



17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Fax
www.postschell.com

Anthony D. Kanagy

akanagy@postschell.com
717-612-6034 Direct
717-731-1985 Fax
File #: 2507/140056

October 6, 2009

BY HAND

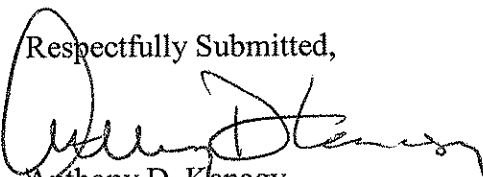
James J. McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
PO Box 3265
Harrisburg, PA 17105-3265

**RE: Petition of PPL Electric Utilities Corporation Requesting Approval of a Voluntary
Purchase of Accounts Receivables Program and Merchant Function Charge
Docket No. P-2009-2129502**

Dear Secretary McNulty:

Enclosed for filing please find the Prehearing Memorandum of PPL Electric Utilities Corporation for the above-referenced proceeding. Copies are also being provided as indicated on the certificate of service.

Respectfully Submitted,



Anthony D. Kanagy

ADK/skr

Enclosures

cc: Honorable Louis G. Cocheres
Certificate of Service

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).

VIA E-MAIL AND FIRST CLASS MAIL

Todd S. Stewart
Hawke, McKeon & Sniscak LLP
100 N. 10th Street
PO Box 1778
Harrisburg, PA 17101

Steven C. Gray, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Pamela C. Polacek
Shelby A. Linton-Keddie
McNees, Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

Renardo L. Hicks
Judith D. Cassel
Stevens & Lee, P.C.
17 North Second Street, 16th Floor
PO Box 12090
Harrisburg, PA 17108-2090

Candis A. Tunilo
Tanya J. McCloskey
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

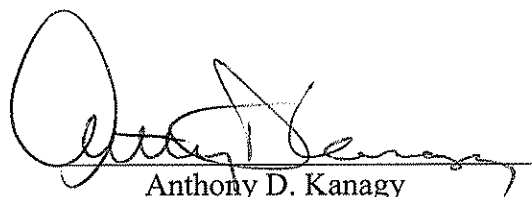
Allison Curtin Kaster
Office of Trial Staff
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Divesh Gupta
Constellation Energy Group, Inc.
111 Market Place
Suite 500
Baltimore, MD 21202

Christopher A. Lewis
Christopher R. Sharp
Melanie J. Tambolas
Blank Rome LLP
One Logan Square
Philadelphia, PA 19103

Daniel Clearfield
Kevin J. Moody
Deanne M. O'Dell
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101

Date: October 6, 2009



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation Requesting Approval of a : Docket No. P-2009-2129502
Voluntary Purchase of Receivables :
Program and Merchant Function Charge :

**PREHEARING CONFERENCE MEMORANDUM
OF PPL ELECTRIC UTILITIES CORPORATION**

TO ADMINISTRATIVE LAW JUDGE LOUIS G. COCHERES:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby submits this Prehearing Conference Memorandum in preparation for the Prehearing Conference scheduled for October 7, 2009, before Administrative Law Judge Louis G. Cocheres (the “ALJ”) in the above-captioned proceeding.

I. BACKGROUND

On September 10, 2009, PPL Electric filed a Petition with the Pennsylvania Public Utility Commission (“Commission”) requesting approval of a proposed Purchase of Receivables (“POR”) Program and Merchant Function Charge (“MFC”). The Company filed the POR Petition pursuant to the Commission’s Retail Markets Orders. *PPL Electric Utilities Corporation Retail Markets*, Docket No. M-2009-2104271, Tentative Order entered May 15, 2009, Opinion and Order entered August 11, 2009 (collectively the “Retail Markets Orders”). In the POR Petition, the Company proposes to implement a voluntary POR Program for electric generation suppliers (“EGSs”) serving residential and small commercial and industrial customers in the Company’s service territory. In addition, the Company proposes to unbundle generation related uncollectible expenses from base rates and recover them through the MFC. On

September 17, 2009, the Company filed *pro forma* tariff pages necessary for implementing the POR Program and MFC. On October 6, 2009, PPL Electric filed the direct testimonies of Douglas A. Krall and Joseph M. Kleha.

