



17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Main Fax
www.postschell.com

Devin Ryan

dryan@postschell.com
717-612-6052 Direct
717-731-1985 Direct Fax
File #: 140074

November 9, 2015

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Jay Larry Moyer v. PPL Electric Utilities Corporation
Docket Nos. C-2011-2273645 & C-2014-2444864

Secretary Chiavetta:

Enclosed for filing are PPL Electric Utilities Corporation's Replies to Exceptions in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DTR/jl
Enclosures

cc: Honorable Cynthia Williams Fordham (*via E-mail & First Class Mail*)


CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

Jay Larry Moyer
370 West Johnson Street
Apartment C-1
Philadelphia, PA 19144
E-mail: gtown73@hotmail.com

Date: November 9, 2015



Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Jay Larry Moyer	:	
	:	Docket Nos. C-2011-2273645
v.	:	C-2014-2444864
	:	
PPL Electric Utilities Corporation	:	

**PPL ELECTRIC UTILITIES CORPORATION
REPLIES TO EXCEPTIONS**

Paul E. Russell (ID #21643)
Associate General Counsel
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101
Phone: 610-774-4254
Fax: 610-774-6726
E-mail: perussell@pplweb.com

David B. MacGregor (ID #28804)
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
Phone: 215-587-1197
Fax: 215-320-4879
E-mail: dmacgregor@postschell.com

Of Counsel:

Post & Schell, P.C.

Christopher T. Wright (ID #203412)
Devin T. Ryan (ID #316602)
Post & Schell, P.C.
12th Floor, 17 North Second Street
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: cwright@postschell.com
E-mail: dryan@postschell.com

Date: November 9, 2015

Counsel for PPL Electric Utilities Corporation

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. REPLIES TO EXCEPTIONS	3
A. <u>REPLY TO EXCEPTION NOS. 1 AND 4</u> – The ALJ Duly Considered and Properly Weighed All Record Evidence and Was Not Biased Toward the Company	4
B. <u>REPLY TO EXCEPTION NO. 2</u> – The ID Correctly Found that PPL Electric Is Not Required to Implement an Automated Billing Process.....	8
C. <u>REPLY TO EXCEPTION NO. 3</u> – The ID Correctly Stated that the Host Account Must Have Non-Generational Load to Participate in Virtual Meter Aggregation.....	11
D. <u>REPLY TO EXCEPTION NO. 5</u> – The ID Properly Concluded that No Fines or Penalties Were Warranted Because PPL Electric Committed No Violation.....	13
E. <u>REPLY TO EXCEPTION NO. 6</u> – The ID Correctly Determined that PPL Electric’s Tariff Requires the Complainant’s Solar Facilities to Be Placed under Rate Schedule GS-1 and Charged Appropriately	15
III. CONCLUSION.....	20

I. INTRODUCTION

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) herein submits these Replies to the Exceptions of Jay Larry Moyer (“Complainant”). In his Exceptions, the Complainant argues that the Initial Decision on Remand (“ID”) of Administrative Judge Cynthia Williams Fordham (“ALJ”) erred in recommending that: (1) the First Complaint at Docket No. C-2011-2273645 be granted in part and denied in part; and (2) the Second Complaint at Docket No. C-2014-2444864 be dismissed in its entirety.

This proceeding involves two Formal Complaints filed by the Complainant regarding PPL Electric’s manual billing process and payments for virtual meter aggregation electric service provided to the Complainant’s residence and detached solar array, which are connected to the Company’s electric distribution system at two separate locations in Klingerstown, Pennsylvania. The proceeding was initiated on November 15, 2011, when the Complainant filed the “First Complaint” at Docket No. C-2011-2273645. The First Complaint alleged that PPL Electric failed to properly aggregate the Complainant’s accounts under the Company’s Net Metering for Renewable Customer-Generators Rider’s virtual meter aggregation provisions and that, as a result, the Complainant’s account failed to be properly credited for the electricity that was generated by his solar panels. On October 23, 2014, PPL Electric was served with the “Second Complaint” at Docket No. C-2014-2444864. The Second Complaint alleged issues regarding the accuracy and content of PPL Electric’s manual billing process for the Complainant’s virtual net meter aggregation accounts.¹ The Complainant has requested that the Company be directed to implement an automated billing process for virtual meter aggregation and that detailed

¹ A detailed background of PPL Electric’s manual billing process for virtual meter aggregation as well as a history of the Complainant’s accounts were provided on pages 15 to 22 of PPL Electric’s Reply Brief and are incorporated herein.

information regarding usage, excess generation, credits, and cash outs be presented on a single bill.

On September 21, 2015, the ALJ issued the ID. The ID granted the First Complaint with respect to the compensation owed to the Complainant for credits earned between May 2010 and December 2010 (*i.e.*, the period he was removed from virtual meter aggregation service) and dismissed the First Complaint in all other respects. The ID also dismissed the Second Complaint in its entirety.

