

COMMONWEALTH OF PENNSYLVANIA



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November 5, 2015

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Periodic Review of PPL Electric
Utilities Corporation's Long Term
Infrastructure Improvement Plan
Docket No. M-2015-2505631

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments
in the above-referenced proceeding.

Respectfully submitted,

Erin L. Gannon (YG)

Erin L. Gannon
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Attachment

cc: Matthew Stewart, TUS
Daniel Searfoorce, TUS
Darren Gill, TUS
Robert Young, LAW
Paul Metro, I&E

CERTIFICATE OF SERVICE

Periodic Review of PPL Electric Utilities :
Corporation's Long Term Infrastructure : Docket No. M-2015-2505631
Improvement Plan :

I hereby certify that I have this day served a true copy of the following document, Office of Consumer Advocate's Comments, 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 5th day of November 2015.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Periodic Review of PPL Electric Utilities :
Corporation's Long Term Infrastructure : Docket No. M-2015-2505631
Improvement Plan :

COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE

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Dated: November 5, 2015

I. INTRODUCTION

In order to qualify for DSIC recovery, a utility must submit a Long-Term Infrastructure Improvement Plan (LTIIIP) for Public Utility Commission (Commission) approval. See 66 Pa. C.S. § 1352. PPL Electric Utilities Corporation's (PPL or the Company) current Long Term Infrastructure Improvement Plan (LTIIIP) began with calendar year 2013 and ends in 2017. Petition of PPL Electric Utilities Corporation for Approval of its LTIIIP, Docket No. P-2012-2325034, Order (Jan. 10, 2013) (LTIIIP Order). The Company filed Annual Asset Optimization Plans (AAOP) on March 28, 2014 and March 2, 2015 at Docket Nos. M-2014-2413271 and M-2015-2469861, respectively. The AAOPs describe all eligible property improved in the preceding 12-month period pursuant to the LTIIIP and prior year's AAOP and the facilities to be improved in the upcoming 12-month period.

On October 6, 2015, the Commission served notice that it was beginning a midpoint review of PPL's LTIIIP. The Commission established a thirty (30) day period for interested parties to provide Comments that will be considered in the Commission's determination of whether (1) PPL has adhered to its LTIIIP and (2) if changes to the LTIIIP are necessary to maintain and improve the efficiency, safety, adequacy and reliability of PPL's existing distribution infrastructure.

Consistent with the Commission's Secretarial Letter of October 6, 2015, the OCA submits the following Comments.

II. COMMENTS

A. Introduction

PPL proposes to invest more than \$705 million during the five-year period of its LTIIIP. LTIIIP Order at 11. The Company provided a chart on page 7 of its 2014 AAOP, which

summarized the original projections and actual expenditures for 2013 and original and revised projected expenditures for 2014 for the 32 asset groups originally included in its LTIP. PPL exceeded the original amount it projected to spend on DSIC eligible projects in 2013 by approximately \$5 million and anticipated that its actual 2014 expenditures would be approximately \$4 million below LTIP projections.

With regard to the projected and actual units replaced/reinforcements/inspections for 2013 and projections for 2014, PPL described the progress of each program and discussed deviations from the original projections. 2014 AAOP at 6, 11-46. It noted that some programs have been modified, due to changing circumstances, but did not propose to eliminate any of its programs.

In PPL's 2015 AAOP, it reported spending approximately \$9 million less than its LTIP projection and \$5 million less than its 2014 AAOP projection. It proposed to spend approximately \$2 million more than its LTIP projection for 2015. As in the prior AAOP, with regard to projected and actual replacements/reinforcements/inspections, PPL noted that some programs have been modified, due to changing circumstances, but did not propose to eliminate any of its programs. 2015 AAOP at 6, 11-46.

PPL also provided historical benchmark performance for 2013 and 2014 compared to years prior. The data showed improvement in service reliability in 2013 and decline in 2014. PPL partly attributed annual swings since 2009 to varying weather conditions. 2014 AAOP at 8-9, 2015 AAOP at 6-7. The Company opines that "increased and accelerated levels of funding for distribution reliability programs will help to ensure more consistent performance below the PUC benchmark." 2015 AAOP at 6.

B. Adherence to LTIIIP

From a preliminary review of PPL's filing, the Company appears to be adhering to its LTIIIP. While there are some differences between the projected and completed projects for 2013 and 2014, PPL has provided a significant level of detail in its AAOPs to assist the Commission in determining whether those differences are warranted.

C. Additional Information

Pursuant to Act 11, the Commission must determine whether the LTIIIP is prudent and cost-effective and will maintain safe, reliable, and reasonable service. 66 Pa. C.S. §§ 1352(a)(5), (a)(6) and 1353. From a preliminary review of PPL's filing, the OCA has not identified any specific changes that should be made to maintain and improve the Company's infrastructure. The OCA submits, however, that some additional information may help the Commission to make a complete assessment.

Specifically, pursuant to Commission regulations, PPL makes biennial filings regarding inspection, maintenance, repair and replacement and periodic filings regarding the Company's capital investment plans. See 52 Pa. Code § 57.191 *et seq.* and 52 Pa. Code § 73.1 *et seq.*, respectively. PPL filed its most recent Biennial Inspection, Maintenance, Repair and Replacement Plan on October 1, 2014. See Docket No. M-2009-2094773 (Biennial Report). In the 2014 and 2012 Biennial Reports, the Company calculated its avoided costs and the benefits of its infrastructure repair and replacement plans for 2014 through 2017, which coincides with the time period reflected in PPL's LTIIIP. Comparison of these reports with PPL's 2014 and 2015 AAOPs could assist the Commission in determining if PPL is meeting the acceleration and cost-effectiveness requirements of Act 11 or if any changes to the LTIIIP are necessary.

III. CONCLUSION

The OCA submits that the review of PPL's 2012 and 2014 Biennial Reports may assist the Commission to determine if changes to the LTIP are necessary to maintain and improve the efficiency, safety, adequacy and reliability of PPL's existing distribution infrastructure, in an accelerated and cost-effective manner as required by Act 11.

Respectfully submitted,

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