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March 29, 2013

VIA ELECTRONIC FILING

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: Larry Moyer v. PPL Electric Utilities Corporation
Docket No. C-2011-2273645

Dear Secretary Chiavetta:

Attached please find the Replies of PPL Electric Utilities Corporation to the Exceptions of Larry Moyer in the above-referenced proceeding. Copies will be provided as indicated on the certificate of service.

Respectfully submitted,

David B. MacGregor

DBM/skr
Attachment

cc: Certificate of Service

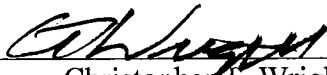
CERTIFICATE OF SERVICE

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).

VIA FIRST CLASS MAIL

Jay Larry Moyer
370 West Johnson Street
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Date: March 29, 2013



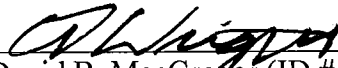
Christopher I. Wright

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Larry Moyer,	:	
	:	
Complainant,	:	
	:	
v.	:	Docket No. C-2011-2273645
	:	
PPL Electric Utilities Corporation,	:	
	:	
Respondent.	:	

**REPLIES OF
PPL ELECTRIC UTILITIES CORPORATION
TO THE EXCEPTIONS OF LARRY MOYER**

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Date: March 29, 2013

Attorneys for PPL Electric Utilities Corporation

I. INTRODUCTION AND BACKGROUND

Respondent PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) herein files these Replies to the Exceptions of Complainant Larry Moyer (“Mr. Moyer” or the “Complainant”), pursuant to the Secretarial Letter dated March 19, 2013, and Section 5.535 of the Pennsylvania Public Utility Commission’s (“Commission”) regulations, 52 Pa. Code § 5.535. In an Initial Decision (“I.D.”) dated January 23, 2013, Administrative Law Judge Cynthia Williams Fordham (“ALJ”) concluded that the Complainant did not meet his burden to prove by a preponderance of the evidence that PPL Electric failed to properly aggregate the Complainant’s two accounts according to the virtual net metering provisions of the Company’s tariff or that PPL Electric failed to fully reimburse the Complainant for the electricity generated by his alternative energy system. (I.D. p. 16.) The Complainant takes exception to certain findings and conclusions reached in the I.D.

This matter involves the virtual net metering of the electricity usage at a residential account (“satellite account”) with the excess, unused electric generation produced by a separately metered photovoltaic solar account (“host account”) under PPL Electric’s Commission-approved Net Metering for Renewable Customer-Generators tariff provisions. (PPL Electric Ex. Nos. 3, 4.) Under PPL Electric’s virtual net metering program, the Company will “virtually” aggregate the generation produced by a qualifying host account with the usage at a qualifying satellite account for billing purposes. The kilowatt hours (“kWh”) of an eligible host account are credited at the applicable full retail rate to the satellite account to offset usage at the satellite account, with the customer remaining responsible for any remaining net usage at the satellite account that exceeds the credited kWh from the host account. Any excess, unused net credits are carried forward to subsequent billing periods and applied to offset future usage at the satellite account.

The balance of any unused net credits that remain at the end of the PJM Planning Period are paid to the customer at the Price-to-Compare. (PPL Electric Ex. No. 4; Tr. 154-56.)

On November 15, 2011, the Complainant, through his counsel, filed a Formal Complaint regarding PPL Electric's virtual meter aggregation program. The Formal Complaint alleged that PPL Electric failed to properly aggregate the usage at Complainant's satellite account (residence) with the excess generation produced by Complainant's host account (solar panels), and failed to compensate Complainant for excess generation produced by Complainant's host account. (Complaint, ¶¶ 4.10, 4.15, 4.22-4.23.) On December 8, 2011, PPL Electric filed an Answer that, among other things, requested that the Complaint be assigned to the Commission's mediation process.

The Parties engaged in mediation, exchanged discovery, and exchanged several settlement proposals. However, the Parties were unable to reach a full resolution. Consequently, an evidentiary hearing was held on August 15, 2012. At the hearing, the Parties introduced testimony and exhibits in support of their respective positions. The record consists of a 254 page transcript and a total of nineteen exhibits. The record was closed on September 7, 2012.

