

PENNSYLVANIA UTILITY LAW PROJECT

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February 24, 2012

VIA ELECTRONIC FILING (E-FILING)

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

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

Dear Secretary Chiavetta:

Please find enclosed, on behalf of Lorrie Koons, The Statement of Support of the Joint Petition for Settlement in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please feel free to contact me directly should you have any questions.

Very truly yours,



Harry S. Geller
Counsel of Lorrie Koons

Enclosure

cc: Honorable Susan D. Colwell
Honorable Joel H. Cheskis
Certificate of Service

CERTIFICATE OF SERVICE

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

VIA E-MAIL AND FIRST-CLASS MAIL

ALJ Susan D. Colwell PA Public Utility Commission Commonwealth Keystone Building 400 North Street, Fl. 2 West POB 3265 Harrisburg, PA, 17105	Aron J. Beatty, Esq. Candis Tunilo, Esq. Tanya J. McCloskey, Esq. Office of Consumer Advocate 5th Floor, Forum Place 555 Walnut Street Harrisburg, PA 17101-1923
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Dated: February 24, 2012



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**LORRIE KOONS STATEMENT IN SUPPORT
OF
JOINT PETITION FOR SETTLEMENT**

General Statement:

Lorrie Koons (“Koons”), a signatory party to the Joint Petition for Settlement (“Settlement”) in the above-captioned proceeding, respectfully requests that the terms and conditions of the Settlement be approved by Administrative Law Judges Susan D. Colwell and Joel H. Cheskis (“ALJs”), and the Pennsylvania Public Utility Commission (“Commission”). Ms. Koons submits that the proposed Settlement is in the public interest.

Lorrie Koons is a residential low income customer of PPL, who, on November 22, 2011, filed a Complaint and Petition to Stay Modification of PPL Electric’s Universal Service and Energy Conservation Plan for 2011 through 2013 (“USP Plan”). Specifically, Ms. Koons requested that the Commission stay implementation of the Company’s CAP Plus program and grant formal hearings on the implementation of PPL’s CAP Plus program. Subsequent to the filing of Ms. Koon’s Petition, on December 1, 2011, the Commission entered an Opinion and Order which denied Ms. Koons’ request for a stay and referred the remaining issues to the Office of Administrative Law Judge for such additional proceedings as appropriate.

Ms. Koons has actively participated, through informal discovery and negotiations, to arrive at a settlement of this matter. This has resulted in the execution of the Joint Petition for Settlement.

Although, this Settlement reflects a compromise and does not reflect the attainment of all positions initially advanced by Ms. Koons, such as a stay of the implementation of CAP Plus, it represents an agreement which is fair and reasonable given the facts of the case, avoids the necessity and uncertainty of further administrative and potential appellate proceedings, and arrives at a negotiated outcome which is in the public interest.

Background

2010 Rate Case

1. On March 31, 2010, PPL Electric filed its 2010 base rate increase request with the Commission at Docket No. R-2010-2161694. Various parties intervened in that proceeding. Lorrie Koons was not a party to that proceeding.

2. In that 2010 base rate proceeding, the Office of Consumer Advocate (“OCA”) recommended that the Company adopt a CAP Plus program.

3. 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.

4. Paragraph 30 of the Rate Case Settlement provided that:

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.

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

2010 Universal Service Proceeding

6. On June 1, 2010, PPL Electric filed its USP Plan for 2011 through 2013 with the Commission. The USP Plan describes the Company's low-income customer programs.

7. Various parties intervened in the USP Plan proceeding, including the Office of Trial Staff (now the Bureau of Investigation and Enforcement or I&E), OCA, the Commission on Economic Opportunity ("CEO"), Eric Epstein, the Sustainable Energy Fund ("SEF"), the PP&L Industrial Customer Alliance ("PPLICA") and Lorrie Koons.

8. In its Direct Testimony, PPL Electric advised the parties that the 2010 Rate Case settlement indicated that PPL intended to implement CAP Plus 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.

9. The testimony did not provide the implementation process or any details of the CAP Plus program.

10. 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 that PPL Electric's USP Plan would be approved as filed and as further set forth in the Company's Direct and Rebuttal Testimony, except as modified by the Settlement. By Recommended Decision issued on March 15, 2011, Administrative Law Judge Susan D.

