

COMMONWEALTH OF PENNSYLVANIA



PATRICK M. CICERO  
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE  
555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, Pennsylvania 17101-1923  
(717) 783-5048  
(800) 684-6560

 @pa\_oca  
 /pennoca  
FAX (717) 783-7152  
consumer@paoca.org  
www.oca.pa.gov

March 20, 2024

**Via Electronic Mail Only**

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 a Default  
Service Program And Procurement Plan  
for the Period June 1, 2025 Through  
May 31, 2029  
Docket No. P-2024-3047290

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to PPL Electric Utilities Corporation's Petition for Approval of a Default Service Program with a Verification in the above-referenced proceeding.

**The OCA supports PPL's request that the Commission consider the Petition at its scheduled December 5, 2024 Public Meeting.**

Copies have been emailed to the parties listed on the enclosed Certificate of Service.

Respectfully submitted,

/s/Christy M. Appleby  
Christy M. Appleby  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 85824  
CApappleby@paoca.org

Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (email only)  
Office of Special Assistants (email only: [ra-OSA@pa.gov](mailto:ra-OSA@pa.gov))  
Certificate of Service

\*4866-4365-7647

CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities :  
Corporation For Approval of a Default :  
Service Program And Procurement Plan : Docket No. P-2024-3047290  
for the Period June 1, 2025 Through May :  
31, 2029 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Answer PPL Electric Utilities Corporation's Petition for Approval of a Default Service Program, 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. This document was filed electronically on the Commission's electronic filing system.

Dated this 20<sup>th</sup> day of March 2024.

**SERVICE BY E-MAIL ONLY**

Steven C. Gray, Esquire  
Office of Small Business Advocate  
555 Walnut Street, 1st Floor  
Harrisburg, PA 17101  
[sgray@pa.gov](mailto:sgray@pa.gov)  
*Counsel for OSBA*

Allison C. Kaster, Esq.  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North St., 2<sup>nd</sup> Floor West  
Harrisburg, PA 17120  
[akaster@pa.gov](mailto:akaster@pa.gov)  
*Counsel for I&E*

Adeolu A. Bakare, Esquire  
Jo-Anne S. Thompson, Esquire  
McNees, Wallace & Nurick  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108-1166  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
[jthompson@mcneeslaw.com](mailto:jthompson@mcneeslaw.com)  
*Counsel for PPLICA*

Elizabeth R. Marx, Esquire  
John W. Sweet, Esquire  
Ria Pereira, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
[emarxpulp@palegalaid.net](mailto:emarxpulp@palegalaid.net)  
*Counsel for CAUSE-PA*

Todd S. Stewart, Esquire  
Hawke McKeon & Sniscak LLP  
100 N. 10th Street  
Harrisburg, PA 17101  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)  
*Counsel for EGS Parties*

Deanne M. O'Dell, Esquire  
Kristine E. Marsilio, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> floor  
Harrisburg, PA 17101  
[dodell@eckertseamans.com](mailto:dodell@eckertseamans.com)  
[kmarsilio@eckertseamans.com](mailto:kmarsilio@eckertseamans.com)  
*Counsel for Starion Energy PA, Inc*

**SERVICE BY E-MAIL ONLY(Continued)**

John Costlow, Esquire  
4250 Independence Drive, Suite 100  
Schnecksville, PA 18078  
[jcostlow@thesef.org](mailto:jcostlow@thesef.org)  
*Counsel for Sustainable Energy Fund*

David B. MacGregor  
Michael W. Hassell  
Megan Rulli  
Post & Schell, P.C.  
17 North Second Street, 12th Floor  
Harrisburg, PA 17101-1601  
[dmacgregor@postschell.com](mailto:dmacgregor@postschell.com)  
[mhassell@postschell.com](mailto:mhassell@postschell.com)  
[mrulli@postschell.com](mailto:mrulli@postschell.com)  
*Counsel for PPL Electric*