The I.D. was issued by a Secretarial Letter dated February 22, 2013. Therein, the ALJ found that the Complainant's two accounts failed to qualify for net or virtual metering under PPL Electric's Commission-approved tariff provisions. (I.D. pp. 12-17.) The ALJ also found that, in an effort to settle the Complainant's concerns, PPL Electric agreed to allow Complainant to be a virtual metering customer and to fully compensate Complainant for the value of the credits he would have received for excess generation as if his accounts were for virtual metering the entire time. The ALJ therefore concluded that PPL Electric applied virtual metering to Complainant's

accounts and compensated Complainant pursuant to the terms and conditions of its Commission-approved tariff. (I.D. pp. 14-15.)

The Complainant takes exception to the findings and conclusions reached in the I.D. The Complainant first argues that the I.D. disregards the Commission's policies and prior decisions. (Exception No. 1.) The Complainant next contends that the I.D. erred in concluding that PPL Electric has provided credits to Complainant in accordance with its tariff, and asserts that PPL Electric should be required to re-issue its bills. (Exception No. 2.) The Complainant also argues that the I.D. erred in concluding that Complainant's host account did not qualify for virtual or net metering under PPL Electric's tariff, and that PPL Electric made an exception for Complainant. (Exception Nos. 3 and 4.) The Complainant finally asserts that the I.D. erred in concluding that the payment of \$535.27 would fully compensate Complainant for the value of the credits he would have received for excess generation as if his accounts were qualified for virtual metering the entire time. (Exception No. 5.)

For the reasons explained below, as well as those more fully explained in the I.D., the Complainant failed to meet his burden to demonstrate by a preponderance of the evidence that PPL Electric has violated the Public Utility Code, the Commission's regulations or orders, or the Company's tariff provisions. Accordingly, the Commission should deny the Complainant's Exceptions and adopt the findings and conclusions of the Initial Decision.

II. REPLIES TO EXCEPTIONS

A. Reply to Exception No. 1 – The Initial Decision is Consistent with the Commission's Regulations and Orders, and the Principles of Statutory Construction.

The Complainant argues that the I.D. disregards the Commission's policies and prior decisions. (Exception No. 1.) Specifically, the Complainant contends that the I.D. disregards the Commission's statement that "it should be the policy of the Commission to support access to

alternative systems to as broad an array of consumers as possible” and “the clear intent of the Act 35 amendment was to facilitate ... deployment of small alternative energy resources....” (Exception, p. 3.)¹ In relying on these statements made in the Commission’s rulemaking orders, the Complainant is suggesting that the ALJ and Commission should ignore the plain language of the Commission’s net metering regulations and, instead, rely on certain statements made in the orders adopting the regulations. The Complainant’s request is inconsistent with the well-established principles of statutory construction and ignores the unrefuted evidence of record.

The Commission’s net metering regulations provide, in pertinent part, as follows:

(a) EDCs shall offer net metering to customer-generators that generate electricity on the customer-generator's side of the meter using Tier I or Tier II alternative energy sources, on a first come, first served basis...

(b) An EDC shall file a tariff with the Commission that provides for net metering consistent with this chapter....

(c) The EDC shall credit a customer-generator at the full retail rate, which shall include generation, transmission and distribution charges, for each kilowatt-hour produced by a Tier I or Tier II resource installed on the customer-generator's side of the electric revenue meter, up to the total amount of electricity used by that customer during the billing period. If a customer generator supplies more electricity to the electric distribution system than the EDC delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's usage in subsequent billing periods at the full retail rate. Any excess kilowatt hours shall continue to accumulate until the end of the year. For customer-generators involved in virtual meter aggregation programs, a credit shall be applied first to the meter through which the generating facility supplies electricity to the distribution system, then through the remaining meters for the customer-generator's account equally at each meter's designated rate.

(d) At the end of each year, the EDC shall compensate the customer-generator for any excess kilowatt-hours generated by the customer-generator over the amount of kilowatt hours delivered by the EDC during the same year at the EDC's price to compare.

