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December 8, 2017

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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 the Comments of PPL Electric Utilities Corporation to the Tentative Order issued on November 8, 2017 in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Christopher T. Wright

CTW/skr
Enclosure

cc: Certificate of Service
Daniel J. Mumford (*via email*)
Kriss E. Brown (*via email*)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: December 8, 2017



Christopher T. Wright

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of a Default : Docket No. P-2016-2526627
Service Program and Procurement Plan for :
the Period June 1, 2017 through May 31, :
2021 :

**COMMENTS OF PPL ELECTRIC UTILITIES CORPORATION
RESPONDING TO THE NOVEMBER 8, 2017 TENTATIVE ORDER**

I. INTRODUCTION

On November 8, 2017, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Order regarding the implementation of the PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) Customer Assistance Program Standard Offer Program (“CAP-SOP”).¹ The Tentative Order states that the Commission’s prior orders in this proceeding do not adequately address how customers who are receiving supply service from electric generation suppliers (“EGSs”) after June 1, 2017, and subsequently enroll in CAP² are to be transferred to default service. The Commission seeks to clarify when these shopping customers are to be returned to default service. The Tentative Order provides separate proposals for customers with fixed-duration contracts and those with month-to-month contracts. The Commission provided parties with 30 days to comment on the proposals.

¹ As of June 1, 2017, CAP-SOP is the only method that a customer participating in PPL Electric’s CAP program may use to shop and receive supply from a supplier. Under CAP-SOP, suppliers participating in the program must agree to serve customers for 12 months at a 7% discount off the price-to-compare (“PTC”) at the time of enrollment, with no early termination fees.

² PPL Electric’s CAP program is known as OnTrack. OnTrack is available to qualifying low-income residential customers. OnTrack offers customers reduced payments, arrearage forgiveness and refers customers to other assistance programs.

PPL Electric appreciates the opportunity to respond to the proposals set forth in the Tentative Order. It is PPL Electric's understanding that sole purpose of the Tentative Order is to address how customers who are receiving supply service from EGSs *after* June 1, 2017, and subsequently enroll in CAP are to be transferred to default service, and that the Tentative Order does not in any way amend the Commission's October 27, 2016 Order ("*October 2016 Order*") that is currently pending on appeal before the Pennsylvania Commonwealth Court. The Company provides the following comments to the Commission's proposals.

II. COMMENTS

A. Fixed-duration Contracts

For customers who are receiving supply service from EGSs through a fixed-duration contract and subsequently enroll in PPL Electric's CAP program after June 1, 2017, the Tentative Order proposes the following:

The Commission affirms the position that customers who are on a fixed-duration contract with a supplier and subsequently enrolls in the On-Track program at any time after June 1, 2017, remain with that supplier until the expiration date of the fixed-duration contract or the contract is terminated. Once the newly enrolled CAP customer supplier contract expires or is terminated, the CAP customer will have the option to enroll in the CAP-SOP or return to default service, but in any event, will only be able to shop through the CAP-SOP.

PPL Electric agrees with the Tentative Order's proposal to clarify the requirement that customers with fixed-duration contracts who subsequently enroll in CAP must either return to default service or enroll in the CAP-SOP upon the expiration of their contracts. The Tentative Order's proposal simply clarifies that the CAP-SOP rule approved in the *October 2016 Order*, which addresses fixed-duration contracts for *existing* CAP customers, should apply to customers who enroll in CAP after June 1, 2017. This rule requires that "once the existing CAP customer

shopping contract expires or is terminated, the CAP customer will have the option to enroll in the CAP-SOP or return to default service, but in any event will only be permitted to shop through the CAP-SOP.” October 2016 Order, pg. 70, ¶(h).

In the *October 2016 Order*, the Commission determined that the CAP-SOP rule addressing existing CAP customers on fixed-duration contracts was reasonable and appropriate to address the harms that have resulted in PPL Electric’s service territory due to the unrestricted ability of CAP customers to shop in the competitive marketplace. *See October 2016 Order* at 53-55. PPL Electric submits that there is no reason to treat future CAP customers differently and that it was not the intent of the Commission to carve-out future CAP customers from the requirements of CAP-SOP.

The Company requests that the Commission clarify its proposal further by including the requirement that the EGS has the duty to return customers to default service at the conclusion of the fixed-duration contracts. Although no party or EGS has challenged the issue of who is responsible for returning the customer to default service thus far, clarifying this point avoids a possible dispute of the issue in the future.³ PPL Electric submits that without the EGSs returning customers to default service at the conclusion of the contracts, the Commission’s goal of having customers returned to default service or enrolled into CAP-SOP will not be achieved. PPL Electric does not know the end-dates of its customers’ shopping contracts or terms, and thus cannot return CAP customers to default service at the expiration of these contracts. The EGSs, however, know which customers are enrolled in CAP, the end dates of the CAP customers’ contracts, and have the ability to return these customers to default service.

