BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

Sustainable Energy Fund
Statement In Support of
Joint Petition for
Partial Settlement

To The Honorable Susan D. Colwell & Joel Cheskis, Administrative Law Judges:

The Sustainable Energy Fund ("SEF")[1], by and through its Attorney, submits that the terms of the foregoing Joint Petition for Partial Settlement ("Joint Petition") are in the public interest and represent a fair, just, reasonable and equitable balance of the interests of PPL Electric Utilities Corporation ("PPL Electric" or "Company") and its customers. After settlement discussions, SEF, PPL Electric, 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"), Direct Energy Services, LLC ("Direct Energy") and Interstate Gas Supply, Inc.("IGS") have agreed upon the terms embodied in the foregoing Joint Petition.

[1] SEF is a non-profit organization dedicated to the use of renewable energy, clean energy technologies, energy conservation and energy education. Founded in 1999 pursuant to a settlement of PPL Electric Utility Corporation's electric deregulation proceeding, SEF promotes clean and renewable energy initiatives to benefit customers within the PPL Electric service territory and throughout Pennsylvania.

I. BACKGROUND

SEF submits that the foregoing Joint Petition is in the public interest for the following reasons:

1. PPL Electric filed this Petition for Approval of a New Pilot Time-of-Use Program ("TOU")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 No. P-2012-2302074 (entered May23, 2013) ("*May 23 Order*").[2] Under the proposed New Pilot TOU Program, PPL Electric's Commission-approved tariff will include a default service TOU rate option whereby the specific TOU rate options and services will be provided by retail electric generation suppliers ("EGSs").

2. Under this pilot program, multiple EGSs will be allowed to offer various TOU rate options to customers and permits customers to choose the TOU rate option that best satisfies their needs. The TOU rate options offered by the EGS participants will consist of a rate that varies during different time periods, but not as frequently as each hour and includes on-peak and off-peak periods, with

[2] In its January 24, 2013 Order in the DSP 2013-2015 proceeding (at Docket No. P-2012-2302074), the Commission approved with modification PPL Electric's default service plan for the period June 1, 2013 through May 31, 2015 ("*January 24 Order*"). In regard to the TOU rate issues, the Commission stated that PPL Electric should schedule a collaborative with interested stakeholders in order to discuss and resolve any issues concerning the development and implementation of a TOU rate option that will allow the Company to meet its TOU rate requirement. In addition, PPL Electric was directed to file a new TOU rate proposal following the conclusion of the collaborative but no later than August 23, 2013. *January 24 Order*, p. 115.

rates during the on-peak periods which are higher than rates during off-peak periods.[3] PPL Electric also initially proposed a TOU Contingency Plan.[4]

3. SEF filed an Answer to PPL Electric's Petition on September 6, 2013. A Prehearing Conference was held on October 21, 2013, at which time a litigation schedule was set. An evidentiary hearing was held in this proceeding on February 26, 2014.

4. Settlement discussions resulted in the foregoing Joint Petition.

II. SETTLEMENT TERMS

5. The specific details of the Settlement terms are provided in Paragraphs 18 through 50 of the Joint Petition. However, SEF initially observes that the settlement enhances PPL Electric's New Pilot TOU Program by ensuring that PPL Electric's TOU customers will have the opportunity to reduce consumption by modifying their energy use profile.

III. PUBLIC INTEREST

6. SEF submits that the foregoing Joint Petition is in the public interest for the following reasons:

(a). Pricing Signals: The Joint Petition ensures that PPL Electric will provide a TOU rate option to customers in its tariff; however, it will utilize the retail market and the EGSs to satisfy its statutory obligation to offer TOU service to its customers. The use of EGSs makes it more likely that the TOU rates will

[3] PPL Electric Petition, pp. 9-16.
[4] PPL Electric Petition, pp. 16-19.

give the appropriate pricing signals to electric customers so that they can make intelligent decisions concerning their energy use.

(b) Reports: 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 quarterly reports provided by the EGSs will include aggregate monthly on and off peak load information for customers participating in the Pilot TOU Program, per rate schedule. Such information will help to determine how much customer load is being transferred from on peak to off peak hours.

(c). Consumer Education: The Joint Petition requires that PPL Electric and participating EGSs engage in activities designed to educate the consumer concerning the TOU pilot program. In this regard, PPL Electric will maintain a website that will provide links to each participating EGS's TOU rate offerings. The Company will also provide a "frequently asked questions" section on its website concerning the Pilot TOU Program and provide additional information on this topic to its Customer Service Representatives. Similarly, 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.

(d) Open Access: The Joint Petition provides that participation in the Pilot TOU Program is voluntary, customers do not need to be receiving fixed price default service from PPL Electric in order to participate in the Pilot TOU Program and customers who participate in the Pilot TOU Program will be treated as shopping customers. These provisions provide for open access and freedom of movement for PPL Electric customers.

(e) Contingency Program: Under the Joint Petition, 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 sixty (60) days. Under this scenario, the Company has pledged to solicit, through a request for proposal ("RFP") process, a single supplier to provide TOU service to customers. This contingency program is far superior to the originally filed contingency proposal because it would send accurate pricing signals to electric customers who participate in the Pilot TOU Program.

(f). Discontinue Litigation: The Joint Petition discontinues expensive and unnecessary rate litigation and administrative burden.

7. The foregoing Joint Petition addresses and adjusts all substantial issues that are the subject of dispute. It appears unlikely that full litigation of these matters would result in SEF obtaining a superior outcome.

8. SEF supports the foregoing Joint Petition because it is in the public interest. However, in the event this matter proceeds to full litigation, SEF is prepared to take litigation positions that may differ from the terms of the proposed Settlement.

Respectfully submitted,

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Dated: March 17, 2014

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

VERIFICATION

I, John M. Costlow, Director of Technical Services, Sustainable Energy Fund, hereby verify that the statements made in the foregoing document (Sustainable Energy Fund Statement In Support of Joint Petition for Partial Settlement) are true and correct to the best of my information, knowledge and belief . I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. Section 4904 (relating to unsworn falsification to authorities).

John M. Costlow

Dated: March 17, 2014