



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

IN REPLY PLEASE
REFER TO OUR FILE

August 22, 2006

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

Re: Petition of PPL Electric Utilities Corporation for Approval of a
Competitive Bridge Plan

Docket No. P-00062227

DOCUMENT
FOLDER

Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the
Answer to the Petition for Approval of a Competitive Bridge Plan of the Office of
Trial Staff (OTS) in the above-captioned proceeding.

As evidenced by the attached Certificate of Service, copies are being served
on all parties who were served copies of the Petition.

Sincerely,

Kenneth L. Mickens
Senior Prosecutor
Attorney ID #31255

Enclosure
KLM/nhd

c: Parties of Record
Chairman Holland
Vice-Chairman Cawley
Commissioner Shane
Commissioner Pizzingrilli
Commissioner Fitzpatrick
Chief Counsel Pankiw
Director Walker-Davis

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2006 AUG 22 AM 11:30
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

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Petition of PPL Electric Utilities :
Corporation for Approval of a : Docket No. P-00062227
Competitive Bridge Plan :

**ANSWER OF OFFICE OF TRIAL STAFF
TO PETITION OF PPL ELECTRIC UTILITIES
CORPORATION FOR APPROVAL OF
A COMPETITIVE BRIDGE PLAN**

The Office of Trial Staff (“OTS”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Senior Prosecutor, pursuant to 52 Pa. Code §5.61, hereby respectfully Answers the Petition of PPL Electric Utilities Corporation (“PPL Electric” or “Company”) for Approval of a Competitive Bridge Plan (“Petition”).

I. INTRODUCTION AND BACKGROUND

1. On August 2, 2006, PPL Electric filed the above-identified Petition with the Commission requesting approval of a Competitive Bridge Plan (“CBP”) to establish the terms and conditions under which PPL Electric will supply Provider of Last Resort (“POLR”) service during 2010, as a transition to a fully competitive statewide market beginning January 1, 2011. The CBP consists of proposals for competitive procurement of POLR supply for 2010, enhancement of demand-side response (“DSR”) programs, expanded consumer education and increased assistance for low-income customers. PPL

Electric requests a 2007 effective date for the CBP, although several components, including new POLR service rates, will not take effect until January 1, 2010. Petition, p. 1.

II. PPL ELECTRIC'S PETITION IS COMPLEX

OTS first observes that the Petition is a complex, multi-proposal request consisting of 133 pages of text and detailed attachments that will require comprehensive analysis. The CBP itself is composed of four proposals: (1) a proposal for competitive procurement of POLR supply for 2010 (Petition, pp. 15-21); (2) the enhancement of DSR programs (Petition, pp. 22-23); (3) expanded customer education and related funding (Petition, pp. 23-25); (4) increased assistance for low-income customers and related funding (Petition, pp. 25-26).

PPL Electric also proposes several tariff provisions. Petition, pp. 28-29. Proposed tariff provisions such as these would normally be filed as "R" dockets, providing more time for the review and analysis of the merit of the proposals. Certain of these proposals concern matters of first impression for this Commission. For example, PPL Electric proposes to establish a Generation Supply Charge ("GSC") for each of three customer classes. The GSC is an automatic cost recovery mechanism which allows for the annual reconciliation of any over/under recovery of the Company's actual generation supply costs and will be structured on a flat \$/kWh basis. Petition, pp. 28-29.

PPL Electric also proposes to modify its Transmission Service Charge ("TSC") to recover the charges it incurs for transmission service, to reflect the purchase of POLR supply in the competitive market. Petition, p. 29. If the GSC and the modified TSC were

approved, two of PPL Electric's three major rate elements (generation and transmission) would be fully reconcilable. Such an occurrence would significantly shift the risk of these costs from the Company to its customers. PPL Electric also proposes to modify the Generation Rate Adjustment ("GRA") rider to enable the Company to charge the rate to any large commercial or industrial customer who elects fixed price POLR service for 2010, but does not remain a POLR customer for the entire year. Petition, p. 29. In addition, the Company proposes revisions to its existing DSR tariff to extend the effective date of the residential rider and increase customer participation. It also proposes to modify the commercial and industrial rider to extend its termination date until December 31, 2010. Petition, p. 29.

This summary of the Company's CBP indicates that this competitive procurement proposal is detailed and complex. Several of the proposals would lead to significantly increased costs for PPL Electric customers. Moreover, there are significant funding requests associated with the various proposals. Petition, Attachment 3. An effective review and analysis of these proposals will likely require extensive discovery and hearing time.

II. CONCLUSION

WHEREFORE, for the reasons stated herein, OTS respectfully requests that the Commission deny this Petition at this time and assign this matter to the Office of Administrative Law Judge.

Respectfully submitted,



Kenneth L. Mickens
Senior Prosecutor
Attorney ID #31255

Office of Trial Staff
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265
(717) 787-1976

Date: August 22, 2006

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities :
Corporation for Approval of a Competitive : P-00062227
Bridge Plan :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Answer to Petition for Approval of a Competitive Bridge Plan**, dated August 22, 2006, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below:

Paul E. Russell, Assoc. General Counsel
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101

David B. MacGregor, Esquire
Post and Schell, PC
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2921

Michael W. Hassell, Esquire
Post and Schell, PC
17 North Second Street; 12th Floor
Harrisburg, PA 17101-1601

Irwin A. Popowsky, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923

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William R. Lloyd, Jr., Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101



Kenneth L. Mickens
Senior Prosecutor
Attorney ID #31255
Office of Trial Staff

Dated: August 22, 2006
Docket No. P-00062204

August 24, 2006

VIA FIRST CLASS MAIL

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

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2006 AUG 28 AM 9:17
PA P.U.C. BUREAU
SECRETARY'S BUREAU

Re: Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Program; Docket No: P-00062227

Dear Secretary McNulty:

Please find enclosed for filing with the Commission an original and three (3) copies of a Petition to Intervene in the above-referenced proceeding.

In accordance with the applicable rules and as evidenced by the attached Certificate of Service, all parties to the proceeding and the statutory advocates are being served with a copy of this document by first class mail.

Respectfully submitted,



Glen R. Thomas
Counsel for Constellation NewEnergy, Inc.,
and Constellation Energy Commodities
Group, Inc.

DOCUMENT
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Enclosures

Cc: Certificate of Service

19

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Petition of PPL Electric Utilities :
Corporation for Approval of : Docket No: P-00062227
a Competitive Bridge Program :

**Petition to Intervene of the
Constellation NewEnergy, Inc. and
Constellation Energy Commodities Group, Inc.**

Pursuant to 52 Pa. Code §§ 5.71-5.75, Constellation NewEnergy, Inc. ("CNE"), and Constellation Energy Commodities Group, Inc. ("CCG") (collectively "Constellation") hereby file this Petition to Intervene in the above-captioned proceeding. In support of this petition, Constellation states the following:

1. The principal place of business of Constellation is:

Constellation Energy Group, Inc
111 Market Place, Suite 500
Baltimore, MD 21202

Scott Miller
Vice President, Regulatory Affairs
Constellation NewEnergy, Inc.
111 Market Place, Suite 700
Baltimore, MD 21202
410-230-4788

David I. Fein
Senior Regulatory Counsel
Constellation Energy Group, Inc.
550 West Washington, Blvd., Ste. 300
Chicago, IL 60661
312-704-8499

Marjorie Philips
Vice President, Regulatory Affairs
Constellation Energy Commodities
Group, Inc.
111 Market Place, 5th Floor
Baltimore, MD 21202
410-230-5802

Lisa M. Decker
Vice President, Counsel
Constellation Energy Group, Inc.
111 Market Place, 5th Floor
Baltimore MD 21202
410-468-3792

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AUG 28 2006

2. The names and addresses of Constellation's counsels in the matter are:

Glen R. Thomas, Esq.
Blank Rome LLP
One Logan Square
Philadelphia, PA 19103
(215) 569-5582
thomas@blankrome.com

Christopher A. Lewis, Esq.
Blank Rome LLP
One Logan Square
Philadelphia, PA 19103
(215) 569-5793
lewis@blankrome.com

Constellation's attorneys are authorized to accept service on behalf of Petitioner in this proceeding. Constellation requests that the Pennsylvania Public Utility Commission ("Commission") and all parties of record serve copies of all discovery requests and answers, correspondence, Commission Orders and any other documents issued on both Constellation and Constellation's attorneys in Philadelphia.

3. On or about August 2, 2006, PPL Electric Utilities Corporation ("Company") filed with the Commission a proposal for the competitive procurement of Provider of Last Resort ("POLR") or default service supply for the year 2010. The so-called "Competitive Bridge Program" would entail a series of six solicitations over a three year period from 2007 to 2009 for pro-rata portions of the 2010 default service load.

4. The Company proposes the Competitive Bridge Program to serve as a transition to a statewide competitive default service market beginning January 1, 2011.

5. The Petition contains proposed enhancements to the Company's currently effective demand response programs that will build-upon existing programs, make use of customer consumption data provided by its Automated Meter Reading system, and provide participants in the Company's legacy demand response programs the ability to continue to manage their usage and their bills should they desire to do so.

6. The Petition also proposes a comprehensive customer education program to encourage efficient energy use and to facilitate shopping among customers.

7. Pursuant to 66 Pa. C.S. § 2807(e)(3), the Commission must determine whether the Company's Competitive Bridge Program acquires electric energy for default service customers at prevailing market prices.

8. CNE is authorized to provide electricity and energy-related services to retail customers in Pennsylvania as well as in 15 other states, the District of Columbia and in two Canadian provinces and serves over 15,000 megawatts of load and over 10,000 customers. CNE markets its services under the Constellation NewEnergy brand name. CNE is a licensed Electric Generation Supplier ("EGS") in the Commonwealth of Pennsylvania pursuant to 66 Pa. C.S § 2809.

9. CCG provides wholesale power and risk management services to wholesale customers (distribution utilities, co-ops, municipalities, power marketers, utilities and other large load serving entities), including through participation in load auctions, throughout the United States and Canada, in both regulated and deregulated energy markets.

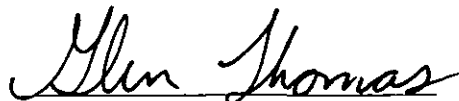
10. Constellation has actively participated in proceedings regarding default service offerings in several states including Illinois, Pennsylvania, Delaware, New Jersey, Maryland, and the District of Columbia.

