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File #: 153362

October 2, 2017

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: Petition of PPL Electric Utilities Corporation for Approval of its Long-Term Infrastructure Improvement Plan for the Period January 1, 2018 through December 31, 2022 - Docket No. P-2017-2622393

Dear Secretary Chiavetta:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) herein submits this letter in response to certain comments submitted by Mr. Eric Joseph Epstein in the above-reference matter.¹

On August 31, 2017, PPL Electric filed and served a Petition for Approval of its second Long-Term Infrastructure Improvement Plan (“LTIIP”) for the period January 1, 2018 through December 31, 2022. Pursuant to 52 Pa. Code § 121.4(c), LTIIP filings are subject to a 30-day comment period. On or about September 20, 2017, Mr. Eric Joseph Epstein submitted “comments” in response to PPL Electric’s LTIIP filing. Mr. Epstein’s comments do not oppose or object to any portion of the LTIIP, nor do they raise any material factual issues related to the LTIIP. Rather, Mr. Epstein’s comments seek additional information regarding the LTIIP. PPL Electric herein responds to each of Mr. Epstein’s separately-numbered requests for additional information.

¹ Mr. Epstein is a *pro se* customer of PPL Electric that intervened in the Company’s most recent base rate proceeding at Docket No. R-2015-2469275. Pursuant to 52 Pa. Code § 121.4(a), PPL Electric served a complete copy of the LTIIP filing on all parties of record in the most recent base rate cases, including all *pro se* customer complainants such as Mr. Epstein.

Mr. Epstein Question No. 1: Given the history of PPL's requests for increased funding, and the historic under performance of CAIDI and SAIDI benchmarks, please provide documentation as well as PPL's revised plan to improve CAIDI and SAIDI benchmark scores.

PPL Electric recognizes reliable electric service is extremely important to customers and the Company has made tremendous progress in its efforts to improve reliability standards. PPL Electric strives to operate as efficiently as possible by performing the work required to maintain system integrity and reliability. Performance indicators such as System Average Interruption Frequency Index ("SAIFI"), Customer Average Interruption Duration Index ("CAIDI") and System Average Interruption Duration Index ("SAIDI") show that PPL Electric has been successful in its efforts. Indeed, as depicted in Figure 3a of PPL Electric's proposed LTIP, the number of no-light cases due to equipment failures is now trending downward, mainly attributing from the increased investments made. This continues to be a focus area for the Company's five-year LTIP, and it anticipates that these trends will continue.

However, an increasing trend in equipment failures, combined with an aging infrastructure, indicate that PPL Electric has reached a point where extensive and accelerated investment in the distribution system is required. To improve reliability, PPL Electric has initiated and enhanced maintenance practices and programs to repair, improve, or replace certain distribution facilities in order to ensure adequate, efficient, safe and reliable service. The proposed LTIP addresses a broad spectrum of distribution and substation programs and projects that the Company will use to further improve reliability during the 5-year LTIP period. A complete copy of the Company's proposed LTIP was provided with the August 31, 2017 filing.

Additionally, PPL Electric continues to review the cost effectiveness of the LTIP programs and projects and their impact to reliability during the 5-year LTIP period. Each program and project is prioritized against these cost comparisons and reliability impact. Specific initiatives during the 5-year LTIP that will improve the Company's reliability metrics include, but are not limited to:

- Expanding the Company's resource coverage across the service territory, by means of adding additional resources to weekend and evening shifts.
- Full implementation of a Distribution Management System ("DMS"), allowing for automated restoration of customers.
- Full system execution of single phase trip/reclose functionality on reclosing protective devices across PPL Electric's "Smart Grid" system.

All of these initiatives are aimed to have significant benefits for and improvements in SAIFI, SAIDI, and MAIFI.

Mr. Epstein Question No. 2: Please provide the benchmarks by quarter that PPL intends to achieve during this funding cycle.

