual uncollectable bad

debt write-offs for the prior two years which would result in a much lower POR discount. It is clear that the POR discount that is established in this case will be in effect for some time to come. However, because the discount is subject to estimates and projections, it is not an accurate account of what PPL will experience in uncollectables expense in the future. Use of actual bad debt write-offs is the more appropriate measure.

PPL credits late payment fees generated from shopping customers to offset cash working capital expense generated by default service customers. The problem is caused by the way PPL charges its late payment fees, both to shopping and non-shopping customers, and the way it pays suppliers under the POR, basically twenty-two (22) or twenty-seven (27) days for commercial or residential customers respectively, there is limited cash working capital expense with regard to PPL's billing and collecting on behalf of suppliers. (Dr. St. No. 1-SR, 2:8-23). Nonetheless, PPL continues to collect late payment fees from shopping customers and credits that revenue as an offset to the cash working capital account for energy supply for default service customers. Shopping customers do not cause PPL to incur any substantial cash working capital expense. Accordingly, late payment fees end up either as a windfall to PPL or as a subsidy to default service, which, in either case, should be removed. (*Id.*) Mr. Butler recommends that those late payment fees associated with shopping customers should be credited to reduce the POR discount for shopping customers. (DR St. No. 1, 6:17 - 7:4).

## **II. BURDEN OF PROOF**

As the proponent of a rule or order, PPL bears the burden of proving that its proposed rate increase and resetting of the POR discount is in the public interest, 66 Pa. CS § 332(a). *Selling Hosiery, Inc. v. Margulies*, 364 Pa. 45, 70 A.3d 854 (1950); *Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600 (Pa. Cmwlth. 1990). Moreover, any finding of fact necessary to support an adjudication of the Commission must be based upon substantial evidence, which is such

relevant evidence as a reasonable mind might accept as adequate to support a conclusion. *Mill v. Pa. PUC*, 447 A.2d 1100 (Pa. Cmwlth. 1982); *Edan Transportation Corp. v. Pa. PUC*, 623 A.2d 6 (Pa. Cmwlth. 1993); 2 Pa. C.S. § 704. More evidence is required than a mere trace or suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. v. Pa. PUC*, 489 Pa. 109, 413 A.2d 1037 (1980); *Erie Resistor Corp. v. Unemployment Com. Bd. of Review*, 166 A.2d 96 (Pa. Super. 1960); *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlth. 1984).

The “burden of proof” is composed of two distinct burdens: the burden of production and the burden of persuasion. *Hurley v. Hurley*, 754 A.2d 1283 (Pa. Super. 2000). The burden of production, also called the burden of producing evidence or the burden of coming forward with evidence, determines which party must come forward with evidence to support a particular proposition. This burden may shift between the parties during the course of a trial. If the Company, for instance fails to introduce sufficient evidence, the opposing party is entitled to receive a favorable ruling, such as in this case.

Once the party with the initial burden of production produces sufficient evidence to make out a *prima facie* case, however, the burden of production shifts to the opposing party. If the opposing party introduces sufficient evidence to balance the evidence introduced by the party having the initial burden of production, the burden then shifts back to the party who had the initial burden to introduce more evidence favorable to its position. The burden of persuasion however remains with the party with the burden of proof, and must convince the trier of fact that there is sufficient evidence to find in its favor. *Riedel v. County of Allegheny*, 633 A.2d 1325, 1328 n. 11 (Pa. Cmwlth. 1993). It is entirely possible therefore that a party could successfully bear the burden of production but not be entitled to a verdict in their favor because the party did not bear the burden of persuasion. Unlike the burden of production, the burden of persuasion

includes determinations of credibility and acceptance or rejection of inferences. *Suber v. Pa. Comm'n on Crime and Delinquency*, 885 A.2d 678 (Pa. Cmwlth. 2005), app. denied, 586 Pa. 776, 895 A.2d 1264 (2006).

In this case it is clear that PPL failed to carry its burden of proving that its proposed change to the POR discount is based upon ascertainable facts, is necessary, or is just and reasonable. Accordingly, its request must be denied.