¹ The Complainant’s argument refers to certain rulemaking orders that were offered into evidence as Complainant Exhibit Nos. 3-5, but were not admitted to the record. (Tr. 117-22.)

52 Pa. Code § 75.13. The Commission's regulations on virtual metering provide, in pertinent part, as follows:

(e) Virtual meter aggregation on properties owned or leased and operated by a customer-generator shall be allowed for purposes of net metering. Virtual meter aggregation shall be limited to meters located on properties owned or leased and operated within 2 miles of the boundaries of the customer-generator's property and within a single EDC's service territory.... If the customer-generator requests virtual meter aggregation, it shall be provided by the EDC at the customer-generator's expense. The customer-generator shall be responsible only for any incremental expense entailed in processing his account on a virtual meter aggregation basis.

52 Pa. Code § 75.14.

There is nothing in the Commission's net metering or virtual metering regulations that is unclear or ambiguous. Indeed, although the Complainant has the burden of proof in this proceeding, he has failed to identify anything in these regulations that is unclear or ambiguous. It is well established that "[w]hen the words of a statute [or administrative regulation] are clear and unambiguous, a court must not disregard them under the pretext of pursuing the spirit of the statute [or administrative regulation]." *Middletown Township v. Lands of Stone*, 595 Pa. 607, 616, 939 A.2d 331, 337 (2007) (citing 1 Pa.C.S. § 1921).² Therefore, as the ALJ correctly concluded, it is unnecessary to look beyond the plain language of the Commission's net metering regulations in order to properly interpret them. (Tr. 119-20.) Moreover, even assuming, *arguendo*, that it is appropriate to look beyond the plain language of the Commission's net metering and virtual metering regulations, the record clearly demonstrates that PPL Electric is, in fact, compliant with the quoted statements from the Commission's rulemaking orders.

² See *Wheeling-Pittsburgh Steel Corp. v. Department of Environmental Protection*, 979 A.2d 931, 937 (Pa. Cmwlth. 2009) ("Statutory construction rules apply equally to the interpretation of administrative regulations."). As in any statutory construction issue, the goal is to ascertain and effectuate the intention of the legislative body. 1 Pa.C.S. § 1921(a). Generally, the plain language provides the best indication of legislative intent. *UMCO Energy, Inc. v. Department of Environmental Protection*, 938 A.2d 530, 535 (Pa. Cmwlth. 2007).

The Complainant first quotes the Commission's Tentative Order in *Net Metering -- Use of Third Party Operators*, Docket No. M-2011-2249441, 2011 Pa. PUC LEXIS 1331 at *6 (July 28, 2011), where the Commission stated "it should be the policy of this Commission to support access to alternative energy systems to as broad an array of consumers as possible." This statement was made in the context of the Commission's proposal to expand the availability of net metering to customer-generators with distributed alternative energy systems that contract with third-parties to perform the operational functions of the alternative energy system.³ The Complainant's alternative energy system is not operated by a third-party and, therefore, the statements made in the Tentative Order are not applicable to Complainant's system. Notwithstanding, in an effort to fully settle the dispute, PPL Electric agreed to allow Complainant to participate in the virtual metering program despite the fact that his host account does not qualify under the terms of PPL Electric's tariff as further explained below in response to Exceptions 3 and 4. (I.D. Findings of Fact Nos. 36, 44-45, 51.) PPL Electric's effort to resolve the Complainant's concerns clearly is consistent with the spirit and purpose of the Commission's language quoted by the Complainant.⁴

The Complainant also quotes the Commission's Final Order in *Implementation of Act 35 of 2007; Net Metering and Interconnection*, Docket No. L-00050174, 2008 Pa. PUC LEXIS 724 at *20-21 (July 2, 2008), where the Commission stated that "the clear intent of the Act 35 amendment was to facilitate the research, development and deployment of small alternative

³ Ultimately, the Commission adopted a policy that net metered alternative energy systems owned and operated by third-parties that are interconnected and placed on property owned or leased and operated by an electric utility customer be designed to generate no more than 110% of that utility customer's annual electricity consumption, at the interconnection meter location and all qualifying virtual meter locations. *Net Metering – Use of Third Party Operators*, Final Order, Docket No. M 2011 2249441 (March 29, 2012).