The Complainant asserts the following Exceptions to the ID: (1) the ID overlooked evidence offered by the Complainant; (2) the ID erred in finding that PPL Electric's manual billing process is reasonable and appropriate; (3) the ID erred in endorsing a Company "policy" to require non-generational load at the host account; (4) the ID erred in accepting the Company's claims without specific evidence supporting them; (5) the ID erred in deciding not to impose fines or penalties on PPL Electric; and (6) the ID erred in finding that the commercial Rate Schedule GS-1 should be imposed on his host account.

The Complainant's Exceptions are fraught with misstatements, ignore unrefuted evidence in the record, and simply aim to have this Commission reweigh the evidence presented before the ALJ. Although the Complainant has a "wish list" of changes he would like made to PPL Electric's billing process, none of these changes are required. Moreover, there is no evidence that PPL Electric has violated any provision of the Alternative Energy Portfolio Standards Act ("AEPS Act"), the Pennsylvania Public Utility Code, the Commission's regulations, or the Company's tariff. For these reasons, as more fully explained below and in PPL Electric's Reply Brief, which is incorporated herein, the Commission should adopt the recommendation of the ID

without modification and grant in part and deny in part the First Complaint and dismiss the Second Complaint in its entirety.

II. REPLIES TO EXCEPTIONS

Before addressing the specific arguments raised in the Complainant's Exceptions, it is important to observe that the Complainant has failed to meet his burden of proof. The Complainant has filed two Complaints alleging that PPL Electric failed to properly aggregate his virtual meter aggregation accounts, and challenging the accuracy and content of PPL Electric's virtual meter aggregation bills and processes. Importantly, the fact that the Complainant is unhappy with or misunderstands PPL Electric's virtual meter aggregation program and billing process is not sufficient to meet his burden of proof. Rather, the Complainant must demonstrate by a preponderance of evidence that PPL Electric's virtual meter aggregation program and billing process violate the Pennsylvania Public Utility Code, the AEPS Act, Commission regulations, or PPL Electric's tariff.²

In this case, nothing in the record suggests that PPL Electric violated the AEPS Act, the Pennsylvania Public Utility Code, the Commission's regulations, or the Company's Commission-approved tariff. Simply stated, there is nothing in the Public Utility Code, the AEPS Act, Commission regulations, or PPL Electric's tariff that requires: (1) automation of virtual meter aggregation billing; (2) a single bill for all accounts associated with virtual meter aggregation; or (3) that the additional information requested by the Complainant be included on the bills for virtual meter aggregation customers. Further, the unrefuted evidence demonstrates

² See 66 Pa. C.S. § 701 (stating that any offense alleged by the Complainant must be a violation of the Public Utility Code, the Commission's regulations, or a Commission order); *Shank v. PPL Elec. Utils. Corp.*, Docket No. C-2009-2087300, 2009 Pa. PUC LEXIS 1624, at *7 (Order Entered Aug. 31, 2009) (citations omitted) (observing that a Complainant bears the burden to prove the utility "was responsible for the problems alleged in his Complaint through as violation of the Public Utility Code or a Regulation or Order of the Commission"); *accord Vermeychuk v. PECO Energy Co.*, Docket No. C-2013-2388323, 2015 Pa. PUC LEXIS 126, at *18 (Mar. 23, 2015) (Initial Decision) (Fordham, A.L.J.) (citation omitted), *became final without further Commission action*, Docket No. C-2013-2388323 (Order Entered May 1, 2015).

that PPL Electric's billing system simply cannot, absent a costly upgrade, do what the Complainant has requested. The record also demonstrates that PPL Electric's manual billing process is reasonable and accurate.³ For these reasons, and as explained in more detail below, the Commission should deny the Complainant's Exceptions.

A. REPLY TO EXCEPTION NOS. 1 AND 4 – The ALJ Duly Considered and Properly Weighed All Record Evidence and Was Not Biased Toward the Company

The Complainant argues that the ID overlooked evidence offered by the Complainant and erred in accepting the Company's claims without specific evidence supporting them. (Exceptions, pp. 3, 15.) For the reasons explained below, the Complainant's arguments are without merit and Exception Nos. 1 and 4 should be denied.

The Complainant first criticizes the ID for not addressing, in detail, every single argument or piece of evidence he presented and each legal citation he made. (Exceptions, pp. 3-9.) To claim that the ALJ overlooked or did not consider the Complainant's evidence and arguments is untenable. Indeed, the ALJ is well-acquainted with the facts of the case and the issues raised by the Complainant, having presided over all of the hearings at Docket Nos. C-2011-2273645 and C-2014-2444864, both before and after the Commission's remand. Additionally, the ALJ reached her decision based on an extensive and complete record, which includes: a 238-page transcript, the Complainant's direct and surrebuttal testimony, PPL Electric's rebuttal testimony, the Complainant's 180 exhibits, PPL Electric's five exhibits, the Complainant's Main Brief, and PPL Electric's Reply Brief. (ID at 13.)