The proposed LTIP addresses a broad spectrum of distribution and substation programs and projects that the Company will use to further improve reliability during the 5-year LTIP period. PPL Electric intends to meet or exceed all Commission's reliability benchmarks during the five-year LTIP.

Mr. Epstein Question No. 3: Please provide the mechanism that rate payers can utilize to monitor and assure improved performance matches increased funding.

The LTIP is primarily focused on addressing aging infrastructure; however, as previously stated, the Company anticipates improved reliability performance. Customers can review PPL Electric's reliability performance in the Commission's annual Pennsylvania Electric Reliability Report.

The LTIP provides the Company's projected expenditures on a yearly basis for each of the individual programs for the five-year period, the total projected expenditures for each program at the conclusion of the five-year period, and the overall projected annual and total expenditures for all Distribution System Improvement Charge ("DSIC") eligible distribution property. The availability of the DSIC mechanism ensures the timely cost recovery of investments in DSIC-eligible property which could result in less frequent and smaller rate increase requests in the future. Customer can review PPL Electric's DSIC, which is updated and filed with supporting data for Commission review and approval on a quarterly basis.

Mr. Epstein Question No. 4: Please identify what "innovations and recent technologies PPL will be deploying during this funding cycle."

The following initiatives are underway or are planned for deployment during the 5-year LTIP period:

- Full system implementation of single phase trip/reclose functionality across the Company's "Smart Grid" system.
- Full implementation of a Distribution Management System allowing for faster restoration.
- Continuation of PPL Electric's Distribution Automation ("Smart Grid") program.
- Implementation of advanced relays at substations.
- Enhanced real-time equipment monitoring functionality.
- Automation of the Company's low tension networks and capacitor bank controls.

- Utilization of multiple mobile applications, further enhancing data acquisition processes and work efficiencies.
- Advanced machine learning storm modeling to more accurately predict weather impacts.

Each of these innovations, as well a broad spectrum of other distribution and substation programs and projects that will further improve reliability, are further explained in the proposed LTIP.

Mr. Epstein Question No. 5: Please provide data and the review that support PPL's assertion, "Projected expenditures for the replacement of failed equipment are based on a review of historical trends while considering current failure rates and proactive mitigating measures."

PPL Electric's reliability investment process takes into account a review of historical and current trends and proactive approaches to improve business processes. Each type of work mentioned in the LTIP covers a multitude of programs and equipment characteristics, resulting in unique analysis outcomes. The analysis includes a complete historical review of both budgetary and asset failure data, current and historical reliability performance review, and a full five year planning review, which aims at ensuring the best investments are made for the business. PPL Electric continues to improve its data analytical skills by implementing and utilizing advanced analytical and statistical software to perform these program reviews and monitor equipment failure rates. In addition, the Company has recently launched a data historian software suite, which provides real-time or near real-time operational data of vital pieces of equipment, i.e. substation circuit breakers and distribution line reclosers ("Smart Grid") devices.

Mr. Epstein Question No. 6: Please provide data and studies the support PPL's assertion, "Projected expenditures for the replacement of failed equipment are based on a review of historical trends while considering current failure rates and proactive mitigating measures."

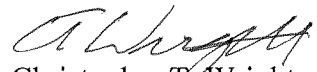
See response to Mr. Epstein Question No. 5 above.

As demonstrated above, Mr. Epstein's comments seek additional information regarding PPL Electric's performance metrics and LTIP programs and projects. Responses to Mr. Epstein's requests are provided above and more fully explained in detail in the Company's LTIP. Mr. Epstein's comments do not oppose or object to any portion of the LTIP, nor do they raise any material factual issues related to the LTIP. Accordingly, PPL Electric respectfully requests that the Commission approve the second LTIP for the period January 1, 2018 through December 31, 2022,

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Copies of this letter are being served as indicated on the Certificate of Service.

Respectfully submitted,



Christopher T. Wright

CTW/jl
Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE

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

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