

118 Locust Street
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PULP

PENNSYLVANIA
UTILITY LAW PROJECT

October 17, 2013

Via E-Filing

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re:

**Petition of PPL Electric Utilities Corporation for Approval of its
Default Service Program and Procurement Plan for the Period of
June 1, 2013 through May 21, 2015.**

Docket Nos. P-2012-2302074

Petition for Approval of a Pilot Time-of Use ("TOU") Program

Dear Secretary Chiavetta:

Enclosed please find the Prehearing Memorandum of CAUSE-PA in the captioned proceeding.

Kindly notify the undersigned if you have any questions or concerns about this filing.

Respectfully submitted,

Harry S. Geller, Esquire
Patrick M. Cicero, Esquire
Counsel for CAUSE-PA

CC: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
For Approval of a Default Service Program : P-2012-2302074
For the Period June 1, 2013 through May 31, 2015 :

**PREHEARING MEMORANDUM OF THE
COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA
TO THE PETITION OF PPL ELECTIC UTILITIES FOR APPROVAL OF ITS PILOT
TOU PROGRAM**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum in anticipation of the Prehearing Conference scheduled for 1:00 pm. Monday, October 21, 2013 before Administrative Law Judges Joel Cheskis and Susan D. Colwell.

I. Background

On August 23, 2013, PPL filed a Petition for Approval of a New Pilot Time-of Use (“TOU”) Program with the Pennsylvania Public Utility Commission (“Commission) in compliance with the Commission’s Orders in *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Procurement Plan for the Period of June 1, 2013 through May 31, 2015*, Docket No. P-2012-2302074 (entered January 24, 2013 and May 23, 2013). Under the proposed Pilot TOU Program, PPL’s tariff will include a default service TOU rate option whereby specific TOU

rates and services will be provided by retail electric generation suppliers (“EGSs”). An EGS whose chooses to participate in the program will offer TOU rate options, “which may not be less than three (3) calendar months coinciding with the changes to the Price-To-Compare (“PTC”).” (Petition at 11 (footnotes omitted).) Under its proposal, PPL is not pre-determining what rate structure or price differential participating EGSs have to offer, but instead is leaving those decisions to the discretion of the participating EGSs. These participating EGSs must create and maintain a TOU website that will be cross-referenced by PPL on its TOU website, and which provides details about the EGS’s available TOU offers for the current quarter including rate options and rates currently available.

PPL also proposes a TOU contingency plan in the event that the Pilot TOU program is not successful or if there are no participating EGSs for any given period of the program. Under the TOU contingency plan, PPL proposes on-peak hours from noon-7pm Monday through Friday (excluding weekends and PJM Holidays). All other times will be off-peak. The on-peak rate for residential customers will be determined by adding 15% to the then current PPL Electric Fixed Price Generation Supply Charge-1 (“GSC-1”), and the off-peak rate will be determined by subtracting a 4% discount off the then current Fixed Price GSC-1 charge. (Petition at 17.)

Both of the TOU options proposed (EGS supplied or the PPL TOU contingency) are voluntary, and where there are multiple EGSs providing TOU options, the customer chooses which EGS rate option to elect. PPL proposes that the TOU option be made available to all customers, and these customers will be treated as “shopping customers,” meaning that all of the rules applicable to shopping customers will apply including the Commission’s switching rules. (Petition at 13.)

PPL has also proposed that its low-income customer assistance program (“CAP” or “OnTrack”) customers be permitted to participate, and that it will maintain a portion of its website which “explains that OnTrack customers already receive a reduced monthly bill based upon his or her ability to pay and therefore may not see a change in her or her monthly payment in enrolled in the Pilot TOU Program.” (Petition at 14.) PPL will also require that participating EGSs are “required to inform OnTrack customers that if they participate in OnTrack, and choose to participate in the TOU rate options, they may not see a reduction in their monthly payment.” (Id.)

PPL has submitted its Proposed 2014-2016 Universal Service and Energy Conservation Plan (“USECP”) to the Commission for review and approval.

On September 12, 2013, CAUSE-PA filed an Answer to PPL’s Petition.

II. Service on CAUSE-PA

CAUSE-PA wishes to remain on the service list and consents to accept electronic delivery of documents on the deadlines for their filing, if followed by one (1) hard copy delivered by first class mail to its counsel of record:

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III. Issues to be Presented

CAUSE-PA has preliminarily reviewed the Petition and identified a number of issues presented by the filing. CAUSE-PA anticipates that additional issues will arise as a more comprehensive review of PPL's filing is undertaken, including a more comprehensive review of PPL's testimony, if any, and discovery is conducted. The preliminary issues identified by CAUSE-PA include the structure of PPL's proposed TOU program as that structure relates to PPL's low-income customers.

Specifically, these issues may address:

1. Whether low-income customers enrolled in CAP should participate in the TOU program;
2. The vulnerability of low-income CAP customers and the consequences to those customers who would choose to participate in the TOU program;
3. Whether participation in PPL's TOU by low-income customers enrolled in CAP be deferred until PPL's USECP is approved;
4. Should low-income CAP customers be determined eligible to participate in the TOU program, how and in what detail would these customers be educated about the consequences to their CAP bills as a result of participation?

IV. Witnesses and Testimony

CAUSE-PA has not identified a witness to testify in this matter, but should one be identified, will inform Your Honors and the parties in a timely manner of the witnesses' names, business addresses, telephone numbers, and the subject matter of each witness' testimony.

V. **Scheduling, Discovery, and Testimony**

The schedule set out in the October 4, 2013 Prehearing Order is acceptable to CAUSE-PA. Should another party propose an alternative schedule, CAUSE-PA will work with the other parties to come to a schedule which suits the needs of all of the parties and the Commission.

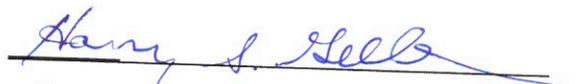
VI. **Settlement**

CAUSE-PA is willing and ready to engage in settlement discussions with any and all parties in an attempt to resolve or narrow the issues in this proceeding and encourages the parties to engage in settlement early in the process.

VII. **Conclusion**

CAUSE-PA respectfully submits this Prehearing Memorandum.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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Docket Nos. P-2012-2302074

Certificate of Service

I hereby certify that I have this day served copies of the Prehearing Memorandum documents upon the following individuals, as set forth below in accordance with the requirements of 52 Pa. Code § 1.54:

VIA E-MAIL & FIRST-CLASS MAIL

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Date: October 17, 2013