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|  | **PENNSYLVANIA****PUBLIC UTILITY COMMISSION****HARRISBURG, PA 17120** |  |
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|  | Public Meeting held May 9, 2019 |
| Commissioners Present: |  |

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| Gladys Brown Dutrieuille, Chairman |
| David W. Sweet, Vice ChairmanNorman J. Kennard |
| Andrew G. Place John F. Coleman, Jr. |

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| PPL Electric Utilities Corporation’s Revised Pilot Time-of-Use Program *Pro Forma* Tariff Changes to Tariff Electric Pa. P.U.C. No. 201 | Docket Nos:M-2016-2578051P-2016-2526627P-2013-2389572 |

# ORDER

**BY THE COMMISSION:**

On February 13, 2019, PPL Electric Utilities Corporation (PPL Electric), Utility Code 110500, filed a revised pilot time-of-use (TOU) program *Pro Forma* Tariff Electric Pa. P.U.C. No. 201, a revised TOU Request for Proposal Process and Rules (RFP), and a revised Supply Master Agreement (SMA). PPL Electric filed these documents in compliance with the Commission’s Order entered May 17, 2018 (TOU Order), at Docket Nos. M‑2016-2578051, P-2016-2526627, and P-2013-2389572 (collectively, the TOU proceeding). On April 10, 2019 and April 16, 2019, PPL Electric revised the filing to address several typographical errors.

PPL Electric states that it filed *Pro Forma* tariff revisions to the Net Metering for Renewable Customer-Generators and Generation Supply Charge – 1 Sections of its tariff to comply with the TOU Order, which approved a March 13, 2018 Joint Petition for Settlement (Settlement) without modification. The Settlement provided stipulations for PPL Electric’s TOU program, as follows: 1) PPL Electric’s TOU program will have a summer and winter season; 2) PPL Electric will hold TOU auctions to obtain rates; 3) a contingency plan will be implement if the TOU auction fails to be successful; and 4) a TOU rate schedule will be designed.

PPL Electric’s first stipulation states that its TOU program will have a summer season and a winter season. The summer season will occur from June 1 through November 30 of each year, with peak hours occurring Monday through Friday (excluding holidays) from 2:00 PM to 6:00 PM. All other hours during the summer season will be off-peak. The winter season will occur from December 1 through May 31 of each year, with peak hours occurring Monday through Friday (excluding holidays) from 4:00 PM to 8:00 PM. All other hours during the winter season will be off-peak.

PPL Electric’s second stipulation states that the company will hold TOU auctions to obtain rates for the summer season supply and winter season supply. PPL Electric states that it will utilize its auction manager, NERA Economic Consulting, to conduct semi-annual auction RFP processes to determine which company or companies will provide supply for its TOU customers. PPL Electric will procure one tranche representing 100% of residential TOU supply and one tranche representing 100% of small commercial & industrial TOU supply during each auction process. PPL Electric also states that companies will bid for TOU tranches by supplying a percentage discount to the generation portion of PPL Electric’s Price-to-Compare (Gen. PTC).[[1]](#footnote-1) The winning bid for each tranche will be utilized as the season-specific off-peak rate. A seasonal multiplier will be developed utilizing a rolling five-year selection of PJM Interconnection LLC Day Ahead Spot Market pricing data for the PPL Electric Residual Aggregation Zone to calculate the seasonal on-peak rate.

PPL Electric’s third stipulation states that the company will implement a contingency plan if the TOU auction fails to attract a successful bidder, or if a successful bidder defaults on its contract. In the contingency plan, PPL Electric will provide default TOU supply and recoup all costs for the implementation through the Generation Supply Charge – 1. PPL Electric states that it will apply a factor of 0.90 times the Gen. PTC to determine the off-peak rate and use the seasonal multiplier to calculate the on-peak rate. PPL Electric states that it will continue the contingency plan until the next scheduled auction.

PPL Electric’s fourth stipulation states the TOU rate schedule is only available to residential and/or small commercial & industrial default service customers, provided the customer has a smart meter installed[[2]](#footnote-2), takes default service under a rate schedule listed in the Settlement, is not enrolled in PPL Electric’s OnTrack program, and does not use Virtual Net Metering.

 In addition to the *Pro Forma* tariff, the filing contained a revised TOU Request for Proposal Process and Rules and a revised Supply Master Agreement. The revised RFP and SMA contained changes to dates to reflect that the TOU RFP process and physical supply are anticipated to begin in April 2019 and June 2019, respectively. The revised RFP and SMA were approved by Secretarial Letter dated April 9, 2019 at these instant proceedings.

PPL Electric serves approximately 1.4 million customers in all or portions of 29 counties.

PPL Electric served the proposed tariff changes on the Commission’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate and parties of record to Docket Nos. M-2016-2578051, P-2016-2526627, and P-2013-2389572. PPL Electric also provided notice to all Electric Generation Suppliers operating in its service territory. No answers or comments were filed in response to PPL’s filings.

 We agree that PPL Electric’s *Pro Forma* tariff changes are consistent with the Commission Order entered May 17, 2018, which authorized changes related to PPL Electric’s Time-of-Use program. Accordingly, we approve PPL Electric’s *Pro Forma* tariff and direct PPL Electric to file tariff supplements in response to this Order with at least ten days’ notice prior to the effective date of the supplements. However, approval of this filing does not constitute a determination that this filing is lawful, just, or reasonable, but only that further investigation or suspension does not appear to be warranted at this time; **THEREFORE,**

 **IT IS ORDERED:**

1. That PPL Electric Utilities Corporation’s *Pro Forma* Tariff Electric Pa. P.U.C. No. 201 is hereby approved as to form and legality.

2. That this Order is without prejudice to any issues that may be raised by any party with respect to the tariff changes implemented by PPL Electric Utilities Corporation’s *Pro Forma* Tariff Electric Pa. P.U.C. No. 201 in future proceedings.

3. That PPL Electric Utilities Corporation shall file tariff supplements to implement the provisions approved herein, with at least ten days’ notice prior to the effective date.

 4. That a copy of this Order be served on the parties of record to the proceedings at Docket Nos. M-2016-2578051, P-2016-2526627, and P-2013-2389572.

 5. That these proceedings at Docket Nos. M-2016-2578051, P-2016-2526627, and P-2013-2389572 be closed.

**** **BY THE COMMISSION,**

 Rosemary Chiavetta

 Secretary

(SEAL)

ORDER ADOPTED: May 9, 2019

ORDER ENTERED: May 9, 2019

1. See RFP, page 20, paragraph 5.1.5. [↑](#footnote-ref-1)
2. See the TOU proceeding Settlement, page 5, Proposed Finding of Fact #19. [↑](#footnote-ref-2)