

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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January 4, 2013

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17101

Re: Petition of PPL Electric Utilities Corporation for
Authorization to Defer, for Accounting Purposes,
Certain Extraordinary Expenses Relating to Storm
Damage
Docket No.: P-2012-2338996

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 Extraordinary Expenses Relating to Storm Damage in the above-referenced proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Sincerely yours,

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

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

Enclosures
cc: Certificate of Service
164333.DOC

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :
for Authorization to Defer, for Accounting : Docket No. P-2012-2338996
Purposes, Certain Extraordinary Expenses :
Relating to Storm Damage :

ANSWER OF THE OFFICE OF CONSUMER ADVOCATE
TO THE PETITION OF PPL ELECTRIC UTILITIES
CORPORATION FOR AUTHORIZATION TO DEFER, FOR
ACCOUNTING PURPOSES, CERTAIN EXTRAORDINARY
EXPENSES RELATING TO STORM DAMAGE

On December 13, 2012, PPL Electric Utilities Corporation (PPL or Company) filed a Petition for Authority to Defer, for Accounting Purposes, Certain Extraordinary Expenses Relating to Storm Damage from Hurricane Sandy (Petition). The Petition provides that the actual damage costs that PPL seeks to defer are not yet known, although it is likely that such costs will be approximately \$20 to \$30 million. Petition at 5.

The Company is requesting authority from the Commission to defer, for accounting purposes only, the net distribution related storm damage expense. Petition at 5. 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 a future rate proceeding. 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

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
Dated: January 4, 2013
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CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities Corporation :
for Authorization to Defer, for Accounting : Docket No. P-2012-2338996
Purposes, Certain Extraordinary Expenses :
Relating to Storm Damage :

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

Dated this 4th day of January 2013.

SERVICE E-MAIL & INTER-OFFICE MAIL


Johnnie Simms, Esquire
Bureau of Investigation & Enforcement
Pa. Public Utility Commission
400 North Street
Harrisburg, PA 17101

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

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