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October 13, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

RE: TotalEnergies Distributed Generation USA, LLC v. PPL Electric Utilities Corporation; Docket No. C-2024-3051475; **REPLY EXCEPTIONS OF TOTALENERGIES DISTRIBUTED GENERATION USA, LLC**

Dear Secretary Homsher:

Enclosed for filing with the Commission is TotalEnergies Distributed Generation USA, LLC ("TEDGUSA") Reply Exceptions of PPL Electric Utilities Corporation in the above-captioned matter. Copies have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions related to this filing, please feel free to contact me.

Very truly yours,

Todd S. Stewart
Counsel for TotalEnergies Distributed Generation USA, LLC

TSS/jld
Enclosure
cc: Office of Special Assistants (via electronic mail – ra-OSA@pa.gov)
Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA ELECTRONIC MAIL

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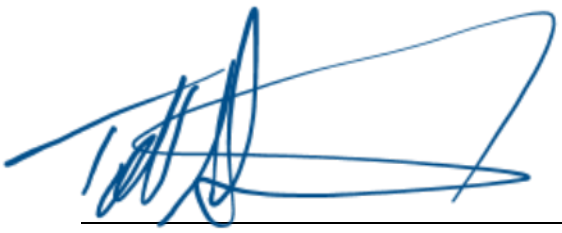

Todd S. Stewart

Dated: October 13, 2025

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

REPLY EXCEPTIONS
OF TOTALENERGIES DISTRIBUTED GENERATION USA, LLC

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DATED: October 13, 2025

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I. INTRODUCTION

NOW COMES TotalEnergies Distributed Generation USA, LLC ("TEDGUSA") and submits these Replies to the Exceptions submitted by PPL Electric Utilities Corporation ("PPL") on October 2, 2025, to the Initial Decision of Administrative Law Judges Steven K. Haas and F. Joseph Brady. PPL's exceptions lack any merit and should be denied in their entirety. The Presiding Administrative Law Judges correctly found that PPL's non-refundable deposit was an illegal rate that is strictly prohibited by the Public Utility Code. PPL's exceptions cannot prove any fault in that conclusion other than PPL's insistence that it be permitted to demand such an illegal deposit.

The Initial Decision ("ID") should be sustained and the Exceptions denied.

II. REPLIES TO EXCEPTIONS

1. <u>Reply to Exception No. 1</u> – PPL's claim that the ALJ's erred in concluding that the contract, the IIR, demands a non-refundable deposit is without merit. (PPL Exceptions pp. 3-4).

PPL's first exception is the legal equivalent to "don't look behind the curtain," claiming that the ALJs erred in accepting PPL's representations that the 25% deposit was refundable, despite the IRR plainly stating the contrary. PPL also claims that the ALJs overlooked extensive testimony regarding the alleged refundability of the deposit. PPL's argument in this regard fails because the record clearly shows that despite PPL's testimony, the IIR itself had not changed. All of PPL's discussions cannot overcome the fact that the plain language of the IIR controls.[1] Stated differently, the ALJ's found that the IIR language is definitive on the refundability of the deposit. PPL may have offered testimony on its newly found intention that the deposit be refundable, at

[1] I.D, pp. 9-10; Finding of Fact No. 14.

least with regard to the unspent portions, but PPL's failure to change the controlling document leaves that provision intact. PPL's exception should be denied.

2. <u>Reply to Exception No. 2</u> – PPL's claim that the deposit does not fall under the definition of a "rate" and that it is not an illegal rate are plainly wrong.

In PPL's Exception No. 2 it takes issue with the ALJ's conclusion that PPL's deposit is a rate, and because the rate was not approved by the Commission, it is an illegal rate. Again, PPL's exception is misguided. The Public Utility Code ("Code") 66 Pa. C.S. § 102, defines a rate as:

> **"Rate."** Every individual, or joint fare, toll, charge, rental, or other compensation whatsoever of any public utility, or contract carrier by motor vehicle, made, demanded, or received for any service within this part, offered, rendered, or furnished by such public utility, or contract carrier by motor vehicle, whether in currency, legal tender, or evidence thereof, in kind, in services or in any other medium or manner whatsoever, and whether received directly or indirectly, and any rules, regulations, practices, classifications or contracts affecting any such compensation, charge, fare, toll, or rental.

