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File #: 2507/140059

November 9, 2009

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: Pennsylvania Public Utility Commission v. PPL Electric Utilities, Inc.
Docket No. R-00072155

Dear Secretary McNulty:

Enclosed for filing please find PPL Electric Utilities Corporation's Motion for Judgment on the Pleadings as related to the Letter-Complaint of Eric J. Epstein in the above-referenced proceeding. Copies are also being provided as indicated on the certificate of service.

Respectfully yours,

Michael W. Hassell

MWH/skr
Enclosures
cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that true, and correct copies of the foregoing have 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 HAND DELIVERY

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Date: November 9, 2009



Michael W. Hassell

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-00072155
	:	
PPL Electric Utilities Corporation	:	

**MOTION OF PPL ELECTRIC UTILITIES CORPORATION
FOR JUDGMENT ON THE PLEADINGS**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), in accordance with the provisions of 52 Pa. Code §5.102, hereby files this Motion for Judgment on the Pleadings with respect to the Letter-Complaint of Eric J. Epstein (“Epstein”) in the above-referenced proceeding. This Motion is being filed simultaneously with an Answer to the letter-Complaint, which is attached hereto and incorporated herein by reference.

In support of this Motion, PPL Electric states as follows:

1. On September 28, 2009, PPL Electric filed a letter with the Pennsylvania Public Utility Commission (“Commission”), stating that PPL Electric intends to continue in effect its current reconciled Universal Service Rider (“USR”) mechanism.

2. The USR was adopted as part of the Settlement of PPL Electric’s 2007 base rate proceeding. The USR is the mechanism for recovery of costs associated with the Company’s Customer Assistance Program, known as OnTrack, and the Company’s Low Income Usage Reduction Program known as WRAP.

3. The 2007 base rate settlement included the following provision related to the USR:

No later than July 1, 2009, PPL Electric will convene a meeting or meetings, as appropriate, with interested parties, to discuss whether

continued reconciliation of the USR is necessary or appropriate. At the meetings, all parties may also raise USR issues, in addition to reconciliation, based on changes in law after the approval of this Settlement. If a consensus can be reached among the interested parties, PPL Electric will follow that consensus for its 2010 USR filing. If consensus cannot be reached, PPL Electric will file its preferred approach on or before October 1, 2009, and all parties will be provided an opportunity to support or oppose PPL Electric's proposal. The USR mechanism established by this Settlement will remain in place until a new mechanism is approved by the Commission.

4. PPL Electric held a series of meetings in accordance with this settlement provision, and no consensus was reached. As a result, PPL Electric filed its September 28, 2009 letter with the Commission.

5. On October 13, 2009, Epstein filed a letter with the Commission, opposing the extension of the reconcilable USR mechanism. Epstein contends that PPL Electric had to file a tariff to extend the USR, and that a hearing should be held on the USR.

6. Epstein's contention that PPL Electric is required to file a new tariff to extend the USR is unsupported. The USR approved in the 2007 base rate settlement contained no provision that terminated its operation at any future date, and the Company's Commission-approved tariff for the USR has no termination date. Furthermore, nothing in the above-quoted settlement provision indicates that PPL Electric was required to submit a tariff supplement. In addition, the settlement provided the USR mechanism would remain in place unless and until changed by the Commission. Therefore, there is no basis to conclude that PPL Electric has any obligation to file a tariff supplement to continue operation of the current USR.

7. Epstein's letter-Complaint offers no reason why the reconciliation of the USR mechanism should not be continued, and raises no factual disputes. Thus there is no issue of fact that requires the scheduling of hearings.

8. As a matter of law, PPL Electric must be permitted to maintain a cost recovery mechanism “which is designed to fully recover [its] universal service ... costs....” 66 Pa. C.S. § 2804(8). In furtherance of this statutory requirement, the Commission has concluded that utilities may employ reconcilable surcharge mechanisms for recovery of universal service program costs. *Re: Customer Assistance Program: Funding Levels and Cost Recovery Mechanisms*, Docket No. M-00051923, Order entered December 18, 2006. In a number of recent decisions, the Commission has approved recovery of universal service costs through reconcilable surcharges for a number of utilities. *See, e.g., Pa.PUC v. Metropolitan Edison Company*, R-00061366, 2007 Pa.PUC LEXIS 5; *Pa.PUC v. Columbia Gas of Pennsylvania, Inc.*, R-2008-2011621 (Order entered October 28, 2008); *Pa.PUC v. UGI Central Penn Gas Company*, R-2008-2079675 (Order entered August 27, 2009); *Pa.PUC v. UGI Penn Natural Gas Company*, R-2008-2079660 (Order entered August 27, 2009). Therefore, no hearing on reconciliation is needed, as the Commission has ruled that reconciliation of universal service costs is appropriate.

