



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

November 5, 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

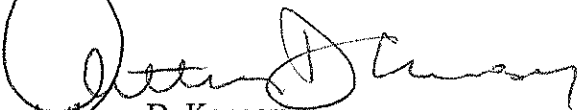
**RE: Petition of PPL Electric Utilities Corporation Requesting Approval of a Voluntary Purchase of Accounts Receivables Program and Merchant Function Charge
Docket No. P-2009-2129502**

Dear Secretary McNulty:

On October 30, 2009, PPL Electric Utilities Corporation ("PPL Electric" or the "Company") filed a Joint Petition for Settlement ("Settlement") in the above-referenced proceeding. The Settlement settles all but two issues in the proceeding, which are reserved for litigation. Attachment A to the Settlement was a tariff supplement implementing the terms of the Settlement that had been agreed to by the parties.

After filing the Settlement, the Company identified an error in Appendix A. By agreement of the parties to this proceeding, the Company is filing a revised Appendix A, and requests that the Pennsylvania Public Utility Commission replace the version of Appendix A that was filed on October 30, 2009 with this version.

Respectfully Submitted,



Anthony D. Kanagy

ADK/skr

Enclosures

cc: Honorable Louis G. Cocheres
Certificate of Service

ALLENTOWN HARRISBURG LANCASTER PHILADELPHIA PITTSBURGH PRINCETON WASHINGTON, D.C.

A PENNSYLVANIA PROFESSIONAL CORPORATION

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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 HAND DELIVERY

Thomas P. Maher
Commonwealth Keystone Building
400 North Street, 3rd Floor North
PO Box 3265
Harrisburg, PA 17105-3265

Dennis Buckley
PA Public Utility Commission
Office of Special Assistants
Commonwealth Keystone Building
400 North Street, 3rd Floor East
Harrisburg, PA 17105-3265

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
Carl J. Zwick
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 11670
Harrisburg, PA 17108-1670

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
Carrie B. Wright
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: November 5, 2009



Anthony D. Kanagy

Appendix A

PPL Electric Utilities Corporation

MERCHANT FUNCTION CHARGE RIDER

Beginning on January 1, 2010, the Merchant Function Charge (MFC) Rider, stated as a percentage, shall be applied to the generation supply charges billed, under the GSC set forth in this Tariff, to each residential and small commercial & industrial (Small C&I) customer taking Basic Utility Supply Service (BUSS) service under the following rate schedules: Rate Schedule RS, RTS (R), RTD (R), GS-1, GS-3, GH-1 (R), GH-2 (R), IS-1 (R), BL, SA, SM (R), SHS, SE, TS (R), and SI (R), and stand-by service for the foregoing rate schedules. The MFC will be reflected in the Company's Price To Compare.

The MFC, which will not be subject to reconciliation, is designed to make the Company's Price To Compare more comparable to electric supply service prices offered by EGSs by reflecting anticipated generation supply-related uncollectible accounts expense in default service rates. It is calculated by multiplying the generation supply charges billed under the GSC to each customer in the applicable class by the following uncollectible accounts expense percentages.

Residential Customer Class: 1.32%

Small C&I Customer Class: 0.12%

To eliminate the potential for a double-recovery of generation supply-related uncollectible accounts expense, the distribution charges for the applicable Rate Schedules will be reduced by the amount of bundled generation supply-related uncollectible accounts expense included in the distribution charges for those Rate Schedules in the Company's most recent distribution rate case at Docket No. R-00072155.

The MFC Rider will become effective on January 1, 2010 and will terminate on December 31, 2010. PPL Electric may propose to continue the MFC Rider under such terms and conditions as it deems appropriate; however, such proposal is subject to the approval of the Commission.



PPL Electric Utilities Corporation

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2 North Ninth Street

Allentown, Pennsylvania 18101

Issued:

Effective:

**ISSUED BY: David G. DeCampi - President
PPL Electric Utilities Corporation
2 North Ninth Street
Allentown, PA 18101**

NOTICE.

