



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Office of Administrative Law Judge  
P.O. BOX 3265, HARRISBURG, PA 17105-3265  
September 12, 2006

IN REPLY PLEASE  
REFER TO OUR FILE

In Re: P-00062227

(See attached list)

## DOCUMENT FOLDER

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

### Hearing Notice

This is to inform you that an initial pre-hearing conference on the above-captioned case will be held as follows:

Type: Initial Pre-hearing Conference

Date: Friday, September 22, 2006

Time: 10:00 a.m.

Location: HARRISBURG AREA PARTIES  
Hearing Room 4  
Plaza Level  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania

Location: PHILADELPHIA AREA PARTIES  
In an available hearing room  
Philadelphia State Office Building  
Broad and Spring Garden Streets  
Philadelphia, PA 19130

**DOCKETED**  
NOV 15 2006

Presiding:       **Administrative Law Judge Marlane R. Chestnut**  
                          **(via telephone)**  
                          1302 Philadelphia State Office Building  
                          1400 West Spring Garden Street  
                          Philadelphia, PA 19130  
                          Telephone: (215) 560-2105  
                          Fax: (215) 560-3133

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

- Scheduling Office: 717.787.1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1.800.654.5988

pc: Judge Chestnut  
Office of Trial Staff - 2  
Office of Consumer Advocate  
Office of Small Business Advocate  
FUS, Keystone 3W  
Susan Licon  
Beth Plantz  
Docket Section  
Calendar File

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CHARLES E. THOMAS  
(1913 - 1998)

September 14, 2006

VIA HAND DELIVERY

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

ORIGINAL

RECEIVED  
2006 SEP 14 PM 3:21  
PA PUC  
SECRETARY'S BUREAU

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

DOCUMENT  
FOLDER

Dear Secretary McNulty:

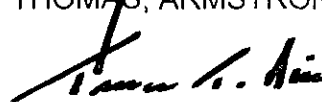
Enclosed for filing *nunc pro tunc* on behalf of the Sustainable Energy Fund of Central Eastern Pennsylvania ("SEF") are an original and three (3) copies of SEF's Petition to Intervene in the above referenced proceeding.

Copies have been served in accordance with the attached Certificate of Service.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



Thomas T. Niesen

Encl.

cc: Certificate of Service  
Honorable Marlane R. Chestnut

F:\CLIENTS\UTILITY\PPL Sustainable Energy\PPLEU Bridge Petition\060914-McNulty.wpd

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ORIGINAL

Before the

PENNSYLVANIA PUBLIC UTILITY COMMISSION

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2006 SEP 14 PM 3:21  
PA. PUB. BUREAU  
SECRETARY'S BUREAU

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

PETITION TO INTERVENE OF  
SUSTAINABLE ENERGY FUND OF  
CENTRAL EASTERN PENNSYLVANIA

DOCUMENT  
FOLDER

AND NOW, comes Sustainable Energy Fund of Central Eastern Pennsylvania ("SEF"), by its attorneys, pursuant to 52 Pa. Code § 5.71, *et seq.*, and files *nunc pro tunc*<sup>1</sup> this Petition to Intervene in the above-captioned proceeding. In support of its intervention, SEF represents as follows:

**I. BACKGROUND**

1. On August 2, 2006, PPL Electric Utilities Corporation ("PPL") filed the above-captioned Petition with the Pennsylvania Public Utility Commission ("Commission") requesting the approval of a Competitive Bridge Plan ("Plan") to establish the terms and conditions under which PPL will supply provider of last resort ("POLR") service during 2010, as a transition to a fully competitive Statewide market beginning January 1, 2011. The Plan consists of a three-year competitive procurement program in order to obtain POLR supply for 2010, enhancement of demand-side response programs, expanded consumer education and increased assistance for low-income customers.

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<sup>1</sup> The phrase "*nunc pro tunc*" applies to acts allowed to be done after the time when they should be done with the same effect as if regularly done. *Black's Law Dictionary* (abridged 5<sup>th</sup> ed. 1983), p.553. *In re Energy Ass'n of Pennsylvania*, 2006 WL 326326, Docket No. P-00052194, Order entered January 12, 2006.

2. The PPL Petition was published in the *Pennsylvania Bulletin* on August 12, 2006, 36 Pa. B. 4576. Interested parties were directed to file formal protests or petitions to intervene on or before August 28, 2006.

3. SEF is a Pennsylvania non-stock, non-profit corporation dedicated to the use of renewable energy, clean energy technologies, energy conservation and education and is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. §501(c)(3). SEF receives its funding through the application of the Sustainable Energy Fund Rider within PPL's Tariff Electric-Pa. P.U.C. No. 201.

4. SEF's address is as follows:

Sustainable Energy Fund of Central Eastern PA  
968 Postal Road  
Allentown, PA 18109

5. The names and addresses of SEF's attorneys are:

Thomas T. Niesen, Esquire  
PA Attorney ID No. 31379  
Michael L. Swindler, Esquire  
PA Attorney ID No. 43319  
THOMAS, THOMAS, ARMSTRONG & NIESEN  
212 Locust Street, Suite 500  
P.O. Box 9500  
Harrisburg, PA 17108-9500

6. SEF's attorneys are authorized to receive service on behalf of SEF and to enter their appearance with the filing of this Petition to Intervene pursuant to 52 Pa. Code § 1.24(b)(1). A copy of all correspondence, discovery, Commission notices and Orders and any other documents filed in this proceeding should be served upon SEF's attorneys.

## II. **THE COMMISSION'S REGULATIONS**

7. Section 5.72 of the Commission's Rules and Regulations, 52 Pa. Code § 5.72, provides as follows:

## **§ 5.72. Eligibility to intervene.**

(a) *Persons.* A petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought. The right or interest may be one of the following:

- (1) A right conferred by statute of the United States or of the Commonwealth.
- (2) An interest 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.
- (3) Another interest of such nature that participation of the petitioner may be in the public interest.

8. Section 5.73 of the Commission's Rules and Regulations, 52 Pa. Code § 5.73, identifies the form and content for petitions to intervene:

### **5.73. Form and content of petitions to intervene.**

(a) Petitions to intervene must set out clearly and concisely the following:

- (1) The facts from which the alleged intervention right or interest of the petitioner can be determined.
- (2) The grounds of the proposed intervention.
- (3) The petitioner's position regarding the issues in the proceeding.

## **III. SEF'S INTERESTS IN THIS PROCEEDING**

9. SEF was established pursuant to the terms of the Joint Settlement of PPL's Restructuring Proceeding approved by Commission Order entered August 27, 1998, at Commission Docket No. R-00973954. SEF's mission is to promote, research,

and invest in clean and renewable energy technologies, energy conservation, energy efficiency, and sustainable energy enterprises that provide opportunities and benefits for PPL ratepayers. As set forth at SEF's website [www.theseef.org](http://www.theseef.org), the SEF seeks out, focuses on, and invests in economically viable, energy-related businesses, projects and/or educational initiatives that create innovative, market-based technologies and solutions to enable environmentally sound and sustainable usage.

10. In accordance with its mission, SEF is involved in *inter alia*:

- wind power development;
- significant growth in leadership in energy and environmental design;
- energy electric technologies;
- community economic development;
- sustainable energy education; and
- demand-side management.

11. PPL has proposed in its Plan, *inter alia*, that the procurement of total POLR supply for 2010 include generation from renewable sources sufficient to meet the Company's 2010 obligations under the Alternative Energy Portfolio Standards Act and that the Company propose to establish a new Generation Supply Charge for each of the three customer classes. Moreover, PPL proposes to modify its demand-side response programs and to implement a comprehensive consumer education program which will focus on customer choice education, demand-side response litigation, wise use of energy education and POLR rate education. According to PPL's Petition, its proposed Plan should increase customers' awareness of the benefits of using energy wisely and their familiarity with various applications of demand-side response.

12. SEF's expertise lies in the use of renewable energy and the education of consumers on opportunities to manage their electricity consumption. SEF's areas of expertise are directly related to issues contained in PPL's Petition. As a party to this



regarding the disposition of any of the other outstanding protests and petitions to intervene.<sup>3</sup> As such, SEF's Petition to Intervene should be permitted to be filed *nunc pro tunc* and disposed of in the normal course of the proceeding along with all other pending petitions to intervene filed in this proceeding.<sup>4</sup>

**V. POSITION OF SEF**

16. SEF will review the proposals of PPL presented in its Petition and the positions of the other parties of interest and import to SEF as outlined above. SEF will address issues of renewable and sustainable energy, demand side management and response, customer education and funding consistent with its mission and the promotion of renewable and clean energy.


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<sup>3</sup> Petitions to Intervene have been filed by PennFuture, International Brotherhood of Electrical Workers Local 1600, Constellation NewEnergy & Energy Commodities, Met Ed & Penelec, FirstEnergy Solutions Corp., Dominion Retail, Inc., Retail Energy Supply Association, Strategic Energy, LLC, PP&L Industrial Customer Alliance, Reliant Energy Inc., Exelon Corp., PECO Energy & Exelon Generation. According to Commission docket entries, all such petitions to intervene remain pending, having not yet been disposed of by the assigned administrative law judge. Consequently, SEF's Petition to Intervene, if permitted to be filed *nunc pro tunc*, would be situated no different from all of the other petitions to intervene filed in this matter and awaiting disposition by presiding ALJ Chestnut at the initial prehearing conference scheduled to be held September 22, 2006.

<sup>4</sup> In fact, SEF intended to file its Petition to Intervene on September 13, 2006, but was unable to make the filing due to the unexpected closing of the Commission due to a power failure.

WHEREFORE, the Sustainable Energy Fund of Central Eastern Pennsylvania respectfully requests that the Pennsylvania Public Utility Commission permit, *nunc pro tunc*, the filing of this pleading and grant this Petition to Intervene.

Respectfully submitted,



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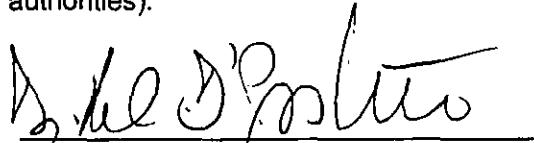
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PA Attorney ID No. 31379  
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P.O. Box 9500  
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Attorneys for  
Sustainable Energy Fund of  
Central Eastern Pennsylvania

DATED: September 14, 2006  
Petition to Intervene.wpd

**VERIFICATION**

I, Rex A. D'Agostino, President and Executive Director, Sustainable Energy Fund of Central Eastern Pennsylvania, hereby state that the facts set forth in the foregoing Petition to Intervene 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).



Rex A. D'Agostino  
President and Executive Director

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2006 SEP 14 PM 3:22  
PA PUC  
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Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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2005 SEP 14 PM 3:22  
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SECRETARY'S BUREAU

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

CERTIFICATE OF SERVICE

I hereby certify that I have this 14<sup>th</sup> day of September, 2006, served a true and correct copy of the Petition to Intervene of Sustainable Energy Fund of Central Eastern Pennsylvania in the above proceeding, upon the persons and in the manner indicated below:

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Pennsylvania Public Utility Commission  
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PA Attorney ID No. 31379

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File #: 2507/127042

**ORIGINAL**

September 18, 2006

**VIA HAND DELIVERY**

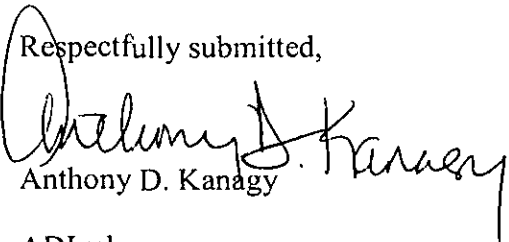
James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation re: Petition of PPL Electric Utilities Corporation for Approval of A Competitive Bridge Plan, Docket No. P-00062227**

Dear Mr. McNulty:

Enclosed, please find the Answer of PPL Electric Utilities Corporation in Response to New Matter Filed by Reliant Energy, Inc. in the above-referenced proceeding. As indicated on the enclosed certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,

  
Anthony D. Kanagy

ADL:skr

cc: Honorable Marlane R. Chestnut  
Certificate of Service

**DOCUMENT  
FOLDER**

2006 SEP 18 PM 3:23  
PA PUC  
SECRETARY'S BUREAU

RECEIVED

**ORIGINAL**  
**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

RECEIVED  
2005 SEP 18 PM 3:24  
PA PUC  
SECRETARY'S BUREAU

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

**ANSWER OF PPL ELECTRIC UTILITIES CORPORATION  
IN RESPONSE TO NEW MATTER FILED BY RELIANT ENERGY, INC.**

PPL Electric Utilities Corporation ("PPL Electric") hereby files this Answer in response to the New Matter of Reliant Energy, Inc. ("Reliant"), as set forth in Reliant's Answer and New Matter to the Petition of PPL Electric for Approval of a Competitive Bridge Plan.

**ANSWER TO NEW MATTER**

1. PPL Electric admits that on January 1, 1997, the Electricity Generation Customer Choice and Competition Act ("Customer Choice Act") became effective. The remainder of Paragraph 1 of the New Matter is a selective summary of certain provisions of the Customer Choice Act, to which no response is required.

2. Admitted.

3. It is admitted that a Provider of Last Resort ("POLR") Working Group was established by the Pennsylvania Public Utility Commission ("Commission"). PPL Electric can neither affirm nor deny the purposes of the Commission in establishing the POLR Working Group.

4. It is admitted that the Commission established a POLR Roundtable in 2004 for discussion of POLR issues.

5. It is admitted that by Order entered December 16, 2004, at Docket Nos. L-00040169 and M-00041792, the Commission opened a POLR rulemaking docket and has issued

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**DOCKETED**  
JAN 12 2007

proposed regulations ("POLR Rulemaking Order"). However, no final POLR regulations have been adopted, and thus the proposed regulations have no force or effect as a matter of law.