9. As no issue of fact has been presented, and as PPL Electric is entitled to judgment as a matter of law, judgment on the pleadings in favor of PPL Electric is appropriate and should be granted. *See* 52 Pa. Code § 5.102(d); *Office of Consumer Advocate v. Verizon Pa. Inc.*, C-20077916, 2008 Pa.PUC LEXIS 43.

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that the Pennsylvania Public Utility Commission grant this Motion for Judgment on the pleadings and dismiss the Letter-Complaint of Eric J. Epstein.

Respectfully submitted,



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Date: November 9, 2009

Attorneys for PPL Electric Utilities Corporation

Appendix A

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-00072155
	:	
PPL Electric Utilities Corporation	:	

**ANSWER OF PPL ELECTRIC UTILITIES
CORPORATION TO LETTER-COMPLAINT OF
ERIC J. EPSTEIN**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby files this answer in response to the letter from Eric J. Epstein dated October 13, 2009 in the above-referenced matter. By electronic mail sent October 19, 2009, Administrative Law Judge Susan Colwell (the “ALJ”) advised parties that the letter would be treated as a complaint against a compliance filing, and that PPL Electric would be given until November 9, 2009 to file a response.

The “compliance filing” referenced by the ALJ was a letter filed by PPL Electric with the Pennsylvania Public Utility Commission (“Commission”) dated September 28, 2009. The letter is attached hereto as Appendix “A” and incorporated herein by reference.

As background to this response, and as noted in the letter-Complaint, as part of the Settlement of PPL Electric’s 2007 base rate proceeding, PPL Electric was permitted to establish a reconcilable rider (the Universal Service Rider or “USR”) for recovery of the costs of certain low-income customer assistance programs, specifically, the Company’s Customer Assistance Program known as OnTrack and the Company’s Low Income Usage Reduction Program known as WRAP. The details of the operation of PPL Electric’s OnTrack and WRAP programs are set forth in its Commission-approved Universal Service and Energy Conservation Plan For the

Period 2008-2010.¹ The Settlement provided, in pertinent part, for interested parties to undertake discussions whether continued reconciliation of the USR after 2009 was necessary or appropriate. The Settlement further provided, in pertinent part, that if consensus on continued reconciliation could not be reached, PPL Electric would file its preferred approach on or before October 1, 2009, and parties would be provided an opportunity to support or oppose the Company's approach. The letter attached hereto as Appendix "A" explained that no consensus was reached, and PPL Electric intended to continue in effect its current reconciled USR mechanism.

In answer to the letter-Complaint, PPL Electric denies that it was required to file a tariff supplement to continue its existing USR. The USR approved in the Settlement of the Company's 2007 Base Rate proceeding contained no provision that terminated its operation at any future date. (See Attachment B to this Answer, which includes a true and correct copy of the USR included as part of the 2007 Settlement.) Because PPL Electric proposed no change to the USR mechanism, there was no reason for PPL Electric to file a tariff supplement to modify or extend the USR.

In further answer, PPL Electric avers that the purpose of the referenced Settlement provision was to consider whether continued reconciliation of the USR is necessary or appropriate. No discussion of other issues related to the Company's approved universal service programs was contemplated.² The Complaint offers no reason for opposition to a reconciled recovery mechanism for universal service costs.

¹ The Universal Service and Energy Conservation Plan is included as Appendix "A" to the Company's Tariff - Electric Pa.PUC No. 201.

² The Settlement permitted discussion of other USR issues only in the event of a change in law subsequent to the Settlement. No changes in law related to USR programs have been adopted subsequent to the Settlement.

In further answer, it is averred that, as a matter of law, PPL Electric must be permitted to maintain a cost recovery mechanism “which is designed to fully recover [its] universal service ... costs...” 66 Pa. C.S. § 2804(8). In furtherance of this statutory requirement, the Commission has concluded that utilities may employ reconcilable surcharge mechanisms for recovery of universal service program costs. *Re: Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms*, Docket No. M-00051923, Order entered December 18, 2006. Since the time of the Settlement of PPL Electric’s 2007 base rate case, the Commission has approved recovery of universal service costs through reconcilable surcharges for a number of utilities.

PPL Electric further avers that there is no allegation in the Complaint that the USR is unjust or unreasonable, or that it permits PPL Electric to earn in excess of a fair rate of return. Such an allegation would be without merit, as the USR provides dollar-for-dollar recovery of USR program expenses, with no profit components.

In further answer, the Complaint identifies no reason for a hearing with respect to continuation of the reconcilable mechanism, and nothing in the Settlement requires that a hearing be conducted.