11. Due to the scope and early stage of this proceeding, Constellation is still formulating its position on the proposed default service plan and will finalize its position after it

has had an opportunity to further study and evaluate the filing, conduct discovery and obtain additional information as necessary.

12. Constellation is a potential retail and wholesale electric supplier in the PPL service territory and has a direct and substantial interest in this proceeding that cannot be represented by any other party. The petition presents very serious and fundamental issues that will shape the competitive landscape in Pennsylvania and the ability of suppliers like Constellation to compete in the Commonwealth's electricity market. The public interest demands that Constellation be afforded the opportunity to be heard in this proceeding.

WHEREFORE, for all the foregoing reasons, Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. respectfully request that their Petition to Intervene be granted and that the Commission grant them such other relief as is just and reasonable under the circumstances.



Glen R. Thomas
Christopher A. Lewis
Blank Rome, LLP
One Logan Square
Philadelphia, PA 19103

Counsel for Constellation NewEnergy, Inc., and
Constellation Energy Commodities Group, Inc.

DATE: August 24, 2006

CERTIFICATE OF SERVICE

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

Via First-Class Mail:

Paul E Russell, Esq.
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101

Lisa M. Decker, Esq.
Constellation Energy Group, Inc.
111 Market Place, 5th Floor
Baltimore, MD 21202
Lisa.decker@constellation.com

David B. MacGregor, Esq.
Michael W. Hassell, Esq.
Post & Schell, PC
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
dmacgregor@postschell.com

Mr. Johnnie Simms, Esq.
Office of Trial Staff
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17015-3265

Christy M. Appleby, Esq.
James A. Mullins, Esq.
Stephen J. Keene, Esq.
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Forum Place
Harrisburg, PA 17101-1921
cappleby@paoca.org

Steven C. Gray, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
sgray@state.pa.us

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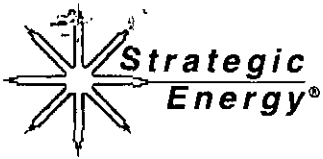
Respectfully submitted,

A handwritten signature in cursive script that reads "Glen Thomas". The signature is written in black ink and is positioned above the printed name and firm name.

Glen R. Thomas
Blank Rome LLP

Counsel for Constellation NewEnergy, Inc.,
and Constellation Energy Commodities
Group, Inc.

Date: August 24, 2006



Corporate Headquarters
Two Gateway Center
Ninth Floor
Pittsburgh, PA 15222

T: 1.800.830.5923
E: sales@sel.com
W: www.sel.com

August 25, 2006

Via FedEx

James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
Harrisburg, PA 17120

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AUG 25 2006
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: PP&L Competitive Bridge Plan, Filed on 8/2/06
Docket No. P-00062227

Dear Secretary McNulty:

Enclosed for filing in the above captioned matter are an original and three copies of Strategic Energy, L.L.C.'s Petition to Intervene. I have enclosed a Certificate of Service showing that a copy of the above document was served on all parties of record.

Thank you for your assistance in this matter.

Sincerely,

Richard Hudson, Jr.
Market Manager-Regulatory Affairs

RH:cb

Enclosures
cc: Service List

**DOCUMENT
FOLDER**

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AUG 25 2006

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Petition of PPL Electric Utilities Corporation :
For Approval of a Competitive Bridge Plan :

Docket No. P-00062227

PETITION TO INTERVENE OF
STRATEGIC ENERGY, LLC

Pursuant to 52 Pa. Code § 5.71, Strategic Energy, LLC ("Strategic") hereby petitions to intervene in this proceeding. In support of its Petition, Strategic avers as follows:

1. Strategic is an electric generation supplier licensed by the PUC to provide electric supply and related services throughout the Commonwealth of Pennsylvania. Nationally, Strategic is a competitive electricity supplier to retail customers, serving more than 56,000 customer accounts in states that have enacted retail choice. In particular, Strategic procures and supplies commercial and industrial customers with electricity, capacity, and ancillary products in California, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas. Strategic has a direct and substantial interest in this proceeding and will be impacted by any determination in this proceeding. Unless permitted to intervene and participate fully, Strategic may be bound or adversely affected by a Commission order issued herein without an opportunity to have its views heard and considered.
2. Strategic Energy is authorized to provide electricity and energy-related services to retail customers in Pennsylvania. Strategic Energy is a licensed Electric Generation Supplier ("EGS") in the Commonwealth of Pennsylvania.

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3. On August 2, 2006, PPL Electric Utilities Corporation (“PPL”) filed a petition for Commission approval of its Competitive Bridge Plan, a proposal to establish the terms and conditions under which PPL will procure supply to serve Provider of Last Resort (“POLR”) service during 2010.
4. The Competitive Bridge Plan was proposed as an interim measure to establish POLR in PPL for only 2010 service. After that point, PPL anticipates that comprehensive Commission regulations will be in place governing POLR service. Thus, the proposed Competitive Bridge Plan admittedly anticipates, and would possibly commence prior to the final rule on POLR, now pending, before the Pennsylvania Commission.¹
5. The Competitive Bridge Plan raises important issues with respect to the post-transition POLR process in the PPL service territory and with respect to the Electric Generation Customer Choice and Competition Act.
6. Strategic Energy has a substantial interest in participating in any formal or informal proceedings that may result from the Commission’s consideration of the Petition and any Answers or comments thereto.
7. As a licensed EGS currently providing service to customers in Pennsylvania, Strategic Energy requests that it be permitted to intervene in this matter and that it be placed on the service list for any subsequent documents issued by the Commission or filed by any and all parties in this matter.
8. Strategic Energy believes that no party, other than itself, can or will adequately protect its interest in this proceeding.

¹ See, *Rulemaking Re Electric Distribution Companies’ Obligation to Serve Retail Customers at the Conclusion of the Transition Period Pursuant to 66 Pa. C.S. §2807(e)(2)*; *Provider of Last Resort Roundtable*, Docket Nos. L-00040169; M-00041792 (Order entered December 16, 2004).

WHEREFORE, for all of the reasons set forth therein, Strategic Energy requests that the Pennsylvania Public Utility Commission grant its Petition to Intervene.

Respectfully submitted,



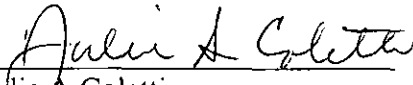
Julie A. Coletti
Assistant General Counsel
Strategic Energy, L.L.C.
Two Gateway Center, 9th Floor
Pittsburgh, PA 15222
(412) 394-4356 (p)
(412) 394-6681 (f)
jcoletti@sel.com

Dated: August 23, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of this document upon each person designated on the official service list compiled by the Secretary in this proceeding by hard copy mailing or electronic mailing, where appropriate.

Dated at Pittsburgh, PA this 25th day of August, 2006.


Julie A Coletti
Assistant General Counsel
Strategic Energy, LLC
Two Gateway Center, 9th Floor
Pittsburgh, PA 15222
412.394.4356
jcoletti@sel.com

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AUG 25 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Scott J. Rubin
Attorney ♦ Consultant

3 Lost Creek Drive ♦ Sellersville, PA 17870 ♦ (570)743-2233 ♦ Fax: (570)743-8145 ♦ scott@publicutilityhome.com

August 25, 2006

ORIGINAL

James McNulty, Secretary
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg PA 17105-3265

Re: Petition of PPL Electric Utilities Corporation for
approval of a competitive bridge plan
Docket No. P-00062227

Dear Secretary McNulty:

Enclosed for filing please find an original and three copies of the Petition to Intervene of International Brotherhood of Electrical Workers, Local 1600, in the above-referenced matter.

I have served a copy of this document on all parties of record, as shown on the attached Certificate of Service, as well as on the Chief Administrative Law Judge.

I also have enclosed an extra copy of the document that I would appreciate having time-stamped and returned in the enclosed envelope.

Sincerely,


Scott J. Rubin

Enclosure

cc: Veronica Smith, Chief Administrative Law Judge
All parties

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SECRETARY'S OFFICE
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Petition of PPL Electric Utilities :
Corporation for approval of a : Docket No. P-00062227
competitive bridge plan :

PETITION TO INTERVENE
OF
INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS, LOCAL 1600

Pursuant to 52 Pa. Code §§ 5.71, *et seq.*, the International Brotherhood of Electrical Workers, Local 1600 ("Local 1600") hereby petitions to intervene in the above-captioned proceeding. In support of this Petition, Local 1600 states as follows:

1. Local 1600 is the authorized bargaining unit for several hundred employees of PPL Electric Utilities Corporation ("PPL"), including retirees, and is also a customer of PPL at Local 1600's office located at 540 Grange Road, Trexlertown, PA.
2. Local 1600 will be represented in this case by, and all documents should be served upon its undersigned attorney.
3. This proceeding concerns PPL's plans for providing default electric supply service to customers during 2009. Those plans will or may affect Local 1600, both as a retail customer of PPL that currently purchases default electric supply service from PPL, and as a representative of PPL's employees and retirees.
4. At the present time, and based on the information available in PPL's filing (which does not include testimony or significant supporting information), Local 1600 has

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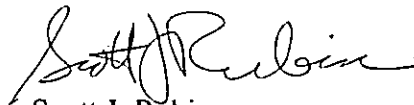
not developed a position on PPL's proposal. Local 1600 desires to intervene in this proceeding to obtain additional information about PPL's plans, including their potential impact on Local 1600 and its members. In addition, Local 1600 desires to intervene to ensure that proposals made by other parties will not have an adverse impact on Local 1600 and its members.

5. No other party to this proceeding represents the interests of Local 1600 and its members.

6. Local 1600 intends to actively participate in this proceeding on such matters that affect its interests as a customer of PPL and the interests of its members as employees and retirees of PPL. Such participation may include the presentation of direct or rebuttal testimony and the cross-examination of witnesses presented by PPL and other parties to this proceeding.

WHEREFORE, International Brotherhood of Electrical Workers, Local 1600, respectfully requests the right to intervene as a party to this proceeding.

Respectfully submitted,



Scott J. Rubin
Pa. Supreme Court ID: 34536
3 Lost Creek Drive
Selinsgrove, PA 17870
Voice: (570) 743-2233
Fax: (570) 743-8145
scott@publicutilityhome.com

Counsel for:
IBEW Local 1600

Dated: August 25, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing upon the following parties to this proceeding by first class mail.