12. PAYMENT AND BILLING (Continued)

12.9 PURCHASE OF EGS RECEIVABLES (POR) PROGRAM PPL Electric will purchase the accounts receivable, without recourse, associated with EGS sales of retail electricity supply, comprised of generation and transmission services, to consolidated EDC billing customers within PPL Electric's service territory served under the following Rate Schedules: RS, RTS(R), RTD(R), GS-1, GS-3, GH-1(R), GH-2(R), IS-1(R), BL, SA, SM(R), SHS, SE, TS(R) and SI-1(R), and standby service for the foregoing rate schedules. Under the POR program, PPL Electric will reimburse EGSs for their customer billings regardless of whether PPL Electric receives payment from the customer, subject to the limitations set forth below. PPL Electric will seek to recover the EGS receivables from EGS customers consistent with PPL Electric's existing collection procedures for recovery of billings to POLR customers, and incur any uncollectible accounts expense related to billings for EGSs. PPL Electric will purchase only those receivables that are associated with basic electric supply services and not receivables associated with charges for other products or services. Participating EGSs will be required to certify that purchased receivables are associated with only basic electric supply service.

The POR program will become effective on January 1, 2010, and will remain in effect, as described, through December 31, 2010, and will terminate on December 31, 2010. PPL Electric may propose to continue the POR program under such terms and conditions as it deems appropriate pursuant to the provisions of the settlement agreement approved by the Commission in its Order entered on June 30, 2009 at Docket No. P-2008-2060309.

12.9.1 ELIGIBILITY REQUIREMENTS PPL Electric will perform consolidated billing for EGSs that voluntarily choose this option. If an EGS selects consolidated EDC billing, the Company will issue a consolidated bill for all of the EGS' customers within the residential class. The EGS will not be permitted to choose the consolidated EDC billing option for less than all of its customers in the residential class. EGSs that choose PPL Electric's consolidated EDC billing option for all of their residential customer accounts will be required to sell all of their residential accounts receivables to PPL Electric.

An EGS will be permitted to choose the consolidated billing option for less than all of its customers in the small C&I class. An EGS that chooses the Company's consolidated EDC billing option for all or a portion of its small C&I accounts will be required to sell its accounts receivables to PPL Electric for those small C&I customers for whom PPL Electric issues a consolidated bill. An EGS may continue to issue its own bills [dual billing] for basic supply service, for all or a portion of its small C&I customers, but will not be eligible to participate in the POR Program for those small C&I customers that receive dual billing.

EGSs may choose to participate in the POR program with consolidated EDC billing at any time during the term of the POR program, as long as the EGS does not remove customer accounts from consolidated EDC billing and the POR program prior to December 31, 2010. A customer whose service is terminated or who voluntarily switches from the EGS' service to another generation provider is not considered to have been removed by the EGS from consolidated EDC billing and the POR program. In addition, this section is not intended to interfere with an EGS' ability to offer customers product terms that are shorter in duration than the POR program.

EGSs participating in the residential POR Program will agree not to reject for enrollment a new residential customer covered by the residential POR Program based on credit-related issues and will agree not to require a deposit for providing service to such residential customers. Any residential

customer who wishes to be served by an EGS participating in the residential POR Program will be accepted by that EGS if that EGS is actively serving the residential customer class.

EGSs are permitted to perform credit checks and require deposits for small C&I customers and are permitted to deny serving small C&I customers for credit-related reasons.

12. PAYMENT AND BILLING (Continued)

12.9.2 PURCHASE PRICE DISCOUNT EGSs accounts receivables associated with electric generation and transmission services will be purchased at a discount. The discount rate will be calculated separately for the residential customer class and the small C&I customer class. The rate will be comprised of two components that reflect: 1. the cost of PPL Electric's uncollectable accounts expense, which will fixed throughout the one-year period of this program, and 2. recovery of the initial and ongoing development, operation and administrative costs associated with the POR program. The discount rate for electric generation and transmission services to the residential customer class will equal 1.37%, which is the sum of 1.32% for the first component and 0.05% for the second component. The discount rate for electric generation and transmission services to the small C&I customer class will equal 0.17%, which is the sum of 0.12% for the first component and 0.05% for the second component.

12.9.2.1 MERCHANT FUNCTION CHARGE (MFC) During the one-year term of the POR program, which begins on January 2010 and ends on December 31, 2010, the MFC will reflect PPL Electric's most recent estimate of the unbundled generation supply-related uncollectible accounts expense and will be charged to each residential or small C&I customer receiving default service from PPL Electric.

12.9.2.2 TIMING OF PAYMENTS Payments to EGSs will occur electronically---25 days after consolidated EDC bills are issued to residential customers and 20 days after consolidated EDC bills are issued to non-residential (small commercial and industrial) customers---and will continue throughout the billing cycle. If either the 25th day for residential customers or 20th day for non-residential customers falls on a weekend, PPL Electric holiday or bank holiday, payments will occur on the next business day.

