

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17105-3265**

**Re: Pennsylvania Public Utility  
Commission v. PPL Electric  
Utilities Corporation**

**Public Meeting: December 16, 2010  
2161694-OSA  
Docket No. R-2010-2161694**

**MOTION OF COMMISSIONER JOHN F. COLEMAN, JR.**

Before us are the base rate case filed by PPL Electric Utilities Corporation (PPL) on March 31, 2010, the Joint Petition for Partial Settlement filed on August 26, 2010, and the Recommended Decision of Administrative Law Judge (ALJ) Susan D. Colwell. One of the contested issues before this Commission is the proposal by PPL to place restrictions on electric generation supplier (EGS) participation in PPL's purchase of receivables (POR) program.

Specifically, PPL proposes that, if an EGS participates in its POR program for one residential customer, that EGS must include all of its residential customers in the POR program. RESA argues that this restriction prevents an EGS from serving residential customers on a simple, fixed-price rate with the convenience of a single EDC consolidated bill while, at the same time, providing another set of residential customers a more complex, customized product via dual billing.<sup>1</sup> PPL claims that an EGS could potentially maintain the billing and collection responsibilities for low risk, good-paying residential customers, while shifting the risk of residential customers with poor credit or payment histories to PPL through the use of its consolidated billing. As a result, PPL's actual uncollectible accounts expense would likely be higher than the average for all residential customers, and it might be significantly higher due to the moratorium on residential winter terminations under Chapter 56 of this Commission's regulations, 52 Pa. Code §56.1 et seq. In essence, PPL argues that granting the option to EGSs to bill separately or pursue consolidated billing under PPL's POR program could lead to "gaming" by EGSs. PPL also argues that there is no need for a dual billing option, since residential customer competition is already robust in PPL's service territory.

The ALJ concurred with PPL, citing the robust competition and the proposed regulations for natural gas POR programs<sup>2</sup> as support for her position. The ALJ went further to describe the two exceptions to the "All In/All Out" requirement of the proposed natural gas regulations: (1) if the Natural Gas Distribution Company's system cannot accommodate it; or (2) if the Natural Gas Supplier wants to offer products that are bundled with non-basic services.

The ALJ's reference to robust competition does not address the need to remove barriers to the introduction of innovative supply products to customers in PPL's service territory. For that reason, the Recommended Decision should be modified to include these two specific exceptions to the "All-In/All-Out" requirement. Furthermore, PPL has not presented any evidence of gaming the billing system. If and when PPL can present evidence of "gaming" by EGSs on its system, PPL may petition this Commission for modification of these exceptions.

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<sup>1</sup> RESA St. 1, p. 14.

<sup>2</sup> Advance Notice of Final Rulemaking Order, *Natural Gas Distribution Companies and Promotion of Competitive Retail Markets*, Docket No. L-2008-2069114 (Order entered Aug. 10, 2010).

It is appropriate to adopt these exceptions for the “All-In/All-Out” requirement for two reasons. First, one of the objectives of retail choice and competition is to improve the types of service choices available to consumers. These two exceptions further that objective. Second, it is important to protect all consumers from gaming of tariff rules. For that reason, EGSs should only be granted an exception to the “All-In/All-Out” requirement under these specific limited circumstances.

**THEREFORE, I MOVE THAT:**

1. The Joint Petition for Partial Settlement in Docket No. R-2010-2161694 be adopted as agreed to by the parties.
2. The Recommended Decision of Administrative Law Judge Susan D. Colwell be adopted, except as modified by this Motion.
3. The Office of Special Assistants prepare an Order consistent with this Motion.

**Date: December 16, 2010**

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**JOHN F. COLEMAN, JR., COMMISSIONER**