

COMMONWEALTH OF PENNSYLVANIA



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February 6, 2024

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

Re: Petition of PPL Electric Utilities Corporation for
Approval of Major Modifications to its Existing Long-
Term Infrastructure Improvement Plan
Docket No. P-2022-3034972

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to the Petition of PPL Electric Utilities Corporation in the above-referenced proceeding. As required under the Commission's regulations, the Office of Consumer Advocate's Answer is accompanied by a verification in accordance with 52 Pa. Code Section 1.36.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Aron J. Beatty

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Certificate of Service
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CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities :
Corporation for Approval of Major : Docket No. P-2022-3034972
Modifications to its Existing Long-Term :
Infrastructure Improvement Plan :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Answer to the Petition of PPL Electric Utilities Corporation, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 6th day of February 2024.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation for Approval of Major Modifications to its Existing Long-Term Infrastructure Improvement Plan :
: Docket No. P-2022-3034972
:

ANSWER OF THE OFFICE OF CONSUMER
ADVOCATE TO THE PETITION OF
PPL ELECTRIC UTILITIES CORPORATION

I. INTRODUCTION

On January 17, 2024, PPL Electric Utilities Corporation (PPL or Company) filed a Petition for Approval of Major Modifications to its Existing Long-Term Infrastructure Improvement Plan (Petition). In its Petition, PPL is proposing to add a new program to its Long-Term Infrastructure Improvement Plan (LTIIP), Predictive Failure Technology. Petition at 1. PPL is also proposing to update its capital expenditures as contained in the current LTIIP. *Id.* The proposed new expenditures will exceed current LTIIP spending by more than 20%. *Id.*

PPL proposes to increase its current five-year LTIIP spend of \$511.62 million to \$799.48 million (Petition at 8), an increase of approximately \$287 million and roughly a 56% increase over the currently-approved LTIIP. PPL explains that part of the increase is due to the Company's infrastructure application being accepted by the Department of Energy to potentially receive up to \$49.5 million in federal funding from the Infrastructure Investment and Jobs Act. Petition at 9.

In accord with 52 Pa. Code Section 5.61, the Office of Consumer Advocate (OCA) submits this Answer in order to identify some preliminary issues presented by the Petition. In addition, as

provided for in 52 Pa. Code Section 121.5, the OCA will be submitting Comments to the Petition on or before the 30-day filing deadline of February 16, 2024.

II. ANSWER

PPL's first major change to its existing LTIP is the addition of what PPL calls "Predictive Failure Technology". Petition at 5. PPL describes this new program as a series of electronic monitoring devices that would be installed on its distribution system. According to PPL, the addition of these new devices will allow PPL to more accurately and proactively monitor and address equipment failures on its system. *Id.* PPL proposes to install this new technology across its entire distribution network by 2025. *Id.* PPL estimates that rolling out this new technology across its entire distribution system will result in operations and maintenance expense savings of \$9 million "over the life of the technology". *Id.*

PPL's second major change to its existing LTIP is an acceleration of spending for replacement of its distribution assets in order to maintain current and future reliability. Petition at 8. The Company avers that its current level of spending is insufficient to adequately replace aging infrastructure, to address more frequent and severe weather events, to account for the increased interconnections of distributed energy resources, and to account for increased supply chain costs. *Id.* The Company provides two charts to show the various distribution equipment categories and the correlating current spend of \$511.62 million, compared with those same categories and the proposed new spend of \$799.48 million. Petition at 7. According to PPL, recent personnel changes at the Company caused a comprehensive review of the current LTIP to be conducted, leading to the major changes in infrastructure spending that are now being proposed. *Id.* at 8.

The OCA has numerous questions and concerns as to the Petition. While the OCA appreciates the potential reliability improvements touted by PPL, this is a very large proposed

increase over current spending levels. Assuming the Company receives the “up to \$49.5 million” in federal funding, that amount is only a fraction of PPL’s proposed \$287.86 million increase in spending. The OCA also notes that PPL estimates a \$9 million savings in operations and maintenance expense due to the implementation of Predictive Failure Technology; however, the revised LTIP provides that this technology will cost \$84.44 million. Appendix A at 40.

Further, the Petition emphasizes that the increased spending is meant to address aging infrastructure/failing equipment and the installation of monitoring devices to aid in the detection of same. Petition at 5, 8. The OCA questions whether PPL’s proposed investments are being targeted to the correct areas. For example, from the *2021 Pennsylvania Electric Reliability Report*¹ as to PPL:

Trees were the top cause of outages and customer-minutes interrupted. Over 74% of customer minutes interrupted are caused by trees, and 13% are caused by equipment failure.

Based on the Petition, the OCA is currently unable to accurately determine how much of this proposed new level of spending is specifically being earmarked for enhanced, more frequent or targeted vegetation management. These and other issues should be thoroughly explored before the Public Utility Commission considers granting this Petition.

Based on the proposed level of spending, and the many issues presented by the Petition, the OCA respectfully requests that this matter be sent to the Office of Administrative Law Judge in order that formal, evidentiary proceedings can be scheduled. In its Comments to be filed in this matter, the OCA will provide further substantive comments on PPL’s proposed major changes to its existing LTIP.

¹ Page 36, available at: https://www.puc.pa.gov/media/2053/2021-electric-reliability-report_final.pdf

III. CONCLUSION

The Office of Consumer Advocate respectfully requests that the Public Utility Commission set this matter for full evidentiary proceedings in order to fully examine and investigate the Company's Petition.

Respectfully submitted,

/s/ Darryl A. Lawrence

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Dated: February 6, 2024