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November 29, 2011

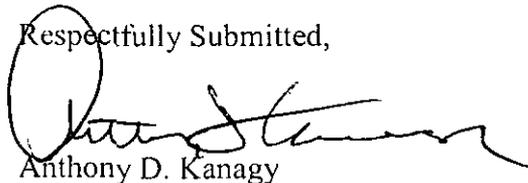
Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**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, please find PPL Electric Utilities Corporation's Answer to Petition and Complaint of Lorrie Koons in the above-referenced proceeding. Copies will be provided as indicated on the certificate of service.

Respectfully Submitted,



Anthony D. Kanagy

ADK/skr
Enclosures
cc: Certificate of Service
Honorable Susan D. Colwell
Jonathan P. Nase

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PPL Electric Utilities Corporation Universal :
Service and Energy Conservation Plan for : Docket No. M-2010-2179796
2011 through 2013 :

**PPL ELECTRIC UTILITIES CORPORATION
ANSWER TO PETITION AND COMPLAINT
OF LORRIE KOONS**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby Answers the Petition and Complaint to Stay Modification of PPL Electric’s Universal Service and Energy Conservation Plan for 2011 through 2013 And To Stay Implementation of Appendix A To Tariff Electric Pa. P.U.C. No. 201 Concerning Implementation of a CAP Plus Plan (“Complaint”) filed by Lorrie Koons (“Ms. Koons” or the “Complainant”) on or about November 22, 2011. Initially, PPL Electric notes that the Pennsylvania Public Utility Commission (“Commission”) has adopted a four-point balancing test for granting a stay or supersedeas as established in *Pa. P.U.C. v. Process Gas Consumers Group*, 467 A.2d 805 (Pa. 1983):

1. The petitioner makes a strong showing that he is likely to prevail on the merits.
2. The petitioner has shown that without the requested relief, he will suffer irreparable injury.
3. The issuance of a stay will not substantially harm other interested parties in the proceeding.
4. The issuance of a stay will not adversely affect the public interest.

In the Complaint, the Complainant has not specifically addressed any of these factors. Therefore, the Commission should not grant a stay because the Complainant has not met her burden of proving that a stay is reasonable. Moreover, a stay is not warranted in this case for several reasons. First, as explained herein, the Commission has already approved PPL Electric’s

CAP Plus program, and PPL Electric is required to implement the program under the Company's 2010 base rate settlement at Docket No. R-2010-2161694. Therefore, the Complainant is not likely to prevail on the merits. Second, the Complainant will not suffer irreparable injury without the requested relief. The Complainant is currently a CAP customer. Her CAP bill will only be increased by \$8 per month if the Commission allows PPL Electric to proceed with the implementation of CAP Plus. This does not constitute irreparable injury. Moreover, a stay is not required to prevent a change in PPL Electric's LIHEAP vendor status. It is PPL Electric's understanding that the current Secretary of the Department of Public Welfare ("DPW") will not revoke a utility's vendor status because the utility has a CAP Plus program. Third, the issuance of a stay would substantially harm PPL Electric. The Company has invested hundreds of thousands of dollars in system programming, testing and training to implement CAP Plus as required by the 2010 base rate settlement. Fourth, the issuance of a stay will adversely affect the public interest because it will prevent PPL Electric from implementing a settlement provision that it is required to implement and that was approved by the Commission as being in the public interest. For these reasons, the Commission should not stay implementation of the Company's CAP Plus program.

In response to the specific averments of the Complaint, PPL Electric states as follows:

1. PPL Electric admits that it filed its Universal Service and Energy Conservation Plan for 2011-2013 ("USP Plan") on June 1, 2010.
2. In Paragraph No. 2, the Complainant summarizes certain aspects of the USP Plan filing. The contents of the USP Plan filing are set forth in the USP Plan itself. PPL Electric's USP Plan speaks for itself. Therefore, the Complainant's characterizations of the USP Plan are denied as stated.

3. The averments of Paragraph No. 3 of the Complaint are admitted.
4. The averments of Paragraph No. 4 of the Complaint are admitted.
5. PPL Electric admits that the Complainant is currently a CAP customer.
6. Information regarding the averments contained in Paragraph No. 6 of the Complaint is not reasonably available to PPL Electric. Therefore, these averments are denied.
7. The averments of Paragraph No. 7 of the Complaint are admitted.
8. The averments of Paragraph No. 8 of the Complaint are admitted.
9. The averments of Paragraph No. 9 of the Complaint are admitted.
10. The averments of Paragraph No. 10 of the Complaint are denied. 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.