Paul E. Russell
Associate General Counsel
PPL Services Corp.
Two North Ninth Street
Allentown, PA 18101

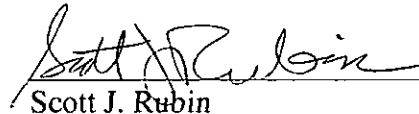
Michael W. Hassell
Post & Schell PC
17 North Second St., 12th Floor
Harrisburg, PA 17101-1601

Johnnie Simms
Office of Trial Staff
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

David B. MacGregor
Post & Schell PC
Four Penn Center
1600 John F. Kennedy Blvd
Philadelphia PA 19103-2921

Irwin A. Popowsky
Office of Consumer Advocate
555 Walnut St., 5th Floor, Forum Place
Harrisburg, PA 17101-1923

William R. Lloyd
Office of Small Business Advocate
300 North Second St., Suite 1102
Harrisburg, PA 17101



Scott J. Rubin
Counsel for IBEW Local 1600

Dated: August 25, 2006

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August 25, 2006

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17105-3265



Citizens for Pennsylvania's Future
610 North Third Street
Harrisburg, PA 17101-1113
P 717.214.7920 / 800.321.7775
F 717.214.7927
info@pennfuture.org
www.pennfuture.org

Re: Petition of PPL Electric Utilities Corporation for Approval of a
Competitive Bridge Plan, Docket No. P-00062227

Dear Secretary McNulty:

Enclosed please find an original and three copies of a Petition to Intervene and
Certificate of Service in the above matter.

If you have any questions, please contact me at (412) 258-6684.

Sincerely,

A handwritten signature in black ink that reads "George Jugovic Jr." followed by a stylized initial "AJH".

George Jugovic Jr.
Senior Attorney

cc: Paul E. Russell, Esq.
J. Edward Simms, Esq.
Irwin A. Popowsky, Esq.
William R. Floyd, Esq.

ORIGINAL

DOCUMENT
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Re: Petition of PPL Electric Utilities : Docket No. Docket No. P-
Corporation for Approval of a Competitive : 00062227
Bridge Plan :

CERTIFICATE OF SERVICE

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

J. Edward Simms, Esquire
Office Of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 3rd Floor West
Harrisburg, PA 17120

Irwin A. Popowsky, Esquire
Office Of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

William R. Lloyd, Esquire
Office Of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Paul E. Russell, Esquire
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101

DATED: 8/25/2006

George Jugovic/STT

George Jugovic, Jr., Senior Attorney
Pa. Bar Id. No. 39586

PennFuture
425 Sixth Avenue, Suite 2770
Pittsburgh, Pennsylvania 15219
Phone: 412-258-6684
Fax: 412-258-6685
Jugovic@pennfuture.org

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Re: Petition of PPL Electric Utilities
Corporation for Approval of a Competitive
Bridge Plan

Docket No. P-00062227

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**PETITION TO INTERVENE ON BEHALF OF CITIZENS FOR
PENNSYLVANIA'S FUTURE, CHAR MAGARO AND JAN JARRETT**

Through counsel, Citizens for Pennsylvania's Future ("PennFuture"), Char Magaro, and Jan Jarrett (collectively, "Petitioners") hereby file this Petition to Intervene pursuant to the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission ("Commission"), 52 Pa. Code §5.41-5.76, and request status, individually and collectively, as Intervenors in the proceedings of the Commission in the above matter.

Petitioners state the following in support of their Petition to Intervene:

1. Petitioners are:

a. Citizens for Pennsylvania's Future (PennFuture), a Pennsylvania nonprofit corporation with offices in Harrisburg, Philadelphia, West Chester, and Pittsburgh, Pennsylvania (www.pennfuture.org). PennFuture's principal business location is 610 North Third Street, Harrisburg, PA 17101, tel. (717) 214-7920. PennFuture engages in policy development, public education, litigation and other strategies to achieve its goals, including promoting clean sources of energy and protecting Pennsylvania's environment. PennFuture owns and uses offices at 610 North Third Street, which receives electric service from PPL. PennFuture also has members who live in the PPL service territory, are customers of PPL, and receive electrical service from PPL.

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b. Char Magaro, an individual who resides at 606 Magaro Raod, Enola, Pennsylvania 17025.

c. Jan Jarrett, an individual who resides at 1740 Main Street, Lisburn, Mechanicsburg, Pennsylvania, 17055.

2. The name and contact information of counsel for Petitioners is:

George Jugovic, Jr., Senior Attorney
PennFuture
425 Sixth Avenue, Suite 2770
Pittsburgh, Pennsylvania 15219
Phone: 412-258-6684
Fax: 412-258-6685
Jugovic@pennfuture.org

3. Each individual Petitioner is directly and personally affected by the Proceedings, which reasonably may be expected to affect the safety, reliability, cleanliness and affordability of their public utility service. Each individual Petitioner depends on electric distribution service from PPL to meet basic necessities of life and risks health and financial consequences if service is not provided in a safe, reliable, clean, and affordable manner. In addition, Ms. Magaro owns a restaurant, Char's Bella Mundo, located at 540 Race Street, Harrisburg, Pennsylvania 17104. The Bella Mundo is a customer that receives distribution service from PPL.

4. As ratepayers and members of the public, each Petitioner has a right and interest in assuring that safe, reliable, clean and affordable public utility service, and participation in these Proceedings is an appropriate way to protect these rights and interests. Petitioners may intervene in this proceeding pursuant to 52 Pa. Code §§ 5.51-53, 5.73-75.

5. To the extent these Proceedings will result in higher rates for customers, Petitioners seek to mitigate the adverse economic impact of these rates by promoting energy efficiency, reducing demand, and reducing pollution.

6. Petitioners have interests in and perspectives on issues in this proceeding that are not adequately represented by other parties of record.

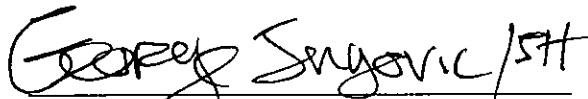
7. Petitioners intend to review and analyze the Petition of PPL, and present testimony regarding whether the rates proposed are just and reasonable and whether these rates provide for safe, reliable, clean, and/or affordable utility service. These issues include but are not limited to whether the proposals at issue in the Proceedings provide for cleaner and renewable energy, conservation, energy efficiency, and peak demand reduction.

8. Petitioners reserve the right to raise other and more specific issues as necessary and appropriate during the course of the proceeding and to respond to issues raised by other parties.

For the foregoing reasons, Petitioners respectfully request that the Commission grant this Petition and confer status as Intervenors in these Proceedings.

Respectfully submitted,

DATE: 8/25/06



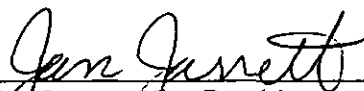
George Jugovic, Jr., Senior Attorney
Pa. Bar Id. No. 39586
PennFuture
425 Sixth Avenue, Suite 2770
Pittsburgh, Pennsylvania 15219
Phone: 412-258-6684
Fax: 412-258-6685
Jugovic@pennfuture.org

VERIFICATION

I, Jan Jarrett, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa.C.S. Section 4907 (relating to Unsworn Falsification to Authorities).

8/25/06

Date



Jan Jarrett, Vice President
Citizens for Pennsylvania's Future
610 North Third St.
Harrisburg, PA 17101
(717) 214-7920

Hawke
 Mckeon
 Sniscak &
 Kennard LLP
ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Norman James Kennard
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff

Steven D. Snyder
Janet L. Miller
Steven K. Haas
William E. Lehman
Rikardo J. Hull
Katherine E. Lovette
Amy A. Whitney

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmsk-law.com

August 28, 2006

VIA HAND DELIVERY

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

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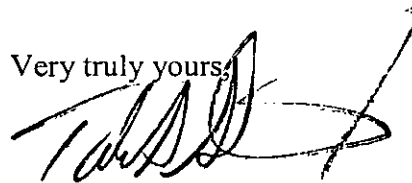
Re: Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan; Docket No. P-00062227; **PETITION TO INTERVENE AND PROTEST OF DOMINION RETAIL, INC.**

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of Dominion Retail Inc.'s Petition to Intervene and Protest in the above-captioned matter.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Todd S. Stewart
Counsel for Dominion Retail Inc.

TSS/kml
Enclosures
cc: Per Certificate of Service

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REC'D
2006 AUG 28 PM 4:01
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Re: Petition of PPL Electric Utilities :
Corporation for Approval of a : Docket No. P-00062227
Competitive Bridge Plan :

**PETITION TO INTERVENE AND
PROTEST OF
DOMINION RETAIL, INC.**

By and through its counsel, Hawke McKeon Sniscak & Kennard LLP, and pursuant to 52 Pa. Code § 5.71 et seq., Dominion Retail, Inc. ("Dominion Retail") hereby Petitions to intervene in the above-captioned matter. As a licensed electric generation supplier ("EGS") with statewide authority, Dominion Retail has grave concerns regarding the relief requested in PPL Electric Utilities Corporation's Petition for approval of a Competitive Bridge Plan ("Petition"). PPL's so-called Competitive Bridge Plan ("CBP"), if implemented as proposed would have far-reaching and long-lasting negative consequences for retail competition, not only in its service territory where competition has never gained a foothold, but statewide. Dominion Retail does not believe that there is any basis for Commission approval alleged in the Petition and urges that the Commission reject it as unwarranted and premature. In support of its Petition, Dominion Retail states as follows:

PETITION TO INTERVENE

1. Dominion Retail is a licensed EGS (A-110008) with statewide authority to provide electric generation supply to customers. Its Pennsylvania offices are at 1201 Pitt Street,

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Pittsburgh, PA 15221. Dominion Retail currently provides service to approximately 90,000 customers in the service territory of Duquesne Light Company and has served customers in other service territories as well.

2. Dominion Retail is represented in this matter, and by:

Todd S. Stewart, Attorney. ID# 75556
Hawke McKeon Sniscak & Kennard LLP
PO Box 1778
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmsk-law.com
717.236.1300 (voice)
717.236.4841 (fax)

All correspondence regarding this matter should be directed to the above listed address.

3. PPL's Petition was filed with the Pennsylvania Public Utility Commission ("Commission") on or about August 2, 2006, and notice of the Petition was published in the Pennsylvania Bulletin on August 12, 2006 (36 Pa. Bull. 4576). The Notice required that "formal protests and petitions to intervene" must be filed on or before August 28, 2006.

