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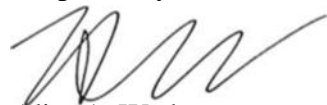
Mathew Homsher, Secretary
Commonwealth Keystone Building,
400 North Street, 2nd Floor,
P.O. Box 3265,
Harrisburg, PA 17105-3265

Re: TotalEnergies Distributed Generation USA, LLC v. PPL Electric Utilities Corporation, Docket No. C-2024-3051475

Dear Secretary Homsher:

Attached for filing on behalf of PPL Electric Utilities Corporation (“PPL” or the “Company”) is the Reply Brief for the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Alice A. Wade

AAW
Attachment

cc: Certificate of Service
The Honorable Steven K. Haas (*via email w/ attachment*)
The Honorable F. Joseph Brady (*via email w/ attachment*)

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

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Dated: June 11, 2025



Alice A. Wade

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

TotalEnergies Distributed Generation USA, LLC,	:	
	:	
	:	
Complainants,	:	
	:	Docket No. C-2024-3051475
v.	:	
	:	
PPL Electric Utilities Corporation,	:	
	:	
Respondent.	:	

**REPLY BRIEF OF
PPL ELECTRIC UTILITIES CORPORATION**

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Dated: May 29, 2025

Attorneys for PPL Electric Utilities Corp.

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I. INTRODUCTION

On September 30, 2024, PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) was served with the above-captioned Formal Complaint filed by TotalEnergies Distributed Generation USA, LLC (“Complainant” or “TotalEnergies”) with the Pennsylvania Public Utility Commission (“Commission”), concerning the Company’s deposit requirement for interconnection applicants.

On May 29, 2025, PPL Electric filed its Main Brief. The same day, TotalEnergies filed its Main Brief. As explained in this Reply Brief, the Complainants failed to sustain their burden of proof that PPL Electric’s deposit requirement is unreasonable in violation of Section 1501 of the Public Utility Code or an illegal rate as contemplated by Section 1305 of the Public Utility Code. Thus, Administrative Law Judges (collectively the “ALJs”) Steven K. Haas and F. Joseph Brady and the Commission should dismiss the Complaint in its entirety with prejudice.

II. SUMMARY OF ARGUMENT

The Complainants failed to sustain their burden of proof that PPL Electric’s deposit requirement violates Section 1501 of the Public Utility Code. Beginning on January 1, 2024, PPL Electric began requiring a deposit of interconnection applicants equivalent to 25% of the estimated cost of the project. The Complainant’s claim that this (1) constitutes unreasonable service and (2) that collecting a deposit at the juncture in the process that PPL Electric expects to begin incurring costs is an illegal rate. Complainant’s arguments are incorrect. PPL Electric’s deposit requirement is reasonable, lawful and should be approved.

In its Main Brief, the Complainant argues that (1) the deposit is an illegal rate and (2) PPL Electric’s encouragement of “shovel ready” projects is unsupported. As PPL Electric demonstrated in its Main Brief, the deposit is not an illegal rate. PPL Electric is permitted to charge interconnection applicants for the costs associated with distribution system upgrades necessary to

interconnect their projects. With the regulations silent as to timing, PPL Electric has used its managerial discretion to implement a reasonable requirement with precedent in its Commission approved tariff.

Further, as PPL Electric has indicated, the deposit is refundable to the extent that it has not been spent. While the Complainants maintain in their Main Brief that the deposit is non-refundable, PPL Electric's testimony shows that it is non-refundable only with respect to the spent portions.

Regarding the Complainant's quibbles with the Company's encouragement of shovel-ready projects, this too is a reasonable policy implemented to maximize the efficiency of the queue, preventing developers from submitting projects simply to hold their place in line and allowing PPL Electric to focus on the projects that are most likely to be developed.

For these reasons, and as explained in more detail herein, the Complainants failed to sustain their burden of proof, and the ALJ and the Commission should dismiss the Complaint with prejudice.

III. REPLY ARGUMENT

A. PPL ELECTRIC'S DEPOSIT IS NOT AN ILLEGAL RATE

The Complainant argues that not only is PPL Electric's deposit a rate, but that it is an illegal one. To the extent this deposit is a rate, it is not illegal. The Complainant makes two arguments with regard to the deposit being an illegal rate. First, the Complainant argues that it is not permitted by regulation. The deposit is permitted by regulation. Second, the Complainant argues that rates must be just and reasonable. The deposit is just and reasonable.

