



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
February 9, 2007

IN REPLY PLEASE
REFER TO OUR FILE

In Re: R-00049255

(SEE ATTACHED LIST)

Pennsylvania Public Utility Commission v. PPL Electric Utilities
Corporation

Rate Increase

NOTICE

This is to inform you that a Pre-Hearing Conference on the
above-captioned case will be held as follows:

Type: Pre-Hearing Conference on Remand

Date: Wednesday, March 7, 2007

Time: 10:00 a.m.

Location: Hearing Room 2
Plaza Level
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Presiding: Administrative Law Judge Susan D. Colwell
PO Box 3265
Harrisburg, PA 17105-3265
Phone: 717-783-5452
Fax: 717-787-0481

DOCUMENT
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DOCKETED
FEB 27 2007

If you are a person with a disability, and you wish to attend the prehearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988

pc: Judge Colwell
Stacy Nolan, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

R-06949255, R-00049255C0001 through R-00049255C0020 Pennsylvania Public Utility Commission, et al. v. PPL Electric Utilities Corporation

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John H. Isom

jisom@postschell.com
717-612-6032 Direct
File #: 2507-126978

February 15, 2007

VIA HAND DELIVERY

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
PO Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

PA PUC
SECRETARY'S BUREAU

2007 FEB 15 PM 3:45

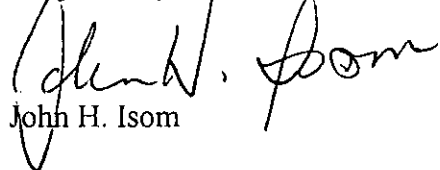
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**RE: Pennsylvania Public Utility Commission
v. PPL Electric Utilities Corporation
Docket No. R-00049255**

Dear Secretary McNulty:

Enclosed, for filing, are an original and three (3) copies of the Entry of Appearance in the above-referenced proceeding. As indicated on the certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,


John H. Isom

JHI/jl

Enclosures

cc: Certificate of Service

10

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

SECRETARY'S BUREAU
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Pennsylvania Public Utility Commission :
v. : Docket No. R-00049255
PPL Electric Utilities Corporation :

ENTRY OF APPEARANCE

Please enter the appearance of David B. MacGregor, John H. Isom and Paul E. Russell on behalf of PPL Electric Utilities Corporation in the above-captioned proceeding.

All service on and communications in this proceeding should be addressed as follows:

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Phone: 215-587-1000
Fax: 215-320-4879
E-mail: dmacgregor@postschell.com

John H. Isom (ID # 16569)
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Phone: 717-731-1970
Fax: 717-731-1985
E-mail: jisom@postschell.com

✓ Paul E. Russell (ID # 21643)
PPL Services Corporation
Office of General Counsel
Two North Ninth Street
Allentown, PA 18106
Phone: 610-774-4254
Fax: 610-774-6726
E-mail: perussell@pplweb.com

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Respectfully submitted,



John H. Isom (ID # 16569)
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **Entry of Appearance** has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

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Nikki Lopez
House of Representatives
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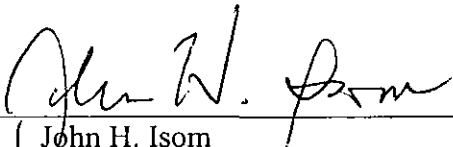
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Christy Myers
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Date: February 15, 2007



John H. Isom



Duquesne Light

Our Energy...Your Power

411 Seventh Avenue
8th Floor
Pittsburgh, PA 15219

Tel 412-393-1541
Fax 412-393-1418
gjack@duqlight.com

Gary A. Jack
Assistant General Counsel

February 19, 2007

Administrative Law Judge Susan D. Colwell
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FEB 23 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: PUC v. PPL Electric Utilities
R-00049255**

Dear Judge Colwell:

You may please feel free to delete Duquesne Light Company as a party in the above-referenced proceeding. We will not be participating in this proceeding any further, including the pre-hearing conference on March 7.

I just wanted to inform you so that you were not wondering about Duquesne's intent. Thank you for your attention to this matter.

Sincerely yours,

Gary A. Jack

**DOCUMENT
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OFFICE OF C.A.L.J.
07 FEB 22 AM 8:58
PA PUC



DEPARTMENT OF THE ARMY
 UNITED STATES ARMY LEGAL SERVICES AGENCY
 901 NORTH STUART STREET
 ARLINGTON VA 22202-1837

ORIGINAL

REPLY TO
 ATTENTION OF

JALS-RL
 U-4119

26 February 2007

SUBJECT: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corp.
 Pa. PUC Docket No. R-00049255

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PA PUBLIC UTILITY COMMISSION
 SECRETARY'S BUREAU

Hon. James J. McNulty,
 Secretary
 Pennsylvania Public Utility Commission
 400 North Street, Second Floor
 P. O. Box 3265
 Harrisburg, PA 17105-3265

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of an Entry of Appearance in the styled proceeding on behalf of the intervener, consumer interest of the United States Department of Defense and other affected Federal Executive Agencies.

Copies of this document have been sent in accord with the Certificate of Service. Inquiries to this office may be directed to the undersigned at (703) 696-1646 or at my e-mail address at David.Mccormick@us.army.mil.

**DOCUMENT
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Sincerely,

David A. McCormick
 General Attorney

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BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION FEB 26 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Pennsylvania Public Utility Commission *et al.*)
)
) Docket No. R 00049255
)
vs. PPL Electric Utilities Corporation)
)

ENTRY OF APPEARANCE

Please enter the appearance of David A. McCormick on behalf of the consumer interest of the United States Department of Defense and other affected Federal Executive Agencies in the above captioned proceeding .

All service and communications in this proceeding should be addressed as follows:

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Respectfully submitted:

David A. McCormick
David A. McCormick
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Paul E. Russell
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PPL Services Corporation
Two North Ninth Street
Allentown, PA 18106

Dated this 26th day of February, 2007 at Arlington, VA

David A. McConuck



THOMAS, THOMAS,
ARMSTRONG & NIESEN

Attorneys and Counsellors at Law

THOMAS T. NIESEN
Direct Dial: 717.255.7641
tniesen@ttanlaw.com

February 28, 2007

BY HAND DELIVERY

Honorable Susan D. Colwell
Administrative Law Judge
Pennsylvania Public Utility Commission
2nd Floor, Keystone Building
400 North Street
Harrisburg, PA 17120

**DOCUMENT
FOLDER**

In re: Docket No. R-00049255, *et al.*
Pennsylvania Public Utility Commission, *et al.* v. PPL Electric Utilities Corporation

Dear Judge Colwell:

We represent the Sustainable Energy Fund of Central Eastern Pennsylvania (the "SEF"), a party in the above matter which is now before you on remand from the decision of the Commonwealth Court in *Lloyd v. Pa. P.U.C.*, 904 A.2d 1010 (Pa. Cmwlth. 2006). Please be advised that the SEF will not be participating in the remand proceeding. Please remove the undersigned, Ms. Armstrong and the firm of Thomas, Thomas, Armstrong & Niesen from the Public Utility Commission's service list. Thank you for your attention to this matter.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By

Thomas T. Niesen

cc: Certificate of Service
James J. McNulty, Secretary
Gary F. Lamont
Jennifer Hopkins

070228 Colwell.wpd

RECEIVED
2007 MAR -2 AM 10:42
PENNSYLVANIA
SECRETARY'S BUREAU

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission : Docket No. R-00049255
v. :
PPL Electric Utilities Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I have this 28th day of February, 2007, served a true and correct copy of the foregoing letter, upon the persons and in the manner set forth below:

VIA FIRST CLASS MAIL

Scott J. Rubin, Esquire
Three Lost Creek Drive
Selinsgrove, PA 17870

Paul E. Russell, Esquire
PPL Electric Utilities Corporation
Two North Ninth Street
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Hudson, PA 18705

Elizabeth DeGennars
259 Parsonage Street
Pittsburgh, PA 18640



Thomas T. Niesen
PA Attorney ID No. 31379



DEPARTMENT OF THE ARMY
UNITED STATES ARMY LEGAL SERVICES AGENCY
901 NORTH STUART STREET
ARLINGTON VA 22202-1837

REPLY TO
ATTENTION OF

JALS-RL
U-4119

1 March 2007

SUBJECT: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corp.
Pa. PUC Docket No. R-00049255

Hon. James J. McNulty,
Secretary
Pennsylvania Public Utility Commission
400 North Street, Second Floor
P. O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED

MAR 01 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of a Prehearing Memorandum in the above styled proceeding on behalf of the intervener, consumer interest of the United States Department of Defense and other affected Federal Executive Agencies.

