

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PPL Electric Utilities Corporation-Remand	:	
Rider-1 Reconciliation Statement	:	
Filed Pursuant to Section 1307(e)	:	M-2009-2145186
For The Year Ended November 30, 2009	:	
	:	
PPL Electric Utilities Corporation-Universal	:	
Service Rider Reconciliation Statement	:	
Filed Pursuant to Section 1307(e)	:	M-2009-2145189
For The Year Ended December 30,2009	:	
	:	
PPL Electric Utilities Corporation-Transmission	:	
Service Charge Reconciliation Statement	:	
Filed Pursuant to Section 1307(e)	:	M-2009-2145838
For The Year Ended November 30, 2009	:	

RECOMMENDED DECISION

Before
David A. Salapa
Administrative Law Judge

HISTORY OF THE PROCEEDINGS

On December 1, 2009, PPL Electric Utilities Corporation (PPL) filed its Section 1307(e) Remand Rider-1 (RR-1) reconciliation statement setting forth the over/under collections for the twelve-month period ending November 30, 2009. The Commission docketed the RR-1 statement at M-2009-2145186.

On December 11, 2009, PPL filed its Section 1307(e) Universal Service Rider (USR) and Transmission Service Charge (TSC) reconciliation statements setting forth the over/under collections for the twelve-month periods ending December 31, 2009, and

November 30, 2009, respectively. The Commission docketed USR statement at M-2009-2145189 and the TSC statement at M-2009-2145838.

By notice dated December 18, 2009, the Commission scheduled the PPL filings for hearing on Wednesday, January 20, 2010 at 10:00 a.m. in Hearing Room 3 of the Keystone Commonwealth Building in Harrisburg and assigned the cases to me.

I conducted the initial hearing as scheduled on January 20, 2010. Richard Kanaskie, Esquire, represented the Commission's Office of Trial Staff (OTS), David MacGregor, Esquire, Anthony D. Kanagy, Esquire, and Paul E. Russell, Esquire, represented PPL and Pamela C. Polacek, Esquire, represented the PPL Industrial Customer Alliance (PPLICA).

PPL presented the testimony of John M. Kleha who sponsored PPL Exhibit No. JMK-1 at Docket No. M-2009-2145186. PPL Exhibit No. JMK-1 consists of a statement of over/under collections for the RR-1 showing total over collections for the period to be \$1,672,843. (N.T. 7-8) PPL Exhibit No. JMK-1 was admitted into evidence without objection. (N.T. 8)

OTS offered its own exhibit marked OTS Exhibit No. 1 at Docket No. M-2009-2145186. OTS Exhibit No. 1 consists of a summary of the RR-1 reconciliation statement submitted by PPL and the affidavit of Michael Daley showing total over collections to be \$1,672,843. (N.T. 9-10) OTS Exhibit No. 1 was admitted into evidence without objection. (N.T. 10-11) A copy of the OTS Exhibit No. 1 statement filed at Docket No. M-2009-2145186 is attached to this recommended decision.

PPL presented the testimony of John M. Kleha who sponsored PPL Exhibit No. JMK-1 at Docket No. M-2009-2145189. PPL Exhibit No. JMK-1 consists of a statement of over/under collections for the USR showing total under collections for the period to be \$4,886,183. (N.T. 7) In addition, PPL Exhibit No. JMK-1 includes a prior period under collection of \$7,533 that was not fully extinguished. (N.T. 7) PPL Exhibit No. JMK-1 was admitted into evidence without objection. (N.T. 8)

OTS offered its own exhibit marked OTS Exhibit No. 1 at Docket No. M-2009-2145189. OTS Exhibit No. 1 consists of a summary of the USR reconciliation statement submitted by PPL and the affidavit of Larry L. Treaster showing total under collections to be \$4,886,183. (N.T. 9-10) OTS Exhibit No. 1 was admitted into evidence without objection. (N.T. 10) A copy of the OTS Exhibit No. 1 statement filed at Docket No. M-2009-2145189 is attached to this recommended decision.

PPL presented the testimony of John M. Kleha who sponsored PPL Exhibit No. JMK-1 at Docket No. M-2009-2145838. PPL Exhibit No. JMK-1 consists of a statement of over/under collections for the TSC showing total over collections for the period to be \$32,212,652, excluding gross receipts tax. (N.T. 7-8) PPL Exhibit No. JMK-1 was admitted into evidence without objection. (N.T. 9)

On cross-examination, Mr. Kleha testified that PPL's transmission rates change on June 1 of each year, under the Federal Energy Regulatory Commission (FERC) formula rate. PPL Exhibit No. JMK-1, Schedule 3 reflects the change in the FERC formula rate in June 2009. (N.T. 21) Mr. Kleha also testified that PPL Exhibit No. JMK-1, Schedule 3 reflects a one-time refund in September 2009 as a result of a litigation settlement. (N.T. 23)

OTS offered its own exhibit marked OTS Exhibit No. 1 at Docket No. M-2009-2145838. OTS Exhibit No. 1 consists of a summary of the TSC reconciliation statement submitted by PPL and the affidavit of Michael Daley showing total over collections for the period to be \$32,212,652. (N.T. 26) OTS Exhibit No. 1 was admitted into evidence without objection. (N.T. 27) A copy of the OTS Exhibit No. 1 statement filed at Docket No. M-2009-2145838 is attached to this recommended decision.

The hearings resulted in a transcript of twelve pages for M-2009-2145186, eleven pages for M-2009-2145189, and twenty-eight pages for M-2009-2145838. The record closed on February 9, 2010, the date the transcripts were filed with the Commission.