6. The "intent" of Section 2807(e) of the Customer Choice Act is a question of law to which no response is required. In all other respects, the Commission's POLR Rulemaking Order speaks for itself, and Reliant's characterizations of the order are denied.

7. The Commission's POLR Rulemaking Order speaks for itself, and Reliant's characterizations of the order are denied.

8. Admitted.

9. Admitted.

10. It is admitted that beginning January 1, 2010, PPL Electric must obtain the supply needed to meet its POLR obligations from the competitive markets. In further answer, it is denied that the Commission is subject to a requirement to issue final POLR regulations no later than April 7, 2008, as explained further in PPL Electric's Answer in Opposition to the Motion to Dismiss filed by Reliant, which is incorporated herein by reference.

11. The Commission's POLR Rulemaking Order speaks for itself, and Reliant's characterizations of the order are denied. In further response to Paragraph 11 of the New Matter, it is unknown when final POLR regulations will be adopted or will become effective. Furthermore, the provisions of such final POLR Regulations are unknown.

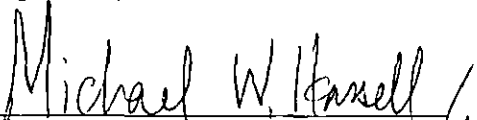
12. PPL Electric admits that in Paragraph 66 of its Petition, it requests the Commission to enter a ruling that, if the Commission's POLR regulations become effective before January 1, 2011, PPL Electric will be granted a waiver of those regulations to the extent necessary to honor any agreements with suppliers under PPL Electric's proposed Competitive Bridge Plan ("CBP") which were entered into prior to the effective date of such regulations.

13. Paragraph 13 is denied. In further response, PPL Electric avers that its CBP is proposed only for a one year period, and does not seek to establish precedent related to the Commission's final POLR regulations. In further answer, at this time, no party can state with assurance what the Commission's final regulations will be. The Commission may adopt POLR regulations that permit, or endorse, multiple acquisitions over a period of years. Waiting for the unknown provisions of POLR regulations to be finalized at some unspecified future date would compress PPL Electric's procurements into a period of a year and half or less, thereby increasing the risk that procurements would occur during an abnormally high cost period. It is inappropriate to expose PPL Electric's customers to the risk of unnecessarily high POLR rates, based upon unsupported assumptions as to when and how the Commission will ultimately adopt POLR regulations.

14. Denied. As explained further in PPL Electric's Answer to Reliant's Motion to Dismiss, there is no certainty that final POLR regulations will be adopted and effective in time to govern PPL Electric's acquisition of POLR supply for service in 2010.

WHEREFORE, for all of the foregoing reasons, PPL Electric Utilities Corporation's Petition for Approval of a Competitive Bridge Plan should be approved, and Reliant Energy, Inc.'s request that the Petition be dismissed should be denied.

Respectfully submitted,

  
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Of Counsel:

Post & Schell, P.C.

Date: September 18, 2006

Attorneys for  
PPL Electric Utilities Corporation



**CERTIFICATE OF SERVICE**

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

**VIA E-MAIL AND FEDERAL EXPRESS:**

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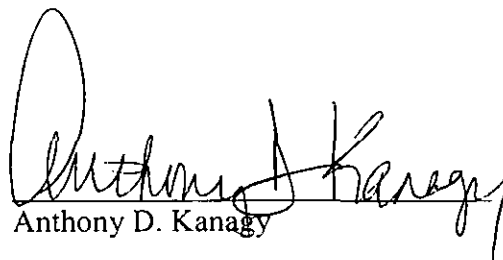
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Date: September 18, 2006

  
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File #: 2507/127042

September 18, 2006

**VIA HAND DELIVERY**

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

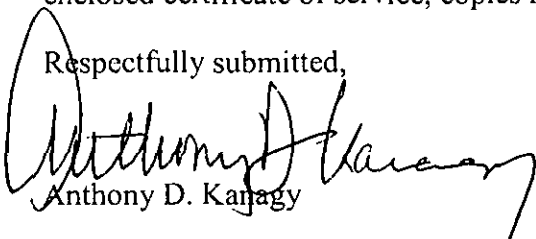
**ORIGINAL**

**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation re: Petition of PPL Electric Utilities Corporation for Approval of A Competitive Bridge Plan, Docket No. P-00062227**

Dear Mr. McNulty:

Enclosed, please find the Answer of PPL Electric Utilities Corporation in Opposition to Motion to Dismiss filed by Reliant Energy, Inc. in the above-referenced proceeding. As indicated on the enclosed certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,

  
Anthony D. Kanagy

ADK:skr

cc: Honorable Marlane R. Chestnut  
Certificate of Service

**DOCUMENT  
FOLDER**

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**ORIGINAL**  
**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**ANSWER OF PPL ELECTRIC UTILITIES CORPORATION  
IN OPPOSITION TO MOTION TO DISMISS  
FILED BY RELIANT ENERGY, INC.**

In accordance with the provisions of 52 Pa. Code §5.103(c), PPL Electric Utilities Corporation ("PPL Electric") hereby files this Answer in Opposition to the Motion to Dismiss ("Motion") filed by Reliant Energy, Inc. ("Reliant") on August 28, 2006.<sup>1</sup>

The sole and exclusive basis for Reliant's Motion is that the Pennsylvania Public Utility Commission ("Commission") is currently considering proposed regulations to define the Provider of Last Resort ("POLR") obligations for electric distribution companies ("EDCs") to serve retail customers at the end of each EDC's transition period. See 66 Pa.C.S. §2807(e)(2). As explained below, the mere possibility of overriding regulations becoming effective is not a sufficient basis for granting the Motion. The Motion must be denied.

**I. APPLICABLE LEGAL STANDARD FOR  
DISPOSITION OF A MOTION TO DISMISS**

The Commission has determined that preliminary motions to dismiss are to be granted only if it is clear that the complainant, or in this case the Petitioner PPL Electric, would not be entitled to relief under any state of facts. See Watson v. Bell Telephone, 47 Pa. P.U.C. 400 (1974). In Application of Griff Jones Transport, Inc., 1991 Pa. P.U.C. LEXIS 8, then Administrative Law Judge Christianson succinctly set forth the applicable legal standard:

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<sup>1</sup> The Motion was served via First Class Mail upon PPL Electric, and thus this Answer is due 23 days following the date of service. See 52 Pa. Code §§1.56(b), 5.103(c).

A motion to dismiss should be granted only if the situation is essentially free of doubt. The moving party must accept properly pleaded facts of the other party as well as inferences fairly deductible from those facts. The moving party may not rely on its own factual assertions. The motion is granted only if the moving party prevails as a matter of law. (Emphasis added).

See also Day v. Philadelphia Suburban Water Co., 1996 Pa. P.U.C. LEXIS 73; Marinoff v. Bell Telephone, 1991 Pa. P.U.C. LEXIS 146.

As explained next, Reliant's Motion fails to satisfy the foregoing standard and must be dismissed.

## **II. THE MOTION TO DISMISS IS PREMISED ENTIRELY UPON A FLAWED FACTUAL PREMISE**

Reliant's Motion is based upon a single factual premise: that the Commission must adopt final POLR regulations by April 7, 2008. (Motion, ¶14). Based upon this premise, Reliant contends that it would be "inconsistent with the public interest and fundamental principles of administrative economy" to act upon PPL Electric's Petition. Reliant's factual premise – that final POLR regulations will be in effect in time for PPL Electric to contract for POLR supplies to meet its 2010 obligation – is demonstrably erroneous and, in any event, cannot be assumed true for purposes of ruling on the Motion to Dismiss. Application of Griff Transport, supra.

Contrary to the assertion of Reliant, there is no requirement that the Commission issue its final POLR regulations by April 7, 2008. The provisions governing the adoption of regulations in Pennsylvania provide that if a final form regulation is not adopted within two years of the close of the public comment period, the proposed regulations are deemed to have been withdrawn. 1 Pa. Code §307.1(a). The Independent Regulatory Review Commission ("IRRC"), in correspondence to the Commission, only advised the Commission that this two year period would conclude as of April 7, 2008 (see Attachment "A" to this Answer). If the proposed

regulations are deemed withdrawn, the Commission would then have to republish proposed regulations at a new docket, and provide for a new public comment period. The Commission also has the right to withdraw its current proposed default service regulations prior to the conclusion of the two-year period, and publish new proposed regulations. Thus, as the foregoing demonstrates, there is no assurance that the Commission will issue its final POLR rulemaking by April 7, 2008.

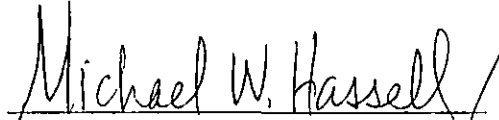
Moreover, even if the Commission does decide to issue final form POLR regulations by April 7, 2008, there is no assurance that such regulations, in whatever form they are adopted, will be made effective in time for PPL Electric to undertake a POLR acquisition pursuant to such regulations. For example, the Commission may decide to adopt final regulations prior to April 7, 2008 but delay their effective date to apply to acquisition of POLR supplies after December 31, 2010, when all generation rate caps in Pennsylvania will have expired. Several parties that have submitted comments in the Commission's POLR docket have suggested that new regulations should not apply to POLR supply acquisitions undertaken for service prior to January 1, 2011. Furthermore, under the provisions of the Regulatory Review Act, 71 P.S. §§745.1 – 745.14, a Pennsylvania agency's regulation must first be reviewed by the applicable standing committees of the Legislature, the attorney general and IRRC before they may become effective. 71 P.S. §745.5a. Any one of these entities may disapprove the final form regulations, and such disapproval could result in final form regulations being withdrawn or barred. 71 P.S. §745.7.

As the foregoing explanation demonstrates, there is no assurance that binding POLR regulations will be adopted in sufficient time for PPL Electric to obtain POLR supply for 2010. Therefore, Reliant's Motion is factually unsupported and must be denied.

Finally Reliant's Motion is flawed because it implicitly assumes that the Commission's final POLR regulations will direct EDCs to adopt a POLR supply acquisition strategy that is premised upon all contracts being entered into shortly before the effective POLR year. However, as explained previously, the moving party is not to be accorded the benefit of such an assumption. At this time, no party can state with assurance what the Commission's final regulations will be. The Commission may adopt POLR regulations that permit, or endorse, multiple acquisitions over a period of years. Waiting for the unknown provisions of POLR regulations to be finalized at some unspecified future date would compress PPL Electric's procurements into a period of a year and a half or less, thereby increasing the risk that procurements would occur during an abnormally high cost period. It is inappropriate to expose PPL Electric's customers to the risk of unnecessarily high POLR rates, based upon unsupported assumptions as to when and how the Commission will ultimately adopt POLR regulations.

WHEREFORE, for all of the foregoing reasons, the Motion to Dismiss filed by Reliant Energy, Inc. must be denied.

Respectfully submitted,



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Anthony D. Kanagy (ID # 85522) *ADK*

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Of Counsel:

Post & Schell, P.C.

Date: September 18, 2006

Attorneys for PPL Electric Company

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA )  
  : SS  
COUNTY OF LEHIGH                  )

ROBERT M. GENEZKO, being duly sworn according to law, deposes and says that he is Vice President-Customer Service for PPL Electric Utilities Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief and he expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

Robert M. Genezko

Sworn to and subscribed  
before me this 18<sup>th</sup> day  
of September, 2006

Diane M Koch

NOTARIAL SEAL  
DIANE M. KOCH, NOTARY PUBLIC  
CITY OF ALLENTOWN, LEHIGH COUNTY  
MY COMMISSION EXPIRES SEPT. 29, 2007

ALVIN C. BUSH, CHAIRMAN  
ARTHUR COCCODRILLI  
JOHN R. MCGINLEY, JR., ESQ.  
JOHN F. MIZNER, ESQ.  
KIM KAUFMAN, EXECUTIVE DIRECTOR  
MARY S. WYATTE, CHIEF COUNSEL



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**INDEPENDENT REGULATORY REVIEW COMMISSION**  
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

May 8, 2006

Bohdan R. Pankiw, Chief Counsel  
Pennsylvania Public Utility Commission  
Keystone Building, 3rd Floor West  
400 North Street  
Harrisburg, PA 17105

Re: Proposed Regulation #57-237 (IRRC #2463)  
Pennsylvania Public Utility Commission  
Provisions of Default Service

Dear Mr. Pankiw:

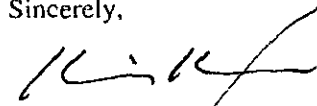
On February 8, 2006, the Public Utility Commission reopened the public comment period for the above regulation, in order to seek additional comments on eight enumerated issues. The reopened public comment period closed on April 7, 2006.

The Independent Regulatory Review Commission has reviewed the eight issues and all comments as well as the reply comments that were received. We have no additional comments to offer on this regulation. However, in the final-form regulation, we ask the PUC to respond to the comments provided by IRRC on July 27, 2005.

Section 5.1(a) of the Regulatory Review Act allows two years from the end of the public comment period to submit a final-form regulation. The referenced regulation must be submitted in final-form by April 7, 2008, in accordance with the Act, or it will be deemed withdrawn.

If either you or other PUC staff has any questions, please feel free to contact me.

