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November 10, 2014

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

VIA ELECTRONIC FILING

RE: PPL Electric Utilities Corporation Supplement No. 165 – to Tariff Electric Pa. P.U.C. No. 201; Docket No. R-2012-2290597

Dear Secretary Chiavetta:

On October 31, 2014, PPL Electric Utilities Corporation ("PPL" or "Company") filed Supplement No. 165 – to Tariff Electric Pa. P.U.C. No. 201 ("Supplement No. 165"), which proposes to implement PPL's Storm Damage Expense Rider ("SDER") effective January 1, 2015. On the same date PPL separately filed a Preliminary Calculation of Storm Damage Expense Rider ("SDER Calculation").

The October 31, 2014 filings follow an Order entered by the Commission on April 3, 2014 at Docket No. R-2012-2290597 ("April 3 Order"). The April 3 Order approved PPL's proposed SDER subject to various conditions, including the submission of a Tariff Supplement 60 days in advance of the effective date. The April 3 Order stated that "[t]he initial 60 day review period will provide an adequate review period for Commission Staff and other interested parties to conduct a prudency review of the submitted data." April 3 Order, p. 27.

While the April 3 Order indicates that the Commission did not intend to limit parties opportunity to review and comment on PPL's SDER Tariff Supplement to the 10-day period set forth in 52 Pa. Code § 5.592 (regarding Exceptions to compliance tariffs), the PP&L Industrial Customer Alliance ("PPLICA"), out of an abundance of caution, hereby files this letter in response to Supplement No. 165.

PPL's Supplement No. 165 and the Supporting Calculations require additional review and modification to protect customer interests. Through a preliminary review of the filings, PPLICA has identified the following concerns:

- Supplement No. 165 fails to include the allocators used to assign storm damage expenses to the respective customer classes. Although PPL included the allocators in the Supporting Calculations, the April 3 Order unambiguously directed PPL to include the allocation factors directly in the tariff.
- Neither Supplement No. 65 nor the Supporting Calculations offer a basis for collecting SDER costs through demand-based charges to Large C&I - Primary and Large C&I -

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Transmission customers. PPLICA submits that storm damage expenses should be recovered on a per-customer bases for both Large C&I customer classes. A per-customer charge is particularly appropriate for Large C&I – Transmission customers where the underlying distribution charges are recovered through a flat customer charge.

- If the Commission deems the demand-based charges to be appropriate, the demand measurement description set forth on the Second Revised page No. 19Z.23 of Supplement No. 165 must be revised as follows:

Current

DM = The Company's total billed kW demand in each customer class that receives distribution service under this Tariff (including distribution losses), projected computation year.

PPLICA proposal

DM = The Company's total billed kW demand ~~in~~ for each the respective customer class that receives distribution service under this Tariff (including distribution losses), for the projected computation year.

Additionally, if demand-based charges are approved, PPL must clarify the demand measure used to calculate the Large C&I – Transmission SDER charge as LP-5 customers do not currently have any "billed KW demand" for distribution service.

- Regarding reconciliation of collected costs, Supplement No. 165 confirms that costs will be collected on a customer class basis, but remains ambiguous as to whether costs will be reconciled on a customer class basis. The tariff language should explicitly confirm that costs will be reconciled separately by customer class.

By way of clarification, PPLICA's proposed modifications should not be construed as support for the proposed SDER. PPLICA reserves all rights to take further action opposing the proposed SDER as may become necessary pending further review of the filings and/or review of any additional responsive filings from other parties.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Adeolu A. Bakare

Counsel to PP&L Industrial Customer Alliance

cc: Certificate of Service

CERTIFICATE OF SERVICE

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

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Dated this 10th day of November, 2014, at Harrisburg, Pennsylvania.