³ In lieu of an automated process, the Company utilizes an inexpensive manual billing process to calculate and apply the credits owed to virtual meter aggregation customer-generators. (PPL RB, p. 17.) PPL Electric has fine-tuned this manual billing process and explained how it has accurately calculated and applied credits for the electricity generated by the Complainant's detached solar array toward his residential account. (PPL RB, pp. 20-22, 26-29, 38.)

Although the ID may not address, in detail, each argument or piece of evidence submitted by the Complainant, such an exhaustive recounting of the record would be impractical, overly burdensome, and unnecessary. Further, to the extent that an argument or piece of evidence was not explicitly addressed in the ID, PPL Electric clearly refuted those arguments and rebutted that evidence, as seen in the Company's Reply Brief. (*See, e.g.*, PPL RB, pp. 27-32) (explaining the alleged inconsistencies in the Complainant's billing and crediting history as well as the information presented on his bills).

Next, the Complainant contends that several findings in the ID were not supported by evidence. (Exceptions, pp. 15-18.) Although the Complainant may not like the findings in the ID, this does not mean they were not supported by substantial evidence. Moreover, the facts with which the Complainant takes issue were presented by the Company and, importantly, not disputed by the Complainant.

For example, the Complainant attacks the ID for finding that PPL Electric tried and was unable to modify its billing system to implement an automated billing process. (Exceptions, pp. 15-16.) However, PPL Electric presented evidence supporting this fact, and nothing in the record disputes it. (PPL RB, p. 37.) The Complainant also contests the ID's finding that PPL Electric's manual billing process is inexpensive. (Exceptions, p. 16.) Again, the undisputed evidence demonstrates that PPL Electric's manual billing process is inexpensive. (PPL RB, pp. 17, 23.) If the Complainant wanted to challenge the Company's evidence, he should have done so before the record closed. In any event, the Complainant simply cannot claim that the ID's findings are unsupported by record evidence because he does not like them.⁴

⁴ The Complainant avers that the ID "is patently incorrect in asserting that the Complainant failed to 'delineate specific errors' when he requested a New Hearing." (Exceptions, p. 4.) However, it is evident that the Complainant did not delineate specific errors in his request. Rather, his request stated that the materials he mailed on May 31, 2014, "delineated those errors" and that he would present the billing "omissions, errors, and

The Complainant also takes issue with the ID incorporating and citing certain passages from PPL Electric's Reply Brief. (*See, e.g.*, Exceptions, pp. 4, 6, 8.) It is not uncommon for initial decisions and recommended decisions to quote, cite, reference, and rely on passages from parties' briefs. Indeed, this is routinely done in Commission proceedings. Further, the ID's reliance on the arguments made in PPL Electric's Reply Brief merely demonstrates that the Company's arguments were more persuasive than the Complainant's. Moreover, the ID's reliance on PPL Electric's characterizations is completely warranted in the situations identified by the Complainant. For instance, he notes that the ID utilized PPL Electric's description of its manual billing process verbatim. (Exceptions, p. 6.) Since it is the Company's billing process, it is entirely logical for the ID to rely on PPL Electric's description.

In an effort to support his claim that the ID failed to consider the record evidence, the Complainant contends that the information on his bills is inaccurate and cannot be reconciled with the Company's spreadsheets. (Exceptions, p. 5.) As explained in PPL Electric's Reply Brief, Exhibit APC-5 is a spreadsheet that presents an accurate and complete history of the Complainant's billing and crediting history. (PPL RB, pp. 20-22.) Indeed, the Company has explained at length how Exhibit APC-5 matches up with his bills. (PPL RB, pp. 18-22, 26-29.) The Company also has offered to provide the Complainant with all of the information he has requested to verify the information in his bills is accurate. (ID at 22.) The ID also noted that the Complainant has an independent side meter that provides him with the amount of electricity generated at his detached solar array and that the Company has other useful tools, such as the Energy Analyzer, for customer-generators to review. (ID at 21.) Therefore, the record evidence

discrepancies . . . in detail" at the hearing. (September 25, 2014 Letter, Docket No. C-2011-2273645, pp. 1-2.) Notwithstanding, this issue is moot because the Company agreed to a new hearing despite the Complainant's failure to delineate specific errors. (ID at 7.)

demonstrates that the Complainant's bills are accurate and can be verified by several sources, many of which the Complainant refuses to use.

