



COMMONWEALTH OF PENNSYLVANIA

February 29, 2016

E-FILED

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

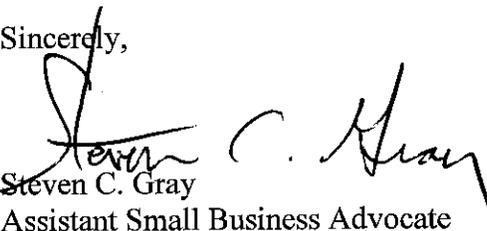
**Re: Petition of PPL Electric Utilities Corporation for Approval of its Default Service Program & Procurement Plan for the Period June 1, 2017 through May 31, 2021
Docket No. P-2016-2526627**

Dear Secretary Chiavetta:

I am delivering for filing today the Notice of Appearance, Notice of Intervention, Answer, Public Statement, and Certificate of Service, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding. True and correct copies have been served today on all known parties in this proceeding, as indicated on the Certificate of Service.

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

Sincerely,


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

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

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of its Default :
Service Program & Procurement Plan : **Docket No. P-2016-2526627**
for the Period June 1, 2017 through :
May 31, 2021 :

**ANSWER OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

Pursuant to 52 Pa. Code § 5.61(a) and the notice published in the *Pennsylvania Bulletin* on February 13, 2016, the Office of Small Business Advocate (“OSBA”) submits this Answer to the Petition of PPL Electric Utilities Corporation (“PPL” or the “Company”) for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021 (“*Petition*”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on January 29, 2016.

Responses to the *Petition’s* Numbered Paragraphs

Introduction

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. The averments of Paragraph 5 contain conclusions of law to which no response is required. By way of further response, Sections 102 and 2803 of the Public Utility Code speak for themselves.

6. The averments of Paragraph 6 contain conclusions of law to which no response is required. By way of further response, the Electricity Generation Customer Choice and Competition Act (“Customer Choice Act”) speaks for itself.

7. The averments of Paragraph 7 contain conclusions of law to which no response is required. By way of further response, the Commission’s Default Service Regulations speak for themselves.

8. The averments of Paragraph 8 contain conclusions of law to which no response is required. By way of further response, the Act 129 of 2008 (“Act 129”) speaks for itself.

9. Admitted, except for those averments of Paragraph 9 which are part of the Company’s request for relief to which no response is required.

10. The averments of Paragraph 10 contain a summary of the Company’s request for relief to which no response is required.

11. The averments of Paragraph 11 contain a summary of the Company’s request for relief to which no response is required.

12. The averments of Paragraph 12 contain a summary of the Company’s request for relief to which no response is required.

13. The averments of Paragraph 13 contain a summary of the Company’s request for relief to which no response is required.

14. The averments of Paragraph 14 contain a summary of the Company’s request for relief to which no response is required.

15. The averments of Paragraph 15 contain a summary of the documents attached to the *Petition*. To the extent a response is required, the averments are denied.

16. The OSBA admits that the Company filed a multipage document titled "Direct Testimony" on January 29, 2016. The remaining averments of Paragraph 16 contain a summary of proposed Company testimony. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

17. The averments of Paragraph 17 are requests for relief or conclusions of law to which no response is required.

Legal Standards

18. Admitted, except for those averments of Paragraph 18 that are conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 54.185 speaks for itself.

19. The averments of Paragraph 19 are requests for relief or conclusions of law to which no response is required. By way of further response, 52 Pa. Code §§ 54.185 and 69.1804 speak for themselves.

20. The averments of Paragraph 20 contain conclusions of law to which no response is required. By way of further response, Section 2807 of the Public Utility Code speaks for itself.

21. The averments of Paragraph 21 contain conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 54.185 speaks for itself.

22. The averments of Paragraph 22 contain conclusions of law to which no response is required. By way of further response, Section 2807 of the Public Utility Code speaks for itself.

23. The averments of Paragraph 23 contain conclusions of law to which no response is required. By way of further response, the Alternative Energy Portfolio Standards Act (“AEPS Act”), the Commission’s regulations, and 52 Pa. Code § 54.182 speak for themselves.

24. The averments of Paragraph 24 are requests for relief or conclusions of law to which no response is required. By way of further response, the Commission’s *DSP Policy Statement* and *End State Order* speak for themselves.

25. The averments of Paragraph 25 are requests for relief or conclusions of law to which no response is required.

26. The averments of Paragraph 26 are requests for relief or conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 54.185 speaks for itself.

