COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

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April 1, 2005

R-00049255
R-00049255C0001-C0020

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DOCUMENT
FOLDER

Pennsylvania Public Utility Commission, et al
v.
PPL Electric Utilities Corporation

BTL

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on March 23, 2005 has adopted an Opinion and Order in the above-entitled proceeding.

An Opinion and Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

Enclosure
Certified Mail
LJM

See attached list for additional parties of record

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held March 23, 2005

Commissioners Present:

Wendell F. Holland Chairman
Robert K. Bloom, Vice Chairman
Kim Pizzingrilli

Pennsylvania Public Utility Commission	:	R-00049255
U.S. Department of Defense & Federal	:	
Executive Agencies	:	R-00049255C0001
PPL Industrial Customer Alliance	:	R-00049255C0002
Office of Small Business Advocate	:	R-00049255C0003
Office of Consumer Advocate	:	R-00049255C0004
Anthony J. Graziano	:	R-00049255C0005
Brenda Hoover	:	R-00049255C0006
Eric Joseph Epstein	:	R-00049255C0007
Victoria K. Mackin, et al.	:	R-00049255C0008
Cheryl & Jeremy Ebert	:	R-00049255C0009
Martha Wells	:	R-00049255C0010
Margaret M. Stuski	:	R-00049255C0011
Wal-Mart Store East, LP.	:	R-00049255C0012
Pennsylvania Energy Consortium	:	R-00049255C0013
Donald F. McGarrigle	:	R-00049255C0014
Curvin L. Snyder	:	R-00049255C0015
William J. Junkin, III	:	R-00049255C0016
Philip A. Trump	:	R-00049255C0017
Pennsylvania Retailers Association	:	R-00049255C0018
Christy Meyers	:	R-00049255C0019
Steven P. Carlyle	:	R-00049255C0020

v.

PPL Electric Utilities Corporation

OPINION AND ORDER

BY THE COMMISSION:

Before the Commission are Petitions for Reconsideration filed by the PP&L Industrial Customer Alliance (PPLICA) on January 6, 2005, by the Office of Trial Staff (OTS) on January 5, 2005, and by Citizens for Pennsylvania's Future, Edward M. McGovern and Char Magaro (collectively, the PennFuture Parties) on January 5, 2005. Each of these Petitions seeks reconsideration of our Opinion and Order entered December 22, 2004, which resolved the request for rate relief filed by PPL Electric Utilities Corporation (PPL) at R-00049255 (December 22 Order). Answers to each of the Petitions for Reconsideration were filed by PPL on January 18, 2005. The OCA filed an Answer on January 18, 2005, directed specifically to the Petition for Reconsideration filed by PPLICA. PPLICA filed an Answer on January 13, 2005, directed specifically to the Petition for Reconsideration filed by the PennFuture Parties. The Office of Trial Staff (OTS) also filed an Answer on January 18, 2004, directed specifically to the Petition for Reconsideration filed by the PennFuture Parties.

History of the Case

On March 29, 2004, PPL filed Supplement No. 38 to Tariff Electric-Pa. P.U.C. No. 201 to become effective June 1, 2004, seeking Commission approval to increase its retail distribution base rate revenues by $164.4 million. PPL's request was based on a future test year ending December 31, 2004. Additionally, PPL sought to increase transmission charges by approximately $57.2 million.

A total of nine Public Input Hearings (PI Hearings) were held throughout PPL's service territory. Administrative Law Judge (ALJ) Colwell conducted the PI

Hearings in Lancaster and Harrisburg. ALJ Jandebeur conducted the PI Hearings in Scranton and Wilkes-Barre.

Four days of Evidentiary Hearings were held in Harrisburg the week of August 9, 2004. During that time, testimony and exhibits of all the active Parties were entered into the record. A total of 1,135 pages of transcript were produced (including the PI Hearings), and the record closed on August 13, 2004.

ALJ Turner's Recommended Decision, which was served on the Parties on October 22, 2004, and modified by the Errata issued October 25, 2004, *inter alia*, granted PPL a rate increase of $130,111,983, and set a Transmission Service Charge (TSC) rate of $0.05439 per kWh. Various Parties filed Exceptions and Replies to Exceptions seeking modifications to the Recommended Decision. On December 22, 2004, the Commission entered its final Opinion and Order which addressed the Parties' Exceptions.

