

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

July 20, 2012

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

RE: Pennsylvania Public Utility Commission
v.
PPL Electric Utilities Corporation
Time of Use Rates
Docket No. R-2011-2264771 *et al.*

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Reply Exceptions to the Recommended Decision in the above-referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jennedy S. Johnson".

Jennedy S. Johnson
Assistant Consumer Advocate
PA Attorney I.D. # 203098

Enclosure

cc: Honorable Susan D. Colwell
Office of Special Assistants
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2011-2264771
	:	C-2011-2267808
PPL Electric Utilities Corporation	:	C-2011-2268983
(Time Of Use Filing)	:	
	:	

REPLY EXCEPTIONS
OF THE OFFICE OF CONSUMER ADVOCATE

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DATED: July 20, 2012

I. INTRODUCTION

On June 20, 2012, the Commission issued the Recommended Decision (R.D.) of Administrative Law Judge (ALJ) Susan D. Colwell in the PPL Electric Utilities Corporation (PPL or the Company) Time of Use (TOU) rate proceeding. Exceptions to aspects of the ALJ's R.D. were filed on July 10, 2012 by the OCA, the Company and the Commission's Bureau of Investigation and Enforcement (I&E). The OCA hereby submits this Reply to the Exception of the Company.

II. REPLY EXCEPTION

OCA REPLY EXCEPTION 1: The Company's Agreement To Continue Its Current Residential Time-Of-Use Rate Schedule Until June 1, 2013 Without Modification Would Not Be Reasonable. (PPL Exc. at 4-5; R.D. at 20-23; OCA M.B. at 6-19; OCA R.B. at 2-8)

The Company filed one Exception to the R.D. of ALJ Colwell. PPL Exc. at 4-5. PPL states that the ALJ's recommendation to keep the existing TOU rates in effect is acceptable to PPL only if it is permitted to recover existing TOU undercollections from all default service customers, by class. PPL Exc. at 4. The Company argues that failing to allow recovery of undercollections would, on May 31, 2013, put PPL in the same position that it is currently—with TOU undercollections that it may not be able to recover. Id.

As an initial matter, the OCA agrees that PPL should be permitted to recover its historic TOU undercollection and ongoing TOU costs. As the OCA explained in its Exceptions, PPL made the request to recover the same historic under recovery amount in another proceeding pending before the Commission at Docket P-2011-2256365. The Commission in its Order entered July 19, 2012 has now ordered that this issue be decided in the case at bar. Petition of PPL Electric Utilities Corporation For Approval to Implement a Reconciliation Rider for Default

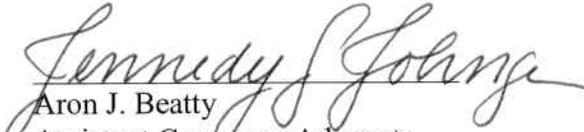
Service Supply Service, Docket No. P-2011-2256365 (Opinion and Order entered July 19, 2012 at 44). As in the prior proceeding, the OCA continues to recommend that the recovery of this historic undercollection be from a broad customer base due to the unique nature of this situation.

As was explained in its Exceptions, however, the OCA respectfully submits that the ALJ's recommendation to delay the implementation of a new TOU program until June 1, 2013 and allow the existing program to continue without change should not be adopted. OCA Exc. at 3. While the OCA will not restate all of the arguments put forward in its Exceptions, it would note that continuing the existing TOU program would subject the approximately 3,300 customers remaining on the TOU rate option to further harm even as these customers are seeking ways to reduce their energy bills through changes in their energy usage. OCA Exc. at 3-4; OCA M.B. at 6-19; OCA R.B. at 2-8. Allowing this to occur would be contrary to the goals of the smart metering provisions of Act 129 as well as contrary to sound ratemaking principles. It was for these reasons that the OCA recommended that, if the Commission determines that implementing a new program for the period of time between now and June 1, 2013 is not cost-effective, it should not allow the residential TOU rates to remain in place at their current levels.

III. CONCLUSION

For the reasons detailed in the OCA's Main Brief, Reply Brief, Exceptions and these Reply Exceptions, the OCA submits that PPL's existing residential TOU program should not be allowed to continue in its current form. PPL's existing residential TOU program should be suspended or modified in accordance with the recommendations of the OCA in its Exceptions.

Respectfully submitted,



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DATED: July 20, 2012
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CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2011-2264771
	:	C-2011-2267808
PPL Electric Utilities Corporation	:	C-2011-2268983
2012 Time-of-Use Rates	:	

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Reply Exceptions to the Recommended Decision, 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 20th day of July 2012.

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