Copies of this document have been sent in accord with the Certificate of Service. Inquiries to this office may be directed to the undersigned at (703) 696-1646 or at my e-mail address at David.McCormick@us.army.mil.

**DOCUMENT
FOLDER**

Sincerely,

David A. McCormick
General Attorney

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission et al.)
)
vs.) Docket No. R 00049255
) and R 00049255C0001 to 5
PPL Electric Utilities Corporation)

PREHEARING MEMORANDUM

Terrance A. Spann
Chief
Regulatory Law Office
U.S. Army Legal Services Agency
Department of the Army
JALS-RL 4120
901 North Stuart Street, Room 713
Arlington, VA 22203-1837

For

THE DEPARTMENT OF DEFENSE AND
THE FEDERAL EXECUTIVE AGENCIES

David A. McCormick
Attorney

Of Counsel

Dated: 1 MAR 2004

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MAR 01 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

**DOCUMENT
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DOCKETED
MAR 05 2007

ORIGINAL

**BEFORE THE
Pennsylvania Public Utility Commission**

PA Public Utility Commission :
: **Docket No. R-00049225**
v. :
PPL Electric Utilities Corporation :

**Pre-hearing Memorandum of
Eric Joseph Epstein, Pro se**

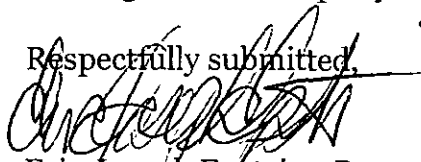
**DOCUMENT
FOLDER**

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
400 North Street, Second Floor
POB 3265
Harrisburg, PA 17105-3265

Dear Secretary McNulty:

Eric Joseph Epstein hereby submits an original and three (3) copies of his Pre-hearing Memorandum in the above-captioned proceeding. Mr. Epstein hopes to participate in this proceeding as an active party.

Respectfully submitted,



Eric Joseph Epstein, *Pro se*
4100 Hillsdale Road
Harrisburg, PA 17112
(717)-541-1101 Phone
(717)-541-5487 Fax
ericepstein@comcast.net

DATE: March 2, 2007

RECEIVED
2007 MAR -5 PM 2:05
P.P.U.C.
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43

I. History of the Proceeding

1) On February 7, 2007, the Pennsylvania Public Utility Commission ("PUC" or "Commission") Ordered, "that the issues of distribution and transmission rates is returned to the Office of Administrative Law Judge for findings and a recommended decision consistent with the opinion of Commonwealth Court."

2) Eric Joseph Epstein ("Epstein" or Mr. Epstein") was an active party to PPL Electric Utilities Corporation's ("PPL" or "the Company") March 29, 2004 filing, "Re: Supplement No. 38 to Tariff – Electric Pa. P.U.C. No. 201."

3) PPL's proposed filing would have increased transmission rates by \$57.2 million, and allowed for a customer "pass through" charge to be assessed via a Transmission Service Charge ("TSC").

4) Mr. Epstein's Complaint was directed against the rates, terms, and provisions contained in PPL's Supplement No. 38.

5) Mr. Epstein hopes to participate as an active party in the above-captioned proceeding.

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II. Statement of Issues

7) The PUC's Order and Opinion, based on Pennsylvania Commonwealth Court's, *Lloyd v. Pa. PUC* 904 A2d 1010 (2006), defined the scope of the present Proceeding.

8) The issues of primary interest to Mr. Epstein relate to the allocation of the proposed distribution rate increase between and among customer classes, and ensuring a just, reasonable and nondiscriminatory protocol.

9) Eric Joseph Epstein anticipates pursuing these issues during this proceeding, and reserves the right to respond to issues raised by other parties.

III. Proposed Witnesses

10) Mr. Epstein does not anticipate calling any witnesses. In the event that Eric Joseph Epstein decides to modify or supplement his witness list, Epstein will inform the parties and the Administrative Law Judge ("ALJ").

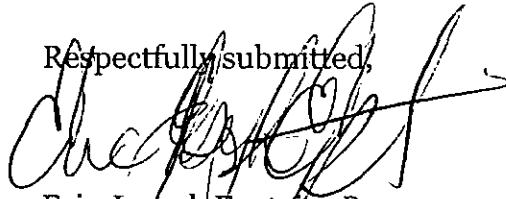
IV. Proposed Schedule & Discovery Rules

11) Mr. Epstein will fully cooperate with the Court and the Parties at the Pre-hearing Conference (scheduled for March 7, 2007) to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

V. Settlement Discussions

12) Eric Joseph Epstein is willing to participate in Settlement discussions and negotiations with the other parties to resolve all outstanding issues in this proceeding.

Respectfully submitted,



Eric Joseph Epstein, *Pro se*
4100 Hillsdale Road
Harrisburg, PA 17112
(717)-541-1101 Phone
(717)-541-5487 Fax
ericepstein@comcast.net

DATE: March 2, 2007

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2007 MAR -5 PM 2:05
HARRISBURG
SECRETARY'S BUREAU

CERTIFICATION OF SERVICE
Pennsylvania Public Utility Commission

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the active participants named below by US mail or hand delivery in accordance with the requirements of 52 Pa. Code § Section 1.54.

The Honorable Susan D. Colwell
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
PO Box 3265
Harrisburg, PA 17105-3265

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David A. McCormick, Esquire
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U.S. Army Legal Services
Dept. of the Army
(DAJA-RL 4120)
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Louise A. Knight, Esquire
PLUG
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Two N. 2nd Street, Floor 7
Harrisburg, PA 17101

DATE: March 2, 2007



DEPARTMENT OF THE ARMY
 UNITED STATES ARMY LEGAL SERVICES AGENCY
 901 NORTH STUART STREET
 ARLINGTON VA 22202-1837

ORIGINAL

REPLY TO
 ATTENTION OF

JALS-RL
 U-4119

1 March 2007

SUBJECT: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corp.
 Pa. PUC Docket No. R-00049255

**DOCUMENT
 FOLDER**

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MAR 01 2007

PA PUBLIC UTILITY COMMISSION
 SECRETARY'S BUREAU

Hon. James J. McNulty,
 Secretary
 Pennsylvania Public Utility Commission
 400 North Street, Second Floor
 P. O. Box 3265
 Harrisburg, PA 17105-3265

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of a Prehearing Memorandum in the above styled proceeding on behalf of the intervener, consumer interest of the United States Department of Defense and other affected Federal Executive Agencies.

Copies of this document have been sent in accord with the Certificate of Service. Inquiries to this office may be directed to the undersigned at (703) 696-1646 or at my e-mail address at David.McCormick@us.army.mil.

Sincerely,

David A. McCormick
 General Attorney

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Pennsylvania Public Utility Commission et al.)
vs.) Docket No. R 00049255
PPL Electric Utilities Corporation) and R 00049255C0001 to 5

PREHEARING MEMORANDUM

**DOCUMENT
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Terrance A. Spann
Chief
Regulatory Law Office
U.S. Army Legal Services Agency
Department of the Army
JALS-RL 4120
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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

For

THE DEPARTMENT OF DEFENSE AND
THE FEDERAL EXECUTIVE AGENCIES

David A. McCormick
Attorney

Of Counsel

Dated: 1 MAR 2004

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission et al.)
vs.)
PPL Electric Utilities Corporation) Docket No. R 00049255

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PREHEARING MEMORANDUM

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

1

1. The Secretary of Defense, through duly authorized counsel, on behalf of the consumer interest of the United States Department of Defense and other affected Federal Executive Agencies (collectively herein after "DOD")¹ respectfully tenders this Prehearing Memorandum related to the Preliminary Order dated 12 FEB 2007 in the above-styled application proceeding of the PPL Electric Utilities Corporation (hereinafter PPL).
2. Service and Party Status: DOD would hope to be considered an active status party, and may be served through counsel at the address, telephone, telecopier and e-mail addresses on the next page:

¹ The Secretary of Defense has been delegated authority by the General Services Administration (GSA) to represent, through Department of the Army counsel, the consumer interest of all the Federal Executive Agencies in this proceeding under 40 U.S.C. §§ 121(d)(1) and 501(c)(2) in this regulatory proceeding. See also intervention definition under: 48 CFR § 41.101.

David A. McCormick
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U.S. Army legal Services Agency
JALS-RL 4120
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Telephone: (703) 696-1646
FAX: (703) 696-2960
E-mail: David.Mccormick@hqda.army.mil

3. Issues: The issue of primary interest to DOD is the allocation of transmission service costs and the recovery of those costs in the PPL distribution utility rate design to the extent that the court in Lloyd v. Pa. PUC, 904 A2d 1010 (2006), 2006 PA. Comwlth LEXIS 438 (2006) found the prior Order of the Commission entered 22 DEC 2004 did not comport with the statutes of Pennsylvania.

