

**Summary of Changes to PPL Electric Utilities Corporation's
Act 129 Energy Efficiency and Conservation Plan**

Docket No. M-2009-2093216

December 10, 2009

This document summarizes changes to PPL Electric Utilities' Act 129 Energy Efficiency and Conservation Plan relative to the Company's Amended Plan dated July 31, 2009.

Changes are limited to the following:

- Modifications to comply with the Commission's Opinion and Order, entered October 26, 2009.
 - Corrections and clarifications to the July 31, 2009 Amended Plan that are on the record for this proceeding. All of the changes to the numbers (Tables required by the PUC Template) in this draft are in this category—primarily corrections to the allocation of common costs to customer sectors; some minor changes due to correction of line loss factors; and some corrections to the TRC results for demand response programs to exclude customer benefits beyond program year 4.
1. Sections 1.1.2 and 9.1.3. Modified to comply with the Commission's Order. Revised the method PPL Electric will use to demonstrate it has met the low-income requirement (percent of measures dedicated/available to low-income customers is at least equal to the low-income customers' proportion of total load).
 2. Table 1. Corrected line loss factors.
 3. Section 1.2.1.5. Modified to comply with the Commission's Order. Stakeholder meetings are required no less than twice annually.
 4. Tables 3, 5, 7, 136, & 137. Corrected the allocation of common costs to customer sectors. The words describing the method were correct but there was an error in the spreadsheet that allocated common costs to customer sectors. Added a "Total" column to Table 5 for clarity.
 5. Section 1.6.5. In accordance with the Commission's Order, reinforced that the result of the annual reviews is a criterion for updating the Plan.
 6. Section 1.7 and Section 7.4. Modified to comply with the Commission's Order. The cost recovery mechanism will be a separate line item on small and large C&I customers' bills instead of included in the distribution rate. The \$/kW charge for large C&I customers will be based on each customers PJM peak load contribution instead of billing demand.
 7. Section 1.7 and Section 7.4. In accordance with the Commission's Order, reinforced that mid-course corrections to the Plan will be reviewed with stakeholders and submitted to the Commission for approval.
 8. Section 1.7, Section 7.4, and footnote 73 (Section 4.2.3). In accordance with the Commission's Order, reinforced that the cost of the statewide evaluator is not included in the Act 129 cost cap
 9. Section 1.7. Modified to comply with the Commission's Order. PPL Electric will not collect or pay interest on under- or over-collections of Act 129 costs.

10. Section 1.7. In accordance with the Commission's Order, reinforced that no Act 129 capital costs are included as part of the Act 129 cost recovery rider or will be placed into rate base.
11. Section 1.7. Modified to comply with the Commission's Order. PPL Electric will not directly assign the cost of a program or specific measure to an individual large C&I customer.
12. Section 1.7 and Section 7.4. In accordance with the Commission's Order, clarified the reason why there is no expiration date for the cost recovery mechanism. Reinforced that the cost recovery will not exceed the mandated 2% cost cap.
13. Sections 1.7 and 7.2. Clarified that PPL Electric will amortize and recover the costs of the EE&C Plan over a 41 month period from January 1, 2010 through May 31, 2013, instead of a 42 month period starting in December 2009. This enables the Company to use the same effective dates for Act 129 tariff changes as many other tariff changes, thereby simplifying programming changes and minimizing customer confusion.
14. Section 2.2. Added Table 5a for clarity to consolidate common information that is spread over several other tables.
15. Section 3.2, Efficient Equipment Incentive Program and Renewable Energy Program. Section 3.3 Efficient Equipment Incentive Program. In accordance with the Commission's Order, added a requirement that PPL Electric will track and report if a customer switched to electric appliances from gas appliances or from gas appliance to electric appliances. This data will be included in the annual report. PPL Electric will also report data on replacement appliances and systems. Reinforced in Table 12 that fuel switching is limited to RTS customers only.
16. Section 3.2 Energy Assessment & Weatherization Program. In accordance with the request in the Commission's Order, added eligibility for customers with window air conditioners.
17. Section 3.2. Direct Load Control Program. In accordance with the Commission's Order, reinforced the following. PPL Electric plans to hire one CSP to deliver firm load reductions for the entire Direct Load Control Program. Reinforced that a customer can participate in PJM's demand response programs, PPL's Act 129 demand response programs, or both. Reinforced that a customer's curtailment service provider for PJM's demand response programs can be the same or a different company than the customer's demand response CSP for PPL Electric's Act 129 demand response programs. Reinforced that PPL Electric expects its Act 129 demand response CSP to bid peak load reductions from the Direct Load Control program into PJM's RPM auction (to the extent that those MWs were not previously committed from PJM's demand response programs) and share benefits with its customers. Reinforced that PPL Electric's Direct Load Control program must be coordinated with PJM's demand response programs and will not require customers to leave PJM's programs or their PJM curtailment service provider and use PPL Electric's CSP exclusively.

