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May 18, 2010

BY HAND

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

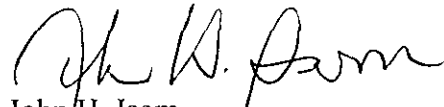
RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation
Docket No. R-2010-2161694

Dear Secretary Chiavette:

Enclosed please find the original and three (3) copies of the Objections of PPL Electric Utilities Corporation to the Interrogatories and Requests for Production of Documents Propounded by Eric Epstein – Set I, in the above-referenced proceeding.

As indicated by the certificate of service, copies have been provided to the persons in the manner indicated.

Respectfully Submitted,


John/H. Isom

JHI/jl

Enclosures

cc: Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Pennsylvania Public Utility Commission :
 :
 v. : Docket Nos. R-2010-2161694
 :
 PPL Electric Utilities Corporation :

**OBJECTIONS OF PPL ELECTRIC UTILITIES CORPORATION TO THE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
PROPOUNDED BY ERIC EPSTEIN-SET I**

PPL Electric Utilities Corporation (“PPL Electric), by and through its attorneys, hereby objects to certain interrogatories and data requests set forth in Eric Epstein’s Set I Interrogatories and Requests for Production of Documents to PPL Electric (“Epstein-1”), Numbers 11(d), 14, 16, and 17, pursuant to 52 Pa. Code § 5.342. In support thereof, PPL Electric states as follows:

1. PPL Electric is a “public utility” and an “electric distribution company” as those terms are defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2803, subject to the regulatory jurisdiction of the Commission.
2. On March 31, 2010, PPL Electric filed the above-captioned matter requesting a general base rate increase in its distribution service rates.
3. On April 22, 2010, Eric Epstein filed a formal Rate Complaint.
4. On May 8, 2010, Mr. Epstein served interrogatories and requests for production of documents, Epstein-1, on PPL Electric.

5. Under 52 Pa. Code § 5.341(c), a party may propound interrogatories that relate to matters that can be inquired into under Section 5.321. Section 5.321(c), in turn, provides that a party is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c).

6. For the reasons explained below, PPL Electric hereby objects to Epstein-1 Interrogatory Numbers 11(d), 14, 16, and 17.

A. Objection to Epstein-1 Interrogatory number 11(d).

7. Epstein-1-11(d) provides:

Interrogatory 11: “The Company was an early supporter of retail competition and has led the effort on Pennsylvania to promote retail competition.” (Testimony, p. 10)

(d) Please identify by name, party, year and amount, financial contributions made by “PPL”, to Pennsylvania politicians from 1999 through 2009.

8. Interrogatory Epstein-1-11(d) seeks information that is irrelevant, immaterial, and not likely to lead to admissible evidence related to PPL Electric’s proposed increase in base rates. PPL Electric has not included any claim for political contributions in its revenue requirement in this proceeding.

9. Further, without waiver of objection hereto, to the extent that PPL Electric made any such campaign contributions, such information is publicly available from the Pennsylvania Department of State. *See* Campaign Finance Reporting Law of the Pennsylvania Election Code, Act of June 3, 1937, P.L. 1333, *as amended*, 25 P.S. §§ 2600 - 3591.

B. Objection to Epstein-1 Interrogatory number 14.

10. Epstein-1-14 provides:

Interrogatory 14: On January 1, 2000, power plants were removed from PURTA as part of the Deregulation Act and put on the property rolls of the local taxing authorities. By 2003, tax bills on plants of major power companies in Pennsylvania had gone from \$120 million annually to \$20 million.

(a) Please identify by amount and year, taxes paid by PPL EU to the Commonwealth of Pennsylvania in 1998 and 1999.

(b) Please identify by amount and year, taxes by PPL EU to the Commonwealth of Pennsylvania from 2000 through 2009.

(c) Please identify by amount, year and location, taxes paid by PPL Electric Utilities Corporation to school districts and municipalities in Pennsylvania in 1998 and 1999.

(d) Please identify by amount, year and location, taxes paid by PPL Electric Utilities Corporation to school districts and municipalities in Pennsylvania from 2000 through 2009

(e) How much money has PPL saved between 1999 to 2009 with the implementation of the Revenue Neutral Reconciliation tax scheme?

11. Interrogatory Epatin-1-14 seeks information that is irrelevant, immaterial, and not likely to lead admissible evidence related to the Company's rate filing. The filing affects only the Company's distribution rates, not its generation or transmission rates. Therefore, tax information related to the Company's generation assets is not relevant.

12. Further, taxes paid under the Revenue Neutral Reconciliation are recovered pursuant to an automatic adjustment clause that is considered separately from PPL Electric's pending proposed increase in base rates.

13. It is further noted that PPL Electric pays state and local taxes based on laws in effect at the time. The changes in amounts of state and local taxes paid based on changes in tax

laws are irrelevant to this proceeding, as are amounts of state and local taxes paid prior to the historic test year.

C. Objection to Epstein-1 Interrogatory number 16.

14. Epstein-1-16 provides:

Interrogatory 16 In your testimony, you noted the most recent adjustment to the USR was filed at Docket No. M-02009-2145179. (pp. 5-6)

(a) When does that adjustment expire?

(b) When will the next adjustment be filed?

(c) What impact will PPL's three-year universal and energy plan slated to be filed on June 1, 2010, and effective from January 1, 2011 through December 31, 2013 have on PPL's present distribution filing?

(d) Please quantify the impact.

15. Interrogatory Epstein-1-16 seeks information that is irrelevant, immaterial, and not likely to lead admissible evidence related to the Company's rate filing. The filing only deals with distribution base rates. Further, the Universal Service Rider has been removed from the calculation of the requested revenue requirement. See PPL Electric Statement No. 1, p. 4; PPL Electric Statement No. 5, p. 6.

D. Objection to Epstein-1 Interrogatory number 17.

16. Epstein-1-17 provides:

Interrogatory 17: In your testimony, you noted the most recent adjustment made for Act 129 revenue forecast. (pp. 5-6)

(a) When does that adjustment expire?

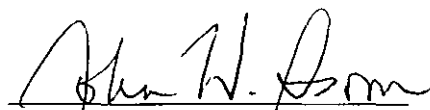
(b) When will the next adjustment be filed?

(c) Are there weaknesses in PPL's Act 129 plan relating to TOU and Direct Load control that would compel PPL to file for a readjustment?

(d) What factors outside of the Company's "control could prevent [Act 129] compliance with these requirements and result in penalties" to the Company? (PPL Annual report, p. 14)

17. Interrogatory Esptein-1-17 seeks information that is irrelevant, immaterial, and not likely to lead to the discovery of admissible evidence related to the Company's rate filing. The filing only deals with distribution base rates. Further, the Act 129 Compliance Rider has been removed from the calculation of the requested revenue requirement. See PPL Electric Statement No. 1, p. 4; PPL Electric Statement No. 5, p. 6.

Respectfully Submitted,



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Dated: May 18, 2010

Attorneys for PPL Electric Utilities Corporation

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 52 Pa. Code § 1.54 (relating to service by a participant).

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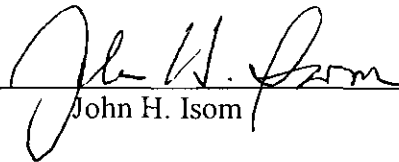
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