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File #: 157102

April 11, 2014

***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: Petition of PPL Electric Utilities Corporation for Approval of a New Pilot  
Time-of-Use Program - Docket No. P-2013-2389572**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation is the Joint Petition for Partial Settlement for the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Matthew J. Agen

MJA/jl  
Enclosures

cc: Honorable Susan D. Colwell  
Honorable Joel H. Cheskis  
Certificate of Service

**CERTIFICATE OF SERVICE  
(Docket No. P-2013-2389572)**

I hereby certify that a true and correct copy of the foregoing has 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).

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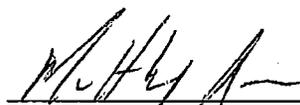
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Date: April 11, 2014

  
\_\_\_\_\_  
Matthew J. Agen

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :  
for Approval of a New Pilot Time-of-Use : Docket No. P-2013-2389572  
Program :  
:

**JOINT PETITION FOR PARTIAL SETTLEMENT**

**TO THE HONORABLE JOEL CHESKIS AND THE HONORABLE SUSAN D.  
COLWELL, ADMINISTRATIVE LAW JUDGES:**

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), the Sustainable Energy Fund (“SEF”), and Direct Energy Services, LLC (“Direct Energy”) (collectively, the “Joint Petitioners”)<sup>1</sup> respectfully submit this Joint Petition for Partial Settlement (“Joint Petition”) and request that the Honorable Joel Cheskis and the Honorable Susan D. Colwell, Administrative Law Judges (“ALJs”): (1) approve the partial settlement of this proceeding as set forth in this Joint Petition (the “Settlement”) without modification; and (2) recommend that the Commission adopt the Settlement without modification. Joint Petitioners have agreed to a partial settlement that resolves all issues among the parties to the above-captioned proceeding concerning PPL Electric’s new Pilot Time-of-Use (“TOU”) Program,

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<sup>1</sup> PPL Electric is authorized to represent that the PP&L Industrial Customer Alliance (“PPLICA”), Interstate Gas Supply, Inc. (“IGS”) and FirstEnergy Solutions Corporation (“FES”) do not oppose Joint Petition for Partial Settlement.

except for the net metering issue raised by DCIDA, which will be the subject of separate briefs filed by the parties.<sup>2</sup>

In support of their request, the Joint Petitioners state as follows:

**I. BACKGROUND**

1. On August 23, 2013, PPL Electric filed a Petition requesting Pennsylvania Public Utility Commission (“Commission”) approval of a new Pilot Time-of-Use (“TOU”) Program, which will replace the currently effective TOU rates. PPL Electric filed its Petition pursuant to 52 Pa. Code § 5.41 and in compliance with the Commission’s Order in *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*, Docket Nos. P-2012-2302074, *et al.* (Order Entered May 23, 2013) (“May 23 Order”), which required the Company to file a new time-of-use rate proposal on or before August 23, 2013.

2. Previously, on May 1, 2012, PPL Electric submitted a TOU proposal as part of its Default Service Program and Procurement Plan for the period June 1, 2013 through May 31, 2015 (“DSP 2013-2015”). In its January 24, 2013 Order, in the DSP 2013-2015 proceeding, the Commission approved, with modification, PPL Electric’s default service plan. *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*, Docket No. P-2012-2302074 (Order Entered January 24, 2013) (“January 24 Order”). Regarding TOU rate issues, the Commission did not approve PPL Electric’s as-filed TOU plan or an alternative proposal presented during the DSP 2013-2015 proceeding. In the January 24 Order, the Commission stated that PPL Electric should schedule a collaborative with interested stakeholders in order to discuss and resolve any issues

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<sup>2</sup> Additionally, the partial Settlement does not resolve the issues raised by OSBA in its initial brief filed on March 21, 2014, in which OSBA recommends that the Commission terminate the current Small C&I TOU rate when an order is entered in this proceeding.

regarding the development and implementation of a TOU rate option. Pursuant to the January 24 Order, PPL Electric initiated a collaborative and discussions with the parties regarding potential TOU program alternatives.