4. As the Commission is well aware, the Pennsylvania Public Utility Code requires the Commission to promulgate regulations that govern the means by which providers of last resort ("POLR") will "acquire energy at prevailing market prices" to serve POLR customers and "recover full all reasonable costs." 66 Pa. C.S. § 2807(e). The Commission is in the midst of promulgating those very regulations. Nonetheless, PPL has filed a Petition, which in many material respects is directly contrary to the principles set forth in the Commission's proposed rulemaking order. In essence, what PPL seeks, is to enshrine through litigation what it fears it may not gain in the rulemaking process—a scheme that practically would prevent competition from ever occurring in its service territory and possibly statewide.

5. Dominion Retail has been vigilant in pursuing market opportunities when it can do so. As such, it stands ready to enter the PPL serviced territory if and when it is possible or practical to do so. Moreover, since it already serves a substantial number of customers, it has concerns about the statewide auction proposed by PPL coupled with the use of “laddered contracts”. These types of auctions and contracts have decimated any competition that may have existed in the other states in which they have been employed. Moreover, PPL has proposed that its rates be reconciled, another device which has proven to hinder competition. Dominion Retail’s interest in this proceeding is in setting rules for POLR service both in PPL’s territory and statewide that will provide the best opportunity for competition to flourish. Dominion Retail’s views on that subject are uniquely its own and its interest is significant. If PPL’s requested relief were to be granted, Dominion Retail’s future business opportunities could never appear, and more importantly, its present customer base could be quickly eroded. As such Dominion Retail has an interest in this proceeding which is substantial, will be directly affected by the outcome of this proceeding, and which cannot adequately be represented by any other party. Moreover, because PPL has chosen to subvert the rulemaking process by the premature filing of the instant Petition, and because it seeks an outcome which is highly detrimental to Dominion Retail’s competitive position, and which could potentially be applied statewide, Dominion Retail will be bound by the outcome.

PROTEST

6. At the threshold, it is important to consider that PPL’s Petition is premised on the assumption that wholesale electric prices (and POLR rates) will rise 20-30% by the end of 2009. While this view is commonplace, it remains speculative, and could be substantially incorrect.

While Dominion Retail agrees that POLR plans must be workable in situations where market prices are increasing, it does not believe that consideration of such a possibility can be the only driver of a POLR plan. Indeed, the statutory requirements cannot be overlooked simply because in the short term prices appear to be trending upward. The goal of any procurement and pricing plan must be to acquire energy at prevailing market prices and to pass those prices on, fully, to customers, in at least near-real time. PPL's CBP will do none of these and must accordingly be rejected.

7. The particulars of PPL's CBP are contrary to the goals of the Electricity Generation Customer Choice and Competition Act ("Act"), 66 Pa. C.S. § 2801, *et seq.* PPL's CBP proposes a three-year "laddered" procurement of wholesale electricity supply "designed to achieve price moderation for its POLR customers without unduly affecting retail competition." However, such a design has only the potential to reduce price volatility, not the absolute level of prices, and therefore can mislead consumers as to the true state of market prices. Such an approach is incompatible with a market-based approach to pricing that would allow consumers to accurately compare POLR prices with retail market alternatives. It further proposes to obtain POLR supply at "prevailing market prices" in a series of six individual procurements over a three-year period (2007-2009), yet also "proposes to recover the blended costs of those procurements on a dollar-for-dollar basis from its retail POLR customers through a fully reconcilable rate mechanism that ensures PPL Electric will neither over or under recover these costs." While it may be true, depending on how any procurement process is run, and based upon who participates, that such an auction may procure energy at a market price that prevailed at the time, by the time the customers actually consume the energy and pay the price, there will be almost no discernable connection between the wholesale price and the retail rate. Moreover,

while that Act does provide that POLR providers “recover fully all reasonable costs,” it does not impose or even allow a reconciliation mechanism. Reconciliation of rates has proven time and again to add a further disconnect between market prices and retail rate and would further diminish the link between wholesale price and retail rate. Accordingly, the relief sought in PPL’s Petition is contrary to the Act and should be denied.

9. PPL’s proposal would produce bad public policy in that, among other things, it would erect a high barrier to retail market development in PPL’s service territory. PPL has requested that the Commission prohibit any wholesale or retail “opt-out” customer aggregation plans during the 2007-2010 period because potential wholesale suppliers might find PPL’s market too risky due to possible migration - - the same risk that retail suppliers face. Such programs have proven to provide customers that otherwise may not shop with real savings from a competitive retail rate as opposed to artificial savings produced by masking the actual wholesale price as proposed by PPL. It is clear that PPL’s interest is more in prevention of competition than protection of wholesale suppliers.

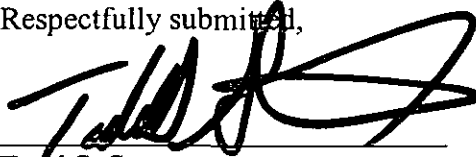
10. PPL’s laddered procurement approach, along with a reconcilable rate mechanism appears to be at odds with PPL’s additional proposal to enhance its “demand-side response” programs. As discussed elsewhere, for customers to have any incentive to conserve energy or participate in demand side response, those customers must be subject to real market prices. Under PPL’s plan that will not happen.

11. Finally, while PPL claims that it is not seeking approval of a statewide descending clock auction in this proceeding, it clearly favors this mechanism for obtaining POLR supply. Such an approach ignores the differences in utility service territories and operation throughout

the state and the problems this could cause. In short, such programs are a one-size fits all solution in search of a problem and should be rejected.

WHEREFORE, for all of the reasons stated herein, Dominion Retail, Inc. respectfully requests that the Commission grant its Petition to Intervene in this proceeding and consider the concerns raised in its Protest in determining the appropriate disposition of PPL's Petition.

Respectfully submitted,



Todd S. Stewart
Attorney ID # 75556
Hawke McKeon Sniscak & Kennard LLP
100 North Tenth Street
Harrisburg, PA 17101
717-236-1300
717-236-4841 (fax)
tsstewart@hmsk-law.com

Counsel for Dominion Retail, Inc.

Dated: August 28, 2006

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL

Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – 2 West
P.O. Box 3265
Harrisburg, PA 17105-3265

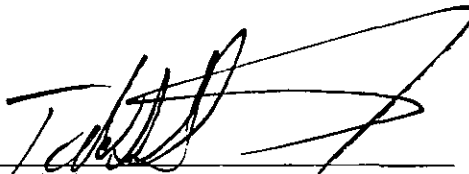
Office of Small Business Advocate
Commerce Building
Suite 1102
300 North Second Street
Harrisburg, PA 17101

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923

Paul E. Russell
Associate General Counsel
PPL Services Corp.
Two North Ninth Street
Allentown, PA 18101

David B. MacGregor
Post & Schell, PC
Four Penn Center
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2921

Michael W. Hassell
Post & Schell, PC
17th North Second Street
12th Floor
Harrisburg, PA 17101-1601



Todd S. Stewart

Dated this 28th day of August, 2006.

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213 Market Street, 9th Floor, P.O. Box 865, Harrisburg, PA 17108-0865
Tel: (717) 237-7160 ■ Fax: (717) 237-7161 ■ www.WolfBlock.com

ORIGINAL

Kevin J. Moody
Direct Dial: (717) 237-7187
Direct Fax: (717) 237-2767
E-mail: kmoody@wolfblock.com

August 28, 2006

VIA HAND DELIVERY

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

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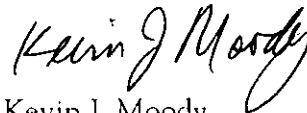
Re: Petition of PPL Electric Utilities Corporation for Approval
of a Competitive Bridge Plan; Docket No. P-00062227

Dear Secretary McNulty:

Enclosed for filing are the original and three copies of the Petition to Intervene and Protest of the Retail Energy Supply Association in the above-referenced matter. As evidenced by the attached Certificate of Service, the Company and the statutory parties have been served in the manner indicated.

Please contact me if you have any questions regarding this filing.

Sincerely,



Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jls
Enclosures

cc: Certificate of Service (w/enc)

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HAR:67862.1/MID051-238938



BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition Of PPL Electric Utilities Corporation
For Approval Of A Competitive Bridge Plan

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: Docket No. P-00062227
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PETITION TO INTERVENE AND PROTEST
OF RETAIL ENERGY SUPPLY ASSOCIATION

Pursuant to 52 Pa. Code §§ 5.71-5.75, 5.51 - 5.53 and the notice published by the Pennsylvania Public Utility Commission ("PUC" or "Commission") August 12, 2006 in the Pennsylvania Bulletin, 36 Pa.B. 4576, the Retail Energy Supply Association ("RESA") hereby petitions to intervene in the above-captioned proceeding and protests the relief requested as premature and contrary to the requirements of the Electric Choice and Competition Act to develop properly functioning and workable competitive retail electricity markets. In support of its intervention and protest, RESA states as follows:

I. INTERVENTION

1. RESA is a trade association of power marketers, independent power producers, and a broad range of companies within the Mid-Atlantic marketplace, each of whom support the electric services industry and seek to develop a more competitive power industry. RESA members are licensed to sell electric energy in the markets of Pennsylvania's major electric distribution companies ("EDCs"), including the service territory of PPL Electric Utilities Corp. ("PPL").¹

¹ RESA's members are Consolidated Edison Solutions, Inc; Direct Energy Services, LLC; Hess Corporation; Reliant Energy Solutions; Sempra Energy Solutions; Strategic Energy, LLC; SUEZ Energy Resources NA, Inc.; and US Energy Savings Corp. The opinions expressed in this filing may not represent the view of all members of RESA.