The Company's witness in the USP Plan proceeding, Mr. Dahl, specifically addressed the CAP Plus plan in his direct testimony. On Page 10 of his direct 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.

As explained by Mr. Dahl in his testimony, the Company agreed to implement the CAP Plus proposal in its base rate settlement. Paragraph 30 of the base rate 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.

It is important to note that Mr. Dahl's direct testimony in the USP Plan proceeding was submitted on November 10, 2010. However, the Commission did not approve the base rate settlement until December 21, 2010. Therefore, when Mr. Dahl submitted his direct testimony in the USP Plan proceeding, he could not be sure that the base rate settlement, including the CAP Plus proposal would be approved by the Commission. This is why he referred to it as a potential change. Importantly, no party, including Ms. Koons, objected to the CAP Plus program or filed rebuttal testimony in response to the CAP Plus program in the USP Plan proceeding. In addition, by agreeing to the USP Plan settlement, which incorporated the CAP Plus plan modification set forth in Mr. Dahl's testimony, the Complainant agreed to the CAP Plus plan. Moreover, even if the Complainant did not agree with the CAP Plus plan, it is irrelevant because the CAP Plus plan was approved by the Commission in the Company's base rate proceeding. *Pa. P.U.C. v. PPL Electric Utilities Corporation*, Docket No. R-2010-2161694, Order entered December 21, 2010.

11. The averments of Paragraph No. 11 of the Complaint are admitted.

12. PPL Electric admits that on March 15, 2011, the Commission issued the Recommended Decision of Administrative Law Judge Susan D. Colwell which recommended that the Company's USP Plan be approved as modified by the Settlement.

13. The averments of Paragraph No. 13 of the Complaint are admitted.

14. PPL Electric admits that it filed Supplement No. 105 to the Company's Tariff Electric Pa. P.U.C. No. 201 on May 11, 2011. Supplement No. 105 incorporated the USP Plan as Appendix A to the Company's Tariff and was a compliance filing that was filed pursuant to the Commission's Order entered in May 5, 2011, in the USP Plan proceeding.

15. The averments of Paragraph No. 15 of the Complaint are denied as stated. As explained in Paragraph No. 10 above, the USP Plan settlement incorporated the modifications to the USP Plan discussed in Mr. Dahl's testimony, which included the CAP Plus Plan. The Company inadvertently did not include the CAP Plus provisions in the compliance filing. It is clear that the Company should have included the CAP Plus provisions in the compliance filing because: (1) they had been approved by the Commission in the 2010 base rate case, (2) the Company had identified the CAP Plus program in its USP Plan testimony, (3) no party objected to the CAP Plus program in the USP Plan proceeding, and (4) the USP Plan settlement expressly included all modifications set forth in Mr. Dahl's testimony. Moreover, 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.

16. PPL Electric admits that Mr. Dahl referenced the CAP Plus program in his direct testimony. However, the Complainant's characterizations of that reference are denied. As explained above, when Mr. Dahl submitted his direct testimony in the USP Plan proceeding, the Commission had not yet acted on the base rate settlement. Therefore, the potential change referred to the pending Commission action on the base rate settlement.

17. The averments of Paragraph No. 17 of the Complaint are denied as stated. Mr. Dahl's statement in his testimony speaks for itself, and the Complainant's characterizations of his statement are denied. The Complainant avers that Mr. Dahl's statement regarding the implementation of CAP Plus was conditional. The Complainant's averments are irrelevant because the Complainant was notified that PPL Electric would be adopting a CAP Plus program unless DPW changed its current policy regarding the application of LIHEAP grants to CAP credits. DPW has not changed its current policy. Therefore, PPL Electric is required to implement a CAP Plus plan under the terms of the Company's base rate settlement at Docket No. R-2010-2161694.

18. The averments of Paragraph No. 18 of the Complaint are admitted. However, PPL Electric denies that they are relevant. All of PPL Electric's customers were provided notice of the Company's base rate proceeding and had a full and fair opportunity to participate if they desired.

19. The averments of Paragraph No. 19 of the Complaint are denied. As noted above, Mr. Dahl explained in his testimony in the USP Plan proceeding that the Company would be adopting a CAP Plus program if it were approved by the Commission. No party, including the Complainant objected to this proposal.

20. The averments of Paragraph No. 20 of the Complaint are admitted. However, PPL Electric denies that these averments are relevant.

