



COMMONWEALTH OF PENNSYLVANIA

March 20, 2026

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation
/ Docket No. R-2025-3057164**

Dear Secretary Homsher:

Enclosed for filing please find the Statement in Support of the Joint Petition for Approval of Non-Unanimous Settlement of All Issues, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Maksim Malukoff
Robert D. Knecht
Mark D. Ewen
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3057164
v.	:	
	:	
PPL Electric Utilities Corporation	:	

**STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF
NON-UNANIMOUS SETTLEMENT OF ALL ISSUES
ON BEHALF OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. Introduction

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50.

Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a complaint in response to the September 30, 2025, tariff filings of PPL Electric Utilities Corporation (“PPL” or the “Company”) with the Pennsylvania Public Utility Commission (“Commission”). PPL’s September 30th tariff filings requested an increase in the Company’s distribution revenues of \$356,271,443.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Approval of Non-Unanimous Settlement of All Issues (“*Joint Petition*”). The *Joint Petition* addresses the issues raised by the OSBA in this proceeding. Therefore, the OSBA submits this statement in support of the *Joint Petition*.

II. Standards for Approval of the Non-Unanimous Settlement

Section 5.231(a) of the Commission's regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows:

It is the policy of the Commission to encourage settlements.

Similarly, Section 69.401 of the Commission's regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

III. Settlement Terms

As set forth in the *Joint Petition*, the OSBA negotiated several important concessions that will protect the interests of PPL's small businesses.

A. Revenue Requirement

The *Joint Petition* reduces the increase to PPL's distribution revenues from \$356.27 million to \$275 million.¹

At the full revenue requirement requested by PPL, the GS-1 small business customer class would have received a \$33.9 million (43%) rate increase. At the revenue requirement of \$275 million set forth in the *Joint Petition*, the GS-1 customer class would receive a rate increase of \$24.2 million (31%).

This reduced revenue increase lessens the rate impact upon PPL's small business customers, and the OSBA submits that it is a just and reasonable result for this issue.

¹ *Joint Petition*, Paragraph 49.

B. Revenue Allocation

In this proceeding, PPL and the Office of Consumer Advocate (“OCA”) each submitted an allocated cost of service study (“ACOSS”). The OSBA reviewed the methodology of both ACOSS’s and determined that while the methodologies differed, both ACOSS’s were executed correctly and provided reasonable results. Based upon this review, the OSBA submitted its own proposed revenue allocation that yielded fair and reasonable treatment of all rate classes.

The *Joint Petition* proposes to blend the PPL and OCA ACOSS’s, giving PPL’s ACOSS an 80% weight and the OCA ACOSS a 20% weight.

The OSBA submits that this approach is consistent with its own analysis and yields a just and reasonable result for this highly contentious issue.²

C. Rate Design

The *Joint Petition’s* proposed rate design for the GS-1 small business customer class customer charge, going from \$22.00 to \$27.22 per month, is reasonable and based upon the proposed revenue allocation.

D. E. F. G. H.

The OSBA is not addressing these sections.

I. Large Load Interconnections

The *Joint Petition* requires PPL to create a new LP-6 rate class for data center customers. This is consistent with OSBA’s testimony in this proceeding, as well as the OSBA policy position on this issue.

Given the peak electric demand of 50 MW or greater at a single facility or at least equal to 75 MW in the aggregate among facilities taking service from PPL Electric at or above 69 kV

² *Joint Petition*, Paragraph 52.

within a 10-mile radius peak load threshold for inclusion in this new class, there is no risk that small business customers could be inadvertently classified under LP-6.

The terms for the LP-6 class include provisions such that: a) data centers will pay for the infrastructure upgrades they cause; b) new electric service agreements (“ESAs”) have a term of at least 10 years; and c) data centers must meet revenue guarantees and pay exit fees.³

In addition, any party may make a filing to modify this LP-6 proposal to ensure consistency with any Commission order at Docket M-2025-3054271, where the OSBA provided commentary.⁴

The *Joint Petition’s* proposal addressing the LP-6 class is consistent with the OSBA’s testimony and commentary on this issue and is therefore supported by this Office.

J. Maximum Registered Peak Load

The OSBA’s primary litigation position on the issue of maximum registered peak load (“MRPL”) was to limit the number of net-metering customer generators classified to the GS-1 small business customer class. If no limit was set, over 1,000 MW of capacity could be eligible for that small business classification. The resulting impact upon small business customer electric rates would range from significant to catastrophic.