On or about January 5 and January 6, 2005, PPLICA, OTS and the PennFuture Parties filed Petitions for Reconsideration. Each Petition for Reconsideration seeks reconsideration of our Opinion and Order entered December 22, 2004. As noted above, PPL, PPLICA, and the OCA have filed timely Answers to the Petitions.[1]

[1] Appeals of the December 22 Order were filed with Commonwealth Court by the Office of Small Business Advocate and the Office of Consumer Advocate. These were docketed at Case Nos. 137 and 144 C.D. 2005 respectively. Subsequently, the Commission on Economic Opportunity filed a cross-petition for judicial review which was docketed at Case No. 275 C.D. 2005. These appeals were consolidated by the court. On March 17, 2005, the court granted a motion by the Commission to stay the proceedings for 180 days or until an order was entered on reconsideration, whichever came first.

Discussion

By Opinion and Order entered January 13, 2005, at this docket, we granted the three Petitions for Reconsideration, pending further review of the merits. As we review the merits of each of these Petitions, we note that petitions for reconsideration must make new and novel arguments not previously considered or raise matters which are designed to convince us to exercise our discretion to rescind or amend the order under consideration. *Duick v. PG & W*, 56 Pa. P.U.C. 553, 51 P.U.R. 4th 284 (1982) (*Duick*), citing *Pa. Railroad Co. v. Pa. PSC*, 179 A. 850 (Pa. Super. 1935). Our decisions in these types of cases are left to our sound discretion and will not be disturbed on appeal absent bad faith, fraud, capricious action, or abuse of power. *West Penn Power v. Pa. PUC*, 659 A.2d 1055 (Pa. Cmwlth. 1995). It has also been held that because a grant of relief on such petitions may result in the disturbance of final orders, it should be granted judiciously and only under appropriate circumstances. *Id.; City of Pittsburgh v. PennDOT*, 490 Pa. 264, 416 A.2d 461 (1980). We will address the OTS Petition for Reconsideration first, followed by the Petition filed by the PennFuture Parties and then address the issues raised by PPLICA.

OTS Petition

In its Petition, the OTS states that our December 22 Order regarding pension expense focused exclusively on the merits of accrual accounting over cash accounting. The OTS observes that we determined that, consistent with our decision in PPL's prior base rate case at Docket No. R-00943271[2], it was proper for PPL to continue using the accrual method to account for its pension expense. The OTS then asserts that the Commission did not address the fact that PPL already collected $100 million from

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[2] *Pennsylvania Public Utility Commission v. Pennsylvania Power and Light Company,* 85 Pa. PUC 306, Docket Number R-00943271.

ratepayers to cover its claimed $75 million liability. The OTS argues that it is unclear how accrual accounting permits PPL to collect additional money beyond the $100 million already billed to ratepayers for the pension fund. (OTS Petition at 1-5).

The OTS believes that if the Commission permits PPL to collect additional money for pension expenses under accrual accounting, the additional money should be held in escrow to ensure it is available to fund its pension obligation when such obligation becomes due. The OTS does not dispute that the Commission has already decided that PPL should follow the accrual method of accounting for its pension expense. The OTS submits that the Commission should clarify our December 22 Order and require PPL's accrued pension funds be placed into some form of segregated account to ensure that they are available for future pension expenses. (Petition at 3, 4). In the alternative, the OTS petitions the Commission to reconsider and reverse its December 22 Order as it pertains to the recovery of pension expense under accrual accounting. (*Id.* at 6-8).

We will deny the OTS' Petition. Accrual accounting, by definition, is an accounting method where income and expense items are recognized and recorded when income is earned and an expense is incurred, regardless of when cash is actually received or paid. While the accrual concept is used in both financial and regulatory accounting, the methods are not entirely identical for both. In financial accounting, the incurred expense is ultimately matched with the receipt of revenue, although that sometimes may occur in different financial accounting periods. In regulatory accounting, no such matching occurs. A regulatory accounting period may span several years, and during that time, each line item expense that was allowed in the establishment of the current rates may be greater or lesser than what was originally perceived.

