

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

FAX (717) 783-7152
consumer@paoca.org

February 21, 2013

Honorable Charles E. Rainey, Jr.
Chief Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Petition of PPL Electric Utilities
Corporation For Approval of a
Distribution System Improvement Charge
Docket No. P-2012-2325034

Dear Judge Rainey:

Enclosed is the Office of Consumer Advocate's Motion to Compel Answers to OCA Set I, Questions 10 and 11 in the above-referenced proceeding. We are forwarding this Motion to your attention because this case has not yet been assigned to an ALJ. This document was electronically filed with the Secretary's office earlier today.

Copies have been served upon the parties of record as evidenced by the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in cursive script that reads "Candis A. Tunilo".

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. #89891

Attachment

cc: Rosemary Chiavetta
Certificate of Service
166163.doc

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :
For Approval of a Distribution System : Docket No. P-2012-2325034
Improvement Charge :

OFFICE OF CONSUMER ADVOCATE'S MOTION
TO COMPEL ANSWERS TO OCA SET I,
QUESTIONS 10 and 11

I. INTRODUCTION

Pursuant to 52 Pa. Code §§ 5.103, 5.331, and 5.342, the Office of Consumer Advocate (OCA) hereby moves that the Presiding Officer direct PPL Electric Utilities Corporation (PPL) to provide the full and complete information requested in OCA Interrogatories Set I, questions 10 and 11.

The OCA filed timely, relevant and appropriate discovery on matters relating to PPL's Petition For Approval of a Distribution System Improvement Charge (DSIC). PPL filed objections to OCA Set I, questions 10 and 11. As described below, the OCA's questions are relevant and reasonable under the Public Utility Commission's (Commission) rules and regulations relating to discovery. Thus, the objections should be dismissed, and the OCA's motion should be granted. The OCA, therefore, respectfully requests that the Presiding Officer grant the relief requested by the OCA and direct the Company to provide full and complete responses to OCA Set I, questions 10 and 11 within ten days.

II. MOTION TO COMPEL

The OCA filed a Formal Complaint and Public Statement to PPL's Petition and a Notice of Appearance and Answer on February 4, 2013.¹ The OCA served OCA Set I on PPL on February 6, 2013. OCA Set I consists of eleven interrogatories that request specific information relating to PPL's Petition as well as the Company's proposed tariff and proposed DSIC surcharge, which are part of PPL's Petition. A copy of OCA Set I is attached hereto.

On February 11, 2013, PPL, through its counsel, filed objections to questions 10 and 11 in OCA Set I.² Counsel for PPL did not attempt to resolve its objections with the OCA before filing its Objections.

OCA Set I-10 states:

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.

OCA Set I-11 states:

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.

In its Objections, PPL asserts that the information requested is irrelevant to the issues in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. PPL Obj. at 2, 3. PPL claims that the issue in this proceeding is limited to whether PPL's proposed DSIC mechanism should be approved; PPL further asserts that its initial DSIC rate will not be determined in this proceeding but instead, in a later proceeding. Id. The OCA submits

¹ The OCA's Formal Complaint and Public Statement are docketed at C-2013-2346390.

² This matter has not yet been assigned to an Administrative Law Judge.

that PPL's Petition for Approval of a DSIC directly contradicts the Company's assertions in its Objections.

Specifically, in its Petition for Approval of a DSIC, PPL requests to implement a DSIC on May 1, 2013, with an initial rate of 0.29%, which is designed to recover \$633,399 in projected additional property placed in service for the period January 1, 2013 through March 31, 2013. See PPL Petition at ¶¶11, 14; PPL St. 3 at Exh. BLJ-1.³ Furthermore, PPL requests the Commission permit its proposed DSIC rate to become effective on May 1, 2013, even if litigation in this proceeding has not concluded by that time, subject to refund in the event of an over-collection. PPL Petition at ¶ 13. In support of its proposed DSIC rate, PPL attached to its Petition the direct testimony and exhibits of Bethany L. Johnson, which contain the calculation of PPL's proposed DSIC rate. Based on the foregoing, it is clear that PPL seeks approval of a specific DSIC rate in this proceeding.