Kimberly A. Klock  
Michael J. Shafer  
PPL Services Corporation  
Two North Ninth Street  
Allentown, PA 18101  
[kklock@pplweb.com](mailto:kklock@pplweb.com)  
[mjshafer@pplweb.com](mailto:mjshafer@pplweb.com)  
*Counsel for PPL Electric*

/s/ Christy M. Appleby  
Christy M. Appleby  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 85824  
[CAappleby@paoca.org](mailto:CAappleby@paoca.org)

Counsel for:  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
717-783-5048  
Dated: March 20, 2024  
\*4881-0019-5503

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :  
For Approval of a Default Service Program : Docket No. P-2024-3047290  
And Procurement Plan for the Period June 1, 2025 :  
Through May 31, 2029 :

---

ANSWER  
OF THE  
OFFICE OF CONSUMER ADVOCATE

---

**I. INTRODUCTION**

On March 8, 2024, PPL Electric Utilities Corporation (PPL or Company) filed its Petition for Approval of its Default Service Plan for the Period from June 1, 2025 through May 31, 2029 (DSP VI or the Plan) pursuant to 66 Pa. C.S. § 2807(e) of the Pennsylvania Public Utility Code, the Default Service Regulations of the Pennsylvania Public Utility Commission (Commission), and the Commission’s Policy Statement on Default Service. Notice of the Plan will be published in the *Pennsylvania Bulletin*.

In its Petition, PPL proposes changes including a proposal for competitive procurement of default service supply and related Alternative Energy Credits (AECs) during DSP VI; an implementation plan; a proposed rate design, including a Time-of-Use (TOU) rate option for default service during the DSP VI; a proposal to modify the Standard Offer Referral program (SOP); a change to the date on which the Company files an update to its Transmission Service Charge (TSC); a change to the process for shopping customers to enroll in PPL’s Customer Assistance Program (CAP), OnTrack; a proposal to return to wholesale suppliers the obligation to

provide a proportionate share of AEC credits under the Full Requirements contracts for all customer classes; and a contingency plan for DSP VI. Petition at 1-2.

The Office of Consumer Advocate (OCA) files this Answer to the Company's Petition to ensure that a reasonable default service plan is approved that fully complies with the Public Utility Code's and the Commission's regulations that require PPL to design a plan that obtains default service supply at least cost over time pursuant to a prudent mix of contracts. 66 Pa. C.S. § 2807(e)(3.7); 52 Pa. Code § 54.181 *et seq.*

In its Petition, PPL proposes to continue to procure generation supply and related services needed to fulfill its default service obligation for DSP VI through "procedures similar to those previously approved by the Commission and used by PPL Electric to acquire Default Service supply under the DSP V Program." Petition at ¶¶ 10, 28. PPL proposes to use a portfolio of long-term block contracts providing a fixed amount of energy and capacity, a long-term contract to provide solar AECs and fixed-price, load-following, full requirements to meet the demand of its residential customers and small commercial and industrial customers. Petition at 2. The proposed program design will continue the semi-annual procurement process. Petition at 2. PPL proposes to acquire supply using a ladder approach so that procurements are staggered to avoid procuring 100% of the default service products at the same time. Petition at ¶12. The Company proposes to change its current residential and small commercial procurement of 6- and 12-month fixed-price full requirements contracts to 12- and 24-month fixed-price full requirements contracts. Petition at 2, ¶12. In addition, for default service residential customers, PPL will procure 10-year Long-Term Block contracts totaling 150MW. Petition at ¶12. The contracts will also provide for capacity credits. Petition at ¶12. For default service residential customers, PPL also proposes to enter into one or more long-term (20-year) contracts in order to procure up to 30,000 PA Solar AECs

annually. Petition at ¶ 12. The Petition proposes that PPL will change its current separate auction process and the wholesale suppliers of the full requirements products will be required to provide a proportionate share of the AECs as a part of DSP VI. Petition at 2, ¶¶ 14, 33.