5. Discovery: Because (1) substantial discovery was conducted in preparation for offering DOD's witnesses testimony in the initial DOD hearings held in this proceeding, and (2) DOD contends that there is no need to add to the record in that initial proceeding, which could be resolved on the existing record, there appears has no reason for further discovery in this matter.

6. Witnesses: DOD previously offer two expert witnesses whose testimony is already in the record of the initial hearings in this proceeding. The appellate court in Lloyd v. Pa. PUC, 904 A2d 1010 (2006), 2006 PA Comwlth. LEXIS 438 (2006). did not suggest that there was any inadequacy in the factual record made in this proceeding on the issue of recovery of transmission service costs in rate design, the court only found that the Commission had not adhered to the statutes of Pennsylvania in reaching its decision on recovery of costs of transmission service in rate design. DOD sees no need for DOD, or any party, to supplement the record or expend further funds on witnesses.

Indeed, it would be inequitable to require interveners to bear the burden for hiring an expert witness to put the same testimony on the proper rate design for recovery of transmission service costs, twice, in this docket. After all, the other parties have already had an opportunity to cross-examine such witnesses once, when the testimony was first presented in the record. The names and addresses of DOD's witnesses whose testimony is already in the record in the initial hearings are as follows:

Overall Revenue & Accounting Issues.

Mr. Thomas J. Prisco
Regulatory Law Office
U.S. Army legal Services Agency
901 N. Stuart Street, Room 713
Arlington, VA 22203-1837

DOD Statement No. 1
admitted at transcript
of 9 AUG 2004²

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Telecopier: (703) 696-2960
E-mail: Thomas.Prisco@hqda.army.mil

Rate Design & Cost of Equity Capital.

Mr. Kenneth L. Kincl, President
Decision Analysis Corp. of Virginia
8009 Snowpine Way, Suite 100
McLean, VA 22101
Telephone: (703) 893-5087
Telecopier: (703) 893-7104
E-mail: Kenkincl@aol.com

DOD Statement No. 2
admitted at transcript
of 12 AUG 2004³

7. Settlement: DOD is willing to participate in settlement negotiations concerning any and all issues that affect its interest in this proceeding.

8. Procedural Schedule: DOD does not believe that further or additional discovery or additional oral hearings are required in this matter. The appellate court did not suggest there were any factual inadequacies in the hearing record related to allocating transmission service costs or the recovery of those costs in rate design. The appellate

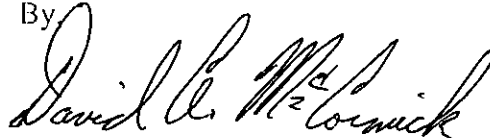
² Because of limited resources, this office did not purchase the entire transcript of the 2004 hearings and is unable to provide precise transcript pagination as to the moment of admittance into evidence.

³ Because of limited resources, this office did not purchase the entire transcript of the 2004 hearings and is unable to provide precise transcript pagination as to the moment of admittance into evidence.

court questioned by whether the Order entered 22 DEC 2004 comported with applicable law rather than suggesting factual deficiencies in the record that led to that Order. It might be helpful to the Administrative Law Judge (ALJ) to afford the parties a chance to brief the transmission service rate design issues (based upon the existing record and) in light of the appellate court decision. If the ALJ believes that would be useful, then it might be appropriate to set a date for all parties to file simultaneous briefs. Given this record that would certainly be wholly at discretion of the ALJ. Likewise, DOD cannot say whether reply briefs would be of assistance to the ALJ, however if that is determined to be helpful then some provision for filing by parties of simultaneous reply briefs could be made in the procedural schedule. Again, given this record the need for such briefing at would certainly be wholly at discretion of the ALJ.

WHEREFORE, DOD respectfully tenders this Prehearing Memorandum.

By



David A. McCormick
Attorney I.D. No. 17357

Regulatory Law Office
U.S. Army Legal Services Agency
Department of the Army (JALS-RL 4120)
901 North Stuart Street, Room 713
Arlington, VA 22203-1837

For

THE DEPARTMENT OF DEFENSE AND
FEDERAL EXECUTIVE AGENCIES

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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MAR 01 2007

CERTIFICATE OF SERVICE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I hereby certify that I have caused a copy of the foregoing prehearing to be sent this day, by first class, postage prepaid U.S. Mail (or private courier) to the following addressees:

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King of Prussia, PA 19406

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PPL Services Corporation
Two North Ninth Street
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Hon. Susan D. Colwell
Administrative Law Judge
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Dated this 15th day of March, 2007 at Arlington, Virginia.

David L. McCormick

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MAR 01 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
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March 2, 2007

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MAR - 5 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Honorable Susan D. Colwell
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

RE: Pennsylvania Public Utility Commission
v.
PPL Electric Utilities Corporation
Rate Increase (**BACK ON REMAND**)
Docket No. R-00049255

Dear Judge Colwell:

Enclosed please find two copies of the Prehearing Memorandum of the Office of Consumer Advocate, in the above-referenced proceeding.

Copies have been served on the parties of record as indicated on the enclosed Certificate of Service.

Sincerely,

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625

DOCUMENT
FOLDER

Enclosures
cc: Parties of Record
00092909.DOC

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OFFICE OF P.U.C. A.L.J.
07 MAR - 5 AM 8:12
PA PUC

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission
Et al.

v.

PPL Electric Utilities Corporation
REMAND PROCEEDING

Docket No. R-00049255
R-00049255C0001
through
R-00049255C0020

**DOCUMENT
FOLDER**

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the February 9, 2007 Prehearing Conference Order issued by Administrative Law Judge Susan D. Colwell in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On August 4, 2006, the Commonwealth Court of Pennsylvania issued a ruling involving several appeals of the Commission's December 22, 2004 Order in the PPL Rate Proceeding at Docket No. R-00049255. Of importance here, the Court ordered that the Commission's December 22 Order was to be remanded to the Commission to set non-discriminatory reasonable rates and rate structure for Distribution and Transmission service. Lloyd v. Pa. PUC, 904 A.2d 1010 (Pa. Commw. Ct. 2006), *petition for allowance of appeal denied*, 2007 Pa. LEXIS 245 (Pa. Jan. 31, 2007)(Lloyd).

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MAR 06 2007

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PA PUC

This Remand was assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Susan D. Colwell “for a determination of the proper effect to be given gradualism in the design of rates consistent with the opinion of the court vacating our decision.” Pa. PUC v. PPL Elec. Util. Corp., Docket No. R-00049255 (Opinion and Order entered February 8, 2007 at 4)(February 8 Order). On February 9, 2007, ALJ Colwell a Prehearing Conference Order and scheduled a Prehearing Conference for March 7, 2007. The OCA submits this Prehearing Memorandum in anticipation of the scheduled March 7th conference pursuant to paragraph 2 of the ALJ’s Prehearing Conference Order.

II. ISSUES

The issues for review in this proceeding are those specifically remanded by the Commonwealth Court in Lloyd. The Commission has noted that the “issue of distribution and transmission rates is returned to the Office of Administrative Law Judge for findings and a recommended decision consistent with the opinion of the Commonwealth Court.” Order at 5, Ordering Paragraph Number 2). Based upon the OCA’s review of the decision in Lloyd, the following issues are presented:

1. The allocation of the distribution revenue requirement among the rate schedules to establish just and reasonable rates in accordance with Lloyd.
2. The setting of transmission service charge rates consistent with the direction in Lloyd.

III. COURSE OF ACTION

The OCA submits that the record that has already been developed in this docket should be the basis for addressing the legal issues that have been remanded to the Commission and need not be extensively supplemented. In this regard, the OCA notes that the Commission has issued the following guidance regarding the further development of the record:

We shall return this issue to the ALJ for a determination of the proper effect to be given gradualism in the design of rates consistent with the opinion of the court vacating our decision. **We would hope that this can be done though (sic) the submission of pleadings based on the existing record** but, if the ALJ believes it is necessary, additional testimony may be adduced.

February 8 Order at 4 (Emphasis added).

Based on the existence of a fully developed record and based on the Commission's guidance as outlined above, the OCA submits that PPL should be directed to file a proposal that implements the Court's Order in Lloyd. Parties should have an opportunity to file pleadings regarding the Company's implementation plan, and to the extent necessary further responsive pleadings. The OCA submits that the legal issues that have been raised by the Court can be addressed through the existing record in legal pleadings.

IV. WITNESSES

To the extent the ALJ believes that it is necessary to allow additional testimony, the OCA will present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of Richard Galligan in this proceeding. Mr. Galligan presented testimony in the underlying proceeding regarding rate allocation, cost of service, rate design issues for both distribution and transmission rates on behalf of the OCA. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to Mr. Galligan at the below address, as well as mailing a copy to counsel for the OCA.