Sincerely,



Kim Kaufman  
Executive Director

cc: Honorable Robert M. Tomlinson, Chairman, Senate Consumer Protection and Professional Licensure Committee  
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection and Professional Licensure Committee  
Honorable Robert J. Flick, Majority Chairman, House Consumer Affairs Committee  
Honorable Joseph Preston, Jr., Democratic Chairman, House Consumer Affairs Committee  
James J. McNulty, Secretary, Public Utility Commission  
Shane Rooney, Counsel, Public Utility Commission

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## CERTIFICATE OF SERVICE

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

### VIA E-MAIL AND FEDERAL EXPRESS:

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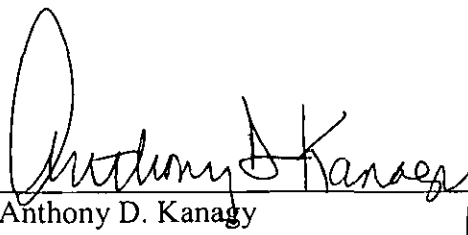
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Date: September 18, 2006

  
Anthony D. Kanagy

**Scott J. Rubin**  
Attorney ♦ Consultant

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September 18, 2006

James McNulty, Secretary  
Pa. 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

Dear Secretary McNulty:

Enclosed for filing please find an original and three copies of the Prehearing Memorandum 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 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: Marlane R. Chestnut, Administrative Law Judge  
All parties

**RECEIVED**  
2006 SEP 19 AM 9:09  
PA P.U.C.  
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ORIGINAL  
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 :

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PREHEARING MEMORANDUM  
OF  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
LOCAL 1600

---

Pursuant to the Prehearing Conference Order dated September 11, 2006, of Administrative Law Judge Marlane R. Chestnut, the International Brotherhood of Electrical Workers Local 1600 (Local 1600) hereby files this Prehearing Memorandum.

1. Party Identification: 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. Local 1600 filed a Petition to Intervene on August 25, 2006, to which PPL has not responded. Local 1600 is represented by the undersigned counsel, upon whom all documents should be served.

2. Issues: Local 1600 has not developed a position on PPL's proposal. PPL just served its testimony on September 15, 2006, and Local 1600 has not had an opportunity to fully evaluate its impact on Local 1600. Based on its initial review of PPL's filing and testimony, it does not appear that PPL's proposals would have an adverse impact on Local 1600. Local 1600 remains concerned, however, that other parties may advocate changes in PPL's proposal that could have an adverse impact on Local 1600 and its members.

3. Discovery: Local 1600 has not yet engaged in discovery.

4. Witnesses: Local 1600 has not yet determined if it will be filing testimony and, therefore, it has not determined if it will have a witness. If Local 1600 decides to call a witness, it will immediately provide notice to the parties and the ALJ of the identity of the witness and the anticipated subject matter of the testimony.

5. Settlement: Local 1600 participated in the initial settlement conference held on September 14, 2006, and will continue to participate in settlement negotiations concerning any and all issues that affect its interests in this case.

6. Schedule: Local 1600 will work with the other parties at the Prehearing Conference to develop a schedule.

Respectfully submitted,



Scott J. Rubin  
3 Lost Creek Drive  
Selinsgrove, PA 17870  
(570) 743-2233

Counsel for:  
International Brotherhood of Electrical Workers  
Local 1600

Dated: September 18, 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 electronic mail and first class mail.

Paul E. Russell  
PPL Electric Utilities Corp.  
Two North Ninth Street  
Allentown, PA 18101-1179

Kenneth L. Mickens  
Pa. Public Utility Commission  
Office of Trial Staff  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Julia Coletti  
Strategic Energy LLC  
Two Gateway Center, 9<sup>th</sup> Floor  
Pittsburgh, PA 15222

James Mullins  
Office of Consumer Advocate  
555 Walnut Street, 5<sup>th</sup> Floor Forum Pl.  
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Steven Gray  
Office of Small Business Advocate  
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David M. Kleppinger  
McNees Wallace & Nurick LLC  
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Harrisburg, PA 17108-1166

Kevin J. Moody  
Wolf Block Schorr and Solis-Cohen  
213 Market Street, 9<sup>th</sup> Floor  
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George Jugovic, Jr.  
PennFuture  
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Pittsburgh, PA 15219

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Reliant Energy Inc.  
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Glenn Thomas  
Blank Rome LLP  
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Philadelphia, PA 19103

Linda R. Evers  
FirstEnergy Service Co.  
P.O. Box 16001  
Reading, PA 19612

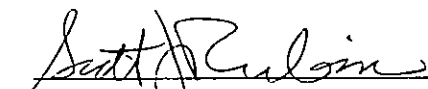
Todd Stewart  
Hawke McKeon Sniscak & Kennard  
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Kathy J. Kolich  
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Kent Murphy  
Exelon Business Services Co.  
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Eric Epstein  
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Thomas Niesen  
Thomas Thomas Armstrong & Niesen  
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Scott J. Rubin  
Counsel for IBEW Local 1600

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Dated: September 18, 2006

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Kevin J. Moody  
Direct Dial: (717) 237-7187  
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September 18, 2006

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PA PUC  
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**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

ORIGINAL

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 (3) copies of Direct Energy Services, LLC's Petition to Intervene/Protest Out of Time in the above-referenced matter. As evidenced by the attached Certificate of Service, copies have been served on the parties in the manner indicated.

If you have any questions regarding this filing, please contact me.

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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**DOCUMENT  
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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**ORIGINAL**

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SECRETARY'S BUREAU

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

**PETITION TO INTERVENE/PROTEST OUT OF TIME  
OF DIRECT ENERGY SERVICES, LLC**

Pursuant to 52 Pa. Code §§ 5.51 - 5.53 and 5.71-5.75, Direct Energy Services, LLC ("Direct Energy") respectfully submits this petition seeking to intervene and participate in the above-captioned proceeding. In support of its intervention, participation and protest, Direct Energy states as follows:

1. Direct Energy is licensed by the Commission at No. A-110164 to provide electricity and related services to all classes of retail customers throughout Pennsylvania. Direct Energy is an indirect wholly owned subsidiary of Centrica plc, a leading provider of energy and other energy-related services to approximately 18 million homes and business worldwide representing over 30 million customer relationships. Centrica has annual revenues of over \$30 billion, \$17 billion in market capitalization, and over 30,000 employees. In North America, Direct Energy has over 3 million gas and electricity customers, and over 5 million customer relationships. The majority of Direct's customers are residential and mass market (small business) customers. Direct Energy has a unique business model, and extensive experience in providing energy services to residential customers, small and large commercial and industrial ("C&I") customers, and government entities. Direct offers retail energy customers many products including fixed-price and price protection programs.

2. On August 2, 2004, PPL Electric Utilities Corporation ("PPL") filed a petition with the Pennsylvania Public Utility Commission ("Commission") requesting approval of a

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Competitive Bridge Plan ("Plan") which would establish the terms and conditions for PPL's provider of last resort ("POLR") service during 2010, the year following the expiration of PPL's generation rate caps. The Plan is proposed as a further transition to a statewide market which PPL expects to begin January 1, 2011. Of particular interest to Direct Energy is PPL's proposal to acquire POLR supply for residential and small commercial customers over a three-year period (2007-09) through two annual RFPs each year to serve these customers' load in 2010 through annual fixed rates, and the proposal for an opt-in fixed annual rate for 2010 for larger C&I customers, with full reconciliation of PPL's generation charges and costs.

3. Notice of PPL's filing was published in the Pennsylvania Bulletin on August 12, 2006, and stated that petitions to intervene and protests were to be filed by August 28, 2006.

4. The Commission's regulations permit intervention 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. Intervention is also permitted where a person's participation may be in the public interest. 52 Pa. Code § 5.72(a)(3). The Commission's regulations permit intervention out of time for good cause shown.

5. Direct satisfies the Commission's standards for intervention in this proceeding. As this proceeding will determine the terms and conditions of PPL's POLR service during 2010 against which Direct Energy must compete, this proceeding will directly and substantially affect the ability of Direct to do business in PPL's market.

6. Direct's intervention is also in the public interest. The Electricity Generation Customer Choice and Competition Act<sup>1</sup> declares that permitting retail consumers to obtain direct

---

<sup>1</sup> 66 Pa.C.S. §§ 2801-2812 ("Choice and Competition Act").

access to a competitive generation market is in the public interest,<sup>2</sup> and that the purpose of the Act is to create direct access to the competitive electric generation market while maintaining the safety and reliability of the electric system.<sup>3</sup> As a member of the Centrica group of companies providing energy and energy related services to nearly 18 million homes and businesses worldwide, Direct has the experience and resources to aid the Commission in carrying out its duties and responsibilities under the Act in this proceeding to ensure that the goals of the Act are met. Accordingly, Direct's interest satisfies the alternate requirement for intervention in 52 Pa. Code § 5.72(a)(3).

7. Direct will be bound by the action of the Commission in this proceeding with respect to its activities in PPL's retail electricity market.

8. In view of Direct's unique business model, Direct's interests in this proceeding cannot be adequately represented by other EGS parties with different business models and different customer target markets. Direct's interests are also not adequately represented in this proceeding by a trade association (Retail Energy Supply Association) to which Direct Energy belongs, and which has also requested to intervene, because RESA's positions represent the consensus of its members and not necessarily the position of any particular member.

9. There is good cause for granting Direct's out-of time filing. Direct was unable to determine until recently whether its business interests would be affected by PPL's proposal to an extent that would require or justify Direct's participation in this matter. Direct's intervention will not delay the adjudication of this proceeding or prejudice any other party or potential party. The initial prehearing conference has not been held and, to Direct's knowledge, no other intervention

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<sup>2</sup> 66 Pa. C.S. § 2802(3).

<sup>3</sup> 66 Pa. C.S. § 2802(12).

requests have been ruled upon – including a few other out-of time requests. Direct is prepared, and intends, to submit a prehearing conference memorandum and to attend the prehearing conference scheduled for Friday, September 22, 2006.

10. Direct Energy protests PPL's Plan on the basis that:

(a) PPL's proposed Plan is unnecessary because the Commission's final post-transition period Default Service regulations will be promulgated well in time to guide PPL's POLR supply procurement for 2010 and beyond.

(b) Fixed annual, reconciled rates as proposed by PPL are contrary to the requirement that post-transition period POLR rates reflect "prevailing market prices."

(c) Fixed annual, reconciled rates as proposed by PPL will not satisfy the goals of the Choice and Competition Act to create direct access to a properly functioning and workable competitive retail electricity market in PPL's service territory.

(d) PPL's POLR rates for residential and small commercial customers should be subject to periodic adjustment, such as monthly, to reflect contemporary prevailing market prices and to provide accurate market price signals appropriate for these customers.

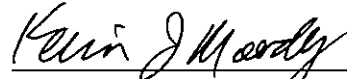
(e) PPL's POLR rates for large C&I commercial customers should be hourly only, with no fixed rate option, to reflect prevailing market prices and to provide market price signals appropriate for these customers.

(f) POLR rates that reflect prevailing market prices when the energy is delivered and consumed are necessary to support EGS investment for market entry and sustained market participation which, in turn, is required for the development of a robust and efficient retail electricity market which will provide consumers with real competitive alternatives and choices in PPL's service territory as envisioned and required by the Choice and Competition Act.

(g) Accurate and appropriate market price signals to retail customers are necessary for energy efficiency and conservation programs and demand side response programs to be successful, which will also exert downward pressure on electricity prices generally.

**WHEREFORE**, Direct Energy Services, LLC respectfully requests that the Commission approve this petition and grant Direct Energy party status in this proceeding, and deny PPL's proposed Plan.

Respectfully submitted,



---

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

Attorneys for Direct Energy Services, LLC

Date: September 18, 2006

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of the foregoing Petition to Intervene/

Protest Out of Time 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  
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Tanya McCloskey, Esquire  
Consumer Advocate  
Office of Consumer Advocate  
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Harrisburg, PA 17101

George Jugovic, Jr., Esquire  
PennFuture  
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Adrian Newall, Esquire  
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P.O. Box 8699  
Philadelphia, PA 19101

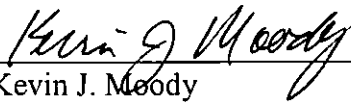
Linda R. Evers, Esquire  
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2800 Pottsville Pike  
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First Energy Solutions Corp.  
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Gretchen Schott, Esquire  
Reliant Energy  
1000 Main Street  
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Date: September 18, 2006

Glenn Thomas, Esquire  
Christopher Lewis, Esquire  
Blank Rome LLP  
One Logan Square  
Philadelphia, PA 19103

  
\_\_\_\_\_  
Kevin J. Meody

**ORIGINAL**

17 North Second Street, 15<sup>th</sup> Floor  
Harrisburg, PA 17101-1503

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F 717.231.7712

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**Brian J. Knipe**  
(717) 231-3832  
Brian.Knipe@bipc.com

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September 18, 2006

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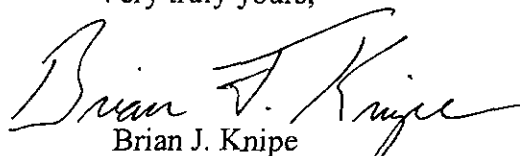
James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2nd Floor, Room-N201  
400 North Street  
Harrisburg, PA 17120

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

Dear Secretary McNulty:

I have enclosed for filing and original and three copies of our firm's Notice of Appearance on behalf of Reliant Energy, Inc. in the above matter. Please call me if you have any questions.

Very truly yours,



Brian J. Knipe

For BUCHANAN INGERSOLL & ROONEY, PC

**DOCUMENT  
FOLDER**

BJK/eh

Enclosures

cc: The Honorable Marlane R. Chestnut,  
Administrative Law Judge (w/encl.)  
Certificate of Service (w/encl.)

62

COMMONWEALTH OF PENNSYLVANIA  
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 :

NOTICE OF APPEARANCE

Please enter the appearance of Ramona C. Cataldi, Esq. and Brian J. Knipe, Esq. in the above-designated matter on behalf of **Reliant Energy, Inc.**

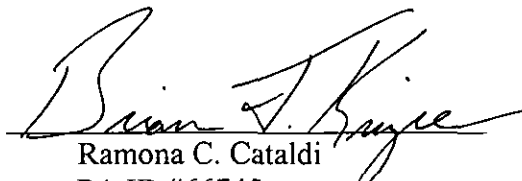
We are authorized to accept service on behalf of said parties in this matter.