The Plan for residential default service will be for a four-year duration, starting on June 1, 2025 and ending on May 31, 2029. Petition at ¶¶ 10, 20.

PPL has also proposed to continue its existing DSP V Contingency Plan. PPL will assume responsibility for unserved load and all other necessary services through the PJM markets, “including, but not limited to, the PJM energy, capacity, and ancillary markets, and any other service required by PJM to serve such unserved load.” Petition at ¶ 99. The Company proposes that if any of the tranches remain unfilled at the time of the delivery for a given product, PPL will obtain default service supply through the spot market. Petition at ¶ 99. PPL proposes a new contingency plan for its newly proposed PA Solar AECs. Petition at ¶ 98.

PPL does not propose rate design changes for residential customers receiving traditional default service supply. PPL proposes to continue to provide a TOU rate option to eligible default service residential and small C&I customers. Petition at ¶ 15. PPL propose to secure the generation to serve TOU customers through the default service auction without a TOU-specific auction consistent with the approach used in DSP V. Petition at ¶ 15.

Additionally, PPL proposes modifications to its Time of Use program in response to the analysis performed as required by the settlement of PPL’s DSP V. PPL proposes continue its Standard Offer Program from June 1, 2025 through May 31, 2029 with modifications. Petition at ¶ 104-105. PPL also proposes changes to how its shopping customers will enroll in OnTrack. Petition at ¶ 114.

## II. ANSWER

The OCA has preliminarily reviewed the Company's Petition and identified a number of significant issues presented by the filing. The OCA anticipates that additional issues will arise as a more comprehensive review of PPL's filing is undertaken and after discovery is conducted. The preliminary issues identified by the OCA include:

### A. Default Service and Implementation Plans

#### 1. Procurement Classes, Program Term, and Supply Portfolio

In DSP VI, PPL proposes to continue the four-year term for its Default Service Program used during DSP V for residential customers. Petition at ¶ 37. The Company will also continue to use Full Requirements contracts to meet most of the requirements for default service customers, approximately 85% for residential customer class default supply. Petition at ¶¶ 38, 45. Under the Full Requirements contracts, the Company will purchase "energy, capacity, transmission (other than non-market-based Transmission Services), ancillary services, congestion management costs, transmission and distribution losses, AECs and such other services or products" that are required for default supply service to PPL's residential customers. Petition at ¶ 45.

PPL will undertake separate procurements for Residential, Small C&I, and Large C&I customer classes. Petition at ¶ 38. PPL proposes to rely substantially upon layered 12-month and 24-month Fixed Price Full Requirements contracts for residential customers using a ladder or staggered approach so all the products are not procured at the same time. Petition at ¶¶ 39, 45; PPL Electric Exh. JC-2, JC-3. The products will occur in February and July of each year with the first beginning in February 2025 for the June 1, 2025 procurement. Petition at ¶ 39. PPL also proposes to procure 150 MW of 10-year Long-Term Block products effective June 1, 2025 which will provide block supply and capacity credits. Petition at ¶ 39. The Company proposes that exclusive

for the Long-Term Block product for residential customers, the procurements will be approximately 10% of load under 12-month contracts and 20% of load under 24-month contracts. Petition at ¶ 39; PPL Electric Exhibit JC-2. PPL also proposes to enter into one or more new, long-term 20-year contracts to acquire up to 30,000 PA Solar AECS annually. Petition at ¶ 39. The Long-Term Block contracts will comprise approximately 15% of the residential default service supply. Petition at ¶ 44. PPL argues that the proposed portfolio will “enable the Company to provide a more stable PTC for Residential Customers and support future resource adequacy.” Petition at ¶ 75.