Regarding the permissibility of the deposit, while the Complainant argues that it is "[n]either the regulations nor the AEPSA permit PPL the demand an arbitrary deposit amount at whatever stage of the interconnection process it chooses," it fails to recognize that nowhere in the

regulations nor in the Alternative Energy Portfolio Standards (“AEPS”) Act of 2004, 73 P.S. §§ 1648.1-1648.8, is such deposit prohibited (Complainant Main Brief p. 5.) Notably, the regulations expressly authorize PPL Electric to require that Level 3 interconnection applications pay the costs of distribution system upgrades necessary to interconnect their projects. *See* 52 Pa. Code § 75.39(e)(4). The Complainant concedes in its Main Brief that the EDCs are authorized to charge for the costs of upgrades. (TEDGUSA Main Brief, p. 5.) Thus, the rate has been contemplated and approved by the Commission.

The Complainant concedes that the regulations authorize the deposit, noting “it is true that the regulations do authorize EDCs to charge for the costs of upgrades,” but argue that the deposit is an illegal rate because it was not specifically submitted and approved. (TEDGUSA Main Brief, p. 5.) Further, the Complainant argues that the deposit must be in the Company’s tariff, pointing to Section 1302 of the Public Utility Code. (TEDGUSA Main Brief, p. 5.) That section states that, “every public utility shall file with the commission, within such time and in such form as the commission may designate, tariffs showing all rates established by it and collected or enforced, or to be collected or enforced, within the jurisdiction of the commission.” 66 Pa. C.S. § 1302.

The issue, then, is one of timing. It is not in dispute that TotalEnergies must ultimately pay for the upgrades.¹ While the Complainants claim that, “the regulations so not authorize charging a deposit for upgrades or facilities until the work is completed,” they do not cite to such a specific restriction in the regulations themselves. (TEDGUSA Main Brief, p. 7.) In fact, the regulations authorizing the Company to collect the costs of the upgrades from the interconnection application are silent as to when the costs should be collected. The Company’s tariff is instructive here. It not only contemplates customers interconnecting with PPL Electric’s distribution system, but it

¹ TEDGUSA Main Brief, p. 8 (“In short, TEDGUSA agrees with paying for the study or the engineering, or even equipment, but at the appropriate time.”).

provides that customers must often prepay estimated costs of construction associated with their projects. Rule 4 of the Company's tariff provides that speculative service extensions, "[require] an 'in advance of construction' payment of the fully allocated cost of engineering design and survey work to produce a detailed estimate." Tariff Rule 4(B)(8) Supp. No. 194 to Electric Pa. P.U.C. No. 201, Tenth Revised Page No. 8A. Regarding line extensions, Rule 3 of the Company's Tariff provides that, "[t]he estimated excess cost of construction other than would normally be required for installation of the line extension, is paid by the customer prior to installation." Tariff Rule 3(B)(4) Supp. No. 194 to Electric Pa. P.U.C. No. 201, Sixth Revised Page No. 7A.

As noted in PPL Electric's main brief, utilities are permitted managerial discretion. (PPL Electric Main Brief, p. 16.) Because the regulations are silent as to the timing of the deposit, PPL Electric has structured the timing of the Commission-approved costs in a way that mirrors PUC-approved provisions from its tariff.

Not only is the deposit authorized, but, contrary to the Complainant's assertions, it is just and reasonable. As Witness Elias admitted in his testimony, roughly half of TotalEnergies projects do not make it to construction. (TEDGUSA St. No. 1, p. 8.) As discussed in the Company's Main Brief, it is reasonable for the applicant to begin paying for the costs of their projects at the point in a projects development where PPL Electric will start incurring costs associated with the project. This distinguishes the deposit from traditional deposits where a deposit is held in addition to the regular bills being paid by the customer. This deposit is used to cover the costs that the customer owes under the interconnection facilities study, and is refundable to the extent it is not spent. As admitted by the TotalEnergies witness, Mr. Elias, projects often fail for reasons beyond the applicant's control. (TEDGUSA St. No. 1, p. 7.) As an example of this, the Witness Elias describes issues like the denial of land use applications from local agencies. (TEDGUSA St. No.

1, p. 7.) The deposit is reasonable considering the speculative nature of these projects, and without collecting payment prior to performing the work the Company would face significant collection risk for these costs.

