**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PPL Electric Utilities Corporation’s :

Act 129 Compliance Rider Reconciliation Report : M-2013-2362286

For the Period May 1, 2012 through April 30, 2013 :

**RECOMMENDED DECISION**

Before

Joel H. Cheskis

Administrative Law Judge

HISTORY OF THE PROCEEDINGS

On April 30, 2013, PPL Electric Utilities Corporation (PPL or “the Company”) filed with the Pennsylvania Public Utility Commission (Commission) its Act 129 Compliance Rider (ACR) Reconciliation Report for the Period May 1, 2012 through April 30, 2013 pursuant to Section 1307(e) of the Public Utility Code. The Commission docketed this filing at M-2013-2362286. This filing included numerous schedules in support of the filing.

On May 15, 2013, Richard A. Kanaskie, Esquire entered his appearance on behalf of the Commission’s Bureau of Investigation and Enforcement (I&E). By Hearing Notice dated May 22, 2013, the Commission scheduled the filing for hearing for Tuesday, June 18, 2013 at 10:00 a.m. in Hearing Room 5 of the Commonwealth Keystone Building in Harrisburg and assigned me to the case. On June 13, 2013, Christopher T. Wright, Esquire and Jessica R. Rogers, Esquire entered their appearance on behalf of PPL.

The hearing was conducted on June 18, 2013, as scheduled. Mr. Kanaskie appeared on behalf of I&E. Ms. Rogers appeared on behalf of PPL.

The hearing resulted in a transcript of 9 pages. The record closed on June 25, 2013, the date the transcript was filed with the Commission.

FINDINGS OF FACT

1. On April 30, 2013, PPL filed with the Commission its Act 129 Compliance Rider (ACR) Reconciliation Report for the Period May 1, 2012 through April 30, 2013 pursuant to Section 1307(e) of the Public Utility Code.
2. A public hearing was held on Tuesday, June 18, 2013 in Hearing Room 5 of the Commonwealth Keystone Building in Harrisburg to review the filing.
3. PPL Exhibit Number 1 is the reconciliation filing for the Company’s ACR for the period of May 1, 2012 through April 30, 2013 detailing the over and under collection with numerous supporting schedules and an affidavit from Renae Yeager, Director of Distribution, Regulatory and Business Affairs with PPL stating that the information in the filing is true and correct. Tr. 5; PPL Exh. No. 1.
4. I&E Exhibit Number 1 is a summary of PPL’s ACR 1307(e) reconciliation filing for the period ending April 30, 2013 that was compiled by Brian T. Shuey of the Commission’s Bureau of Audits, as well as a verification from Mr. Shuey attesting to the information contained in I&E Exhibit Number 1. Tr. 6-7; I&E Exh. No. 1.
5. For the twelve month period from May 1, 2012 to April 30, 2013, PPL experienced an under collection of $6,704,449 for its ACR. I&E Exh. No. 1.

DISCUSSION

On April 30, 2013, PPL filed with the Commission its ACR Reconciliation Report for the Period May 1, 2012 through April 30, 2013 pursuant to Section 1307(e) of the Public Utility Code. This filing included numerous schedules in support of the filing and a supporting affidavit from PPL’s Director of Distribution, Regulatory and Business Affairs attesting that the information in the filing is true and correct. A hearing was held on the filing on June 18, 2013.

During the hearing, counsel for PPL presented PPL Exhibit Number 1 which was comprised of the reconciliation filing and accompanying affidavit. This Exhibit was admitted in to the record of this proceeding without objection. Tr. 6.

Similarly, I&E Exhibit Number 1 was also presented during the hearing. This Exhibit is a summary of the reconciliation statement as reported by PPL compiled by Brian Shuey from the Commission’s Bureau of Audits, as well as a verification from Mr. Shuey attesting to the information contained in I&E Exhibit Number 1. Tr. 6-7; I&E Exh. No. 1. This Exhibit was also admitted into the record without objection. Tr. 8. A copy of I&E Exhibit Number 1 is attached to this Recommended Decision. I&E also offered the following position statement:

It is the position of the Bureau of Investigation and Enforcement that the Commission’s acceptance of these statements at this hearing is subject to further review and revision as it becomes necessary pursuant to Section 1307 of the Public Utility Code or through some other formal proceeding.

Tr. 7. Counsel for I&E noted that the Commission’s acceptance of these statements should not constitute approval of either the accuracy of the reported figures or the reasonableness of the underlying transaction. Tr. 7.

As no objections were made to either of the exhibits received into evidence at the hearing, and no party raised additional issues, the ACR reconciliation statement filed by PPL, should be approved.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. §1307(e).
2. The reconciliation statement filed by PPL Electric Utilities Corporation for its 2012-2013 Act 129 Compliance Rider shall be deemed an adequate filing within the meaning of Section 1307(e) of the Public Utility Code, 66 Pa. C.S. §1307(e), subject to further review and revision as may be found necessary as a result of a subsequent Commission audit pursuant to Section 1307(d) of the Public Utility Code, 66 Pa. C.S. §1307(d), or some other proceeding.
3. Acceptance of the 1307(e) reconciliation statement filed by PPL Electric Utilities Corporation for its 2012-2013 Act 129 Compliance Rider does not constitute final approval of the accuracy of those figures or of the reasonableness of the underlying transactions.

ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the 1307(e) reconciliation statement filed by PPL Electric Utilities Corporation for its 2012-2013 Act 129 Compliance Rider as set forth in PPL Exhibit Number 1 be, and hereby is, accepted insofar as it is undisputed.

2. That acceptance of the 1307(e) reconciliation statement filed by PPL Electric Utilities Corporation for its 2012-2013 Act 129 Compliance Rider is expressly subject to such further review and revision as may be found necessary as the result of a subsequent Commission audit pursuant to Section 1307(d) of the Public Utility Code, 66 Pa. C.S. §1307(d), or of some other proceeding.

3. That acceptance of the 1307(e) reconciliation statement filed by PPL Electric Utilities Corporation for its 2012-2013 Act 129 Compliance Rider shall not constitute approval of either the accuracy of the reported figures or the reasonableness of the underlying transactions.

Date: June 28, 2013 \_\_\_\_\_\_\_/s/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Joel H. Cheskis

Administrative Law Judge

M-2013-2362286

I&E Exhibit No. 1

Summary of PPL Electric Utilities Corporation’s

Act 129 Compliance Rider (ACR) - Reconciliation

For the Period May 1, 2012 to April 30, 2013

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Actual Act 129  Cost Recovery  Excluding GRT |  | Budgeted Act 129  Cost Recovery  Excluding GRT |  | Over/(Under)  Collection |
|  | (1) |  | (2) |  | (3)=(1)-(2) |
|  |  |  |  |  |  |
| Residential | $29,519,114 |  | $30,326,608 |  | $ (807,494) |
|  |  |  |  |  |  |
| Small Commercial &  Industrial | 29,640,413 |  | 34,354,876 |  | (4,714,463) |
|  |  |  |  |  |  |
| Large Commercial &  Industrial | 8,797,920 |  | 9,980,412 |  | (1,182,492) |
|  |  |  |  |  |  |
| Total | $67,957,447 |  | $74,661,896 |  | $(6,704,449) |
|  |  |  |  |  |  |

**Note:**

The Company’s Tariff does not have a provision for interest on Over/(Under) Collections.