18. Section 3.2 Direct Load Control Program, Section 3.2.1 Direct Load Control Program, Section 3.3 Direct Load Control Program, Section 3.4 Load Curtailment Program, Section 3.5 Direct Load Control Program, and Section 3.5 Load Curtailment Program. Corrected the benefit-cost ratio to exclude customer benefits beyond program year 4.
19. Section 3.2 Time of Use Rates Program. Clarified this program is available only to customers taking default service from PPL Electric on Time-of-Use rate schedules.
20. Section 3.4 Load Curtailment Program. In accordance with the Commission's Order, reinforced the following. PPL Electric plans to solicit bids from multiple demand response CSPs to provide blocks of firm curtailable load. PPL Electric plans to select the most cost-effective combination of these firm load reductions and could award the Load Curtailment Program to one or more CSPs. Reinforced that a customer can participate in PJM's demand response programs, PPL's Act 129 demand response programs, or both. Reinforced that a customer's curtailment service provider for PJM's demand response programs can be the same or a different company than the customer's demand response CSP for PPL Electric's Act 129 demand response programs. Reinforced that PPL Electric expects its Act 129 demand response CSP to bid peak load reductions from the Load Curtailment Program into PJM's RPM auction (to the extent that those MWs were not previously committed from PJM's demand response programs) and share benefits with its customers. Reinforced that PPL Electric's Load Curtailment Program must be coordinated with PJM's demand response programs and will not require customers to leave PJM's programs or their PJM curtailment service provider and use PPL Electric's CSP exclusively.
21. For the Load Curtailment Program, reinforced that distributed generation can be used, consistent with the Commission's Order.
22. Section 4, Table 132. Clarified the Quality Assurance/Technical CSP role may be merged with the EM&V CSP role.
23. Section 4.2.2. Clarified how PPL Electric defined "administrative costs."
24. Section 7, Table 135. Clarified if data include or exclude participant costs. For clarity, added common costs to the table. For clarity, added the total of all customer sectors.
25. Section 7, Table 136. Corrected the allocation of common costs to customer sectors. The words describing the method were correct but there was an error in the spreadsheet that allocated common costs to customer sectors.
26. Section 7, Table 137. Clarified if data include or exclude participant costs. Corrected the allocation of common costs to customer sectors. The words describing the method were correct but there was an error in the spreadsheet that allocated common costs to customer sectors.
27. Section 8.1. Deleted a paragraph that should have been deleted with the July 31, 2009 amended filing to reflect the final TRC's method of calculating avoided costs.

28. Section 8, Table 138. Corrected the TRC benefits for the Direct Load Control and Load Curtailment Programs to exclude benefits beyond program year 4.
29. Section 9.1.6. Corrected “twelve” to “thirteen.”
30. Relatively minor changes to the “Summary of Projected Benefits, Costs, and Cost-Effectiveness” tables at the end of each program description in Section 3 to reflect corrected line loss factors.