The Complainant also cites and refers to the contents of an exhibit, Exhibit JLM-7, to support his argument that he should receive a single bill for his two accounts. (*See* Exceptions, p. 17.) However, the ALJ struck that exhibit from the record at the evidentiary hearing. (Tr. 119-20, 139.) The Complainant can only cite to and rely on the evidence of record in this proceeding. *See Application of Apollo Gas Co.*, Docket No. A-120450, F003, 1994 Pa. PUC LEXIS 45, at *8 (Order Entered Feb. 10, 1994) ("Post hearing objections to a decision must be based on evidence in the record."). Further, Exhibit JLM-7 is the product of a different utility's billing system and has no bearing on the issue at hand, namely whether PPL Electric is legally required to aggregate the Complainant's two customer accounts on a single bill. Thus, the Commission should disregard all of the Complainant's references and discussion in his Exceptions pertaining to this exhibit. (*See* Exceptions, pp. 13, 17-18, 23.)

In his Exception Nos. 1 and 4, the Complainant requests that the Commission vacate the ID for its failure "to provide a thorough, detailed, and balanced examination of the evidence presented" and "for its lack of critical, independent analysis and for its failure to require sufficient evidence." (Exceptions, pp. 9, 18; *see also* Exceptions, p. 23.) Essentially, the Complainant avers that the ALJ was biased toward the Company. These claims are false and entirely unsubstantiated. Nothing in the ID or the record even hints at favoritism toward the Company. Indeed, a review of the record and the ID clearly demonstrates that the ALJ performed a thorough, independent, and impartial analysis of the record before her.

Moreover, the Commission should deny the Complainant's request to vacate the ID because this matter is ripe for disposition. In its *January 2014 Order*, the Commission reopened

the record and remanded for further proceedings so that a more complete record about the Complainant's billing and crediting history could be developed. *Moyer v. PPL Elec. Utils. Corp.*, Docket No. C-2011-2273645, pp. 21-23 (Order Entered Jan. 9, 2014) (“*January 2014 Order*”). Such a record is before the Commission now. Therefore, vacating the ID is unnecessary and would only serve to further delay resolving a case that has been litigated for over four years.

In his Exception No. 4, the Complainant also requests that the Commission “confer with IT experts and make its own, independent determination about the feasibility of automation in billing for virtual meter aggregation.” (Exceptions, p. 18.) Essentially, the Complainant wants the Commission to step in the shoes of the Company and determine what actions it should take and costs it should incur. It is well-established that the Commission should not act as the super board of directors for a utility and interfere in the internal management of a utility company. See *Bell Tele. Co. v. Driscoll*, 21 A.2d 912, 916-17 (Pa. 1941) (citations omitted); *Metro. Edison Co. v. Pa. PUC*, 437 A.2d 76, 80 (Pa. Cmwlth. 1981) (citations omitted). Granting the Complainant's request would exceed the Commission's authority and place the Commission in the position of making internal management decisions for the utility. Thus, the Complainant's requested relief should be rejected.

Based on the foregoing, Exceptions Nos. 1 and 4 should be denied.

B. REPLY TO EXCEPTION NO. 2 – The ID Correctly Found that PPL Electric Is Not Required to Implement an Automated Billing Process

The Complainant argues that PPL Electric should implement an automated billing process for virtual meter aggregation. (Exceptions, p. 13.) In support, the Complainant alleges that PPL Electric's manual billing process produces bills that are incomplete and inaccurate. (Exceptions, p. 9.) To correct this alleged deficiency, the Complainant avers that several pieces

of information about his accounts, such as the amount of electricity generated at the host account, should be presented to him on a single bill. (Exceptions, pp. 10-11.) For the reasons explained below, the Complainant's arguments are without merit, and Exception No. 2 should be denied.

As a preliminary matter, it must be noted that the Complainant mischaracterizes the fundamental issue. For purposes of the complaint proceeding, it is not whether PPL Electric should implement an automated billing process; rather, it is whether the Company is legally required to implement such a process. Nothing in the AEPS Act, the Pennsylvania Public Utility Code, or the Commission's regulations requires an automated billing process for virtual meter aggregation. (PPL RB, p. 23.) Moreover, the Commission supports the use of manual processes when automated ones are unavailable, too costly, or incapable of performing the necessary functions. (PPL RB, p. 24.) Thus, PPL Electric's use of a manual billing process is permissible.

It is undisputed that absent a costly upgrade, PPL Electric's current billing system cannot automate virtual meter aggregation. (PPL RB, p. 23, 37-38.) The cost to upgrade PPL Electric's billing system was initially estimated to be \$150,000. (PPL RB, p. 37.) However, after it submitted its rebuttal testimony, the Company tried and was unable to modify its billing system as requested by the Complainant. (PPL RB, p. 37.) Therefore, the initial estimate of \$150,000 is no longer valid, and the cost of the upgrade is not known at this time. (PPL RB, p. 37.) Further, such an upgrade would benefit only 98 customer-generators. (PPL RB, pp. 37-38.) Importantly, of those 98 customer-generators, the Complainant is the only one to complain about the manual billing process. (PPL RB, p. 55.) Considering the cost of the upgrade and the small number of customers that would benefit from the upgrade, it would be unreasonable to shift the costs of

developing and implementing an automated billing process onto all of PPL Electric's ratepayers. (PPL RB, p. 38.)