3. On March 25, 2013, as part of a compliance filing, PPL Electric requested authority to continue its currently effective TOU rate option until the Commission approves a successor program. The Commission's May 23 Order approved PPL Electric's request.

4. On August 23, 2013, PPL Electric filed its petition for approval of a new Pilot TOU Program ("August 23, 2013 Petition"). Under the terms of the proposed Pilot TOU Program, the Company would provide a TOU rate option to customers in its tariff, but would rely on the retail market and electric generation suppliers ("EGSs") to provide actual TOU service to customers. Retail EGSs that would choose to participate in the Pilot TOU Program would offer TOU rate options and provide the TOU service to customers in PPL Electric's service territory. PPL Electric's proposal would become part of the Company's retail tariff once approved by the Commission.

5. The Company filed a form of tariff on September 9, 2013, at Docket No. P-2012-2302074 that incorporated the proposed Pilot TOU Program.

6. On September 6, 2013, SEF filed an Answer to the August 23, 2013 Petition.

7. On September 12, 2013, CAUSE-PA filed an Answer to the August 23, 2013 Petition.

8. On September 12, 2013, OCA filed an Answer to the August 23, 2013 Petition.

9. The ALJs issued a Prehearing Conference Order on October 4, 2013, scheduling a prehearing conference for this proceeding for October 21, 2013.

10. On October 17, 2013, DCIDA filed a petition to intervene.

11. Prehearing conference memoranda were submitted by PPL Electric, CAUSE-PA, Direct Energy, DCIDA, FES, IGS, PPLICA, SEF, OCA, and OSBA.

12. On October 21, 2013, the Initial Prehearing Conference was held.

13. On October 25, 2013, the ALJs issued a Scheduling Order

14. The parties filed direct, rebuttal, surrebuttal, and rejoinder testimony, as applicable, in accordance with the established litigation schedule.

15. A significant amount of information was supplied by PPL Electric both formally in response to interrogatories as well as informally through settlement discussions.

16. At the hearing held on February 26, 2014, in this proceeding, the PPL Electric advised the ALJs of a partial settlement in principle that resolves all issues in this proceeding, except for the net metering issue raised by DCIDA.

17. The Terms and Conditions of the Settlement and a description of the Pilot TOU Program are set forth in the following Section II.

## **II. SETTLEMENT TERMS AND CONDITIONS**

18. The following terms of this Settlement reflect a carefully balanced compromise of the interests of all the Joint Petitioners in this proceeding. The Joint Petitioners unanimously agree that the Settlement is in the public interest. The Joint Petitioners respectfully request that the Settlement be approved as specified below:

### **A. PILOT TOU PROGRAM OVERVIEW**

19. PPL Electric will provide a TOU rate option to customers in its tariff; however, it will utilize the retail market and EGSs to satisfy its statutory obligation to offer TOU service to its default service customers.<sup>3</sup>

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<sup>3</sup> PPL Electric will submit the applicable tariff pages in accordance with the Commission's final order in this proceeding.

20. Retail EGSs that choose to participate in the Pilot TOU Program will offer TOU rate options and provide the TOU service to customers in PPL Electric's service territory.

**B. EGS RESPONSIBILITIES AND REQUIREMENTS**

21. EGSs interested in providing TOU service through the Pilot TOU Program must first qualify to participate. An interested EGS must be licensed as an EGS by the Commission with authority to provide service to Residential and/or Small Commercial and Industrial ("C&I") customers in PPL Electric's service territory. Participating EGSs must provide a TOU rate option to Residential and/or Small C&I customers, from the initiation of the Pilot TOU Program until May 31, 2015, which coincides with the end of the default service plan approved by the Commission in Docket No. P-2012-2302074.

22. EGSs also must execute a binding participation form ("Participation Form") to participate in the Pilot TOU Program. This form can be submitted any time from the initiation of the program through February 28, 2015. The Participation Form is attached as Appendix A.