[CHECK ONE]

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

We are already receiving or have access to a copy of each document issued by the Commission in this matter (alone, or in a consolidated proceeding) and do not on the basis of this notice require an additional copy.

Dated: September 18, 2006

  
Ramona C. Cataldi  
PA ID #66745

Brian J. Knipe  
PA ID #82854

DOCUMENT  
FOLDER

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[ramona.cataldi@bipc.com](mailto:ramona.cataldi@bipc.com)  
[brian.knipe@bipc.com](mailto:brian.knipe@bipc.com)

**DOCKETED**  
SEP 20 2006

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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SECRETARY'S BUREAU

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing Notice of Appearance 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 18<sup>th</sup> day of September 2006.

**EMAIL AND FIRST CLASS MAIL,  
POSTAGE PREPAID**

Paul E. Russell  
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Kevin J. Moody, Esquire  
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[DClearfield@wolfblock.com](mailto:DClearfield@wolfblock.com)  
[KMoody@wolfblock.com](mailto:KMoody@wolfblock.com)

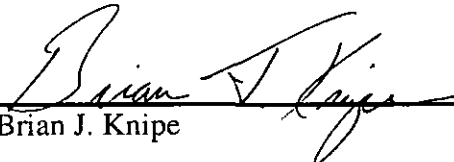
David M. Kleppinger, Esquire  
Pamela C. Polacek, Esquire  
Adam L. Benschhoff, Esquire  
McNees Wallace & Nurick LLC  
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**FIRST CLASS MAIL,**  
**POSTAGE PREPAID**

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Adrian D. Newall  
Exelon Business Services Company  
2301 Market Street, S-23-1  
Philadelphia, PA 19103

Eric Joseph Epstein  
4100 Hillsdale Road  
Harrisburg, PA 17112

  
\_\_\_\_\_  
Brian J. Knipe

**Scott J. Rubin**  
Attorney ♦ Consultant

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

September 18, 2006

James McNulty, Secretary  
Pa. 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

Dear Secretary McNulty:

Enclosed for filing please find an original and three copies of the Prehearing Memorandum 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 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: Marlane R. Chestnut, Administrative Law Judge  
All parties

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UTILITY  
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PREHEARING MEMORANDUM  
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LOCAL 1600

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1. Party Identification: 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. Local 1600 filed a Petition to Intervene on August 25, 2006, to which PPL has not responded. Local 1600 is represented by the undersigned counsel, upon whom all documents should be served.

2. Issues: Local 1600 has not developed a position on PPL's proposal. PPL just served its testimony on September 15, 2006, and Local 1600 has not had an opportunity to fully evaluate its impact on Local 1600. Based on its initial review of PPL's filing and testimony, it does not appear that PPL's proposals would have an adverse impact on Local 1600. Local 1600 remains concerned, however, that other parties may advocate changes in PPL's proposal that could have an adverse impact on Local 1600 and its members.

3. Discovery: Local 1600 has not yet engaged in discovery.

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# DOCUMENT FOLDER

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

Docket No. P-00062227

2006 OCT 12 PM 1:31  
SECRETARY'S BUREAU

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**PREHEARING MEMORANDUM  
OF EXELON CORPORATION, PECO ENERGY COMPANY AND  
EXELON GENERATION COMPANY, LLC**

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Pursuant to the Prehearing Conference Order dated September 11, 2006 in this proceeding, Exelon Corporation ("Exelon"), PECO Energy Company ("PECO"), and Exelon Generation Company, LLC ("ExGen"), (collectively, the "Exelon Companies") hereby submit this Prehearing Memorandum in the above-captioned proceeding. The Exelon Companies intend to participate in this proceeding as an "active" party.

## **I. HISTORY OF THE PROCEEDING**

This proceeding was initiated by PPL Electric Utilities Corporation's ("PPL") filing for approval of a Competitive Bridge Plan ("CBP") on August 2, 2006. PPL's filing includes the terms and conditions under which it intends to supply provider of last resort ("POLR") load during 2010. PPL requests that the Commission approve its CBP as a transition to a statewide auction in 2011. PPL plans to procure such resources through wholesale market contracts over the next three years. PPL also advocates a statewide auction in the year 2011 when the transition periods of several other EDCs end, including PECO Energy's. PPL requests that the Commission issue a final order approving their CBP no later than January 31, 2007 so that it is able to issue its initial Request for Proposals ("RFP") in March 2007.

As stated in their intervention, the Exelon Companies have a direct interest in this

proceeding. PECO Energy as electric distribution company and POLR provider has a direct interest in, and may be directly affected by, any Commission decision regarding POLR rules and/or the development of a statewide auction. ExGen manages a diverse generation portfolio and as such is a potential bidder in PPL's RFP.

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

The Exelon Companies' preliminary review of PPL's filing indicates that this case involves general POLR procurement issues, including the structure of PPL's RFP model as well the pricing options included in its CBP. The Exelon Companies anticipate that their interest in these issues as well as other POLR issues such as PPL's proposal of a statewide auction and PPL's proposal to pass-through its Transmission Service Charge, will depend on PPL's response to discovery propounded by the various parties as well as the testimony of the other parties hereto.

## **III. PROPOSED WITNESSES**

The Exelon Companies at this time do not anticipate that they will submit the testimony of any witnesses in this proceeding but will inform the other parties and the Presiding Administrative Law Judge if and when that expectation changes. The Exelon Companies may also participate in this proceeding through the submission of discovery, cross-examination of witnesses, and the submission of briefs and other pleadings, if necessary.

## **IV. PROPOSED SCHEDULE AND DISCOVERY RULES**

The Exelon Companies are willing to accept whatever schedule the other parties to this proceeding are willing to arrange, or the Presiding Administrative Law Judge otherwise directs.


The Exelon Companies request that PPL provide all discovery responses via Internet e-mail in addition to the paper responses required under the Commission's rules of practice and procedure. Electronic responses reduce the burden of copying and otherwise increase the efficiency of reviewing the responses.

**V. POSSIBILITY OF SETTLEMENT**

The Exelon Companies generally believe that most, if not all issues in this proceeding are reasonably susceptible to mutual resolution and would participate in any process design to achieve that goal.

Respectfully submitted,

EXELON BUSINESS SERVICES  
COMPANY

By   
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Dated: September 19, 2006

Counsel for The Exelon Companies



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Anthony D. Kanagy

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File #: 2507/127042

September 19, 2006

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**VIA HAND DELIVERY**

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

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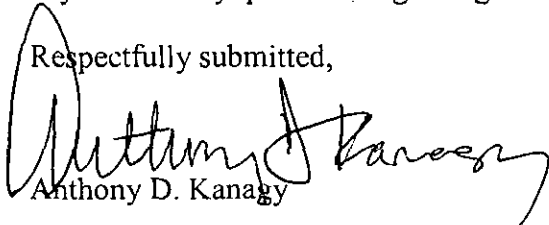
**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation re: Petition of PPL Electric Utilities Corporation for Approval of A Competitive Bridge Plan, Docket No. P-00062227**

Dear Mr. McNulty:

Enclosed, please find two original affidavits for the Answer of PPL Electric Utilities Corporation in Response to New Matter Filed by Reliant Energy, Inc. and the Answer of PPL Electric Utilities Corporation in Opposition to Motion to Dismiss Filed by Reliant Energy, Inc. that were filed yesterday in the above-referenced proceeding.

If you have any questions regarding this matter, please contact the undersigned.

Respectfully submitted,

  
Anthony D. Kanagy

ADK:skr  
Enclosures

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COMMONWEALTH OF PENNSYLVANIA )  
  ) : SS  
COUNTY OF LEHIGH                                      )

ROBERT M. GENEZKO, being duly sworn according to law, deposes and says that he is Vice President-Customer Service for PPL Electric Utilities Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief and he expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

Robert M. Genezko

Sworn to and subscribed  
before me this 18<sup>th</sup> day  
of September, 2006

Diane M. Koch

NOTARIAL SEAL  
DIANE M. KOCH, NOTARY PUBLIC  
CITY OF ALLENTOWN, LEHIGH COUNTY  
MY COMMISSION EXPIRES SEPT. 29, 2007

# ORIGINAL

## AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA )  
 ) : SS  
 COUNTY OF LEHIGH )

ROBERT M. GENEZKO, being duly sworn according to law, deposes and says that he is Vice President-Customer Service for PPL Electric Utilities Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief and he expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

Robert M. Genezko

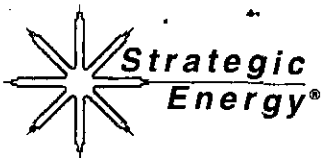
Sworn to and subscribed  
 before me this 18<sup>th</sup> day  
 of September, 2006

Diane M. Koch

NOTARIAL SEAL  
 DIANE M. KOCH, NOTARY PUBLIC  
 CITY OF ALLENTOWN, LEHIGH COUNTY  
 MY COMMISSION EXPIRES SEPT. 29, 2007

2006 SEP 19 PM 3:44  
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September 19, 2006

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

*Via FedEx*

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

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 Prehearing Conference Memorandum. 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

Enclosure

cc: Service List

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

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

**PREHEARING CONFERENCE MEMORANDUM OF  
STRATEGIC ENERGY, LLC**

Strategic Energy, LLC (Strategic) hereby submits this Pre-hearing Memorandum pursuant to the Pre-hearing Conference Order issued by Administrative Law Judge Marlane R. Chestnut on September 11, 2006, in the above captioned proceeding.

**I. Background and History**

On August 2, 2004, PPL Electric Utilities Corporation ("PPL") submitted a proposal requesting Commission approval of a "Competitive Bridge Plan," a proposal to establish rates for PPL's provider of last resort ("POLR") service for 2010 through a series of requests for proposals (RFPs) to be held in 2007, 2008, and 2009. Notice of PPL's filing was published by the Pennsylvania Public Utility Commission ("Commission") on August 12, 2006 in the Pennsylvania Bulletin, 36 Pa.B. 4576. According to the notice, petitions to intervene and protests to the filing were due no later than August 28, 2006. Strategic filed a timely petition to intervene and protest as did its trade association, the Retail Energy Supply Association (RESA).

**II. Strategic's Position and List of Issues**

Strategic plans to coordinate its position with that of the Retail Energy Supply Association (RESA), of which Strategic is a member. Strategic plans to address the following issues in this proceeding:

1. Whether PPL's Competitive Bridge Plan should be rejected because it is unnecessary and premature given the fact that the Commission will likely have promulgated regulations for setting default service rates well in advance of the expiration of PPL's rate caps at the end of 2009.
2. Whether PPL's proposal to establish rates based on blended bid results from a series of RFPs to be held well in advance of the time that service is taken frustrates the development of a robust and well functioning competitive retail electricity market in PPL's service territory.
3. Whether PPL's proposal to establish rates for POLR service through a laddered procurement method is consistent with the requirement in the Electricity Generation Customer Choice and Competition Act that supply for POLR service be acquired at prevailing market prices.
4. Whether PPL's proposed reconciliation of Generation Service Charges is inappropriate and inconsistent with Commission precedent.
5. Whether a fixed price option for POLR service for large C&I customers is appropriate and consistent with the development of robust and well functioning competitive retail markets in PPL's service territory.
6. Whether hourly pricing should be the only option for POLR service for large C&I customers.

Strategic reserves the right to address other issues that are identified in this proceeding and to respond to the positions taken by other parties.

**III. Witnesses To Be Called at Hearing.**

Strategic has not decided whether it will call any witnesses.

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**IV. Proposed Litigation Schedule**


None.

**V. Settlement**

Strategic participated in the initial settlement conference held on September 14, 2006, and is willing and eager to discuss options with other parties for an amicable resolution of the issues in this proceeding.

Respectfully submitted,

Dated: September 18, 2006

  
\_\_\_\_\_  
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## CERTIFICATE OF SERVICE

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

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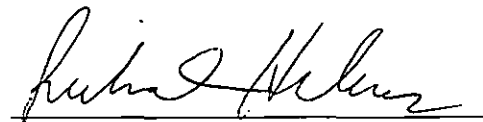
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Glenn Thomas, Esquire  
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Hon. Marlane R. Chestnut  
Administrative Law Judge  
PA PUC  
1302 Philadelphia South Office Bldg.  
1400 W. Spring Garden St.  
Philadelphia, PA 19130



Richard Hudson

Date: September 19, 2006

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  **S**niscak &  
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September 20, 2006

**VIA ELECTRONIC AND FIRST CLASS MAIL**

Honorable Marlin Chestnut  
Pennsylvania Public Utility Commission  
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Harrisburg, PA 17105-3265

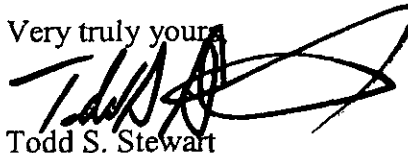
Re: Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan; Docket No. P-00062227; **PREHEARING CONFERENCE MEMORANDUM OF DOMINION RETAIL, INC.**

Dear Judge Chestnut:

Enclosed please find the original Prehearing Conference Memorandum of Dominion Retail, Inc. regarding 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/clb

cc: James J. McNulty, Secretary

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2006 SEP 20 PM 4:13  
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MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, *et al*

v.