FINDINGS OF FACT

1. A public hearing was held on January 20, 2010, to review the Section 1307(e) reconciliation statements filed by PPL with the Commission on December 1, 2009 and December 11, 2009.
2. A statement of over/under collections for the RR-1 for the twelve month period ended November 30, 2009 was received into evidence on behalf of PPL at M-2009-2145186. (PPL Exhibit No. JMK-1)
3. A statement of over/under collections for the USR for the twelve month period ended December 31, 2009 was received into evidence on behalf of PPL at M-2009-2145189. (PPL Exhibit No. JMK-1)
4. A statement of over/under collections for the TSC for the twelve month period ended November 30, 2009 was received into evidence on behalf of PPL at M-2009-2145838. (PPL Exhibit No. JMK-1)
5. Exhibits summarizing the results of the reconciliation filings for PPL in each proceeding were received into evidence on behalf of OTS. (OTS Exhibit Nos. 1)
6. PPL Exhibit No. JMK-1 shows an RR-1 over collection for the period of \$1,672,843.
7. PPL Exhibit No. JMK-1 shows a USR under collection for the period of \$4,886,183.
8. PPL Exhibit No. JMK-1 shows a TSC over collection for the period of \$32,212,652.

9. The Section 1307(e) reconciliations for PPL were reviewed by the Commission staff for mathematical accuracy, and no inaccuracy was found.

DISCUSSION

No objections were made to any of the exhibits received into evidence at the hearing. No party raised additional issues.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. §1307(e).

2. The Section 1307(e) statements for PPL summarized in OTS Exhibit Nos. 1 shall be deemed adequate filings within the meaning of Section 1307(e) of the Public Utility Code, 66 Pa. C.S. §1307(e), subject to such further review and revision as may be found necessary as the result of a subsequent Commission audit pursuant to Section 1307(d) of the Public Utility Code, 66 Pa. C.S. §1307(d), or of some other proceeding.

3. Acceptance of the Section 1307(e) statements for PPL as being deemed adequate was based on the unaudited data reported by PPL and does not constitute a final approval of the accuracy of those figures or of the reasonableness of the underlying transactions.

ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Section 1307(e) statements for PPL Electric Utilities Corporation as set forth in OTS Exhibit Nos. 1, attached to the recommended decision, be, and hereby are, accepted insofar as they are undisputed.

2. That acceptance of the Section 1307(e) statements for PPL Electric Utilities Corporation is expressly subject to such further review and revision as may be found necessary as the result of a subsequent Commission audit pursuant to Section 1307(d) of the Public Utility Code, 66 Pa. C.S. §1307(d), or of some other proceeding.

3. That acceptance of the Section 1307(e) statements for PPL Electric Utilities Corporation shall not constitute approval of either the accuracy of the reported figures or the reasonableness of the underlying transactions.

Date: February 12, 2010


David A. Salapa
Administrative Law Judge

**Summary of PPL Electric Utilities Corporation's
 Universal Service Rider (USR) Section 1307(e) Reconciliation
 for the Year Ended December 31, 2009**

	<u>Over/ (Under) Collection</u> (1)	<u>Interest</u> (2)	Cumulative Over/(Under) Collections at <u>12/31/09</u> (3) = (1) + (2)
December 2008 True Up*	(\$113,341)	(\$5,415)	(\$118,756)
1/1/09 – 11/30/09 (Actual)	(\$5,210,292)	(\$314,720)	(\$5,525,012)
12/1/09 – 12/31/09 (Estimates)	<u>\$730,936</u>	<u>\$26,649</u>	<u>\$757,585</u>
Totals	(\$4,592,697)	(\$293,486)	(\$4,886,183)

Notes:

- * PPL's USR Reconciliation for the time period ending 12/31/08 included estimated data for the month of December 2008. This number represents the reconciliation of estimated and actual data for December 2008.

Summary of PPL Electric Utilities Corporation's
Transmission Service charge Remand Rider-1 Reconciliation
For Year Ended November 30, 2009
Docket No. M-2009-2145186

	(Refund)/Recoup By Rate Group (1)	Actual Remand Rider-1 Revenues Billed (2)	(Over)/Under Collection (3)=(1)-(2)
Residential	\$19,878,333	\$21,888,722	(\$2,010,389)
Small Commercial & Industrial	(3,680,441)	(3,897,834)	217,393
Large Commercial & Industrial – Primary	(6,590,144)	(6,773,271)	183,127
Large Commercial & Industrial – Transmission	<u>(9,413,960)</u>	<u>(9,350,986)</u>	<u>(62,974)</u>
Total	<u>\$193,788</u>	<u>\$1,866,631</u>	<u>(\$1,672,843)</u>

Summary of PPL Electric Utilities Corporation's
Transmission Service Charge (TSC) Reconciliation
For Year Ended November 30, 2009
Docket No. M-2009-2145838

	Over/(Under) Collection <u>@11/30/09*</u> (1)	<u>Interest</u> (2)	Total To Be Refunded/ <u>(Recouped)*</u> (3)=(1)+(2)
Residential	\$15,542,543	\$1,185,606	\$16,728,149
Small Commercial & Industrial	6,643,439	366,252	7,009,691
Large Commercial & Industrial - Primary	3,443,876	170,634	3,614,510
Large Commercial & Industrial - Transmission	<u>4,591,744</u>	<u>268,558</u>	<u>4,860,302</u>
Total	<u>\$30,221,602</u>	<u>\$1,991,050</u>	<u>\$32,212,652</u>

* - Excluding GRT