

**Before the
Pennsylvania Public Utility Commission**

Petition of PPL Electric Utilities :
Corporation for Approval of its : Docket No. P-2012-232-5034
Distribution System Improvement :
Charge :

February 5, 2013

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

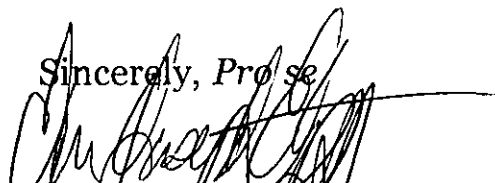
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SECRETARY'S BUREAU

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are an original and three (3) copies of Eric Joseph Epstein's Comments and Petition to Intervene and Answers in the above-referenced proceeding.

This Petition has been filed Pursuant to Pennsylvania Public Utility Commission Regulations, 52 Pennsylvania Code §§ Sections 5.71-5.74.

Eric Joseph Epstein, *Pro se* hereby files a Petition to Intervene and Answers in the above-referenced proceeding.

Sincerely, *Pro se*

Eric Joseph Epstein
4100 Hillsdale Road
Harrisburg, PA 17112

cc: Certificate of Service

**Before the
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Petition of PPL Electric Utilities :
Corporation for Approval of its : Docket No. P-2012-232-5034
Distribution System Improvement :
Charge :

The name and address of the Petitioner is:

Eric Joseph Epstein, *Pro se*
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Harrisburg, PA 17112
(717)-541-1101 Phone
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The name and address of the Respondent is:

PPL Electric Utility Corporation
Two North 9th Street
Allentown, PA 18101

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I. Background

1) Eric Joseph Epstein (“Epstein” or “Mr. Epstein” is a residential customer of PPL Electric Utilities (or “PPL” or “the Company”).

2) Epstein is a Signatory to the JOINT PETITION FOR FULL SETTLEMENT OF PP&L’s INC’s RESTRUCTURING PLAN AND RELATED COURT PROCEEDINGS (August 12, 1998) (Docket No. R-00973954).

3) Eric Joseph Epstein was actively involved in the Petition of PP&L, Inc., For Permission To Defer, For Future Recovery, A Portion of Its Transition Charges, or In The Alternative, To Exceed the Rate Caps Pursuant to 66 Pa. C.S. § 2804(4)iii(G); Docket No: P-00991780.

4) Mr. Epstein was an Active Party in the Petition of PPL, Inc. Petition asking for Issuance of Determination Under Section 329(c) of PUCHA, 15 USC Section 79z-5a9(c); Docket No. P-00991787.

5) In addition, Epstein was also an Active Party in PPL Electric Utilities Corporation 2002 Reconciliation Filing with the Pennsylvania Public Utility Commission.

6) Eric Joseph Epstein participated in PPL Electric Utilities Corporation 2001 and 2002 Intangible Transition Charge Reconciliation Filings.

7) Mr. Epstein filed a Petition to Intervene and Answer in Opposition to the Petition of PPL Electric Utilities Corporation for Authority to Defer for Accounting and Financial Purposes Certain Losses from Extraordinary Storm Damage and to Amortize Such Losses: Docket No. P-00032069.

8) Eric Joseph Epstein (“Epstein” or Mr. Epstein”) was an Active Party and Witness in PPL Electric Utilities 2004 application with the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) requesting an increase in base rates to increase annual jurisdictional base revenues for electric transmission and delivery utility service.

9) Mr. Epstein was actively involved in PPL Electric Utilities Corporation's proposed Supplement No. 38 to Tariff Electric PA Public Utility Commission No. 201.

10) Mr. Epstein participated in PPL Electric Utilities Corporation's Request or Approval of a Competitive Bridge Plan Docket No. RP-0006227.

11) Eric Joseph Epstein participated in PPL Electric Utilities Corporation 2006 Competitive Transition Charge Reconciliation Filings.

12) Eric Joseph Epstein was an Active Party in PPL Electric Utilities 2007 application with the Pennsylvania Public Utility Commission for an annual increase for distribution rates.

13) Epstein was an active party and signatory to PPL Electric Utilities Competitive Bridge Program, and an active participant in the Consumer Collaborative.

14) Mr. Epstein was an Active Party and signatory to PPL's Rate Stabilization Plan, and an active participant in the Consumer Collaborative.

15) Eric Joseph Epstein also intervened and was an Active Party in PPL Electric Utilities Request for Approval to Offer Customers a Voluntary Alternative Energy Program and to Bank Alternative Energy Credits.

16) Mr. Epstein intervened and was an Active Party in PPL Electric Utilities Corporation's Request for Approval of an Energy Efficiency and Conservation Plan.