In essence, the OTS is asking the Commission to initiate a mechanism of separate accounting for a specific allowance granted within the confines of a base rate proceeding. If the Commission were to establish such a mechanism, that would be akin

to single issue ratemaking which is not permitted in this jurisdiction. The OTS' suggestion is contrary to traditional ratemaking principles and does not meet any recognized exception to the rule against single issue ratemaking. Accordingly, the OTS Petition is denied.

PennFuture Parties' Petition

In our December 22 Order, we acknowledged that the time had come to wean the Sustainable Energy Fund (SEF) from ratepayer funding. We approved continued ratepayer funding of the SEF only through December 2006. We determined that the funding level to be included within distribution rates for 2005 and 2006 would be 0.01 and 0.005 cents per kWh respectively. *See* December 22 Order at 52.

In their Petition, the PennFuture Parties seek reconsideration of our disposition of the SEF funding issue. In our December 22 Order, we stated that, with the signing into law of the Alternative Energy Portfolio Standards Act (Act 213) on November 30, 2004, the SEF and Pennsylvania's other regional sustainable energy funds will have an additional source of funding. The PennFuture Parties suggest that, although Section 3(g)(1) of Act 213 provides alternative compliance payments for noncompliance with the provisions of the Act, it is possible that no electric distribution company or electric generation supplier will ever be found to be in noncompliance, and thus no payments will be made into the Pennsylvania Energy Board Fund.

The PennFuture Parties argue that even if payments for noncompliance were made into the Pennsylvania Energy Board Fund, there is no basis in Act 213 to expect that this funding would be sufficient to replace the SEF fund revenue stream to be eliminated by the December 22, Order. The PennFuture Parties argue that the Commission should exercise its discretion under *Duick* and restore funding for PPL's SEF, pursuant to a phase-out over the next five years as recommended by the ALJ. The

PennFuture Parties also argue that in order to further promote clean energy and economic development, the Commission should double the SEF funding rate to .02 cents per kWh. (Petition at 5-7).

In their Answers, PPL, the OTS and PPLICA argue that the PennFuture Parties have misinterpreted the Commission's December 22 Order and Act 213. PPL further argues that the contention that SEF funding should be increased from .01 cents per kWh to .02 cents per kWh merely restates PennFuture Parties'case-in-chief and offers no reason for reconsideration. (PPL Answer at 2). PPLICA argues that, by advocating for continued ratepayer funding, the PennFuture Parties are seeking to expand their legislative gain beyond the intention of the General Assembly. Similarly, explains PPLICA, if the Pennsylvania Energy Board does not choose to fund the SEF, then it is obviously due to either the existence of sufficient renewable resources within the PPL territory or the inadequacies of the SEF activities. (PPLICA Answer at 1 and 3).

We will deny the PennFuture Parties' Petition. The PennFuture Parties have not presented a convincing argument that our December 22 Order was in error in its application of the law. Neither have the PennFuture Parties presented new evidence that warrants consideration. The PennFuture Parties' mere re-statement of its case-in-chief does not meet the Commission's standards for reconsideration that are enunciated in *Duick*. Accordingly, we shall not grant reconsideration on this issue.

PPLICA Petition

PPLICA presents two issues in its Petition for Reconsideration. First, PPLICA claims that we erred when we failed to adopt PPLICA's proposed Transmission Service Charge (TSC). Second, PPLICA argues that the Commission erred when we removed funding for the SEF from distribution rates without the additional requirement

that PPL be directed to file a distribution base rate proceeding in 2006. We will address each of these arguments in turn.

1. The Transmission Service Charge

In our December 22 Order, we adopted the recommendation of the ALJ which adopted PPL's initial proposal of a uniform TSC of $0.00564/kWh. When we adopted this approach, we stated the following:

> We will adopt the recommendation of the ALJ which recommends PPL's initial proposal of a uniform TSC of $0.00564/kWh. In doing so, we note that PPLICA was persuasive in its arguments. However, we agree with the OCA that PPL is now in a transition to full competition. Accordingly, principles of gradualism, mitigation of rate shock and rate stability are extremely important. As PPL moves further along in its transition, it is possible that those principles will be more closely balanced and cost causation will move to the fore. However, based upon the record before us, we agree with the ALJ, PPL and the OCA that PPL's initial proposal is the most reasonable TSC design at this point in time.

(December 22 Order at 78).