Cost of Service, Revenue Allocation, Rate Design

Richard Galligan
Exeter Associates, Inc.
5565 Sterrett Place
Suite 310
Columbia, MD 21044

Telephone: 410-992-7500
Fax: 410-992-3445
E-mail: rgalligan@exeterassociates.com

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, the OCA will notify Administrative Law Judge Colwell and all parties of record.

V. PROPOSED SCHEDULE

The OCA is not proposing a schedule at this time. However, the OCA is willing to work with the parties to develop a schedule that resolves the remand proceeding in a reasonable time frame that gives full effect to the Commonwealth Court's Order.

VI. SERVICE ON OCA

The OCA will be represented in this case by Tanya J. McCloskey, Senior Assistant Consumer Advocate, and Aron J. Beatty, Assistant Consumer Advocate. Two copies of all documents should be served on the OCA as follows:

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Fax: (717) 783-7152
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In addition, the OCA requests that parties include Ms. McCloskey on their email distribution lists. Ms. McCloskey's email address is tmccloskey@paoca.org.

VII. SETTLEMENT

The OCA is willing to participate in settlement discussions. To date, no settlement discussions have taken place to the OCA's knowledge.

VIII. PUBLIC INPUT HEARINGS

The OCA submits that the record developed in the public input hearings that were held in the prior stages of this proceeding is sufficient for the purposes of this Remand proceeding.

Respectfully Submitted,



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Dated: March 2, 2007

00092890

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v. : Docket No. R-00049255
PPL Electric Utilities Corporation :
Rate Increase (**BACK ON REMAND**) :

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 2nd day of March, 2007.

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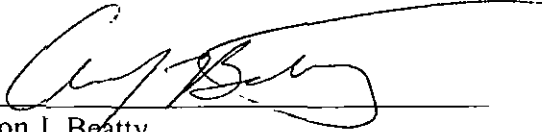
James P. Melia, Esquire
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Counsel for:

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00092785.DOC

March 2, 2007

VIA E-MAIL AND FIRST CLASS MAIL

Honorable Susan D. Colwell
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

**DOCUMENT
FOLDER**

RE: Pennsylvania Public Utility Commission, et al. v. PPL Electric Utilities Corporation; Docket Nos. R-00049255, R-00049255C0001 through R-0049255C0020

Dear ALJ Colwell:

Enclosed are two copies of the Prehearing Memorandum for the PP&L Industrial Customer Alliance ("PPLICA") in the above-referenced proceedings. As shown by the attached Certificate of Service, all parties to this proceeding are being duly served.

RECEIVED

MAR - 6 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Pamela C. Polacek

Counsel to the PP&L Industrial Customer Alliance

PCP/nk
Attachment
c: Certificate of Service

071 MAR - 5 AM 9:12
PA PUC

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKETED
MAR 7 - 2007

Pennsylvania Public Utility Commission, :
et al. :

Docket No. R-00049255
R-00049255C0001
through
R-00049255C0020

v. :

PPL Electric Utilities Corporation :

DOCUMENT
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**PREHEARING MEMORANDUM
OF THE PP&L INDUSTRIAL CUSTOMER ALLIANCE**

07 MAR 15 11:19 AM
PA PUC

Pursuant to Administrative Law Judge ("ALJ") Susan D. Colwell's Prehearing Conference Order, dated February 9, 2007, the PP&L Industrial Customer Alliance ("PPLICA") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On January 31, 2007, the Supreme Court of Pennsylvania issued Orders denying PPL Electric Utilities Corporation's ("PPL" or "Company") and the Pennsylvania Public Utility Commission's ("PUC" or "Commission") requests to appeal the Commonwealth Court's decision related to PPL's 2004 Distribution Base Rate Proceeding. See Lloyd v. Pa. Pub. Util. Comm'n, 904 A.2d 1010 (Pa. Commw. Ct. 2006).

In Lloyd, the Commonwealth Court reversed, in part, vacated in part, and affirmed in part the Commission's December 22, 2004 decision in PPL's 2004 Distribution Base Rate Proceeding. Specifically, Lloyd rejected the Commission's original allocations of the transmission and distribution rate increases and directed that these allocations to be adjusted on remand to reflect just and reasonable non-discriminatory rates. The Commonwealth Court established cost of service as the "pole star" for the Commission's actions on remand. At Public Meeting on February 8, 2007, the Commission acted to

initiate the remand proceeding, pursuant to the Commonwealth Court's decision in Lloyd. The Commission returned the issue of the distribution and transmission rates to the Office of Administrative Law Judge for findings and a Recommended Decision consistent with the opinion of the Commonwealth Court. Accordingly, the Commission issued a Notice scheduling a Prehearing Conference on March 7, 2007.

II. **ANTICIPATED ISSUES AND SUB-ISSUES**

PPPLICA respectfully submits that the principle issues at stake in this proceeding are the following:

a) **Issue 1: Proper Allocation of Transmission Service Costs and Transmission Rate Design**

In Lloyd, the Commonwealth Court rejected the PUC's Order authorizing PPL to implement as of January 1, 2005, a Transmission Service Charge ("TSC") that allocated all transmission and ancillary service costs among PPL's rate schedules on an energy (kWh) basis. The Court determined that the Commission must modify PPL's TSC to be consistent with cost of service. The Court's ruling was consistent with PPLICA's argument during the original proceeding that the TSC allocation and rate design must accurately track the manner in which PPL is assessed transmission and ancillary service charges by PJM Interconnection, L.L.C. for particular customers (*i.e.*, on a demand and energy basis). In other words, a TSC must be based on cost of service, which is the "polestar" of ratemaking considerations. See Lloyd, 904 A.2d at 1020. Thus, the issues in this proceeding include allocation of transmission and ancillary service costs and the design of the TSC in accordance with the PPLICA method relied upon by the Commonwealth Court in Lloyd. PPLICA respectfully submits that the decision in Lloyd mandates adoption of PPLICA's allocation proposal in this remand proceeding as the only possible cost-based collection of the costs that are being recovered through the TSC.

b) Issue 2: Proper Allocation of Distribution Service Costs and Distribution Rate Design

Similarly, Lloyd found that the application of the "total bill" basis approach to the allocation of the transmission and distribution rate increases also violated the Competition Act. According to Lloyd, this approach resulted in commercial and industrial ("C&I") customers paying rates that exceeded their cost of service. See Lloyd, 904 A.2d at 1019-1020. The Court also found that the Commission failed to explain how the acknowledged discriminatory rate class structures would be lessened. Id. at 1020. In the original proceeding, PPLICA advocated a systematic approach to move distribution rates for all rate schedules to cost of service over three years through automatic rate adjustments. PPLICA's proposal not only mitigates the substantial subsidies embedded in PPL's distribution rates in a systematic manner, but also obviates the problems associated with rate shock by gradually implementing proper cost-based rates over a three year period. It also affords fair treatment to all rate schedules that currently pay rates exceeding cost of service.

c) Issue 3: Calculation of Appropriate Rate Adjustments To Refund or Credit Customers for the Payment of Unjust and Unreasonable Transmission and Distribution Rates Effective as of January 1, 2005

Where any rate received by a public utility was unjust or unreasonable, the Commission has the authority to order a public utility to "refund the amount of any excess paid by any patron...together with interest at the legal rate from the date of each such excessive payment," pursuant to Section 1312 of the Public Utility Code. See 66 Pa. C.S. § 1312(a). In any refund order, the Commission must state "the exact amount to be paid, the reasonable time within which payment shall be made, and shall make findings upon pertinent questions of fact." Id. Based on Lloyd, the distribution and transmission rates approved by the Commission in PPL's 2004 Distribution Base Rate Proceeding, which

customers have been and continue to pay, are illegal, unjust, unreasonable, and unduly discriminatory. Accordingly, the Commission must order PPL to refund the "excess paid" by PPL ratepayers. Therefore, issues that must be resolved in this proceeding include: (a) the method by which to calculate appropriate transmission and distribution rate adjustments; (b) the amount to be paid; and (c) the time within which excess payments will be refunded.

In addressing how customers will be compensated for having paid the illegal transmission rates, timing is a particularly important consideration in light of the fact that the Commonwealth has implemented the right of customers to access supply from Electric Generation Suppliers ("EGSs"). When a customer purchases supply from an EGS, the EGS charges the customer for transmission service, rather than PPL. To that end, any adjustment must have a neutral impact on C&I customers' shopping decisions. In other words, customers who access competitive supply during the anticipated refund/credit period should be provided with appropriate compensation to reflect their payment of excessive transmission charges since January 1, 2005. In order to ensure that such compensation is "shopping-neutral," large C&I customers should see a credit/adjustment on their bills, rather than rolling the impact of the adjustment into the TSC for each year of the refund period. Another option is for PPL to provide customers with a one-time refund.