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2. RESA's representative is:

Tracy McCormick
Executive Director
RESA
PO Box 6089
Harrisburg, PA 17112
tmccormickcis@comcast.net

3. RESA's attorneys in this matter are:

Daniel Clearfield, Esquire
Kevin J. Moody, Esquire
Wolf, Block, Schorr & Solis-Cohen LLP
213 Market Street, 9th Fl.
Harrisburg, PA 17101
(717) 237-7160
DClearfield@wolfblock.com
KMoody@wolfblock.com

4. On August 2, 2004, PPL Electric Utilities Corporation ("PPL") filed a petition requesting Commission approval of a "Competitive Bridge Plan" to establish terms and conditions for PPL's provider of last resort ("POLR") service during 2010, the year after PPL's generation rate caps expire by the terms of its Restructuring Settlement. PPL asserts that its Plan is a bridge to the transition to a statewide market beginning January 1, 2011 when PPL believes POLR service supply procurement will be governed by the Commission's post-transition period Default Service regulations now pending before the Commission. PPL proposes a "laddered" supply procurement for Residential and Small Commercial customers through two RFPs in each of 2007, 2008 and 2009 for portions of these customers' anticipated POLR load in 2010. For Large Commercial & Industrial ("C&I") customers that elect a fixed annual rate for 2010, PPL proposes two RFPs in 2009. Large C&I customers that do not elect fixed price service are to receive hourly rates in 2010. PPL proposes to collect POLR service revenues through fixed, flat per kWh annual charges ("Generation Supply Charge" or "GSC") for each of the three

customer classes. The proposed GSCs contain no demand components or declining block energy charges, and are to be reconciled annually.

5. Intervention is permitted where a person has an interest in the proceeding which may be directly affected and which is not adequately represented by existing parties, and as to which the person may be bound by the action of the Commission in the proceeding. Intervention is also permitted where participation of the person may be in the public interest. 52 Pa. Code § 5.72(a). A "person" includes a corporation and an association. 52 Pa. Code § 1.8.

6. RESA meets the standard set forth in 52 Pa. Code § 5.72(a). As an organization whose members include competitive electric generation suppliers ("EGSs") licensed to do business in PPL's service territory, RESA has interests that will be directly affected by this proceeding. The ability of RESA's members to provide electric supply to retail customers in PPL's service territory will be specifically and substantially affected by the outcome of this proceeding. The terms and conditions under which PPL will acquire electric supply to serve its POLR load in 2010 will establish the prices against which RESA members must compete to sell electricity to retail customers in PPL's service territory.

7. RESA's interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene, including individual EGSs or other organizations interested in electric competition in Pennsylvania in general and in PPL's service territory in particular.

8. RESA will be bound by the action of the Commission in this proceeding, which will determine whether PPL's POLR service rates for 2010 will be established independent of, or pursuant to, the Commission's final regulations concerning Default Service in the post-transition period.

9. RESA's intervention is in the public interest. RESA's participation will enable it to contribute the unique perspectives and insights of its members to the proper and complete presentation of the issues to be addressed in this proceeding.

II. PROTEST

10. PPL's Competitive Bridge Plan should be rejected because it is premature and contrary to the provisions and goals of the Electric Choice and Competition Act² to establish properly functioning and workable competitive retail electricity markets.

11. First and foremost, PPL's proposed "laddered" supply procurement in 2007, 2008 and 2009 for supply to be delivered in 2010 cannot, factually or legally, result in "prevailing market prices" as required by Section 2807(e)(3) of the Act, except by sheer coincidence – and certainly not by design – because the supply will be procured too far in advance of the period when the POLR supply and service will be provided.

12. PPL's Competitive Bridge Plan is premature because the rulemaking to establish the terms and conditions for procuring POLR (or "Default Service") supply after the rate cap periods end for all EDCs is now pending before the Commission, and must be concluded by April 7, 2008 or be deemed withdrawn. The Commission has stated that it expects to promulgate the final-form regulation as soon as possible, but no later than during calendar year 2007. Accordingly, there is no need for the Commission to approve PPL's proposal to establish a unique³ POLR supply procurement plan for only one year because the Commission's final regulations will be in place in time for PPL to procure POLR supply for its post-transition period in accordance with the regulations.

² 66 Pa. C.S. §§ 2801-2812.

³ PPL acknowledges that its proposal is contrary to its preferred approach (descending clock auction) for obtaining POLR supply in the post-transition period.

13. PPL's Competitive Bridge Plan is also premature because the Commission has not concluded its generic investigation concerning policies and procedures to mitigate anticipated electricity price increases after the rate caps expire and the post-transition period begins. PPL's petition essentially requires the Commission to prejudge the issues and resolve its generic investigation in the context of addressing one EDC's plan for an additional transition period.

14. PPL's Competitive Bridge Plan is contrary to the provisions and goals of the Electric Choice and Competition Act to establish properly functioning and workable competitive retail electricity markets because it will not promote the development of retail competition, which is sorely lacking in PPL's service territory. The "laddered" procurement approach proposed for Residential and Small Commercial customers has not resulted in retail competition in those jurisdictions where it has been adopted.

15. PPL's proposed fixed annual charges for Residential and Small Commercial customers are inconsistent with the Commission's proposed Default Service rulemaking, which provides for a fixed rate option for these customers. In contrast, PPL proposes these annual fixed rates as the default rates and the only rates.

16. PPL's proposed supply procurement and fixed annual charges for all customer classes will not reflect "prevailing market prices" as required by Section 2807(e)(3) of the Act because the fixed rates will not be adjustable to market conditions and prices prevailing during 2010, when the POLR supply and service will be provided.

17. PPL's Competitive Bridge Plan is contrary to the provisions of the Electric Choice and Competition Act because the Act does not provide for an additional "transition" period after an EDC's rate cap expires until POLR rates must reflect prevailing market prices.

18. PPL's proposed fixed price service as the default rate for Large C&I customers, with an hourly price service as an option, is inconsistent with the Commission's proposed Default Service rulemaking, which provides for hourly price service as the default rate for C&I customers with peak demand equal to or greater than 500 kW, with fixed rate service a potential option for these larger business customers.


19. PPL's proposed fixed price service as the default rate for Large C&I customers, with an hourly price service as an option, is contrary to the Commission's decision in Duquesne Light Company's POLR III case, in which the Commission established hourly price service as the default service for Large C&I Customers (over 300 kW peak demand), with a fixed rate option for a limited period. The wisdom and correctness of the Commission's decision in Duquesne is shown by the amount of Duquesne Large Customer load served by competitive suppliers.

20. The proposed reconciliation of the GSCs is inconsistent with the Commission's proposed Default Service rulemaking and is contrary to the Commission's recent decision in Pennsylvania Power Company's interim POLR supply plan, both of which deny reconciliation of these types of charges.

III. CONCLUSION

WHEREFORE, the Retail Energy Supply Association respectfully requests that the Commission grant its Petition to Intervene and its Protest to PPL's petition, and reject PPL's Competitive Bridge Plan.

Respectfully submitted,



Kevin J. Moody, Esquire
Daniel Clearfield, Esquire
Wolf, Block, Schorr & Solis-Cohen LLP
213 Market Street, 9th Fl.
Harrisburg, PA 17101
(717) 237-7160

Attorneys Retail Energy Supply Association

Date: August 28, 2006

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing Petition to Intervene and Protest upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

VIA EMAIL & FIRST CLASS MAIL

Paul E. Russell, Assoc. General Counsel
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101

VIA FIRST CLASS MAIL

David B. MacGregor, Esquire
Post and Schell, PC
Four Penn Center
1600 JFK Blvd.
Philadelphia, PA 19103-2921


Michael W. Hassell, Esquire
Post and Schell, PC
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601

Irwin Popowsky, Esq.
Consumer Advocate
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

Johnnie Simms, Esq.
Director
Office of Trial Staff
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

William Lloyd, Esq.
Small Business Advocate
Office of Small Business Advocate
Commerce Building Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

Dated: August 28, 2006



Kevin J. Moody

SECRETARY'S BUREAU
PA PUC
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610-929-3601

Linda R. Evers, Esq.
(610) 921-6658
(610) 939-8655 (Fax)

August 28, 2006

VIA HAND DELIVERY

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

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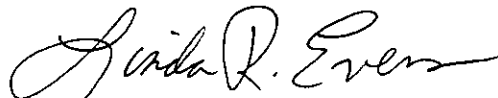
Re: *Petition of PPL Electric Utilities for Approval of a Competitive Bridge Plan, Docket No. P-00062227*

Dear Secretary McNulty:

Enclosed herein for filing is an original and four (4) copies of Metropolitan Edison Company ("Met-Ed") and Pennsylvania Electric Company's ("Penelec") Petition to Intervene in the above-referenced case. Please date stamp the additional copy and to me return for our files.

Please contact me at the above number should you have any questions.

Sincerely,



Linda R. Evers, Esquire

dIm
Enclosures

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SECRETARY'S BUREAU
PA PUC

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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PA PUC
SECRETARY'S BUREAU

PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : DOCKET NO. P-00062227
COMPETITIVE BRIDGE PLAN :

PETITION TO INTERVENE
OF METROPOLITAN EDISON COMPANY AND
PENNSYLVANIA ELECTRIC COMPANY

Pursuant to the provisions of 52 Pa. Code §§ 5.71-5.75, Metropolitan Edison Company (“Met Ed”) and Pennsylvania Electric Company (“Penelec”) (collectively, “Met Ed/Penelec”) hereby petition to intervene in the above-captioned matter and, in support thereof, state as follows:

I. INTRODUCTION

1. On August 2, 2006, PPL Electric Utilities Corporation (“PPL”) filed a *Petition for Approval of a Competitive Bridge Plan* (the “Petition”). Through its Petition, PPL seeks to “establish the terms and conditions under which [it] will supply Provider of Last Resort (“POLR”) service during 2010” (p. 1). More specifically, the Petition requests Commission approval, *inter alia*, to (1) conduct a multi-stage Request for Proposal process to procure POLR supply, (2) require selected suppliers to post Performance Assurance, (3) implement a Generation Supply Charge (“GSC”) and (4) modify its existing Transmission Service Charge (“TSC”) and Generation Rate Adjustment charge (“GRA”).

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2. Notice of the Petition was published in the *Pennsylvania Bulletin* on August 12, 2006 and interested parties were given until August 28, 2006 to file protests or petitions to intervene (36 Pa.B. 4576).

II. IDENTITY OF THE INTERVENING PARTIES

3. Met Ed and Penelec are subsidiaries of FirstEnergy Corp., a diversified energy services holding company headquartered in Akron, Ohio.

4. Met Ed, based in Reading, Pennsylvania, provides retail electric service to approximately 520,000 residential, commercial and industrial customers within a 3,300 square mile area of southern and southeastern Pennsylvania. Met Ed is a retail electric customer of PPL, receiving distribution, transmission and generation service at various locations under PPL's Rate Schedule BL ("Borderline Service").

