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SECRETARY'S BUREAU

November 3, 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: PPL Electric Utilities Corporation's Universal Service and Energy Conservation
Plan for 2011 - 2013
Docket No. M-2010-2179796**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric" or the "Company") are an original and eight (8) copies of Revised Page 13 and new Page 13A of PPL Electric's Universal Service and Energy Conservation Plan for the Period 2011 – 2013 ("USP Plan") which is set forth in Appendix A to Tariff – Electric Pa. P.U.C. No. 201. Revised Page 13 and new Page 13A are being filed to include a description of the CAP Plus program, which was approved by the Pennsylvania Public Utility Commission ("Commission") in the Company's 2010 base rate proceeding at Docket No. R-2010-2161694. The CAP Plus provisions were inadvertently omitted from the Company's compliance filing made on May 11, 2011 in the above-referenced proceeding.

On August 26, 2010, PPL Electric filed a Joint Petition for Partial Settlement of rate Investigation ("Rate Case Settlement") with the Commission at Docket No. R-2010-2161694. All parties in the rate case either joined or did not oppose the Rate Case Settlement. Paragraph No. 30 of the Rate Case Settlement provided as follows:

30. PPL Electric agrees to adopt OCA's CAP Plus methodology and will implement the proposal no later than the 2011-2012 heating season, unless the Department of Public Welfare changes its current policy and allows PPL Electric to apply Low Income Home Energy Assistance Program grants to Customer Assistance Program credits.

ALLENTOWN HARRISBURG LANCASTER PHILADELPHIA PITTSBURGH PRINCETON WASHINGTON, D.C.

A PENNSYLVANIA PROFESSIONAL CORPORATION

On October 15, 2010, a Recommended Decision was issued. Therein, Administrative Law Judge Susan D. Colwell recommended that the Rate Case Settlement be approved. The Commission subsequently approved the Rate Case Settlement by Order entered December 21, 2010.

PPL Electric did not include the agreed upon CAP Plus provisions in the 2010 rate case compliance filing. When the 2010 Rate Case Settlement was approved, the Company was in the process of litigating its USP Plan filing at Docket No. M-2010-2179796. Therefore, the Company intended to include the agreed-upon CAP Plus methodology in its USP Plan compliance filing.

In the USP Plan proceeding, the Company specifically referenced that the 2010 Rate Case Settlement included a CAP Plus program. On November 10, 2010, the Company submitted the Direct Testimony of Timothy R. Dahl in the USP Plan proceeding. On Page 10 of his testimony, Mr. Dahl stated as follows:

Q. Are there any other potential changes regarding OnTrack and LIHEAP?

A. Yes. As part of PPL Electric's proposed rate case settlement at Docket No. R-2010-2161694, the Company agreed to implement a CAP Plus program suggested by the Office of Consumer Advocate. Under CAP Plus program, PPL Electric would increase the payment amounts of OnTrack participants to make up for the loss of LIHEAP funding previously used to offset revenue shortfall. In 2009, this amount was approximately \$2 million. However, if DPW were to change its policy regarding the application of LIHEAP grants to CAP credits, then under the settlement agreement, PPL Electric would not implement the CAP Plus program.

Thereafter, on February 18, 2011, the Company filed a Joint Petition for Settlement of All Issues in the USP Plan proceeding ("USP Plan Settlement"). Paragraph 33 of the USP Plan Settlement provided as follows:

33. PPL Electric's USP Plan will be approved as filed and as further set forth in the Company's Direct and Rebuttal Testimony, except as modified herein. Clean and red-lined versions of the USP Plan are provided in Attachment A.

By Recommended Decision issued on March 15, 2011, Administrative Law Judge Susan D. Colwell recommended approval of the USP Plan Settlement. The USP Plan Settlement was subsequently approved by the Commission by Order entered May 5, 2011.

November 3, 2011

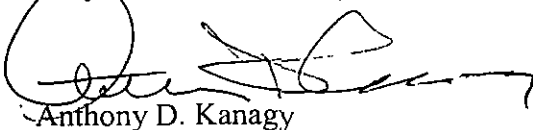
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PPL Electric filed its USP Plan compliance filing on May 11, 2011. The Company inadvertently did not include the CAP Plus provisions which: (1) had been approved by the Commission in the 2010 base rate case, and (2) the Company had identified in its USP Plan testimony and was agreed to by the parties in the USP Plan Settlement. PPL Electric notes that the Commission has required utilities to revise compliance filings to be consistent with Commission orders. *See e.g., Application of Duquesne Light Co. for Approval of Restructuring Plan Under Section 2806 of the Public Utility Code*, Docket No. R-00974104, 1998 Pa. P.U.C. LEXIS 196, Order entered August 13, 1998.

