

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

November 30, 2011

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

RE: Petition of PPL electric Utilities Corporation
for Authorization to Defer, for Accounting
Purposes, Certain Unanticipated Expenses
Relating to Storm Damage from the Late
October 2011 Snowstorm
Docket No.: P-2011-2274298

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer to the Petition of PPL Electric Utilities Corporation for Authorization to Defer, for Accounting Purposes, Certain Unanticipated Expenses Relating to Storm Damage from the Late October 2011 Snowstorm, in the above-referenced proceeding.

Copies have been served as indicated on the Certificate of Service.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Darryl A. Lawrence".

Darryl A. Lawrence
Assistant Consumer Advocate
PA Attorney I.D. # 93682

Enclosure

cc: Administrative Law Judge
Office of Special Assistants

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation	:	
for Authorization to Defer, for Accounting	:	Docket No. P-2011-2274298
Purposes, Certain Unanticipated Expenses	:	
Relating to Storm Damage from the Late	:	
October 2011 Snowstorm	:	

ANSWER OF THE OFFICE OF CONSUMER ADVOCATE
TO THE PETITION OF PPL ELECTRIC UTILITIES
CORPORATION FOR AUTHORIZATION TO DEFER, FOR
ACCOUNTING PURPOSES, CERTAIN UNANTICIPATED
EXPENSES RELATING TO STORM DAMAGE FROM
THE LATE OCTOBER 2011 SNOWSTORM

On November 18, 2011, PPL Electric Utilities Corporation (PPL or Company) filed a Petition for Authority to Defer, for Accounting Purposes, Certain Unanticipated Expenses Relating to Storm Damage from the Late October 2011 Snowstorm (Petition). The Petition provides that the October 2011 Snowstorm damage costs are not yet known, although it is likely that such costs will be approximately \$13 to \$18 million. Petition at 4. The Petition further provides that PPL's total 2011 storm damage costs will exceed its storm damage insurance coverage. Petition at 4.

The Company is requesting authority from the Commission to defer, for accounting purposes only, the expenses associated with its repair of the October 2011 Snowstorm-related damages. The Company is not requesting the Commission to make a final determination at this time as to the recovery of said losses. Rather, PPL is requesting that the

Commission address the issue of recovery for this storm damage expense, and address the issue of a proper amortization period for this expense in its next general rate increase proceeding pursuant to Section 1308(d) of the Public Utility Code. Petition at 7-9. PPL is also requesting the ability to make a claim in its next base rate case for the entire amount of its storm costs, in the event that the Commission does set an amortization schedule in this proceeding. Petition at 1-2.

The Office of Consumer Advocate (OCA) submits that if the Commission decides to grant this Petition, the following conditions, at a minimum, should apply:

1. That the authorization granted to PPL here for deferred accounting treatment carries no assurance of future rate recovery;
2. That PPL be directed to claim its deferred losses at the first available opportunity;
3. That any authorization for deferred accounting treatment be limited to actual operations and maintenance costs, net of any insurance recovery, and not extend to straight time and capitalized costs; and,
4. That any opinion and order in this matter will in no way limit the ability of any party to a future rate case to oppose rate recovery of any of the costs deferred pursuant to the limited authorization granted herein.

The OCA submits that if PPL's Petition is to be granted, these conditions are essential.

WHEREFORE, the Office of Consumer Advocate respectfully requests the Commission to consider its comments herein should the Commission decide to grant PPL's Petition.

Respectfully Submitted,



Darryl Lawrence
Assistant Consumer Advocate
PA Attorney I.D. # 93682
E-Mail: DLawrence@paoca.org

Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TMcCloskey@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Dated: November 30, 2011

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CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities Corporation :
for Authorization to Defer, for Accounting : Docket No. P-2011-2274298
Purposes, Certain Unanticipated Expenses :
Relating to Storm Damage from the Late :
October 2011 Snowstorm :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Answer to the Petition of PPL Electric Utilities Corporation for Authorization to Defer, For Accounting Purposes, Certain Unanticipated Expenses Relating to Storm Damage From the Late October 2011 Snowstorm, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 30th day of November 2011.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL and FIRST CLASS MAIL

Paul E. Russell
Associate General Counsel
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18106

David B. MacGregor, Esquire
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808

Anthony D. Kanagy, Esquire
Jessica R. Rogers, Esquire
Post & Schell, P.C.
12th Floor
17 North Second Street
Harrisburg, PA 17101-1601

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



Darryl A. Lawrence
Assistant Consumer Advocate
PA Attorney I.D. # 93682
E-Mail: DLawrence@paoca.org
Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TMcCloskey@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
150857