The Office of Trial Staff has filed a Notice of Appearance in this proceeding, and the Office of Consumer Advocate and Office of Small Business Advocate have filed Notices of Intervention. In addition, the PP&L Industrial Customer Alliance, FirstEnergy Solutions Corp., Dominion Retail, Inc., Constellation NewEnergy, Inc., Retail Energy Supply Association and Direct Energy Services, LLC have filed Petitions to Intervene. PPL Electric does not object to these parties' intervention to raise relevant issues related to their interests in this proceeding.

II. COUNSEL

PPL Electric's counsel in this proceeding are Paul E. Russell, Esquire, David B. MacGregor, Esquire, Michael W. Gang, Esquire and Anthony D. Kanagy, Esquire. PPL Electric requests that Anthony D. Kanagy be listed as the recipient for service in this proceeding. Mr. Kanagy's contact information is provided below:

Anthony D. Kanagy (ID # 85522)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-612-6034
Fax: 717-731-1985
E-mail: akanagy@postschell.com

PPL Electric also requests that Mr. Russell, Mr. MacGregor and Mr. Gang be added to any informal e-mail distribution lists in this proceeding. Mr. Russell's e-mail address is perussell@pplweb.com, Mr. MacGregor's e-mail address is dmacgregor@postschell.com, and Mr. Gang's e-mail address is mgang@postschell.com.

III. PROCEDURAL SCHEDULE

PPL Electric proposes the following schedule in this proceeding:

Company Direct Testimony:	October 6, 2009
Other Parties Direct Testimony:	October 16, 2009
Hearings:	October 22 – 23, 2009
Main Briefs:	October 30, 2009
Reply Briefs:	November 6, 2009

IV. WITNESSES AND ISSUES

At this time, PPL Electric proposes to call Joseph M. Kleha and Douglas A. Krall as witnesses in this proceeding. The contact information for these witnesses is provided below:

Joseph M. Kleha
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101-1179
Tel: (610) 774-4486

Douglas A. Krall
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101-1179
Tel: (610) 774-5736

PPL Electric's interpretation of the issues in this proceeding, and its position on these issues are set forth in PPL Electric's POR Petition, *pro forma* tariff filing and Direct Testimony. 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.

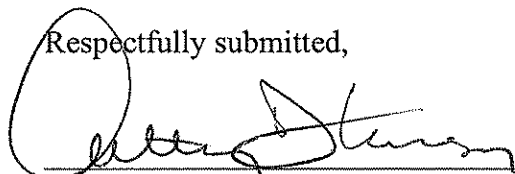
V. DISCOVERY

PPL Electric agrees to provide responses to discovery questions on a best-efforts basis and to cooperate with informal discovery requests.

VI. SETTLEMENT

PPL Electric is interested in pursuing settlement negotiations with the parties to attempt to resolve all or some of the issues raised in this proceeding.

Respectfully submitted,



Paul E. Russell (ID # 21634)
Associate General Counsel
PPL Services Corporation
Office of General Counsel
Two North Ninth Street
Allentown, PA 18106
Phone: 610-774-4254
Fax: 610-774-6726
E-mail: perussell@pplweb.com

David B. MacGregor (ID # 28804)
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
Phone: 215-587-1197
Fax: 215-587-1444
E-mail: dmacgregor@postschell.com

Michael W. Gang (ID # 25670)
Anthony D. Kanagy (ID # 85522)
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: mgang@postschell.com
E-mail: akanagy@postschell.com

Of Counsel:

Post & Schell, P.C.

Date: October 6, 2009

Attorneys for PPL Electric Utilities Corporation