In addition, a costly upgrade to PPL Electric's billing system is unnecessary because the Company's manual billing process accurately calculates and applies the credits for customer-generators participating in virtual meter aggregation. (PPL RB, p. 38.) The Company has calculated and applied credits appropriately from when the Complainant began participating in virtual meter aggregation in March 2009 to February 2015. (PPL RB, p. 20; *see* Exhibit APC-5.) Any alleged discrepancies or inconsistencies cited by the Complainant were explained or refuted by the Company. (PPL RB, pp. 26-32.)

The Company has offered to provide the Complainant with the exact same calculation sheets used in its billing process for virtual meter aggregation on a monthly basis. (PPL RB, p. 38.) These monthly calculation sheets would provide the Complainant with all of the information he has requested to be presented on his bills. (PPL RB, p. 38.) Additionally, the Complainant already has several tools available to him to verify the information presented in his bills, including the Company's Energy Analyzer website. (PPL RB, pp. 43-44.) The Complainant also stated that his own independent side meter has tracked the electricity generated at his detached solar array since it began operating in 2009. (PPL RB, p. 43.) The Complainant also acknowledged that the detached solar array's inverter tracks and stores data showing the kilowatt hours of generation and that he reports the amount of his generation to the Generation Attribute Tracking System on a monthly basis. (PPL RB, pp. 43-44.) Although the Complainant refuses to accept these sources of information, it is clear that the information demanded by the Complainant either is already in his possession or readily attainable. Thus, a costly upgrade to PPL Electric's billing system is unnecessary.

For these reasons, the Complainant's requests that PPL Electric implement an automated billing process that would produce all of his requested information on a single bill or, alternatively, that the Company should present several items of information on the bills for his host and satellite accounts should be denied. (Exceptions, pp. 13, 23.) Notwithstanding, to the extent that the Commission orders PPL Electric to implement an automated billing process for virtual meter aggregation and produce bills with the information requested by the Complainant, the Company should be permitted to fully recover such costs subject to review in an appropriate proceeding.

Based on the foregoing, Exception No. 2 should be denied.

C. REPLY TO EXCEPTION NO. 3 – The ID Correctly Stated that the Host Account Must Have Non-Generational Load to Participate in Virtual Meter Aggregation

The Complainant claims that ID has accepted the Company's "policy" of requiring non-generational load at the host account for a person to participate in virtual meter aggregation. (Exceptions, p. 13.) As a result, the Complainant argues that the Company should "be held accountable" for this action. (Exceptions, p. 14.) The Complainant's arguments are without merit, are moot, and should be denied.

The requirement for independent, non-generational load at the host account is not a Company policy, as alleged by the Complainant. It is a requirement specified in the Company's Commission-approved tariff, which has the force and effect of law. *See PPL Elec. Utils. Corp. v. Pa. PUC*, 912 A.2d 386, 402 (Pa. Cmwlth. 2006) (citing 66 Pa. C.S. § 1303 and *Pa. Elec. Co. v. Pa. PUC*, 663 A.2d 281, 284 (Pa. Cmwlth. 1995)). A public utility's tariff is "binding on the

customer as well as the utility.” *Id.* (citing *Pa. Elec. Co. v. Pa. PUC*, 663 A.2d 281, 284 (Pa. Cmwlth. 1995)).⁵

Notwithstanding the foregoing, the issue of independent, non-generational load is moot. The Commission’s *January 2014 Order* directed PPL Electric to permit the Complainant to participate in virtual meter aggregation, subject to changes in applicable laws or tariffs. *January 2014 Order*, p. 23. Therefore, the non-generational load requirement is not an issue in this case. Further, the ID adopted PPL Electric’s proposal to compensate the Complainant for the period he was removed from virtual meter aggregation plus interest. (ID at 44; PPL RB, pp. 20 n.8.) As a result, the Company already is going to “be held accountable” for removing the Complainant from virtual meter aggregation by virtue of compensating him for the credits earned during that period.

In his Exceptions, the Complainant cites Comments that PPL Electric submitted in the Commission’s Rulemaking proceeding at Docket No. L-2014-2404361. (Exceptions, p. 14.) These Comments were submitted in response to a Notice of Proposed Rulemaking that remains pending before the Commission. Importantly, unless and until the Commission issues a Final Rulemaking Order that changes the current net metering requirements, the current state of the law requires that a customer-generator have independent, non-generational load to be eligible to participate in net metering. In any event, this issue is moot for the reasons explained above.

