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File #: 2507/140064

March 30, 2009

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

**RE: Petition of PPL Electric Utilities Corporation for Approval of a  
Rate Mitigation Plan - Docket No. P-2009-2091280**

Dear Secretary McNulty:

Enclosed for filing is the Prehearing Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. As indicated on the certificate of service, copies of the Prehearing Memorandum have been served on the parties in the manner indicated.

Respectfully yours,



Andrew S. Tubbs

AST/skr  
Enclosures  
cc: Certificate of Service  
Honorable David A. Salapa

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

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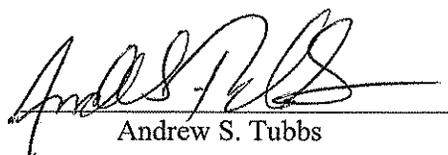
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Andrew S. Tubbs

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :  
Corporation for Approval of a Rate : Docket No. P-2009-2091280  
Mitigation Plan :

**PREHEARING MEMORANDUM OF  
PPL ELECTRIC UTILITIES CORPORATION**

**TO ADMINISTRATIVE LAW JUDGE DAVID A. SALAPA:**

PPL Electric Utilities Corporation (“PPL Electric”) hereby submits this Prehearing Conference Memorandum in compliance with the Prehearing Conference Order issued by Administrative Law Judge David A. Salapa on March 17, 2008.

**I. BACKGROUND**

On February 19, 2009, PPL Electric filed the above-captioned Petition with the Pennsylvania Public Utility Commission (“Commission”). In the Petition, PPL Electric requested Commission approval to file a tariff supplement, to be effective on one day’s notice, implementing a Rate Mitigation Plan Rider (“RMP Rider”). The Rate Mitigation Plan (“RMP”) is designed to ease the transition for most of PPL Electric’s residential and small commercial customers from capped generation rates to market-based rates in 2010.

The Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”) filed Answers to the above-captioned Petition.<sup>1</sup> In addition, Richards Energy Group (“Richards”), the PP&L Industrial Customer Alliance (“PPLICA”), Direct Energy Services, LLC (Direct Energy”), Retail Energy Supply Association (“RESA”) and Constellation New Energy and Constellation Energy Commodities Group (“Constellation”) filed Petitions to Intervene. The

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<sup>1</sup> OCA and OSBA also filed Notices of Intervention in this proceeding.

Office of Trial Staff (“OTS”) filed a letter stating that it had no objections to the RMP but requested to remain active in the proceeding.

On March 17, 2009, the ALJ issued a Prehearing Conference Order which directed the parties to file prehearing conference memoranda on or before March 30, 2009. Pursuant to the ALJ’s Order, PPL Electric hereby submits its Prehearing Conference Memorandum.

**II. COUNSEL**

The attorney upon whom documents should be served is:

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**III. SETTLEMENT**

To date no settlement discussions have been held. However, PPL Electric is interested in pursuing settlement negotiations with the parties and will propose to have a settlement conference with available parties either immediately either following the conclusion of the prehearing conference or in the near future.

**IV. DISCOVERY**

PPL Electric does not propose any discovery rules that are different than those provided in the Commission’s regulations. PPL Electric is willing to participate in informal discovery with the other parties. PPL Electric believes that no special order with regard to discovery is required in this proceeding.

**V. PROCEDURAL SCHEDULE**

Regarding schedule, PPL Electric believes that, in the event that a settlement is not reached in this proceeding, an exchange of written testimony will be useful. However, most if not all of the issues raised in this proceeding are legal or policy issues that do not appear to require the development of an extensive factual record. Due to the nature of the proposed Rate Mitigation Plan, in order to provide sufficient time to make the necessary changes to PPL Electric's billing system and to fully inform its customers of the RMP and the lack of factual issues, PPL Electric requests an expedited procedural schedule. A proposed schedule is included as Attachment A to this memorandum.

**VI. WITNESSES AND ISSUES**

The names and positions of witnesses that PPL Electric expects to call are as follows:

- i. Douglas A. Krall - Manger of Regulatory Strategy, PPL Electric Utilities Corporation. 2 North Ninth Street, Allentown, PA 18101. (610) 774-5736. Mr. Krall will address the anticipated generation rate increase in 2010, policy reasons for the Company's RMP proposal, methods for customers to elect to participate or not participate in the RMP and various consumer education issues.
- ii. Oliver G. Kasper - Manger of Pricing & Contract Administration, PPL Electric Utilities Corporation. 2 North Ninth Street, Allentown, PA 18101. (610) 774-6463. Mr. Kasper will address the design and operation of the proposed RMP Rider and the design and operation of the rate schedule strata.

PPL Electric reserves the right to substitute witnesses or add witnesses, as appropriate, depending upon how the proceeding develops and what issues are raised by the other parties.

In response to Paragraph 3(g) and 3(h) of the Prehearing Conference Order, PPL Electric's interpretation of the issues in this proceeding and its position on these issues are set forth in PPL Electric's Petition. PPL Electric will submit testimony consistent with the facts set forth in its Petition in this proceeding. In addition, PPL Electric will respond to any other issues

raised by other parties in this proceeding. PPL may call additional witnesses in response to issues raised by other parties.

Respectfully submitted,



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Post & Schell, P.C.

Date: March 30, 2009

Attorneys for  
PPL Electric Utilities Corporation

Attachment A

Proposed Procedural Schedule

PPL Electric Direct Testimony	April 17, 2009
Other Party Direct Testimony	May 15, 2009
PPL Electric Rebuttal Testimony	May 29, 2009
Surrebuttal Testimony	June 5, 2009
Hearing	June 10-11, 2009
Briefs	June 24, 2009
Reply Briefs	July 2, 2009