Act 11 requires that if a utility's most recent quarterly earnings report showed that it will earn a rate of return that would exceed the utility's permitted rate of return used to calculate its fixed costs under the DSIC, the DSIC for that utility be reset to zero. 66 Pa. C.S. § 1358(b)(3). Pursuant to the Commission's Order entered December 28, 2012, PPL implemented new rates on January 1, 2013, which were designed to recover an equity cost rate of 10.4%. See Pa. PUC v. PPL Electric Utilities Corp., Docket No. R-2012-2290597, Order (Dec. 28, 2012). As the OCA indicated in its Answer to PPL's Petition, the size of the requested DSIC rate coupled with the proximity of the initial DSIC period to the end of the Company's future test year in its base rate

³ In its Petition filed on January 15, 2013, PPL sought an initial DSIC rate of 0.15%. PPL Petition at ¶ 14. Subsequently, PPL had determined that there was an error in its calculation of its estimated DSIC rate, and on January 22, 2013, PPL filed a revision to its Petition ¶ 14 stating that its initial DSIC rate should be 0.29% and a Revised Exhibit BLJ-1 in support of the rate.

case of December 31, 2012, raises concerns about whether PPL meets the statutory criteria for imposing a positive DSIC rate.

The OCA's Set I, questions 10 and 11 seek information directly related to this concern. The information sought is clearly relevant to whether PPL's proposed DSIC rate complies with Act 11 and is, consequently, reasonably calculated to lead to the discovery of admissible evidence regarding PPL's proposed initial DSIC rate, which PPL seeks approval to put into effect on May 1, 2013. As such, PPL's Objections to OCA Set I, questions 10 and 11 should be dismissed, and PPL should be directed to provide full and complete responses within ten days.

III. CONCLUSION

For the foregoing reasons, the OCA's requests for information in OCA Set I, questions 10 and 11 are relevant, reasonable and sought in good faith in reference to PPL's DSIC Petition. The OCA respectfully requests that the Administrative Law Judge grant the OCA's request for relief in this matter.

Respectfully submitted,

Candis A. Tunilo

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891
E-Mail: CTunilo@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: February 21, 2013
166237

Attachment

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

FAX (717) 783-7152
consumer@paoca.org

February 6, 2013

Jessica R. Rogers, Esquire
Post & Schell PC
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

Re: Petition of PPL Electric Utilities Corporation
for Approval of a Distribution System
Improvement Charge
Docket No. P-2012-2325034

Dear Counsel:

Enclosed you will find two copies of Interrogatories of the Office of Consumer Advocate, Set I, in the above-referenced proceeding.

In accordance with the Commission's Rules of Practice and Procedure, we request that the Company provide verified answers to these inquiries within twenty (20) days of service. Also, please forward the verified answers as they are completed, rather than waiting until the responses to the full set are completed. We would appreciate it if you would communicate any objections you may have to these interrogatories as soon as possible.

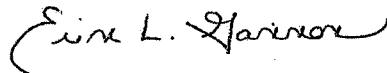
We also request that you send a copy of the answers directly to our consultant, as listed below:

Thomas S. Catlin
Exeter Associates, Inc.
10480 Little Patuxent Parkway, Suite 300
Columbia, MD 21044
topcat@exeterassociates.com

Jessica R. Rogers, Esquire
February 6, 2013
Page 2

If you have any questions, please call us. By copy of this letter, copies of these interrogatories have been served upon all parties. A certificate of service showing service of these interrogatories on all parties has been filed with Secretary Chiavetta of the Pennsylvania Public Utility Commission as required by 52 Pa. Code §5.341(b).