### **III. SUMMARY OF THE ARGUMENT**

It is an inevitable fact of the ratemaking process that rates set today often turn out to be unjust and unreasonable tomorrow. It also is true that when one enters the ratemaking process, one should try to ensure that the rates produced are based as much as possible upon facts, and not upon speculation or projections, because more often than not, projections or guesses about the future turn out to be wrong. This wisdom applies here and should be heeded when considering PPL's request for a \$100 million plus rate increase that includes a significant increase in the purchase of receivables discount that is paid by electric generation suppliers ("EGS") and which, if granted, will cause them significant harm.

PPL has proposed to set this POR discount, for the future, based upon its self-serving view of what the future will look like, rather than the reality described by DES' witness Mr. Butler. PPL's approach appears to be influenced by the cynical view that even if economic circumstances do turn out to be better than it expects, as DES suggests, using PPL's projections means PPL earns more profit. PPL admits that if it were to use its actual write offs, from just 2011, that its POR discount would be 2.06%, which would nearly halve the proposed increase. (Tr. 412:23-413:2).

The problem with PPL's view of the future is compounded by the fact that it appears to be reporting its write-offs differently in different places. (DR St. No. 1, 5:9-21). This reporting

appears to have masked, until this case, PPL's claim that it has experienced a 20-25% increase in uncollectables expense in a single year. While DES disagrees with the factual basis of the claim, it is astounded by PPL's apparent lack of concern. (Tr. 409:2-7). PPL's nonchalant approach appears to support DES' contention that things may not be as bad as PPL contends.

Not only is PPL's proposed POR discount based upon flawed projections of the future, and what DES contends to be faulty data, (DR St. No. 1, 5:1-5; 5:9-21), but the calculation fails to consider the significant contribution that shopping customers make to PPL in the form of late payment fees, that should be used to offset the discount for purchased receivables, thus allowing for lower prices. PPL claims that late payment fees are an offset to cash working capital expense that is accrued when customers do not pay their bills on time, and this contention appears to be correct - for customers who purchase their supply from PPL. It is not true, however, for customers who do not. That is, customers who shop do not cause PPL to incur significant cash working capital expense. (Dr. St. No. 1-SR, 2:8-23:2). While PPL does purchase the receivables from EGSSs, it does not remit payment to suppliers until more than 20 days after it has billed the customer, and most customers have paid their bills. (*Id.*) The result is that shopping customers are subsidizing default service customers. This unfair subsidy should be remedied by redirecting the revenue generated by the late payment fees of shopping customers, to the benefit of shopping customers in the form of a lower POR discount. As Mr. Butler and Mr. Cerniglia discuss, the late payment fee revenue should be used to offset the POR discount which will result in a substantial benefit to shopping customers that they now pay for and do not receive. (DR St. No. 1-SR, 2:8 - 3:2).

#### IV. RATE BASE - N/A

- A. FAIR VALUE - N/A
- B. PLANT IN SERVICE - N/A
- C. DEPRECIATION RESERVE - N/A



- D. ADDITIONS TO RATE BASE – N/A
- E. DEDUCTIONS FROM RATE BASE – N/A

V. REVENUES – N/A

- A. MISCELLANEOUS REVENUES, RECONNECT FEES – N/A

VI. EXPENSES – N/A

- A. CAP – N/A
- B. CONSUMER EDUCATION – N/A

VII. TAXES – N/A

VIII. RATE OF RETURN – N/A

IX. RATE STRUCTURE – N/A

- A. COST OF SERVICE STUDY – N/A
  - 1. Introduction
  - 2. Parties' Positions
- B. REVENUE ALLOCATION – N/A
  - 1. Introduction
  - 2. Parties' Positions
  - 3. Scale Back
- C. TARIFF STRUCTURE – N/A
  - 1. Rate Design
    - a. Parties' Positions
  - 2. Customer Charge
    - a. Residential Customer Charge
    - b. Non-Residential Customer Charge
  - 3. Elimination of Rate Schedule RTD
  - 4. Other Issues (If needed)
- D. TARIFF RULES AND RIDERS – N/A
  - 1. Introduction
  - 2. Net Metering
  - 3. Other Tariff Rules and Riders (If needed)
- E. SUMMARY AND ALTERNATIVES – N/A

