

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF SMALL BUSINESS ADVOCATE

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Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

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June 7, 2010

HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Petition of PPL Electric Utilities Corporation For Approval of a Default Service Program and Procurement Plan for the Period January 1, 2011 Through May 31, 2014
Docket No. P-2008-2060309

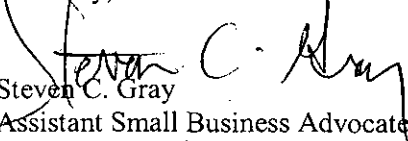
Dear Secretary Chiavetta:

I am delivering for filing today the original plus three copies of the Answer and Verification, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Parties of Record

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**Petition of PPL Electric Utilities Corporation :
For Approval of a Default Service Program and :
Procurement Plan for the Period : Docket No. P-2008-2060309
January 1, 2011 Through May 31, 2014 :**

**ANSWER OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

Pursuant to 52 Pa. Code §5.61(a), the Office of Small Business Advocate (“OSBA”) files this Answer to the Petition of PPL Electric Utilities Corporation (“PPL” or “Company”) for Approval to Modify Its Procurement of Solar Alternative Energy Credits Under the Default Service Procurement Plan (“Petition”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on May 18, 2010, and avers the following in support thereof:

1. The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§399.41 - 399.50.

2. By its May 18, 2010, Petition, PPL is seeking to amend its previously-approved default service plan (“DSP”) at this same docket number in order to change the method for acquiring the solar alternative energy credits (“AECs”) required by the Alternative Energy Portfolio Standards Act (“AEPSA”). Under the approved DSP, wholesale suppliers are responsible for providing the solar AECs associated with the default service load of small commercial and industrial (“Small C&I”) customers. Under

the Petition, PPL will acquire some of those solar AEC credits through a separate procurement process and the wholesale suppliers will be responsible for providing the remainder.

3. Section 2807(e)(3.4)(ii) of the Public Utility Code, 66 Pa. C.S. §2807(e)(3.4)(ii), requires PPL to acquire electricity for its default service customers at “[t]he least cost to customers over time.” Section 2807(e)(3.5) of the Public Utility Code, 66 Pa. C.S. §2807(e)(3.5), subjects the acquisition of AECs, including solar AECs, to the competitive procurement requirements applicable to the acquisition of default service electricity. Therefore, PPL is not permitted to amend the previously-approved DSP to change the method for acquiring solar AECs unless PPL can prove that the resulting default service rates will be “[t]he least cost to [Small C&I] customers over time.”

4. As filed by PPL, the Petition does not provide an adequate basis for concluding that the net effect will be default service rates for Small C&I customers which are no higher than the default service rates for those customers if PPL simply follows the previously-approved DSP.

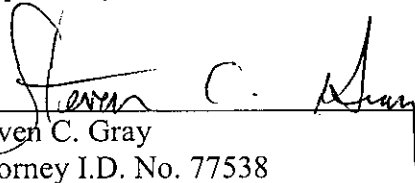
5. Section 2807(e)(7) of the Public Utility Code, 66 Pa. C.S. §2807(e)(7), provides that “[a]ll default service rates shall be reviewed by the commission to ensure that the costs of providing service to each customer class are not subsidized by any other class.”

6. As filed by PPL, the Petition does not make clear that the default service rates charged to Small C&I customers will include only the costs of the solar AECs required under the AEPSA for the default service electricity provided to Small C&I customers. Therefore, the Petition, as filed, does not provide an adequate basis for

concluding that the default service rates charged to Small C&I customers will not subsidize the default service rates charged to any other customer classes.

WHEREFORE, the OSBA respectfully requests that the Commission assign PPL's May 18, 2010, Petition to the Office of Administrative Law Judge ("OALJ") for the development of an evidentiary record and the preparation of a Recommended Decision.

Respectfully submitted,



Steven C. Gray
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Assistant Small Business Advocate

For:

William R. Lloyd, Jr.
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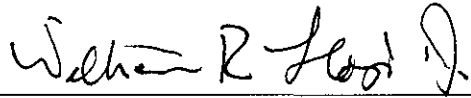
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Dated: June 7, 2010

VERIFICATION

I, William R. Lloyd, Jr., hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: June 7, 2010

A handwritten signature in black ink, appearing to read "William R. Lloyd, Jr.", written over a horizontal line.

(Signature)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :
for Approval of a Default Service Program :
and Procurement Plan for the Period : Docket No. P-2008-2060309
January 1, 2011 through May 31, 2014 :

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SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Answer and Verification, on behalf of the Office of Small Business Advocate, by e-mail and first-class mail (unless otherwise indicated) upon the persons addressed below:

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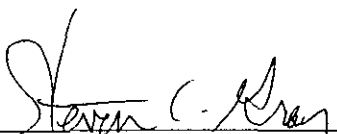
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Dated: June 7, 2010

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