PPLICA reserves the right to raise and address other issues of concern and to respond to issues raised by other parties.

III. PROPOSED WITNESSES

In Lloyd, the Commonwealth Court did not suggest that the record upon which the Commission based its decision in the 2004 Distribution Base Rate Proceeding was deficient. As such, it is reasonable conclude that the existing record provides a sound basis upon which to resolve the issues on remand. Therefore, PPLICA respectfully submits any party should be able to rely on its testimony that has already been entered into the record.

Because this testimony was already subject to cross-examination, no need exists for further cross-examination on such testimony (or the reappearance of those witnesses). To do otherwise would contravene the principle of judicial economy.

To the extent that the ALJ determines that further development of the existing record is needed, however, PPLICA reserves the right to present supplemental testimony by its expert, Stephen Baron. PPLICA also reserves the right to submit supplemental testimony by any of its customer impact witnesses as well as sponsor additional testimony in response to any issues raised in the instant remand proceeding.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

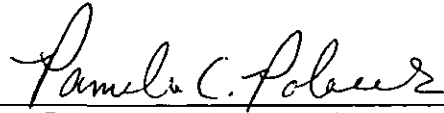
PPLICA will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule that resolves the issues on remand in an expedited fashion. It is PPLICA's understanding the PPL intends to file a distribution rate case with the Commission in the near future. An expedited schedule is necessary to avoid unnecessary complications associated with attempting to resolve the issues on remand while contemporaneously reviewing PPL's proposal for a subsequent rate increase. In addition, it will be difficult and burdensome for the parties in the 2007 rate case proceeding to submit proposals regarding the proper allocation of the new distribution rate increase without knowing the results of the remand proceeding, which must serve as the proper starting point for each rate schedule's "current" distribution rates in that analysis. An expedited schedule will also minimize the length of time that ratepayers must continue to pay unjust and unreasonable transmission and distribution rates and facilitate the prompt refund of such amounts. To the extent additional discovery is deemed necessary, PPLICA will cooperate with the ALJ and other parties to develop discovery rules in accordance with the Commission's regulations and any ALJ directives.

V. POSSIBILITY OF SETTLEMENT

PPLICA is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 
David M. Kleppinger (Pa. I.D. 32091)
Pamela C. Polacek (Pa. I.D. 78276)
Vasiliki Karandrikas (Pa. I.D. 89711)
100 Pine Street
P. O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300

Counsel to the PP&L Industrial Customer
Alliance

Dated: March 2, 2007

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Pamela C. Polacek

Counsel to the PP&L Industrial
Customer Alliance

Dated this 2nd day of March, 2007, at Harrisburg, Pennsylvania.

Legal Department

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Business Services
Company

Direct Dial: 215 841-4635

March 2, 2007

ORIGINAL

VIA FEDEX

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd floor
Harrisburg, PA 17120

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

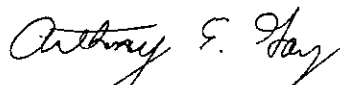
**Re: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation, et al.
Docket No. R-00049255, R-00049255C0001 through R-00049255C0020**

Dear Secretary McNulty:

Enclosed please find an original and three copies of PECO Energy Company's Prehearing Memorandum, and my Notice of Appearance, for filing in the above-referenced matter. Kindly return time-stamped copies of these documents to me in the self-addressed stamped envelope.

Please do not hesitate to contact me should you have any questions.

Very truly yours,


Anthony E. Gay
Assistant General Counsel

**DOCUMENT
FOLDER**

AEG/zr

Enclosures

cc: Administrative Law Judge Susan D. Colwell (Via E-mail and FedEx)
All parties of record

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,
et al.

v.

PPL Electric Utilities Corporation

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Docket Nos.: R-00049255,
R-00049255C0001
through
R-00049255C0020

DOCUMENT
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PECO ENERGY COMPANY'S
PREHEARING MEMORANDUM

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Introduction

PECO Energy Company ("PECO") hereby submits its Prehearing Memorandum in the above-referenced proceeding.

I. BACKGROUND OF THE PROCEEDING

This proceeding stems from the Pennsylvania Commonwealth Court's August 4, 2006 decision in *Lloyd v. Pa. Public Utility Commission*.¹ The Commonwealth Court's decision reversed in part, vacated in part and affirmed in part the Commission's December 22, 2004 Opinion and Order which granted an increase in PPL Electric Utilities Corporation's ("PPL's") retail distribution and transmission rates.

On February 8, 2007, the Commission entered an order remanding the case to the Office of Administrative Law Judge for "a determination of the proper effect to be given gradualism in the design of rates consistent with the opinion of the [Commonwealth Court] vacating our

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¹ 904 A.2d 1010 (Pa. Cmwlth. 2006)

decision.”² On February 9, 2007, Administrative Law Judge Susan D. Colwell issued a Prehearing Conference Order directing interested parties to file prehearing conference memoranda recommending a course of action for implementing the Commission’s remand order.

II. ISSUES PRESENTED IN THE CASE

The central issue in this case, as noted in the Commission’s remand order, is that of PPL’s distribution and transmission rates and “the proper effect to be given gradualism” in the design of these rates. As a customer of PPL, PECO has a direct interest in any decision the Commission may reach with respect to this issue.

III. RECOMMENDED COURSE OF ACTION

The Commission gave the presiding officer the option of deciding this case through the submission of pleadings based on the existing record or through the presentation of additional testimony.³ PECO believes that it is premature to recommend a course of action in this regard until it can be determined whether the remaining issue is reasonably susceptible to mutual resolution.

PECO expects that it may participate in this proceeding through the submission of discovery, written briefs and other pleadings. PECO may also participate in this proceeding through the cross-examination of witnesses, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

PECO is willing to agree to any schedule for discovery, testimony, hearings (if any) and briefs that is mutually convenient for the Presiding Administrative Law Judge and the parties.

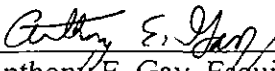
² February 8, 2006 Opinion and Order at 4. As noted in the Commonwealth Court’s decision, gradualism “is a principle of rate design that rates will be gradually increased to avoid ‘rate shock’ . . . by ‘gradually’ reducing rate of return differentials between [rate] classes.” *Lloyd*, n 14.

³ February 8, 2006 Opinion and Order at 4.

V. POSSIBILITY OF SETTLEMENT

PECO is not aware of settlement discussions at the present time. PECO is willing to participate in any process designed to achieve a reasonable settlement of this matter.

Respectfully submitted,



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Dated: March 2, 2007

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

MAR 02 2007

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

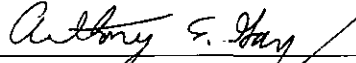
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| Pennsylvania Public Utility Commission, et al. | : | Docket Nos.: | R-00049255, |
| | : | | R-00049255C0001 |
| v. | : | | through |
| | : | | R-00049255C0020 |
| PPL Electric Utilities Corporation | : | | |

NOTICE OF APPEARANCE

Please enter my appearance in the above-captioned matter on behalf of PECO Energy Company ("PECO"). I am authorized to accept service on behalf of PECO in this matter.

On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.

Respectfully submitted,



Anthony E. Gay, Esquire
Counsel for PECO Energy Company
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Dated: March 2, 2007

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

MAR 02 2007

Pennsylvania Public Utility Commission,
et al.

v.

PPL Electric Utilities Corporation

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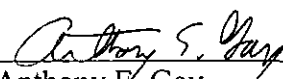
Docket Nos.: R-00049255,
R-00049255C0001
through
R00049255C0020

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PECO Energy Company's Prehearing Memorandum upon the participants listed in the document attached via First Class Mail in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant).

Respectfully submitted,



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Dated at Philadelphia, Pennsylvania, March 2, 2007.

