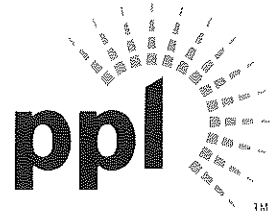


**Paul E. Russell**  
Associate General Counsel

**PPL**  
Two North Ninth Street  
Allentown, PA 18101-1179  
Tel. 610.774.4254 Fax 610.774.6726  
perussell@pplweb.com



**ELECTRONIC FILING**

March 25, 2013

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

**Re: Petition of PPL Electric Utilities Corporation  
For Approval of a Default Service Program  
And Procurement Plan  
Docket No. P-2012-2302074**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is an original of PPL Electric's comments to the Tentative Order for Reconsideration in the above-captioned proceeding. Pursuant to the order entered by the Public Utility Commission ("Commission") on March 14, 2013, PPL Electric also is submitting a copy of its comments to the Office of Special Assistants.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on March 25, 2013, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

If you have any questions regarding the enclosed Comments, please call.

Very truly yours,

A handwritten signature in cursive script that reads "Paul E. Russell". The signature is written in black ink and is positioned above the printed name.

Paul E. Russell

Enclosure

cc: Ms. Cheryl Walker Davis  
Johnnie E. Simms, Esquire  
Tanya McCloskey, Esquire  
Steven C. Gray, Esquire

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

---

Petition of PPL Electric Utilities Corporation : Docket No. P-2012-2302074  
For Approval of a Default Service Program :  
And Procurement Plan

---

**Comments of  
PPL Electric Utilities Corporation  
to Tentative Order on Reconsideration**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

**1. Introduction**

On March 15, 2013, the Pennsylvania Public Utility Commission ("PUC" or the "Commission") entered a Tentative Order on Reconsideration ("Tentative Order") at each of the dockets established for the Default Service Plans of PECO Energy, the First Energy companies, Duquesne Light, and PPL Electric Utilities Corporation ("PPL Electric" or "Company") directing each company to postpone its Retail Opt-In Program pending the filing of comments and the Commission's reconsideration of issues related to the Retail Opt-In Programs. The Tentative Order directs interested parties to file comments within 10 days of the entry date of the Tentative Order.

PPL Electric is a "public utility", an "electric distribution company" ("EDC"), and a "default service provider" ("DSP") 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. PPL Electric furnishes electric distribution, transmission, and default service provider ("DSP")

services to approximately 1.4 million customers throughout its certificated service territory, which includes all or portions of twenty-nine counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania.

On May 1, 2012, PPL Electric filed with the Commission its "Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2013 through May 31, 2015" ("May 1 Petition") at the above-captioned docket. That Petition included a proposal to conduct both a Retail Opt-In Program and a Standard Offer Referral Program designed to be consistent with the elements set forth in the Commission's Final Order entered March 2, 2012 at Docket No. I-2011-2237952 captioned "Investigation of Pennsylvania's Retail Electricity Market: Intermediate Work Plan". On January 24, 2013, the PUC entered its Opinion and Order ("January 24 Order") approving, with modifications the Company's May 1 Petition. Among other matters, the January 24 Order modified the timing of both programs, modified certain elements of the design of those programs, and directed PPL Electric to work collaboratively with other parties on details of the programs. On March 11, 2013, pursuant to the Commission's January 24 Order, PPL Electric filed with the Commission its Revised Retail Opt-In and Standard Offer Referral Programs for Commission review ("March 11 Filing"). In response to the Tentative Order, the Company has suspended work on its Retail Opt-In Program.

PPL Electric has been an active supporter of retail electricity competition and the development of customer choice within the Commonwealth. Currently, over 620,000 of the Company's customers (representing over 44% of its customer base and almost 71% of total customer load) are taking generation supply from an Electric Generation Supplier

("EGS"). The Company has been an active participant in the Retail Markets Investigation which, as noted above, was the genesis of both the Retail Opt-In Program and the Standard Offer Referral Program, and appreciates the opportunity to comment further on these matters.

## **2. Comments**

The Company concurs with the Commission's concern that implementation of the Retail Opt-In Program so close in time to the implementation of the Standard Offer Referral Program may result in confusion for customers.

The Company's original proposal in its May 1 Petition was to implement the Retail Opt-In Program in late-November or early-December of 2013 and the Standard Offer Referral Program in mid-2014. Given that the overarching purpose of the retail market enhancements is to introduce default service customers to shopping in a positive way, the Company proposed timing that was intended to avoid customer confusion that could hinder, rather than help, the development of a robust retail competitive market. Consistent with the Company's concern that shopping be introduced in a positive way, the Company proposed that the Retail Opt-In Program should precede the Standard Offer Referral Program, because the Retail Opt-In Program will be a one-time introductory program, whereas the Standard Offer Referral Program will be an ongoing program. In addition, the Company proposed that the Standard Offer Referral Program not begin until customers' participation in the Retail Opt-In Program had ended so that customers would not become confused, inadvertently switch programs and, thereby, forfeit their \$50 inducement.

In its January 24 Order, the Commission directed PPL Electric to begin the Retail Opt-in Program by July 1, 2013, and begin the Standard Offer Referral Program by

August 1, 2013. In its March 11 Filing, the Company submitted programs and projected timetables to meet those dates. However, in accordance with the directive contained in the Tentative Order, the Company has suspended work on the Retail Opt-In Program. In suspending work on the Retail Opt-In Program, the Company has been able to avoid incremental investments in information systems, postage and mailing costs, and customer service representative training and support. Having suspended work, the Company believes, however, it is unlikely that it could adjust the timetable provided in the March 11 Filing in order to implement the program by July 1, 2013 as directed in the January 24 Order. The Company continues to work on the Standard Offer Referral Program consistent with the March 11 Filing and reiterates its request that the Commission enter an Order by April 4, 2013 so as to not jeopardize implementation of Standard Offer Referral Program by August 1, 2013 as directed in the January 24 Order.

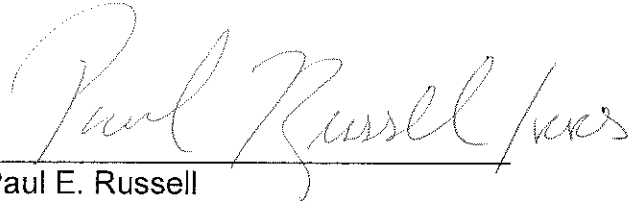
In its Tentative Order, the Commission states that it will revisit the Retail Opt-In Program after it has had an opportunity to consider the ongoing results of the Standard Offer Referral Program. PPL Electric agrees with the Commission's plans to consider the ongoing results of the Standard Offer Program to assist it in determining if the Retail Opt-In Program should be offered at an appropriate future time. Important issues would include customers' participation levels and customers' reactions to the programs including any complaints of confusion or dissatisfaction.

### **3. Conclusion**

For the reasons discussed above, PPL Electric fully supports the Commission's decision to postpone implementation of the Retail Opt-In program at

this time with the possibility that the program may be offered at an appropriate future time.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paul E. Russell". The signature is written in black ink and is positioned above a horizontal line.

Paul E. Russell  
Associate General Counsel  
PPL Electric Utilities Corporation  
Two North Ninth Street  
Allentown, PA 18101  
(610) 774-4254

Dated: March 25, 2013  
at Allentown, Pennsylvania