23. The Participation Form describes the Pilot TOU Program and an EGS's responsibilities under the program.

24. A participating EGS will define the term of the contract between the EGS and the TOU customer, provided that the term may not be less than three calendar months, which coincides with the changes to the Price-to-Compare ("PTC").<sup>4</sup> However, it is up to the EGS to determine if it wants to alter its TOU offerings each quarter.

25. A participating EGS also will define the on- and off-peak rates that it will offer to customers. However, an EGS's off-peak/discounted pricing hours cannot include 2 p.m. to 6

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<sup>4</sup> As discussed in Paragraph 46, the Pilot TOU Program will be effective 90 days after the Commission issues a final order approving the Pilot TOU Program. This effective date may not coincide with a change to the PTC, therefore, for the period between the effective date and the first PTC change following the effective date of the Pilot TOU Program the term of the contract between the EGS and the TOU customer may be less than three calendar months.

p.m., Monday through Friday, excluding PJM holidays during the summer, *i.e.*, June, July, and August. The TOU rate options offered by the participating EGSs will consist of a rate that varies with time of use, but not as frequently as each hour, and includes off-peak and on-peak periods, with rates during off-peak periods being lower than rates during on-peak periods.

26. A participating EGS must create and maintain a webpage, which will be cross-referenced by PPL Electric on its TOU webpage that provides details about the available TOU rate options offered by EGSs for the current quarter and the rates currently available. The rate options posted on the EGS's webpage must be the same as reported to the Company in the quarterly reports, and the EGS must explicitly state that the rate option is being offered as part of the PPL Electric Pilot TOU Program.

27. Participating EGSs must provide PPL Electric with an initial report and quarterly reports thereafter describing the TOU rate options being offered and the pricing for on- and off-peak hours for the upcoming quarter. The Participation Form will require participating EGSs to report the TOU rates and other rate option details to the Company, and this information can be provided to the Commission upon request. The Participation Form also requires a participating EGS's quarterly reports to provide the number of customers that participated in the EGS's rate offerings under the program during the previous quarter. Furthermore, the Participation Form requires a participating EGS to provide, in the quarterly reports, its aggregate monthly on- and off-peak load information for customers participating in the Pilot TOU Program, per rate schedule.

28. EGSs must use the electronic data interchange ("EDI") process for data/information exchange and forward "bill ready" data to PPL Electric.

29. A participating EGS also may not charge an early termination penalty or fee to any customer that leaves the TOU rate option offered by the EGS as part of the Pilot TOU Program. Further, a participating EGS is required to notify all of its customers taking service under the Pilot TOU Program that it is no longer part of the program when it decides to opt out of the program.

30. EGSs are responsible for publicizing and marketing their participation in the Pilot TOU Program and the TOU rate options provided thereunder.

### **C. CUSTOMER PARTICIPATION**

31. A customer's participation in the Pilot TOU Program is voluntary, and the customer selects the EGS rate option.

32. All Residential and Small C&I customers, except for customers in the Company's low-income customer assistance program ("CAP"),<sup>5</sup> will be eligible to participate in the Pilot TOU Program for the term of the program. Customers do not need to be receiving fixed price default service from PPL Electric to participate in the Pilot TOU Program.<sup>6</sup> The Pilot TOU Program and the EGS rate options offered thereunder will be available to PPL Electric's Residential and Small C&I default service customers, as well as any other Residential and Small C&I customers that choose to participate, subject to any terms of a customer's existing contract for service from an EGS. Customers, including net metering customers, who volunteer to participate in an EGS's rate option offered as part of the Pilot TOU Program will be treated as shopping customers, and all of the rules applicable to shopping customers will apply. A

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<sup>5</sup> Customers in the Company's CAP, known as "OnTrack," will be excluded from participation in the Pilot TOU Program which, as proposed, will end on May 31, 2015.

<sup>6</sup> Customers will not necessarily be required to return to default service to participate in the Pilot TOU Program. Customers participating in the Pilot TOU Program will initially begin service according to his or her bill cycle and the 11-day switching rule. In the event that there is a gap in service prior to the initiation of service under the Pilot TOU Program, a customer may receive default service from PPL Electric prior to being switched to a supplier pursuant to the Commission's switching rules.

customer may leave a participating EGS's rate option under the Pilot TOU Program subject to the Commission's switching rules.