⁴ PPL Electric's efforts also are consistent with the Commission's policy to encourage parties to resolve their disputes. *See* 52 Pa. Code § 5.231.

energy resources by providing monthly credits consistent with the full retail value for the kilowatt-hours generated by the renewable resource.” The unrefuted record evidence clearly demonstrates that PPL Electric fully complies with this statement. Indeed, PPL Electric explained that, in compliance with its Commission-approved tariff, any excess kWh from any monthly billing period are carried forward and credited against the customer-generator’s usage during subsequent billing periods at the *full retail rate* then-in-effect, until the excess kWh are exhausted or the end of the compliance year, at which time they are cashed out. (I.D. Findings of Fact No. 19; Tr. 158-59; PPL Electric Ex. No. 4.)

Based on the foregoing, there is nothing in the record to suggest that the Commission should look beyond the plain language of the net metering and virtual metering regulations. Further, the record clearly demonstrates that PPL Electric is in compliance with the quoted statements from the Commission’s rulemaking orders. For these reasons, the Commission should deny Complainant’s Exception No. 1 and adopt the findings and conclusions of the I.D.

B. Reply to Exception No. 2 –PPL Electric Provided Credits to Complainant in Accordance with its Tariff.

The Complainant next contends that the Initial Decision erred in concluding that PPL Electric has provided credits to Complainant in accordance with its tariff. (Exception No. 2.) Specifically, Complainant contends that PPL Electric has applied credits inconsistently and in violation of the Company’s tariff. The Complainant also argues that PPL Electric should implement an automated billing system for the virtual metering program rather than using a manual billing process. Finally, the Complainant argues that PPL Electric should be required to re-issue all billing transactions for the Complainant’s two accounts since January 1, 2010. The Complainant’s arguments are without merit, ignore the evidence of record, and should be rejected.

1. PPL Electric Provided Credits to Complainant in Accordance with its Tariff.

In support of Exception No. 3, the Complainant argues that PPL Electric has not applied virtual metering credits in accordance with its net and virtual metering tariff provisions. As explained below, the finding in the I.D. that PPL Electric provided credits to the Complainant in accordance with its tariff is supported by the record evidence.

The Complainant's 4.75 kW solar array, which became operational in March 2009, is located approximately 600 yards away from his residence.⁵ (I.D. Findings of Fact Nos. 12, 15, 24, 27; Tr. 10, 163.) PPL Electric's tariff in effect at the time provided, in pertinent part, as follows:

The customer-generator will receive a credit for each kilowatt-hour received by the Company up to the total amount of electricity delivered to the Customer by the Company during the billing period at the full retail rate consistent with commission regulations. On an annual basis, the Company will compensate the customer-generator for kilowatt-hours received from the customer-generator during the preceding year at the "full retail value for all energy produced" consistent with Commission regulations. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.

(PPL Ex. 3.)

PPL Electric explained that initially the Company did apply virtual metering to Complainant's two accounts during the period of March 2009 through May 2010. (Tr. 165-66; PPL Electric Ex. No. 5.) PPL Electric sent the Complainant two checks in April 2010 to compensate the Complainant at the full retail rate for the excess generation produced between March 2009 and December 2009. PPL Electric also applied credits in lump sums for the excess generation produced during the Period of January 2010 through May 2010. PPL Electric

⁵ The Complainant's host account (solar array) is on Rate Schedule GS-1 and his satellite account (residential account) is on Rate Schedule RS.

explained that it did not apply credits on a monthly basis during this period because the Commission-approved tariff in effect at the time did not require credits to be applied on a monthly basis.⁶ (I.D. Findings of Fact Nos. 30-35; Tr. 165-67; PPL Electric Ex. Nos. 3-5.) Consequently, as found by the I.D., the payments and credits made to the Complainant for excess, unused generation produced during the period of March 2009 through May 2010 were consistent with PPL Electric's tariff in effect at the time.