The Supplier Master Agreement (SMA) will be substantially unchanged from the current DSP V SMA. Petition at ¶ 89. The Petition identifies that the changes include the following: (1) adding back provisions concerning AEPS obligations; (2) default service SMA clarifications to supplier secured credit provisions; (3) incorporation of the International Swaps and Derivatives Association (ISDA) 2018 U.S. Resolution Stay Protocol; and (4) establishment of a Capacity Proxy Price. Petition at ¶ 89.

The OCA submits that further examination and consideration is necessary to determine whether the proposed purchasing plan will provide the least cost over time for residential customers in accordance with the requirements of Act 129. 66 Pa. C.S. § 2807(e). The OCA intends to examine the type and mix of resources, the procurement methodologies, and recent changes in the wholesale capacity markets, to ensure that the products and the plan are designed to provide reasonable and stable rates while meeting the requirements of the Public Utility Code and regulations.



## 2. Competitive Bid Solicitation Process and Independent Evaluator

PPL proposes to again use an RFP process to procure default service products. Petition at ¶¶ 78-88; PPL Electric Exh. JC-2, JC-3 (solicitation schedule). PPL does propose changes to the RFP. Petition at ¶ 79. The solicitation schedule proposes to hold Full Requirements solicitations in February and July of each year, as compared to the April and October solicitation periods in DSP V. Petition at ¶ 80. The three Long-Term Block contracts will be procured in the October 2025 auction under DSP VI, for delivery beginning June 1, 2026. Petition at ¶ 80. The Long-Term Block, PA Solar AEC and AEC RFPs will be modeled after the Default Service RFP, “with modifications consistent with the products being procured.” Petition at ¶ 79. The PA Solar AEC contracts will be procured in October 2025, for delivery beginning June 1, 2026, and the AEC contracts will be procured annually in July. Petition at ¶ 80. PPL proposes to again use NERA as the independent third-party administrator. Petition at ¶¶ 91-92.

PPL proposes to divide the Full Requirements Default Service solicitation into “tranches.” Petition at ¶ 83. For the residential and small C&I customer classes, each tranche is a fixed percentage of the total customer class default service load, 2.5% for the residential customer class. Petition at ¶ 83. Each of the tranches are estimated to produce approximately 75 MW of peak load for the residential customer class based upon PPL forecasts and the customer classes’ 2024-2025 projected peak load contribution with PJM. Petition at ¶ 84. The Company proposes to maintain the existing load caps with a load cap of 85% of the available tranches for a customer class offered in each default service solicitation. Petition at ¶ 87. For the residential and small C&I customer classes, an individual cannot supply more than 50% of the default service load for a customer class during the DSP VI period. Petition at ¶ 87. There will be no solicitation or load cap applied to the

other product procurements, and the Long-Term Block product will not be used in calculating a supplier's load cap. Petition at ¶ 87.

The OCA submits that the Commission should review the Company's proposed RFP and the solicitation process to ensure that the contracts are procured in the most effective manner in compliance with the Commission's regulations.

### 3. Consistency with Regional Transmission Organization Requirements

PPL states that its program fully meets the Commission's requirement that default service plans "include documentation that the program is consistent with the requirements regarding the generation, sale and transmission of electricity of the RTO in the control area where the Default Service provider is providing service." Petition at ¶ 93. PPL's Supplier Master Agreements (SMA) will continue to impose requirements on both PPL and its suppliers to maintain specific qualifications under applicable PJM agreements and all other regulatory authorizations necessary to perform the contractual obligations. Petition at ¶¶ 94-95. Suppliers seeking to provide default service must be establish to establish that they can fulfill the technical and regulatory requirements of the SMA. Petition at ¶¶ 94-95.

The Commission should carefully examine the Company's proposed procedures to ensure that potential suppliers meet all technical and regulatory requirements as necessary under PJM's rules.