33. PPL Electric will inform customers about the new Pilot TOU Program by including an article in "PPL Connect." This article will briefly summarize the program and instruct customers on how to obtain more information. The Company will not promote any specific TOU rate option offered by an EGS that is participating in the program.

34. PPL Electric will maintain a website that will provide links to each participating EGS's TOU rate offerings. Customers who call PPL Electric and indicate interest in a TOU rate will be directed to a PPL Electric-hosted website that will provide links to each participating EGS's TOU rate offerings. The website is anticipated to operate similarly to the Company's "choose your supplier page." The Company also will provide additional information on its TOU website, including a frequently asked questions ("FAQ") section. However, PPL Electric will not provide any EGS-specific TOU rate information directly on its website.

35. If a customer interested in TOU service does not want to review the TOU information on PPL Electric's website, the Company will, at the customer's request, send a letter containing the information posted on the Company's website.

36. PPL Electric also will provide a detailed discussion regarding how customers can determine the effect of an EGS's TOU rate under the Pilot TOU Program on their monthly bills.

37. The Company will provide information on the Pilot TOU Program to its Customer Service Representatives.

38. PPL Electric will prepare a fact sheet with tips and ideas on how to shift load.

39. PPL Electric will provide interested parties the opportunity to review and comment on the above education efforts discussed in paragraphs 34, 36 and 38, above.

40. The Company will provide a quarterly status report on the Pilot TOU Program to the parties in this proceeding. It will provide an analysis of information received from EGSs' in their quarterly reports concerning the number of customers that participated in the EGSs' rate offerings during the previous quarter and each EGS's aggregate monthly on- and off-peak load information for customers participating in the Pilot TOU Program, per rate schedule, in the report submitted to the Commission under 66 Pa. C.S. § 2807(f)(5).

**D. EXISTING TOU CUSTOMER PARTICIPATION**

41. PPL Electric's currently effective TOU program will no longer be available to new applicants as of the effective date of the new tariff supplement implementing the new Pilot TOU Program.

42. Except for CAP customers currently receiving service under PPL Electric's existing TOU rate option, all other customers may move directly to the Pilot TOU Program, provided that the customer chooses to participate. If a current TOU customer does not choose to participate in the Pilot TOU Program or does not choose to purchase generation supply from an EGS, the customer will be returned to PPL Electric's fixed price default service within a specified time frame, discussed below. PPL Electric will also return CAP participants to default service.

43. PPL Electric will send a letter to existing TOU customers 45 days prior to the start of the Pilot TOU Program to notify them that the current TOU rate will terminate. The letter also will explain that if the customers do not choose to participate in the Pilot TOU Program or do not choose to purchase generation supply from an EGS, they will be transferred to PPL Electric's fixed price default service by a certain date. The letter also will contain information about the Pilot TOU Program and how to participate in the program if the customers are interested.

44. PPL Electric will maintain the current TOU rates in effect until each customer's first meter read date after the implementation of the Pilot TOU Program, at which time the customer will be returned to fixed price default service if the customer has not elected to receive service from an EGS.

**E. IMPLEMENTATION SCHEDULE**

45. The term of the Pilot TOU Program will run from the date the applicable tariff provisions become effective through May 31, 2015, which coincides with the end of the default service plan approved by the Commission in Docket No. P-2012-2302074.

46. PPL Electric will make the Pilot TOU Program effective 90 days after the Commission issues a final order approving the Pilot TOU Program.

**F. TOU CONTINGENCY PLAN**

47. During the term of the Pilot TOU Program, PPL Electric will periodically ascertain that at least one EGS is providing a TOU rate option through execution of the Participation Form and regular EGS reports.