In his Exceptions, the Complainant requests that the Commission: (1) withdraw the non-generational load requirement in its forthcoming regulations; (2) impose fines and penalties on

⁵ The Commission has explained in a recent Rulemaking Order that the AEPS Act and the existing net metering regulations require, among other things, that an alternative energy system have measurable electric load independent of the alternative energy system to qualify as a “customer-generator” eligible to participate in net metering. The Commission has proposed to clarify that, to be independent of the alternative energy system, the electric load must have a purpose other than to support the operation, maintenance or administration of the alternative energy system. *See Implementation of the Alternative Energy Portfolio Standards Act of 2004*, Docket No. L-2014-2404361 (Order Entered April 23, 2015) (“*Advance Notice of Final Rulemaking Order*”).

the Company; and (3) declare the Complainant's solar facilities as qualified for virtual meter aggregation. (Exceptions, pp. 15, 23.) These requests are unreasonable and outside the scope of this proceeding. Whether the Commission should withdraw the non-generational load requirement is an issue properly addressed in the pending proceeding at Docket No. L-2014-2404361.⁶ Moreover, the Complainant's request for fines or penalties to be imposed should be rejected because the Company has not violated the AEPS Act, the Pennsylvania Public Utility Code, the Commission's regulations, or its Commission-approved tariff. Finally, the Commission need not declare the Complainant's facilities as qualified for virtual meter aggregation because it already did so in its *January 2014 Order*. See *January 2014 Order*, p. 23.

Based on the foregoing, Exception No. 3 should be denied.

D. REPLY TO EXCEPTION NO. 5 – The ID Properly Concluded that No Fines or Penalties Were Warranted Because PPL Electric Committed No Violation

The Complainant argues that the ID should have imposed fines or penalties on PPL Electric for not implementing an automated billing process for virtual net metering and for temporarily removing the Complainant from virtual net metering due to lack of independent, non-generation load. (Exceptions, pp. 19, 23.) The Complainant's request that the Commission impose fines or penalties on PPL Electric is fundamentally flawed and should be rejected.

First and foremost, the Complainant has failed to meet his burden of proof that the Company has violated any provision of the AEPS Act, the Pennsylvania Public Utility Code, the Commission's regulations, or the Company's tariff. No applicable law or regulation requires the Company to implement an automated billing process for virtual meter aggregation or to provide the Complainant with a single bill for his two metered accounts. Moreover, the Company cannot

⁶ PPL Electric notes that the Complainant has submitted Comments regarding the independent, non-generational load requirement proposed in the *Advance Notice of Final Rulemaking Order*. (Moyer Comments, Docket No. L-2014-2404361 (Apr. 30, 2015)).

be penalized for enforcing its Commission-approved tariff. *See* 66 Pa. C.S. § 3303. Therefore, PPL Electric cannot be subject to penalties for removing the Complainant’s system from virtual meter aggregation or for imposing the Rate Schedule GS-1 customer charges on his host account.⁷ In short, no fines or penalties can be imposed absent a violation by PPL Electric.

As seen in the ID, PPL Electric addressed every factor in Section 69.1201 of the Commission’s regulations⁸ and demonstrated that the imposition of fines and penalties is unwarranted. (ID at 37-40; PPL RB, pp. 53-57.) Despite the Complainant’s assertion otherwise, the Company cannot be said to have intentionally or negligently violated the applicable laws or regulations or the Company’s tariff because it has always been operating pursuant to its reasonable interpretation of the Commission’s regulations, the AEPS Act, the Public Utility Code, and its Commission-approved tariff. *See* 52 Pa. Code § 69.1201(c)(3); (PPL RB, p. 54.) In addition, PPL Electric has “made efforts to modify internal practices and procedures to address the conduct at issue and prevent similar conduct in the future.” *Id.* § 69.1201(c)(4). These efforts include the Company making several modifications over the years to fine-tune its manual billing process and its repeated offers to provide all of the information that the Complainant requests on a monthly basis. (PPL RB, pp. 54-55.) PPL Electric submits that it would be unreasonable to impose a penalty on the Company when it has tried to resolve the Complainant’s concerns given the limitations of its billing system.

Although the Complainant avers that the Company’s actions have affected “[e]very virtual metering customer” and that “[m]any more” customers will be affected if the manual billing process remains in place (Exceptions, p. 20), the only customer affected by the Company’s conduct is one – the Complainant. *See* 52 Pa. Code § 69.1201(c)(5); (PPL RB, p.

⁷ *See infra* Section II.E. for further discussion on the customer charge issue.
⁸ *See* 52 Pa. Code § 69.1201; *see also* *Rosi v. Bell Atlantic-Pa., Inc.*, Docket No. C-00992409 (Order Entered Feb. 10, 2000).

55.) No other virtual meter aggregation customer-generator has filed any formal complaints or otherwise complained about the manual billing process. (PPL RB, p. 55.) Moreover, the Complainant's claim that the Commission should consider the impact on future customers participating in virtual meter aggregation is without merit. There is no evidence in the record on the number of such future virtual meter aggregation customers or that any such future virtual meter aggregation customers would have similar concerns or issues as those raised by the Complainant in this proceeding.