X. MISCELLANEOUS ISSUES

**A. PURCHASE OF RECEIVABLES – PPL's PROPOSED INCREASE IN THE POR DISCOUNT MUST BE REJECTED**

PPL's proposed POR discounts, 2.23% for residential customers and .23% for commercial customers, are flawed because they fail to take into account the reality of the market, which is presently characterized by falling energy prices (DR St. No. 1, 5:1-5); because PPL

includes items that should not appropriately be included in the calculation of a POR discount, namely changes to its reserve accounts (DR St. No. 1, 6:4-14); and, because it fails to include any credit in the calculation of the POR discount for revenues received from late payment fees generated from shopping customers. (DR St. No. 1, 6:17-7:4). These failings render PPL's proposed POR discount increase unlawful, unjust and unreasonable, and it must be rejected.

PPL's POR as it is configured today was approved in 2009. This approval was prior to, and in anticipation of, the lifting of PPL's rate caps. *Petition of PPL Utilities Corporation Requesting Approval of a Voluntary Purchase of Accounts Receivables Program and Merchant Function Charge*, Docket No. P-2009-2129502 (Opinion and Order entered November 19, 2009)("POR Order"). That matter was resolved by a Joint Petition for Settlement that resolved most of the issues in the case, including the appropriate POR discount rate. Importantly, in that case, which set the residential POR discount related to bad debt at 1.32%, the parties agreed that PPL could base its future uncollectible accounts expense on its actual experienced bad debt costs, and the settlement expressly did not limit any party from objecting to or making such a claim in the future. (POR Order, slip op. at 5). Further, while PPL's POR discount was increased in a subsequent rate case, the ability to base the POR discount on actual experienced bad debt expense has not changed.

The Public Utility Code, 66 Pa. C.S. § 1301, requires that "[e]very rate made, demanded or received by any public utility . . . shall be just and reasonable." Devising a POR discount, which will directly affect the profitability of electric generation suppliers serving on the PPL system (DR St. No. 1, 4:14-20), and which is based upon two projected components, not actual costs, is inherently unreasonable in light of the uncontroverted evidence in this record that energy prices are dropping. (DR St. No. 1, 5:1-21). Moreover, as discussed below, PPL's calculation of the POR discount includes an "adjustment" to its allowance for change in reserve,

which is not an actual expense item incurred by PPL, in addition to its projected write-offs. (DR St. No. 1, 6:4-14). The combination of the incorrectly projected write-off factor and including the projected change in reserves would provide PPL a significant increase to the POR discount that is unreasonable and unjustified.

Layered on top of the unsupported and inaccurate projections of future uncollectables, PPL has refused to offset the increase in uncollectables expense with revenue generated by late payment fees charged to shopping customers. (DR St. No. 1, 6-17-7:4). These customers do not cause PPL to incur cash working capital expense for energy, as is the case with non-shopping customers, because PPL does not procure energy for them. The result is that shopping customers' late payment fees are subsidizing default service. This subsidy should cease and shopping customers should receive the benefit of those revenues in the form of a decrease to the POR discount. PPL's proposed POR discount should be rejected in favor of implementing the recommendations provided by Mr. Butler.

**1. PPL's Proposed Increase in the POR discount is based upon inaccurate and inappropriate data.**

PPL admits through the testimony of its witness, Mr. Joseph Kleha, (PPL Statement No. 8, 28:29) that its calculation of the increase of POR discount to 2.23% for Residential customers and .23% for Small C&I customers is based upon projections, yet PPL never discusses how it projects or forecasts those discounts. (DR St. No. 1, 4:3-11) The methodology for how PPL forecasts its POR discount is critical to suppliers such as DES because, like many suppliers, it has "fixed price contracts with our customers that do not allow us to raise the price when the purchase of receivables discount is increased. What this means is that during the period from when those rates are put into effect running until our contracts end, we have to eat the difference." (DR St. No. 1, 4:15-18).