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OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
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Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

(717) 783-2525
(717) 783-2831 (FAX)

March 2, 2007

E-mail and Hand Delivery

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FOLDER

Hon. Susan Colwell
Administrative Law Judge
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

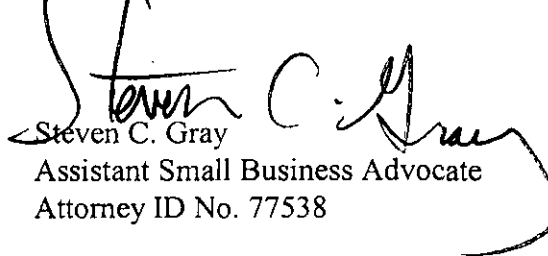
Re: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation
Docket No. R-00049255

Dear Judge Colwell:

Enclosed are two copies of the Prehearing Memorandum on behalf of the Office of Small Business Advocate.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: James J. McNulty, Secretary
Parties of Record
Robert D. Knecht

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SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PPL ELECTRIC UTILITIES
CORPORATION

Docket No. R-00049255

DOCUMENT
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OFFICE OF SMALL BUSINESS ADVOCATE
REMAND PROCEEDING PREHEARING MEMORANDUM

I. INTRODUCTION

The Office of Small Business Advocate ("OSBA") is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission ("Commission") pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 ("the Act"). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence as follows:

Steven C. Gray, Esquire
Office of Small Business Advocate
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300 North Second Street
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@state.pa.us

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II. HISTORY OF THE PROCEEDING

Before the Pennsylvania Public Utility Commission (“Commission”) in 2004, PPL Electric Utilities Corporation (“PPL” or the “Company”) proposed that the allocation of its \$164 million increase in distribution rates and the flow-through of a \$57 million FERC-approved transmission rate increase should not result in an increase of 10% or more for any customer class on a total-bill basis.

PPL performed a cost of service study (“COSS”) for its distribution costs, but the Company did not allocate its distribution rate increase on the basis of the COSS. Instead, the company relied on the 10% total-bill constraint, which (in conjunction with the transmission rate increase) limited its ability to correct interclass distribution revenue allocation inequities identified by the Company’s COSS.

The Commission upheld PPL’s interclass distribution revenue allocation by evaluating the rate increase on a total-bill basis (which included the default service generation rate, stranded cost recovery, and transmission costs). The Commission concluded that it is not necessary to adhere strictly to a COSS and that, on the facts of the case, sufficient progress was being made toward cost-based distribution rates. According to the Commission, it was relevant that PPL’s generation rates were still capped.

In its appeal, the OSBA pointed to the commercial GS-1 customer class, which received a higher-than-system average distribution rate increase despite having an above-system average rate of return at present rates. PP&L Industrial Customer Alliance (“PPLICA”) focused much of its challenge on the Commission’s decision to assure that no class received a rate increase of 10% or more on a *total-bill* basis.

PPLICA also appealed the allocation of transmission costs entirely on the basis of energy rather than on the basis of cost of service (e.g., the mixture of energy and demand on which transmission is billed by PJM).

In reversing the Commission's distribution and transmission revenue allocation decisions, the Commonwealth Court held "that rates and rate structures [must] be set for each service *primarily* on a cost-of-service study." *Lloyd v. Pennsylvania Public Utility Commission*, 904 A.2d 1010, 1020 (Pa. Cmwlth. 2006), *petitions for allowance of appeal denied*, 2007 Pa. LEXIS 241 (Pa., Jan. 31, 2007) (emphasis added). Although the Court indicated that the Commission may consider other factors, such as gradualism, the Court characterized cost of service as the "polestar" of ratemaking concerns.¹ *Lloyd*, 904 A.2d at 1020.

In addition, the Court rejected the Commission's decision to limit the rate increase for each customer class to less than 10% on a total-bill basis. Although the Commission had attempted to justify the 10% rule on the grounds of gradualism, the Court stated that gradualism may not be permitted to trump cost of service. The Court also pointed out that the Commission had articulated no rationale for selecting 10% rather than some other percentage. Finally, the Court held that evaluating distribution and transmission rate increases on a total-bill basis violated the mandate of Section 2804(3)

¹ Specifically, the Court stated that "while permitted, gradualism is but one of many factors to be considered and weighed by the Commission in determining rate designs, and principles of gradualism cannot be allowed to trump all other valid ratemaking concerns." *Lloyd*, 904 A.2d at 1020. The Court further concluded that principles of gradualism "do not justify allowing one class of customers to subsidize the cost of service for another class of customers over an extended period of time." *Lloyd*, 904 A.2d at 1020. The Court also pointed out that the Commission had provided "no explanation how discrimination in distribution and transmission rate structures are eventually going to be gradually alleviated." *Lloyd*, 904 A.2d at 1020.

of the Public Utility Code, 66 Pa. C.S. §2804(3), that generation, transmission, and distribution rates be unbundled. *Lloyd*, 904 A.2d at 1020-1021.

Rather than approving any party's proposed revenue allocation, the Court remanded to the Commission for further proceedings.

III. IDENTIFICATION OF WITNESSES

Assisting in the development and presentation of the OSBA's case in this proceeding will be:

Mr. Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
(617) 354-0463 – Fax
rdk@indecon.com

IV. ISSUES ON REMAND

There exists an extensive record from the original Commission proceeding on the issue of the proper allocation of transmission costs among PPL's customer classes. The OSBA observes that it will probably not be necessary to supplement the record on the issue of allocation of transmission costs.

The issue of the proper allocation of distribution costs will be more difficult. Generally speaking, the record contains a significant amount of analysis addressing the allocation of distribution charges on a "total bill basis," but much less analysis on allocating distribution charges on a stand-alone basis. Consequently, the OSBA believes that all parties will want to submit testimony on this issue.

Specifically, the ALJ and the Commission must address the fact that certain classes were overpaying their distribution cost of service at present rates (*i.e.*, the rates that were in effect at the time that PPL filed for its base rate increase on March 29, 2004). For example, the GS-1 and GS-3 customer classes were overpaying for their distribution service (and were, therefore, providing a “subsidy” to other customer classes):

| <u>Rate Class</u> | <u>Present Rate of Return</u> | <u>Present Subsidy</u> |
|-------------------|-------------------------------|------------------------|
| RS | 1.60% | (51,291) |
| RTS | -3.95% | (5,932) |
| GS-1 | 9.28% | 17,580 |
| GS-3 | 10.50% | 30,048 |
| LP-4 | 10.64% | 7,561 |
| IS-P | 14.46% | 731 |
| LP-5 | 23.58% | 730 |
| IS-T | 87.15% | 1,087 |
| LP-6 | 80.56% | 201 |
| LPEP | 11.15% | 109 |
| ISA | 107.75% | 538 |
| GH | 9.76% | 2,101 |
| SL/AL | 1.03% | (3,469) |
| L5-S | 5.65% | 6 |
| Total | 3.91% | (0) |

PPLICA Statement No. 1, at 34, Table 4.

The Commonwealth Court stated:

For distribution rates, PPL submitted a new distribution cost of service study establishing a new rate structure for the various classes of service. Regarding the commercial GS-1 customer class or small businesses, the customer class the OSBA represents, PPL's cost of service study indicated that the commercial GS-1 customer class was overpaying its distribution cost of service prior to the proposed rate increase as it showed a rate of return of 9.28%, where as the RS class or residential service class showed only a 1.60% with a system average return of 3.9%. This meant that that the RS rates were under-recovering costs and GS-1 rates were over-recovering costs by a substantial amount. More simply put, under the old rates, commercial customers were *subsidizing* residential customers' cost of service.

Lloyd, 904 A.2d at 1016 (emphasis added).

The PPL proposal for allocating the distribution revenue increase caused some customer classes that were providing a subsidy at present rates to provide an even larger subsidy at proposed rates. Once again, consider the examples of the GS-1 and GS-3 customer classes:

| <u>Rate Class</u> | Subsidy @ <u>Present Rates</u> | Subsidy @ <u>Proposed Rates</u> | <u>Difference</u> |
|-------------------|--------------------------------------|---------------------------------------|-------------------|
| RS | (51,291) | (77,823) | (26,533) |
| RTS | (5,932) | (9,064) | (3,132) |
| GS-1 | 17,580 | 24,084 | 6,504 |
| GS-3 | 30,048 | 51,393 | 21,345 |
| LP-4 | 7,561 | 12,697 | 5,135 |
| IS-P | 731 | 782 | 52 |
| LP-5 | 730 | 576 | (154) |
| IS-T | 1,087 | 458 | (629) |
| LP-6 | 201 | 92 | (110) |
| LPEP | 109 | 116 | 7 |
| ISA | 538 | 511 | (27) |
| GH | 2,101 | 3,415 | 1,315 |
| SL/AL | (3,469) | (7,275) | (3,806) |
| L5-S | 6 | 39 | 33 |
| Total | (0) | 0 0 | |

PPLICA Statement No. 1, at 37, Table 5.

Consequently, this remand proceeding must accomplish two tasks in regards to PPL's distribution rates. First, customer classes that were providing a subsidy at present rates must be providing less of a subsidy at the rates approved at the end of this proceeding. Second, a plan must be created so that, in a reasonable period of time, no customer class is providing a subsidy.

V. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail *only* is not acceptable.