The fact that the Complainant is unhappy with or misunderstands PPL Electric's virtual meter aggregation program and billing process is not sufficient to demonstrate that PPL Electric's virtual meter aggregation program and billing process violate the Public Utility Code, AEPS Act, Commission regulations, or PPL Electric's tariff. No applicable law or regulation requires the Company to implement an automated billing process for virtual meter aggregation or to provide the Complainant with a single bill for his two metered accounts. Thus, no penalties or fines should be imposed on PPL Electric, and Exception No. 5 should be denied.

E. REPLY TO EXCEPTION NO. 6 – The ID Correctly Determined that PPL Electric's Tariff Requires the Complainant's Solar Facilities to Be Placed under Rate Schedule GS-1 and Charged Appropriately

The Complainant disputes the ID's finding that the account for his detached solar array should fall under Rate Schedule GS-1 and that the Rate Schedule GS-1 customer charge should be applied to that account. (Exceptions, pp. 20-22.) The Complainant believes that he is a "purely residential customer" that should not have to pay a commercial customer charge for his separate solar account. (Exceptions, p. 21.) The Complainant requests that both metered accounts be placed under Rate Schedule RS and that all similar virtual meter aggregation customers be required to pay only a single the Rate Schedule RS customer charge for both accounts. (Exceptions, pp. 22-23.) If that request is denied, the Complainant requests in the

alternative that the Rate Schedule RS customer charge be imposed on the solar accounts instead of the Rate Schedule GS-1 customer charge. (Exceptions, p. 22.) The Complainant's arguments are without merit and should be rejected.

PPL Electric's Commission-approved tariff requires the Company to place the Complainant's detached solar array under Rate Schedule GS-1 and impose the Rate Schedule GS-1 customer charge on that account. As noted in the ID, the Company is required to adhere strictly to its Commission-approved tariff. (ID at 28.) Notably absent from the Complainant's Exceptions is any attempt to demonstrate that his solar facilities meet the requirements of Rate Schedule RS in the Company's Commission-approved tariff. The tariff provides that Rate Schedule RS applies to single phase electric service for: (1) a single family dwelling and detached buildings when the detached buildings are served at the customer's expense through the same meter as the single family dwelling; (2) a separate dwelling unit in an apartment house; (3) a single farm dwelling and general farm uses when general farm uses are served at the customer's expense through the same meter as the single farm dwelling; or (4) a building previously wired for single meter service which is converted to not more than eight separate dwelling units served through one meter. (PPL RB, p. 45.) On the other hand, a customer qualifies for Rate Schedule GS-1 if the property will receive small general single phase non-residential service at secondary voltage, which is the voltage after one standard transformation at the point of delivery from the line voltage. (PPL RB, pp. 45-46.)

The Complainant's detached solar array simply does not qualify for Rate Schedule RS. First, the solar array is separately metered, and the tariff requires the Complainant's solar array to be served through the same meter as his residence to qualify for Rate Schedule RS. (PPL RB, p. 46.) Second, the Complainant's detached solar array is not a "dwelling" as defined by the

Company's tariff. (PPL RB, p. 46.) Third, the Complainant's detached solar array receives single phase electric service at secondary voltage. (PPL RB, p. 46.) The Company must perform one standard transformation to step down the distribution line's voltage from 240 volts to 120 volts in order to provide service to the Complainant's solar array. (PPL RB, p. 46.) For all of these reasons, the ID correctly concluded that Complainant's detached solar array does not qualify for Rate Schedule RS and properly qualifies for Rate Schedule GS-1.

Because the Complainant's solar account qualifies for Rate Schedule GS-1, all of the attendant Rate Schedule GS-1 charges must be assessed. PPL Electric's tariff sets forth the Rate Schedule GS-1 customer charge that must be imposed on all customer accounts under that Rate Schedule. (PPL RB, p. 48.) Further, since the Complainant began participating in virtual meter aggregation, the Company's tariff has stated that "customer-generators are responsible for the customer charge, demand charge, and other applicable charges under the applicable Rate Schedule." (PPL RB, p. 48; see PPL Electric Exhibits APC-1, APC-3, and APC-4.) As a result, the Company's tariff expressly mandates that the Complainant is responsible for the Rate Schedule GS-1 customer charge on his solar account. Indeed, if the Company were to absolve the Complainant of the customer charge, it would potentially be granting him an undue preference over other Rate Schedule GS-1 customers in violation of 66 Pa. C.S. § 1304. (PPL RB, p. 50); *see also Pa. PUC v. PPL Elec. Utils. Corp.*, Docket Nos. R-2010-2161694, *et al.*, 2010 Pa. PUC LEXIS 2001, at *85 (Order Entered Dec. 21, 2010) (stating that "[r]elieving any customer-generator of its responsibility to pay customer charges or demand related charges would create an unjust and unreasonable burden on all other ratepayers").