12.9.2.3 OTHER PAYMENT PROVISIONS EGS customers on consolidated EDC billing will be able to select budget billing. The Company will pay EGSs based on actual billed supplier charges less the POR discount (versus budget amounts), and suppliers will not be impacted in any way by the budget billing program. The Company will inform customers that they can select a supplier and their budget payment plan will only be impacted to the extent necessary to assure that savings are reflected.

12.9.2.4 TRANSFER OF COLLECTION RESPONSIBILITIES AND RIGHTS [ISSUES REGARDING TRANSFER OF COLLECTION RIGHTS AND RESPONSIBILITIES FOR RESIDENTIAL CUSTOMERS WILL BE PROVIDED IN THE COMPLIANCE FILING UPON A COMMISSION DETERMINATION OF THE RESIDENTIAL TERMINATION ISSUE]

Under the POR program, PPL Electric is entitled to receive and retain all payments from customers. PPL Electric is authorized to conduct collection activities and, if necessary, terminate its delivery service and EGS generation and transmission services to small C&I customers whose accounts receivables were purchased and who fail to make payment of amounts due on the consolidated EDC bill, including the full amount of the purchased EGS accounts receivables. Any customer termination shall be consistent with the Pennsylvania Public Utility Code and the Commission's regulations.

An EGS small C&I customer in the POR program that has been terminated for non-payment may be reconnected upon paying the sum of unpaid distribution charges (plus any applicable reconnection fees or deposits) and the amount billed for EGS generation and transmission services. That

customer will remain a customer of the EGS as long as the payment of unpaid amounts is made before the account is finalled.

12.9.2.5 DISPUTE RESOLUTION To the extent concerns arise regarding the implementation of the provisions of the POR program, parties shall attempt to resolve such disputes according to the dispute resolution procedures described in Section 18 of this supplier tariff. Parties also shall have the right to resolve such disagreements through the Commission's dispute resolution process.

12.9.2.6 PURCHASE PRICE DISCOUNT ADJUSTMENT FOR AN INDIVIDUAL EGS THAT DOES NOT SELL ALL OF ITS SMALL C&I ACCOUNTS RECEIVABLES TO THE COMPANY: PPL Electric will monitor individual EGS uncollectible accounts percentages (measured as any unpaid amounts 60 days or older divided by that EGS' total annual consolidated billings) for those EGSs that sell a portion of, but not all of, their small C&I accounts receivables to the Company, to determine whether any individual EGS is engaging in unusual business behavior that results in an increase to the total uncollectible accounts expense percentage for the small C&I customer class. If, based on this monitoring, PPL Electric determines that an individual EGS' uncollectible accounts percentage exceeds 1.5% for the small C&I customer class, then PPL Electric, at its discretion, may increase the discount rate for that individual EGS' accounts to reflect the increased costs associated with the EGS' uncollectible accounts by the difference between the EGS' uncollectible accounts percentage and 0.75% for the small C&I customer class. For purposes of this calculation, PPL Electric shall rely on the most recent 12-month period (or shorter if less data is available) to calculate the EGS' uncollectible accounts percentage. PPL Electric, in its discretion, may opt to waive the imposition of the additional discount if the increase in the uncollectible accounts percentage primarily is the result of providing service to previously poor paying customers currently on POLR service, and the individual EGS is able to provide a reasonable explanation that the significant increase in its uncollectible accounts percentage is not the result of a particular price offering, marketing strategy, selling selective accounts receivables, or other actions of the individual EGS. If, however, PPL Electric determines that an additional discount is appropriate, the EGS may challenge that determination pursuant to the dispute resolution procedures discussed above. Should the result of those procedures uphold the EGS' position, PPL Electric will refund to the EGS the additional discount withheld from its receivables. In the course of the dispute resolution, the EGS may be called upon to provide customer payment history for those customers it serves, generation and transmission services pricing, and other such information deemed appropriate, subject to a confidentiality agreement. The discount will be lowered to the level applicable to other EGSs when and if the particular EGS' uncollectible account percentage decreases to a level of 0.75%, or below, for the small C&I customer class over a 12-month period. If the particular EGS stops providing service to a customer under the POR program, the EGS must pay to PPL Electric an amount equal to the increase to the discount multiplied by that customer's prior year's billings (or for the time the EGS served the customer, whichever is shorter), to the extent that such amount has not already been paid on the date the EGS stops providing service to that customer.

