

October 21, 2026

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

RE: Petition of PPL Electric Utilities Corporation for Approval of Its Non-Bypassable Customer Protection Transmission Rider, Elimination of Its Transmission Service Charge, Changes to Its Generation Supply Charges, Changes to Its Retail Tariff, and Changes to Its Electric Generation Supplier Coordination Tariff; Docket No. P-2026-3065185

Petition of PPL Electric Utilities Corporation for Amendment of Its Default Service Program and Procurement Plan for the Period June 1, 2025, through May 31, 2029; Docket No. P-2024-3047290

Petition of PPL Electric Utilities Corporation for Waiver of Any and All Regulations Necessary to Implement the Company's Proposals; Docket No. P-2026-3065186

Dear Secretary Homsher,

Attached for filing with the Pennsylvania Public Utility Commission is the PP&L Industrial Customer Alliance ("PPLICA") Answer to Petition of PPL Electric Utilities Corporation for Approval of Its Non-Bypassable Customer Protection Transmission Rider, in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Very truly yours,



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Counsel to the PP&L Industrial Customer Alliance

c: Administrative Law Judge John M. Coogan (via email)
Administrative Law Judge Erin L. Gannon (via email)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Dated this 21st day of October, 2026, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities	:	
Corporation for Approval of Its Non-Bypassable	:	
Customer Protection Transmission Rider,	:	Docket No. P-2026-3065185
Elimination of Its Transmission Service	:	
Charge, Changes to Its Generation Supply	:	
Charges, Changes to Its Retail Tariff, and	:	
Changes to Its Electric Generation Supplier	:	
Coordination Tariff	:	
	:	
Petition of PPL Electric Utilities	:	
Corporation for Amendment of Its Default	:	Docket No. P-2026-3047290
Service Program and Procurement Plan for the	:	
Period June 1, 2025, through May 31, 2029	:	
	:	
Petition of PPL Electric Utilities	:	
Corporation for Waiver of Any and All	:	Docket No. P-2026-3065186
Regulations Necessary to Implement the	:	
Company's Proposals	:	

**PP&L INDUSTRIAL CUSTOMER ALLIANCE'S ANSWER TO
PETITION OF PPL ELECTRIC UTILITIES CORPORATION FOR APPROVAL OF
ITS NON-BYPASSABLE CUSTOMER PROTECTION TRANSMISSION RIDER**

Pursuant to 52 Pa. Code § 5.61, the PP&L Industrial Customer Alliance ("PPLICA") submits this Answer to the Petition of PPL Electric Utilities Corporation ("PPL" or "Company") for Approval of Its Non-Bypassable Customer Protection Transmission Rider, Elimination of Its Transmission Service Charge, Changes to Its Generation Supply Charges, Changes to Its Retail Tariff, Changes to Its Electric Generation Supplier Coordination Tariff, Amendment of Its Default Service Plan, and Any Necessary Waivers of Commission Regulations ("Petition").

I. INTRODUCTION

1. On September 14, 2026, PPL filed the Petition with the Pennsylvania Public Utility Commission ("PUC" or "Commission"), requesting approval of: (1) a new non-bypassable

Customer Protection Transmission Rider ("CPTR") to recover Network Integration Transmission Service ("NITS") costs and certain other transmission costs and to allocate to Rate LP-6 those costs PPL would not have incurred but for the interconnection of large load customers; (2) elimination of the Transmission Service Charge ("TSC"); (3) changes to the Generation Supply Charges to absorb the TSC costs not recovered through the CPTR; (4) an amendment of PPL's Default Service Program and Procurement Plan ("DSP VI"); (5) related changes to PPL's Retail Tariff and Electric Generation Supplier Coordination Tariff ("Supplier Tariff"); and (6) waivers of any Commission regulations necessary to implement these proposals. Petition at 2-3.

2. In addition to NITS, PPL proposes to recover through the CPTR the Non-Firm Point-to-Point Transmission Service Charges and Credits, Transmission Enhancement Charges, Network Transmission Service Charge Call Option, Seams Elimination Cost Assignment ("SECA") Charge/Call Option, Transmission Losses (Point-to-Point) Credits, PJM Schedule 13 Expansion Cost Recovery Mechanism, and Deferred Tax expense from all customers, while reserving the right to amend these line items during this proceeding. Petition at 3 n.1. PPL further proposes that the costs of implementing the CPTR, including start-up costs, non-capitalized Information Technology costs, and legal expenses, be recovered solely from Rate LP-6 customers through the LP-6 component of the CPTR. Petition at 26.