### 4. AEPS Compliance

PPL also proposes to enter into one or more new, long-term 20-year contracts to acquire up to 30,000 PA Solar AECS annually. Petition at ¶ 39. The Long-Term block contracts would not procure AECs. Petition at ¶ 45. PPL proposes to expand its AEC pilot program that was approved as a part of DSP V and to procure AEC requirements through Long-Term Block contracts through

the PA Solar contract and auctions. Petition at ¶¶ 45, 61-67. PPL states that it proposes to retain the AEC auction process for several limited purposes. Petition at ¶ 63. Under DSP, there are 12-month Fixed Price Full Requirements contracts for residential and small C&I customers that are effective December 1, 2028. Petition at ¶ 63. As the contracts will continue through the first six months of the DSP VI period, the Company will need to procure AECs for those contracts. *Id.* Second, the two existing DSP V Block contracts will carry over to June and November 2026. *Id.* Third, the Company will need to reconcile for all customer classes the quantity of AECs that are needed through the end of the DSP V period to the amount of AECs that are actually procured for the period of June 1, 2024 through May 31, 2025. Petition at ¶ 63. Fourth, the Company's proposed 10-year Long-Term Block contracts will not include AECs. *Id.* PPL also proposes to enter into a Long-Term contract to acquire 30,000 PA Solar AECs annually to meet part of the AEC requirement associated with the Long-Term block contracts for residential customers which will reduce the AECs procured through the auction process. Petition at ¶ 64. AECs beyond through otherwise provided will be procured through auctions held each July. Petition at ¶ 65.

The OCA submits that the Company's proposal for compliance with AEPS requirements should be examined to determine whether it produces the lowest reasonable cost for alternative energy credits and whether it appropriately supports the development of alternative requirements needed under the AEPS Act.

B. Contingency Plans

PPL states that the Company is in compliance with the Commission's requirement that default service plans include contingency plans to ensure the reliable provision of default service if a wholesale generation supplier fails to meet its contractual obligations. Petition at ¶ 96; 52 Pa.

Code § 54.185(d)(5). PPL proposes to maintain the same contingency plan as approved for DSP

V. Petition at ¶ 97. PPL states the contingency plan is as follows:

If the Commission rejects all bids for a given product, in a solicitation, or if some tranches of a given product in a particular solicitation do not receive bids, the Company will expeditiously seek guidance and approval from the Commission to address this shortfall in procurement of Default Service supply. If the Long-Term Block procurement fails to procure a minimum of 100 MW, the Company will seek to procure the product over a shorter term, using the Block product. If the Commission rejects all bids for the Block product, or if there are not at least two wholesale suppliers submitting offers for the Block energy tranches, the Company will offer the unsuccessful Block energy tranches during the next default service auction. The term of the Block contract will remain at five years when rebid. Following the third unsuccessful auction for the Block products, PPL will cease offering the Block product and instead seek Commission guidance.

Petition at ¶ 97.

PPL also outlines its contingency plans for the PA Solar AECs. If PPL is unable to procure the PA Solar AECs through the RFP, the Company will use the annual July AEC to secure the AECs needed. Petition at ¶ 98. If there is not enough bidder activity for the July auctions, the Company will revert back to using at least 3 brokers to procure the AECs to satisfy AEPS obligations. Petition at ¶ 98. If those brokers are unable to provide the necessary amount of AECs, PPL will pay the Alternative Compliance Payment (ACP) to remain compliant with the AEPS Act. Petition at ¶ 98. PPL states that “[f]or AEC products, procurements will roll over the next solicitation, and if there is insufficient time to procure, the Company will solicit credits from brokers.” Petition at ¶ 98.

PPL will assume responsibility for unserved load and all other necessary services through the PJM markets, “including, but not limited to, the PJM energy, capacity, and ancillary markets, and any other service required by PJM to serve such unserved load.” Petition at ¶ 99. The Company proposes that if any of the tranches remain unfilled at the time of the delivery for a given product, PPL will obtain default service supply through the spot market. Petition at ¶ 99.

