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File #: 167910

February 17, 2021

VIA ELECTRONIC FILING

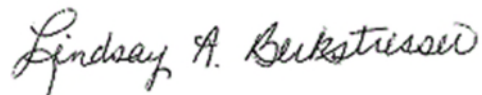
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Application of PPL Electric Utilities Corporation for Approval of Intercompany
Restructuring
Docket No. A-2017-2629534**

Dear Secretary Chiavetta:

Enclosed is the Further Prehearing Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Lindsay A. Berkstresser

LAB/kl
Attachment

cc: Honorable Joel H. Cheskis
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PPL Electric Utilities :
Corporation for Approval of Intercompany : Docket No. A-2017-2629534
Restructuring :

**FURTHER PREHEARING MEMORANDUM OF
PPL ELECTRIC UTILITIES CORPORATION**

TO DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE JOEL H. CHESKIS:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), pursuant to 52 Pa. Code § 5.222(d), and in compliance with the Further Prehearing Order issued by Administrative Law Judge Joel H. Cheskis on January 12, 2021, hereby files this Further Prehearing Memorandum in the above-captioned matter, and states as follows:

I. PROCEDURAL HISTORY

1. On October 6, 2017, PPL Electric filed an Application for Approval of Intercompany Restructuring (“Application”) requesting that the Commission approve its Proposed Restructuring.

2. The Proposed Restructuring would place two new holding companies between PPL Corporation (the parent of PPL Electric) and certain of its operating subsidiaries, including PPL Electric. PPL Corporation would retain ultimate ownership and control over its non-regulated and regulated subsidiaries, including PPL Electric.

3. The Office of Small Business Advocate (“OSBA”) and Office of Consumer Advocate (“OCA”) intervened in the proceeding. The Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a notice of appearance.

4. The Application was assigned to Administrative Law Judges Joel H. Cheskis and Benjamin A. Myers (“ALJs”) for recommended decision.

5. A prehearing conference was held on January 22, 2018, during which a procedural schedule was established for the submission of testimony, hearing and briefs.
6. The OSBA and PPL Electric are the only parties who submitted testimony.
7. The parties agreed to waive cross examination and submit their respective evidence for the record through stipulation, which was submitted on June 13, 2018.
8. PPL Electric and OSBA submitted Main Briefs on June 29, 2018.
9. PPL Electric and OSBA submitted Reply Briefs on July 13, 2018.
10. The ALJs issued a Recommended Decision on September 11, 2018 recommending that the Commission deny the Application.
11. On October 1, 2018, PPL Electric filed Exceptions to the Recommended Decision.
12. On October 11, 2018, OSBA filed Reply Exceptions.
13. On April 25, 2019, the Commission issued an Order. In the April 25, 2019 Order, the Commission determined that 66 Pa. C.S. § 1102(a)(3) requires a certificate of public convenience for the Proposed Restructuring. *April 25, 2019 Order*, p. 36. The Commission also held that in order to approve the Application, PPL Electric must show that the Proposed Restructuring would produce affirmative public benefit. *April 25, 2019 Order*, p. 41. The Commission concluded that the Proposed Restructuring did not meet the affirmative public benefit standard. Therefore, the Commission denied the Application. *April 25, 2019 Order*, p. 46. Vice Chairman David W. Sweet and Commissioner Andrew G. Place submitted Statements. Commissioners Norman J. Kennard and John F. Coleman submitted Dissenting Statements.
14. On May 24, 2019, PPL Electric filed a Petition for Review with the Commonwealth Court. The case was docketed at 624 C.D. 2019.
15. On June 24, 2019, OSBA intervened.

16. Petitioner PPL Electric filed its brief on September 11, 2019.
17. The Commission filed its Respondent's brief on October 11, 2019.
18. Intervenor OSBA filed its brief on November 14, 2019.
19. Petitioner PPL Electric filed its Reply Brief on December 2, 2019.
20. On December 17, 2019, the Commission filed a Motion to Strike PPL Electric's Reply Brief.
21. On December 19, 2019, PPL Electric filed an Answer to the Commission's Motion to Strike.
22. On January 13, 2020, the Commonwealth Court issued an Order denying the Commission's Motion to Strike.
23. Oral argument was held on May 13, 2020.
24. On October 27, 2020, the Commonwealth Court issued an Order affirming in part and reversing in part the Commission's *April 25, 2019 Order* and remanding the case to the Commission to apply the proper standard. The Commonwealth Court determined that a certificate of public convenience is required for the Proposed Restructuring, but the affirmative public benefit standard is not the correct standard. *Order on Appeal*, pp. 16, 24. Instead, the Commonwealth Court directed that the Commission apply a "proper" standard to the Proposed Restructuring. *Order on Appeal*, p. 24.
25. On January 12, 2021, the Commission issued a Further Prehearing Conference Notice scheduling a further telephonic prehearing conference for February 24, 2021.
26. Also on January 12, 2021, the ALJ issued a Further Prehearing Order directing the parties to file prehearing memoranda by February 17, 2021.

II. SERVICE OF DOCUMENTS

27. PPL Electric requests that all documents be served on:

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

28. PPL Electric agrees to receive service of documents electronically in this proceeding. Further, to the extent that materials are available electronically, it is requested that copies be served upon:

Michael W. Gang - mgang@postschell.com
Lindsay A. Berkstresser - lberkstresser@postschell.com
Kimberly A. Klock - kklock@pplweb.com

29. PPL Electric's attorneys are authorized to accept service on behalf of the Company in this proceeding. PPL Electric requests that the Commission and all parties of record serve copies of all documents in this proceeding on the Company's attorneys at the address and via the email addresses stated above.

III. ISSUES AND EVIDENCE

30. The issue in this proceeding on remand is whether the Proposed Restructuring meets the "proper" standard articulated in the Commonwealth Court's April 25, 2019 Order. It is PPL Electric's position that there is sufficient evidence in the existing evidentiary record before the Commission to demonstrate that the Proposed Restructuring is "proper," and that the Commission should grant a certificate of public convenience for the transaction. However, PPL Electric is considering whether to present additional evidence.

Respectfully submitted,

Lindsay A. Berkstresser

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Date: February 17, 2021

Attorneys for PPL Electric Utilities Corporation

CERTIFICATE OF SERVICE

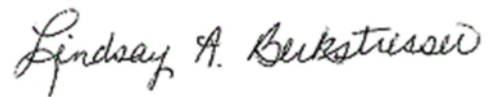
I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL ONLY

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