PP&L Competitive Billing Specifications Rider (Continued)

5. PP&L and EGSs will transmit Meter Data and billing charges to each other in accordance with the data transfer procedures established by the Electronic Data Exchange Working Group Standards and the attached interim monthly billing schedule (Attachment E - Data Transfer Schedule.) The Data Transfer Schedule will remain in effect until December 31, 1999. In the fourth quarter 1999, the Data Transfer Schedule will be revisited by PP&L and the parties and PP&L will determine whether to modify the timing reflecting in the Data Transfer Schedule beyond December 31, 1999 and PP&L will provide 60-days advance notice to EGSs before any modification takes effect so that parties that disagree with the discontinuance of the Data Transfer Schedule may request the Commission to overrule or modify PP&L's decision.
6. EGS Charges must be received by PP&L in accordance with the Data Exchange Standards and the Transfer Schedule.
7. If PP&L does not receive EGS charges in accordance with the Data Transfer Schedule, PP&L will place the EGS charges into the next billing cycle and the delayed EGS charges will appear on the customer's bill the following month. The customer's bill for the current billing period will state that the EGS charges for the current billing period are not available. The remittance period for EGS charges will begin when EGS charges actually appear on the bill. Any transactions with EGS charges sent to PP&L which are not in accordance with the Data Exchange Standards established by the Electronic Data Exchange Working Group or after the time periods outlined in the Data Transfer Schedule, will be rejected and the EGS will need to resubmit this data the following month.
8. PP&L will collect customer's payments and will process payments in accordance with the Commission's Chapter 56 standards and payment priority set forth in Docket No. M-00960890F.001 and Rule 9 of PP&L's EDC Tariff.
9. This section is applicable only to the Large Commercial and Industrial (Large C&I) Customer Class, which includes Rate Schedules LP-4, IS-P (R), LP-5, LP-6, LPEP, IS-T (R), and standby service for Rate Schedules LP-4 and LP-5. PP&L will pay the EGS for amounts owed for all undisputed EGS charges regardless of whether the customer has paid PP&L. An amount is deemed disputed if the customer contacts PP&L questioning the charges on the bill and he/she does not agree with PP&L's and/or the EGS's position regarding the amount due for EGS charges. If the EGS charges are not in dispute, PP&L will remit all applicable monies due the EGS, even if the PP&L portion of the bill is disputed. A customer's claim of the inability to pay shall not constitute a dispute for purposes of PP&L's obligation to pay the EGS its undisputed charges. If PP&L is required to make payment to the EGS for electricity delivered to the customer for which the customer has not made timely payment to PP&L, then PP&L shall be subrogated and succeed to the EGS's rights of recovery with respect to the electricity delivered to the customer from whom payment has not been received by PP&L. In no event may PP&L terminate a customer for any unpaid EGS charges subrogated to PP&L under this provision.
EGSs are permitted to perform credit checks and require deposits for large C&I customers and are permitted to deny serving large C&I customers for credit-related reasons.

(Continued)

PP&L Competitive Billing Specifications Rider (Continued)

10. PP&L will pay the EGS in accordance with the following schedule:
- a. Residential Rate Classes - PP&L will send the EGS the amount of its undisputed EGS Charges, within 25-calendar days from the date of the electronic transmission of the EGS Charges. (C)
 - b. Non Residential Rate Classes. - PP&L will send the EGS the amount of its undisputed EGS Charges within 20-calendar days from the date of the electronic transmission of the EGS Charges
 - c. Payment will not be made to the EGS when EGS Charges are not received by PP&L within the specified time period, as explained in paragraph 6 above. Payment for these charges will be made according to the applicable schedule in the following month, if they are received within the appropriate time period along with the current month charges.
 - d. PP&L will make payments of funds payable to the EGS by ACH with remittance advice to a bank designated by the EGS.
11. This section is applicable only to the Large C&I Customer Class, as defined in Section 9. Undisputed accounts that are 90 days or three billing cycles overdue, whichever is shorter, will be considered seriously delinquent and, at the request of either the EDC or EGS, will revert to two-bill status.
12. Budget Billing. The EDC and EGS must provide a budget billing option for their charges. If an EGS does not offer a budget billing option (and the Commission waives any applicable requirement), the following process will apply:
- EGS transmits its CURRENT charges to PP&L.
 - PP&L places EGS CURRENT charges on the PP&L bill
 - PP&L sends bill to customer
 - PP&L pays EGS within 25-calendar days for residential rate classes and 20-calendar days for non-residential rate classes for EGS CURRENT charges
 - Customer pays PP&L the budget billing amount

(Continued)