48. If no EGSs execute the Participation Form at the initiation of the Pilot TOU Program or if all participating EGSs opt out of the program or default on the program's requirements, PPL Electric will expeditiously seek approval of a new subsequent TOU proposal and request that the replacement plan be made effective within 60 days. If no EGS qualifies to participate in the Pilot TOU Program or it appears that any or all of the participating EGSs will choose to opt out of the program, PPL Electric will endeavor to work with an interested but non-qualifying EGS or the opting out EGS(s) to keep them in the program prior to engaging in the contingency plan described in paragraph 49, below.

49. PPL Electric's subsequent TOU proposal, as discussed in paragraph 48, will contain the following characteristics. First, the Company will solicit, through a request for

proposal (“RFP”) process, a single supplier to provide TOU service to customers. The program also will be a summer-only program (including the months of June, July and August), where the “on-peak” period will be from 2 p.m. to 6 p.m., Monday through Friday, excluding PJM holidays, and all other hours during this summer period will be defined as the off-peak hours. The RFP will determine the summer “on-peak” and “off-peak” rates. Moreover, the rate during the non-summer months will be the then current PTC. The Company also will propose that CAP customers be eligible to participate in this subsequent TOU proposal. Further, the TOU rates provided through the RFP will not be reconciled. PPL Electric also will be permitted to fully recover the costs of implementing the subsequent TOU proposal through the Generation Supply Charge. Finally, parties will have the right to challenge the subsequent TOU proposal.

#### **G. RECONCILIATION**

50. As instructed by the Commission, in the January 24 Order, as part of the revised default service plan, PPL Electric will continue using its current quarterly reconciliation methodology for its Rate Schedule GSC-1 rates. January 24 Order, p. 70. Moreover, the Company will implement the approved joint reconciliation permitted by the Commission’s Order at Docket No. R-2011-2264771 upon the Commission’s approval of the new Pilot TOU Program.

### **III. PUBLIC INTEREST CONSIDERATIONS**

51. The Commission’s policy encourages settlements. 52 Pa. Code § 5.231(a).

52. This Settlement, if approved by the ALJs and the Commission, will resolve all issues in this proceeding except for the net metering issue raised by DCIDA and the Small C&I TOU rate issue raised by OSBA.

53. Under the Settlement, the Pilot TOU Program will offer a TOU rate option to PPL Electric’s default service customers, thereby satisfying the requirement of 66 Pa. C.S.

§ 2807(f)(5). Furthermore, PPL Electric will use the retail market and EGSs to assist in providing TOU service as suggested by the Commission. Relying on EGSs to provide TOU service will resolve various complicated issues that have plagued prior TOU efforts. These complicated issues, among other things, included the definition of on-peak and off-peak periods, whether different classes of customers should have different on-peak and off-peak periods, and how to encourage customers to participate in a voluntary program. The Pilot TOU Program is designed to resolve these issues by permitting EGSs to define the on-peak and off-peak periods and the available customer class options. EGSs also will be responsible for encouraging customers to participate in the voluntary program.

54. The Settlement achieves these results without the need for further litigation, thereby conserving Commission resources.

55. The Joint Petitioners are in full agreement, with the exception of DCIDA concerning the net metering issue it raised and the Small C&I TOU rate issue raised by OSBA, and respectfully submit that expeditious Commission adoption of the Settlement is in the best interests of all parties and PPL Electric's customers.

#### **IV. ADDITIONAL TERMS AND CONDITIONS**

56. Except as otherwise provided in this Settlement, the Settlement is proposed by the Joint Petitioners to settle issues in the instant case and is made without any admission against, or prejudice to, any position which any Joint Petitioner might adopt during subsequent litigation, including further litigation of this case.

57. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission should disapprove the Settlement or modify the terms and conditions herein, this Settlement may be withdrawn by any of the Joint Petitioners upon written notice to the Commission and all active parties within three

business days following entry of the Commission's Order and, in such event, shall be of no force and effect.

58. The Settlement is proposed by the Joint Petitioners to settle all issues in the instant proceeding, except for the net metering issue raised by DCIDA and the Small C&I TOU rate issue raised by OSBA. If the Commission disapproves the Settlement or the Company or any other Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective rights to fully litigate this case, including but not limited to presentation of witnesses, cross-examination and legal argument through submission of Briefs, Exceptions and Replies to Exceptions.