5. Penelec, based in Erie, Pennsylvania, provides retail electric service to approximately 586,000 residential, commercial and industrial customers within a 17,600 square mile area of northern and central Pennsylvania. Penelec is also a retail electric customer of PPL, receiving service at various locations under Rate Schedule BL.

6. Met Ed/Penelec will be represented in this proceeding by the following counsel, whose name and address should be placed on the Commission's service list and who should receive copies of all correspondence and other documents:

Linda R. Evers, Esquire
Attorney
FirstEnergy Service Company
2800 Pottsville Pike, PO Box 16001
Reading, PA 19612
(610) 921-6658
levers@firstenergycorp.com

III. INTEREST IN THIS PROCEEDING

7. Intervention in Commission proceedings is governed by the Commission's rule at 52 Pa. Code § 5.72, which provides, in pertinent part, that a person is eligible to intervene upon a showing that it has an interest in the matter "which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding" or such other interest as to which participation "may be in the public interest."

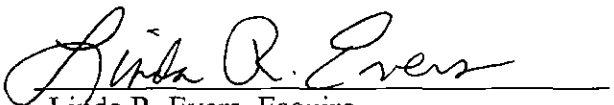
8. Met Ed and Penelec have direct and substantial interests in this proceeding. According to the tariff attached to PPL's Petition, the Generation Supply Charge, or GSC, would apply to all customers taking Basic Utility Supply Service. In addition, and as previously noted, the Petition proposes changes in the calculation of jurisdictional transmission charges, as well as the GRA. As customers that depend upon PPL for distribution, transmission and generation service, Met Ed and Penelec clearly have an interest in assuring that the acquisition of POLR supply and the establishment of retail rates for generation and transmission service are fair and reasonable to those taking service under Rate Schedule BL. Furthermore, because service under Rate Schedule BL is limited to adjacent public utility companies, the interests of Met Ed and Penelec cannot be adequately represented by any other party to this proceeding.

9. Because of the potential significance of this matter to customers and other incumbent utilities that may need to confront similar POLR supply issues in the future, Met Ed

and Penelec recommend that this matter be assigned to the Office of Administrative Law Judge and set for hearing.

WHEREFORE, for all of the foregoing reasons, Metropolitan Edison Company and Pennsylvania Electric Company respectfully request that their Petition to Intervene be granted and that the Commission grant them such other relief as is just and reasonable under the circumstances.

Respectfully submitted,



Linda R. Evers, Esquire
Attorney No. 81428
FirstEnergy Service Company
2800 Pottsville Pike, PO Box 16001
Reading, PA 19612
(610) 921-6658

Counsel for Metropolitan Edison
Company and Pennsylvania Electric
Company

Dated: August 28, 2006

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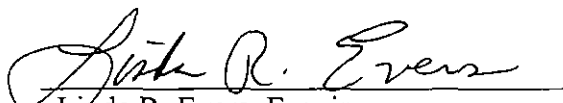
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : DOCKET NO. P-00062227
COMPETITIVE BRIDGE PLAN :**

VERIFICATION

I, Linda R. Evers, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief and that I expect Metropolitan Edison Company and Pennsylvania Electric Company, Petitioners herein, to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: August 28, 2006


Linda R. Evers, Esquire
Attorney
FirstEnergy Service Company
2800 Pottsville Pike, PO Box 16001
Reading, PA 19612
(610) 921-6658

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : DOCKET NO. P-00062227
COMPETITIVE BRIDGE PLAN :**

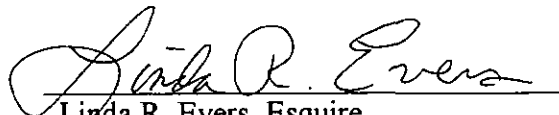
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing *Petition to Intervene of the Metropolitan Edison Company and Pennsylvania Electric Company* upon the parties listed below in accordance with the requirements of § 1.54 (relating to service by a party).

BY ELECTRONIC AND UPS OVERNIGHT

Paul E. Russell, Esquire
Associate General Counsel
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101
perussell@pplweb.com

Dated: August 28, 2006



Linda R. Evers, Esquire
Attorney No. 81428
FirstEnergy Service Company
2800 Pottsville Pike, PO Box 16001
Reading, PA 19612
(610) 921-6658

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SECRETARY'S BUREAU

Kathy J. Kolich, Esquire
(330) 384-4580

August 28, 2006

VIA HAND DELIVERY

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

ORIGINAL

**Re: *Petition of PPL Electric Utilities for Approval of a Competitive
Bridge Plan, Docket No. P-00062227***

Dear Secretary McNulty:

Enclosed herein for filing is an original and four (4) copies of FirstEnergy Solutions Corp. Petition to Intervene in the above-referenced case. Please date stamp the additional copy and to me return for our files.

Please contact me at the above number should you have any questions.

Sincerely,



Kathy J. Kolich, Esquire

djm
Enclosures

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : DOCKET NO. P-00062227
COMPETITIVE BRIDGE PLAN :

PETITION TO INTERVENE
OF FIRSTENERGY SOLUTIONS CORP.

Pursuant to the provisions of 52 Pa. Code §§ 5.71-5.75, FirstEnergy Solutions Corp. ("FES") hereby petitions to intervene in the above-captioned matter and, in support thereof, state as follows:

I. INTRODUCTION

1. On August 2, 2006, PPL Electric Utilities Corporation ("PPL") filed a *Petition for Approval of a Competitive Bridge Plan* (the "Petition"). Through its Petition, PPL seeks to "establish the terms and conditions under which [it] will supply Provider of Last Resort ("POLR") service during 2010" (p. 1). More specifically, the Petition requests Commission approval, *inter alia*, to (1) conduct a multi-stage Request for Proposal process to procure POLR supply, (2) require selected suppliers to post Performance Assurance, (3) implement a Generation Supply Charge ("GSC") and (4) modify its existing Transmission Service Charge ("TSC") and Generation Rate Adjustment charge ("GRA").

2. Notice of the Petition was published in the *Pennsylvania Bulletin* on August 12, 2006 and interested parties were given until August 28, 2006 to file protests or petitions to intervene (36 Pa.B. 4576).

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II. IDENTITY OF THE INTERVENING PARTY

3. FES is a subsidiary of FirstEnergy Corp., a diversified energy services holding company headquartered in Akron, Ohio. FES provides wholesale and retail energy and related products to customers located primarily in the Mid-Atlantic and Midwest regions. FES has actively participated in competitive wholesale power procurement auctions in the past and anticipates that it would similarly participate in the competitive procurement process for which PPL seeks the Commission's approval at this docket. In addition, FES is a licensed Electric Generation Supplier ("EGS") in Pennsylvania, having been authorized at Docket No. A-110078 to serve retail customers throughout the Commonwealth. FES currently serves approximately 700 retail electric customers in Pennsylvania.

4. FES will be represented in this proceeding by the following counsel, whose name and address should be placed on the Commission's service list and who should receive copies of all correspondence and other documents:

Kathy J. Kolich, Esquire
Senior Attorney
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308

(330) 384-3875 – Fax
(330) 384-4580 – Telephone

kjkolich@firstenergycorp.com

III. INTEREST IN THIS PROCEEDING

5. Intervention in Commission proceedings is governed by the Commission's rule at 52 Pa. Code § 5.72, which provides, in pertinent part, that a person is eligible to intervene upon a showing that it has an interest in the matter "which may be directly affected and which is not

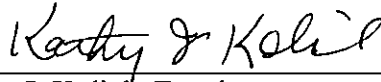
adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding” or such other interest as to which participation “may be in the public interest.”

6. FES’ interest in this matter is two-fold. First, as a likely participant in the process by which PPL will procure wholesale power to meet its default service obligations, FES has a direct and substantial interest in the manner in which that process will be administered, as set forth in PPL’s draft “POLR RFP Process and Rules,” and in the draft “Supply Master Agreement” that successful bidders will be required to execute. Second, as a licensed EGS currently serving retail customers in Pennsylvania, FES has an equally compelling interest in assuring that the terms, conditions and pricing of POLR supply implemented by PPL do not have an adverse effect on competition in general and/or on FES’ ability to compete for retail sales in particular. FES’ competitive interests in this regard cannot be adequately represented by any other party to this proceeding.

7. Because of the potential significance of this matter to wholesale suppliers and EGSs, FES recommends that this matter be assigned to the Office of Administrative Law Judge and set for hearing.

WHEREFORE, for all of the foregoing reasons, FirstEnergy Solutions Corp. respectfully requests that its Petition to Intervene be granted and that the Commission grant it such other relief as is just and reasonable under the circumstances.

Respectfully submitted,



Kathy J. Kolich, Esquire
Attorney ID No. 92203
Senior Attorney
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308
(330) 384-4580 – Telephone
(330) 384-3875 – Fax
Email: kjkolich@firstenergycorp.com

Counsel for FirstEnergy Solutions Corp.

Dated: August 28, 2006

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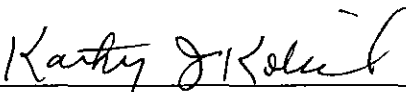
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : DOCKET NO. P-00062227
COMPETITIVE BRIDGE PLAN :**

VERIFICATION

I, Kathy J. Kolich, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief and that I expect FirstEnergy Solutions Corp., Petitioner herein, to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: August 28, 2006



Kathy J. Kolich, Esquire
Attorney ID No. 92203
Senior Attorney
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308
(330) 384-4580 – Telephone
(330) 384-3875 – Fax
Email: kjkolich@firstenergycorp.com

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : DOCKET NO. P-00062227
COMPETITIVE BRIDGE PLAN :**

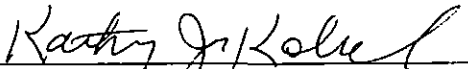
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing *Petition to Intervene of the FirstEnergy Solutions Corp.* upon the parties listed below in accordance with the requirements of § 1.54 (relating to service by a party).

BY ELECTRONIC AND UPS OVERNIGHT

Paul E. Russell, Esquire
Associate General Counsel
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101
perussell@pplweb.com

Dated: August 28, 2006


Kathy J. Kolich, Esquire
Attorney ID No. 92203
Senior Attorney
FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308
(330) 384-4580 – Telephone
(330) 384-3875 – Fax
Email: kjkolich@firstenergycorp.com

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OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

August 28, 2006

ORIGINAL

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17101-3265

RE: Petition of PPL Electric Utilities
Corporation for Approval of a Competitive
Bridge Plan
Docket No. P-00062227

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Notice of Intervention and Answer of The Office of Consumer Advocate to Petition of PPL Electric Utilities Corporation, in the above-referenced proceeding.