PPL Electric Utilities Corporation

Docket No.: P-00062227

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**PREHEARING CONFERENCE MEMORANDUM  
OF DOMINION RETAIL, INC.**

Dominion Retail, Inc. ("Dominion Retail") by and through its counsel, hereby submits its *Prehearing Conference Memorandum* in the above-captioned matter pursuant to 52 Pa. Code §§ 5.222(d)(1) & 5.224(c) and Presiding Administrative Law Judge Marlane R. Chestnut's Prehearing Conference Order issued September 11, 2006, which required each party to prepare and distribute a Prehearing Conference Memorandum by 12:00 PM on September 21, 2006.

**I. PROCEDURAL HISTORY**

On or about August 2, 2006, the PPL Electric Utilities Corporation ("PPL") filed a "Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan" which was docketed by the Commission at Docket No. P-00062227. PPL's Petition was published in the Pennsylvania Bulletin on August 12, 2006 (36 Pa. BULL. 45676) and required that formal Protests and Petitions to Intervene be filed on or before August 28, 2006.

On August 28, 2006, Dominion Retail filed a Petition to Intervene and Protest in which it identified several deficiencies in PPL's Competitive Bridge Plan ("CBP") including:

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- the CBP appears to be premised entirely on the supposition that wholesale energy prices will increase dramatically over the next three (3) years;
- the CBP appears to be an attempt by PPL to avoid the application of regulations which are in the process of promulgation by the Pennsylvania Public Utility Commission on the same subject;
- PPL's proposed CBP will not acquire electric energy at prevailing market prices nor pass through prevailing market prices to customers as required by the *Electricity Generation Customer Choice and Competition Act* ("Choice Act") 66 Pa. C.S. §2807(e)(2),
- the CBP violates the *Choice Act* by including a reconciliation mechanism for POLR costs; and,
- PPL's CBP is contrary to the goal of the *Choice Act* because it will harm retail competition, which is the only form of competition which is of concern in the implementation of the *Choice Act*.

By Prehearing Order issued September 11, 2006, Presiding Administrative Law Judge Marlane R. Chestnut ordered all parties to prepare and distribute Prehearing Memoranda on or before 12:00 PM on September 21, 2006, and by Notice dated September 12, 2006 a Prehearing Conference in the above-captioned matter is scheduled for Friday, September 22, 2006 commencing at 10:00 AM.

## II. IDENTIFICATION OF ISSUES

PPL's Petition proposes a Competitive Bridge Plan that includes a three-year procurement process to acquire energy to serve customers for a single year. The three-year

procurement portion of the plan would commence in 2007, about the same time that the Commission could reasonably be expected to promulgate final regulations concerning the requirements for provider of last resort ("POLR"), also referred-to as default service. As such, the threshold issue which Dominion Retail believes must be resolved in this proceeding is the premature nature of the relief requested by PPL and the implications thereof. The other issues to be addressed include those identified in Dominion Retail's Protest including: 1) the CBP appears to be premised entirely on the supposition that wholesale energy prices will increase dramatically over the next three (3) years; 2) the CBP appears to be an attempt by PPL to avoid the application of regulations which are in the process of promulgation by the Pennsylvania Public Utility Commission on the same subject; 3) PPL's proposed CBP will not acquire electric energy at prevailing market prices nor pass through prevailing market prices to customers as required by the *Electricity Generation Customer Choice and Competition Act* ("Choice Act") 66 Pa. C.S. §2807(e)(2), 4) the CBP violates the *Choice Act* by including a reconciliation mechanism for POLR costs; and, 5) PPL's CBP is contrary to the goal of the *Choice Act* because it will harm retail competition, which is the only form of competition which is of concern in the implementation of the *Choice Act*. Dominion Retail reserves the right to raise additional issues as circumstances warrant.

### **III. IDENTIFICATION OF WITNESSES**

Dominion Retail has not yet finally determined whether it will call a witness or witnesses and or the identity of the witness or witnesses that it may present in support of its case in this matter. As soon as a witness is identified, Dominion Retail will communicate that information to all parties accordingly. In addition to any witness or witnesses so identified, Dominion Retail

reserves the right to call additional witnesses in the rebuttal stage of this proceeding or at any other appropriate stage of this proceeding as may be necessary and appropriate. Dominion's witnesses can be expected to testify regarding the issues identified above, and to provide alternatives to PPL's CBP.

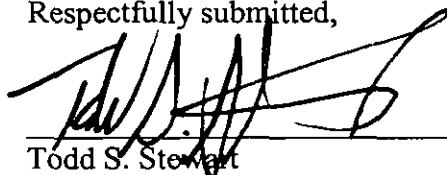
#### **IV. PROPOSED SCHEDULE**

PPL has circulated a draft Procedural Schedule for review and comment by the parties to this proceeding. Dominion Retail has reviewed the proposed schedule, and expects that it should be able to work with the other parties and Your Honor to develop a procedural schedule based upon PPL's proposal which is adequate for all parties.

#### **Conclusion**

Dominion Retail has no other issues to present for Your Honor's consideration at this time and respectfully requests that its positions as presented in this Prehearing Conference Memorandum be given due consideration.

Respectfully submitted,



Todd S. Stewart

Attorney ID No. 75556

Hawke McKeon Sniscak & Kennard LLP

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Dated: September 20, 2006

Counsel for Dominion Retail, Inc.

## 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 E-MAIL AND FIRST CLASS MAIL

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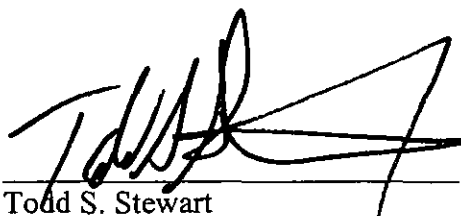
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Todd S. Stewart

Dated this 20<sup>th</sup> day of September, 2006.

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FOLDER

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September 20, 2006

**VIA OVERNIGHT UNITED PARCEL SERVICE**

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SEP 20 2006

PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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


Dear Secretary McNulty:

Enclosed for filing pursuant to Section 1901 of the Public Utility Code (66 Pa. C.S.A. § 1901) are an original and four (4) copies of the Prehearing Memorandum of Metropolitan Edison Company and Pennsylvania Electric Company (collectively, "FirstEnergy") in the above-referenced matter. Please date stamp the additional copy and return to me in the enclosed postage-prepaid envelope.

A copy of this Prehearing Memorandum has been served upon the parties as indicated in the attached Certificate of Service.

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

Sincerely,

  
Linda R. Evers, Esquire

dln  
Enclosures

c: Administrative Law Judge Marlane Chestnut

50

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL  
DOCUMENT  
FOLDER

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

Docket No. P-00062227

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PREHEARING MEMORANDUM OF  
METROPOLITAN EDISON COMPANY AND  
PENNSYLVANIA ELECTRIC COMPANY

---

In accordance with the Prehearing Conference Order dated September 11, 2006,  
Metropolitan Edison Company ("Met-Ed") and Pennsylvania Electric Company  
("Penelec"), hereinafter collectively "FirstEnergy", hereby submits this Prehearing  
Memorandum in the above-captioned proceeding.

SEP 20 2006

PENNSYLVANIA PUBLIC UTILITY COMMISSION

**I. History of the Proceeding**

On August 2, 2006, PPL Electric Utilities Corporation ("PPL") filed a Petition for  
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. The CBP consists of proposals for demand-side response programs, consumer  
education, assistance for low-income customers and competitive procurement of POLR  
supply for 2010. PPL also requests a statewide auction in 2011. PPL requests  
Commission approval no later than January 2007, although several components,  
including new POLR service rates, will not take effect until January 1, 2010.

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. FirstEnergy filed its petition to intervene on August 28, 2006.

FirstEnergy has a direct interest in the proceeding as a customer of PPL and as an electric distribution company and POLR provider.

## **II. Issues**

Based upon FirstEnergy's preliminary review of the filing, FirstEnergy is interested in PPL's proposal for a statewide auction as well as other general POLR procurement issues. FirstEnergy specifically reserves the right to address other issues as appropriate when any such relevant issues arise.

## **III. Witnesses**

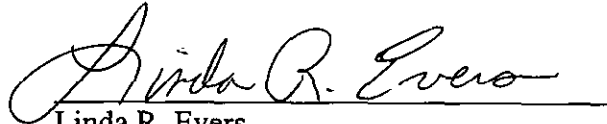
FirstEnergy does not anticipate that it will submit testimony of any witnesses in the proceeding, but will inform the Presiding Administrative Law Judge and other parties if this changes. FirstEnergy may participate in the proceeding through the submission of discovery, cross-examination of witnesses and the submission of briefs and other pleadings as necessary.

## **IV. Schedule**

FirstEnergy is willing to accept whatever schedule the parties in this proceeding arrange and as directed by the Presiding Administrative Law Judge.

Respectfully submitted,

Dated: September 20, 2006



Linda R. Evers  
Attorney No. 81428  
FirstEnergy Service Company  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA 19612-6001  
(610) 921-6658

Counsel for Metropolitan Edison Company  
and Pennsylvania Electric Company

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PUBLIC UTILITIES COMMISSION

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

:  
:  
:  
:  
:  
:

**Docket No. P-00062227**

**CERTIFICATE OF SERVICE**

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

Service via Overnight United Parcel Service, as follows:

Marlane Chestnut  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
1302 Philadelphia State Office Building  
1400 West Spring Garden Street  
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Service via Email and First Class United States Mail as follows:

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George Jugovic, Jr.  
Senior Attorney  
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Tanya McCloskey  
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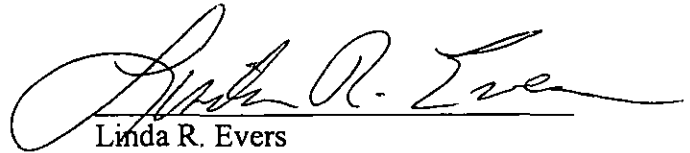
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Dated: September 20, 2006



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**ORIGINAL**

September 20, 2006

**VIA HAND DELIVERY**

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P.O. Box 3265  
Harrisburg, PA 17105-3265

**DOCUMENT  
FOLDER**

PA PUC  
SECRETARY'S BUREAU

2005 SEP 20 PM 1:34

RECEIVED

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 (3) copies of the Retail Energy Supply Association's ("RESA") Prehearing Memorandum in the above-referenced matter. As evidenced by the attached Certificate of Service, copies have been served on the parties in the manner indicated.

If you have any questions regarding this filing, please contact me.

Sincerely,



Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jls

Enclosures

cc: Certificate of Service (w/enc)

HAR:68351.1/DIR023-216494

40

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2006 SEP 20 PM 1:35  
PUC SECRETARY'S BUREAU  
ADDITIONAL FOLDER

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

**PREHEARING MEMORANDUM OF  
THE RETAIL ENERGY SUPPLY ASSOCIATION**

The Retail Energy Supply Association ("RESA") submits this Prehearing Memorandum as directed by ALJ Chestnut's Prehearing Conference Order issued September 11, 2006.<sup>1</sup>

**I. HISTORY OF PROCEEDING**

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. Notice of PPL's filing was published by the Pennsylvania Public Utility Commission ("PUC" or "Commission") August 12, 2006 in the Pennsylvania Bulletin, 36 Pa.B. 4576. The notice stated that petitions to intervene and protests to the filing were required to be filed no later than August 28, 2006. RESA filed a timely petition to intervene and protest, and other parties filed intervention petitions or notices and protests.

**II. ISSUES**

RESA intends to coordinate its litigation with its individual member company parties and other parties with similar interests, and intends to address the following issues:

---

<sup>1</sup> 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.

1. Whether PPL's proposal is contrary to the goals and directives of the Electricity Generation Customer Choice and Competition Act to establish a properly functioning and workable competitive retail electricity market in PPL's service territory, including the "prevailing market prices" standard of Section 2807(e)(3), due to:

- (a) "laddered" supply procurement in 2007-09 for supply to be delivered in 2010;
- (b) fixed annual charges, with no periodic adjustments, for Residential and Small Commercial customers;
- (c) fixed price service option for Large C&I customers;
- (d) reconciliation of Generation Service Charges ("GSCs"); and
- (e) providing, in effect, an additional "transition" period after PPL's rate cap expires until PPL's POLR rates reflect prevailing market prices.

2. Whether PPL's proposal is premature and unnecessary because the final rulemaking to establish the terms and conditions for procuring POLR (or "Default Service") supply after PPL's rate cap expires (Docket No. L-00040169) must be promulgated by April 2008, well in advance of the 2010 POLR supply delivery addressed by PPL's proposal.

3. Whether PPL's proposal is 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 (Docket No. M-00061957).

RESA reserves the right to address other issues raised by other parties as they may affect RESA's interests.

### **III. WITNESS(ES)/SUBJECT OF TESTIMONY**

RESA is evaluating the recently filed testimony by PPL and has not yet decided whether it will address the issues through its own witness(es) or through witness(es) sponsored jointly with other parties.

**IV. PROPOSED SCHEDULE**

RESA does not propose a litigation schedule, but will cooperate with the other parties in developing a reasonable proposed litigation schedule. However, RESA emphasizes that a reasonable schedule is one that will permit a full and thorough examination of the issues raised by PPL's proposal.

**V. SETTLEMENT**

RESA is willing to engage in settlement discussions with the parties and notes that it participated in the initial settlement conference on Thursday, September 14, 2006.

