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September 30, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA HAND DELIVERY

RE: Petition of PPL Electric Utilities Corporation for Approval to Implement a Reconciliation Rider for Default Supply Service; Docket No. P-2011-2256365

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission are the original and three (3) copies of the Prehearing Memorandum of the PP&L Industrial Customer Alliance, in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and Answer, and kindly return them to our messenger for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Adeolu A. Bakare

Counsel to PP&L Industrial Customer Alliance

AAB/sds
Enclosures

c: Administrative Law Judge Susan D. Colwell (via E-mail and Hand Delivery)
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Petition of PPL Electric Corporation for :
for Approval to Implement a Reconciliation : Docket No. P-2011-2256365
Rider for Default Service Supply Service :

**PREHEARING MEMORANDUM
OF THE PP&L INDUSTRIAL CUSTOMER ALLIANCE**

The PP&L Industrial Customer Alliance ("PPLICA") hereby submit this Prehearing Memorandum in the above-captioned proceeding. PPLICA intends to participate in this proceeding as an "active" party.

I. HISTORY OF THE PROCEEDING

On August 25, 2011, the PPL Electric Corporation ("PPL" or "Company") filed an Amended Petition for Approval to Implement a Reconciliation Rider and Competitive Transition Rider for Default Supply Service ("Petition") with the Pennsylvania Public Utility Commission ("PUC" or "Commission"). The Amended Petition supersedes the original filing submitted on August 3, 2011. In the Petition, PPL claims that its current tariff does not contain a mechanism to recover or refund overcollection and undercollection balances from customers who were default service customers when the over/undercollection occurred but are shopping customers at the time of reconciliation.

On September 19, 2011 PPLICA filed an Answer to the Petition. Prior to filing this Answer, PPLICA had answered PPL's original filing on August 25, 2011. A list of PPLICA's members is attached as Appendix A of the Answer.

In the Answer, PPLICA notes that PPL's current tariffs reconcile overcollections and undercollections due to transmission and generation supply service through a transmission service charge ("TSC") and two generation supply charges ("GSC"). Importantly, PPL's TSC is the subject of an investigation at Docket M-2010-2213754. The Commission has also directed PPL to file a plan detailing the best means of refunding any overcollections from Large Commercial and Industrial ("Large C&I") within thirty days of a final Order in the TSC investigation at M-2010-2213754.

A Notice of Prehearing Conference for the instant proceeding was issued on August 29, 2011. Administrative Law Judge ("ALJ") Susan D. Colwell is the presiding officer.

In accordance with the Prehearing Order issued by ALJ Colwell, PPLICA now submits this Prehearing Conference Memorandum.

II. ANTICIPATED ISSUES AND SUB-ISSUES

PPLICA's preliminary review of the Company's filing indicates the need for Commission investigation into at least the following issues which are discussed in greater detail in PPLICA's

Answer:

- a. PPL's treatment of existing overcollections and undercollections, particularly the TSC overcollections from Large C&I customers, while the reconciliation rider is being implemented;
- b. PPL's calculations and billing methods underlying an \$8 million undercollection for generation supply charges associated with Large C&I default service customers under the 2010 GSC;
- c. PPL's proposal to implement a Competitive Transition Rider ("CTR") to refund or recoup the net historic over or undercollections related to transmission service and generation supply charges incurred prior to the effective date of the reconciliation rider, including:
 - i. The proposed division of customers into three classes, the third of which would include LP-5 and LP-6 customers in the same class as LP-4 customers.

- ii. Interclass and intraclass cost allocation associated with the design of the refund mechanism in the CTR as a per kWh surcharge or credit.
- iii. The effect upon the recovery of TSC costs and the CTR's refund mechanism of any pending proceedings before the PUC addressing TSC matters.

PPLICA anticipates pursuing these issues during this proceeding, and reserves the right to raise and address other issues of concern and to respond to issues raised by other parties.

III. PROPOSED WITNESSES

PPLICA is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event that PPLICA decides to sponsor testimony, it will inform the parties and the ALJ as soon as possible of the intended witness(es) and topics of testimony. PPLICA also intends to participate in this proceeding through the submission of discovery, the cross-examination of other parties' witnesses, participation in settlement negotiations as they occur, and the submission of briefs, exceptions and reply exceptions, as necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

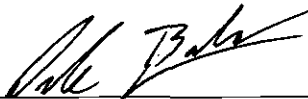
PPLICA is working with the parties to develop an appropriate procedural schedule. PPLICA will cooperate to develop discovery rules in accordance with the Commission's regulations and any ALJ directives.

V. POSSIBILITY OF SETTLEMENT

PPLICA is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Counsel to the PP&L Industrial Customer Alliance

Dated: September 30, 2011

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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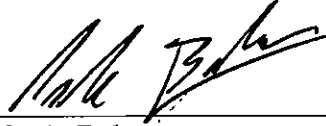
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Dated this 30th day of September, 2011, at Harrisburg, Pennsylvania.