Colwell recommended approval of the USP Plan Settlement. The Recommended Decision and USP Plan Settlement were subsequently approved by the Commission by Order entered May 5, 2011.

11. The USP Plan Settlement, the Recommended Decision, and the Commission Order were all silent regarding any details for the process of implementing CAP Plus or the details of the program.

12. On May 11, 2011, PPL Electric filed its USP Plan compliance filing. The Company did not include CAP Plus provisions in the compliance tariff.

13. On November 3, 2011, PPL Electric filed with the Commission a Revised Page 13 and new Page 13A of the Company's USP Plan, which was set forth in Appendix A to Tariff – Electric Pa. P.U.C. No. 201. Revised Page 13 and new Page 13A were filed to include a description of the CAP Plus program, which was approved by the Commission in the Company's 2010 base rate proceeding. The November 3, 2011 filing provided a description of CAP-Plus, which did not include the detailed specifics of its implementation.

The Complaint and Petition to Stay Modification of PPL Electric's USP CAP Plus Plan

14. On November 22, 2011, Lorrie Koons filed a Complaint and Petition to Stay Modification of PPL Electric's USP Plan. Therein, Ms. Koons requested that the Commission stay implementation of the Company's CAP Plus program and grant formal hearings on the implementation of PPL's CAP Plus program.

15. On November 29, 2011, PPL Electric filed an Answer denying the material allegations contained in the Complaint and requesting that the Commission deny Ms. Koons' request for stay.

16. On December 1, 2011, the Commission entered an Opinion and Order which denied Ms. Koons' request for a stay and referred the remaining issues to the Office of Administrative Law Judge for such additional proceedings as appropriate.

17. On December 1, 2011 PPL Electric implemented its CAP Plus program.

18. On December 2, 2011, the OCA filed a Notice of Intervention and Public Statement.

19. On January 26, 2012, the Joint Petitioners notified the Presiding ALJs that they had agreed to a settlement in principle of the proceeding.

20. On January 27, 2012, the Presiding ALJs issued an Order suspending the procedural schedule, except for the hearing date, pending the submission of a settlement agreement.

21. The Joint Petitioners are in full agreement that the Settlement is in the public interest.

Reasons For Support of The Settlement as Being in The Public Interest:

22. The parties in this proceeding conducted settlement negotiations and were able to agree to the instant Settlement which is a reasonable compromise and avoids costly further litigation.

23. The Settlement acknowledges that issues regarding CAP Plus are presently pending before the Commission in the matter of *Pennsylvania Public Utility Commission, et al., v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2010-2215623. Nothing in this Joint Settlement is intended to preclude any party from taking a position regarding CAP Plus before the Commission or any state or federal agency in any present or future proceeding regarding CAP-Plus.

24. The Settlement provides a detailed description clarifying the implementation details regarding CAP Plus.

25. The negotiated settlement at paragraphs 22-25 provides a detailed clarification of the manner which PPL has implemented and will continue to administer CAP Plus within its Universal Service and Energy Conservation Plan for 2011 through 2013.

26. The clarification by PPL of the manner in which CAP Plus has been implemented and will continue to be administered provides essential and valuable information to the Commission, PPL customers, CAP participants and to the public.

27. The information provided, through the clarification contained within the Settlement, indicates the manner in which PPL has and will continue to arrive at the monthly CAP Plus amount, inform CAP participants of their CAP Plus payment obligations, determine the beginning and ending dates of the CAP Plus obligations each year, apply the CAP Plus grants to individual customer accounts, apply LIHEAP grants to CAP customer account balances and apply CAP Plus payments so that a CAP customer may receive arrearage forgiveness.

28. This level of detailed and comprehensive information has not been previously provided within the Universal Service Plan proceeding or within any compliance filing.

29. The clarification of these details and the commitment by PPL to continue to implement its Universal Service and Energy Conservation Plan for 2011 through 2013 in accordance with the details described within the negotiated settlement, will enable current and potential CAP participants to have a more informed understanding of their rights and obligations in the CAP Plus process.