Sincerely,



Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. 83487

Enclosures

cc: PUC Secretary Chiavetta, (letter and Certificate of Service only)
Certificate of Service

165683

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

OFFICE OF CONSUMER ADVOCATE :
v. :
PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : P-2012-2325034
DISTRIBUTION SYSTEM IMPROVEMENT :
CHARGE :

INTERROGATORIES OF THE
OFFICE OF CONSUMER ADVOCATE
SET I

Pursuant to 52 Pa. Code §5.341, the Office of Consumer Advocate hereby propounds the following Interrogatories to PPL Electric Utilities Corporation to be answered by those officers, employees, agents, or contractors who have knowledge of the requested facts and who are authorized to answer on behalf of the Company. Each interrogatory is to be verified by the responding witness in accordance with 52 Pa. Code §5.342(a)(6).

DATED: February 6, 2013

Instructions

- 1) These interrogatories shall be construed as a continuing request. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as first becomes available to the Respondent after the answers hereto are filed.
- 2) Restate the interrogatory immediately preceding each response.
- 3) Identify the name, title, and business address of each person(s) providing each response.
- 4) Provide the date on which the response was created.
- 5) Divulge all information that is within the knowledge, possession, control, or custody of Respondent or may be reasonably ascertained thereby. The term "PPL Electric Utilities Corporation" "PPL," or "the Company," or "you," as used herein includes PPL Electric Utilities Corporation, its attorneys, agents, employees, contractors, or other representatives.
- 6) Provide a verification by the responsible witness that all facts contained in the response are true and correct to the best of the witnesses knowledge, information and belief.
- 7) As used herein the word "document" or "workpaper" includes, but is not limited to, the original and all copies in whatever form, stored or contained in or on whatever media or medium including computerized memory, magnetic, electronic, or optical media, regardless of origin and whether or not including additional writing thereon or attached thereto, and may consist of:
 - a) notations of any sort concerning conversations, telephone calls, meetings or other communications;
 - b) bulletins, transcripts, diaries, analyses, summaries, correspondence and enclosures, circulars, opinions, studies, investigations, questionnaires and surveys;
 - c) worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing.

Petition of PPL Electric Utilities Corporation for Approval of a DSIC
P-2012-2325034
Office of Consumer Advocate Interrogatories
Set I

1. Please state whether any of the DSIC eligible investments identified on Revised Exhibit BLJ-1, Schedule 2, qualify for the IRS repair allowance deduction.
 - a. If not, please explain why not.
 - b. If yes, please identify the estimated repair allowance deduction based on the investment amounts shown on Revised Exhibit BLJ-1, Schedule 2.
2. Please state whether any of the investments identified on Revised Exhibit BLJ-1, Schedule 2, qualify for federal and/or state bonus depreciation. If yes, please identify the amount of federal and state bonus depreciation associated with the investment amounts shown on Revised Exhibit BLJ-1, Schedule 2.
3. Please identify the total estimated accelerated tax depreciation expense for January 2013 through March 2013 for investments shown on Revised Exhibit BLJ-1, Schedule 2.
4. Please identify the projected balance of accumulated deferred income taxes as of March 31, 2013 associated with the DSIC eligible investments identified on Revised Exhibit BLJ-1, Schedule 2, due to each of the following:
 - a. Repair allowance deductions
 - b. Bonus depreciation
 - c. Accelerated depreciation.
5. Please explain how the Company has accounted for the state income tax benefit attributable to the flow-through of the deductions for accelerated depreciation, bonus depreciation and repair allowance deductions.
6. To the extent that the state income tax benefit of the flow-through of the tax timing difference addressed in the prior questions has not been recognized, please explain why not.
7. Please state whether the Company agrees that it will not pay any state income tax on the equity return on DSIC investments shown on Revised Exhibit BLJ-1, Schedule 2,

because of the flow-through deductions that result from those benefits related to accelerated depreciation, bonus depreciation and repair deductions. If not, please explain.

8. Please provide a breakdown of the revenues shown on Revised Exhibit BLJ-1, Schedule 2 for by customer class.
9. Please provide workpapers showing the derivation of the revenues shown on Revised Exhibit BLJ-1, Schedule 2 and reconcile those amounts to the revenues approved in PPL's recent rate case in Docket No. R-2012-22900597.
10. 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.
11. 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.