The Complainant suggests that the deposit is not just and reasonable, because it is not clear how much will be refunded if a project is withdrawn. (TEDGUSA Main Brief, pp. 5-6.) PPL Electric has been very clear in its testimony how the deposit will be refunded for withdrawn projects. The Company summarized its testimony in the Main Brief, clearly outlining the policy:

The deposit covers costs incurred between the IIR and construction. (PPL St. No. 1, p. 10.) These costs include detailed engineering and deposits that must be paid under vendor agreements to order long lead time equipment for the identified system reinforcements. (PPL St. No. 1, p. 11.) After ordering, this long lead time equipment can take up to 2 years to receive. (PPL St. No. 1, p. 11.) If this equipment arrives, the 25% deposit is applied to the costs of the equipment. (PPL St. No. 1, p. 11.) If a project cancels before portions of the deposit are spent, PPL Electric will return the deposit. (PPL St. No. 1, p. 12.) To the extent portions of the deposit have been spent, PPL Electric will make efforts to determine if it can reuse the ordered equipment. (PPL St. No. 1, p. 12.) If the equipment can be reused, the portion of the deposit spent on that equipment will also be refunded. (PPL St. No. 1, p. 11-12.) PPL Electric will only retain those portions of the deposit that are spent and cannot be reappropriated. (PPL St. No. 1, p. 12.) Further, if an item identified in the IIR is ultimately not needed for the project, PPL Electric will bear those costs. (PPL St. No. 1, p. 13.) However, to PPL Electric's knowledge, this has never occurred. (PPL St. No. 1, p. 13.)

(PPL Electric Main Brief, p. 11.) There is little ambiguity here. The unspent portions of the deposit will be refunded. To the extent portions are spent and cannot be refunded, it is reasonable for the applicant to pay for PPL Electric's costs incurred for the applicant's project, who by regulation is required to bear these costs, rather than the ratepayer. Even in Witness Elias' testimony, he admits that he is not conceptually opposed to deposits, and will only definitely affirm his opposition to nonrefundable deposits. (Tr. at p. 20.) This deposit is only nonrefundable as to the costs incurred

by PPL Electric – costs the interconnection applicant is responsible for by regulation. This should assuage the concerns of the Complainant.

Finally, while the Complainant expresses concern about the 50% margin of error associated with the interconnection facilities study, PPL Electric provided ample context for this figure, which seeks to inform applicants so they are not surprised by unexpected costs. (PPL St. No. 1, p. 15.) As discussed in testimony and the Company’s Main Brief, in the vast majority of cases, the costs do not vary significantly from the estimates. (PPL Electric Main Brief, p. 15 *citing* PPL St. No. 1, p. 15.)

The deposit is thus a permissible way for the Company to recover its Commission approved costs from the applicant at the moment it will begin to incur them.

B. ENCOURAGING SHOVEL-READY PROJECTS ENHANCES THE EFFICIENCY OF THE INTERCONNECTION PROCESS

The Complainant argues that PPL Electric’s policy of encouraging shovel-ready projects is “ [n]ot [s]upported and [d]efies [p]ractical [r]eality.” (TEDGUSA Main Brief, p. 7.) As discussed in the Company’s Main Brief, an applicant’s position in the interconnection queue is based on when the Company receives: “a valid interconnection request, the applicable interconnection application fee, and the approved one-line diagram.” (PPL Electric Main Brief, pp. 8-9 *citing* PPL St. No. 1, p. 4.) PPL Electric’s encouragement of shovel ready jobs does not change this. Again, PPL Electric is permitted to exercise managerial discretion. Encouraging shovel-ready jobs to promote the efficiency of the queue is within PPL Electric’s discretion and does not alter a project’s queue position. As noted in Witness Olsen’s testimony at the hearing, encouragement of shovel-ready projects allows for applicants with projects that are ready to proceed interconnect in a timely manner. (Tr. at 33-34.) Ensuring shovel-ready projects not only ensures timely interconnection for all applicants in the queue, but accurate cost estimates. (Tr. at

34.) Encouraging shovel-ready projects prevents delays associated with immature projects and avoids projects needing to be restudied. While this might be inconvenient to a customer-generator that routinely submits immature projects, inconvenience is not in itself unreasonable. *See Pennsylvania Tel. Corp. v. Pennsylvania Public Utility Com.*, 153 Pa. Super. 316, 325 (1943).

Ultimately, while it is clear that the Complainant disagrees with this policy, it has not made a case that the policy constitutes unreasonable service or violates the Commission's regulations. Based on the foregoing, the Complainants failed to sustain their burden of proof that PPL Electric's deposit requirement for Level 3 interconnection applicants was unreasonable nor that it constitutes an illegal rate.

IV. CONCLUSION

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that Administrative Law Judges Steven K. Haas and F. Joseph Brady and the Pennsylvania Public Utility Commission deny the Formal Complaint of TotalEnergies Distributed Generation USA, LLC in its entirety and with prejudice.

Respectfully submitted,



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Dated: June 11, 2025

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