PPLICA asserts that we should reconsider the foregoing for two reasons. First, PPLICA argues that Section 2804(6) of the Public Utility Code (Code), 66 Pa. C.S. § 2804(6), requires that PPL must provide access to its transmission system at rates and terms consistent with PPL's own use of the system. According to PPLICA, Section 2804(6) requires that any transmission rate derived in this proceeding must accurately track the manner in which PPL is assessed transmission and ancillary service charges by PJM Interconnection, L.L.C. (PJM) for particular customers. PPLICA argues that while historic principles of gradualism and mitigation of rate shock may be applicable to

distribution rates, Section 2804(6) establishes a different approach to transmission rates. (PPLICA Petition at 3-5).

PPLICA also argues that our December 22 Order misconstrued the subsidization inherent in PPL's proposed TSC. PPLICA asserts that the Commission appears to state that PPLICA's argument takes issue with the fact that PPL's proposal does not move swiftly enough to eliminate the subsidy inherent in the TSC. However, PPLICA states that it did not argue that the prior transmission rate included any interclass subsidization at all. PPLICA argues that its objection is that interclass subsidization is introduced for the first time in the TSC by modifying the demand allocation of transmission to an energy allocation. (PPLICA Petition at 6). PPLICA explains that the transmission rates approved in the prior unbundling case reflected each rate schedule's demand allocator. When the Commission adopted PPL's proposal to move from a demand allocator to an energy-only allocator in the December 22 Order, that change created interclass subsidies for the first time. (*Id.* at 7).

For the foregoing reasons, PPLICA argues that we should reconsider the TSC directed in the December 22 Order and adopt the TSC proposed by PPLICA. As argued by PPLICA, approval of its Petition will render the TSC consistent with Section 2804(6) of the Code, eliminate the newly created inter-class subsidies and establish a transmission rate tied to demand which more closely reflects the methodology by which PPL is billed for transmission.

PPL responds to PPLICA's first argument and asserts that PPLICA misinterprets Section 2804(6) of the Code. According to PPL, when PPL accesses its own transmission system, it must pay PJM in accordance with the terms and conditions established in PJM's Open Access Transmission Tariff (OATT) approved by the Federal Energy Regulatory Commission (FERC). Similarly, all other users of PPL's transmission system must pay for such usage in accordance with the OATT. Accordingly, PPL argues

that there is nothing at odds with Section 2804(6) since all users of PPL's transmission system must pay the same rates and meet the same terms and conditions as PPL. (PPL Answer at 3-4).

PPL then distinguishes the TSC from the charges assessed by PJM under the OATT. According to PPL, the TSC is a charge designed to recover the costs PPL incurs under the PJM OATT for use of transmission services provided by PJM. The TSC is not a charge to any entity for access to PPL's transmission system. It is a retail rate mechanism for recovery of costs that PPL incurs in providing service. Thus, the TSC is not subject to Section 2804(6) since it is "simply a pass through of transmission charges that have been reviewed and approved by the FERC." (PPL Answer at 5).

PPL also disputes PPLICA's discussion of the creation of interclass subsidies inherent in the TSC. PPL asserts that PPLICA's arguments completely miss the impact of the overall increase on the various rate schedules. According to PPL, the overall increase to residential customers, on a percentage basis, was almost twice the increase to large industrial customers. PPL argues that it is completely misleading to argue about subsidies restricted to the TSC without also acknowledging the effect of the overall rate increase across the rate classes. (PPL Answer at 5-6).

The OCA argues that PPLICA has failed to introduce any new or novel arguments or issues that appear to be overlooked and has failed to meet the *Duick* standard for reconsideration. (OCA Answer at 2-4). The OCA also argues that PPLICA has failed on the merits.

The OCA first points out that the PPLICA TSC proposal, as found by the ALJ, would result in dramatically volatile rates for certain rate schedules depending on whether PPL peaked in the summer or the winter. The OCA argues that such volatility is not justified at this point in PPL's transition to full competition. (OCA Answer at 4-5).

