



COMMONWEALTH OF PENNSYLVANIA

February 16, 2016

**E-FILED**

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

**Re: Petition of PPL Electric Utilities Corporation for Approval of its  
Act 129 Phase III EE&C Plan - Docket No. M-2015-2515642**

Dear Secretary Chiavetta:

I am delivering for filing today the original of the Statement in Support of Settlement on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is also enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari  
Deputy Small Business Advocate  
Attorney ID No. 306921

Enclosures

cc: The Honorable Susan D. Colwell  
Mr. Robert Knecht  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities Corporation :  
for Approval of its Act 129 Phase III Energy : Docket No. M-2015-2515642  
Efficiency and Conservation Plan :**

**STATEMENT OF THE OFFICE OF SMALL  
BUSINESS ADVOCATE IN SUPPORT OF THE  
JOINT PETITION FOR PARTIAL SETTLEMENT**

**I. INTRODUCTION**

The Small Business Advocate is authorized and directed to represent the interests of small business consumers in proceedings before the Pennsylvania Public Utility Commission (“Commission”) under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. In order to discharge this statutory duty, the Office of Small Business Advocate (“OSBA”) is participating as a party to this proceeding to ensure that the interests of small commercial and industrial (“Small C&I”) customers of PPL Electric Utilities Corporation (“PPL Electric” or “Company”) are adequately represented and protected.

**II. PROCEDURAL BACKGROUND**

On November 30, 2015 PPL Electric filed a Petition for Approval of its Act 129 Phase III Energy and Conservation Plan (“Phase III Plan”).

On December 17, 2015, the OSBA filed a Notice of Intervention and Public Statement in this proceeding.

A Notice of Intervention and Public Statement was also filed by the Office of Consumer Advocate (“OCA”) on December 10, 2015.

On December 8, 2015, a Prehearing Conference Notice was issued scheduling a prehearing conference for January 5, 2016. Administrative Law Judge (“ALJ”) Susan D. Colwell was assigned to this proceeding and issued a Prehearing Conference Order on December 18, 2015, directing the parties to file prehearing memoranda by January 4, 2016.

By Notice in the Pennsylvania Bulletin on December 12, 2015, responsive pleadings were directed to be filed within 20 days of publication, which was January 4, 2015. The OSBA filed an Answer concurrently with its Prehearing Memorandum.

Petitions to Intervene were filed prior to the Prehearing Conference by PP&L Industrial Customer Alliance (“PPLICA”), Commission for Economic Opportunity (“CEO”), Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), Sustainable Energy Fund (“SEF”), and Nest Labs, Inc. (“Nest”).

At the Prehearing Conference a procedural schedule was established and the Petitions to Intervene were granted. After the Prehearing Conference, EnerNOC, Inc. (“EnerNOC”) filed a Petition to Intervene, PPL filed an Answer in Opposition to EnerNOC’s Petition to Intervene, and EnerNOC filed a Reply to PPL Electric’s Answer in Opposition to EnerNOC’s Petition to Intervene.

Direct Testimony was served by OCA, CAUSE-PA, PPLICA, CEO, SEF, Nest, and EnerNOC on January 12, 2016.

On January 22, 2016, OCA served an Errata to OCA Statement No. 1.

On January 25, 2016, PPL Electric served Rebuttal Testimony and PPLICA filed an updated Appendix A to its Petition to Intervene and Answer.

PPL Electric filed a Motion to Strike Portions of PPLICA's Direct Testimony on January 26, 2016.

On January 28, 2016, PPLICA served an Errata to PPLICA Statement No. 1.

Discovery was exchanged by the parties throughout the proceeding.

During settlement discussions, the parties were able to reach a settlement resolving all issues, with the exception of PPLICA's Total Resource Cost ("TRC") Test issues that are subject to PPL Electric's Motion to Strike.

At the evidentiary hearing on January 29, 2016, parties moved their testimony and exhibits into the record, PPL Electric withdrew its opposition to EnerNOC's intervention, and PPLICA's TRC Test issues and PPL Electric's Motion to Strike PPLICA's Direct Testimony on these issues were deferred for briefing.

The OSBA actively participated in the negotiations that led to the proposed settlement, and is a signatory to the Joint Petition for Partial Settlement ("Joint Petition"). The OSBA submits this statement in support of the Joint Petition.

### **III. STATEMENT IN SUPPORT**

The Joint Petition sets forth a comprehensive list of issues that were resolved through the negotiation process. The following issues were of particular significance to the OSBA when it concluded that the Joint Petition was in the best interest of the Company's Small C&I customers.