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that the letter-Complaint of Eric J. Epstein to the compliance filing letter of PPL Electric dated September 28, 2009 be dismissed.

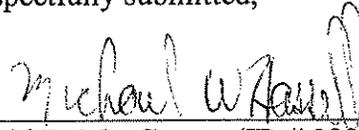
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Date: November 9, 2009

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Appendix A



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September 28, 2009

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

RE: Pa. P.U.C. v. PPL Electric Utilities, Inc.; Docket No. R-00072155

Dear Secretary McNulty:

By Order entered December 6, 2007 at the above-referenced docket, the Pennsylvania Public Utility Commission ("Commission") approved a Joint Stipulation for Settlement ("Settlement") of PPL Electric Utilities Corporation's ("PPL Electric" or the "Company") 2007 base rate proceeding.

Among other things, the approved Settlement established a reconcilable Universal Service Rider ("USR") for recovery of costs for certain low-income customer programs. The Settlement related to the USR included the following provision:

No later than July 1, 2009, PPL Electric will convene a meeting or meetings, as appropriate, with interested parties, to discuss whether continued reconciliation of the USR is necessary or appropriate. At the meetings, all parties may also raise USR issues, in addition to reconciliation, based on changes in law after the approval of this Settlement. If a consensus can be reached among the interested parties, PPL Electric will follow that consensus for its 2010 USR filing. If consensus cannot be reached, PPL Electric will file its preferred approach on or before October 1, 2009, and all parties will be provided an opportunity to support or oppose PPL Electric's proposal. The USR mechanism established by this Settlement will remain in place until a new mechanism is approved by the Commission.

September 28, 2009
Page 2

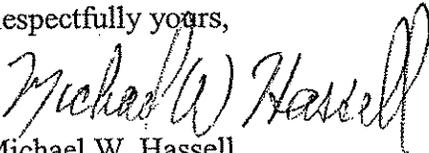
In compliance with this provision, PPL Electric convened a series of discussions with interested parties to discuss whether continued reconciliation of the USR is necessary or appropriate. However, no consensus could be reached among interested parties.

Therefore, by the filing of this letter, PPL Electric advises the Commission that it intends to continue in effect its current reconciled USR mechanism. Because PPL Electric proposes no change to its current USR mechanism, no tariff filing is necessary.

As shown on the attached Certificate of Service, PPL Electric has served a copy of this letter on all parties to the 2007 base rate proceeding.

If you have any questions concerning this letter, please contact the undersigned.

Respectfully yours,



Michael W. Hassell

MWH/skr

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have 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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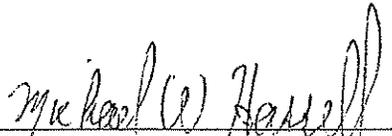
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Date: September 28, 2009



Michael W. Hassell

Appendix B

UNIVERSAL SERVICE RIDER

The Universal Service Rider (USR) charge, stated as a percentage, shall be added to all of the distribution charges of each customer who takes distribution service under Rate Schedules RS, RTS(R), and RTD(R) of this tariff. The USR charge provides for recovery of the costs, except internal administrative costs, associated with universal service programs provided by the Company to residential customers. The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rider.

Beginning January 1, 2008 and continuing through December 31, 2008, the USR charge will be 6.25%. For subsequent years, the USR charge shall be filed with the Pennsylvania Public Utility Commission (Commission) by December 1 of the previous year. The USR charge shall become effective for service rendered on or after the following January 1, unless otherwise ordered by the Commission, and shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determination that a USR charge, if left unchanged, would result in a material over or under-collection of all USR costs incurred or expected to be incurred during the current 12-month period, the Company may file with the Commission for an interim revision of the USR charge to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company will file with the Pennsylvania Public Utility Commission by December 1 of each year annual reconciliation of the USR revenue recovery during the immediately preceding application period pursuant to 66 Pa. C.S. §1307. The reconciliation shall become effective for service rendered on and after January 1 and shall remain in effect for a period of one year, or until new USR rates are approved by the Commission. Interest on overcollections and undercollections shall be computed monthly at the appropriate rate, as provided for in Section 1308(d) of the Public Utility Code, from the month the over or undercollection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.

The Company shall file a report of collections under the USR within thirty (30) days following the conclusion of each computation-year quarter. These reports will be in a form prescribed by the Commission. The third-quarter report shall be accompanied by a preliminary forecast of the USR charge for the next computation year.

Application of the USR shall be subject to review and audit by the Commission at intervals that it shall determine. The Commission shall review the level of charges produced by the USR charge and the costs included therein.