3. Under the current framework, transmission costs are allocated by PJM Interconnection, L.L.C. ("PJM") to Load Serving Entities ("LSEs") in the PPL Zone based on their customers' peak load contributions ("PLCs"). Petition at 14. PPL recovers its share of these costs from default service customers, without markup, through the TSC, while Electric Generation Suppliers ("EGSs") recover their shares through the rates in their contracts with shopping customers. Petition at 14-15.

4. PPL acknowledges that it currently relies on its recently approved Rate LP-6 tariff, together with its Electric Service Agreements ("ESAs") and Construction Service Agreements ("CSAs"), to protect non-Rate LP-6 ratepayers from increases in transmission facilities costs and potential stranded costs resulting from large load interconnections. Petition at 16, 21. PPL nonetheless contends that the existing PLC-based allocation process does not provide a mechanism to separately identify and assign to a particular retail rate class the transmission rate base investments required to serve that class, and that the CPTR would supply that capability for Rate LP-6 computational load (e.g. data center) customers. Petition at 4.

5. PPL targets an effective date for the CPTR in the First Quarter of 2028 and asks the Commission to act on the Petition no later than its June 10, 2027, public meeting. Petition at 26; Petition at 32.

6. PPLICA is an ad hoc association of large energy-intensive commercial and industrial customers receiving electric service from PPL, primarily on Rate Schedules LP-4 and LP-5. PPLICA's members would be directly affected by the Petition because the CPTR would be applied to the bills of all PPL customers, would eliminate the ability of shopping customers to address transmission costs through their negotiated EGS contracts, and may adversely impact the competitive retail market by increasing EGS margins at the expense of customer choice. Additionally, PPL has not established that the stated goal of assigning capacity costs that would not be incurred but for new computational loads cannot be addressed without the proposed CPTR. Petition at 22. PPLICA has been served with the Petition and intends to participate fully in this proceeding.

II. ANSWER

A. PPL Bears the Burden of Proving That the Proposed CPTR Is Just and Reasonable.

7. As the proponent of a new non-bypassable rate mechanism, PPL bears the burden of proof. The Public Utility Code requires that "[e]very rate made, demanded, or received by any public utility . . . shall be just and reasonable." 66 Pa. C.S. § 1301(a). "[T]he burden of proof to show that the rate involved is just and reasonable shall be upon the public utility." 66 Pa. C.S. § 315(a). More generally, "the proponent of a rule or order has the burden of proof." 66 Pa. C.S. § 332(a). As discussed below, the Petition does not carry that burden.

B. PPL Has Not Shown That its Existing Recovery Framework Lacks Transparency.

8. PPL claims that the CPTR will bring "greater transparency into the allocation and recovery of [transmission] costs from all customers." Petition at 21. The Petition, however, does not explain how the current framework lacks transparency. PPL already recovers its share of NITS and related transmission costs from default service customers "without markup" through the Commission-approved TSC, which is computed separately by customer class, reconciled annually, and subject to Commission review and audit. Petition at 14. The allocation of transmission costs among LSEs is likewise governed by a defined, FERC-jurisdictional process based on each LSE's customers' contribution to the five coincident peaks. Petition at 4, 14.

9. Moreover, the Electricity Generation Customer Choice and Competition Act ("Competition Act"), 66 Pa. C.S. §§ 2801-2815, already requires "the unbundling of electric utility services, tariffs and customer bills to separate the charges for generation, transmission and distribution," 66 Pa. C.S. § 2804(3), and requires that customer bills "contain unbundled charges sufficient to enable the customer to determine the basis for those charges," 66 Pa. C.S. § 2807(c)(1). Large C&I shopping customers, for their part, negotiate how transmission costs are

presented and priced in their EGS contracts. Petition at 15. A new non-bypassable line item is not necessary to achieve transparency, and PPL has not identified any specific deficiency in the existing presentation of transmission charges that the CPTR would cure.

