



January 31, 2017

**KENNETH L. MICKENS, ESQUIRE LLC**  
LEGAL CONSULTING

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: PPL Electric Utilities Corporation Time-of-Use Program  
Docket Nos. P-2013-2389572, P-2016-2526627 & M-2016-2578051  
Reply Comments of the Sustainable Energy Fund**

Dear Secretary Chiavetta:

Enclosed are the Reply Comments of the Sustainable Energy Fund for filing in the above-cite proceeding. Please contact me if you have any questions concerning this matter.

Sincerely,

Kenneth L. Mickens, Esq.  
Attorney for the Sustainable  
Energy Fund

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL Electric Utilities Corporation	:	
Time-of-Use Program	:	Docket No. P-2013-2389572
	:	Docket No. P-2016-2526627
	:	Docket No. M-2016-2578051
	:	

REPLY COMMENTS OF THE SUSTAINABLE ENERGY FUND

Sustainable Energy Fund would like to take this opportunity to thank the Commission for receiving Reply Comments on the draft Time of Use (“TOU”) proposal. The Sustainable Energy Fund (“SEF”), in accordance with the procedural schedule set forth in the Commission’s December 2, 2016 Secretarial Letter at Docket Nos. P-2013-2389572, P-2016-2526627 and M-2016-2578051, hereby submits the following Reply Comments with respect to the above captioned proceedings and in support thereof state the following:

1. SEF agrees with PPL Electric Utilities Corporation (“PPL Electric”) that an annual auction may cause unintended consequences in the relationship between the TOU program and the Price to Compare (“PTC”)<sup>1</sup>, however, SEF disagrees with PPL Electric that TOU and Default Service prices should be related to each other. The TOU rate and Default Service PTC rate are discrete rates that at times may be out of sync, causing customers to shift

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<sup>1</sup> PPL Electric Comments, pp. 6-9.

from one rate to the other. This result is appropriate because it is a by-product of a customer exercising their right to purchase electric service utilizing the rate of their choice. In fact, a phenomenon exists now with the relationship between the PTC and EGS pricing where at any time, EGS pricing may be lower or higher than the PTC, encouraging customers to select an EGS or Default Service. This is an unfortunate consequence of having a PTC which includes over and under recoveries and is not a market rate.

2. In its Comments, PPL Electric recommends at p. 11 that “separate TOU pricing be set for Residential and Small C&I classes, with separate on-peak and off-peak periods appropriate to the load curve of each class by individual utility.” However, PPL Electric fails to recognize that residential and small commercial customers are served from the same pool of generation assets. Consequently, a TOU rate is properly based on the overall economic load profile of the grid, not the individual load profile of residential or small commercial and industrial rate classes. In addition, the TOU rate is a generation rate, not a distribution rate, and therefore should be based on the economic conditions of PJM, not the distribution load curve of PPL Electric.

## AFFIDAVIT

I, John M. Costlow, certify that I am President/CEO of the Sustainable Energy Fund and that, in said capacity, I am authorized to and do make this Affidavit for it, that the facts set forth in the foregoing SEF Reply Comments concerning PPL Electric Utilities Corporation Time-of-Use Program (at Docket #s P-2013-2389572, P-2016-2526627 & M-2016-2578051) are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are made subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsifications to authorities.

John M. Costlow

John M. Costlow  
President/CEO  
Sustainable Energy Fund

Dated: January 31, 2017