PPL's Petition also detailed the contingency plan for a supplier default. In the event that there is a supplier default for the full requirements supply, PPL will offer the full requirements supply to other winning bidders for the same product consistent with the process described in the SMA, and if the assignment is not successful, PPL will offer the full requirements supply to all default service suppliers consistent with the default service SMA, even if the supplier does not otherwise serve tranches for that product. Petition at ¶ 100. The assignments will be offered at the original bid price in the event of a default or at the average price from the last successful bid in the event of insufficient bids. Petition at ¶ 100. If no supplier accepts, then PPL will seek guidance from the Commission. If the supplier of the Long-Term Block defaults, PPL will offer the remainder of the contract term to other suppliers at the contract price pursuant to the step-up process in the SMA. Petition at ¶ 100. If a supplier of the PA Solar AEC product defaults, PPL will offer the remaining contract term to other suppliers at the contract price, pursuant to the step-up process in the SMA. Petition at ¶ 100.

The OCA submits that the Commission should carefully review the Company's contingency plans for effectiveness and efficiency to meet the requirements of Act 129. In addition, the OCA will review the contingency plans to ensure that the risks to winning full requirements bidders are not overly burdensome.

C. Rate Design and Cost Recovery

PPL proposes to maintain the same rate design approved in DSP V for residential customers recovered through GSC-1 for generation (GSA), the Company but proposes to change the rate design for transmission (TSC). Petition at ¶¶ 47, 68. The costs recovered through the GSC will include, among other costs, "costs incurred under the various supply contracts, costs incurred to separately procure AECs, and other services not otherwise provided under supply contracts, and

costs incurred to acquire the supply and administer DSP V.” Petition at ¶¶ 48, 66. Costs incurred prior to June 1, 2025 related to the procurement of supply and other costs related to the development and implementation of the DSP VI will be included in the GSC-1 and amortized ratably over the 48-month term of DSP VI. Petition at ¶ 48. The GSC-1 will be adjusted every 6 months to reflect the cost of the default service contracts for the upcoming six-month period, and GSC-1 will be reconciled every six months for over-and under-recoveries for the residential customer class. Petition at ¶ 49.

PPL proposes changes to the TSC in its Petition. The TSC recovers the demand-related (kW) portion of the costs that PPL incurs to provide transmission services and other non-kW based charges incurred to provide transmission service to default service customers. Petition at ¶ 68. Under DSP V, the TSC is computed annually for the twelve-month period from June 1 through May 31 and is reconciled on an annual basis, effective June 1, for the twelve-month period ended March 31 of each year. Petition at ¶ 69. In DSP VI, the Company proposes to change the twelve-month effective period of the TSC to December 1 through November 30. Petition at ¶ 70. The reconciliation period will also change from the twelve-period ending March 31 to September 30. Petition at ¶ 70. PPL states that the Company is proposing the change “because PPL Electric’s FERC-approved transmission formula rate, as recognized in the PJM Open Access Transmission Tariff, has changed and has been approved to be effective January 1 of each year.” Petition at ¶ 70. PPL avers that revising the TSC rate effective date will allow the Company to more accurately project TSC costs for the period because “the Company will know, prior to filing the new TSC charges, what the new transmission rates will be effective January 1.” Petition at ¶ 70.

The OCA submits that PPL’s residential rate design should be examined to help promote price stability, both through the projected cost of energy and the reconciliation of the over/under-

collection component of rates. The OCA will examine the prudence of PPL's proposed change to the effective and reconciliation dates for the TSC and what the impact of the transition will be on residential customers. Further, any cost recovery permitted should be examined to ensure that it is consistent with the Public Utility Code, applicable regulations and Commission Orders, and sound ratemaking principles.