165675

CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities Corporation :
For Approval of a Distribution System : Docket No. P-2012-2325034
Improvement Charge :

I hereby certify that I have this day served a true copy of the foregoing document, Interrogatories of the Office of Consumer Advocate, Set I, 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:

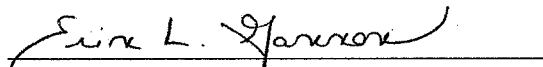
Dated this 6th day of February 2013.

SERVICE BY EMAIL & FIRST CLASS MAIL

Jessica R. Rogers, Esquire
Post & Schell
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

Adeolu Bakare, Esquire
Pamela C. Polacek, Esquire
Teresa Schmittberger, Esquire
McNees, Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
PPL Industrial Customer Alliance

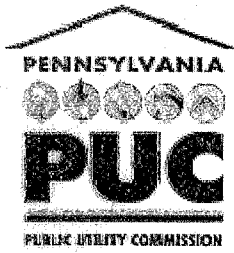
RA-Act11@pa.gov (Email only)


Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. #83487
Email: EGannon@paoca.org

Candis A. Tunilo, Esquire
Assistant Consumer Advocate
PA Attorney I.D. #89891
Email: CTunilo@paoca.org

Counsel for
Tanya McCloskey, Acting Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

161651



PENNSYLVANIA PUBLIC UTILITY COMMISSION

CONSUMERINFO UTILITY&INDUSTRY FILING&RESOURCES ABOUTPUC CONTACTUS

[Login to eFiling](#) | [Contact Us](#) | [Search](#)

- [My Filings](#)
- [New Filing](#)
- [Modify Account](#)
- [POR Search](#)
- [eService Directory](#)
- [Subscriptions](#)
- [Technical Assistance](#)
- [eFiling FAQs](#)
- [Log Off](#)

eFiling Successfully Transmitted



Your filing has been electronically received. Upon review of the filing for conformance with the Commission's filing requirements, a notice will be issued acknowledging such compliance and assigning a Docket Number. The matter will receive the attention of the Commission and you will be advised if any further action is required on your part.

Print this page for your records. The date filed on will be the current day if the filing occurs on a business day before or at 4:30 PM Harrisburg, PA time. It will be the next business day if the filing occurs after 4:30 PM Harrisburg, PA time or on weekends or holidays.

If your filing exceeds 250 pages, you are required to submit one paper copy of the filing within 3 business days of submitting the electronic filing. This paper copy can be mailed to: Secretary, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Harrisburg, PA 17120 . Please print a copy of this page and attach it to the paper copy of your filing as the first page.

eFiling Confirmation	
Docket Number:	P-2012-2325034
Description:	
Transmission Date:	2/6/2013 1:52:16 PM
Filed On:	2/6/2013 1:52:16 PM
eFiling Confirmation Number:	1506959

Uploaded File List

File Name	Document Class	Document Type
OCA Set I COS P-2012-2325034.pdf	Other Filing	Certificate of Service

CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities Corporation :
For Approval of a Distribution System : Docket No. P-2012-2325034
Improvement Charge :

I hereby certify that I have this day served a true copy of the foregoing document, Office of Consumer Advocate's Motion to Compel Answers to OCA Set I, Questions 10 and 11, 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 21st day of February 2013.

SERVICE BY EMAIL & FIRST CLASS MAIL

Jessica R. Rogers, Esquire
Post & Schell
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

Adeolu Bakare, Esquire
Pamela C. Polacek, Esquire
Teresa Schmittberger, Esquire
McNees, Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
PPL Industrial Customer Alliance

RA-Act11@pa.gov (Email only)

Candis A Tunilo

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. #83487
Email: EGannon@paoca.org

Candis A. Tunilo, Esquire
Assistant Consumer Advocate
PA Attorney I.D. #89891
Email: CTunilo@paoca.org

Counsel for
Tanya McCloskey, Acting Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

161651