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Anthony D. Kanagy

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File #: 2507/140056

July 11, 2011

Rosemary Chiavetta  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

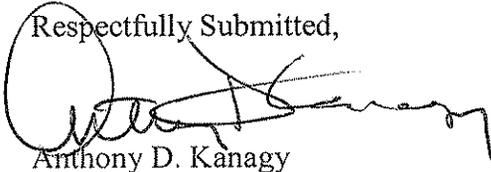
**RE: William R. Lloyd, Jr., Small Business Advocate v. PPL Electric Utilities Corporation**  
**Docket No. C-2011-2245906**

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Dear Secretary Chiavetta:

Enclosed please find the Prehearing Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. Copies will be provided as indicated on the certificate of service.

Respectfully Submitted,



Anthony D. Kanagy

ADK/skr

cc: Certificate of Service  
Honorable Susan D. Colwell

## CERTIFICATE OF SERVICE

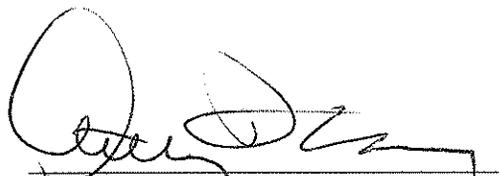
I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

### VIA E-MAIL & FIRST CLASS MAIL

Elizabeth Rose Triscari  
Office of Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Adeolu Bakare  
Office of Trial Staff  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265

Date: July 11, 2011



Anthony D. Kanagy

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

William R. Lloyd, Jr.	:	
Small Business Advocate,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2011-2245906
	:	
PPL Electric Utilities Corporation,	:	
Respondent	:	

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**PREHEARING MEMORANDUM OF  
PPL ELECTRIC UTILITIES CORPORATION**

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**TO ADMINISTRATIVE LAW JUDGE SUSAN D. COLWELL:**

**I. INTRODUCTION**

Pursuant to 52 Pa. Code § 5.224(c), PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby submits its Prehearing Conference Memorandum in the above-captioned proceeding.

On May 20, 2011, PPL Electric filed its final Generation Supply Charge-1 (“GSC-1”) rates for the application period June 1, 2011 through August 31, 2011. Under the terms of the Company’s tariff, the GSC-1 rates became effective for the computation quarter (June 1, 2011 through August 31, 2011), without Pennsylvania Public Utility Commission (“Commission”) Order. See Electric Pa. P.U.C. No. 201, First Revised page, No. 19Z.5D.

On May 31, 2011, the Office of Small Business Advocate (“OSBA”) filed the above-captioned Complaint with the Commission. In its Complaint, the OSBA alleged that PPL Electric’s GSC-1 rate for small commercial and industrial (“C&I”) customers for the application period June 1, 2011 through August 31, 2011 may be unjust, unreasonable, unduly

discriminatory and otherwise contrary to law, and that PPL Electric had not explained and justified its GSC-1 undercollection from prior periods.

On June 29, 2011, PPL Electric filed an Answer to OSBA's Complaint. In its Answer, PPL Electric explained that the increase in GSC-1 rates for small C&I customers primarily was due to an undercollection in supply costs experienced by the Company for small C&I customers in 2010. PPL Electric further explained that its GSC-1 rates have been determined pursuant to the processes approved by the Commission in PPL Electric's default service proceeding at Docket No. P-2008-2060309 and as set forth in the Company's Commission-approved tariff. In addition, PPL Electric denied that its GSC-1 rates were unjust, unreasonable, unduly discriminatory or otherwise contrary to law.

## II. SERVICE LIST

PPL Electric requests that Anthony D. Kanagy be listed on the service list on behalf of PPL Electric. Mr. Kanagy's contact information is provided below:

Anthony D. Kanagy (ID # 85522)  
Post & Schell, P.C.  
17 North Second Street  
12th Floor  
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E-mail: [akanagy@postschell.com](mailto:akanagy@postschell.com)

PPL Electric also requests that David B. MacGregor and Paul E. Russell be included on all electronic mail sent in this proceeding. Mr. MacGregor's e-mail address is [dmacgregor@postschell.com](mailto:dmacgregor@postschell.com) and Mr. Russell's e-mail address is [perussell@pplweb.com](mailto:perussell@pplweb.com).

### **III. WITNESSES AND ISSUES**

If necessary, Joseph M. Kleha, Manager – Regulatory Compliance and Rates for PPL Electric, will present testimony on behalf of the Company in this proceeding. Mr. Kleha's contact information is as follows:

Joseph M. Kleha  
PPL Electric Utilities Corporation  
Two North Ninth Street  
Allentown, PA 18101-1179  
Phone: (610) 774-4486  
E-mail: [jmkleha@pplweb.com](mailto:jmkleha@pplweb.com)

Mr. Kleha will respond to allegations raised by the OSBA regarding calculation of the GSC-1 rates for small C&I customers. PPL Electric reserves the right to call and present additional witnesses to address issues and subject matters that may arise during the course of this proceeding.

### **IV. SCHEDULE**

PPL Electric is currently reviewing the schedule proposed by the OSBA and will continue to work with the parties to attempt to develop a mutually agreeable litigation schedule for this proceeding.

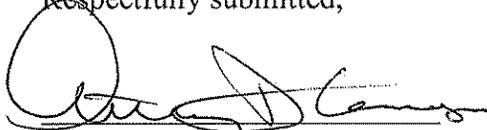
### **V. DISCOVERY**

PPL Electric does not propose any modifications to the Commission's discovery rules.

### **VI. SETTLEMENT**

At this time, no settlement discussions have been held. PPL Electric is open and available for settlement discussions and would support initiatives to begin settlement discussions at the earliest possible date.

Respectfully submitted,



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Of Counsel:

Post & Schell, P.C.

Dated: July 11, 2011

Attorneys for PPL Electric Utilities Corporation