59. The Commission's approval of the Settlement shall not be construed to represent approval of any Joint Petitioner's position on any issue, except to the extent required to effectuate the terms and agreements of the Settlement in these and future proceedings involving PPL Electric.

60. Joint Petitioners agree that the Settlement, upon Commission approval without modification, will be enforceable according to its terms.

61. If the ALJs, in their Recommended Decision, recommend that the Commission adopt the Settlement as herein proposed, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their rights to file Exceptions with respect to any modifications to the terms and conditions of this Settlement or any additional matters proposed by the ALJs in their Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

V. CONCLUSION

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request that the Administrative Law Judges and the Commission approve this Joint Petition for Partial Settlement including all terms and conditions herein without modification.

Respectfully submitted,

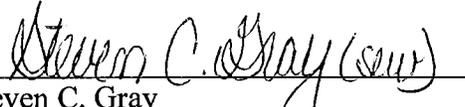
Dated: April 11, 2014



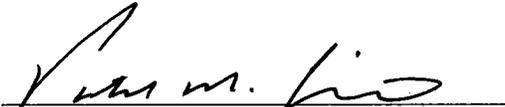
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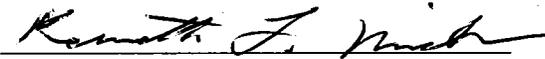
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*Counsel for Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania*



Kenneth L. Mickens, Esquire  
*Counsel for Sustainable Energy Fund*



Daniel Clearfield, Esquire  
Deanne O'Dell, Esquire  
*Counsel for Direct Energy Services, LLC*

# Appendix “A”

## PILOT TIME-OF-USE PROGRAM BINDING PARTICIPATION FORM

In order to be included in PPL Electric Utilities Corporation's ("PPL Electric" or the "Company") Pilot Time-of-Use ("TOU") Program as an Electric Generation Supplier ("EGS") participant, \_\_\_\_\_ ("EGS Participant") agrees to be bound by the terms and conditions set forth in this Binding Participation Form, which shall constitute a firm offer to supply service in accordance with the Pilot TOU Program approved by the Pennsylvania Public Utility Commission ("PUC" or "Commission") at Docket No. P-2013-2389572, and applicable Pennsylvania Law and regulations.

1. The EGS Participant hereby agrees as follows:
  - 1.1 The EGS Participant acknowledges and understands that the term of this Binding Participation Form with PPL Electric is effective from the date the Binding Participation Form is fully executed through May 31, 2015. During the term of this Binding Participation Form, EGS Participant must offer a TOU rate option based upon the terms of this Binding Participation Form and consistent with the information contained in the quarterly TOU Summary Report discussed in Section 1.11, below.
  - 1.2 The EGS Participant will define the on- and off-peak hours, and the on- and off-peak rates that it will offer to customers as part of its TOU rate option under the TOU Program. The EGS Participant's off-peak/discounted pricing hours cannot include 2 p.m. to 6 p.m., Monday through Friday, excluding PJM holidays during the summer, *i.e.*, June, July and August. The TOU rate options offered by the EGS Participant shall consist of a rate that varies during different time periods, but not as frequently as each hour, and includes off-peak and on-peak periods, with rates during the on-peak periods which are higher than rates during the off-peak periods.
  - 1.3 In addition to the above requirements, the EGS Participant will also implement the following rules:
    - (a) The EGS Participant will define and abide by the on- and off-peak hours and the on- and off-peak rates it initially reports to the Company at the initiation of the TOU Program, and in quarterly reports submitted thereafter (the "TOU Summary Report"), as discussed in Section 1.11 below;
    - (b) The EGS Participant will define the term of the contract between EGS and customer, which may not be less than 3 calendar months, coinciding with quarterly changes in PPL Electric's price-to-compare ("PTC");<sup>1</sup>

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<sup>1</sup> The Pilot TOU Program will be effective 90 days after the Commission issues a final order approving the Pilot TOU Program. This effective date may not coincide with a change to the PTC, therefore, for the period between the effective date and the first PTC change following the effective date of the Pilot TOU Program the term of the contract between the EGS and the TOU customer may be less than 3 calendar months.