In June 2010, PPL Electric determined that the Complainant's host account did not qualify for net or virtual metering because it did not have any non-generational load⁷ as required under PPL Electric's tariff. As a result, PPL Electric discontinued virtual metering for the Complainant and credits were not applied for the period of June 2010 through December 2010. (I.D. Findings of Fact Nos. 36, 46; Tr. 167-69, 172; PPL Electric Ex. No. 5.) As further explained below in the reply to Exceptions Nos. 3 and 4, this determination was consistent with the requirements of PPL Electric's tariff.

The Complainant thereafter filed an Informal Complaint with the Commission's Bureau of Consumer Services. (I.D. Findings of Fact No. 42.) In an effort to settle the dispute, PPL Electric agreed to allow Complainant to participate in the virtual metering program. As a result, PPL Electric applied credits to the Complainant's account in September 2011 for all excess generation produced by his host account since January 2011. PPL Electric has applied its virtual metering to Complainant's accounts on a monthly basis since September 2011, with a cash-out of any excess, unused credits paid at the end of the PJM Planning Year at the Price-to-Compare. (I.D. Findings of Fact Nos. 51-52; Tr. 170-71; PPL Electric Ex. Nos. 4, 5.)

⁶ The requirement for monthly credits did not become effective until January 2011. (I.D. Findings of Fact Nos. 48; Tr. 154.)

⁷ This means there must be usage or load that exists at the host account regardless of whether the generation equipment is in place. (I.D. p. 13; Tr. 162.)

PPL Electric's tariff in effect at the time it attempted to resolve the dispute by allowing Complainant to participate in the virtual metering program provided, in pertinent part, as follows:

The customer-generator will receive a credit for each kilowatt-hour received by the Company up to the total amount of electricity delivered to the Customer by the Company during the billing period at the full retail rate consistent with Commission regulations. If a customer-generator supplies more electricity to the Company than the Company delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's usage in subsequent billing periods at the full retail rate. Any excess kilowatt hours will continue to accumulate until the end of the PJM planning period ending May 31 of each year. On an annual basis consistent with the PJM planning period, the Company will compensate the customer-generator for kilowatt hours received from the customer-generator for kilowatt hours received from the customer-generator in excess of the kilowatt hours delivered by the Company to the customer-generator during the preceding year at the Company's Price to Compare consistent with Commission regulations. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.

(PPL Ex. 4.) In an effort to settle the dispute, PPL Electric trued-up the Complainant's accounts for the excess, unused generation for the period of January 2011 through September 2011 and has since applied virtual metering on a monthly basis consistent with the requirements of its tariff. Based on the foregoing, PPL Electric provided credits to the Complainant in accordance with its tariff.

As explained below in the reply to Exception Nos. 3 and 4, the Complainant's host account does not and has not ever qualified for virtual net metering under PPL Electric's Commission-approved tariff. Here, PPL Electric specifically agreed to allow the Complainant to participate in the virtual net metering program in an effort to settle the issues and concerns raised by his Informal Complaint. To the extent that the Commission concludes that this is inconsistent with the Company's tariff provisions, then the Commission should order PPL Electric to prospectively discontinue virtual metering for Complainant.

2. It would be Unreasonable and Imprudent for PPL Electric to Incur the Costs to Implement a New Automated Billing System for Virtual Metering.

The Complainant next contends that credits would have been applied to his account in a consistent manner if PPL Electric implemented an automated billing system for the virtual metering program rather than using a manual billing process. The Complainant appears to argue that PPL Electric should implement an automated billing system for the virtual metering program rather than using a manual billing process. These arguments are without merit and should be rejected for several reasons.

First, this argument simply ignores that the inconsistency in crediting Complainant's account was attributable to the then-effective tariff being applied to his account, the ineligibility of his account, and a subsequent attempt by PPL Electric to resolve the dispute by allowing Complainant to participate in the virtual metering program, rather than an issue with PPL Electric's billing process. For the reasons explained above, this argument should be rejected.

Second, the Complainant's argument ignores the undisputed fundamental difference between net metering and virtual metering. Unlike a net metering customer where there is only one meter and one bill, virtual metering applies to two separate meters that are read and billed independently. The Company explained that its billing system currently is unable to associate two different accounts that are read and billed independently. As a result, PPL Electric currently tracks and applies virtual metering through a manual process. (Tr. 213-18.)

