



April 11, 2014

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Petition of PPL Electric Utilities Corporation for Approval of a New Pilot Time of Use Program Docket Nos. P-2013-2389572

Dear Secretary Chiavetta:

Enclosed is CAUSE-PA's Statement in Support of the Joint Petition for Partial Settlement that will be filed in this case.

Please let me know if you have questions about this filing.

Very sincerely,

Patrick M. Cicero

Enclosures

CC: ALJs Colwell and Cheskis
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities Corporation for Approval of a
New Pilot Time-of-Use Program**

Docket Nos. P-2013-2389572

Certificate of Service

I hereby certify that I have this day served copies of CAUSE-PA's Statement in Support 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

Hon. Susan D. Colwell Hon. Joel H. Cheskis Office of Administrative Law Judge PO Box 3265 Harrisburg, PA 17105-3265 scolwell@pa.gov jcheskis@pa.gov	Paul E. Russell, Esquire PPL Electric Utilities Corporation 2 North Ninth Street Allentown, PA 18101 perussell@pplweb.com
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Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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Date: April 11, 2014

**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 :
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**STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA
IN SUPPORT OF
THE JOINT PETITION FOR PARTIAL SETTLEMENT**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), a party to the Joint Petition for Partial Settlement (“Joint Petition” or “Settlement”), which resolves all issues among the Joint Petitioners, except the contested issue of net-metering, respectfully requests that the terms and conditions of the Settlement be approved by the Honorable Joel Cheskis and the Honorable Susan D. Colwell, Administrative Law Judges (“ALJs”) and the Pennsylvania Public Utility Commission (“Commission”) without modification. For the reasons stated more fully below, the terms and conditions of the Settlement are in the public interest.

I. INTRODUCTION

Through its counsel, CAUSE-PA participated in the TOU Collaborative and meetings that resulted in this Petition, and subsequently participated as an intervening party in the formal proceeding through the sponsorship of its witness Stephen R. Krone. Among the issues contested in this proceeding was whether low-income customers enrolled in CAP should participate in the

Pilot TOU Program, and if so, under what circumstances. Throughout the litigation, it became apparent that the inclusion of CAP customers in the Pilot TOU Program was problematic, and the parties arrived at a good faith compromise which seeks to address these concerns. For the reasons stated more fully below, the Settlement is in the public interest in that it addresses significant issues of concern to CAUSE-PA, balances the interests of the parties, and fairly resolves a number of important issues. Substantial litigation and associated costs will be avoided; and if approved, the Settlement will eliminate the possibility of further Commission litigation and appeals, along with their attendant costs.

II. BACKGROUND

CAUSE-PA adopts that background as set forth in Paragraphs 1-17 of the Joint Petition.

III. CAUSE-PA'S REASONS FOR SUPPORT OF THE SETTLEMENT

The following terms of this Settlement address issues of concern to CAUSE-PA on behalf of low-income consumers, and reflect a carefully balanced compromise of the interests of all the Joint Petitioners in this proceeding:

In Paragraphs 32 and 42 of the Joint Petition, the parties have agreed that PPL's CAP customers will not be eligible to participate in the Pilot TOU program. The exclusion of CAP customers in this pilot program is in the public interest.

In his testimony, CAUSE-PA witness Stephen R. Krone documented the economic vulnerabilities that PPL's CAP customers face. Specifically, he documented that generally PPL's low-income customers are four times as likely to have their service terminated as residential customers as a whole. (CAUSE-PA Statement No. 1 at 4:10-14.) Mr. Krone also cited data indicating that nearly 60% of PPL's low-income customers are on payment agreements. (CAUSE-PA Statement No. 1 at 6:17-18). Regarding CAP customers in the competitive market, Mr. Krone

cited data provided by PPL in response to interrogatory requests which demonstrated that PPL's CAP customers were generally faring poorly in the competitive electric market; namely, over the course of 2013, 67% of the bills received by OnTrack customers who were receiving service by an EGS were above the price to compare.¹ (CAUSE-PA Statement No. 1 at 7:1-11.) This information led to the conclusion that the potential to increase costs for CAP households, such as a TOU program without adequate price safeguards, is poor public policy. (CAUSE-PA Statement No. 1 at 4:15-16.)

Moreover, as the default service provider, PPL has the obligation to ensure that it and its low-income customers are adequately informed about the risks and benefits for those customers of participating in a Pilot TOU Program, and this includes informing these customers about *the specifics* that such participation will have for them if they do not shift their load. Due to the design of the Pilot TOU Program, which allows participating EGSs to control the terms of the TOU offers, performing this analysis, and ensuring that CAP customers were adequately informed about the risks and benefits of participation, would have been too costly and too onerous. (See PPL Statement No. 3-R at 7:4-6; 9:2-3.) Absent appropriate safeguards, education, and tools specifically designed to allow CAP customers to choose a time of use product, it would not be in the public interest to include these customers in a time of use pilot. Given these factors, the parties, including the participating EGSs, reasonably agreed that for the purpose of this pilot that CAP customers should be excluded.

In Paragraphs 48 through 49, the parties also agree that in the event that no electric generation supplier qualifies to participate in the Pilot TOU Program, or all qualifying EGSs opt out of the

¹ PPL Revised Response to CAUSE-PA Interrogatory Set I, No. 6, Attached to CAUSE-PA Statement No. 1.

program, PPL will implement a contingency program in which it will propose to include CAP customers. While CAUSE-PA reserves judgment about its position on the inclusion of CAP customers in any contingency TOU program that PPL may propose, these proceedings have demonstrated that the Company is willing to work with parties to address concerns about affordability and understandability, and, thus, this contingency plan is a reasonable compromise of the concerns of all parties because it prudently defers a decision about program participation by CAP customers until the full details are known.

IV. CONCLUSION

The Settlement, which was achieved by the Joint Petitioners after an extensive investigation of PPL's filing, including informal and formal discovery, and the submission of testimony, is in the public interest. Acceptance of the Settlement avoids the necessity of further administrative and possibly appellate proceedings regarding the settled issues at what would have been a substantial cost to the Joint Petitioners and PPL's customers. Accordingly, CAUSE-PA respectfully requests that the ALJs and the Commission approve the Settlement.

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



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