PPL Electric thus recommends that the proposal be revised as follows:

³ PPL Electric notes that EGSs have been returning CAP customers to default service upon the expiration of fixed-duration contracts, per the October 2016 Order, and thus the Company’s proposal to identify EGSs as the responsible party to return customers to default service is not a substantive change to the Tentative Order’s proposal.

The Commission affirms the position that customers who are on a fixed-duration contract with a supplier and subsequently enrolls in the On-Track program at any time after June 1, 2017, remain with that supplier until the expiration date of the fixed-duration contract or the contract is terminated. Once the newly enrolled CAP customer supplier contract expires or is terminated, the supplier will return the CAP customer to default service. The CAP customer will have the option to enroll in the CAP-SOP or remain on ~~return~~ to default service, but in any event, will only be able to shop through the CAP-SOP.

B. Month-to-month Contracts

With respect to customers who receive supply service from an EGS through a month-to-month contract and subsequently enroll in OnTrack, the Commission proposes the following:

A shopping customer who subsequently becomes CAP-eligible must be dropped by the supplier to PPL default service within 120 days after the customer is enrolled in CAP. The CAP customer will then have the option to enroll in the CAP-SOP or return to default service, but in any event, will only be able to shop through the CAP-SOP.

PPL Electric submits that the Tentative Order's proposal is a reasonable and balanced approach to addressing month-to-month contracts and should be adopted. As the Tentative Order states, EGSs have expressed concern about being required to return month-to-month customers to default service immediately upon the customer enrolling in CAP because it does not permit them to provide the customer with the appropriate notices required by 52 Pa. Code § 54.10. The proposal to provide EGSs 120 days to return these customers to default service resolves this concern by providing EGSs with the time necessary to fully comply with the Commission's notice regulations.

The proposal also protects the interests of CAP customers and the other residential customers who pay for CAP. If CAP customers are permitted to stay on a month-to-month contract until their recertification date, CAP customers could potentially continue on a month-to-

month contracts, paying more than the default rate, for up to 18 months. When CAP customers pay a rate that is higher than the default rate, two harms occur: 1) CAP customers exhaust their CAP credits more quickly than they would had they been on default service, and 2) the cost of the CAP program, which is paid for by PPL Electric's other residential customers, increases.

The Commission has already determined that these harms are not acceptable and that it is in the interest of both CAP customers and the other residential customers for CAP customers to be returned to default service or enrolled in the CAP-SOP. *See October 2016 Order* at 53-55. PPL Electric submits that the Tentative Order's proposal to have customers on month-to-month contracts returned to default service within 120 days of enrolling in CAP is a reasonable balance that minimizes these harms, as compared to allowing these customers to stay on month-to-month contracts until their CAP recertification dates, and provides EGSs with sufficient time to comply with the Commission's notice regulations.

C. PPL Electric's Supplier Web-portal

The Commission also sought comment on the sufficiency of PPL Electric's mechanism to provide EGSs with information as to a customer's CAP status. PPL Electric submits that it has revised its supplier web-portal referred to as "My Customer List" with a "Yes" or "No" indicator to show which accounts are CAP customers. If the account is a "Yes," then there is also a recertification date. PPL Electric added the recertification date to the supplier web-portal on October 18, 2017. The "My Customer List" is updated daily to capture when existing customers enroll into CAP. The purpose of the revised "My Customer List" is to allow EGSs to comply with the Commission's *October 2016 Order* by identifying those customers that are enrolled in CAP and providing their CAP recertification date. Further, the web-portal is in a downloadable that will allow EGSs to sort through and filter their lists of customers to quickly and easily

identify changes to their lists of accounts.

D. Other Comments

At the conclusion of its Tentative Order, the Commission invited parties to comment on any other implementation issues that may have been “overlooked.” To the extent that other parties’ comments raise additional issues, PPL Electric respectfully requests the opportunity to respond to any such additional issues or proposals to further change the CAP-SOP program prior to a final order in this matter.

IV. CONCLUSION

PPL Electric appreciates this opportunity to provide comments to the Commission Tentative Order regarding shopping customers who have or will enroll in OnTrack after June 1, 2017. To the extent that any party offers additional proposals regarding CAP-SOP, the Company respectfully requests the opportunity to respond prior to a final order in this matter.

Respectfully submitted,

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