VI. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VII. HEARING AND BRIEFING SCHEDULE

The OSBA suggests the following procedural schedule:

April 13th PPL Direct Testimony. PPL should submit a revised version of its future test year cost of service study for distribution costs (Exhibit JMK-2), at both present and proposed rates, reflecting the revenue requirement approved by the Commission and the Commonwealth Court. The cost allocation methodology should be the one used by PPL in its filing, corrected for the programming errors identified by OSBA witnesses Knecht and Ewen at page 13 of their testimony (OSBA Statement No.1). During the proceeding, PPL agreed that those programming errors should be corrected.

May 11th Non-Company Direct Testimony

June 8th All party Rebuttal Testimony

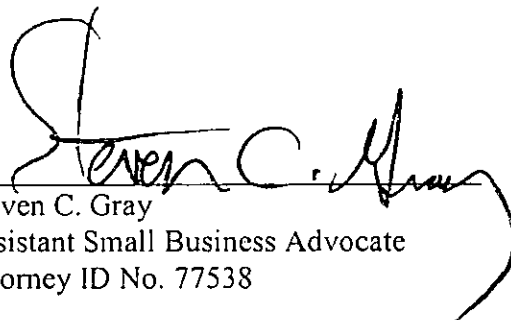
June 22nd All party Surrebuttal Testimony

June 26th, 27th Hearings in Harrisburg

July 18th Main Briefs

July 27th Reply Briefs

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven C. Gray", written over a horizontal line.

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Assistant Small Business Advocate
Attorney ID No. 77538

For:

William R. Lloyd, Jr.
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Attorney ID No. 16452

Office of Small Business Advocate
Suite 1102, Commerce Building
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Dated: March 2, 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

Docket No. R-00049255

PPL ELECTRIC UTILITIES CORPORATION :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-mail and first class mail (unless otherwise indicated) upon the persons addressed below:

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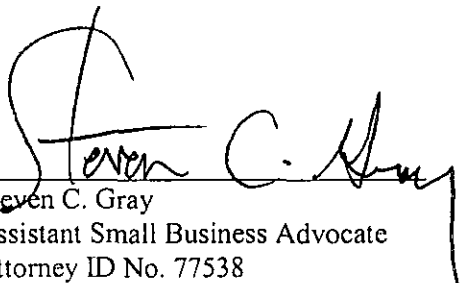
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March 2, 2007

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ORIGINAL

**RE: Pennsylvania Public Utility Commission
v. PPL Electric Utilities Corporation
Docket No. R-00049255**

**DOCUMENT
FOLDER**

Dear Secretary McNulty:

Enclosed, for filing, are an original and three (3) copies of the Prehearing Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. As indicated on the certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,

David B. MacGregor

DBM/skr

Enclosures

cc: Certificate of Service

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ALLENTOWN HARRISBURG LANCASTER PHILADELPHIA PITTSBURGH PRINCETON WASHINGTON, D.C.

A PENNSYLVANIA PROFESSIONAL CORPORATION

CPH 382977v1

5/4

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY :
COMMISSION :
 :
 :
v. : Docket No. R-00049255
 :
 :
PPL ELECTRIC UTILITIES :
CORPORATION :

**DOCUMENT
FOLDER**

**PREHEARING MEMORANDUM OF
PPL ELECTRIC UTILITIES CORPORATION**

To Administrative Law Judge Susan D. Colwell:

PPL Electric Utilities Corporation ("PPL Electric") hereby submits its Prehearing Memorandum in accordance with the Prehearing Conference Order issued by Administrative Law Judge Susan D. Colwell ("ALJ") on February 9, 2007. Therein, the ALJ directed the parties, *inter alia*, to prepare and distribute, at least three days prior to the prehearing conference, a prehearing memorandum which recommends a course of action for implementing the remand Order.

DOCKETED
MAR 05 2007

PROCEDURAL HISTORY

On March 29, 2004, PPL Electric filed with the Pennsylvania Public Utility Commission ("PUC" or the "Commission") a proposed general rate increase of \$164.4 million for distribution service, pursuant to Section 1308(d) of the Public Utility Code. Included in PPL Electric's filing was a request to recover certain storm damage expenses associated with Hurricane Isabel. In addition, PPL Electric notified the Commission and its customers of a \$57.2 million increase in transmission charges that PPL Electric pays for transmission services it purchases from the PJM Interconnection, Inc. under tariffs regulated by the Federal Energy Regulatory Commission. PPL Electric proposed that the

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rate increase be allocated among rate classes in a manner that would move each rate class toward the cost of service for distribution service, as determined by a detailed cost allocation study, and that no rate class would receive, on a total bill basis, an increase in rates in excess of 10 percent. After full litigation, the Commission entered a final order on December 22, 2004, which, among other things, approved an increase in rates designed to produce \$137.1 million in additional annual operating revenues for distribution service (including the requested storm damage allowance), approved the projected \$57.2 million increase in transmission service charges, and approved a proportional scale back of the allocation of the revenue increase proposed by PPL Electric.

Four parties, including the Office of Small Business Advocate, the Office of Consumer Advocate, the PP&L Industrial Customer Alliance, and the Commission on Economic Opportunity, filed *Petitions for Review from the Commission's December 22, 2004 Order*. After briefing and oral argument, the Commonwealth Court, *inter alia*, reversed the Commission's storm damage expense allowance, vacated the Commission's Order regarding the allocation of the distribution and transmission rates among customer classes and remanded the case for further proceedings. *Lloyd v. Pa. Public Utility Commission*, 904 A.2d 1010 (Pa. Cmwlth. 2006) ("*Lloyd*"). Thereafter, PPL Electric and the Commission filed *Petitions for Allowance of Appeal* with the Pennsylvania Supreme Court seeking further judicial review of the Commonwealth Court's decision. On January 31, 2007, the Supreme Court denied these *Petitions*.

On February 8, 2007, the Commission entered an order on remand, which: (1) directed PPL Electric to file a refund plan within 30 days regarding storm damage

expenses; and (2) returned the revenue allocation issues to the Office of Administrative Law Judge for findings and a recommendation consistent with the Commonwealth Court's decision.

PROPOSED SCHEDULE AND SCOPE OF THE PROCEEDING

In PPL Electric's view, the *Lloyd* decision contains two basic holdings. First, in evaluating the reasonableness of a proposed allocation of a distribution or transmission rate increase among customer classes, the Commission must consider each rate component separately and may not consider the "total bill impact", i.e., the overall, combined effect on distribution, transmission and generation rates, which were unbundled by the Competition Act. Second, the Court held that, while the Commission may consider "gradualism" in reviewing revenue allocations, gradualism cannot "trump" all other considerations, particularly cost of service, which the Court characterized as the "polestar" for revenue allocation and rate design issues.

On remand, the Commission, therefore, must conduct a further and separate review of the allocation of the distribution and transmission rate increases. This review should include the establishment of revised standards that are consistent with the *Lloyd* decision, and the application of those revised standards to determine what, if any, changes are required to the previously approved revenue allocations.

In order to implement the remand Order, PPL Electric suggests the following scope and schedule for this proceeding.¹

1. On April 6, 2007, PPL Electric would submit a proposal setting forth proposed rates that it believes are in compliance with the determination of the

¹ PPL Electric will discuss this proposal with the parties in advance of the prehearing conference and will seek to develop a consensus schedule for consideration by the ALJ.

Commonwealth Court in *Lloyd*, together with a proof of revenues and supporting testimony. This filing will include a cost allocation study using the same methodologies and data that were used to develop the compliance tariff in this proceeding, except that storm damage expenses from Hurricane Isabel and revenues for recovery of such expenses will be eliminated.

2. Thereafter, other parties may conduct discovery regarding PPL Electric's proposal. In addition, PPL Electric proposes to establish an informal discovery process, consisting of a series of meetings and telephone conferences, to permit the parties to gain a full understanding of PPL Electric's proposal as quickly as possible.

3. Other parties' testimony and exhibits would be due on May 15, 2007. Such testimony and exhibits would respond to PPL Electric's proposal and present any alternative proposals to comply with the *Lloyd* decision. No new cost allocation studies would be submitted, but cost allocation studies that were submitted during the trial of the rate case in 2004 may be amended to eliminate storm damage expenses from Hurricane Isabel and revenues for recovery of such expenses.

4. Given the nature of the issues in this proceeding, it is likely that several parties, including PPL Electric, wish to submit rebuttal testimony addressing the proposals and positions presented by other parties. Such rebuttal testimony would be due on May 30, 2007.

5. Hearings would be held on June 6-7, 2007, or such other reasonably proximate dates as are convenient for the ALJ or the parties. Surrebuttal and rejoinder testimony, if any, would be presented orally at hearings.