PPL Electric acknowledges that the Commission's regulations state that "[a]n EDC may not charge a customer-generator a fee or other type of charge unless the fee or charge would

apply to other customers that are not customer-generators.” 52 Pa. Code § 75.13(j) (emphasis added). Here, the Rate Schedule GS-1 customer charge is applied to other customers that are not customer-generators, even those that have multiple accounts. (PPL RB, p. 49.) Therefore, not only does the Company’s Commission-approved tariff require the Rate Schedule GS-1 customer charge to be imposed on the solar account, the Commission’s regulations expressly permit the application of such charge.

The Complainant also observes that physical meter aggregation customers, which have interconnected their generating facilities with their residences, do not have a separate host account that is subject to an additional customer charge. (Exceptions, pp. 21-22.) The Complainant contends that virtual meter aggregation customer-generators should be treated exactly the same as physical meter aggregation customer-generators. (Exceptions, pp. 21-22.) However, these two types of customer-generators are treated differently due to the ways in which their solar generating facilities are configured and utilize PPL Electric’s distribution system. Virtual meter aggregation customer-generators, like the Complainant, have two separate accounts, two separate meters, and two separate points of interconnection with PPL Electric’s distribution system. (PPL RB, p. 15.) Consequently, those customer-generators must pay two customer charges – one for each metered account. In contrast, physical meter aggregation customer-generators only have one account, one meter, and one point of interconnection. (PPL RB, pp. 14-15.) As a result, they only pay one customer charge. Moreover, virtual meter aggregation customer-generators receive electricity and put electricity back onto the system at the solar account and also receive electricity at the residential account. (See PPL RB, p. 39.) On the other hand, physical meter aggregation customer-generators only receive electricity and put electricity back onto the system at a single point of interconnection, the residential account. (See

PPL RB, pp. 13-15.) These notable differences justify the manner in which PPL Electric treats virtual meter aggregation customer-generators' accounts.

The Complainant also misleadingly states that imposing a customer charge and an "incremental expense" to recover the cost of processing customers' accounts creates a disincentive for virtual meter aggregation. (Exceptions, p. 21) A customer charge is not an incremental expense for virtual meter aggregation; it is part of the distribution rate design required under a Commission-approved rate schedule. Further, it is undisputed that the Company does not recover the "incremental expense entailed in processing" virtual metering customer accounts "on a virtual meter aggregation basis." 52 Pa. Code § 75.14(e); (PPL RB, p. 50 n.24.) Therefore, this disincentive for virtual meter aggregation customers alleged by the Complainant does not exist.

Finally, the Complainant's requested relief should be rejected. The Complainant first requests that both metered accounts be placed under Rate Schedule RS and that virtual meter aggregation customers only have to pay the Rate Schedule RS customer charge for their residential accounts. However, as explained previously, PPL Electric's Commission-approved tariff requires his solar account to be placed under Rate Schedule GS-1. Additionally, the tariff requires the Rate Schedule GS-1 customer charge to be imposed on all Rate Schedule GS-1 customer accounts without exception. Further, the customer charge is designed to recover the costs associated with connecting a customer to the electric distribution system regardless of the customer's usage. (PPL RB, p. 49.)

Alternatively, the Complainant requests that his solar account only be subject to a Rate Schedule RS customer charge instead of a Rate Schedule GS-1 customer charge. (Exceptions, p. 22.) This is a rate design issue that should not be addressed in a complaint proceeding before the

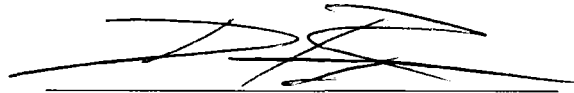
Commission. Rates should be designed in a base rate proceeding where all stakeholders have an opportunity to participate. For these reasons, the Complainant's requested relief should be denied.

Based on the foregoing, Exception No. 6 should be denied.

III. CONCLUSION

WHEREFORE, for all the foregoing reasons, as well as those more fully explained in its Reply Brief, PPL Electric Utilities Corporation respectfully requests that the Pennsylvania Public Utility Commission deny the Exceptions of Jay Larry Moyer and adopt, without modification, the recommendations of Administrative Law Judge Cynthia Williams Fordham set forth in the Initial Decision on Remand.

Respectfully submitted,



Paul E. Russell (ID #21643)
Associate General Counsel
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101
Phone: 610-774-4254
Fax: 610-774-6726
E-mail: perussell@pplweb.com

David B. MacGregor (ID #28804)
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
Phone: 215-587-1197
Fax: 215-320-4879
E-mail: dmacgregor@postschell.com

Of Counsel:

Post & Schell, P.C.

Christopher T. Wright (ID #203412)
Devin T. Ryan (ID #316602)
Post & Schell, P.C.
12th Floor, 17 North Second Street
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: cwright@postschell.com
E-mail: dryan@postschell.com

Date: November 9, 2015

Counsel for PPL Electric Utilities Corporation