- (c) The EGS Participant will issue notice to customers participating in the Pilot TOU Program that there is no early termination penalty or fees to any TOU customer who leaves the TOU rate option offered by the EGS Participant as part of the Pilot TOU Program at any time during the term of the contract; and
  - (d) In accordance with the provisions of 52 Pa. Code Chapter 54 (or its successor provisions), prior to the termination of the contract with a customer under the Pilot TOU Program, the EGS Participant will notify the customer regarding the conclusion of the contract, and its offer concerning the terms and conditions for continuation of service. Once notified about the conclusion of the contract, customers can elect to enter into another TOU rate option with that EGS, shop with a different EGS, or return to default service.
- 1.4 The EGS Participant will issue notice to customers enrolled in its TOU rate option if the EGS Participant is no longer participating in the PPL Electric Pilot TOU Program and/or the TOU rate option that the customer is enrolled in is no longer part of the PPL Electric Pilot TOU Program.
  - 1.5 The EGS Participant must be licensed as an EGS by the PUC with authority to provide service to Residential and/or Small Commercial and Industrial (“C&I”) customers in PPL Electric’s service territory. The EGS Participant must meet all of the obligations and requirements of a PUC licensed EGS. The EGS Participant must be a member of PJM Interconnection LLC (“PJM”) and be a signatory to any pertinent PJM agreements, as applicable.
  - 1.6 The EGS Participant must be certified by PPL Electric for Bill Ready Billing.
  - 1.7 The EGS Participant will create and maintain a webpage, to be referenced by PPL Electric, giving details about the available TOU rate option(s) for that quarter. This website must be updated (not more frequently than quarterly, coinciding with the PPL Electric PTC change) if the available TOU rate option has changed and must match the information provided to PPL Electric in the TOU Summary Report. The EGS Participant must also explicitly state that the rate option is being offered as part of the PPL Electric Pilot TOU Program.
  - 1.8 The EGS Participant must accept all eligible Residential and/or Small C&I customers, except for customers in PPL Electric’s low-income customer assistance program (“CAP”),<sup>2</sup> who elect to participate in the Pilot TOU Program.
  - 1.9 The EGS Participant must comply with all applicable PUC customer notification requirements.
  - 1.10 This Binding Participation Form includes terms and conditions for an EGS’s participation in the Pilot TOU Program. This document should be used in

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<sup>2</sup> Customers in the PPL Electric’s CAP, known as “OnTrack,” are excluded from participation in the Pilot TOU Program.

conjunction with PPL Electric's Electric Generation Supplier Coordination Tariff. If any discrepancies exist between the terms of Binding Participation Form and the Electric Generation Supplier Coordination Tariff, the Binding Participation Form shall take precedent.

- 1.11 The EGS Participant must maintain its own set of independent records, available for review upon request by the Commission, for future evaluation of the Pilot TOU Program success.
- 1.12 The EGS Participants must submit an initial TOU Summary Report to the Company at least 45 days prior to the initiation of the Pilot TOU Program and submit the quarterly TOU Summary Reports to PPL Electric at least 5 days prior to the start of a PTC quarter and quarterly thereafter. The reports shall include:

Initial Report:

- (a) The available TOU rate option(s) for the upcoming quarter, by customer class;
- (b) The on- and off-peak hours and rates per rate option offered, by customer class; and
- (c) Term of the customer contract(s) available per rate option.

Quarterly Reports:

- (a) Detail new TOU rate options for the upcoming quarter, and/or changes to TOU rate options from the previous quarters (if applicable): (1) for new TOU rate options, details must include those found in the Initial Report (above), and (2) for changes to previous TOU rate offerings, details regarding what parameters were changed; and
- (b) Summary of all TOU rate options offered by the EGS Participant under the Pilot TOU Program (from the Initial Report to the date of the issued report) with the following details:
  - (i) the total number of customers, by class, per calendar month, on each rate option; and
  - (ii) aggregate monthly on-peak and off-peak load (kWh's), by customer class, per calendar month, on each rate option.