6. Main briefs of all parties would be due on June 22, 2007.

7. Reply briefs of all parties would be due on June 29, 2007.

8. Except as noted below, all due dates are "in hand." Electronic service on the due date will be considered timely "in hand" service. Documents being served upon parties who do not have e-mail, or who decline to accept e-mail, are due "in hand" on the next business day. If documents are served electronically, hard copies must be sent to the parties on the same day. Hard copies may be sent by first class mail.

WITNESSES

At this time, PPL Electric intends to present the testimony of Company witnesses Joseph M. Kleha and Oliver G. Kasper. In addition, PPL Electric may present one or more expert witnesses on cost of service, rate structure and rate design to provide additional support for the Company's filing. Collectively, these witnesses will address the update to the future test year cost allocation study, proposed allocation of the distribution and transmission rate increases, and how these proposed allocations comply with the Commonwealth Court's Opinion and Order in *Lloyd*.

PPL Electric reserves the right to present additional witnesses, testimony and exhibits on matters arising during the course of the proceeding, including matters raised by other parties or the ALJ.

SETTLEMENT

PPL Electric has been in contact with several parties who were active in the appeal to address issues arising in the remand of this proceeding, including the possibility of settlement. Although such contacts have not been successful to date, PPL Electric continues to be willing to meet with the other parties to discuss settlement of the proceeding.

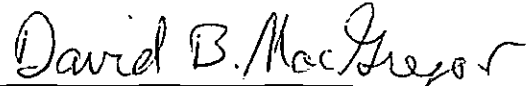
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Of Counsel:

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Date: March 2, 2007

Respectfully submitted,



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Attorneys for PPL Electric Utilities
Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Prehearing Memorandum of PPL Electric Utilities Corporation has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

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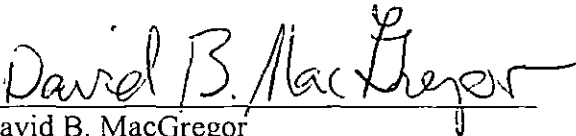
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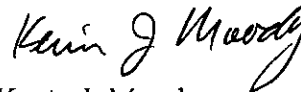
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Re: Pennsylvania Public Utility Commission, et al. v. PPL
Electric Utilities Corporation; Docket Nos. R-00049255,
R-00049255C0001 through R-0049255C0020

Dear Secretary McNulty:

Please be advised that the Retail Energy Supply Association ("RESA"), which had participated in this proceeding under its former name, Mid-Atlantic Power Supply Association ("MAPSA"), will not be participating in the proceedings on remand.

Sincerely,



Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jls

cc: Certificate of Service
Hon. Susan D. Colwell

DOCKETED
MAR 21 2007

HAR:71720.1/MID051-158776

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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PENNSYLVANIA PUBLIC UTILITY :
COMMISSION :
V. : DOCKET NOS. R-00049255
: R-00049255C0001, et al.
PPL ELECTRIC UTILITIES CORP. :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

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Date: March 5, 2007

Kevin J. Moody

Kevin J. Moody, Esquire

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DOCUMENT
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March 5, 2007

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
2nd Fl., 400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

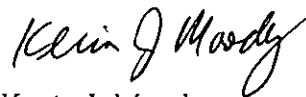
Re: Pennsylvania Public Utility Commission, et al. v. PPL
Electric Utilities Corporation; Docket Nos. R-00049255,
R-00049255C0001 through R-0049255C0020

Dear Secretary McNulty:

Please be advised that Strategic Energy, L.L.C., a party in the above-referenced matter, will not be participating in the proceedings on remand.

DOCKETED
MAR 21 2007

Sincerely,



Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jls

cc: Certificate of Service
Hon. Susan D. Colwell

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56

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|--------------------------------|
| PENNSYLVANIA PUBLIC UTILITY COMMISSION | : | |
| | : | |
| V. | : | DOCKET NOS. R-00049255 |
| | : | R-00049255C0001, et al. |
| PPL ELECTRIC UTILITIES CORP. | : | |

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL & FIRST CLASS MAIL

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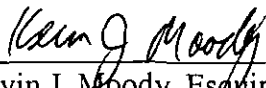
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Date: March 5, 2007



Kevin J. Moody, Esquire

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File #: 2507-126978

March 7, 2007

VIA HAND DELIVERY

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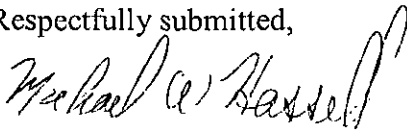
**RE: Pennsylvania Public Utility Commission
v. PPL Electric Utilities Corporation
Docket No. R-00049255**

**DOCUMENT
FOLDER**

Dear Secretary McNulty:

Enclosed, for filing, are an original and three (3) copies of the Entry of Appearance in the above-referenced proceeding. As indicated on the certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,



Michael W. Hassell

MWH/jl

Enclosures

cc: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. R-00049255
PPL Electric Utilities Corporation :

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P.A. P.U.C.

ENTRY OF APPEARANCE

Please enter the appearance of Michael W. Hassell as additional counsel on behalf of PPL Electric Utilities Corporation in the above-captioned proceeding.

All service on and communications in this proceeding should be addressed as follows:

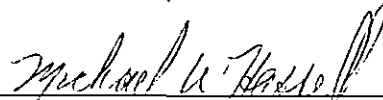
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Respectfully submitted,



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DOCKETED
MAR 13 2007

CERTIFICATE OF SERVICE

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 § 1.54 (relating to service by a participant).

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Date: March 7, 2007



Michael W. Hassell

OALJ Hearing Report

Please check Those Blocks Which Apply

| | | | | |
|--|---|-------------------------|-------------------------------------|-------------------------------------|
| Docket No.: | R-00049255 | | YES | NO |
| | | Prehearing Held: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Case Name: | Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation | Hearing Held: | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | | Testimony Taken: | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | | Transcript Due: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | Hearing Concluded: | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Location: | Harrisburg | Further Hearing Needed: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | Estimated Add'l Days: | 2 | |
| Date: | Wednesday, March 7, 2007 | | | |
| | | RECORD CLOSED: | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ALJ: | Susan D. Colwell | DATE: | | |
| | | Briefs to be Filed: | <input type="checkbox"/> | <input type="checkbox"/> |
| Reporting Firm: | Commonwealth Reporting | DATE: | | |
| | | Bench Decision: | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>RECEIVED</p> <p>MAR 28 2007</p> <p>PUBLIC UTILITY COMMISSION</p> | | REMARKS: | SCHEDULING ORDER TO BE ISSUED | |

PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing.

| Name and Telephone Number | Address | Who are you representing? | | | | | | |
|--|--|---------------------------|-------|-----|------------|----|-------|--|
| <p>RICHARD A. KANASKIE</p> <p>Telephone: 717 783-6184</p> | <p>P.O. Box 3265</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none; text-align: center;">City</td> <td style="border: none; text-align: center;">State</td> <td style="border: none; text-align: center;">Zip</td> </tr> <tr> <td style="border: none;">HARRISBURG</td> <td style="border: none;">PA</td> <td style="border: none;">17105</td> </tr> </table> <p>E-mail Address: RKANASKIE@STATE.PA.US</p> | City | State | Zip | HARRISBURG | PA | 17105 | <p>OFFICE OF TRIAL STAFF</p> <p>Fax Number: 717 772-2677</p> |
| City | State | Zip | | | | | | |
| HARRISBURG | PA | 17105 | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

Check this box if additional parties or attendees appear on back of form.


 Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

| Name and Telephone Number | Address | Who are you representing? |
|---|--|--|
| David A. McCormick (703) | U.S. Army Legal Services Agency 901 N. Stuart Street, Rm. 713 City: Arlington, VA State: VA Zip: 22203 | Consumer interest of U.S. Department of Defense and other affected Federal Executive Agencies |
| Telephone: (703) 696-1646 | E-mail Address: David.Mccormick@us.army.mil | Fax Number: (703) 696-2960 |
| David B. MacGregor Post & Schell, PC 215-587-1197 | 4 Penn Center 1600 JFK Blvd City: Phila State: PA Zip: 19103 | PPL Electric Utilities Corp |
| Telephone: | E-mail Address: dmacgregor@postschell.com | Fax Number: |
| Michael W Hassell Post & Schell, PC 717-612-6029 | 17 N. 2nd St. 12th Floor City: Harrisburg State: PA Zip: 17101 | PPL Electric Utilities Corp. |
| Telephone: | E-mail Address: mhassell@postschell.com | Fax Number: 717-731-1985 |
| PAUL E. RUSSELL | 2 NORTH NINTH ST. City: ALLENTOWN State: PA Zip: 18101 | PPL ELECTRIC UTILITIES CORP |
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