Third, the Complainant overlooks the impact that implementing an automated billing process for virtual metering would have on other non-participating ratepayers. The Company admits that it implemented an automated billing process for net metering customers in January 2012, and that it currently manually aggregates the two accounts of virtual metering customers for billing purposes. (Tr. 215-16.) However, there are approximately 3,000 net metering

customers and only about 80 virtual metering customers on PPL Electric's system. (Tr. 215-16.) The Company explained that it would be very expensive to automate the virtual metering billing process, which costs ultimately would be paid by ratepayers. Given that there are only about 80 participants in the virtual metering program, PPL Electric concluded that automating the billing process for net metering customers would not be a reasonably prudent expense at this time. (Tr. 218.)

Finally, there is nothing in the Chapter 14 of the Code, Chapter 56 of the Commission's regulations, or the billing provisions of PPL Electric's tariff that mandates that a utility must undertake automated billing for virtual metering. Rather, PPL Electric's obligation under Chapter 14 of the Code and Chapter 56 of the Commission's regulations is to provide accurate and timely bills.

3. PPL Electric Agreed to Provide Virtual Metering Customers with All the Data Used to Determine their Bills

The Complainant next contends that PPL Electric should be required to re-issue all billing transactions for the Complainant's two accounts since January 1, 2010. Specifically, the Complainant wants PPL Electric's bills for virtual metering customers to reflect the kWh of generation produced by the host account, and all credits and/or payments that have been made to the satellite account. (*See* Complaint, ¶5.) The Complainant's request should be rejected.

PPL Electric provided a detailed explanation of the manual process it currently uses to aggregate the host and satellite accounts for billing purposes under the virtual metering program. (Tr. 214-16.) PPL Electric explained that its billing system currently is not capable of providing the level of detail requested by Complainant. Further, given that there are only about 80 participants in the virtual metering program and no other participants have requested similar changes to the billing format, PPL Electric concluded that undertaking the expense to modify the

billing process as requested by the Complainant would not be a reasonably prudent expense at this time. (Tr. 217-18.)

PPL Electric also explained that it provides a detailed, twelve-month worksheet to each virtual metering customer at the end of the PJM Planning Year. The worksheet shows the monthly meter readings, the monthly excess kWh generation produced from the host account, the monthly credits applied to the satellite account, the unused credits that are banked and carried forward to a subsequent billing period, and any cash-outs for any excess, unused credits that remain at the end of the PJM Planning Year. This is the very same information that is used by the Company to prepare the separate bills issued for the host and satellite accounts. (Tr. 220-23.) Further, this is substantially the same information requested by the Complainant. Finally, it should be noted that virtual metering customers can access PPL Electric's web-based energy analyzer to view their usage at the satellite account and their generation at the host account. (Tr. 223, 238.) These tools can be used by virtual metering customers to monitor and verify their annual credits and cash-outs.

Based on the foregoing, Complainant's request that PPL Electric modify its billing format and re-issue bills for the 80 virtual metering customers is unnecessary, duplicative, and would not be a reasonably prudent expense at this time.

C. Reply To Exception Nos. 3 And 4 – The Complainant's Host Account did not Qualify for Virtual Metering Under the Plain Language of PPL Electric's Tariff.

The Complainant argues that the Initial Decision erred in concluding that Complainant's host account did not qualify for virtual or net metering under PPL Electric's tariff, and that PPL Electric made an exception for Complainant. (Exception Nos. 3 and 4.) The Complainant's argument ignores the plain language of PPL Electric's tariff and the undisputed record evidence.

The Commission's regulations require electric distribution companies to "offer net metering to customer-generators that generate electricity on the customer-generator's side of the meter using Tier I or Tier II alternative energy sources, on a first come, first served basis." 52 Pa. Code § 75.13(a). The Commission's regulations further require all electric distribution companies to file a tariff for net metering. 52 Pa. Code § 75.13(b).