The OCA also argues that Section 2804(6) of the Code does not mandate that PPLICA's proposal be adopted. The OCA argues that Section 2804(6) is "designed to prohibit discrimination, not track wholesale transmission rates into retail rate design." (OCA Answer at 6). Further, the OCA observes that PPL receives one bill from PJM for total system transmission services. PJM does not bill PPL on a rate-class by rate-class basis. It is up to PPL to allocate those costs to each class. There is nothing in Section 2804(6) which requires that PPL devise a methodology to precisely track PJM transmission charges into retail rates on a rate-class by rate-class or customer by customer basis. The OCA argues that the record indicates that it is "not possible to pass through PJM's wholesale bills to the majority of PPL's customers." (*Id.* at 7). Accordingly, the TSC approved in the December 22 Order is a proper approach to this issue and does not violate Section 2804(6).

Like PPL, the OCA argues that one cannot argue about interclass subsidies without taking into account the impact of the total increase approved in the December 22 Order. According to the OCA, an examination of the rate increase on a total bill basis indicates that whatever subsidies may arise under the TSC, the impact of the total increase reveals that PPLICA's members will receive far lower increases, on a total bill basis, than other rate classes. The OCA argues that this reveals an approach which is consistent with gradualism and mitigation of rate shock without losing sight of both cost causation and the current state of PPL's transition to full competition. (OCA Answer at 8-9).

We will deny PPLICA's Petition with regard to the TSC. We agree with PPL and the OCA that PPLICA's arguments were largely acknowledged and addressed in our December 22 Order. Thus, we are unconvinced that reconsideration is warranted here. More to the point, both PPL and the OCA are correct that PPLICA's principle arguments regarding Section 2804(6) of the Code are flawed. PPL's TSC is designed to recover, through retail rates, charges assessed by PJM in accordance with PJM's OATT.

As argued by the OCA, Section 2804(6) was designed to prohibit discrimination in the access of PPL's transmission system. It was not intended to mandate a specific methodology to track charges from PJM to PPL into retail rates. On that basis, we have no hesitation in finding that the TSC adopted in the December 22 Order comports with Section 2804(6) of the Code.

Similarly, none of PPLICA's arguments lead us to conclude that we were in error when we found that the adopted TSC was consistent with the principles of gradualism, mitigation of rate shock and recognized PPL's transition to full competition. As we stated, we were sympathetic to PPLICA's arguments regarding cost causation. However, as effectively argued by the OCA, there is no requirement that we flash cut to PPLICA's position at this time, in this proceeding. Again, the public interest supports our adoption of a more gradual approach as provided by the directed TSC. Accordingly, PPLICA's Petition regarding the TSC is denied.

2. The Sustainable Energy Fund

In our December 22 Order, we reduced the SEF funding level from PPL distribution rates for 2005 and 2006 to 0.01 and 0.005 cents per kWh respectively. *See* December 22 Order at 52. In addition, we directed that if a subsequent base rate case did not conclude on or before December 31, 2006, PPL would institute a negative State Tax Adjustment Surcharge (STAS) designed to exclude funding from the SEF. December 22 Order at 104.

PPLICA submits that the Commission's *sua sponte* proposal to remove funding for the SEF from PPL's Distribution rates by imposing a negative STAS, on a per kWh basis, should be reconsidered and replaced with a requirement for PPL to file a Distribution base rate proceeding in 2006. PPLICA states that the reduction to Distribution rates on a per kWh basis is problematic because, unlike residential and small

commercial rates, PPL's large commercial and industrial rate schedules are developed on a kW basis. Additionally, PPLICA believes that if the STAS is applied as a singular, negative percentage to all distribution rates, the effective reduction to those rates will not match the SEF funding contained therein for each rate class. PPLICA also questions the legality of using the STAS mechanism to refund SEF monies and states that the Commission's Regulations define STAS on a narrow basis.[3] In essence, PPLICA believes that elimination of the SEF funding must occur in a manner that is fair and equitable to all rate schedules and avoids interclass and intraclass cost shifting. (Petition at 11 - 13).

In its Answer, PPL argues that subjecting PPL Electric and other parties to a potentially major rate proceeding over an issue that represents less than one one-hundredth of a percent of annual jurisdictional revenues would be unreasonable, inefficient and impractical. Regarding our direction that PPL implement a negative STAS as a mechanism to remove the SEF funding from total revenue prior to its next base rate case, PPL asserts that it is completely appropriate for the Commission, following a fully litigated proceeding in which all parties had ample opportunity to make proposals concerning SEF funding and rates, to modify the STAS Order[4] for the limited purpose of enabling PPL to modify rates to reflect elimination of the SEF funding in a practical, reasonable and efficient manner. (PPL Answer at 7, 8).