PPL Electric’s Current DSP Program

27. The averments of Paragraph 27 are requests for relief or conclusions of law to which no response is required.

28. Admitted. By way of further response, the January 15, 2015, Commission Order cited by the Company in Paragraph 28 speaks for itself.

29. Admitted.

30. Admitted.

31. Admitted.

32. The averments of Paragraph 32 are admitted in part and denied in part. By way of further response, the OSBA lacks sufficient first-hand knowledge as to whether there is “substantial competition to supply the fixed-price, full-requirements, load-following products.” Therefore, that averment is denied and strict proof thereof is demanded.

33. The averments of Paragraph 33 are admitted in part and denied in part. By way of further response, the OSBA lacks sufficient first-hand knowledge as to the services provided by NERA Economic Consulting to PPL. Therefore, those averments are denied and strict proof thereof is demanded.

34. The averments of Paragraph 34 are requests for relief to which no response is required.

Proposed DSP III Program

Program Term

35. Admitted, except for those averments of Paragraph 35 which are part of the Company's request for relief to which no response is required.

36. The averments of Paragraph 36 contain a summary of the Company's request for relief to which no response is required.

Procurement and Rate Design

37. The averments of Paragraph 37 contain a summary of the Company's request for relief to which no response is required.

38. The averments of Paragraph 38 contain a summary of the Company's request for relief to which no response is required.

39. The averments of Paragraph 39 contain a summary of the Company's request for relief to which no response is required.

Residential Fixed-Price Procurement and Rate Design

40. Admitted.

41. The averments of Paragraph 41 are requests for relief to which no response is required.

42. The averments of Paragraph 42 are requests for relief to which no response is required.

43. The averments of Paragraph 43 are requests for relief to which no response is required.

44. The averments of Paragraph 44 are requests for relief to which no response is required.

45. The averments of Paragraph 45 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

Small C&I Fixed-Price Procurement and Rate Design

46. The averments of Paragraph 46 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

47. The averments of Paragraph 47 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

48. The averments of Paragraph 48 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

49. The averments of Paragraph 49 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

50. The averments of Paragraph 50 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

51. The averments of Paragraph 51 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

Large C&I Procurement and Rate Design

52. The averments of Paragraph 52 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

53. The averments of Paragraph 53 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

54. The averments of Paragraph 54 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

55. The averments of Paragraph 55 are requests for relief or to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

56. The averments of Paragraph 56 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

57. The averments of Paragraph 57 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

AEPS Procurement

58. The averments of Paragraph 58 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

59. The averments of Paragraph 59 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded. By way of further response, the January 28, 2016, Commission Order cited in the Footnote to Paragraph 59 speaks for itself.

60. The averments of Paragraph 60 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

61. The averments of Paragraph 61 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

DSP IV Program Procurements Represent a Prudent Mix of Supplies

62. The averments of Paragraph 62 are requests for relief to which no response is required.

63. The averments of Paragraph 63 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

64. The averments of Paragraph 64 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded. By way of further response, the OSBA has consistently supported the use of fixed-price, full-requirements, load-following products.

65. The averments of Paragraph 65 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded. By way of further response, the OSBA has consistently supported the use of fixed-price, full-requirements, load-following products.

66. The averments of Paragraph 66 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

67. The averments of Paragraph 67 are requests for relief to which no response is required.

DSP IV Program RFP Process

68. The averments of Paragraph 68 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

69. The averments of Paragraph 69 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

70. The averments of Paragraph 70 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

71. The averments of Paragraph 71 are requests for relief to which no response is required.

72. The averments of Paragraph 72 are requests for relief to which no response is required.

73. The averments of Paragraph 73 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

74. The averments of Paragraph 74 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

75. The averments of Paragraph 75 are requests for relief to which no response is required.

76. The averments of Paragraph 76 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

77. The averments of Paragraph 77 are requests for relief or conclusions of law to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

78. The averments of Paragraph 78 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

Supply Master Agreement

79. The averments of Paragraph 79 are requests for relief to which no response is required.

80. The averments of Paragraph 80 refer to a document attached to the *Petition*. To the extent that a response is required, the averments are denied.

Third-Party Manager

81. The averments of Paragraph 81 are requests for relief to which no response is required.

82. The averments of Paragraph 82 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

RTO Compliance

83. The averments of Paragraph 83 are requests for relief or conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 54.185 speaks for itself.