17) Mr. Epstein intervened and was an Active Party in PPL Electric Utilities Corporation's Request for Approval of Time of Use Supplement No. 71 Tariff Electric PA PUC. No 201 Issued on July 31, 2009.

18) Mr. Epstein is an active participant in PPL's Collaborative stake holder process, a proponent of TOU tariffs, and offered TOU programming suggestions during the TOU collaborative in 2007-2008 and in Direct Testimony submitted to the PUC on October 30, 2009.

19) Mr. Epstein intervened in PPL Electric Utilities Corporation's Petition for Approval of Time of Use Supplement No. 94 to Tariff Electric PA PUC, No. 201, Docket No. R-2010 with an issue date of September 23, 2010 and an Effective date of January 1, 2011.

20) Mr. Epstein intervened and was an Active Party in PPL Electric Utilities Corporation's Request for Approval of a Default Service Program and Procurement Plan for the Period January 1, 2011 through May 14, 2014.

21) Mr. Epstein intervened and was an Active Party in PPL Electric Utilities Corporation Request or Approval of Time of Use Supplement No. 1102 to Tariff Electric PA PUC, No 201, Docket No. R-2011-2264771 from 2011-2012.

22) Mr. Epstein in an Active Party in PPL Electric Utilities Corporation Supplement No. 118 to Tariff - Electric Pa. P.U.C. No. 201, Docket No. R-2012-229057.

23) Eric Joseph Epstein in an Active Party in PPL Electric Utilities Petition for Approval of a Default Service Program and Procurement Plan.

II. History of PPL's Distribution Rate Requests

24) On March 29, 2005, PPL proposed to increase distribution rates and transmission charges by 9.8%. An average residential customer would see their monthly electric bill increase by \$7.62. According to William H. Spense, President of PPL Electric Utilities, this rate request marked the initial leg in PPL's new strategy of making "modest rate requests" every few years.

25) In 2007, PPL proposed to increase distribution rates by \$83.6 million or a 6.8% bump. An average residential customer would see their monthly electric bill increase by \$6.60.

26) On March 1, 2010, PPL proposed to raise rates by \$114.7 million or a 5.3% "modest increase." The average monthly increase for residential customers would be \$7.50. This was the first post-rate cap increase, and represented a 27% jump in PPL's portion of your electric bill.

27) On March 30, 2012, PPL filed for another rate hike of \$104.6 million. PPL acknowledged the proposal "would produce an average increase in distribution rates of approximately 13%."

28) On December 5, 2012, the Public Utility Commission adopted an Order authorizing a \$71.065 million rate increase for PPL Electric Utilities effective on January 1, 2012. The Order was entered on December 28, 2012. The increase drove up the flat monthly customer charge 62% from \$8.75 to \$14.09 per month. The PUC allowed PPL a nominal decrease in the distribution charge levied on a per kilowatt basis, from 2.55 cents to 2.51 cents.

II. History of Proceeding

29) On March 31, 2004, PPL proposed to “implement a Distribution System Improvement Charge (“DSIC”). The DSIC would enable the Company to recover the fixed costs associated with non-revenue producing distribution system improvement and relocation projects between base rate proceedings. The capital costs eligible for inclusion in the DSIC would be limited to projects that are designed to enhance system security, reliability, integrity, safety and long-term viability. The Company's proposal is similar to automatic adjustment mechanisms currently utilized by many Pennsylvania water utilities. If approved by the PUC, the DSIC would enable the Company to make capital improvements necessary to maintain reliable service while delaying the need for future distribution rate increase requests.” (Mark D. Woods, PPL Controller, Securities and Exchange Commission, PPL Form 8-K, March 31, 2004.)

30) On February 14, 2012, Governor Corbett signed into law Act 11 of 2012 (“Act 11”), which amends Chapters 3, 13 and 33 of Title 66 of the Code to allow: (1) jurisdictional utilities to make rate case claims based on a fully projected future test year; (2) wastewater utilities to allocate a portion

of their revenue requirement to the combined wastewater and water 1001 0298v1 utility customer base; and (3) electric distribution companies ("EDCs"), natural gas distribution companies ("NGDCs"), water utilities, wastewater utilities and city natural gas distribution operations to establish a distribution system improvement charge ("DSIC").

31) Act 11 provides utilities with the ability to implement a DSIC to recover reasonable and prudent costs incurred to repair, improve or replace certain eligible distribution property that is part of the utility's distribution system. Eligible property for electric distribution companies is defined in Section 1351 of the statute. (66Pa.C.S. § 1351(1)).