21. The averments of Paragraph No. 21 of the Complaint are admitted.

22. The averments of Paragraph No. 22 of the Complaint are admitted.

23. The averments of Paragraph No. 23 of the Complaint are admitted.

24. The averments of Paragraph No. 24 of the Complaint are denied. The implementation of CAP Plus will not result in any significant change to PPL Electric's CAP design. The only change will be to increase customers' CAP payment amounts by \$8 monthly for the 2011-2012 winter heating season.¹ All other features of CAP (income guidelines, enrollment steps, re-certification, participation in weatherization, etc.) will remain the same. Moreover, PPL Electric is required to implement the CAP Plus program pursuant to the settlement of its base rate proceeding at Docket No. R-2010-2161694.

25. The averments of Paragraph 25 of the Complaint are denied for the reasons set forth in Paragraph No. 10 above.

26. The averments of Paragraph No. 26 of the Complaint are admitted. However, PPL Electric denies that they are relevant. As explained above, the CAP Plus program was already approved by the Commission in the Company's base rate proceeding at Docket No. R-2010-2161694 by Order entered December 21, 2010. Therefore, PPL Electric was not required to petition the Commission to amend its USP Plan.

27. The averments of Paragraph No. 27 of the Complaint are admitted. However, PPL Electric denies that they are relevant. The Company's tariff filing of May 11, 2011, was a compliance filing and should have included the CAP Plus plan which had been approved by the Commission. Therefore, the proper procedure was for PPL Electric to revise its compliance filing to be consistent with the Commission's Order. *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

¹ This amount will be revised in later years pursuant to the CAP Plus formula which is described in Paragraph 30 below.

was not required to petition the Commission to amend the compliance filing because the Commission had already approved the CAP Plus plan.

28. The averments of Paragraph No. 28 of the Complaint are admitted. However, PPL Electric denies that they are relevant. The Commission approved the CAP Plus plan in the Company's base rate settlement. When the Commission approved the base rate settlement, it authorized the Company to file a compliance filing, on less than statutory notice, implementing the rate increase. The Company could have included the CAP Plus provisions with the compliance filing for the base rate settlement. Moreover, when the Commission approved the USP Plan settlement, it also authorized the Company to file its USP Plan to become effective on one day's notice. *PPL Electric Utilities Corporation Universal Service and Energy Conservation Plan for 2011 through 2013*, Docket No. M-2010-2179796, Order entered May 5, 2011. In addition, the regulations specifically provide that 60 day notice is not required if the Commission orders a different time period. See 52 Pa. Code §§ 53.31, 53.101. As explained above, the Company should have included the CAP Plus program in its USP Plan compliance filing. Therefore, the 60 day notice provision does not apply to the CAP Plus program.

29. The averments of Paragraph No. 29 of the Complaint are denied. As explained above, the Commission ordered PPL Electric to file its compliance filings for both the base rate settlement and the USP Plan settlement on less than statutory notice. Therefore, the provisions of the Pa. Code cited by the Complainant in Paragraph No. 29 of the Complaint are irrelevant.

30. The averments of Paragraph No. 30 of the Complaint are denied. As part of its base rate settlement agreement, PPL Electric agreed to implement CAP Plus as proposed by OCA witness Roger Colton. Mr. Colton recommended taking the amount of LIHEAP funds received by CAP customers during a program year and dividing that total by the number of

active CAP customers at the end of the program year. PPL Electric adopted Mr. Colton's proposal.

31. The averments of Paragraph No. 31 of the Complaint are denied as stated and in any event are irrelevant. The Complainant had the opportunity to inquire about the details or specifics of the CAP Plus program in the USP proceeding and did not inquire about such details or specifics. Moreover, there was no requirement in PPL Electric's 2010 rate case settlement regarding conducting an assessment of CAP customers' ability to pay the additional CAP Plus amount. The Company believes that a monthly charge of \$8 for CAP Plus will continue to result in affordable bills for CAP participants. This charge will still keep CAP payments below the maximum percentages of income included in the Commission's CAP Policy Statement.

32. The averments of Paragraph No. 32 of the Complaint are admitted.

33. The averments of Paragraph No. 33 of the Complaint are denied as stated and in any event are irrelevant. The Complainant had the opportunity to inquire about whether the CAP Plus plan was in compliance with the Commission's Policy Statement regarding maximum energy burdens in the USP proceeding and failed to do so. Moreover, the Commission's CAP Policy Statement recommends that maximum payments for electric heating and non-heating service should be within certain ranges. Those ranges appear in the following table.

CAP Policy Statement

Percent of Poverty	Heating	Non-Heating
0-50% of poverty	7-13%	2-5%
51-100% of poverty	11-16%	4-6%
101-150% of poverty	15-17%	6-7%

The table below shows the maximum percentage of income for heating and non-heating customers included in PPL Electric's USP Plan.

