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File #: 158814

May 12, 2015

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: 2016 Total Resource Cost (TRC) Test
Docket No. M-2015-2468992

Dear Secretary Chiavetta:

Enclosed for filing please find the Reply Comments of PPL Electric Utilities Corporation on the Tentative Order issued in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "DTR", written over a horizontal line.

Devin T. Ryan

DTR/jl
Enclosure

cc: Scott Gebhardt (sgebhardt@pa.gov)
Louis Fink Smith (finksmith@pa.gov)
Certificate of Service

**CERTIFICATE OF SERVICE
(Docket No. M-2015-2468992)**

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).

VIA FIRST CLASS MAIL

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Environmental Defense Fund
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Washington, DC 20009

Date: May 12, 2015



Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

2016 Total Resource Cost (TRC) Test : Docket No. M-2015-2468992

**REPLY COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), by and through its attorneys, in accordance with the Pennsylvania Public Utility Commission’s (“Commission”) March 11, 2015 Tentative TRC Order,¹ hereby submits these Reply Comments in response to the comments filed by various parties on or about April 27, 2015.

I. BACKGROUND

On March 11, 2015, the Pennsylvania Public Utility Commission (“Commission”) entered its Tentative Order in the above-captioned proceeding. In the Tentative TRC Order, the Commission issued, for public comment, its proposals for modifying the Total Resource Cost Test (“TRC”) as part of its third phase (“Phase III”) of the Energy Efficiency and Conservation (“EE&C”) Program. On April 27, 2015, PPL Electric submitted its Comments on the Tentative TRC Order. PPL Electric will not respond to each issue raised in Tentative TRC Order and the comments of other parties. Instead, PPL Electric will focus on those issues that are most important to the Company.

¹ 2016 Total Resource Cost (TRC) Test, Docket No. M-2015-2468992 (Order Entered Mar. 11, 2015) (“Tentative TRC Order”).

II. REPLY COMMENTS OF PPL ELECTRIC

IV. 2016 TRC Test Topics For Which No Changes From Phase II Are Proposed

A. Societal Test As Part Of The TRC Test

In its comments, CAUSE-PA states that “[t]he costs of providing universal service programs and managing uncollectible accounts present a quantifiable portion of the overall cost to a household to procure electricity”; however, “implementation of effective energy efficiency and conservation programming has the potential to significantly decrease the cost of universal service programs and uncollectible accounts which are passed through to ratepayers.” CAUSE-PA Comments, p. 5.

PPL Electric does not believe the costs of providing universal service programs and managing uncollectible accounts should be included in the TRC calculation. First, PPL Electric notes that CAUSE-PA has not provided any analysis to support its conclusions that: (1) the costs of providing universal service programs and managing uncollectible accounts are quantifiable; and (2) such costs can be reduced by implementing effective energy efficiency and conservation programs. Without providing any analysis to support these claims, the Company believes it is insufficient simply to state that the costs are quantifiable and that effective efficiency and conservation programming has the potential to reduce those costs. Thus, additional detail is required to understand and evaluate CAUSE-PA’s claims.

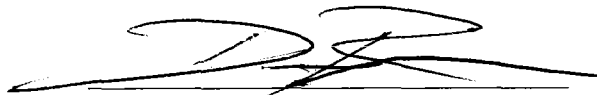
Second, although the Company stated in its Comments that it believes that Act 129 does not prohibit the inclusion of O&M benefits, PPL Electric does not see the potential benefits of including the costs of providing universal service programs and managing uncollectible accounts in the TRC calculation. PPL Electric Comments, p. 4. Verifying these activities would increase costs. Such money would be better spent on energy efficient measures for customers that have savings which are quantifiable, measurable, and already calculated under a standard used by all

electric distribution companies and the Statewide Evaluator. Moreover, in its Comments, PPL Electric recommended leaving the TRC methodology the same as in Phase II for three reasons: (1) the TRC methodologies used should be consistent across EE&C phases to allow for the comparison of program performance; (2) the TRC methodology used for compliance should be consistent with the methodology used in the Market Potential Study so that benefits are not overstated or understated; and (3) many of the non-electric benefits such as water reductions, productivity and quality of life issues are difficult to verify and would be burdensome for the customer to identify, calculate, and provide to the EDC. PPL Electric Comments, pp. 4-5. Thus, PPL Electric does not believe that the costs of providing universal service programs and managing uncollectible accounts should be included in the TRC calculation.

III. CONCLUSION

For the reasons set forth above, PPL Electric Utilities Corporation respectfully requests that the Commission take these Reply Comments into consideration in preparing its Final TRC Order.

Respectfully submitted,



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Date: May 12, 2015

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