The *Joint Petition* proposes restrictions that should serve to avoid massive increases in default electric supply prices for small businesses. Specifically, the *Joint Petition* proposes to grandfather an additional 140 MW of capacity to the GS-1 small business customer class. Furthermore, these projects will be eligible to stay in the GS-1 default service rate for a period of 10 years.⁵

³ *Joint Petition*, Paragraphs 91-93.

⁴ *Joint Petition*, Paragraph 97.

⁵ *Joint Petition*, Paragraphs 99-100.

In addition customer generators excluded from GS-1 by these grandfathering terms and capacity caps can seek classification in the larger commercial classes. The compensation rates for customer generators in these larger commercial classes are reasonable, while offering protection for GS-1 small business customers.⁶

The OSBA supports the *Joint Petition's* resolution of the MRPL issue. This Office submits that it is a just and reasonable solution for PPL's small business customers, but it will also stem the rate increases that the GS-1 small businesses are already experiencing due to the customer generators already in operation.

K. L.

The OSBA is not addressing these sections.

M. Retail Tariff

Through discovery, the OSBA confirmed that PPL has a small business payment plan in place. However, that plan was not in the Company's tariff.

The *Joint Petition* proposes that PPL will "add a Rule 9(I) that provides PPL Electric with the discretion to enter into a flexible payment arrangement of up to 6 months with Rate GS-1 and GS-3 customers under terms acceptable to the Company.

N. O.

The OSBA is not addressing these sections.

IV. Vice Chair Barrow's October 23, 2025, Statement

In this proceeding, PPL and the OSBA have opposed any proposals to allocate universal service costs to all rate classes.

⁶ *Joint Petition*, Paragraphs 102, 105.

The COVID-19 did a great deal of damage to small businesses across the Commonwealth, including putting many completely out of business. Inflation over the last few years has also taken a toll on the Commonwealth's small businesses.

Making matters worse, the customer generators, getting reimbursed at the price to compare, are causing the electric supply rates for small businesses to dramatically increase. At this juncture, without some form of relief (such as what is proposed in the *Joint Petition*), placing universal service costs on the Commonwealth's small businesses may be their death knell.

To address this issue, the *Joint Petition* proposes that PPL allocate \$11 million of universal service costs annually to the new LP-6 class. Specifically, PPL will propose an increased allocation of costs to the LP-6 class in its next filed rate case or will explain why it has not proposed to increase this allocation.

This is a just and reasonable solution to help fund the residential-only universal service costs. This is also a much better solution than putting additional charges onto the Commonwealth's small businesses.

V. **Conclusion**

Therefore, for the reasons set forth in the *Joint Petition*, as well as the issues set forth in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ's and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney I.D. No. 77538

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: March 20, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2025-3057164
v.	:	C-2025-3057889
	:	
PPL Electric Utilities Corporation	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Christopher P. Pell
Deputy Chief Administrative Law Judge
Pennsylvania Public Utility Commission
Philadelphia District Office
801 Market Street
Philadelphia, PA 19107
cpell@pa.gov

The Honorable Barbara Shadie Nause
Administrative Law Judge
Pennsylvania Public Utility Commission
Philadelphia District Office
801 Market Street
Philadelphia, PA 19107
bshadienau@pa.gov

Legal Assistant Pamela McNeal
pmcneal@pa.gov

Legal Assistant Eric Ball
erball@pa.gov

Michael A. Podskoch, Jr., Esquire
Adam J. Williams, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
mpodskoch@pa.gov
adawilliam@pa.gov

Christy M. Appleby, Esquire
Harrison W. Breitman, Esquire
Jacob D. Guthrie, Esquire
Josiah B. Harmar, Esquire
Johnathan M. Longhurst, Esquire
Joel Cheskis, Esquire
PA Office of Consumer Advocate
Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923
OCA25PPLBRC@paoca.org

Devin T. Ryan, Esquire
Alice A. Wade, Esquire
Hayley E. Wilburn, Esquire
Post & Schell, P.C.
One Oxford Centre
301 Grant Street, Suite 3010
Pittsburgh, PA 15219
dryan@postschell.com
alice.wade@postschell.com
hwilburn@postschell.com

Kimberly A. Klock, Esquire
Michael J. Shafer, Esquire
PPL Services Corporation
645 Hamilton Street, Suite 700
Allentown, PA 18104
kklock@pplweb.com
mjshafer@pplweb.com