#### **A. Expansion of Low-Income Weather Relief Assistance Program (WRAP) (Joint Petition, para. 46)**

Under the Company's Commission-approved tariffs, certain master-metered multi-family residences take service under the Company's general service tariff schedules. As such, EE&C subsidies to these customers are borne by other small

business customers, and vice versa. Any load reductions from these customers provides a direct benefit to the landlord who pays the electric bills, and it is generally unknown whether any such savings get passed on to tenants. At least some of these multi-family buildings house a majority of tenants who are qualified as low-income residents.

As filed, PPL Electric's Phase III Plan Low-Income WRAP provides that master-metered multifamily buildings with low-income occupants (individuals/households with income at or below 150% of the federal poverty guidelines) would receive LED bulbs in the living units at no cost. However, all other energy efficiency improvements for common areas and living units would be implemented under applicable nonresidential programs and apply those programs' eligibility requirements and incentive levels.<sup>1</sup> In other words, landlords of these master-metered buildings would not be eligible for the enhanced incentives of the Low-Income WRAP, with the exception of receiving free LED bulbs.

In its Direct Testimony, CAUSE-PA suggested that PPL Electric "offer a package of high incentive, low-cost measures for master-metered multifamily buildings [with low-income occupants] through its low income portfolio CSP, similar to the low and full cost packages already offered to other types of low income residences."<sup>2</sup>

The OSBA had concerns with CAUSE-PA's proposal to offer enhanced incentives to owners of master-metered multifamily buildings with low-income occupants as compared to the rest of the Small C&I class. In general, the OSBA believes that the EE&C plans are both more effective and more equitable when customers contribute a significant share of the costs for the specific programs from which they benefit.

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<sup>1</sup> See Phase III Plan at 66.

<sup>2</sup> CAUSE-PA Statement No. 1 at 25-26.

Moreover, the OSBA believes that the percentage subsidies in EE&C plans for different market segments within the Small C&I rate class group should be reasonably similar, in order to mitigate undue discrimination. However, as part of the settlement process, the OSBA acknowledged that some of the landlords who house low-income customers, some of whom are not-for-profit entities, may need enhanced subsidies to participate.

Paragraph 46 of the Joint Petition addresses these competing concerns. It provides that the Low-Income WRAP will be revised to, in addition to providing free LED bulbs to living units, also “provide other eligible measures to these units under Low-Income WRAP (i.e., the same eligible measures as individually metered low income homes, as set forth in Table 38).” However, this expansion is subject to, among other things, a “limit on cumulative spending of \$2.5 million in direct costs during Phase III for Low-Income WRAP measures in the tenant units of low-income residents in master-metered multifamily buildings.” Any change to this limit requires a meeting of stakeholders and Commission approval of a Plan change.

The OSBA believes that the Joint Petition provides a reasonable compromise of this issue that is in the interest of the Companies’ Small C&I customers.

#### **B. Other Issues**

OSBA also supports two other implicit aspects of the Joint Petition.

First, in the Company’s initial filing, Tables 78 and 83 of the Phase III Plan contained significant errors, which biased the statistics for the GNE programs. In response to OSBA-I-8, the Company has corrected those errors, and the revisions are implicitly incorporated into the Joint Petition.

Second, in its testimony in this proceeding, SEF offered testimony which concluded that some of the subsidies (or “incentives”) proposed by the Company for program participants in the Small C&I rate classes were too low, and that they should be uniformly increased. The OSBA respectfully opposed this proposal, in that it would have the effect of providing more subsidies than those necessary to induce customer participation, thereby putting an even greater burden on the remaining Small C&I customers. It also would have made it more difficult for PPL Electric to cost-effectively meet its energy reduction goals. SEF’s proposal was not adopted in the Joint Petition.

### **C. Judicial Efficiency**

Lastly, settlement of this proceeding avoids the litigation of complex, competing proposals and saves the possibly significant costs of further administrative proceedings. Such costs are borne not only by the Joint Petitioners, but ultimately by the Company’s customers as well. Avoiding further litigation of this matter will serve judicial efficiency, and will allow the OSBA to more efficiently employ its resources in other areas.

**IV. CONCLUSION**

For the reasons set forth in the Joint Petition, as well as the additional factors enumerated in this statement, the OSBA supports the proposed Joint Petition and respectfully requests that the Commission approve the Joint Petition in its entirety without modification.

Respectfully submitted,



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Deputy Small Business Advocate  
Attorney ID No. 306921

For:

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Small Business Advocate

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Dated: February 16, 2016



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities** :  
**Corporation for Approval of its Act 129** :  
**Phase III Energy Efficiency and** : **Docket No. M-2015-2515642**  
**Conservation Plan** :

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (unless other noted below) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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DATE: February 16, 2016

  
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