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September 16, 2010

BY HAND

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
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SECRETARY'S BUREAU

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

Dear Secretary Chiavetta:

Enclosed, for filing, are the original and three (3) copies of the "Cross-References to PPL Electric's Initial Brief Addressing the Areas of Concern from the Order of the Pennsylvania Public Utility Commission dated May 20, 2010" in the above-referenced proceeding.

As shown in the attached Certificate of Service, copies have been provided to the persons in the manner indicated.

Respectfully Submitted,

John H. Isom

JHI/jl

Enclosures

cc: Honorable Susan D. Colwell
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Pennsylvania Public Utility Commission :
 :
 v. : Docket Nos. R-2010-2161694, *et al.*
 :
 PPL Electric Utilities Corporation :
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**Cross-References to Portions of PPL Electric's Initial Brief
Addressing the Pennsylvania Public Utility Commission's
Areas of Concern Identified in the Order dated May 20, 2010**

Issue No. 1: PPL's test year revenue and expense claims must be closely examined to determine their accuracy and the extent to which they support the requested revenue increase.

Cross-reference: PPL Electric Initial Brief, Section IV.A.1, p. 69.

Issue No. 2: The level of capital investment appearing in PPL's rate base claim must be closely reviewed to ensure that it was prudently made, and that any utility plant acquired is necessary, used and useful to the provision of electric distribution service.

Cross-reference: PPL Electric Initial Brief, Section IV.A.2, pp. 69-70.

Issue No. 3: PPL's proposed revenue allocation must be carefully examined to determine whether it is just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.3, pp. 70-71; *see also* Section III.B.

Issue No. 4: PPL's methodology for determining the appropriate revenue allocation as between its Rate Schedule RTS customers and its Rate Schedule RS customers must be carefully examined to determine whether it is just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.3, pp. 70-71; *see also* Section III.B.

Issue No. 5: PPL's proposal to redesign its rate structure to recover most of its revenue requirement through customer and demand charges, and less through kWh usage charges, must be carefully examined to determine whether it is just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.4, pp. 71-72; *see also* Section III.C.

Issue No. 6: PPL's proposal to eliminate its declining block rate structure must be carefully reviewed to determine whether it is just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.4, pp. 71-72; *see also* Section III.

Issue No. 7: PPL's proposal to eliminate the minimum billing kW for applicable rate schedules must be carefully reviewed to determine whether it is just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.4, pp. 71-72; *see also* Section III.

Issue No. 8: PPL's proposal to combine the revenue requirements of its interruptible service rate schedules with those of related firm service rate schedules must be examined to determine whether it is just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.4, pp. 71-72; *see also* Section III.

Issue No. 9: The cost allocation methodologies utilized in PPL's class cost-of-service study must be thoroughly scrutinized in order to ensure that the results of the study are reasonably accurate, and to determine whether they support the Company's proposed revenue allocation.

Cross-reference: PPL Electric Initial Brief, Section IV.A.5, p. 72; *see also* Sections III.A and III.B

Issue No. 10: The cost allocation methodologies utilized in PPL's class cost-of-service study must be thoroughly scrutinized to determine whether they support the Company's proposed rate design changes.

Cross-reference: PPL Electric Initial Brief, Section IV.A.5, p. 72; *see also* Sections III.A and III.B

Issue No. 11: PPL's proposal to modify the language of its Net Metering for Renewable Customer-Generators Rider to reflect changes in the AEPS Act and to clarify the net metering provisions for shopping customers must be reviewed to determine whether such changes are just and reasonable, and whether they accurately address the changes and conditions they are meant to reflect.

Cross-reference: PPL Electric Initial Brief, Section IV.A.6, pp. 72-73; *see also* Section III.C.

Issue No. 12: PPL's proposed continuation of its Purchase of Receivables program, and its proposed changes in the discount rates and Merchant Function Charge must be closely examined to determine whether they are just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.7, p. 73; *see also* Section IV.B.

Issue No. 13: PPL's proposed customer education and energy efficiency programs must be carefully examined to ensure they are not already included in the Company's Act 129 energy efficiency and conservation plan budget, and are not already being recovered through the Company's Act 129 Compliance Rider. To the extent that any of these programs and associated expense claims are not included in the Company's Act 129 plan, they should be reviewed in this proceeding to determine whether they are just and reasonable.

Cross-reference: PPL Electric Initial Brief, Section IV.A.8, pp. 74-75.

Issue No. 14: PPL's proposed updates to its tariff to clarify certain provisions and eliminate other provisions must be reviewed to determine whether changes are appropriate.

Cross-reference: PPL Electric Initial Brief, Section IV.A.9, p. 75; *see also* Section III.C.

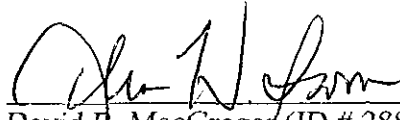
Issue No. 15: The reasonableness and effectiveness of PPL's efforts to support a bankruptcy-remote organizational structure to allow subsidiaries of PPL Corporation to stand independent from PPL Corporation during a bankruptcy proceeding must be carefully reviewed.

Cross-reference: PPL Electric Initial Brief, Section IV.A.10, pp. 75-76.

Issue No. 16: The reasonableness and effectiveness of all techniques used by PPL to obtain a better credit rating from the rating companies than PPL Corporation must be carefully reviewed.

Cross-reference: PPL Electric Initial Brief, Section IV.A.10, pp. 75-76.

Respectfully submitted,



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Of Counsel:

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Date: September 16, 2010

Attorneys for PPL Electric Utilities Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **Cross-Reference to PPL Electric's Initial Brief Addressing the Areas of Concern from the Order of the Pennsylvania Public Utility Commission dated May 20, 2010** 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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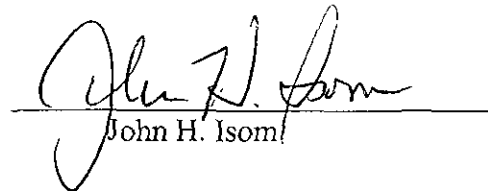
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