D. Retail Market Enhancements

PPL proposes to continue the Standard Offer Program (SOP) in DSP VI with modifications. Petition at ¶ 104. PPL states the Company has experienced a lack of consistent EGS participation in the SOP and that the SOP creates "brand confusion" for customers because customers may be unaware that the SOP is a supplier product and not a PPL product. Petition at ¶ 104. PPL states that "a review of historical data demonstrates that customers who enroll in the SOP pay more than Default Service rates if they fail to act after their SOP contract expires." Petition at ¶ 104. PPL proposes to continue the SOP with the following modifications:

(1) requiring SOP suppliers to automatically transfer SOP customers to Default Service upon the expiration of the SOP contract unless the customer affirmatively elects to remain a shopping customer; (2) requiring suppliers to lock-in their participation status in the SOP 20 days before the start of the period rather than 5 days; (3) allowing PPL Electric to communicate with customers to inform them that their SOP contract is ending; and (4) requiring customer service representatives to offer the SOP to customers only once per month.

Petition at ¶ 105. PPL also proposes to modify the SOP script to adjust for any changes that may be approved by the Commission.

The OCA intends to investigate whether the SOP should continue, and if it does continue, whether PPL's proposed changes or other substantial changes are needed to protect consumers from paying excessive retail electric supply prices. The OCA will seek to ensure that the program, if continued, maintains and improves reasonable and appropriate consumer protections.

E. Time of Use Rate

As part of the DSP V settlement and as a result of the settlement in *Proceeding Initiated to Comply with Directives Arising from the Commonwealth Court Order in DCIDA v. PUC, 123 A.3d 1124 (Pa. Cmwlth. 2015) Reversing and Remanding the Order of the Commission Entered September 22, 2014 at Docket No. P-2013-2389572 in which the Commission had Approved PPL's Time of Use Plan*, Docket Nos. P-2016-2526627, et al, Order (May 17, 2018), PPL is required to offer Time of Use (TOU) rates. Petition at ¶ 107. PPL's current program implements a summer and winter term- the summer term is from June 1 through November 30, and the winter term is from December 1 through May 31. Petition at ¶ 108. The summer term on-peak hours are 2:00 p.m.-6:00 p.m., Monday through Friday, excluding holidays. Petition at ¶ 108. Off-peak hours are all other hours not deemed on-peak and include both holidays and weekends. Petition at ¶ 108. The winter term on-peak hours are 4:00 p.m. through 8:00 p.m., Monday through Friday, excluding holidays. Petition at ¶ 108. The on-peak and off-peak rates are based on the application generation rate for each customer class. Petition at ¶ 109. The off-peak multiplier is 90% relative to the generation portion of the PTC in effect. The on-peak multiplier reflects the differential in price between "on-peak and off-peak spot market prices at the PPL Residual Aggregation Point, based upon a rolling five-year average." Petition at ¶ 109. The rolling five-year average is recalculated for summer and winter. Petition at ¶ 109. As a part of the DSP V Settlement, PPL agreed to perform additional analyses and reporting on the TOU that would include an evaluation of PPL's Residual Aggregation Point Locational Margin Prices and the residential, small commercial, and industrial load, by hour, for the prior two calendar years. Petition at ¶ 109. PPL proposes to change the on-peak hours to 3:00 p.m. -7:00 p.m. annually and to eliminate the summer and winter terms. Petition at ¶ 110.



The OCA supports the development of TOU rates consistent with the Company's obligation under Act 129. However, the results of the Company's TOU rate design and implementation and the proposed modifications require examination to evaluate the effectiveness of the TOU elements such as the annual pricing multipliers and differentiation of peak and off-peak times. The Company's communication of the TOU rate option for residential consumers should be understandable, accessible, and useful for the Company's customers. To continue as a part of the DSP VI, the TOU rate option must be examined to ensure that the program meets the needs of ratepayers while maintaining compliance with existing law and the Commission's regulations.

