



Todd S. Stewart  
Office: 717 236-1300 x242  
Direct: 717 703-0806  
tsstewart@hmslegal.com

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

April 9, 2013

**VIA ELECTRONIC FILING**

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

RE: Pennsylvania Public Utilities Commission v. PPL Electric Utilities Corporation; Docket No. R-2012-2290597; **AMENDED EXCEPTIONS OF DOMINION RETAIL, INC. TO COMPLIANCE FILING**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the original of the AMENDED Exceptions of Dominion Retail, Inc. to Compliance Filing in the above-captioned docket. This Amendment corrects three typographical errors in the original filing. Copies of the Amended Exceptions have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

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

TSS/jld

Enclosures

cc: Honorable Susan D. Colwell (via email and first class mail)  
Per Certificate of Service

## 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).

### VIA ELECTRONIC AND FIRST CLASS MAIL

David B. MacGregor, Esquire  
Post & Schell, P.C.  
Four Penn Center  
1600 John F. Kennedy Boulevard  
Philadelphia, PA 19103

Michael W. Gang, Esquire  
John H. Isom, Esquire  
Christopher T. Wright, Esquire  
Post & Schell, PC  
17 North Second Street, 12<sup>th</sup> Floor  
Harrisburg, PA 17101

Paul E Russell Esquire  
PPL Electric Utilities Corporation  
2 North Ninth Street  
Allentown, PA 18101

Scott J Rubin, Esquire  
Law Office of Scott J Rubin  
333 Oak Lane  
Bloomsburg, PA 17815

Joseph L Vullo, Esquire  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704

Kenneth L. Mickens, Esquire  
Kenneth L. Mickens Esquire LLC  
316 Yorkshire Drive  
Harrisburg, PA 17111-6933

Regina L. Matz, Esquire  
PA Public Utility Commission - BIE  
PO Box 3265  
Harrisburg, PA 17105-3265

Steven Gray Esquire  
Office of Small Business Advocate  
300 North Second St., Suite 1102  
Harrisburg, PA 17101

Tanya McCloskey Esquire  
Candis A Tunilo Esquire  
Darryl A Lawrence Esquire  
Office Of Consumer Advocate  
555 Walnut St., Fifth Fl., Forum Place  
Harrisburg Pa 17101-1923

Adeolu A. Bakare, Esquire  
Pamela C. Polacek, Esquire  
McNees, Wallace & Nurick LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108

Daniel Clearfield, Esquire  
Carl R. Shultz, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> Floor  
PO Box 1248  
Harrisburg, PA 17108

Deanne M. O'Dell  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> Floor  
PO Box 1248  
Harrisburg, PA 17108

Robert D. Knecht  
Consultant for OSBA  
Industrial Economics Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Glenn Watkins  
Technical Associates, Inc.  
9030 Stony Point Parkway  
Suite 580  
Richmond, VA 23235

Stephen G. Hill  
Hill Associates  
4000 Benedict Road  
Hurricane, WV 25526

Richard Koda  
Koda Consulting  
409 Main Street  
Ridgefield, CT 06877

Roger D. Colton  
Fisher, Sheehan and Colton  
34 Warwick Road  
Belmont, MA 02478

Roberta Kurrell  
591 Little Mountain Rd  
Sunbury, PA 17801-5540

William Andrews  
40 Gordon Avenue  
Carbondale, PA 18407

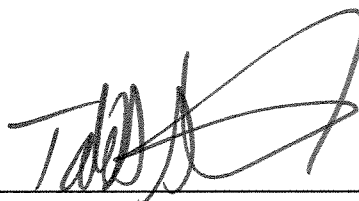
John Lucas  
112 Jessup Avenue  
Jessup, PA 18434