PPL Electric recognizes that there has been some controversy regarding CAP Plus programs in recent proceedings. In Columbia Gas of Pennsylvania, Inc.'s ("Columbia") recent base rate proceeding at Docket No. R-2010-2215623, Pennsylvania Communities Organizing for Change, d/b/a ACTION United ("PCOC"), challenged Columbia's approved CAP Plus program alleging that it violated federal and state LIHEAP provisions. In its October 14, 2011 Order, the Commission severed the CAP Plus issue from the proceeding and ordered Columbia to maintain its Commission-approved program. PPL Electric believes that it is in a similar position as Columbia because PPL Electric's CAP Plus program has already been approved by the Commission. Therefore, pursuant to the 2010 rate case settlement, PPL Electric intends to implement its Commission-approved CAP Plus program on December 1, 2011, unless otherwise directed by the Commission.

Please direct any questions regarding this matter to the undersigned.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Anthony D. Kanagy", is written over a circular stamp or mark.

Anthony D. Kanagy

ADK/skr

Enclosures

cc: Certificate of Service
Honorable Susan D. Colwell

- The customer is not required to make their monthly OnTrack payments until the LIHEAP credit is exhausted.
- PPL will not apply any of the LIHEAP cash or crisis grants to offset the cost of the program.

In the partial settlement of its 2010 distribution rate case at Docket No. R-2010-2161694, PPL Electric agreed to implement a CAP Plus program at the start of the 2011-2012 heating season. The purpose of CAP Plus is to help offset program expenses for all residential customers who pay for OnTrack through the reconcilable Universal Service Rider. The Company determines the CAP Plus amount by taking the total amount of LIHEAP funding received by OnTrack participants, dividing that dollar amount by the number of active OnTrack accounts as of September 30, and then dividing that annual amount by 12 months. The CAP Plus payment amount is applicable to all OnTrack participants and may change annually depending on the level of federal funding available for LIHEAP. PPL Electric will automatically include the CAP Plus payment amount in the formulas for the various OnTrack payment options (e.g., minimum payment, percent of income and percent of bill). OnTrack customers who have a credit balance due to a LIHEAP grant are exempt from the CAP Plus charge until they have exhausted their credit balance.

(C)

PPL Electric's restructuring settlement agreement allows OnTrack customers to shop for a generation supplier. The Company's current process for handling OnTrack customers who shop is as follows.

Process for Handling OnTrack Shoppers

- Adjust OnTrack monthly payment amounts for those customers who selected a supplier to reflect the savings on the generation portion of his or her bill. Adjustments to OnTrack payments occur only for customers who shopped after their OnTrack enrollment date.
- The OnTrack monthly amount will not go below:
 - \$30 for electric heating customers
 - \$12 for non-electric heating customers
- Generate a letter to the customer that indicates to call PPL if the customer would like to receive the letter in Spanish.

PPL will calculate 75 percent of the average monthly bill amount (generation portion of the bill) and apply 10 percent savings. If the savings were \$84 annually, the Company would reduce the OnTrack customer's monthly payment amount by \$7 (\$84/12).

PPL Electric is using a 10 percent savings amount because, on average, most suppliers' generation offers are about 10 percent less than the Company's Price to Compare. This approach also simplifies the billing adjustment process, which PPL Electric must complete manually for each OnTrack customer who selects a generation supplier. The Company regularly runs customer lists to determine which OnTrack participants have shopped. PPL Electric proposes to continue using the above process until it can automate shopping procedures for OnTrack participants. The Company estimates that it will not complete this automated process until the second quarter of 2011.

PPL Electric also will implement a split savings approach for OnTrack customers who select a generation supplier. Under the split savings approach, both OnTrack customers and other residential customers who pay for the program through the Company's Universal Service Rider ("USR") will receive benefits. PPL Electric will adjust payment amounts only if non-heating customers save a

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).

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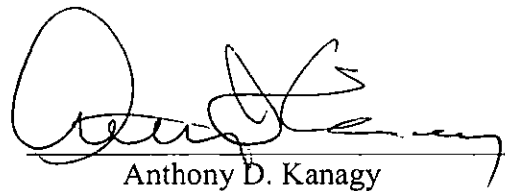
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Date: November 3, 2011



Anthony D. Kanagy