10. To the extent PPL's actual objective is to isolate network upgrade costs caused by large load interconnections, PPL has not demonstrated why that objective requires removing transmission cost recovery from EGSs for all customers, rather than refining the cost assignment mechanisms already embedded in its TSC, Rate LP-6, and the associated ESAs and CSAs. See Petition at 16-17.

C. "De-Risking" EGS Offerings Is Not a Goal of the Competition Act and Does Not Justify Market Intervention.

11. PPL asserts that, by "absolving EGSs of the responsibility to recover an allocated share of these transmission costs," the CPTR "can reduce the risk profiles for the EGSs operating in the Company's service territory," and that the proposal "is designed to de-risk EGS offerings." Petition at 6-7, 25-26. PPL does not explain why removing a cost component from the competitive market through a utility-administered, non-bypassable surcharge would benefit that market.

12. Reducing the risk profile of competitive suppliers is not a Commission goal under the Competition Act. Rather, the General Assembly passed the Competition Act to enhance customer choice and foster a competitive market. The Competition Act is grounded in the principles that "[c]ompetitive market forces are more effective than economic regulation in controlling the cost of generating electricity," 66 Pa. C.S. § 2802(5), and that it is "in the public interest to permit retail customers to obtain direct access to a competitive generation market," 66 Pa. C.S. § 2802(3). The Competition Act directs the Commission to "allow customers to choose among electric generation suppliers in a competitive generation market through direct access," including among "alternatives such as firm and interruptible service, flexible pricing and alternate

generation sources." 66 Pa. C.S. § 2804(2). As the General Assembly put it, "[t]he ultimate choice of the electric generation supplier is to rest with the consumer." 66 Pa. C.S. § 2806(a). De-risking EGSs through regulatory intervention runs contrary to the Competition Act's free market principles.

13. Managing price risk, including transmission cost risk, is part of what competitive suppliers offer and what customers choose among. Large C&I customers in particular may elect fixed-price products that bundle transmission costs, pass-through products that track actual transmission charges, or other structures that suit their risk tolerance. PPL concedes that EGSs' transmission pricing is "set forth in their individual customer contracts." Petition at 21-22. Replacing that customer choice with a mandatory, non-bypassable EDC surcharge narrows the products available in the competitive market and substitutes "economic regulation" for "competitive market forces" in a manner contrary to the Competition Act. 66 Pa. C.S. § 2802(5).

14. PPL's related claim that EGSs "often include a premium in their prices to hedge for the uncertainty" of NITS and other transmission charges, and that this premium "can be eliminated," is unsupported speculation. Petition at 25. PPL has not quantified any such premium or whether reducing EGSs expenses would translate into reduced price premiums for retail electric customers.

D. The Petition's Protections Against Cost Subsidization Are Vague and Unspecified.

15. Although the Petition is premised on protecting non-computational load customers from cost shifts, the mechanism for doing so remains undefined. Under the pro forma tariff, the LP-6 component of the CPTR consists of "[t]he charges included in CPTR calculated to be caused by (or attributable to) Rate LP-6 customers," plus CPTR implementation expenses. Petition, App.

A. The Petition does not identify the methodology, cost study, or criteria PPL would use to

determine which transmission costs are "caused by" or "attributable to" Rate LP-6, or how those determinations would be reviewed. Indeed, PPL acknowledges that it is still developing its implementation cost estimates. Petition at 8.

16. The Petition also contemplates that PPL could add future PJM Reliability Backstop Procurement ("RBP") and Interim Resource Adequacy Service ("IRAS") costs, credits, or settlement amounts to the CPTR by tariff supplement on only ten days' notice, even though the existence, amount, and allocation of any such obligations remain contingent on pending FERC proceedings. Petition at 23-25. PPLICA concurs that additional capacity driven by computational loads is appropriately allocated to such customers. Nonetheless, PPLICA again avers that PPL has failed to demonstrate why implementing the CPTR to recover applicable incremental cost increases from LP-6 customers requires a non-bypassable surcharge for all customers.