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

Sincerely,

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066

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Enclosures
cc: Chief Administrative Law Judge
Parties of Record
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities :
Corporation for Approval of : Docket No: P-00062227
a Competitive Bridge Program :

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NOTICE OF INTERVENTION
AND ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE TO
PETITION OF PPL

On August 12, 2006, the Pennsylvania Public Utility Commission (Commission or PUC) had published in the Pennsylvania Bulletin the Petition of PPL Electric Utilities Corporation (PPL) for approval of a competitive bridge plan (CBP) to establish the terms and conditions under which PPL will supply Provider of Last Resort service (POLR) to its customers during calendar year 2010. Pursuant to the requirements set forth in the Pennsylvania Bulletin, the Office of Consumer Advocate (OCA) hereby files this Notice of Intervention and Answer to the Petition in the above-captioned proceeding.

1. The Office of Consumer Advocate hereby gives Notice of Intervention in the above-captioned proceeding. A copy of all correspondence and notices, documents, orders or other communications with respect to the above-captioned proceeding should be addressed to the following:

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NOV 15 2006

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. #77066
E-Mail: JMullins@paoca.org
Tanya J. McCloskey
Senior Assistant Consumer Advocate
(Attorney I.D. No. 50044)
E-Mail: TMcCloskey@paoca.org

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

2. The OCA is authorized by law to represent the interests of utility consumers in all proceedings before this Commission. 71 P.S. §§ 309-1, *et seq.* The OCA files this Intervention to ensure that the interests of Pennsylvania's utility consumers are protected regarding all aspects of the Petition.

3. Under the CBP, PPL proposes, among other things, a three-year competitive procurement program beginning in 2007 for POLR supply in 2010, enhancement of demand-side response (DSR) programs, expanded consumer education and increased assistance for low-income customers beginning January 1, 2010. PPL is seeking a 2007 effective date for the plan so that it may conduct a series of procurements. PPL's CBP is to be implemented for 2010. A program for post-2010 POLR service is to be determined after the issuance of the Commission regulations governing the POLR obligation.

4. The OCA supports the use of a portfolio approach for meeting the POLR obligation. It is the OCA's position that an electric distribution company (EDC) should secure a diversified portfolio of resources – long-term, short-term and spot; renewable and non-renewable; supply side and demand side – designed to provide reasonable, stable and affordable

rates to customers. The OCA recognizes, however, that PPL's competitive bridge plan is intended as a transition plan for one year only until other major Pennsylvania EDC's rate caps expire and their obligation to provide POLR service under Section 2807(e)(3) commences.

5. While not a full multi-faceted portfolio approach as recommended by the OCA, the OCA submits that as a one-year transition plan, the PPL competitive bridge program provides a reasonable way forward until such time as the Commission implements its regulations governing the POLR obligation. In particular, PPL has proposed to procure its supply through multiple requests for proposals (RFP) over varying time periods, thus reducing the timing risk of the procurements. PPL has also proposed to expand its demand response programs for residential, commercial and industrial customers. PPL will also procure renewable resources to meet its obligations under the Alternative Energy Portfolio Standards Act. The approach of multiple RFPs for diverse resources, along with the demand response programs, should assist PPL in securing supply at reasonable prices for the interim period. While the OCA submits that certain questions need to be addressed before the CBP goes forward, the OCA generally supports the Company's proposal and submits that it is a reasonable approach to address this one-year time frame.

6. The OCA submits that PPL's efforts to increase its universal service programs is also an important component of the competitive bridge plan. As PPL notes, even with its best efforts, it is possible that customers could see significant increases in price in 2010. Having a full array of universal service programs available for low-income customers will help to mitigate any price increases that might occur.

7. Although generally supportive of PPL's proposal as a transition mechanism, the OCA has some questions regarding certain aspects of the proposal that may require further exploration. For example, the Company has proposed that it procure load-following supply. Recent auction prices suggest that there may be a significant risk premium associated with load following. The OCA anticipates the need for further discussion regarding the appropriate products to be procured through the solicitations.

8. Other areas that the OCA would like to see further developed include the appropriate elements of the consumer education program and the appropriate elements of the expanded universal service programs.

9. PPL proposes to increase the annual funding for its low-income programs (WRAP, OnTrack and Operation HELP), but does not propose to expand the WRAP program. An expansion of the WRAP program should be addressed.

10. PPL proposes to recover the costs of its supply procurements on a dollar-for-dollar basis from its retail POLR customers via a fully reconcilable rate mechanism. The specifics of such a mechanism should be thoroughly explored.

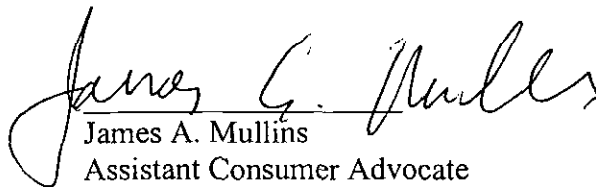
11. In addition to requiring that suppliers post Performance Assurance, PPL also proposes that it be allowed to recover any costs it incurs as a result of supplier default. An examination of which costs may be eligible for recovery must be examined.

12. PPL anticipates issuing its first RFP in March of 2007. Therefore, PPL requests the Commission to issue an order approving of the CBP no later than January 31, 2007. The OCA agrees that an early start to this program is important in order to reduce the risk of a narrow procurement window. To facilitate an order by this date, PPL does not anticipate evidentiary hearings being held. The OCA submits, however, that the issues raised by the

Petition may necessitate some process to consider and resolve these issues in a timely manner before the CBP is actually implemented.

WHEREFORE, the OCA submits this Intervention and Answer and requests the Commission implement such actions that are necessary to protect the customers of PPL and that are in accordance with the *Public Utility Code*.

Respectfully submitted,



James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066
E-Mail: JMullins@paoca.org
Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TMcCloskey@paoca.org

Counsel for Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

00090473

CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities :
Corporation for Approval of a : Docket No. P-00062227
Competitive Bridge Plan :

I hereby certify that I have this day served a true copy of the foregoing document, the Notice of Intervention and Answer of The Office of Consumer Advocate to Petition of PPL Electric Utilities Corporation, 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 28th day of August, 2006.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Kenneth Mickens, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
400 North Street
Harrisburg, PA 17105-3265

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SERVICE BY E-MAIL and FIRST CLASS MAIL

Paul E. Russell
Associate General Counsel
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101-1179
Counsel For: *PPL Electric Utilities Corporation*

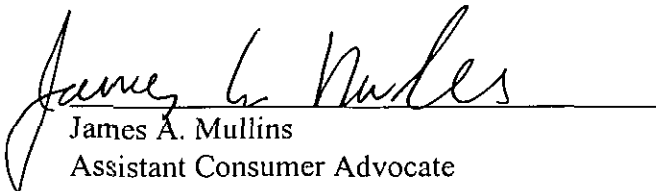
David B. MacGregor, Esquire
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2921
Counsel For: *PPL Electric Utilities Corporation*

Michael W. Hassell, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Counsel For: *PPL Electric Utilities Corporation*

Glen R. Thomas, Esquire
Christopher A. Lewis, Esquire
Blank Rome, LLP
One Logan Square
Philadelphia, PA 19103
Counsel For: *Constellation New Energy, Inc.,
and Constellation Energy Commodities Group,
Inc.*

William R. Lloyd
Small Business Advocate
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101
Counsel For: *Office of Small Business Advocate*

Lisa M. Decker, Esquire
Constellation Energy Group, Inc.
111 Market Place, 5th Floor
Baltimore, PA 21202
Counsel for: *Constellation Energy Group, Inc.*



James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066
E-Mail: JMullins@paoca.org
Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TMcCloskey@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

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OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

ORIGINAL

William R. Lloyd, Jr.
Small Business Advocate

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

August 28, 2006

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

**Re: Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan
Docket No. P-00062227**

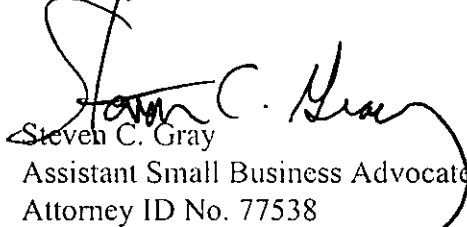
Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the Notice of Intervention, Verification, Public Statement, and Notice of Appearance, on behalf of the Office of Small Business Advocate in the above captioned matter.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,


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

DOCUMENT
FOLDER

Enclosures

cc: Hon. Veronica Smith
Parties of Record

SECRETARY'S BUREAU
PA PUC
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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : Docket No. P-00062227
COMPETITIVE BRIDGE PLAN :

**NOTICE OF INTERVENTION
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

The Office of Small Business Advocate (“OSBA”) files this Notice of Intervention with respect to the Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan (“Petition”) pursuant to Section 5.71(a)(1) of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (“Commission”), 52 Pa. Code § 5.71(a)(1). In support of this Notice of Intervention, the OSBA avers as follows:

1. The OSBA is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50) to represent the interest of small business consumers as a party in proceedings before the Commission.

2. Representing the OSBA in this proceeding is:

Steven C. Gray, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@state.pa.us

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3. The Petition was filed by PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) “to establish the terms and conditions under which PPL Electric will supply Provider of Last Resort (‘POLR’) service during 2010, as a transition to a fully competitive statewide market beginning January 1, 2011.” Petition, at 1. By its Petition, the Company is requesting approval of its Competitive Bridge Plan (“CBP”) under Chapter 28 of the Public Utility Code, 66 Pa. C.S. §§ 2801-2812.

4. The enactment of 66 Pa. C.S. Chapter 28, known as the Electricity Generation Customer Choice and Competition Act (the “Act”), fundamentally changed the way rates are to be set for the generation portion of electric service.

Prior to the Act, the Commission set electricity rates on a bundled basis (Generation *plus* Transmission *plus* Distribution) in base rate cases pursuant to 66 Pa. C.S. § 1308. The Commission also approved the recovery of certain fuel and purchased power costs through a surcharge pursuant to 66 Pa. C.S. § 1307.

