



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

March 7, 2016

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of PPL Electric Utilities Corporation for approval of a
Default Service Program and Procurement Plan for the Period
June 1, 2017 through May 31, 2021.

Docket No. P-2016-2526627

Dear Secretary Chiavetta:

Enclosed please find an original copy of the Bureau of Investigation and
Enforcement's (I&E) **Prehearing Memorandum** in the above-captioned proceeding.

Copies are being served on all active parties of record. If you have any questions,
please contact me at (717) 787-8754.

Sincerely,

Gina L. Lauffer
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #313863

GLL/snc
Enclosure

cc: Certificate of Service
ALJ Susan D. Colwell

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of a Default :
Service Program and Procurement : P-2016-2526627
Plan for the Period June 1, 2017 :
Through May 31, 2021 :

**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE SUSAN D. COLWELL:

In accordance with the First Prehearing Conference Order issued on February 2, 2016, the Bureau of Investigation and Enforcement (“I&E”) hereby submits this Prehearing Memorandum. The I&E prosecutor assigned to this proceeding is Gina L. Lauffer. Ms. Lauffer may be contacted as follows:

By Mail: Gina L. Lauffer
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Harrisburg, PA 17105-3265

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I. BACKGROUND

On January 29, 2016, PPL Electric Utilities Corporation (“PPL” or “Company”) filed with the Pennsylvania Public Utility Commission (“PUC” or “Commission”) a Petition for Approval of a Default Service Program and Procurement Plan for the Period of June 1, 2017 through May 31, 2021 (“DSP IV”). Through the DSP IV, PPL proposes,

inter alia, to extend the term of PPL's Default Service Plan from two to four years, to modify its existing Standard Offer Program, and to offer a new Customer Assistance Program ("CAP") customer shopping option.

PPL's DSP IV was assigned to the Office of Administrative Law Judge ("OALJ") for the development of an evidentiary record, including a Recommended Decision. The OALJ assigned the proceeding to Administrative Law Judge ("ALJ") Susan D. Colwell for investigation and scheduling of hearings to consider, inter alia, whether the DSP IV will provide default service that is adequate, reliable, and will result in the least cost to customers over time.¹ A Prehearing Conference has been scheduled for March 9, 2016. The Bureau of Investigation and Enforcement filed its Notice of Appearance on February 18, 2016. On February 29, 2016, Notices of Appearance, Answers, and Formal Complaints were filed by the Office of Consumer Advocate and the Office of Small Business Advocate. Intervention petitions were submitted by the following entities: NextEra Energy Power Marketing, LLC, the Sustainable Energy Fund of Central Eastern Pennsylvania, Noble Americas Energy Solutions LLC, the PP&L Industrial Customer Alliance, Cause-PA, Exelon Generation Company, LLC and Retail Energy Supply Association. It is I&E's understanding that rulings on these interventions are pending. I&E does not oppose any of the petitions to intervene.

¹ 66 Pa. C.S. §2807(e).

II. ISSUES

Based upon a preliminary review of the filing, I&E has identified the following areas of inquiry, representing potential issues at this time. However, I&E reserves the right to address such other issues when those issues arise:

1. The Company's proposed method for procuring electricity to serve default service customers, including the nature of the contingency plan;
2. Evaluation of the Company's Default Service Rates;
3. Evaluation of the items included in the Default Service Rates;
4. Evaluation of the Company's Alternative Energy Credits ("AEPS Credits") program and rider;
5. Evaluation of the Company's Time-of-Use program and rates;
6. Evaluation of the Company's Standard Offer Program;
7. Evaluation of the cost and other elements of a Customer Referral Program;
8. Recovery of past Default Service Procurement Costs;
9. The Company's interest for recoveries, at the legal rate of interest, for over and undercollections for the Generation Supply Charge-1 (Fixed Price Service-Residential & Small Commercial /Industrial);
10. The Company's CAP shopping analysis; and
11. The Company's CAP shopping proposal

Most of the issues raised by I&E will be supported by the Direct Testimony of an I&E witness. If there are issues of Commission policy or legal interpretation that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony, I&E reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed in Brief.

V. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to reach a resolution of any or all issues. However, a discussion of issues that may be settled is not possible until further Discovery has been conducted and the positions of the other parties are known.

VI. DISCOVERY

I&E does not propose any modification of the Discovery Rules in this proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gina L. Lauffer', written in a cursive style.

Gina L. Lauffer
Prosecutor
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission

Dated: March 7, 2016

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-2016-2526627
for the Period June 1, 2017 through :
May 31, 2021. :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated March 7, 2016, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

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