



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

IN REPLY PLEASE
REFER TO OUR FILE

May 22, 2019

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA 17105

Re: Application of PPL Electric Utilities Corporation For Approval of Sale of
Facilities to The City of Lancaster
Docket No. A-2019-3008669

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E)
Prehearing Memorandum in the above-captioned proceeding.

Copies are being served on all active parties of record as evidenced in the attached
Certificate of Service. If you have any questions, please do not hesitate to contact me at
(717) 783-7998.

Sincerely,

A handwritten signature in black ink that reads "Allison C. Kaster".

Allison C. Kaster
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 93176

ACK/ac
Enclosure

cc: Hon. Joel H. Cheskis (Deputy Chief ALJ, PUC Harrisburg)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PPL Electric Utilities :
Corporation For Approval of Sale of : Docket No. A-2019-3008669
Facilities to The City of Lancaster :

**PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE JOEL H. CHESKIS:

Pursuant to the Prehearing Conference Order dated April 18, 2019, the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

I. Introduction

PPL Electric Utilities Corporation (“PPL” or “Company”) filed its 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.

I&E filed its Protest on April 12, 2019. The Office of Consumer Advocate filed a Notice of Intervention and Public Statement on May 21, 2019 and the Office of Small Business Advocate filed a Notice of Intervention on April 26, 2019.

A Prehearing Conference is scheduled at 10:00 am on May 22, 2019, with Administrative Law Judge Joel H. Cheskis presiding.

II. Service

Allison Kaster is the assigned I&E Prosecutor in this proceeding. Contact information is as follows:

By mail:	Allison C. Kaster Bureau of Investigation and Enforcement Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120
By e-mail:	akaster@pa.gov
By telephone:	(717) 783-7998
By fax:	(717) 772-2677

III. Discovery

I&E does not propose modifications to the Commission's discovery regulations.

IV. Issues

I&E filed its Protest because it was concerned about the potential rate impact of this transaction given that the facilities are currently recovered in rate base and that it was I&E's understanding that approximately \$1,600,000 of pre-transfer work would be performed by PPL employees whose salaries are also recovered from ratepayers. Additionally, I&E was concerned that while PPL will be relieved of the cost of owning and operating the street 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.

V. Settlement

I&E has discussed the issues raised in its Protest with PPL and believes that the concerns raised will likely be resolved without the need for testimony, evidentiary hearings or briefs. Specifically, through its conversations with the Company, I&E now understands that the \$1,600,000 of pre-transfer work will be completed by contractors, not PPL employees, and will be recovered from the City of Lancaster. Additionally, I&E understands that PPL has not requested any ratemaking approval through its Application; therefore, any ratemaking concerns can be addressed in a subsequent base rate proceeding.

VI. Witnesses

I&E has not yet identified a witness in this proceeding but will notify the parties and ALJ Cheskis if one is assigned.

VII. Schedule

Given that I&E believes that the issues raised in its Protest will be resolved, it does not request that a litigation schedule be adopted at this time.

Respectfully Submitted,



Allison C. Kaster
Allison C. Kaster
Prosecutor
PA Attorney ID 93176

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Dated: May 22, 2019

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PPL Electric Utilities :
Corporation For Approval of Sale of : Docket No. A-2019-3008669
Facilities to The City of Lancaster :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated May 22, 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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