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File #: 140056

February 11, 2013

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: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation -  
Docket No. P-2012-2325034**

Dear Secretary Chiavetta:

Attached for electronic filing are the Objections of PPL Electric Utilities Corporation to the Interrogatories and Requests for Production of Documents Propounded by Office of Consumer Advocate Set I in the above-referenced proceeding. Copies have been provided as indicated on the Certificate of Service.

Respectfully submitted,

David B. MacGregor

DBM/jl  
Enclosures

cc: Certificate of Service

## 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 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: February 11, 2013

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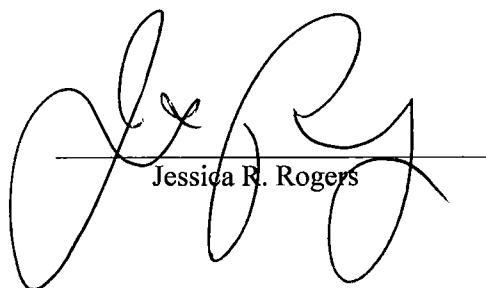
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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. P-2012-2325034
	:	
PPL Electric Utilities Corporation	:	

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**OBJECTIONS OF PPL ELECTRIC UTILITIES CORPORATION TO THE  
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS  
PROPOUNDED BY OFFICE OF CONSUMER ADVOCATE SET I**

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TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

PPL Electric Utilities Corporation (“PPL Electric”) hereby objects, pursuant to 52 Pa. Code § 5.342, to certain interrogatories and data requests set forth in the Interrogatories and Requests for Admissions of the Office of Consumer Advocate (“OCA”) Set I. In support thereof, PPL Electric states as follows:

1. PPL Electric is a “public utility” and an “electric distribution company” as those terms are defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2803, subject to the regulatory jurisdiction of the Commission.
2. On January 15, 2013, PPL Electric filed the above-captioned petition requesting that the Public Utility Commission (“Commission”) allow the Company to implement a distribution system improvement charge (“DSIC”).
3. On or about February 4, 2013, OCA filed a Notice of Appearance in PPL Electric’s DSIC proceeding, and a formal Complaint.

4. On February 6, 2013, OCA served on PPL Electric its Interrogatories and Requests for Admissions Set I (“OCA-I”).

5. Under 52 Pa. Code § 5.341(c), a party may propound interrogatories that relate to matters that can be inquired into under Section 5.321. Section 5.321(c), in turn, provides that a party is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c).

6. For the reasons explained below, certain interrogatories set forth in OCA-I are not relevant to the above-captioned request to implement a DSIC, nor are they likely to lead to the discovery of relevant, admissible evidence. Therefore, PPL Electric hereby objects to OCA-I-10 and OCA-I-11.

**A. Objection to OCA-I-10.**

7. OCA-I-10 provides:

Please provide a copy of any study, analysis or projection of the overall rate of return and return on equity that PPL expects to earn during the first quarter of 2013. To the extent that the full effect of the allowed increase in Docket No. R-2012-22900597 is not reflected in revenues, please identify the additional revenues that would result from the allowed rate increase.

8. PPL Electric objects to OCA-I-10 on the grounds that the information requested is irrelevant to the issues presented in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. The issue presented in this proceeding is whether PPL Electric’s request to establish a DSIC mechanism should be approved. This proceeding will not establish a specific DSIC rate. The Commission’s final order on PPL Electric’s DSIC petition will grant or deny PPL Electric’s request to establish a DSIC mechanism. The Commission’s final order in this proceeding will not establish a specific DSIC rate. Assuming PPL Electric is allowed to establish a DSIC mechanism, a proposed DSIC rate will be filed on or before April

21, 2013, to be effective May 1, 2013. In determining whether that proposed rate will become effective, the Commission must determine whether PPL Electric is earning more or less than its allowed return on equity as specified in Act 11. If PPL Electric is earning less than its allowed return, then the DSIC rate will go into effect. If PPL Electric is earning more than its allowed return, the rate will be set to zero. However, none of this analysis is relevant to this proceeding, whose sole purpose is to review PPL Electric's DSIC mechanism. Moreover, the earnings analysis set forth in Act 11 is not based on a projection of an Electric Distribution Company's financial results for a single quarter. For the convenience of the Commission and the parties, PPL Electric included in its filing a pro forma, hypothetical estimate of its initial DSIC rate. However, PPL Electric is not seeking Commission approval for the rate included in the pro forma calculation in this proceeding, and that rate is not the rate which would become effective on May 1, 2013. Therefore, an estimate of PPL Electric's current earnings is not relevant to this proceeding, and PPL Electric objects to providing the requested information.

9. Based on the foregoing, OCA-I-10 seeks information that is irrelevant, immaterial, and not likely to lead admissible evidence related to the Company's rate filing.

**B. Objection to OCA-I-11.**

10. OCA-I-11 provides:

Please provide a comparison of PPL's actual plant in service, accumulated depreciation and accumulated deferred income taxes as of December 31, 2012 with the amounts accepted by the Commission in R-2012-22900597.

11. PPL Electric objects to OCA-I-11 on the grounds that the information requested is irrelevant to the issues presented in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. The issue presented in this proceeding is whether PPL Electric's request to establish a DSIC mechanism should be approved. The requested comparison of PPL Electric actual versus projected plant in service, accumulated depreciation

and accumulated deferred income taxes as of December 31, 2012 has nothing to do with whether or not PPL Electric's proposed DSIC mechanism should be approved. That is, whether the actual results at December 31, 2012 are more than, less than or exactly the same as the Company projected has no bearing on whether or not PPL Electric should be permitted to establish a DSIC mechanism. The requested information is irrelevant to this proceeding, and PPL Electric objects to providing the requested information.

12. Based on the foregoing, OCA-I-11 seeks information that is irrelevant, immaterial, and not likely to lead admissible evidence related to the Company's rate filing.

WHEREFORE, for the reasons discussed above, PPL Electric Utilities Corporation respectfully requests that its objections to the interrogatories contained in OCA-I-10 and OCA-I-11 be granted, and that it not be required to answer those interrogatories.

Respectfully Submitted,



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Dated: February 11, 2013

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