

CRAIG A. DOLL

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May 24, 2010

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

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ATTN:
SECRETARY'S BUREAU

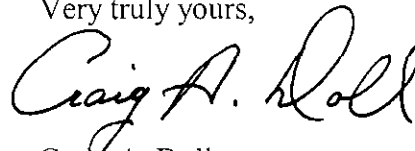
Re: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corp.
Commission Docket No. R-2010-2161694

Dear Secretary Chiavetta:

Enclosed for filing are an original and three (3) copies of the Prehearing Memorandum of Richards Energy Group, Inc. in the above captioned proceeding. A copy of this Petition has been served upon those parties set forth in the accompanying Certificate of Service.

Please time stamp the additional copy and return it in the self-addressed stamped envelope. If you have any questions, please feel free to contact me. Thank you for your cooperation.

Very truly yours,


Craig A. Doll

Enclosure

cc: Honorable Susan D. Colwell
Per Certificate of Service
F. Richards

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

Prehearing Memo
Of
Richards Energy Group, Inc.

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To the Honorable Susan D. Colwell, Administrative Law Judge:

Background

On or about March 31, 2010, PPL Electric Utilities Corporation (“PPL” or “Company”) filed Supplement No. 83 to Tariff Electric – Pa. P.U.C. No 201 (“Tariff Supplement” or “Supplement No. 83”) seeking to increase its presently authorized distribution rates, rules and regulations, which, *inter alia*, would provide PPL with the opportunity to collect an additional \$114.7 million in revenues. Within the tariff supplement, PPL also proposed changes to various provisions, which, if adopted, would affect the provisioning of services by Richards Energy Group, Inc (“Richards”) as well as the operations of its clients.¹

On May 12, 2010, Richards filed a Petition to Intervene in this proceeding on its own behalf as a certified generation supplier, as well as the representative for a group of client customers who receive distribution service from PPL.

¹ Richards is a licensed electric generation supplier, authorized by this Commission at A-110072 to provide services to commercial, industrial, and institutional customers within the Commonwealth of Pennsylvania. At present within its customer group, Richards provides services to approximately 204 customers who are provided distribution services by PPL Electric Utilities Corporation (“PPL”).

Issues

Although Richards has not completed its review of all materials filed by PPL to date, it has identified the following broad issues which are set forth by the Commission in Appendix A to the Commission's May 20, 2010 Order suspending the requested rate increase:

1. Whether PPL's cost of service study appropriately reflects the Commonwealth Court decision in *Lloyd v. Pennsylvania Public Utility Commission*, 904 A.2d 1010 (Pa. Cmwlt. 2006). Commission issue No. 3.
2. Whether the shifting of revenue recovery from kWh charges to customer and demand charges is just and reasonable. Commission issue No. 5.
3. Whether the reallocation of revenues from a minimum charge to a customer charge and increased demand charge is just and reasonable. While Richards recognizes that elimination of the minimum demand charge for commercial and industrial customers appears to be reasonable, Richards is concerned that the level of proposed customer charges and increases in demand charges may not be just and reasonable. Commission issue No. 7.
4. Richards seeks clarification of PPL's proposal involving net metering for shopping customers. Commission issue No. 11.
5. Richards seeks clarification of the imposition of the Merchant Function charge being added to transmission services. Commission issue No. 12.
6. Richards will also address Commission issue No. 14.

To the extent that Richards' continuing review, informal discovery and discussions, the responses of PPL to interrogatories, and the positions of other parties to this proceeding reveals additional issues, Richards reserves the right to modify this list.

Witnesses

Richards intends to present one technical witness in this proceeding. This witness will present direct, rebuttal, and surrebuttal testimony on the above issues. At present, Richards contemplates the presentation of Mr. Frank Richards as its technical witness in this proceeding. Individual members of the Richards' customer group have been contacted regarding the

presentation of testimony. No final decision has been made as to whether certain of those individuals will present written testimony.

Discovery

At this time Richards plans extremely limited formal discovery. Richards fully intends to take advantage of any offer to conduct informal discovery and discussions with appropriate personnel.

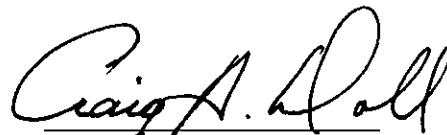
Settlement

Richards is fully committed to resolve some or all of the issues set forth above without resort to extensive litigation.

Schedule

Richards fully supports the schedule as outlined by Your Honor.

Respectfully submitted,



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Attorney I.D. # 22814

Attorney for Richards Energy Group, Inc.

Dated: May 24, 2010

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the Prehearing Memorandum of Richards Energy Group, Inc. upon the persons listed below via first class mail, postage prepaid in accordance with the provisions of 52 Pa. Code §1.54.

Paul E. Russell, Associate General Counsel
PPL Electric Utilities Corp
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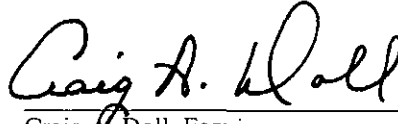
Kenneth L. Mickens, Esquire
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Dr. Elaine F. Wasilewski
Lancaster Chiropractic & Massage Therapy
Associates
2215 Dutch Gold Drive
Lancaster, PA 17601

A handwritten signature in black ink that reads "Craig A. Doll". The signature is written in a cursive style and is positioned above a horizontal line.

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Attorney for Richards Energy Group, Inc.

DATED: May 24, 2010