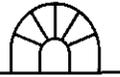


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September 13, 2010

Via: Federal Express

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
Post Office Box 3265, 400 North Street
Harrisburg, PA 17105-3265

RE: Dimos Panagoulis v. PPL Electric Utilities Corporation
Docket No. C-2009-2138138

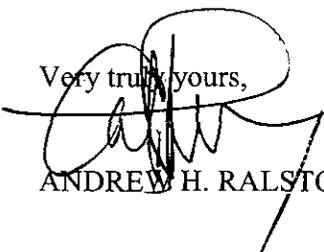
Dear Ms. Chiavetta:

Enclosed for filing in the above-captioned matter are an original and three (3) copies of the Brief of Respondent, PPL Electric Utilities Corporation.

Pursuant to 52 Pa. Code §1.11, the enclosed document is to be deemed filed on September 13, 2010, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

Very truly yours,


ANDREW H. RALSTON, JR.

AHR:cjc-m

Enclosures

cc: Administrative Law Judge Angela T. Jones (w/enc.)
William Hronis, Esquire (w/enc.)
Kimberly Ann Galligani, Paralegal (w/enc.)

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SEP 13 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIMOS PANAGOULIAS,

Complainant,

vs.

PPL ELECTRIC UTILITIES CORPORATION,

Respondent.

COMPLAINT DOCKET

NO. C-2009-2138138

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BRIEF OF RESPONDENT PPL ELECTRIC UTILITIES CORPORATION

AND NOW comes PPL Electric Utilities Corporation (PPL), by and through its attorneys of record, Gross McGinley, LLP, and files the within Brief, alleging in support thereof as follows:

I. FINDINGS OF RELEVANT FACT

The parties have stipulated to the following facts:

1. On October 27, 2008, Complainant purchased property located at 70 Market Street, Sunbury, PA 17801 ("Property")
2. Complainant connected electric service for the Property with PPL on November 28, 2008.
3. Complainant's Account Number for the Property was 73310-48024.
4. Complainant was a non-residential customer of PPL.
5. At all times material and relevant hereto, the Property had three-phase electric service.
6. Prior to Complainant's purchase of the property, the prior owner had been billed at the GS-1 billing rate, as permitted by PPL's Tariff and PUC Regulations.

7. Complainant is billed at the GS-3 rate pursuant to the “Rate Schedule GS-3” set forth in PPL’s Tariff, and approved by the Pennsylvania Public Utility Commission. The GS-3 Rate Schedule has been admitted in to evidence as PPL **Exhibit #4**.

8. According to Rate Schedule GS-3:

Effective January 1, 2008, new General Service customers receiving three-phase service will be served under Rate Schedule GS-3.

See Rate Schedule GS-3.

9. Complainant became a “new General Service customer” of PPL after January 1, 2008.

10. Complainant received three-phase service from PPL.

11. Complainant’s billing history with PPL was as follows:

	<u>Bill Month</u>	<u>Days</u>	<u>KWH</u>	<u>Amount</u>
a.	Dec.	13	240	\$118.88
b.	Jan.	34	320	\$257.51
c.	Feb.	28	240	\$251.34
d.	Mar.	32	240	\$251.34
e.	April	2	80	\$21.57

See PPL **Exhibit #1**.

12. The GS-3 rate carries a minimum demand charge regardless of the usage on the account.

13. This charge has been approved and, in fact, was required by the PUC.

14. Because the prior owner was permitted to be billed at the GS-1 rate, his bill did not carry a minimum demand charge.

15. As such, the prior owner's electric bills were substantially lower than Complainant's electric bill.

16. Prior to purchasing the Property, Complainant did not contact PPL at all, including to discuss the ramifications of having three-phase service in light of the provision of Rate Schedule GS-3 set forth above.

17. The provision of Rate Schedule GS-3 of PPL's Tariff set forth above had been approved by the PUC, after a period of public comment, and was available to the public (including on PPL's website) prior to and at the time that Complainant purchased the Property and prior to Complainant's establishing electric service with PPL.

18. Complainant paid his December electric bill with a payment of \$118.88 on December 30, 2008.

19. Complainant did not pay his electric bills for any month thereafter.

20. On March 5, 2009, a non-residential termination notice was sent to Complainant by PPL with a proposed termination date of March 12, 2009.

21. On March 18, 2009, Complainant's electric service was terminated for non-payment.

22. The BCS determined that Complainant's Complaint against PPL was not justified. See PPL **Exhibit #5**.

23. Complainant consents to this Stipulation, as evidenced by the email attached to hereto from his lawyer (who is presently away from his office and could not execute this document).

II. STATEMENT OF QUESTIONS INVOLVED

- 1. IS THE REQUIREMENT THAT COMPLAINANT BE CHARGED UNDER THE GS-3 RATE SCHEDULE “DISCRIMINATORY” OR WITHOUT A “RATIONAL BASIS”?**

SUGGESTED ANSWER: NO.

- 2. TO THE CONTRARY, WAS THE GS-3 RATE SCHEDULE SPECIFICALLY REQUIRED BY LLOYD AND APPROVED BY THE PUC?**

SUGGESTED ANSWER: YES.

III. LEGAL ARGUMENT

Complainant’s Complaint alleges that: “My rate has more than doubled due to the fact that I am defined as a “new General Service customer’s]” going from a GS1 rate to a GS3.” See Complaint, ¶4a. Complainant seeks the following relief: “I wish to be charged the rate as the previous landowner. The rate being currently charged is discriminatory and has no rational basis.” See Complaint, ¶5.