Helen Schwika  
1163 Lakeview Drive  
White Haven, PA 18661

Dave Kenney  
577 Shane Drive  
Effort, PA 18330

Donald Leventry  
1145 River Road  
Holtwood, PA 17532

Eric Joseph Epstein  
4100 Hillsdale Road  
Harrisburg, PA 17112



---

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

Date: April 9, 2013

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al	:	
	:	
v.	:	Docket Nos. R-2012-2290597 et seq.
	:	
PPL Electric Utilities Corporation	:	
	:	
(Supplement No. 118 to Tariff Electric	:	
PA PUC No. 201, Rate Increase Filing)	:	

---

**AMMENDED  
EXCEPTIONS OF DOMINION RETAIL, INC.  
TO COMPLIANCE FILING**

---

AND NOW, comes Dominion Retail, Inc. d/b/a Dominion Energy Solutions (“DES”) a party to the above-captioned proceeding and hereby Amends its Exceptions, filed April 8, 2013, to the “Purchase of Receivables Compliance filing” made by PPL Electric Utilities Corporation (“PPL”) on or about March 28, 2013. This Amendment is not material, raises no new issues or facts, and merely corrects two numbers in the pleading with incorrectly placed decimal points and adds a missing word, the omission of which would have changed the meaning of a sentence to be inconsistent with the remainder of the document, and corrects other non-material typographical errors. This amendment is made in accordance with 52 Pa. Code § 5.91.

DES Excepts to the Compliance filing on the basis that the filing is non-compliant with the Commission’s Final Order in this matter, dated December 28, 2012, and that it instead proposes a new rate construct that is not supported in the record of this proceeding and which has not been subject to litigation. As a result, adoption of any such newly proposed rate methodology in the context of a “compliance filing” would be a blatant violation of the due process rights of all parties.

## I. BACKGROUND

A reading of the relevant provisions of the applicable orders in this matter, and even PPL's filing, makes it clear that PPL has not complied with what was required in those orders.

In the Commission's December 28, 2012 Order, it stated:

Next, we agree with the ALJ's Recommendation to delay the implementation of the Company's proposed increase to the POR discount percentage for ninety days. We concur with the ALJ's directive that the currently effective rates remain in effect until PPL provides the required break-down on these expenses between shopping and non-shopping customers. Once this information is developed, the Commission will have thirty additional days to finalize an appropriate course of action.<sup>1</sup>

The ALJ's Recommended Decision, referred to in the excerpt above requires, in the relevant ordering paragraphs, states that:

9. PPL Electric Utilities Corporation shall determine the correct amount of uncollectible expenses incurred in 2012 and the break-down of expenses between shopping and default service customers.

10. That PPL Electric Utilities Corporation shall submit the findings and supporting data for the uncollectibles expense of shopping and default service customers within ninety days of the Final Commission Order in this docket with a request to use the correct numbers in its Purchase of Receivables Program.

11. That if PPL Electric Utilities Corporation does not comply with Ordering Paragraph No. 10, "the percentage rates currently in effect in its Purchase of Receivables Program shall remain in effect."<sup>2</sup>

---

<sup>1</sup> *Pennsylvania Public Utility Commission, et al. v. PPL Electric Utilities Corporation*; Docket No. R-2012-2290597 (Final Order entered December 28, 2012, at p. 154).

<sup>2</sup> *Pennsylvania Public Utility Commission, et al. v. PPL Electric Utilities Corporation*; Docket No. R-2012-2290597 RD at p. 142 (Ordering Paragraph Nos. 9, 10 & 11).

The above quoted orders pertain to PPLs proposed change to its POR discount, as filed in this rate case. PPL seeks to increase the POR discount for residential customers from 1.8% to 2.3%, and for small commercial and industrials from .10% to .23%. These increases are dramatic and unsupported in the record. The Commission accordingly required PPL to provide the break-down as between shopping and non-shopping customers so that the correct uncollectibles percentages could be applied in the development of the POR discounts.

