

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**Petition of PPL Electric Utilities Corporation for Approval of its  
Default Service Program and Procurement Plan for the Period of  
June 1, 2013 through May 21, 2015**

Docket Nos. P-2012-2302074

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**ANSWER OF RESPONDENT THE  
COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

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**I. INTRODUCTION**

On May 1, 2012 PPL Electric Utilities Corporation (“PPL” or the “Company”) filed a Petition for Approval of its Default Service Program (“Petition”). In addition to specifying its procurement strategy for the default service period in question, PPL has proposed a retail opt-in aggregation program, a standard offer customer referral program, and a new and moving customer program in response to the Commission’s March 2, 2012 Order in *Investigation of Pennsylvania’s Retail Electricity Markets*, Docket No. I-2011-2237952.

On June 1, 2012, concurrent with this filing, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its attorneys at the Pennsylvania Utility Law Project, filed a Petition to Intervene in this proceeding. Although intervention has not yet been granted by the Presiding Officer, CAUSE-PA files this Answer in response to the Petition.

**II. ANSWER**

CAUSE-PA has preliminarily reviewed the Petition and identified a number of issues presented by the filing. CAUSE-PA anticipates that additional issues will arise as a more

comprehensive review of PPL's filing is undertaken, including a more comprehensive review of PPL's testimony, and discovery is conducted. However, the preliminary issues identified by CAUSE-PA include the structure of PPL's proposed retail market enhancements.

**A. The Opt-In Auction**

PPL proposes to implement an "opt-in" program in November 2013, in which EGSs will bid to provide competitive retail electric service to up to 50% of PPL's non-shopping, residential default load. (Petition ¶¶ 95, 96.) According to the Petition, each offer price must be for a 6-month fixed price product that is at least five percent (5%) less than PPL's then-current Price-to-Compare. (*Id.* ¶ 95.) Customers participating will also receive a \$50 cash payment from the EGS who acquires the customer in the auction. (*Id.*) Once the winning EGSs are selected, customers would be randomly assigned and would receive the opportunity to Opt-in the program. (*Id.* ¶ 97.) Participating customers can select another EGS or return to default service without penalty after enrollment; however, at the end of the 6-month fixed price an enrolled customer will not return automatically to default service and an EGS may establish new prices. (*Id.* ¶ 97.)

CAUSE-PA intends to examine both the hazards and benefits that this auction would have for low-income residential customers and submits that PPL should be required to demonstrate that each component of their opt-in auction proposal is permissible under current law and regulations and that the process proposed adequately safeguards the rights of all residential customers, particularly low-income and otherwise vulnerable customers.

Moreover, PPL should be required to clarify whether it intends for CAP customers to participate in the auction and, if so, whether other Universal Service Programs would be fully integrated into their proposed auction structure without any reduction of benefits and safeguards to Universal Service Program participants. All of these issues must be thoroughly reviewed

through discovery and a hearing in order to ensure that PPL's low-income customers are not harmed by participation in such an auction.

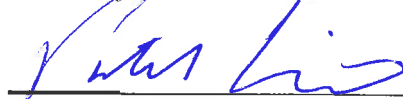
**A. Customer Referral Programs**

PPL also proposes to implement a Standard Offer Customer Referral Program, which would be available to residential customers with a standard 7% discount of the then-current PTC for a term of six-months. (Petition ¶ 100.) The Standard Offer Program would not commence until mid-2014 and would run through May 31, 2015. (Id. ¶¶ 89, 100.) CAUSE-PA intends to examine the various proposals to ensure that each of them adequately protects low-income customers. PPL has appropriately determined that the Standard Offer Program should be deferred until after the Opt-in Auction program and CAUSE-PA intends to support this approach. However, there remain unanswered questions about whether CAP customers and other low-income customers would be enrolled in these programs. These issues must be thoroughly reviewed through discovery and a hearing in order to ensure that PPL's low-income customers are not harmed by participation in such a program.

WHEREFORE, CAUSE-PA respectfully requests that this matter be set for hearings. Hearings are necessary to ensure that the default service rates that will be charged starting June 1, 2013 are just and reasonable and that the propose program changes and additions are consistent with Pennsylvania law.

Respectfully submitted,

**PENNSYLVANIA UTILITY LAW PROJECT**  
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