PPL Electric's Commission-approved tariff provides that net and virtual metering is "available to installations where any portion of the electricity generated by the renewable energy generating system offsets part or all of the customer-generator's requirements for electricity." (PPL Electric Exs. 3, 4.) PPL Electric explained that this means that there should be usage or a load that exists regardless of whether the generation equipment is in place. (I.D. p. 13; Tr. 155-56, 162.) The Complainant's expert consultant, the President of the Pennsylvania Solar Energy Industries Association, agreed with PPL Electric's interpretation of its tariff, stating that, under the Alternative Energy Portfolio Standards Act and the Commission's regulations, "there would have to be load on both accounts...you can't have a standalone account without a load because then you are what we call a grid supplier and you're just putting power onto the grid, not serving any load." (Tr. 106-07.)

In this case, it is undisputed that the only load on the Complainant's host account (solar panels) is a light that would not be there if the solar panels were not installed. (Tr. 61, 169.) The Complainant was repeatedly advised of the requirement for non-generational load and the fact that his system did not qualify for virtual metering. Indeed, Complainant conceded that PPL Electric advised him that his host account should not have been approved for virtual metering and will not be repeated for other customers. (Tr. 55-60.) Ultimately, PPL Electric determined that the Complainant's host account did not qualify for net or virtual metering because it did not

have any non-generational load as required under PPL Electric's tariff and, therefore, the Company discontinued virtual metering of Complainant's accounts in June 2010. (I.D. Findings of Fact Nos. 36, 46; Tr. 167-69, 172; PPL Electric Ex. No. 5.)

The Complainant thereafter filed an Informal Complaint with the Commission's Bureau of Consumer Services. (I.D. Findings of Fact No. 42.) However, in an effort to settle the dispute, PPL Electric agreed to allow Complainant to participate in the virtual metering program. As explained above, PPL Electric applied credits to the Complainant's account in September 2011 for all excess generation produced by his host account since January 2011, and has applied its virtual metering to Complainant's accounts on a monthly basis since September 2011. (I.D. Findings of Fact Nos. 51-52; Tr. 170-71; PPL Electric Ex. Nos. 4, 5.) To the extent that the Commission concludes that this inconsistent with the Company's tariff provisions, then the Commission should order PPL Electric to prospectively discontinue virtual metering for Complainant.

Furthermore, even assuming, *arguendo*, that Complainant's host account did qualify for virtual metering under PPL Electric's tariff, the Complainant has not been harmed. As further explained below in the reply to Exception No. 5, PPL Electric agreed on the record to settle the issues raised in the Formal Complaint by fully compensating Complainant for the value of the credits, plus interest, he would have received for excess generation as if his accounts were qualified for virtual metering the entire time.

Based on the foregoing, it is undisputed that there is no non-generational load on the Complainant's host account as required by PPL Electric's Commission-approved tariff. Therefore, the Complainant's host account did not qualify for virtual metering under the plain language of PPL Electric's Commission-approved tariff and the undisputed record evidence.

Notwithstanding, the Complainant has not been harmed by this finding because, in an effort to resolve this dispute, PPL Electric agreed on the record to allow Complainant to participate in the virtual metering program and to fully compensate him as if he were a qualified virtual metering customer the entire time.

D. Reply to Exception No. 5 - PPL Electric Agreed to fully Compensate Complainant.

In his last exception, the Complainant finally asserts that the I.D. erred in concluding that the payment of \$535.27 would fully compensate him for the value of the credits he would have received for excess generation as if he were a qualified virtual metering customer since 2009. (Exception No. 5.) The Complainant argues that the I.D. should have rejected PPL Electric's calculation and, instead, adopted the Complainant's figure of \$750.29. The Complainant's arguments are without merit and should be rejected.

As explained above, PPL Electric agreed to allow the Complainant to participate in the virtual metering program in an effort to resolve the issues raised in his Informal Complaint. Further, in an effort to fully resolve the Formal Complaint, PPL Electric agreed on the record to fully compensate the Complainant for the value of all the credits and cash-outs he would have received for excess generation as if he were a qualified virtual metering customer since March 2009. (I.D., p. 15; Tr. 190.)