The Commission should reject PPLs approach for at least two reasons:

**Exception No. 1 -- The methodology proposed by PPL is not compliant with what the Commission required in its Order and, therefore, the existing rates should automatically remain in effect until such time as PPL files another rate case.**

On March 28, 2013, in its purported "Compliance Filing", PPL did not provide the information requested by the Commission in its Order. There is no dispute on this point. Rather, PPL proposes to use its overdue aged accounts receivables as a proxy for the actual accounting of uncollectible expenses as between shopping and non-shopping customers. PPL claims, again, without support, that providing the actual information would be costly and time consuming, this after PPL claimed that it would provide the information.

Apart from the general fact that PPL's newly proposed methodology does not comply in any respect with the Commission's Order, PPL's filing assumes that its overdue aged receivables will occur in the same relative percentages (as between shopping customers and default service customers) as accounts that ultimately become uncollectible. Yet PPL offers no evidence to support this proposition. Rather, PPL attempts to support its non-compliance filing by suggesting that it is employing the same methodology that the Commission approved in a different case for a different purpose. Instead of providing supporting evidence, PPL provides

only a self-serving snapshot of a single year period, using only its newly proposed methodology, to allege that there is no difference between supplier uncollectibles and default service uncollectibles. What this so-called evidence shows, however, is that over the course of a one year period PPL's aged receivables (60 days past due) for default service netted out against the same metric for suppliers. Again, no historical context is provided and no evidence is provided that would even attempt to document any possible relationship between aged receivables and uncollectibles. No supporting information for any other period is provided. It cannot be assumed that PPL's proposal has met the evidentiary requirements and it must therefore be deemed non-compliant.

**Exception No. 2 – There is no record upon which to conclude that PPL's newly proposed method is just and reasonable.**

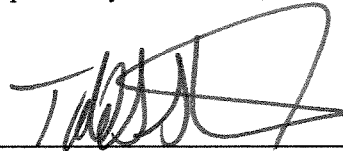
PPL's newly proposed methodology cannot be implemented without notice and a complete record. If the Commission wishes to entertain PPL's proposal, this matter should be set for separate hearings before an Administrative Law Judge where PPL can attempt to prove the justness and reasonableness of its approach and allow for full discovery by interested parties, so that they can independently ascertain whether PPL's methodology is appropriate. It would be wholly inappropriate, however, and a complete denial of due process to allow PPL to implement this rate without any further hearing, when there is no basis in the present record, and without, at a minimum, holding an evidentiary hearing. Moreover, PPL's chosen proxy appears to have significant flaws with regard to its fundamental assumptions that overdue receivables that are aged past sixty days are a reasonable proxy for uncollectible accounts. Moreover, there is no recognition of late payment fees as an offset to those charges in this calculation.

In conclusion, DES submits that: 1) PPL has failed wholly to comply with the Commission's requirement that it provide data separating its uncollectible expense as between shopping and non-shopping customers; 2) PPL chose, instead, to propose an un-vetted proxy that has heretofore not appeared in the record of this proceeding and regarding which DES has had no opportunity to perform discovery or any meaningful examination; 3) it appears obvious with regard to the proxy that PPL has chosen, that there is no evidence that it is just and reasonable or that it is an appropriate basis upon which to calculate POR charges, charges which have a significant and dramatic impact on the business of EGSs operating on the PPL service territory; and, 4) it would be a violation of due process to implement the newly proposed POR discount rates without the opportunity to be heard on the new "evidence".

## II. CONCLUSION

For these reasons, PPL's Compliance filing must be rejected and PPL's currently effective POR discount rates should remain in effect until such time PPL files an appropriate rate case to address the issues.

Respectfully submitted,



---

Todd S. Stewart  
Attorney I.D. No. 75556  
Hawke McKeon & Sniscak, LLP  
100 N. Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105-1778  
(717) 236-1300  
(717) 236-4841 (fax)  
tsstewart@hmslegal.com

*Counsel for Dominion Retail, Inc.*

Dated: April 9, 2013