84. The averments of Paragraph 84 are requests for relief or conclusions of law to which no response is required.

85. The averments of Paragraph 85 are requests for relief or conclusions of law to which no response is required.

Contingency Planning

86. The averments of Paragraph 86 are requests for relief or conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 54.185 speaks for itself.

87. The averments of Paragraph 87 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

88. The averments of Paragraph 88 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

89. The averments of Paragraph 89 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

Standard Offer Referral Program

90. Denied. To the extent a response is required, the averments of Paragraph 90 are denied and strict proof thereof is demanded.

91. Admitted. By way of further response, the March 2, 2012, Commission Order cited by the Company in Paragraph 91 speaks for itself.

92. The averments of Paragraph 92 are requests for relief to which no response is required.

93. The averments of Paragraph 93 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

94. Denied. To the extent a response is required, the averments of Paragraph 94 are denied and strict proof thereof is demanded.

95. The averments of Paragraph 95 are requests for relief to which no response is required.

96. The averments of Paragraph 96 are requests for relief to which no response is required.

97. The averments of Paragraph 97 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

98. The averments of Paragraph 98 are requests for relief to which no response is required.

End State

99. The averments of Paragraph 99 are requests for relief to which no response is required. To the extent a response is required, the averments are denied and strict proof thereof is demanded.

100. The averments of Paragraph 100 are requests for relief to which no response is required.

101. The averments of Paragraph 101 are requests for relief to which no response is required.

Time of Use Procurement and Rate Design

102. Admitted, except for those averments of Paragraph 102 that are conclusions of law to which no response is required. By way of further response, the September 11, 2014, Commission Order cited by the Company in Paragraph 102 speaks for itself.

103. Admitted.

104. Admitted, except for those averments of Paragraph 104 that are conclusions of law to which no response is required.

105. The averments of Paragraph 105 are requests for relief to which no response is required.

Additional Requested Ruling Pursuant to 66 Pa. C.S. § 2102

106. The averments of Paragraph 106 are requests for relief or conclusions of law to which no response is required. By way of further response, 66 Pa. C.S. § 2102 speaks for itself.

107. The averments of Paragraph 107 are requests for relief or conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 54.186 and the April 15, 2015, Commission Order cited by the Company in the Footnote speak for themselves.

108. The averments of Paragraph 108 are requests for relief or conclusions of law to which no response is required. By way of further response, 66 Pa. C.S. § 2102 speaks for itself.

109. The averments of Paragraph 109 are requests for relief or conclusions of law to which no response is required. By way of further response, 66 Pa. C.S. § 2102 speaks for itself.

110. The averments of Paragraph 110 are requests for relief or conclusions of law to which no response is required. By way of further response, 66 Pa. C.S. § 2102 speaks for itself.

Waivers

111. The averments of Paragraph 111 are requests for relief or conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 1.91 speaks for itself.

112. The averments of Paragraph 112 are conclusions of law to which no response is required. By way of further response, the Commission's *End State Order* speaks for itself.

113. The averments of Paragraph 113 are requests for relief or conclusions of law to which no response is required. By way of further response, the OSBA supports the Company's request for waiver of the quarterly PTC requirement.

114. The averments of Paragraph 114 are requests for relief or conclusions of law to which no response is required.

115. The averments of Paragraph 115 are requests for relief or conclusions of law to which no response is required. By way of further response, 52 Pa. Code § 69.1804 speaks for itself.

OnTrack Customer Shopping

116. Admitted.

117. Admitted.

118. Admitted.

119. Admitted.

120. Admitted.

121. The averments of Paragraph 121 are requests for relief or conclusions of law to which no response is required.

122. The averments of Paragraph 122 are requests for relief or conclusions of law to which no response is required.

123. The averments of Paragraph 123 are requests for relief or conclusions of law to which no response is required.

124. The averments of Paragraph 124 are requests for relief or conclusions of law to which no response is required.

DSP IV Program is in the Public Interest

125. The averments of Paragraph 125 are requests for relief to which no response is required.

126. The averments of Paragraph 126 are requests for relief or conclusions of law to which no response is required. By way of further response, 66 Pa. C.S. § 2807 speaks for itself.