Respectfully submitted,



---

Daniel Clearfield, Esq.  
Kevin J. Moody, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
213 Market Street, 9th Fl.  
Harrisburg, PA 17108-0865  
(717) 237-7173

Dated: September 20, 2006

Attorneys for the Retail Energy Supply  
Association

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of the foregoing Prehearing Memorandum 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**

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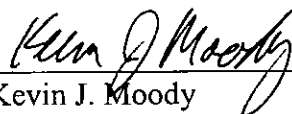
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Hon. Marlane R. Chestnut  
Administrative Law Judge  
PA PUC  
1302 Philadelphia South Office Bldg.  
1400 W. Spring Garden St.  
Philadelphia, PA 19130

  
Kevin J. Moody

Date: September 20, 2006

*Thomas, Thomas, Armstrong & Niesen*  
*Attorneys and Counsellors at Law*

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CHARLES E. THOMAS  
(1913 - 1998)

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September 20, 2006

**VIA HAND DELIVERY**

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

DOCUMENT  
FOLDER  
ORIGINAL

In re: Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan  
Docket No. P-00062227  
(SEF Prehearing Conference Memorandum)

Dear Secretary McNulty:

Enclosed for filing on behalf of Sustainable Energy Fund of Central Eastern Pennsylvania are an original and three (3) copies of its Prehearing Conference Memorandum in the above-referenced proceeding.

Copies of this Prehearing Conference Memorandum have been served in accordance with the attached Certificate of Service.

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

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



Michael L. Swindler

Encl.

cc: Certificate of Service  
Honorable Marlane R. Chestnut (via Email and First Class Mail)

**ORIGINAL**

**Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

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

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**PREHEARING MEMORANDUM  
OF  
SUSTAINABLE ENERGY FUND  
OF CENTRAL EASTERN PENNSYLVANIA**

---

AND NOW, comes Sustainable Energy Fund of Central Eastern Pennsylvania ("SEF"), by its attorneys, and files this Prehearing Memorandum in the above-captioned proceeding as required by the Prehearing Conference Order of Administrative Law Judge Marlane R. Chestnut dated September 11, 2006:

**I. BACKGROUND**

1. On August 2, 2006, PPL Electric Utilities Corporation ("PPLEU") filed the above-captioned Petition with the Pennsylvania Public Utility Commission ("Commission") requesting the approval of a Competitive Bridge Plan ("Plan") to establish the terms and conditions under which PPLEU will supply provider of last resort ("POLR") service during 2010, as a transition to a fully competitive Statewide market beginning January 1, 2011. The Plan consists of a three-year competitive procurement program in order to obtain POLR supply for 2010, enhancement of demand-side response programs, expanded consumer education and increased assistance for low-income customers.

2. SEF is a Pennsylvania non-stock, non-profit corporation dedicated to the use of renewable energy, clean energy technologies, energy conservation and education and is an exempt organization under Section 501(c)(3) of the Internal

Revenue Code, 26 U.S.C. § 501(c)(3). SEF receives funding through the application of the Sustainable Energy Fund Rider in PPL's Tariff Electric-Pa. P.U.C. No. 201. SEF filed *nunc pro tunc* its Petition to Intervene on September 14, 2006.

**II. MATTERS RE INITIAL PREHEARING CONFERENCE ORDER**

3. The names and addresses of SEF's attorneys are:

Thomas T. Niesen, Esquire  
PA Attorney ID No. 31379  
Michael L. Swindler, Esquire  
PA Attorney ID No. 43319  
THOMAS, THOMAS, ARMSTRONG & NIESEN  
212 Locust Street, Suite 500  
P.O. Box 9500  
Harrisburg, PA 17108-9500

4. SEF will review the proposals of PPL presented in its Petition and the positions of the other parties of interest and import to SEF. SEF will address issues of renewable and sustainable energy, demand side management and response, customer education and funding consistent with its mission and the promotion of renewable and clean energy.

5. SEF will work with the other parties to arrive at a mutually agreeable schedule of discovery.

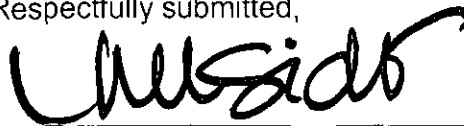
6. SEF will work with the other parties to arrive at a proposed procedural schedule.

7. SEF expects to call the following witness to address matters of interest to SEF. SEF respectfully reserves the right to call additional witnesses and will advise the participants if it determines it necessary to do so:

Rex D'Agostino  
President and Executive Director  
Sustainable Energy Fund of Central Eastern PA  
968 Postal Road  
Allentown, PA 18109

8. SEF will present the testimony of its witness in writing in accordance with the schedule established for the proceeding.

Respectfully submitted,



---

Thomas T. Niesen  
PA Attorney ID No. 31379  
Michael L. Swindler  
PA Attorney ID No. 43319  
THOMAS, THOMAS, ARMSTRONG & NIESEN  
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Attorneys for Sustainable Energy Fund  
of Central Eastern Pennsylvania

DATED: September 20, 2006  
SEF Prehearing Memo (Final).wpd

Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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SECRETARY'S BUREAU

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

CERTIFICATE OF SERVICE

I hereby certify that I have this 20<sup>th</sup> day of September, 2006, served a true and correct copy of the Prehearing Memorandum of Sustainable Energy Fund of Central Eastern PA in the above proceeding, upon the persons and in the manner indicated below:

VIA EMAIL AND FIRST CLASS MAIL

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September 21, 2006

DOCUMENT  
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ORIGINAL

**VIA HAND DELIVERY**

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

**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation re: Petition of PPL Electric Utilities Corporation for Approval of A Competitive Bridge Plan, Docket No. P-00062227**

Dear Mr. McNulty:

Enclosed, please find the Prehearing Conference Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. As indicated on the enclosed certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,

Michael W. Hassell

MWH:skr

cc: Honorable Marlane R. Chestnut  
Certificate of Service

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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 Competitive : Docket No. P-00062227  
Bridge Plan :

**PREHEARING CONFERENCE MEMORANDUM OF  
PPL ELECTRIC UTILITIES CORPORATION**

TO ADMINISTRATIVE LAW JUDGE MARLANE R. CHESTNUT:

PPL Electric Utilities Corporation ("PPL Electric") hereby submits this Prehearing Conference Memorandum in accordance with the Prehearing Conference Order of Marlane R. Chestnut (the "ALJ") dated September 11, 2006.

**I. HISTORY OF PROCEEDINGS**

On August 2, 2006, PPL Electric filed with the Pennsylvania Public Utility Commission ("Commission") a Petition for Approval of a Competitive Bridge Plan.

On August 12, 2006, Notice of the filing of PPL Electric's Petition was published in the Pennsylvania Bulletin. 36 Pa.B. 4576. The Notice directed that formal Protests or Petitions to Intervene would be due on or before August 28, 2006. Answers, Protests and Petitions to Intervene, both timely and late-filed, have been submitted by various entities. In addition, a Motion to Dismiss was filed by Reliant Energy, Inc. ("Reliant"), on August 28, 2006. PPL Electric filed its Answer in Opposition to the Motion to Dismiss on September 18, 2006.

By Hearing Notice dated September 12, 2006, the Commission directed that an initial Prehearing Conference would be held on September 22, 2006.

PPL Electric filed its direct testimony in support of the Petition on September 15, 2006.

## **II. PPL ELECTRIC'S PROPOSAL**

As the title of the Petition indicates, PPL Electric has requested approval of a plan for acquisition of supply for Provider of Last Resort ("POLR") service as a one-year "bridge" between the end of PPL Electric's POLR rate caps on December 31, 2009 and a fully competitive, statewide market beginning January 1, 2011.<sup>1</sup>

PPL Electric's Competitive Bridge Plan ("CBP") consists of the following major components, which are described in detail in the Petition:

- a three-year competitive procurement program, beginning in 2007, to obtain all of the supply needed to meet the PPL Electric's POLR obligations in 2010;
- enhancements to PPL Electric's existing Demand Side Response ("DSR") programs;
- a three-year consumer education program beginning in 2007; and
- an increase in assistance for low-income customers beginning January 1, 2010.

The competitive procurement program will rely upon Requests for Proposal ("RFPs") issued twice a year, in March and September of 2007, 2008 and 2009, to purchase POLR supplies for 2010. The winning prices from each RFP will be averaged together to produce the POLR rates for 2010. Large commercial and industrial customers will be given the opportunity in late 2008 to "opt in" to a fixed annual rate for 2010, and PPL Electric will issue RFPs in 2009 to obtain POLR supply for those customers. Large customers who do not timely elect the fixed rate option will be able to receive POLR service in 2010 at hourly rates.

## **III. WITNESSES AND ISSUES**

On September 15, 2006, PPL Electric served the following direct testimony of witnesses in support of its Petition:

---

<sup>1</sup> On January 1, 2011, transition periods end for all other major Electric Distribution Companies ("EDCs") in Pennsylvania – Metropolitan Edison Company, Pennsylvania Electric Company, PECO Energy Company and West Penn Power Company. Transition periods have already ended for other EDCs in Pennsylvania, and those EDCs are currently operating under various Commission approved POLR supply acquisition plans.

<b>Statement Number</b>	<b>Witness</b>	<b>Subject Matter</b>
1	Douglas A. Krall – Manager, Regulatory Strategy of PPL Electric	Overview of Filing; Enhancements of DSR programs; consumer education
2	Joseph Cavicchi – Managing Director of Lexecon, an FTI Company	Details of competitive procurement program to obtain POLR supply for 2010
3	Joseph M. Kleha – Manager, Regulatory Projects of PPL Services Corporation	Generation Supply Charge and other rate-related issues
4	Timothy R. Dahl – Manager, Regulatory Programs & Business Services of PPL Electric	Assistance for Low-Income Customers

Based upon the various answers and protests filed, the primary issues appear to concern:

- 1) the timing of the RFP process and the interaction of the RFP process with future POLR regulations to be adopted by the Commission; 2) the design of the RFP process; 3) the structure of POLR rates for customers, in particular large commercial and industrial customers; 4) the design of DSR programs and acquisition of Alternative Energy supplies; 5) increases in assistance to low-income customers to aid in payment of expected increases in rates in 2010; and 6) customer education. Any further definition of issues will be developed by other parties.

The issues related to the POLR bridge procurement program, as listed above, raise principally questions of interim policy, pending adoption of statewide POLR regulations. Such interim policy decisions are not intended to set precedent for other EDCs, or for final POLR regulations. Moreover, as matters principally of interim policy, the issues do not, in PPL Electric's judgment, require substantial factual analysis or the need for a lengthy discovery process in advance of hearings. Most of the parties to this proceeding have been involved in

interim POLR proceedings for other EDCs, and thus should be able to proceed at an accelerated pace to present their policy positions.

#### IV. SCHEDULE

PPL Electric has proposed to hold its first RFP solicitation in late March 2007. In order to hold the first solicitation by that date, it is necessary that the Commission rule upon PPL Electric's Petition by the end of January 2007. Delay in resolving the Petition will compress the POLR supply acquisition period, and as a result expose PPL Electric's POLR customers to increased risk that procurements would occur during an abnormally high cost period. Therefore, an early resolution of this proceeding is in the interest of PPL Electric's customers. As noted previously, the issues presented in the case are much more policy than fact oriented, and therefore a compressed litigation schedule should be manageable for experienced parties and counsel. PPL Electric proposes the following schedule:

PPL Electric Petition Filed	August 2, 2006
PPL Electric Direct Testimony Filed	September 15, 2006
Prehearing Conference	September 22, 2006
Other Parties' Direct Testimony	October 27, 2006
Rebuttal Testimony	November 10, 2006
Surrebuttal Testimony	November 17, 2006
Hearings	November 20-21, 2006
Main Brief	December 8, 2006
Reply Brief	December 15, 2006
Target Date for ALJ Decision	January 12, 2007

Service of testimony and briefs to be by electronic mail and first class mail.

To facilitate the schedule, PPL Electric proposes an accelerated discovery schedule.

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service of the interrogatories;

2. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be submitted to the ALJ within five (5) calendar days of service of interrogatories;

3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of written objections;

4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions;

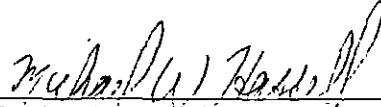
5. Rulings over motions shall be issued, if possible, within five (5) calendar days of the filing of the motion;

6. Responses to requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days; and

7. Requests for admission shall be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service of the requests.

The parties have held an initial settlement conference, and PPL Electric will work with the parties, on an individual and collective basis, in an effort to resolve this proceeding, in whole or in part, through settlement.

Respectfully submitted,



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Of Counsel:

Post & Schell, P.C.

Date: September 21, 2006

Attorneys for  
PPL Electric Utilities Corporation

## CERTIFICATE OF SERVICE

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

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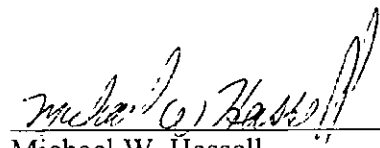
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Date: September 21, 2006

  
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ORIGINAL

September 21, 2006

**VIA HAND DELIVERY**

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

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PA PUC  
SECRETARY'S BUREAU

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 (3) copies of Direct Energy Services, LLC's Prehearing Memorandum in the above-referenced matter. As evidenced by the attached Certificate of Service, copies have been served on the parties in the manner indicated.

If you have any questions regarding this filing, please contact me.

Sincerely,



Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jls  
Enclosures

cc: Certificate of Service (w/enc)

HAR:68350.1/DIR023-216494

23

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

**PREHEARING MEMORANDUM OF  
DIRECT ENERGY SERVICES, LLC**

Direct Energy Services, LLC ("Direct Energy") submits this Prehearing Memorandum in accordance with ALJ Chestnut's Prehearing Conference Order issued September 11, 2006.

**I. HISTORY OF PROCEEDING**

On August 2, 2004, PPL Electric Utilities Corporation ("PPL") filed a petition with the Pennsylvania Public Utility Commission ("Commission") requesting approval of a Competitive Bridge Plan ("Plan") which would establish the terms and conditions for PPL's provider of last resort ("POLR") service during 2010, the year following the expiration of PPL's generation rate caps, as a further transition to a statewide market which PPL expects to begin January 1, 2011. Notice of PPL's filing published in the Pennsylvania Bulletin stated that petitions to intervene and protests to the filing were required to be filed no later than August 28, 2006. Various entities filed timely intervention petitions or notices and protests, and a few entities, including Direct Energy, filed petitions to intervene out of time. On September 14, 2006, the parties and potential parties engaged in initial settlement discussions.