32) As a precondition to the implementation of a DSIC, a utility must file an LTIIP with the Commission that is consistent with the provisions of Section 1352 of the statute. (66 Pa.C.S. § 1352(a)).

33) On August 2, 2012, the Commission issued the Implementation Order establishing procedures and guidelines necessary to implement Act 11. The Implementation Order adopts the requirements established in Section 1352, provides additional standards that each LTIIP must meet, and gives guidance to utilities for meeting the Commission's standards.

34) Pursuant to Act 11 of 2012 ("Act 11" or the "Act"), which amends Chapters 3, 13 and 33 of the Pennsylvania Public Utility Code ("Code"), PPL Electric Utilities Corporation ("PPL Electric" or the "Company") filed Petition seeking approval of its Long-Term Infrastructure Improvement Plan ("LTIIP" or "Plan").

35) PPL is proposing a five year plan an estimate cost to rate payers of \$705.15 million. This charge can not be bypassed. All electric customers in the PPL rate base - which covers 29 counties and 10,000 miles - must pay distribution charges.

36) On January 2, 2013, PPL petitioned the PUC for approval of Supplement No. 127 to Electric PA. P.U.C. No .21. Mr. Epstein received an electronic filing of the Petition on January 15, 2013, and a revised attachment on January 22, 2013.

III. Answer Comments

37) Mr. Epstein is analyzing the assumptions, and methodology associated with PPL's Long-Term Infrastructure Improvement Plan he received on January 15, 2003 relating to PPL's Petition and PPL's Direct Testimony as well as PPL's Supplemental Testimony filed on January 22, 2013.

38) Among the issues Mr. Epstein plans to raise include; but are not limited to:

- Parties need to review PPL's planning process prior to PUC approval.
- Parties need to examine PPL's prudence review prior to PUC approval.
- Parties need to examine if PPL's investments are timely and reasonable prior to PUC approval.
- Parties need to examine if there is equity in allocation of costs and risks prior to PUC approval.

- Parties need to examine if the proposed investments create a lasting value for consumers prior to PUC approval.
- Parties need to examine if PPL's proposed investments are "useful" for the purpose they are intended once recovery of costs begin prior to PUC approval.
- Parties need to review PPL's plan for oversight and monitoring of deployment prior to PUC approval.
- Parties need to examine PPL's accounting mechanism that tracks the total revenue and cost for the project prior to PUC approval.
- Parties need examine PPL's proposed programs that address metrics performance standards prior to PUC approval.
- Parties need to examine PPL's system reliability targets prior to PUC approval.
- Parties need to examine PPL's failure to study labor shortages, misplaced priorities poor planning as causal factors relating to declining system performance and response times prior to PUC approval.
- Parties need to determine if PPL's milestones are met, but reliability is **not**, what is the penalty or incentive prior to PUC approval.
- Parties need to examine the efficacy of past PPL infrastructure investments, i.e., Smart Meter installation, and their present value as compared and contrasted with their PPL's promised deliverables prior to PUC approval.

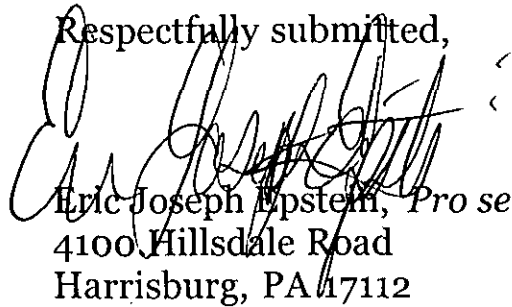
39) Mr. Epstein reserves the right to raise any issues or questions relating to any discrepancies or errors in the Above-Referenced proceeding.

IV. Petition to Intervene

40) Eric Joseph Epstein satisfies the standards for intervention under Section 5.72 of the Commission's regulations.

WHEREFORE, Eric Joseph Epstein respectfully requests that the Commission grant this Petition to Intervene with full party status.

Respectfully submitted,



Eric Joseph Epstein, *Pro se*
4100 Hillsdale Road
Harrisburg, PA 17112

February 5, 2013

CERTIFICATION OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the active participants named below by US mail or hand delivery or electronic transmission in accordance with the requirements of Section 1.54.

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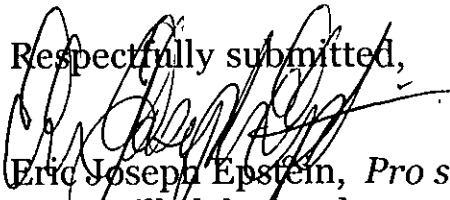
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Respectfully submitted,

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Dated: February 5, 2013

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Pennsylvania Public Utility Commission
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