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**FEDERAL EXPRESS**

August 14, 2006

James J. McNulty, Esquire  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120

ORIGINAL

RECEIVED

AUG 14 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation**  
**Docket No. R-00973954**

Dear Mr. McNulty:

Section C.1.a. of the Settlement Agreement in PPL Electric Utilities Corporation's ("PPL Electric") electric restructuring proceeding requires that PPL Electric transfer up to 20% of its residential service customers to a provider of last resort other than PPL Electric annually, beginning January 1, 2002. The purpose of this letter is to inform the Public Utility Commission ("PUC") of PPL Electric's ongoing plans to implement this provision of the Settlement Agreement. Specifically, PPL Electric has developed the following schedule for implementing Competitive Default Service ("CDS") in its service territory for calendar year 2007. This schedule may be subject to minor modifications as it is implemented.

August 16, 2006	Send advance notification to all Electric Generation Suppliers ("EGSs") licensed in Pennsylvania and provide other public notice
August 17, 2006	Begin to provide Request for Proposals ("RFP") to interested parties and answer questions regarding the RFP
October 5, 2006	Due date for all CDS bids (in electronic format)
October 10, 2006	Notify the qualified winning bidder
October 10-16, 2006	Negotiate CDS Agreement with winning bidder
October 16, 2006	Execute final CDS Agreement for 2007
December 6, 2006	CDS provider begins to send enrollments to PPL Electric
January 2007	Selected customers are transferred to CDS as of their January meter reading date

116

August 14, 2006

It is PPL Electric's desire to implement a successful CDS program pursuant to the terms of its Settlement Agreement. Therefore, during 2007, PPL Electric will retain "customer care functions" for CDS customers. These functions include billing and collections, customer dispute and inquiry, and universal service. The decision to retain these functions is based on PPL Electric's desire to provide the best possible chance for success of the CDS program. Based on its knowledge of the market, PPL Electric believes that EGSs are not interested in or able to provide these customer care functions on an economic basis in 2007. In PPL Electric's view, requiring the CDS provider to offer these customer care functions would significantly reduce the likelihood of implementing a successful CDS program in 2007. PPL Electric will continue to evaluate this issue and may include customer care functions in future CDS proposals.

A copy of this letter has been served upon the Office of Consumer Advocate, the Office of Small Business Advocate and the Commission's Office of Trial Staff.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on August 14, 2006, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding PPL Electric's CDS program, please call me.

Very truly yours,



Paul E. Russell

cc: The Honorable Wendell F. Holland, Chairman  
The Honorable James H. Cawley, Vice Chairman  
The Honorable Bill Shane  
The Honorable Kim Pizzigrilli  
The Honorable Terrance J. Fitzpatrick  
Irwin A. Popowsky, Esquire  
William R. Lloyd, Esquire  
J. Edward Simms, Esquire  
David M. Kleppinger, Esquire

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**FEDERAL EXPRESS**

October 9, 2006

**RECEIVED**

OCT 9 2006

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

Re: **PPL Electric Utilities Corporation**  
**Docket No. R-00973954**

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Dear Mr. McNulty:

By letter dated August 14, 2006, PPL Electric Utilities Corporation ("PPL Electric") informed the Pennsylvania Public Utility Commission (the "Commission") of its plans to implement Competitive Default Service ("CDS") in its service territory for calendar year 2007, including a detailed schedule for issuing a Request for Proposal ("RFP") and negotiation of a CDS Agreement. Pursuant to that schedule, on August 16, 2006, PPL Electric issued notice of an RFP requesting bids for CDS.

The purpose of this letter is to inform the Commission that, although several entities expressed interest in providing CDS and requested copies of the RFP, no bids were submitted. As a result, PPL Electric will not offer CDS for calendar year 2007. In accordance with the requirements of its electric restructuring plan settlement, PPL Electric will conduct an RFP for calendar year 2008, and will keep the Commission informed as to the status of its future efforts to implement CDS.

If you have any questions regarding this letter, please call.

Very truly yours,

Paul E. Russell

8

James J. McNulty, Esquire

- 2 -

October 9, 2006

cc: The Hon. Wendell F. Holland, Chairman  
The Hon. James H. Cawley, Vice Chairman  
The Hon. Kim Pizzingrilli, Commissioner  
The Hon. Terrance J. Fitzpatrick, Commissioner  
Irwin A. Popowsky, Esquire  
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