In addition to falling squarely within the definition of a rate, it is a rate not approved by the Commission or included in PPL's tariff, thus violating Code Section 1302, which requires that rates be approved and included in tariffs[2]. PPL now takes the untenable position that because the Commission's regulations authorize the recovery of interconnection costs and are silent on "when" the costs are collected, that PPL can unilaterally and without Commission approval, charge an arbitrary 25% deposit before the work is even ready to start. Using PPL's logic, PPL could demand a deposit for the "expected" costs, before the engineering is completed, even before any work other than an inaccurate estimate of costs were performed and the deposit would be legitimate under the Commission's Regulation. That clearly is not the intention of the Regulation. Nonetheless, PPL's rational would allow PPL to collect that deposit upfront because PPL claims that the regulations are silent on when the payment may be collected. Clearly the silence of the regulations on the

[2] I.D. at 9-12.

point does not authorize pre-collection of the costs. PPL's argument fails to provide any legal basis for why the ability to collect interconnection costs before they are incurred can be inferred from the regulations.

3. <u>Reply to Exception No. 3</u> – Authorization to recover the costs of upgrades is not the same as authorizing those costs to be demanded and paid-for before the work is done. (PPL Exceptions pp 5-6).

Without express authorization to collect the costs as a "deposit", PPL's deposit violates the plain language of the Code. The Regulations speak to this point, requiring only that the customer generator agree to pay the costs before proceeding. 52 Pa. Code § 75.39(e)(4). PPL's "if not prohibited it is allowed" logic is not sufficient to overcome the need for a specific authorization for the deposit. Moreover, the ALJ's found that the deposit - whether or not refundable - violates Sections 1302 and 1305 of the Code. 66 Pa. C.S.§§ 1302, 1305. It violates Section 1302 because it is a rate and is not contained in PPL's tariff and has not been approved by the Commission. PPL's non-refundable deposit violates Section 1305 because regardless of whether it is refundable, it is a demand for prepayment of a rate and/or a deposit. PPL has made no argument that would allow it to charge a deposit that has not been authorized by the Commission as required in Section 1305.[3] Even if it is true that PPL's tariff allows for the recovery of 100% of interconnection costs, it does not permit the recovery of such costs in advance of them being incurred, which is what the deposit is intended to do.

[3] 66 Pa. C.S. §**1305. Advance payment of rates; interest on deposits.**
No public utility shall require the payment of rates in advance, or the making of minimum payments, ready to serve charges, or deposits to secure future payments of rates, except as the commission, by regulation or order, may permit. Any deposit made by any domestic consumer, under the provisions of this section or under any repealed statute supplied by this part, shall be returned with any interest due thereon to the consumer making such deposit when he shall have paid undisputed bills for service over a period of 12 consecutive months. (emphasis added).

Contrary to PPL's contention that TEDGUSA stated otherwise, TEDGUSA never disputed the requirement that it pay for interconnection costs. However, TEDGUSA continues to dispute that PPL can charge those costs in the form of an advance payment that is non-refundable. The Commission's regulations do not alter the plain language of the Code that renders PPL's deposit illegal. The Commission's regulations plainly do not authorize pre-payment. Without such an authorization, the prepayment violates Section 1305 and PPL has failed utterly in its attempt to claim otherwise.

4. <u>Reply to Exception No. 4</u> – PPL is not permitted to collect costs of interconnection before those costs are incurred. (PPL Exceptions pp 6-8).