**II. ISSUES**

Direct Energy intends to coordinate its litigation with other parties with similar interests and to address the following issues:

1. Whether PPL's proposed Plan is unnecessary and premature because the Commission's final post-transition period Default Service regulations likely will be promulgated in sufficient time to guide PPL's POLR supply procurement for 2010 and beyond.

2. Whether fixed annual, reconciled POLR rates as proposed by PPL will satisfy the goals of the Electricity Generation Customer Choice and Competition Act to create direct access to properly functioning and workable competitive retail electricity markets, and thus provide retail consumers with real competitive alternatives and choices in PPL's service territory.

3. Whether fixed annual, reconciled POLR rates as proposed by PPL will provide accurate and appropriate market price signals to retail customers to permit energy efficiency and conservation programs and demand side response programs to be successful.

4. Whether fixed annual, reconciled rates as proposed by PPL are contrary to the requirement that post-transition period POLR rates reflect "prevailing market prices."

5. Whether PPL's POLR rates for residential and small commercial customers should be subject to monthly adjustment to reflect contemporaneous prevailing market prices and to provide accurate market price signals appropriate for these customers.

6. Whether PPL's POLR rates for large C&I customers should be hourly only, with no fixed rate option, to reflect contemporaneous prevailing market prices and to provide market price signals appropriate for these customers.

7. Whether POLR rates as proposed by PPL will support EGS investment for market entry and sustained market participation to develop a robust and efficient retail electricity market in PPL's service territory.

Direct Energy reserves the right to address other issues raised by other parties as they may affect Direct's interests.

### **III. WITNESSES**

Direct Energy has not yet decided whether it will present its own witness.

### **IV. PROPOSED SCHEDULE**

Direct Energy will cooperate in the development of a reasonable litigation schedule proposal.

V. SETTLEMENT

Direct Energy is willing to engage in settlement discussions.

Respectfully submitted,



\_\_\_\_\_  
Daniel Clearfield, Esq.

Kevin J. Moody, Esq.

Wolf, Block, Schorr and Solis-Cohen LLP

213 Market Street, 9th Fl.

Harrisburg, PA 17108-0865

(717) 237-7173

Dated: September 21, 2006

Counsel for the Direct Energy Services, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of the foregoing Prehearing Memorandum 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**

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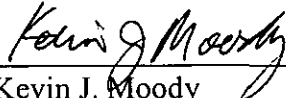
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\_\_\_\_\_  
Kevin J. Moody

Date: September 21, 2006



McNees Wallace & Nurick LLC  
attorneys at law

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ADAM L. BENSHOFF  
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**DOCUMENT  
FOLDER  
VIA HAND DELIVERY**

September 21, 2006

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

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


Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of the Prehearing Memorandum of PP&L Industrial Customer Alliance ("PPLICA"), concerning the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document. Please date stamp the extra copy of this transmittal letter and kindly return it for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
David M. Kleppinger  
Pamela C. Polacek  
Adam L. Benshoff

Counsel to PP&L Industrial Customer  
Alliance

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SECRETARY'S BUREAU

ALB/lhi

Enclosures

c: Administrative Law Judge Marlane Chestnut (via E-mail and Federal Express)  
Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

---

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

---

The PP&L Industrial Customer Alliance ("PPLICA") hereby submits this Prehearing Memorandum in the above-captioned proceeding. PPLICA intends to participate in this proceeding as an "active" party.

**I. HISTORY OF THE PROCEEDING**

On August 2, 2006, PPL Electric Utilities Corporation ("PPL" or "Company") submitted to the Pennsylvania Public Utility Commission ("PUC" or "Commission") a Petition for Approval of a Competitive Bridge Plan ("Petition"). The Petition indicates that the request is submitted pursuant to 52 Pa. Code § 5.41 and requests that the Commission rule on the Petition no later than January 31, 2007.

On August 28, 2006, PPLICA filed a Protest and Petition to Intervene in this proceeding. A description of PPLICA is set forth in Paragraph 3 of PPLICA's Protest and Petition to Intervene. PPLICA's Petition to Intervene is pending, and awaits Administrative Law Judge ("ALJ") Marlane Chestnut's disposition.

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

PPLICA's preliminary review of the Company's filing indicates the need for Commission investigation into at least the following issues which are discussed in greater detail in PPLICA's Protest and Petition to Intervene:

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- a) whether the proposed fixed-price option for large commercial and industrial customers ("Large C&I") is appropriately designed in light of the requirement that Large C&I customers must decide whether to receive fixed-price service by December 31, 2008, for the 2010 calendar year;
- b) whether the Company's proposed use of a revised generation rate adjustment ("GRA") mechanism to be applied to Large C&I customers who elect to leave fixed rate service during 2010 is just and reasonable;
- c) whether PPL has provided sufficient detail regarding its proposed generation supply charge ("GSC");
- d) whether the Company's proposed transmission service charge ("TSC") which is to include unspecified charges from wholesale suppliers is just and reasonable;
- e) whether it is indeed appropriate for PPL to remove Rate Schedules IS-T and IS-P and/or interruptible supply service for those customers, if indeed that is the Company's proposal;
- f) whether the price response service ("PRS") PPL currently provides will be continued;
- g) whether extending the availability of the Company's current Demand Side Initiative ("DSI") Rider through the end of 2010 is appropriate without significant modification; and
- h) whether PPL has provided sufficient detail regarding its proposed hourly locational marginal price option for Large C&I customers.

PPLICA anticipates pursuing these issues during this proceeding, and reserves the right to raise and address other issues of concern and to respond to issues raised by other parties.

### **III. PROPOSED WITNESSES**

PPLICA is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event that PPLICA decides to sponsor testimony, it will inform the parties and the ALJ as soon as possible of the intended witness(es) and topics of testimony. PPLICA also intends to participate in this proceeding through the submission of discovery, the cross-examination of other parties' witnesses, participation in settlement negotiations as they occur, and the submission of briefs, exceptions and reply exceptions, as necessary.

**IV. PROPOSED SCHEDULE AND DISCOVERY RULES**

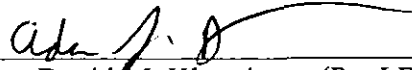
PPLICA will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

**V. POSSIBILITY OF SETTLEMENT**

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

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By   
David M. Kleppinger (Pa. I.D. 32091)  
Pamela C. Polacek (Pa. I.D. 78276)  
Adam L. Benshoff (Pa. I.D. 200498)  
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Phone: (717) 232-8000  
Fax: (717) 237-5300

Counsel to the PP&L Industrial Customer Alliance

Dated: September 21, 2006.

**CERTIFICATE OF SERVICE**

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

**VIA E-MAIL AND FIRST-CLASS MAIL**

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**CERTIFICATE SERVICE**

**Page 2**

**Docket No. P-00062227**

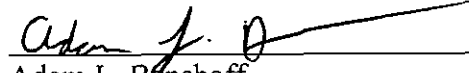
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\_\_\_\_\_  
Adam L. Benshoff

Counsel to the PP&L Industrial Customer Alliance

Dated this 21<sup>st</sup> day of September, 2006, at Harrisburg, Pennsylvania.

**ORIGINAL**

Kathy J. Kolich  
Senior Attorney

330-384-4580  
Fax: 330-384-3875

**VIA FEDERAL EXPRESS**

**DOCUMENT  
FOLDER**

September 21, 2006

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SEP 21 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

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

Dear Secretary McNulty:

Enclosed for filing pursuant to Section 1901 of the Public Utility Code (66 Pa. C.S.A. § 1901) are an original and four (4) copies of the Prehearing Memorandum of FirstEnergy Solutions Corp. ("FES") in the above-referenced matter. Please date stamp the additional copy and return it to me in the enclosed postage-prepaid envelope.

A copy of this Prehearing Memorandum has been served upon the parties as indicated in the attached Certificate of Service.

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

Sincerely,



Kathy J. Kolich, Esquire

kag  
Enclosures

cc: Administrative Law Judge Marlane Chestnut

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416

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SEP 21 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

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**PREHEARING MEMORANDUM OF  
FIRSTENERGY SOLUTIONS CORP.**

In accordance with the Prehearing Conference Order dated September 11, 2006, Intervenor, FirstEnergy Solutions Corp. ("FES"), submits this Prehearing Memorandum in the above-captioned proceeding.

**I. History of the Proceeding**

On August 2, 2006, PPL Electric Utilities Corporation ("PPL") filed a Petition for Approval of a Competitive Bridge Plan ("CBP") to establish the terms and conditions under which PPL will supply its customers with Provider of Last Resort ("POLR") service during 2010. The CBP consists of proposals for demand-side response programs, consumer education, assistance for low-income customers and competitive procurement of POLR supply for 2010. PPL also requests a statewide auction in 2011. PPL requests Commission approval no later than January 2007, although several components, including new POLR service rates, will not take effect until January 1, 2010.

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. FES filed its petition to intervene on August 28, 2006. As indicated in its petition, FES has a direct interest in this proceeding, both as a potential wholesale and retail generation supplier.

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SEP 28 2006

## **II. Issues**

Based on a preliminary review of the filing, FES, as a likely participant in the process by which PPL will procure wholesale power to serve its POLR customers, is interested in the manner in which this process will be administered, and any effects such process may have on wholesale generation markets. As a licensed Electric Generation Supplier that currently serves retail electric generation customers in Pennsylvania, FES is interested in the effects (if any) the CBP may have on retail electric competition in Pennsylvania. As this case progresses and more information becomes available through discovery, FES may expand or modify its issues of interest, and expressly reserves the right to do so herein, provided that any such additions or modifications are conveyed to the presiding Administrative Law Judge and the parties of record within a reasonable period of time.

## **III. Witnesses**

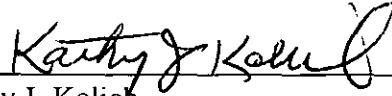
FES has not yet determined if it will present any witnesses in this proceeding and, therefore, the identity of these witnesses or the subject matter of their testimony is not yet known. As this proceeding evolves and decisions are made, FES will inform the presiding Administrative Law Judge and other parties of record of any future FES decisions regarding witnesses.

## **IV. Schedule**

FES has no known major scheduling conflicts at this time and will make every attempt to accommodate the agreed upon schedule as directed by the presiding Administrative Law Judge.

Respectfully submitted,

Dated: September 21, 2006



---

Kathy J. Kolich  
Attorney No. 92203  
Senior Attorney  
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(330) 384-4580

Counsel for FirstEnergy Solutions Corp.

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SEP 21 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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

:  
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Docket No. P-00062227

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the Prehearing Memorandum of FirstEnergy Solutions Corp. upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service via E-mail and Federal Express, as follows:

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[machestnut@state.pa.us](mailto:machestnut@state.pa.us)

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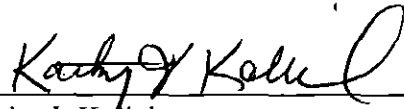
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Dated: September 21, 2006



---

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Email: [kjkolich@firstenergycorp.com](mailto:kjkolich@firstenergycorp.com)

Counsel for Intervenor,  
FirstEnergy Solutions Corp.

COMMONWEALTH OF PENNSYLVANIA



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

William R. Lloyd, Jr.  
Small Business Advocate

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

September 21, 2006

**E-mail and First Class Mail**

Hon. Marlane R. Chestnut  
Administrative Law Judge  
Pa. Public Utility Commission  
Rm. 1302, Philadelphia State Office Building  
1400 West Spring Garden Street  
Philadelphia, PA 19130

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

Dear Judge Chestnut:

Enclosed are two copies of the Prehearing Memorandum on behalf of the Office of Small Business Advocate in the above-captioned proceeding.

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

Sincerely,

A handwritten signature in black ink that reads "Steven C. Gray".

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

**DOCUMENT  
FOLDER**

Enclosures

cc: James J. McNulty, Secretary

Parties of Record

Brian Kalcic

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

---

OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM

---

I. INTRODUCTION

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

Steven C. Gray, Esquire  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, Pennsylvania 17101  
(717) 783-2525  
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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

## **II. FILING BACKGROUND**

On August 2, 2006, PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) filed the Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan (“Petition”). According to the Company, the Petition was filed “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.

On August 28, 2006, the OSBA filed a Notice of Intervention with respect to the Petition.

## **III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES**

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

Mr. Brian Kalcic  
Excel Consulting  
Suite 720  
225 South Meramec Avenue  
St. Louis, MO 63105  
(314) 725-2511  
bkalcic@mindspring.com

After an initial review of the materials submitted by PPL, the OSBA has identified the following issues:

1. Whether the Company’s proposal to segregate all rate classes into three customer groups for purposes of generation supply procurement is appropriate;
2. Whether the Company’s six proposed RFPs for residential and small C&I customers are sufficient and appropriate to minimize market price risk;

3. Whether the Company's proposal to reconcile the generation service charge is necessary and/or appropriate;
4. Whether the Company's proposal to modify its demand side management programs is reasonable;
5. Whether the Company's proposal to modify its existing transmission service charge is appropriate; and
6. Whether small business customers would be required to pay for the Company's requested increase in the funding of its Universal Service programs.