David B. MacGregor, Esquire
Garrett P. Lent, Esquire
Anthony C. DeCusatis, Esquire
Erin R. Kawa, Esquire
Post & Schell, P.C.
17 North Second Street 12th Floor
Harrisburg, PA 17101-1601
dmacgregor@postschell.com
glent@postschell.com
adecusatis@postschell.com
ekawa@postschell.com

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
jlvullo@bvrrlaw.com

Daniel A. Garcia, Esquire
Brian Pulito, Esquire
Sarah M. Ramin, Esquire
Steptoe & Johnson, PLLC
1 PPG Place
Pittsburgh, PA 15222
Daniel.Garcia@Steptoe-Johnson.com
Brian.Pulito@Steptoe-Johnson.com
Sarah.Ramin@Steptoe-Johnson.com

Devin McDougall, Esquire
Clean Energy Program
Earthjustice
1617 John F. Kennedy Blvd, Suite 2020
Philadelphia, PA 19103
dmcDougall@earthjustice.org

Eric Joseph Epstein
4100 Hillsdale Road
Harrisburg, PA 17112
epstein@efmr.org

Lauren M. Burge, Esquire
Eckert Seamans Cherin & Mellott, LLC
600 Grant Street, 44th Floor
Pittsburgh, PA 15219
lburge@eckertseamans.com

Daniel B. Markind, Esquire
Mitchell H. Kizner, Esquire
Flaster Greenberg, PC
1717 Arch Street, Suite 3300
Philadelphia, PA 19103
Daniel.markind@flastergreenberg.com
Mitchell.Kizner@flastergreenberg.com

Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
John W. Sweet, Esquire
Lauren N. Berman, Esquire
Levi A. Phillips, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Alan Michael Seltzer, Esquire
John F. Povilaitis, Esquire
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500
Harrisburg, PA 17101-1357
alan.seltzer@bipc.com
john.povilaitis@bipc.com

Emma H. Bast, Esquire
Jessica R. O'Neill, Esquire
Citizens for Pennsylvania's Future
1429 Walnut St, Suite 701
Philadelphia, PA 19102
bast@pennfuture.org
oneill@pennfuture.org

Michael Zimmerman, Esquire
Environmental Defense Fund
257 Park Ave. S.
New York, NY 10010
mzimmerman@edf.org

Deanne M. O'Dell, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
dodell@eckertseamans.com

Todd S. Stewart, Esquire
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
tsstewart@hmslegal.com

Jamie L. Martines, Esquire
Spilman Thomas & Battle, PLLC
301 Grant Street, Suite 3440
Pittsburgh, PA 15219
jmartines@spilmanlaw.com

Judith Cassel, Esquire
Whitney E. Snyder, Esquire
Micah Bucy, Esquire
Kathryn C. Read-Fisher, Esquire
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
jdcassel@hmslegal.com
wesnyder@hmslegal.com
mrbucy@hmslegal.com
kcr@hmslegal.com

Susan E. Bruce, Esquire
Rebecca Kimmel, Esquire
McNees Wallace & Nurick LLC.
100 Pine Street
P. O. Box 1166
Harrisburg, PA 17108-1166
sbruce@mcneeslaw.com
rkimmel@mcneeslaw.com

Adeolu A. Bakare, Esquire
Victoria A. Geddis, Esquire
McNees Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com
vgeddis@mcneeslaw.com

Logan Welde, Esquire
Lauren Otero, Esquire
Clean Air Council
1617 John F Kennedy Blvd., Suite 1130
Philadelphia, PA 19103
lwelde@cleanair.org
lotero@cleanair.org

John Joseph McNutt, Esquire
US Army Legal Services Agency
Office of The Judge Advocate General
9275 Gunston Road (JALS-ELD)
Fort Belvoir, Virginia 22060
john.j.mcنutt.civ@army.mil

Barry A. Naum, Esquire
Steven W. Lee, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
bnaum@spilmanlaw.com
slee@spilmanlaw.com

Lt. Colonel Carlos S. Ramirez-Vazquez,
Esquire
US Army Legal Services Agency
Office of The Judge Advocate General
9275 Gunston Road (JALS-TCAP)
Fort Belvoir, Virginia 22060
carlos.s.ramirezvazquez.mil@army.mil

Renardo L. Hicks, Esquire
Bryce R. Beard, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
rhicks@eckertseamans.com
bbeard@eckertseamans.com

Karl R. Rábago
Rábago Energy
1350 Gaylord St.
Denver, CO 80206
karl@rabagoenergy.com

Date: March 20, 2026

/s/ Steven C. Gray
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney I.D. No. 77538