127. The averments of Paragraph 127 are requests for relief or conclusions of law to which no response is required.

128. The averments of Paragraph 128 are requests for relief or conclusions of law to which no response is required.

129. The averments of Paragraph 129 are requests for relief or conclusions of law to which no response is required.

130. The averments of Paragraph 130 are requests for relief to which no response is required.

131. The averments of Paragraph 131 are requests for relief to which no response is required.

132. The averments of Paragraph 132 are conclusions of law to which no response is required. By way of further response, 66 Pa. C.S. § 2807 speaks for itself.

Customer Notice

133. Denied. To the extent a response is required, the averments of Paragraph 133 are denied and strict proof thereof is demanded.

134. Admitted in part and denied in part. The OSBA has received a copy of the Company's filing. The OSBA has no knowledge whether any other party has been served with the Company's filing. Therefore, to the extent a response is required, the averments of Paragraph 134 are denied and strict proof thereof is demanded.

135. Denied. To the extent a response is required, the averments of Paragraph 135 are denied and strict proof thereof is demanded.

136. Denied. To the extent a response is required, the averments of Paragraph 136 are denied and strict proof thereof is demanded.

137. The averments of Paragraph 137 are requests for relief to which no response is required.

138. The averments of Paragraph 138 are requests for relief or conclusions of law to which no response is required.

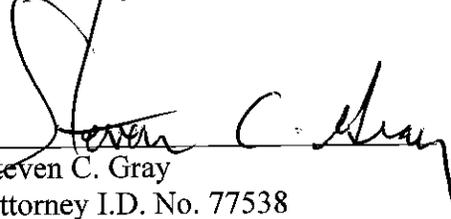
Conclusion

In view of the foregoing, the Office of Small Business Advocate respectfully requests that the Pennsylvania Public Utility Commission:

A. Direct the Office of Administrative Law Judge to hold hearings on the *Petition* and prepare an initial decision; and

B. Grant such other relief as may be necessary or appropriate.

Respectfully submitted,



Steven C. Gray
Attorney I.D. No. 77538
Assistant Small Business Advocate

For:
John R. Evans
Small Business Advocate

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(717) 783-2525
(717) 783-2831

Dated: February 29, 2016

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of its Default :
Service Program & Procurement Plan : **Docket No. P-2016-2526627**
for the Period June 1, 2017 through :
May 31, 2021 :

**PUBLIC STATEMENT OF
THE OFFICE OF SMALL BUSINESS ADVOCATE**

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (the "Act"). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by his initiation of or intervention in any proceeding involving those interests before the Public Utility Commission ("Commission") or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of an Answer and Notice of Intervention in the above-captioned Commission proceeding.

On January 29, 2016, PPL Electric Utilities Corporation ("PPL" or the "Company") filed a petition for approval of a program ("Petition") to provide default service from June 1, 2017, through May 31, 2021.

The Small Business Advocate is intervening in this proceeding in order to protect the interests of the Company's small business customers. A thorough inquiry by the Commission into all of the elements of the Petition is necessary to ascertain whether the Company's proposals for procuring electricity conform to the Public Utility Code and to the Commission's regulations regarding default service.

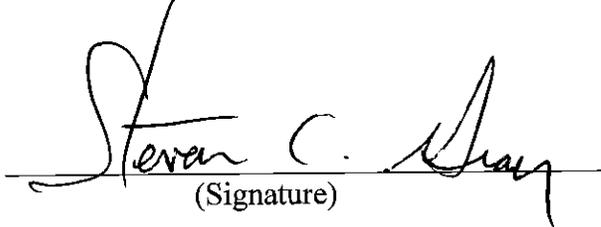
In view of the foregoing, the Small Business Advocate is requesting that the Petition be subject to investigation and evidentiary hearings before the Commission. The Small Business Advocate will ask the Commission to deny or modify any aspect of the Company's proposals that are not proven by PPL to be in accordance with the Public Utility Code and with the Commission's regulations regarding default service.

Dated: February 29, 2016

VERIFICATION

I, Steven C. Gray, hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: February 29, 2016


(Signature)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of its Default :
Service Program & Procurement Plan : **Docket No. P-2016-2526627**
for the Period June 1, 2017 through :
May 31, 2021 :

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).

The Honorable Susan D. Colwell
Administrative Law Judge
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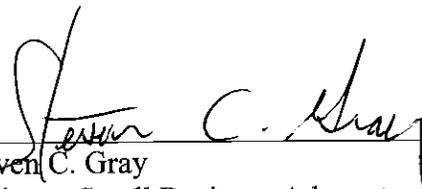
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DATE: February 29, 2016

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