30. This information will enable those customers to better understand their payment obligations and to understand the method and timing PPL employs within its Universal Service

and Energy Conservation Plan for 2011 through 2013. This understanding is in the public interest.

31. The negotiated Settlement at paragraph 21 contains a commitment by PPL that it will continue to implement CAP Plus pursuant to the specified terms and conditions as clarified within the settlement. This commitment by PPL will provide potential and current CAP participants information not only of the details regarding the Company's initial implementation of CAP-Plus, but provides clarification of PPL's intent for the remainder of the 2011-2013 Plan.

32. The commitment by the Company, regarding what has been and continues to be a complex modification to PPL's CAP program, provides the Commission, potential and current CAP customers, and the public with essential information as well as a standard to expect regarding the administration of CAP Plus. This is in the public interest.

34. The negotiated Settlement at paragraph 26 provides that PPL Electric will conduct an analysis of the additional "plus amount" on the energy burden levels approved by the Commission in PPL Electric's 2011 – 2013 Universal Service and Energy Conservation Plan.

35. The analysis will be conducted for each of the four OnTrack options at each income tier. PPL Electric will provide the results of this analysis to the parties in this proceeding by January 31, 2013 for the 2011 – 2012 LIHEAP Year, and by January 31, 2014 for the 2012 – 2013 LIHEAP year.

36. Prior to the implementation of CAP Plus, no analysis had been undertaken of the effect that the additional "plus amount" amount would have on the energy burden levels of CAP customers. The Commission CAP policy statement enunciates the maximum CAP energy burdens to be borne by CAP customers. The analysis of the effect on CAP customer energy

burdens as a result of the implementation of CAP Plus will be conducted for each of the CAP payment options offered by the Company and the results will be reported to each of the parties.

37. The additional information provided by this analysis will provide important information to enable the Company, the Commission, and the parties to know if the implementation of CAP Plus is in compliance with Commission CAP maximum energy burden policy and to propose any modifications, if needed to PPL's Universal Service Plan.

38. The negotiated Settlement at paragraph 27 provides that PPL Electric will review the CAP Plus program in advance of its next 3-year Universal Service Plan filing and will propose to make any changes that it deems to be appropriate in that proceeding. In addition, all parties will have an opportunity to propose additional changes in that proceeding.

39. PPL's commitment to review CAP Plus, the findings of its analysis, and other relevant matters concerning this newly implemented program and to propose modifications it deems appropriate is a responsible corporate action that is in the public interest. It is expected that such a course of action will assist the Company to develop and propose a plan which will be in compliance with applicable law and regulations, Commission policy, the best interests of all customers, including potential and current CAP participants. This is within the public interest.

40. The negotiated Settlement at paragraph 28 provides that PPL Electric agrees to extend an invitation to the Pennsylvania Utility Law Project ("PULP"), which is serving as counsel to Ms. Koons in this proceeding, to enable its staff to participate in regularly scheduled forums, meetings and training sessions with the agencies and contractors who administer OnTrack, WRAP and Operation HELP in 2012 and 2013.

41. The development of an ongoing and structured method of future communication and sharing of information regarding the PPL OnTrack, WRAP and Operation HELP programs

will promote informative, non-adversarial discourse among parties, enable the company to receive additional perspectives on behalf of a low-income customer and will enable the resolution of differences in a non-adversarial, non-litigious manner. This is in the public interest.

Conclusion:

In conclusion, the Settlement significantly advances the public interest by detailing the procedures and policies by which PPL has and will continue to administer its CAP Plus program within its 2011 – 2013 Universal Service and Energy Conservation Plan; by committing PPL to follow the procedures and policies outlined within the settlement; by committing PPL to analyze and report back to the parties the effects of CAP Plus rates on the CAP participant energy burdens within the four CAP payment options utilized by the Company; and by providing a non-adversarial mechanism for Counsel for Ms. Koons to continue to meet with PPL and attend meetings regarding the implementation of the 2011-2013 PPL Universal Service Plan.

Accordingly, Ms. Koons believes that the Settlement represents a reasonably balanced negotiated settlement that is in the public interest and requests that the ALJ and the Commission approve the Settlement.

Respectfully submitted,



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Dated: February 24, 2012

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