The POR discount should be based upon PPL's actual experienced bad debt costs. (DR St. No. 1, 7:7-15). As Mr. Butler testified, the proposed increase is high and "not supported by historic trends and current market price conditions. There is no supporting evidence in the filing regarding the increased costs that are projected into the future, except pure conjecture that bad debt is going to increase." (DR St. No. 1, 5:2-5). In 2010, PPL reported to the Commission that it incurred \$29 million of write-offs, and it reported \$33 million of write-offs in 2011. (Exhibit TJB-1). In this case, PPL claims that its write-offs for 2012 will be approximately \$39 million. This significant increase is not consistent with what is happening today in the electricity market, where prices have been falling. (DR St. No. 1, 5:9-21). That is, "the effective increase in total write-offs appear to be contrary to market conditions and we would have expected to see decreasing write-offs not increasing write-offs over the coming years because of the significant decrease in energy prices." (*Id.*) It is somewhat troubling therefore, that Mr. Kleha appears to believe, as he suggested under cross-examination, that the increase in uncollectables is due to "the rate caps having been lifted" (TR 408:25). The rate caps were lifted at the beginning of 2010 and the uncollectables do not appear to have experienced dramatic increases until PPL's proposal for a future increase as part of this case. Even more troubling is the fact that PPL does not appear to be concerned with the increased level of write-offs. (TR 409: 2-7).

There is nothing in Mr. Kleha's testimony (or that of any other PPL witness for that matter) which supports the increase in the POR discount, nor is there any rational "factual" basis other than the tired refrain of a "poor economy" to explain what, if it were true, would be a huge increase in PPL's uncollectable accounts expense between what it claimed for 2011 and what it projects for 2012. The reasons, as DES believes, are that PPL's projections are wrong, and that a significant part of the increase, 7.98%, is driven by PPL's increase in its "change in reserve" in the amount of \$2,955,998. (DR St. No. 1, 6:4-14). That is, PPL's forecast of increasing

uncollectables is compounded by its accounting entry that increases its reserves for even more predicted bad debt. This “change in reserve” entry is simple piling-on and should not be permitted. (DR St. No. 1, 6:4-14).

As Mr. Butler points out, PPL’s Annual Report to its shareholders and the Commission shows no change in reserve during 2011, when PPL ended the year with a \$17 million reserve. Mr. Butler testified that “PPL has overestimated its bad debt losses [and] I see no reason to increase the reserve requirements, especially since I am strongly suggesting that aggregate write-offs will be less with the lower electricity prices.” (DR St. No. 1, 6:4-14) Moreover, Mr. Butler believes that it is not appropriate that the paper expense related to increasing reserve, which is a one-time addition, should be incorporated into the calculation of POR discounts on a going forward basis. (*Id.*) He is recommending that the reserve addition not be incorporated into the calculation of uncollectables or bad debt for POR purposes in the future.

Mr. Butler recommends, based upon all of the foregoing, that PPL’s POR discount be based upon \$31 million, which is the average of its 2010-2011 actual write-offs across all classes. (DR St. No. 1, 7:7 – 7:15). That means for residential customers the initial POR percentage would be based upon \$29 million of projected write-offs which would equate to a 1.62% discount, and a non-residential POR percentage based on an initial level of \$2 million of write offs, for a POR discount of 0.17%. Mr. Butler does not recommend incorporating the changes to bad debt reserves into these calculations. (DR St. No. 1, 7:11-12).

Just and reasonable rates that are intended to recover specific items of expense should be based on the actual costs of the actual expense item. Such is the case with the POR discount, which at its core is intended to compensate PPL only for the actual dollars it writes-off for bad debt. The discount is not reconcilable, otherwise it would run afoul of 66 Pa. C.S. § 1408. However, what PPL appears to be doing is to “pad” the discount for the future, premised on the

misbelief that uncollectables will increase in the future, even though the facts suggest otherwise. While padding the discount is not the same as reconciliation, it is nonetheless insidious because it allows PPL the near certainty of additional profit to which it is not entitled. Accordingly, PPL's proposed increase in the POR discount from 1.8 to 2.23 percent must be rejected in favor of a discount that recovers the expense that PPL actually experienced, versus what it predicts it might experience.

**2. PPL must be required to offset the POR discount rate with late payment fees paid by shopping customers.**

Late payment fee revenues generated by PPL from shopping customers should be applied as a credit to the calculation of the POR discount for shopping customers. To do otherwise is to cause shopping customers to subsidize default service rates rather significantly and to inflate the POR discount by not applying those revenues to the benefit of the customers who contributed them.