F. OnTrack Enrollment and Default Service

PPL proposes to maintain the commitment in the DSP V Order that OnTrack customers are not permitted to have a supplier contract. Petition at ¶ 113. Under the current OnTrack rules, a customer must cancel their supplier contract as a condition of enrollment in Ontrack. Petition at ¶ 113. PPL states that the requirement for customers to cancel their supplier contracts on their own rather than to allow the Company to return them to default service. Petition at ¶ 114. PPL proposes to modify the procedures to allow the Company to automatically return OnTrack customers to default service upon enrollment in OnTrack. Petition at ¶ 114. The Company also requests that the Commission order suppliers to be prohibited from charging early termination fees to customers who terminate their contracts to enroll in OnTrack. Petition at ¶ 114.

The OCA will review PPL's proposed changes. The OCA supports elimination of barriers to OnTrack enrollment for customers and will examine whether additional modifications are needed in order to facilitate enrollment in OnTrack. The OCA will also examine what communications to customers may be needed.

G. Additional Requested Ruling Pursuant to 66 Pa. C.S. § 2102

PPL also requests that the Commission approve the SMAs as affiliated interest agreements under 66 Pa. C.S. § 2102. Petition at ¶ 115. PPL notes that under 52 Pa. Code Section 54.186(b)(5), an affiliated supplier can participate to provide competitive bids for generation service. Petition at ¶ 116. PPL states that it does not currently have any affiliated suppliers, but in the event that suppliers were to become affiliated, that any unregulated affiliates should be permitted to participate in PPL's Default Service, Long-Term Block, PA Solar AEC, contingency block, or AEC supply solicitations. Petition at ¶ 116.

The OCA will review the impacts of PPL's proposal and whether the proposal is consistent with Commission Orders, the Commission's regulations, and applicable law.

H. Waivers

PPL requests waivers of the Commission's regulations including a waiver of the requirement to offer quarterly PTC that are synchronized with the PJM energy year for residential and small business customers; to use a final PTC 45 days prior to the effective date of the PTC and to continue the issuance of the PTC 30 days in advance has been approved for DSP III through V; and of the Commission's Policy Statement, 69.1804 that default service plans should be for two years unless otherwise directed by the Commission; and to the extent necessary, waiver of 52 Pa. Code § 54.10(3) to automatically return customers to default service upon conclusion of the SOP contract unless the customer affirmatively chooses otherwise. Petition at ¶¶ 119-124.

I. Procedural Issues

PPL has requested that the Commission approve the DSP VI within nine months, or no later than December 20, 2024 and that the Commission consider the Petition at its scheduled

December 5, 2024 Public Meeting. Petition at 2-3; *see also*, Cover Letter at 2. The OCA supports the Company's proposed timeline for review of the DSP VI Petition and the use of December 5, 2024 Public Meeting date. The proposed timeline will allow the parties sufficient time to fully investigate and review the proposed DSP VI Petition. The OCA is committed to working with all parties to develop a mutually agreeable procedural schedule and requests that the December 5, 2024 Public Meeting date be used.

### III. CONCLUSION

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Company's default service filing be thoroughly reviewed to ensure that the default service rates that will be charged starting June 1, 2025 are just and reasonable and otherwise consistent with Pennsylvania law.

Respectfully Submitted,

/s/ Christy M. Appleby  
Christy M. Appleby  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 85824  
E-Mail: CAppleby@paoca.org

Counsel for:  
Patrick M. Cicero  
Consumer Advocate

Office of Consumer Advocate  
555 Walnut Street 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152

DATE: March 20, 2024


BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities :  
Corporation For Approval of a Default :  
Service Program And Procurement Plan : Docket No. P-2024-3047290  
for the Period June 1, 2025 Through May :  
31, 2029 :

VERIFICATION

I, Patrick M. Cicero, hereby state that the facts set forth in the Office of Consumer Advocate's Answer to PPL Electric Utilities Corporation's Petition, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: March 20, 2024

Signature:   
Patrick M. Cicero  
Consumer Advocate

Address: Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923