A. The GS-3 Rate Schedule is unquestionably lawful.

Pursuant to the Competition Act of 1996, electric rates were frozen in Pennsylvania effective January 1, 1997. In 1997, PPL, Inc. filed its Restructuring Plan at Docket No. R-00973954. This Plan was reduced to Order on August 20, 1998. Pursuant thereto, PPL’s Rates were unbundled in its Tariff as of January 1, 1999.

In 2000, PPL, Inc. restructured into PPL Electric Utilities (“PPL EU”) and PPL Energy Plus (“PPL Energy”). On March 29, 2004, PPL EU filed its Distribution Rate case at Docket No. R-00049255 (“2004 Distribution Rate Case”). The 2004 Distribution Rate Case was approved by the PUC with rates effective on January 1, 2005 (“2005 PUC Rate Approval”).

In 2005, Pennsylvania's Office of the Small Business Advocate ("OSBA") filed suit in the matter of Lloyd v. Pennsylvania Public Utilities Commission, 904 A.2d 1010 (2005). In 2006, the Commonwealth Court vacated and remanded the 2005 PUC Rate Approval. According to the Commonwealth Court, the 2005 PUC Rate Approval had not followed "Cost of Service" guidelines and, accordingly, it required that all PPL rates should be brought to the "System Average Rate of Return."

On March 29, 2007, PPL EU's Distribution base rate case was filed at Docket No. 00072155 ("2007 Distribution Rate Case"). This filing was made in compliance with the Lloyd decision and moved rate classes closer to the System Average Rate of Return. Also, in light of Lloyd's requirement of adherence to "Cost of Service" allocation parameters, PPL EU's 2007 Distribution Rate Case proposed the separation of "single phase" service ("1PS") and "3 phase" service ("3PS") into separate rate classes based upon allocation of facility costs associated with each type of service.

The proposal was made in light of the "Cost of Service" mandates of Lloyd and because 3PS is much more costly to provide to customers than 1PS is. 3PS requires more capital expenses and facilities to build and maintain than does 1PS. It requires more facilities such as electric poles, electric wires and transformers. The proposal requested approval for creation of a new "GS-3" rate for customers receiving the more capitolly expensive 3PS to begin being applied to any new customer establishing an account for 3PS after January 1, 2008. In August of 2007, the Remand Case was settled at Docket No. R-00049255.

In September, 2007, PPL EU reached a settlement with all parties in the Lloyd case regarding the 2007 Distribution Rate Case. The OSBA agreed to the separation of

1PS and 3PS into the GS-1 and GS-3 and rates. This settlement was approved by the PUC.

On January 1, 2008, and as a result of the above-set-forth history, PPL ceased allowing new business customers to choose between the GS-1 and GS-3 rate schedules, and assigned new accounts to rate schedules based on the type of electric service they receive. After January 1, 2008, new customers receiving 3PS are assigned Rate Schedule GS-3, while new customers receiving 1PS are assigned Rate Schedule GS-1. All of the changes in how PPL assigns customers to the GS-1 and GS-3 rate schedules were specifically reviewed and approved by the PUC.

As a result of the separation of 1PS and 3PS customers into different rate classes based upon "Costs of Service," the minimum bill for a customer on Rate Schedule GS-1 was \$12 per month in 2009. Whereas, the minimum bill for a customer on Rate Schedule GS-3 was \$235 per month. In 2010, with the removal of PPL's rate caps, the minimum bill for a GS-3 customer dropped to \$117 per month. In its 2010 rate case, PPL has proposed a minimum bill position of \$50 per month for customers served under GS-3.

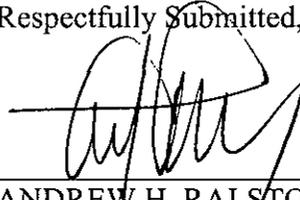
The PUC's approval of the GS-3, for all of the above reasons, controls this case and must lead this Court to dismiss Complainant's Complaint. This Court has no authority to revisit the PUC's GS-3 Rate approval process. Further, the GS-3 Rate has been considered in previous administrative law cases alleging identical challenges and found to be completely valid. See e.g. Michael Kuziak v. PPL Electric Utilities Corporation, No. C-2009-2091820

IV. CONCLUSIONS OF LAW

1. PPL's GS-3 Rate has been approved by the PUC at the direction of the Commonwealth Court.
2. The PUC has already determined that PPL's GS-3 Rate appropriately addresses Lloyd's "Cost of Service" mandate and approved the implementation of same.
3. Complainant has failed to meet his burden of establishing that PPL has violated a rule or regulation of the PUC.
4. To the contrary, all of the evidence in this case establishes that PPL has done nothing but follow the specific requirements of the PUC related to "Cost of Service" allocation in creating and implementing the GS-3 Rate.

Respectfully Submitted,

By: _____


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DATE: September 13, 2010

*Attorneys for Respondent, PPL Electric
Utilities Corporation*

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIMOS PANAGOULIAS,

Complainant,

vs.

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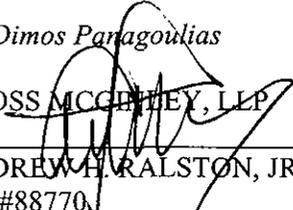
CERTIFICATION OF SERVICE

I hereby certify that I have this day served a true copy of the Brief of Respondent, PPL Electric Utilities Corporation upon the participant(s), listed below, by **electronic mail in MSWORD format, followed by a hard copy sent by first class mail:**

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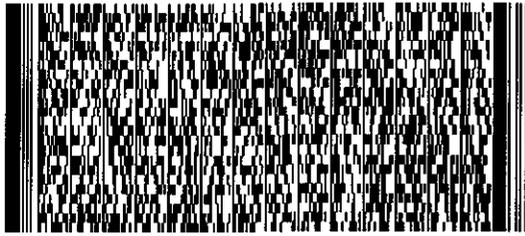


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