In his Surrebuttal Testimony (DR St. No. 1-SR, 2:8-3:2) Mr. Butler elaborates on a point first discussed in his Direct Testimony (DR St. No. 1, 6:17-7:4), that late payment fees generated from shopping customers should be used to offset the POR discount, which is eventually paid by those same customers. Mr. Butler's testimony was clear "there should be very limited, if any, cash working capital costs incurred by PPL for the energy supply associated with customers who shop." (DR St. No. 1-SR, 2:8-10). As a consequence, Mr. Butler believes "it is wrong to offset cash working capital expense with revenue from late payment fees for the energy supply associated with customers who shop, since there are essentially no cash working capital costs incurred by PPL for those shopping customers." (DR St. No. 1-SR, 2:13-16). Rather than crediting cash working capital costs for energy acquisition for default service customers with these fees as is done today, Mr. Butler believes that "the revenues generated by late payment fees

for energy supply related to shopping customers should be credited against the POR discount charged to shopping customers. Otherwise it results in a windfall to PPL or a subsidy to default service customers.” (DR St. No. 1-SR, 2:8-3:2).

This is an issue of fundamental fairness. 66 Pa. C.S. § 2804(7) requires that there not be any discrimination that benefits one class of customers to the detriment of another, and 66 Pa. C.S. § 1304, generally prohibits discrimination as to rates. Customers who shop and who are charged late payment fees should not subsidize the cash working capital costs related to energy supply purchases for default service for which they enjoy no benefit, but which is what happens now. Mr. Kleha, on behalf of PPL, did not contradict Mr. Butler’s testimony as to the disposition of these funds or the subsidy cause thereby. Rather, he simply states that PPL’s revenue requirement for default service would need to be increased in order to accommodate what otherwise is currently a subsidy to default service customers that is provided by shopping customers. (PPL St. No. 8-RJ(II), 8:20-9:4) There does not appear to be any real dispute that this unfair subsidization should be corrected. The impact should be substantial considering that approximately forty percent (40%) of PPL’s residential customers are shopping. (DR St. No. 1-SR, 2:20-22). PPL should accordingly be required to adjust its calculation of the POR discount to include a credit for revenues received as late payment fees paid by shopping customers.

- B. CAP
- C. CONSUMER EDUCATION
- D. CER/RMI
- E. OTHER ISSUES (IF NEEDED)

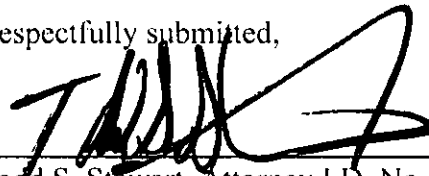
## **XI. CONCLUSION**

Based upon the foregoing, and its Direct and Surrebuttal Testimony in this matter, DES respectfully submits that PPL’s proposal to increase its POR discount is neither just nor reasonable and that it must be rejected in favor of a reasonable, balanced and fair approach that

considers actual costs, not projected costs, and which does not include paper adjustments that are not “real” costs to PPL. In particular, PPL should be required to:

- 1) Recalculate its residential POR discount based upon \$29 million of write-offs, which would equate to a 1.62% discount;
- 2) Recalculate its non-residential POR discount based on \$2 million of write offs, which results in a POR discount of 0.17%;
- 3) For purposes of this proceeding, changes to bad debt reserves and/or reserves for doubtful accounts shall not be included in the calculation of POR discount; and
- 4) After recalculating the respective POR discounts, PPL should be required to further reduce the discounts by the average amount of late payment fees it has collected from customers of EGSs in the same time period.

Respectfully submitted,



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## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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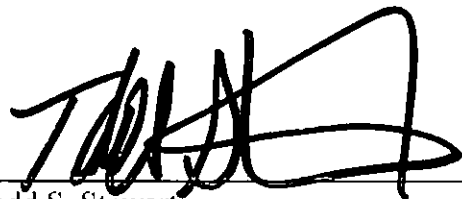
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Date: August 29, 2012

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