PPL attempts to justify its prepayment requirement by suggesting that at the time the prepayment is demanded, significant work has already been done. What PPL ignores is that it charges a substantial application fee that is intended to cover the costs incurred up to the IIR.[4] It also is clear that the IIR is intended to address the actual and often substantial interconnection work that will be done in the future.[5] PPL implies but cites no evidence for the proposition that the deposit demanded in the IIR is intended to cover the cost of preparing the IIR. PPL also claims that the deposit shields ratepayers from bearing costs of projects that are abandoned after PPL has begun to spend money. This claim is incorrect. It is the +/- 50% margin of error in PPL's IIR that makes the decision to continue with a project or to abandon it so difficult, and developers such as TEDGUSA generally will abandon projects at the point the IIR is issued because they know the magnitude of the costs they may face.[6] As Mr. Elias testified, the IIR is the inflection point, and very few projects are abandoned thereafter.[7]

[4] TEDGUSA St. No. 1 at 5-6.
[5] PPL Electric Exhibit GO-1.
[6] TEDGUSA St. No. 1 at 5-6.
[7] TEDGUSA St. No. 1, at 5-8.

5. <u>Reply to Exception No. 5</u> – PPL's Request, in its Exceptions, for an Order permitting a non-refundable deposit must be denied.

Finally, PPL asks the Commission, for the first time in its Exceptions, to issue an order permitting it to charge a presumably non-refundable deposit, even though it has not previously requested such an order. Not only has PPL not made a fulsome or timely request for a Commission Order authorizing it to require a deposit. PPL has not provided a proposed tariff revision or any supporting information, which are necessary to accomplish the establishment of a deposit rate in its tariff. Raising the issue now is contrary to the requirements of procedural due process. PPL should not be permitted to raise an issue for the first time in exceptions where doing so prejudices TEDGUSA and where the record has already been closed. PPL could have made the request at the beginning of this matter. It did not. PPL's halfhearted request, without any support, in exceptions cannot be permitted. Moreover, the record as it exists does not support PPL's request. PPL has not presented any evidence of any developer failures that led to it "holding the bag" on a project that was cancelled. Its so-called evidence was pure speculation. In short, there is no evidence to support PPL's theory of the potential for customers being left to pay for projects that are abandoned. The only evidence of projects being abandoned was presented by TEDGUSA and is clear that projects are most likely to be abandoned after learning of the project costs, which is before any work has begun.

III. CONCLUSION

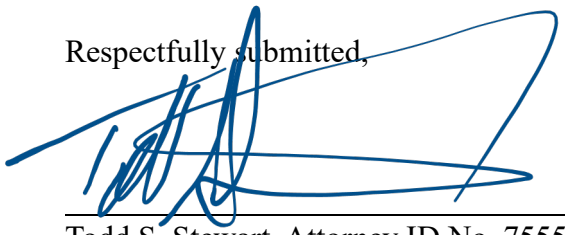
ALJ's Haas and Brady found that PPL's deposit is a rate as that term is defined in the Code.[8] The ALJ's found that PPL's deposit was non-refundable, despite PPL's argument to the contrary, because even though PPL testified that its deposit was refundable, the form of IIR that PPL

[8] 66 Pa. C.S. § 102.

continued to use, clearly stated that the deposit was non-refundable.[9] The ALJs found, however, that the refundability of the deposit is a moot issue because the deposit is a rate and is therefore prohibited by 66 Pa. C.S. § 1305, because the Code does not permit unauthorized deposits. PPL's Exceptions should be denied, as should its attempt, at the end of its exceptions, to seek approval of its otherwise illegal deposit, without it having filed anything previously. PPL's last-minute attempt must likewise be rejected.

WHEREFORE, TEDGUSA respectfully requests that the Exceptions of PPL be denied and that the Initial Decision of Administrative Law Judges Haas and Brady be adopted in its entirety.

Respectfully submitted,



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DATED: October 13, 2025

[9] PPL Electric Exhibit GO-1 at 5.