



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE  
REFER TO OUR FILE

April 12, 2019

Secretary Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Application of PPL Electric Utilities Corporation for approval of the  
Transfer by Sale to the City of Lancaster of Electric Facilities located in the  
City of Lancaster, Lancaster County, PA.  
Docket No. A-2019-3008669  
**(I&E Protest)**

Dear Secretary Chiavetta:

Enclosed for filing please find the Bureau of Investigation and Enforcement's  
**(I&E) Protest of the Bureau of Investigation and Enforcement** for the above-  
captioned proceeding.

Copies are being served on all active parties of record. If you have any questions,  
please contact me at (717) 783-7998.

Sincerely,

A handwritten signature in cursive script that reads "Allison C. Kaster".

Allison C. Kaster  
Deputy Chief Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney I.D. No. 93176

ACK/jfm  
Enclosure

cc: Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PPL Electric Utilities	:	
Corporation for approval of the Transfer by	:	Docket No. A-2019-3008669
Sale to the City of Lancaster of Electric	:	
Facilities located in the City of Lancaster,	:	
Lancaster County, PA.	:	

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**PROTEST OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT**

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**I. INTRODUCTION**

PPL Electric Utilities Corporation (“PPL” or “Company”) filed this Application on March 18, 2019 seeking Commission approval to transfer all of its street lighting facilities within the Borough of City of Lancaster to the City of Lancaster pursuant to Section 1102(a)(3) of the Public Utility Code.

Pursuant to 52 Pa. Code §5.14, the Pennsylvania Public Utility Commission (“Commission”) published notification PPL’s Application in the *Pennsylvania Bulletin* on March 30, 2019 and directed that formal protests and petitions to intervene must be filed in accordance with Title 52 of the Pennsylvania Code on or before April 15, 2019.

Pursuant to Commission regulations, 52 Pa. Code §§ 5.51-5.53, the Bureau of Investigation (“I&E”) files this timely Protest in the above-captioned proceeding. The Commission established I&E to serve as the prosecutory bureau for the purposes of representing the public interest in ratemaking and service matters, and enforcing compliance with the Public Utility Code, and Commission regulations.<sup>1</sup> I&E, through its prosecutors,

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<sup>1</sup> 66 Pa.C.S. §§ 101 *et seq.*; 52 Pa. Code §§ 1.1 *et seq.* See *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

has standing and authority to participate in all Commission proceedings and to initiate enforcement actions and prosecutions in the public interest.<sup>2</sup> Accordingly, I&E is requesting that the Commission assign this matter to the Office of Administrative Law Judge (“OALJ”) to develop a full and complete record in order to fully understand the impact on ratepayers and adherence to Commission rules and regulations.

## II. PROTEST

PPL and the City of Lancaster entered into the Street Light System Purchase and Sale Agreement (“Agreement”) wherein PPL agreed to sell the street light facilities to the City of Lancaster for \$2,614,847. The \$2,614,847 is comprised of the \$1,017,963 purchase price, which represents the Present Day Depreciated Cost of the assets, and \$1,596,884 for, among other things, make ready work (Attachment 1, p. 1). PPL avers that it will not realize a net profit or loss from the sale (Application ¶ 14).

PPL states that the transaction is in the public interest because the City of Lancaster will experience significant rate savings by moving from Rate Schedule SHS to Rate Schedule SE for its street lighting service; PPL will be relieved of the cost of owning, operating and maintaining the transferred property; and, it is projected to have no negative impact on PPL’s operations (Application ¶¶ 18-20).

I&E is concerned that ratepayers may be harmed given that those facilities are currently recovered in rate base and approximately \$1,600,000 of pre-transfer work will be performed by PPL employees whose salaries are also recovered from ratepayers. Additionally, while PPL will be relieved of the cost of owning and operating the street

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<sup>2</sup> Id. at 5.

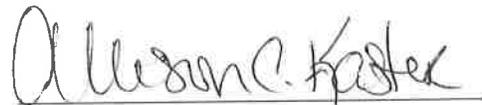
lighting assets, converting the City of Lancaster to Rate Schedule SE will reduce its revenues and, therefore, may increase the overall revenue requirement recovered from other customer classes in future rate cases. Finally, I&E is unclear how the Company will not realize a profit on the sale given that the original depreciated cost is \$688,148 (Application ¶ 12).

Accordingly, I&E respectfully requests that this proceeding be referred to the Office of Administrative Law Judge to allow parties the opportunity to examine the reasonableness of the Agreement and the opportunity to participate in full evidentiary hearings if I&E or other parties believe the proposed transaction is contrary to the public interest.

### III. CONCLUSION

WHEREFORE, the Bureau of Investigation and Enforcement respectfully requests that the Pennsylvania Public Utility Commission refer this matter to the Office of Administrative Law Judge for further investigation.

Respectfully submitted,



Allison C. Kaster  
Deputy Chief Prosecutor  
PA Attorney I.D. No. 93176

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120  
(717) 783-7998

Dated: April 12, 2019

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PPL Electric Utilities :  
Corporation for approval of the Transfer by : Docket No. A-2019-3008669  
Sale to the City of Lancaster of Electric :  
Facilities located in the City of Lancaster, :  
Lancaster County, PA. :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Protest of the Bureau of Investigation and Enforcement** dated April 12, 2019, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

**Served via First Class and Electronic Mail**

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Deputy Chief Prosecutor  
Bureau of Investigation and Enforcement  
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