E. PPL Offers No Detail on Protections Against Double Recovery and Has Not Shown That Its Transition Period Is Adequate.

17. PPL states only that it "will evaluate protections designed to mitigate and prevent shopping customers from paying for NITS and certain other transmission costs both through their contracts with their EGSs and through the CPTR." Petition at 26. The Petition offers no detail regarding what those protections would be, how they would be administered, or how customers would be made whole if duplicative charges occur. A commitment to "evaluate" protections is not a basis on which the Commission can find a new non-bypassable rate to be just and reasonable.

18. Similarly and confusingly, PPL affirms that it is targeting the First Quarter of 2028 for the effectiveness of the CPTR, which PPL believes "should provide sufficient time for EGSs to make adjustments to their existing contracts with shopping customers." Petition at 26. It is not clear whether this stated lead time constitutes the extent of the customer protections being evaluated by the Company. PPLICA also questions whether this lead time is sufficient to adjust

existing multi-year and fixed-price contracts. Even if the lead time was sufficient, customers may still prefer to address transmission costs through negotiated EGS contracts rather than through a surcharge collected by the electric distribution company. The Competition Act favors placing that choice with the customer. 66 Pa. C.S. §§ 2804(2), 2806(a).

F. Recent Large Load Developments Do Not Resolve the Concerns That Led the Commission to Reject Prior Non-Bypassable Transmission Riders.

19. PPL acknowledges that the Commission has previously considered and rejected proposals to establish non-bypassable surcharges for the recovery of NITS costs. Petition at 27 (citing *Joint Petition of Metro. Edison Co., Pa. Elec. Co., Pa. Power Co., and West Penn Power Co. for Approval of their Default Serv. Programs*, Docket Nos. P-2013-2391368, et al., 2014 Pa. PUC LEXIS 552 (Order entered July 24, 2014) ("*FirstEnergy DSP III*"); *Petition of PECO Energy Co. for Approval of its Default Serv. Program for the Period from June 1, 2021 through May 31, 2025*, Docket No. P-2020-3019290, 2020 Pa. PUC LEXIS 620 (Order entered Dec. 3, 2020) ("*PECO DSP IV*").

20. PPL attempts to distinguish those decisions based on "[t]he significant developments with large load interconnections, particularly in the last two to three years." Petition at 27-28. PPL does not explain, however, how those developments change the concerns regarding the adverse commercial impacts of non-bypassable transmission riders on the competitive retail market and on customers' existing supply arrangements. Growth in large load interconnections is a cost allocation issue. It does not alter the effect that removing transmission cost recovery from EGSs would have on customer choice, contract structures, and the range of competitive products available to all customers.

21. Further, PPL itself recognizes that the Rate LP-6 tariff, ESAs, and CSAs already contain "robust protections," including a Rate Base Security Obligation, exit fees, and up-front

contribution in aid of construction requirements, to protect other ratepayers from large load-related transmission costs. Petition at 3, 17. While PPLICA concurs that additional protections remain warranted in light of the ever-increasing load forecasts driven by computational load customers, the existence of these targeted large load protections undercuts PPL's claim that a system-wide, non-bypassable restructuring of transmission cost recovery is necessary to address large load cost causation.

G. Reservation of Rights.

22. PPLICA's review of the Petition is ongoing. PPLICA therefore reserves the right to raise additional issues, to supplement or modify the positions stated in this Answer, and to present testimony and evidence through the litigation of this proceeding. Because the Petition unreasonably proposes a fundamental change in how transmission costs are recovered from every PPL customer without appropriate customer protections and in contravention of the Competition Act, PPLICA submits that the Petition should be denied or referred to the Office of Administrative Law Judge for evidentiary hearings.

III. CONCLUSION

WHEREFORE, the PP&L Industrial Customer Alliance respectfully requests that the Pennsylvania Public Utility Commission: (1) find that PPL Electric Utilities Corporation has not met its burden of proving that the proposed non-bypassable Customer Protection Transmission

Rider is just and reasonable; (2) deny the Petition; or (3) in the alternative, refer the Petition to the Office of Administrative Law Judge for evidentiary hearings.

Respectfully submitted,

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Dated: October 21, 2026

VERIFICATION

I, Adeolu A. Bakare, Counsel to the PP&L Industrial Customer Alliance, hereby state that the facts set forth in the foregoing document 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).

Date: October 21, 2026

Signature: 