The OSBA will participate in the case to assure that the interests of small business customers of PPL are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through the cross-examination of witnesses appearing for those parties and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of PPL's small business consumers would be unjustifiably different than, or disproportionate to, the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

#### **IV. SERVICE OF DOCUMENTS**

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

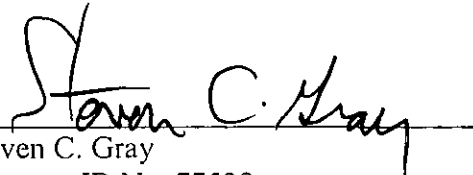
V. SETTLEMENT

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

VI. HEARING AND BRIEFING SCHEDULE

The OSBA has been in discussions with the Company and other parties to create an appropriate procedural schedule. Given the Governor's desire to limit the travel of State Offices under his jurisdiction, the OSBA respectfully requests that the evidentiary hearings take place in Harrisburg.

Respectfully submitted,



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

For:

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

Office of Small Business Advocate  
Suite 1102, Commerce Building  
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Harrisburg, PA 17101

Dated: September 21, 2006

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

**CERTIFICATE OF SERVICE**

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

Hon. Marlane R. Chestnut  
Administrative Law Judge  
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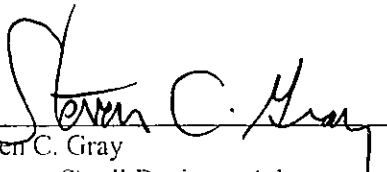
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September 21, 2006

**VIA HAND DELIVERY**

James J. McNulty  
Secretary  
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Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
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Harrisburg, PA 17105-3265

**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation re: Petition of PPL Electric Utilities Corporation for Approval of A Competitive Bridge Plan, Docket No. P-00062227**

Dear Mr. McNulty:

Enclosed, please find the Prehearing Conference Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. As indicated on the enclosed certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,

Michael W. Hassell

MWH:skr

cc: Honorable Marlane R. Chestnut  
Certificate of Service

# DOCUMENT FOLDER

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SECRETARY'S BUREAU

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

### PREHEARING CONFERENCE MEMORANDUM OF PPL ELECTRIC UTILITIES CORPORATION

TO ADMINISTRATIVE LAW JUDGE MARLANE R. CHESTNUT:

PPL Electric Utilities Corporation ("PPL Electric") hereby submits this Prehearing Conference Memorandum in accordance with the Prehearing Conference Order of Marlane R. Chestnut (the "ALJ") dated September 11, 2006.

#### I. HISTORY OF PROCEEDINGS

On August 2, 2006, PPL Electric filed with the Pennsylvania Public Utility Commission ("Commission") a Petition for Approval of a Competitive Bridge Plan.

On August 12, 2006, Notice of the filing of PPL Electric's Petition was published in the Pennsylvania Bulletin. 36 Pa.B. 4576. The Notice directed that formal Protests or Petitions to Intervene would be due on or before August 28, 2006. Answers, Protests and Petitions to Intervene, both timely and late-filed, have been submitted by various entities. In addition, a Motion to Dismiss was filed by Reliant Energy, Inc. ("Reliant"), on August 28, 2006. PPL Electric filed its Answer in Opposition to the Motion to Dismiss on September 18, 2006.

By Hearing Notice dated September 12, 2006, the Commission directed that an initial Prehearing Conference would be held on September 22, 2006.

PPL Electric filed its direct testimony in support of the Petition on September 15, 2006.

## II. PPL ELECTRIC'S PROPOSAL

As the title of the Petition indicates, PPL Electric has requested approval of a plan for acquisition of supply for Provider of Last Resort ("POLR") service as a one-year "bridge" between the end of PPL Electric's POLR rate caps on December 31, 2009 and a fully competitive, statewide market beginning January 1, 2011.<sup>1</sup>

PPL Electric's Competitive Bridge Plan ("CBP") consists of the following major components, which are described in detail in the Petition:

- a three-year competitive procurement program, beginning in 2007, to obtain all of the supply needed to meet the PPL Electric's POLR obligations in 2010;
- enhancements to PPL Electric's existing Demand Side Response ("DSR") programs;
- a three-year consumer education program beginning in 2007; and
- an increase in assistance for low-income customers beginning January 1, 2010.

The competitive procurement program will rely upon Requests for Proposal ("RFPs") issued twice a year, in March and September of 2007, 2008 and 2009, to purchase POLR supplies for 2010. The winning prices from each RFP will be averaged together to produce the POLR rates for 2010. Large commercial and industrial customers will be given the opportunity in late 2008 to "opt in" to a fixed annual rate for 2010, and PPL Electric will issue RFPs in 2009 to obtain POLR supply for those customers. Large customers who do not timely elect the fixed rate option will be able to receive POLR service in 2010 at hourly rates.

## III. WITNESSES AND ISSUES

On September 15, 2006, PPL Electric served the following direct testimony of witnesses in support of its Petition:

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<sup>1</sup> On January 1, 2011, transition periods end for all other major Electric Distribution Companies ("EDCs") in Pennsylvania – Metropolitan Edison Company, Pennsylvania Electric Company, PECO Energy Company and West Penn Power Company. Transition periods have already ended for other EDCs in Pennsylvania, and those EDCs are currently operating under various Commission approved POLR supply acquisition plans.

Statement Number	Witness	Subject Matter
1	Douglas A. Krall – Manager, Regulatory Strategy of PPL Electric	Overview of Filing; Enhancements of DSR programs; consumer education
2	Joseph Cavicchi – Managing Director of Lexecon, an FTI Company	Details of competitive procurement program to obtain POLR supply for 2010
3	Joseph M. Kleha – Manager, Regulatory Projects of PPL Services Corporation	Generation Supply Charge and other rate-related issues
4	Timothy R. Dahl – Manager, Regulatory Programs & Business Services of PPL Electric	Assistance for Low-Income Customers

Based upon the various answers and protests filed, the primary issues appear to concern:

- 1) the timing of the RFP process and the interaction of the RFP process with future POLR regulations to be adopted by the Commission; 2) the design of the RFP process; 3) the structure of POLR rates for customers, in particular large commercial and industrial customers; 4) the design of DSR programs and acquisition of Alternative Energy supplies; 5) increases in assistance to low-income customers to aid in payment of expected increases in rates in 2010; and 6) customer education. Any further definition of issues will be developed by other parties.

The issues related to the POLR bridge procurement program, as listed above, raise principally questions of interim policy, pending adoption of statewide POLR regulations. Such interim policy decisions are not intended to set precedent for other EDCs, or for final POLR regulations. Moreover, as matters principally of interim policy, the issues do not, in PPL Electric's judgment, require substantial factual analysis or the need for a lengthy discovery process in advance of hearings. Most of the parties to this proceeding have been involved in

interim POLR proceedings for other EDCs, and thus should be able to proceed at an accelerated pace to present their policy positions.

#### IV. SCHEDULE

PPL Electric has proposed to hold its first RFP solicitation in late March 2007. In order to hold the first solicitation by that date, it is necessary that the Commission rule upon PPL Electric's Petition by the end of January 2007. Delay in resolving the Petition will compress the POLR supply acquisition period, and as a result expose PPL Electric's POLR customers to increased risk that procurements would occur during an abnormally high cost period. Therefore, an early resolution of this proceeding is in the interest of PPL Electric's customers. As noted previously, the issues presented in the case are much more policy than fact oriented, and therefore a compressed litigation schedule should be manageable for experienced parties and counsel. PPL Electric proposes the following schedule:

PPL Electric Petition Filed	August 2, 2006
PPL Electric Direct Testimony Filed	September 15, 2006
Prehearing Conference	September 22, 2006
Other Parties' Direct Testimony	October 27, 2006
Rebuttal Testimony	November 10, 2006
Surrebuttal Testimony	November 17, 2006
Hearings	November 20-21, 2006
Main Brief	December 8, 2006
Reply Brief	December 15, 2006
Target Date for ALJ Decision	January 12, 2007

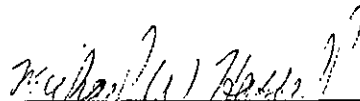
Service of testimony and briefs to be by electronic mail and first class mail.

To facilitate the schedule, PPL Electric proposes an accelerated discovery schedule.

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service of the interrogatories;
2. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be submitted to the ALJ within five (5) calendar days of service of interrogatories;
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of written objections;
4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions;
5. Rulings over motions shall be issued, if possible, within five (5) calendar days of the filing of the motion;
6. Responses to requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days; and
7. Requests for admission shall be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service of the requests.

The parties have held an initial settlement conference, and PPL Electric will work with the parties, on an individual and collective basis, in an effort to resolve this proceeding, in whole or in part, through settlement.

Respectfully submitted,



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Of Counsel:

Post & Schell, P.C.

Date: September 21, 2006

Attorneys for  
PPL Electric Utilities Corporation

## CERTIFICATE OF SERVICE

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

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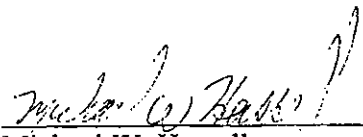
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Date: September 21, 2006

  
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September 21, 2006

**VIA HAND DELIVERY**

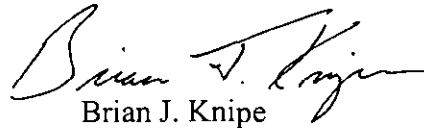
James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2nd Floor, Room-N201  
400 North Street  
Harrisburg, PA 17120

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

Dear Secretary McNulty:

I have enclosed for filing and original and three copies of the Prehearing  
Memorandum of Reliant Energy, Inc. Please call me if you have any questions.

Very truly yours,



Brian J. Knipe

For BUCHANAN INGERSOLL & ROONEY, PC

**DOCUMENT  
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BJK/eh

Enclosures

cc: The Honorable Marlane R. Chestnut,  
Administrative Law Judge (w/encl.)  
Certificate of Service (w/encl.)

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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 :

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**PREHEARING MEMORANDUM OF  
RELIANT ENERGY, INC.**

Reliant Energy, Inc. ("Reliant"), by and through its undersigned attorneys, hereby submits this Prehearing Memorandum in accordance with the Prehearing Conference Order entered on September 11, 2006 by Administrative Law Judge Marlane R. Chestnut.

Reliant provides electricity and energy services to retail customers in the Commonwealth of Pennsylvania as well as in other states. Through its subsidiaries, the Company has more than 16,000 megawatts of power generation capacity in operation in North America and provides retail service to approximately 1.9 million customers nationwide, with sales of approximately 68,000 GWhs. Reliant's subsidiary Reliant Energy Solutions East, LLC is a licensed Electric Generation Supplier ("EGS") in the Commonwealth of Pennsylvania, and Reliant's subsidiaries own approximately 5,000 MW of generation in Pennsylvania.

**I. History of the Proceeding**

On August 2, 2006, PPL Electric Utilities Corporation ("PPL") filed a *Petition of PPL Electric Utilities Corporation for Approval of a Competitive Bridge Plan* ("Petition"). PPL's Petition requests Commission approval of a Competitive Bridge Plan ("CBP") to supply provider of last resort ("POLR") service during 2010, as a transition to a fully competitive statewide market beginning January 1, 2011. PPL proposes to procure the electric energy to serve its POLR customers during 2010 by conducting a

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series of six individual procurements over three years, starting in 2007. PPL further proposes to recover the blended costs of these procurements from its retail customers on a dollar-for-dollar basis through a fully reconcilable rate mechanism. PPL requests that the Commission approve the proposed CBP by no later than January 31, 2007. On August 12, 2006, notice of this proceeding was published in the *Pennsylvania Bulletin*, with a deadline to file formal protests and petitions to intervene by no later than August 28, 2006.

On August 28, 2006, Reliant filed a Petition to Intervene in this proceeding. Reliant also filed an Answer and New Matter, and a Motion to Dismiss. Reliant's Motion to Dismiss requests that the Commission dismiss the Petition because the CBP is inconsistent with the public interest and fundamental principles of administrative economy. The statements in Reliant's Petition to Intervene, Answer and New Matter, and Motion to Dismiss are incorporated herein by reference, and Reliant renews its request that its Petition to Intervene be granted.

## **II. Issues**

Reliant sees the following as prospective issues in this case:

- Whether PPL's CBP should be rejected, given that the Commission is aware that PPL's capped generation rates expire on December 31, 2009 and the Commission is proceeding with adoption of a state-wide POLR rule which should be adopted well in advance of December 31, 2009;
- Whether PPL should be obligated to fully adhere to the POLR Rule at the end of its transition period, rather than obtain waivers now from the

Commission from the POLR Rule in advance of the Commission's adoption of the POLR Rule.

**III. List of Proposed Witnesses and Subject of Their Testimony**

PPL has recently filed testimony in the case and as a result Reliant has not made a determination as to what witnesses it may offer in this case.

**IV. Proposed Schedule**

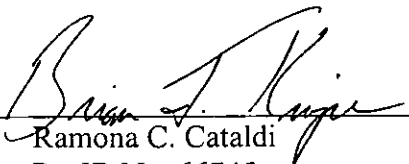
Reliant is willing to work with other parties in the case to develop a reasonable procedural schedule that allows the issues in the case to be fully addressed.

**V. Conclusion**

Reliant stands ready to participate fully in this case. Consistent with its Petition to Intervene, Reliant requests that it be accorded full party status. Consistent with that status, Reliant hereby requests to take part in any and all settlement discussions that take place in this matter.

Respectfully submitted,

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Attorneys for Reliant Energy, Inc.

Dated: September 21, 2006

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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SECRETARY'S BUREAU

Re: 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 Prehearing Memorandum of Reliant Energy, Inc. 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 21st day of September 2006.

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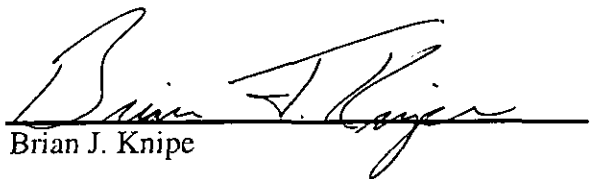
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