The Act requires that generation rates are to be determined through market forces rather than through traditional rate base/rate of return/Section 1307 regulation. At the end of the transition period, each Electric Distribution Company (“EDC”) (or Commission-approved alternative default service provider) must acquire electric energy at “prevailing market prices” to serve those customers who do not choose an Electric Generation Supplier (“EGS”) or whose EGS fails to deliver.

The legal standard against which the Petition must be evaluated is set forth in Section 2807(e) of the Public Utility Code, 66 Pa. C.S. § 2807(e). Section 2807(e) states:

(e) Obligation to serve. -- An electric distribution company’s obligation to provide electric service following implementation of

restructuring and the choice of alternative generation by a customer is revised as follows:

- (1) While an electric distribution company collects either a competitive transition charge or an intangible transition charge or until 100% of its customers have choice, whichever is longer, the electric distribution company shall continue to have the full obligation to serve, including the connection of customers, the delivery of electric service and the production or acquisition of electric energy for customers.
- (2) At the end of the transition period, the commission shall promulgate regulations to define the electric distribution company's obligation to connect and deliver and acquire electricity under paragraph (3) that will exist at the end of the phase in period.
- (3) If a customer contracts for electric energy and it is not delivered or if a customer does not choose an alternative electric generation supplier, the electric distribution company or commission-approved alternative supplier shall acquire energy at prevailing market prices to serve that customer and shall recover fully all reasonable costs.
- (4) If a customer that chooses an alternative supplier and subsequently desires to return to the local distribution company for generation service, the local distribution company shall treat that customer exactly as it would any new applicant for energy service.

66 Pa. C.S. § 2807(e).

PPL, on the first page of the Petition, has described the Petition as a temporary "bridge" that will be in operation during the 2010 "transition" to a statewide competitive marketplace which arrives in 2011. Petition, at 1.

5. The OSBA observes that compliance with the Act's requirement for "prevailing market prices" can best be accomplished by bidding by rate class. By definition, bidding by rate class will produce rates for each class that are consistent with prevailing market prices for that class at the time of the bid. Furthermore, Section 2807(e)(3) provides that "[i]f a customer

contracts for electric energy and it is not delivered or if a customer does not choose an alternative electric generation supplier, the electric distribution company . . . shall acquire electric energy at prevailing market prices to serve *that customer . . .*” (emphasis added) Thus, the statute itself links the “prevailing market prices” phrase to the particular customer being served. Therefore, the statute contemplates a retail rate for each customer that reasonably reflects the price of energy to serve that customer.

6. The Petition proposes to conduct an RFP process to obtain POLR supply for three separate rate classes: residential; small commercial and industrial; and large commercial and industrial. Petition, at 16, Paragraph 31. The OSBA observes that this is a reasonable approach for the CBP, and appears to comply with the “prevailing market prices” requirement of the Act.

7. The Petition proposes to eliminate the demand charges and the declining block energy charges that may currently exist as part of a customer’s generation charge. In their place, the Petition proposes a generation rate that will be a “flat ‘cents per kilowatt hour’ charge.” Petition, at 20, Paragraph 40. The OSBA supports this change in the customer’s rate design.

8. The Petition proposes to conduct its RFP process through six separate bids spread out over six years for all customer classes except for the large commercial and industrial class. Petition, at 16, Paragraph 32. The OSBA observes that this is a reasonable methodology by which the CBP can mitigate the volatility of electrical energy that is inherent in the current marketplace.

9. The Petition proposes to require that each successful bidder in the RFP process must provide load-following supply. Petition, at 18, Paragraph 36. The OSBA observes that this

requirement is particularly important so that the level of generation can match the changes in the customers' demand.

10. The Petition proposes to make the winning supplier responsible for compliance with the act of November 30, 2004 (P.L. 1672, No. 213), whereby the cost of alternative energy is simply one component of the overall generation rate for each customer class. Petition, at 18-19, Paragraphs 36-37. The OSBA supports this proposal as an efficient, simple, and effective way for PPL to meet its Act 213 obligations.

11. The Petition proposes "an automatic cost recovery mechanism with annual reconciliation" of PPL's actual costs. Petition, at 19, Paragraph 38. The OSBA observes that the Commission has rejected reconciliation in recent POLR proceedings. *See Pennsylvania Public Utility Commission v. Pike County Light & Power Company*, Docket No. P-00052168 (Order entered September 23, 2005), and *Petition of Pennsylvania Power Company for Approval of Interim POLR Supply Plan*, Docket No. P-00052188 (Order entered April 28, 2006; Reconsideration Order entered May 4, 2006). Furthermore, since PPL will be bidding out its POLR customer classes, the risk of supplying the electric energy will be upon the suppliers that win the bid, not PPL. Thus, there does not appear to be anything for PPL to reconcile on an annual basis.

12. The Petition proposes to give PPL the option to conduct an "early phase-in" of the rate increases if the RFP process produces "competitive prices [that] remain consistently high throughout the RFP period." Petition, at 26, Paragraph 26. However, the Company does not provide any detail on its "early phase-in" proposal. The OSBA opposes an "early phase-in." If the Commission approves an "early phase-in," participation should be at the option of the

individual customer, not the Company. Furthermore, if a customer opts for the “early phase-in” of the higher rates, that customer should receive (after 2010) a refund of the entire “early” payment, with interest.

13. The Petition proposes certain increases to the Company’s low-income assistance programs. Petition, at 25-26, Paragraphs 51-52. Furthermore, the Petition appears to require that only the residential customer class will pay for these increases. *See* Petition, Tab 3, at 7.

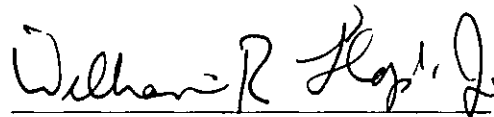
However, the Petition does not provide any level of detail on how the Company will fund its proposed increases to the low-income assistance programs. That level of detail will have to be developed during the course of any proceeding before the Commission, and will have to comply with the Commission’s Order in the Company’s recent base rate case to the effect that such costs are to be borne entirely by residential customers. *See Pa. P.U.C., et al v. PPL Electric Utilities Corporation*, Docket No. R-00049255 (Order entered December 22, 2004).

14. The Petition observes that “the Company anticipates that the Transmission Service Charge (‘TSC’) will decrease significantly in 2010 because POLR suppliers will provide transmission service and the cost of that service will be recovered through” the generation charge. Petition, at 20, Paragraph 40. The OSBA respectfully submits that there should be a final reconciliation, on a per-class basis, of any uncollected balances once this significant decrease in the TSC occurs.

15. The foregoing comments regarding the Petition are based upon a preliminary analysis of the Company’s filing. The OSBA reserves the right to alter these comments and to raise additional issues based upon more detailed analysis.

WHEREFORE, the Office of Small Business Advocate respectfully requests that the Commission conduct a full investigation, including evidentiary hearings, regarding the Petition.

Respectfully submitted,



William R. Lloyd, Jr.
Small Business Advocate
Attorney ID No. 16452

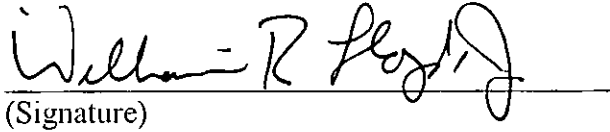
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525

Date: August 28, 2006

VERIFICATION

I, William R. Lloyd, Jr., hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: August 28, 2006


(Signature)

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**PUBLIC STATEMENT OF
SMALL BUSINESS ADVOCATE
CONCERNING THE INTEREST
OF SMALL BUSINESS CONSUMERS
TO BE PROTECTED BY THE FILING OF A
NOTICE OF INTERVENTION WITH RESPECT TO
THE PETITION OF PPL ELECTRIC UTILITIES CORPORATION
FOR APPROVAL OF A COMPETITIVE BRIDGE PLAN
DOCKET NO. P-00062227**

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The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 ("Act"). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by his initiation of or intervention in any proceeding involving those interests before the Public Utility Commission or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of a Notice of Intervention with respect to the Petition of PPL Electric Utilities Corporation ("PPL" or the "Company") for Approval of a Competitive Bridge Plan ("Petition").

The Small Business Advocate files this Notice of Intervention in order to protect the interests of the Company's small business customers. A thorough inquiry by the Public Utility Commission into all of the elements of the Company's Petition is necessary to ensure that the proposals for procuring electric energy contained therein are lawful, just, reasonable, and not unduly discriminatory to any class of customers.

In view of the foregoing, the Small Business Advocate has requested that the Petition be subject to investigation and evidentiary hearings before the Public Utility Commission. The Small Business Advocate will ask the Commission to deny any aspect of the Petition that will affect PPL's small business customers that is not proven by PPL to be lawful, just, reasonable, and not unduly discriminatory.

Dated: August 28, 2006

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DOCKETED
SEP 13 2006

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF PPL ELECTRIC UTILITIES :
CORPORATION FOR APPROVAL OF A : DOCKET NO. P-00062227
COMPETITIVE BRIDGE PLAN :

NOTICE OF APPEARANCE

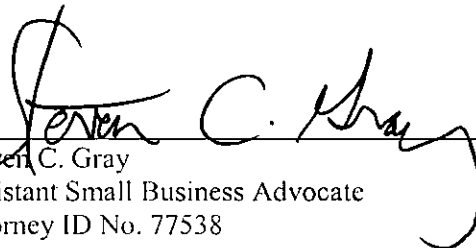
The Office of Small Business Advocate, pursuant to 52 Pa. Code § 1.24, hereby enters the appearance of Steven C. Gray, in the above-captioned proceeding.

Documents in this proceeding should now be served on the following:

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(717) 783-2831 (fax)
sgray@state.pa.us

DOCUMENT
FOLDER

DOCKETED
SEP 13 2006


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

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Dated: August 28, 2006

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BÉFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation : Docket No. P-00062227
for Approval of a Competitive Bridge Plan :

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SECRETARY'S BUREAU
PA PUC

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Notice of Intervention, Verification, Public Statement, and Notice of Appearance, 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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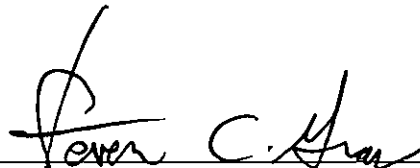
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Assistant Small Business Advocate
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Date: August 28, 2006