Regarding PPLICA's Petition as it relates to the legality of using the STAS mechanism to refund SEF monies, reliance is placed upon our Regulations at 52 Pa. Code

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[3] The surcharge implemented under the State Tax Adjustment Procedure Order of the Commission dated March 10, 1970, as amended, which permits utilities under its jurisdiction to recover portions of Capital Stock Tax, Corporate Net Income Tax and Gross Receipts Tax and the Public Utility Realty Tax through a surcharge on rates charged to customers.

[4] *State Tax Adjustment Procedure,* 44 Pa. PUC 545 (1970)

§ 69.51, which defines "gross receipts tax rider" and "state tax adjustment surcharge." Additionally, our Regulations at 52 Pa. Code § 69.52 state that:

> Unless necessitated by a change in the Pennsylvania Capital Stock Tax, Corporate Net Income Tax, Gross Receipts Tax or Public Utility Realty Tax which would increase or decrease rates in a manner governed by the Commission's State Tax Adjustment Procedure, 44 Pa. P.U.C. 545 (1970), a utility which has a State tax adjustment surcharge or gross receipts rider shall maintain its surcharge and rider rates at 0%.

52 Pa. Code § 69.52.

PPLICA argues that, based upon our Regulations, the only method to ensure that the SEF funding is removed from the rates schedules for large commercial and industrial (C&I) customers, in a manner that does not result in interclass or intraclass cost shifting, is to actually reduce the per kWh distribution rate for each of the large C&I rate schedules by the amount that has been embedded in the new rates developed pursuant to our December 22 Order. This issue was not fully litigated in the instant base rate proceeding. Accordingly, we shall reconsider our directive to implement a STAS at the December 31, 2006 conclusion of SEF funding.

PPL's Compliance Filing was submitted on January 10, 2005. The Compliance Filing was reviewed by the Commission. By Secretarial Letter dated January 24, 2005, we stated our determination that no further investigation was warranted at that time. Within its Compliance Filing, PPL submitted, and the Commission accepted, the SEF Rider[5] which is applicable to the Distribution Charges included in each

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[5] Supplement No. 42 to Electric Pa. P.U.C. No. 201, Fourth Revised Page No. 19K, Canceling Third Revised Page No. 19K. Issued: December 22, 2004. Effective: January 1, 2005.

Rate Schedule within PPL's Tariff.[6] The SEF Rider also provides sufficient detail regarding the phase-out of the current .01 cent per kWh charge which becomes .005 cents per kWh on January 1, 2006, and then is set at zero with an effective date of January 1, 2007.

In view of the limited applicability of any STAS, and the clarity provided within PPL's SEF Rider, as noted above, we shall not require PPL to file a STAS designed to remove the SEF funding as originally required by Ordering Paragraph No. 12, of our December 22, 2004 Order. We shall rely upon the SEF Rider as approved on January 24, 2005, as sufficient evidence that PPL's Distribution Rates for 2006 will decrease by .005 cents per kWh and that on January 1, 2007, PPL's SEF Rider will be set to zero and the Distribution Rates otherwise collected, from all customers, shall not contain any provision for SEF funding.

Regarding PPLICA's argument that PPL's large C&I customers are required to unreasonably subsidize the SEF contributions of other rate classes, we deny PPLICA's Petition. We are phasing out ratepayer funding of the SEF and all rate classes will carry some of the burden until the funding terminates. PPLICA has presented nothing that warrants our revisiting to this issue.

Conclusion

For the foregoing reasons, we will deny the Petitions for Reconsideration filed by the OTS, the PennFuture Parties and PPLICA, on their merits; **THEREFORE,**

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6 *Id.*

IT IS ORDERED:

1. That the Petition for Reconsideration Filed by the Office of Trial Staff on January 5, 2005, at this Docket is denied.

2. That the Petition for Reconsideration filed by the Citizens for Pennsylvania's Future, Edward M. McGovern and Char Magaro on January 5, 2005, at this Docket is denied.

3. That the Petition for Reconsideration filed by the PP&L Industrial Customer Alliance (PPLICA) on January 6, 2005, at this Docket is denied.

BY THE COMMISSION,

James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: March 23, 2005

ORDER ENTERED: APR 0 1 2005