PPL Electric USP

Percent of Poverty	Heating	Non-Heating
0-50% of poverty	7%	3%
51-100% of poverty	9%	5%
101-150% of poverty	11%	6%

As noted above, the Company's maximum percentages of income level are significantly below those allowed in the Commission's CAP Policy Statement. Even with an additional \$8 included in the CAP Plus payment amount, the percentages will remain well below the Commission's guidelines.

34. The averments of Paragraph No. 34 of the Complaint are denied as stated. PPL Electric admits that the Commission is currently evaluating its policy with respect to CAP Plus programs and that this issue was raised in a recent Columbia Gas of Pennsylvania base rate proceeding at Docket No. R-2010-2215623. However, in its October 14, 2011 Order, the Commission severed the CAP Plus issue from the Columbia base rate 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. Moreover, it is PPL Electric's understanding that the current Secretary of the DPW has informed Commission staff that DPW will not revoke a utility's vendor status because the utility has a CAP Plus program.

35. The averments of Paragraph No. 35 of the Complaint are denied. As explained above, the USP Settlement incorporates all of the modifications discussed in the Company's direct testimony. The CAP Plus plan was discussed in the Company's direct testimony and was not challenged by any party in the proceeding.

36. The averments of Paragraph No. 36 of the Complaint are denied as stated. PPL Electric admits that the Settlement contains the provision described in Paragraph No. 36 but denies that this provision is relevant to the CAP Plus plan for the reasons explained in Paragraph No. 37 below.

37. The averments of Paragraph No. 37 of the Complaint are denied. Contrary to PULP's assertion, CAP Plus is not another payment option. The implementation of CAP Plus has not changed the CAP payment options offered by PPL Electric. The Company's payment options still include percent of bill, percent of income, minimum payment and annualized average payment. PPL Electric has programmed its system to include the \$8 with each payment option.

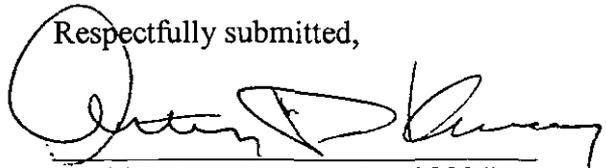
38. The averments of Paragraph No. 38 of the Complaint are denied as stated. As explained above, the USP Plan settlement included the CAP Plus program and PPL Electric should have included it in Attachment A to the Joint Petition for Settlement and the USP Plan compliance filing. This omission was inadvertent, and PPL Electric should be permitted to correct this inadvertent omission through a revised compliance filing.

39. The averments of Paragraph No. 39 are denied as stated. PPL Electric's USP Plan is part of its tariff. Moreover, all parties in the USP proceeding, including the Complainant, were provided notice of the CAP Plus program and had the opportunity to challenge it in the USP proceeding.

40. The averments of Paragraph No. 40 of the Complaint are denied. The CAP Plus program is set forth in pages 13 and 13A of the USP Plan and was discussed in the OCA's testimony in the Company's base rate proceeding. Moreover, the Complainant had notice and the opportunity to challenge the CAP Plus program in the USP proceeding and failed to do so.

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that the Pennsylvania Public Utility Commission deny the Petition and Complaint of Lorrie Koons filed on November 22, 2011 in the above-captioned proceeding. The Complainant has not demonstrated that a stay is warranted under the Pennsylvania Public Utility Commission's four-part balancing test in *Pa. P.U.C. v. Process Gas Consumers Group*, 467 A.2d 805 (Pa. 1983). Moreover, the Pennsylvania Public Utility Commission has already approved the Company's CAP Plus program and the Company is required to implement it pursuant to the terms of its base rate settlement at Docket No. R-2010-2161694.

Respectfully submitted,



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Date: November 29, 2011

Attorneys for PPL Electric Utilities Corporation

VERIFICATION

I, Timothy R. Dahl, being the Manager – Regulatory Programs & Business Services at PPL Electric Utilities Corporation, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect that PPL Electric Utilities Corporation will be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: Nov. 29, 2011

Timothy R. Dahl
Timothy R. Dahl

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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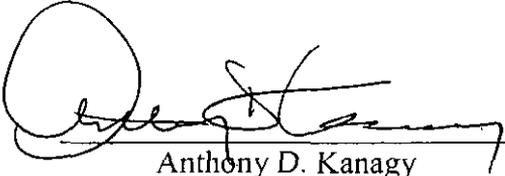
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Date: November 29, 2011



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