



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

September 30, 2011

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of PPL for Approval to Implement
Reconciliation Rider for Default Supply Service

Docket No. P-2011-2256365

Dear Secretary Chiavetta:

Enclosed please find an original copy of the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** in the above-captioned proceeding.

Copies are being served on all active parties of record. If you have any questions, please contact me at (717) 783-6184.

Sincerely,

Richard A. Kanaskie
Senior Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #80409

Enclosure
RAK/edc

cc: Parties of Record
Hon. Susan D. Colwell

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PA PUC

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING MEMORANDUM
OF THE BUREAU OF
INVESTIGATION AND ENFORCEMENT**

TO THE HONORABLE SUSAN D. COLWELL:

In response to the Notice of Prehearing Conference issued by the Office of Administrative Law Judge (“OALJ”) and in accordance with Your Honor’s Prehearing Order, the Bureau of Investigation and Enforcement (“I&E”) hereby submits this Prehearing Memorandum. The I&E prosecutor assigned to this proceeding is Richard A. Kanaskie. Contact information is as follows:

By Mail: Richard A. Kanaskie
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I. BACKGROUND

On August 3, 2011, PPL Electric Utilities Corporation (“PPL” or “Company”) filed a Petition with the Pennsylvania Public Utility Commission (“Commission”) seeking approval to implement a Reconciliation Rider for its Default Supply Service beginning June 1, 2012. The Petition proposes to create a method to recover, or refund, net under or over-collections by assigning the costs to the responsible customers.

On August 25, 2011, PPL filed an Amended Petition. The Amended Petition superseded the original Petition submitted on August 3, 2011. The Amended Petition proposed to add a Competitive Transition Rider (“CTR”) to the original Petition’s Reconciliation Rider.

The Bureau of Investigation and Enforcement submitted its Notice of Appearance on August 24, 2011. In addition, Answers to the Company’s Petition were submitted by the Office of Small Business Advocate (“OSBA”), Dominion Retail (“Dominion”), the Retail Energy Suppliers Association (“RESA”) and the PPL Industrial Customer Alliance (“PPLICIA”). In addition to these Answers, Petitions to Intervene were submitted by Richard’s Energy Group (“Richards”), REESA and Wal-Mart Stores East, LP and Sam’s East, Inc. (collectively “Wal-Mart”). The Office of Consumer Advocate (“OCA”) filed a Notice of Intervention and Public Statement.

The Administrative Law Judge (“ALJ”) assigned to this proceeding is Susan D. Colwell. A Prehearing Conference has been scheduled for October 5, 2011 at 10:00 a.m. in Hearing Room 4 of the Commonwealth Keystone Building in Harrisburg.

II. ISSUES

Based upon a preliminary review of PPL's Petition, I&E will investigate whether the proposal is in the public interest. I&E will also examine the impact on the "Price to Compare" and whether competition will be adversely affected by the proposal contained in the Petition. As Discovery progresses and testimony is reviewed, I&E reserves the right to address issues that may develop based on input from the intervening parties. In the event I&E is compelled to address any submitted evidence, it will do so through direct and responsive testimonies of an I&E witness. There may be issues of Commission policy or legal interpretation that are not properly the subject of testimony; or there may be factual issues that are clear on the record and need not be supported by testimony. In these instances, I&E reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed in Brief.

III. WITNESSES

It is currently expected that I&E may call the following witness without being limited thereto:

Scott Granger, Executive Policy Analyst.

The above listing is provided without analysis of the positions of all parties to this proceeding and without the benefit of complete discovery. As such, I&E reserves the right to call additional witnesses and/or delete the witness listed above as circumstances dictate.

IV. DISCOVERY

I&E will cooperate with the parties to identify if any modifications to the Commission's Regulations with respect to Discovery are necessary.

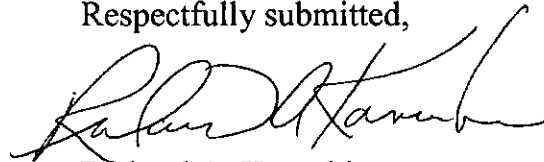
V. SCHEDULE

I&E will cooperate with the parties to develop an acceptable schedule with respect to document submission and witness presentation.

VI. SETTLEMENT

As of the date of this Prehearing Memo, I&E has not engaged in settlement discussions with any party. I&E remains open to the possibility of settlement of the issues presented in the Company's Petition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard A. Kanaskie". The signature is fluid and cursive, with a large initial "R" and "K".

Richard A. Kanaskie
Senior Prosecutor

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission

Dated: September 30, 2011

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated September 30, 2011, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below, in accordance with the requirements of § 1.54 (relating to service by a party):

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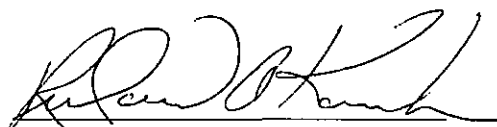
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