As explained above, the Complainant received a cash-out at the full retail rate for the excess generation produced during March 2009 through December 2009; credits applied in lumps sums for the excess generation produced during the period of January 2010 through May 2010; credits applied in lumps sums for the excess generation produced during the period of January 2011 through September 2011; monthly credits for excess generation produced since September 2011; and a cash-out of any excess, unused generation paid at the end of the 2012

PJM Planning Period. Consequently, credits and/or cash-outs for excess, unused generation were not applied to Complainants two accounts for the period of June 2010 through December 2010. (Tr. 172.)

In order to determine the amount necessary to fully compensate the Complainant, PPL Electric first reviewed the credits and compensation/cash-outs that were actually applied to the Complainant's accounts for the period of March 2009 through the May 2012 cash-out. The value of the total credits and cash-outs actually received by Complainant during this period was \$1,352.08. (Tr. 164-67; PPL Electric Ex. 5.)

PPL Electric then undertook a monthly analysis of the value of the credits and cash-outs the Complainant would have received if he were qualified to participate as a virtual metering customer for the entire period of March 2009 through May 2012. For each month, PPL Electric used the meter readings and bills from both the satellite and host accounts to determine: the generation produced by the host account; the usage at the satellite account; the credits or kWh that would have been applied to the satellite account; the full retail rate value of the credits that would have been applied to the satellite account; and any excess, unused credits or kWh that would have been banked and carried forward to the subsequent billing periods. The analysis also tracked the running total of the full retail rate value of the credits that would have been applied to the satellite account each month, as well as any cash-outs that would have been paid to the Complainant at the Price-to-Compare. Based on this analysis, PPL Electric determined that the total maximum value of the credits and cash-outs that the Complainant could have realized if he was a virtual metering customer for the entire period of March 2009 through May 2012 would have been \$1,857.05. (Tr. 173-190; PPL Electric Ex. 7.)

PPL Electric next calculated the net difference between the value the Complainant actually received (\$1,352.08) and the value he would have received if he was qualified as virtual metering customer the entire time (\$1,857.05), which resulted in a difference of \$504.97. PPL Electric then applied interest at 6% to yield a total of \$535.27 to fully compensate the Complainant as if he were a qualified virtual metering customer since March 2009. (Tr. 189-91; PPL Electric Ex. 8.)

Although he disagrees with the amount offered by PPL Electric, the Complainant offered no meaningful criticism of the method used by PPL Electric to determine the amount necessary to fully compensate the Complainant. Rather, the Complainant asserts that the I.D. should have accepted his alternative figure of \$750.29. However, the record demonstrates that the values used to arrive at this figure were unknown and could not be verified. (Tr. 63-64.) Furthermore, as the Complainant concedes, this value was based upon an exhibit that was objected to and not admitted to the record. (Exceptions, p. 7.) For these reasons, the Commission should reject the Complainant's unsubstantiated alternative figure.

In summary, PPL Electric attempted to resolve the issues and concerns raised in the complaint by allowing the Complainant to participate in the virtual metering program, and agreeing to fully compensate the Complainant for the value of all the credits and cash-outs he would have received for excess generation as if he were qualified for virtual metering the entire time. The net difference between what Complainant actually received and could have received is \$535.27, including interest. To fully and finally resolve this matter, PPL Electric remains willing and ready to provide this payment to the Complainant. Accordingly, the Commission should reject the Complainant's exception and adopt the findings and conclusions of the initial decision.


IV. CONCLUSION

For the reasons explained below, as well as those more fully explained in the Initial Decision, the Complainant's Exceptions are not supported by the evidentiary record and ignore the plain language of PPL Electric's Commission-approved tariff. The Complainant failed to meet his burden to demonstrate by a preponderance of the evidence that PPL Electric has violated the Public Utility Code, the Commission's regulations or orders, or the Company's tariff provisions.

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that the Pennsylvania Public Utility Commission deny the Exceptions of Larry Moyer and adopt the findings and conclusions of the Initial Decision issued by Administrative Law Judge Cynthia Williams Fordham.

Respectfully submitted,

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Date: March 29, 2013

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