The information in the TOU Summary Report shall only pertain to TOU rate options being offered under PPL Electric's Commission-approved Pilot TOU Program, and not to any other programs the EGS Participant may offer.

2. The EGS Participant warrants and agrees that it hereby undertakes all responsibilities and service delineated herein as to TOU customers that enter into a contract with the EGS Participant, and expressly absolves PPL Electric from any and all liability for the EGS Participant's failure to perform and/or its default with respect to such responsibilities and service.
3. PPL Electric warrants and agrees that it hereby undertakes all responsibilities and service delineated herein as to TOU customers that enter into a contract with the EGS Participant, and expressly absolves the EGS Participant from any and all liability for PPL Electric's failure to perform and/or its default with respect to such responsibilities and service.
4. Participation in the Pilot TOU Program shall constitute an agreement by the EGS Participant to abide by the terms and conditions of the Pilot TOU Program as set forth herein and approved by the Commission. In the event of a material default by an EGS Participant in any of its obligations under the Pilot TOU Program, PPL Electric shall have the right to provide written notice of the default to the EGS Participant, directed to the Contact listed in the Contact Form, appended hereto. If the EGS Participant does not cure the default within 10 business days from the date of the written notice, PPL Electric shall have the right to terminate the EGS Participant from further participation in the Pilot TOU Program. PPL Electric also may seek whatever remedies to which it may be entitled before the Commission, in a court of law or otherwise, including reasonable attorneys' fees. Any court action shall be litigated in the Court of Common Pleas for Lehigh County or in the District Court for the Eastern District of Pennsylvania in Allentown.
5. The EGS Participant acknowledges that if PPL Electric is not able to confirm, as required by Section 1.5, above, that the EGS Participant is a licensed EGS in Pennsylvania and a member of PJM, as applicable, the EGS Participant will not be qualified to participant in the Pilot TOU Program.
6. PPL Electric and the EGS Participant acknowledge that the Pilot TOU Program is only available to Residential and/or Small C&I customers in the Company's service territory.
7. The submission of this Binding Participation Form to PPL Electric shall constitute the EGS Participant's acknowledgment and acceptance of all the terms, conditions and requirements of the Pilot TOU Program contained herein and approved by the Commission at Docket No. P-2013-2389572.
8. The undersigned represents and warrants that he or she has the authority to act on behalf of, and to bind the EGS Participant to perform the terms and conditions and otherwise comply with all obligations stated herein.
9. Any and all matters of dispute between PPL Electric and the EGS Participant, whenever arising, shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania regardless of the theory upon which such matter is asserted.

10. The EGS Participant must affirmatively check either or both participation groups below. The EGS Participant may elect to offer a TOU rate option under the Pilot TOU Program to both the Residential and Small C&I Customer Groups or only to one of the groups.

1. Participation in Residential Customer Group \_\_\_\_

2. Participation in Small C&I Customer Group \_\_\_\_

Signature of Authorized Individual: \_\_\_\_\_

Name of Authorized Individual (*print*): \_\_\_\_\_

Title of Authorized Individual (*print*): \_\_\_\_\_

Date Signed: \_\_\_\_\_

11. As part of your submission to participate in the Time-of-Use Program, please send one (1) original of this Binding Participation Form to:

PPL Electric Utilities Corporation  
Time-of-Use Program  
Two North Ninth Street, GENN5  
Allentown, PA 18101  
Attn: Energy Procurement Team

## Contact Form

Please provide contact information for purposes of the pilot Time-of-Use Program (*items with an \* are required*):

Company:\*

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Contact Name:\*

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Contact Title:\*

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Address:

Street 1\*

Street 2

City\*

State\*

Zip Code\*

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Phone Number:\*

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E-mail Address:\*

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Fax:

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