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September 9, 2013

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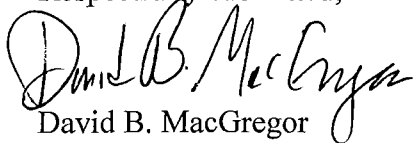
**Re: PPL Electric Utilities Corporation Proposed Transmission Service Charge
(TSC) Reconciliation for the 12 Months Ended November 30, 2010
Docket No. M-2010-2213754**

**PPL Electric Utilities Corporation Transmission Service Charge
Docket No. M-2011-2239805**

Dear Secretary Chiavetta:

Enclosed for filing is the Answer of PPL Electric Utilities Corporation to the Petition for Clarification and/or Reconsideration of the PP&L Industrial Customer Alliance for the above-referenced proceedings. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,


David B. MacGregor

DBM/jl
Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE
Docket Nos. M-2010-2213754 & M-2011-2239805

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).

VIA E-MAIL & FIRST CLASS MAIL

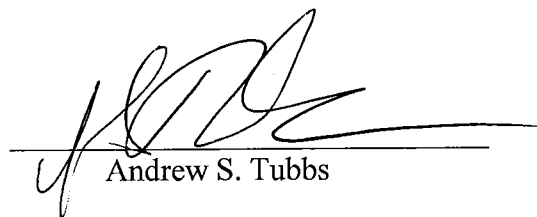
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Date: September 9, 2013



Andrew S. Tubbs

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PPL Electric Utilities Corp. Proposed Transmission Service Charge (TSC) Reconciliation for the 12 months Ended November 30, 2010	:	Docket No. M-2010-2213754
	:	
	:	
	:	
	:	
PPL Electric Utilities Corp. Transmission Service Charge	:	Docket No. M-2011-2239805
	:	

**ANSWER OF PPL ELECTRIC UTILITIES CORPORATION
TO THE PETITION FOR CLARIFICATION AND/OR RECONSIDERATION
OF THE PP&L INDUSTRIAL CUSTOMER ALLIANCE**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), pursuant to 52 Pa. Code § 5.572(e), hereby answers the “Petition for Clarification and/or Reconsideration of the PP&L Industrial Customer Alliance” (“Petition”). For the reasons set forth below, PP&L Industrial Customer Alliance’s (“PPLICA”) Petition should be denied.

I. SUMMARY

PPLICA’s Petition asks the Pennsylvania Public Utility Commission (“Commission”) to reconsider its August 15, 2013 Orders in the above-captioned proceedings and require PPL Electric to reallocate demand-related costs in its 2010 Transmission Service Charge (“TSC”) and based on that reallocation refund approximately \$14 million to large and small commercial and industrial customers (“Large C&I”) and recoup this same amount from residential customers. *PPL Electric Utilities Corp. Proposed Transmission Service Charge (TSC) Reconciliation for the 12 months Ended November 30, 2010 and PPL Electric Utilities Corp. Transmission Service Charge*, at Docket Nos. M-2010-2213754 and M-2011-2239805 (Order entered August 15, 2013)(“TSC Order”). PPLICA’s Petition does not meet the well-established standards for reconsideration. In large measure, the Petition simply restates the same arguments previously

made by PPLICA in its comments filed with the Commission regarding the reconciliation of PPL Electric's 2010 TSC. *PPL Electric Utilities Corp. Proposed Transmission Service Charge (TSC) Reconciliation for the Twelve Months Ending November 30, 2010*, Docket No. M-2010-2213754 (May 19, 2011). (“2010 TSC Reconciliation Order”). PPLICA now contends that the Commission somehow “overlooked” the Public Utility Code, prior orders approved by the Commission, and PPLICA’s prior filed comments, when in fact the Commission specifically addressed each of these in its *TSC Order*. PPLICA’s Petition should be denied for several reasons:

- PPLICA’s assertion that Section 1307(e) of the Public Utility Code requires a reallocation of 2010 demand-related TSC costs and based on that reallocation, the refund and the recoupment of prior TSC charges is incorrect. Section 1307(e) discusses reconciliation of total revenues received with total expense incurred and the refund to customers of any overcollection. Contrary to PPLICA’s assertions, Section 1307(e) makes no reference to reconciling class cost allocations or refunds on a class basis.
- PPLICA contends that PPL Electric’s historic method of allocating and reconciling demand-related transmission costs is inconsistent with the Commission’s 2007 order approving a settlement relative to the TSC. *Pa. P.U.C. v. PPL Electric Utilities Corporation*, Docket No. R-00049255 (July 25, 2007) (“Remand Settlement”). This argument should be rejected as PPL Electric’s calculation of its 2010 TSC was fully consistent with the Remand Settlement and fully consistent with how PPL Electric calculated its TSC pursuant to the Remand Settlement in 2008 and 2009, to which PPLICA did not object.
- PPLICA asserts that the Commission erred by not requiring PPL Electric to retroactively modify the operation of its 2010 TSC to reflect PPLICA’s preferred approach. On the facts of this case, retroactive application is not appropriate. First, the Commission has already addressed this issue and determined that this change in TSC reconciliation should be adopted on a statewide basis and prospectively only. *Investigation re Transmission Service Charge (TSC) Reconciliation Methods*, Docket No. M-2011-2239714 (August 15, 2013) (“*Statewide Order*”). PPLICA has offered no valid reason to reverse this result. Second, the new methodology for TSC reconciliation adopted by the Commission in its *Statewide Order* reflects a change in the method adopted and used by PPL Electric since it was adopted in 2007. This prior methodology was approved by the Commission and accepted for several years by PPLICA without complaint. Where an administrative agency makes a change in policy or methodology it is reasonable and appropriate and in accordance with well-established case law to apply such a change prospectively only. Finally, PPLICA’s retroactive reallocation proposal should not be viewed in isolation. If PPLICA’s proposal is adopted Large C&I customers will receive a refund of \$ 6.5

million and Small C&I customers will receive a refund of \$__ million. Residential customers will pay for these refunds through increased TSC charges, and these charges will only be recovered from Residential customers currently taking default service from PPL Electric. On these facts, retroactive application was properly rejected by the Commission .

For these reasons and as detailed further below, PPLICA's Petition should be denied.

II. ANSWER

1. Admitted.

2. Denied as stated. The referenced order speaks for itself, and PPL Electric denies any characterizations of the *TSC Order* by PPLICA.

3. Denied. The Commonwealth Court's decision in *Lloyd v. Pa. Public Utility Commission*, 904 A.2d 1010 (Pa. Cmwlth. 2006) ("*Lloyd*") speaks for itself, and PPL Electric denies any characterization of this decision by PPLICA.

4. Denied as stated. The referenced order speaks for itself, and PPL Electric denies any characterizations of the *TSC Order* by PPLICA.

5. Denied as stated. The referenced order speaks for itself, and PPL Electric denies any characterizations of the Commission's May 19, 2011 *2010 TSC Reconciliation Order*.

6. Denied as stated. PPLICA's comments speak for themselves, and PPL Electric denies any characterization of these comments by PPLICA. In further answer, PPLICA's assertion that PPL Electric's methodology for allocating and reconciling transmission service costs in its TSC is inconsistent with the Remand Settlement is incorrect.

First, PPLICA's characterization of the 2007 Remand Settlement is incorrect. PPL Electric's calculation of its 2010 TSC was fully consistent with the Remand Settlement and fully consistent with how PPL Electric calculated its TSC pursuant to the Remand Settlement in 2008 and 2009, to which PPLICA did not object.

Second, PPL Electric has historically allocated its PJM-determined transmission service-related costs for a given year to its customer classes based upon each class' actual contribution to the PPL Electric peak load contribution. This allocation method was consistent with the manner by which PJM renders bills to electric distribution companies for transmission service provided to their default service customers and PPL Electric maintains that it was appropriate in 2010 to use the same data to reconcile the TSC charges.

7. The averments of Paragraph No. 7 of the Petition are irrelevant because, as noted by PPLICA, it submitted a Petition for Leave to Withdraw its 2009 complaint regarding PPL Electric's TSC.

8. Denied. PPL Electric denies the implication in Paragraph 8 that its TSC refund petition was filed prematurely. Specifically, in response to a proposal from the Office of Small Business Advocate, in the Company's most recent default service proceeding, PPL Electric proposed that customer class allocation factors for demand-related transmission costs be adjusted monthly, essentially providing the relief requested by PPLICA in this proceeding. *Petition of PPL Electric Utilities Corporation For Approval of a Default Service Program and Procurement Plan*, p. 89, Docket No. P-2012-2302074 (January 24, 2013) ("*DSP II Order*"). Under this approach, the percentage of demand-related costs assigned to each customer class would change monthly to account for increases and decreases in the customer classes' assigned peak load responsibility, based on a customer class's share of default service load in a given month. The use of a monthly adjustment to the customer class allocation factors would then be reflected in the Company's annual reconciliation of TSC demand-related costs. The Company's proposed prospective modification was unopposed by any party and was adopted by the Commission in its January 24, 2013 Order. *DSP II Order*, p. 89. Consistent with the Company's *DSP II Order*, PPL Electric has used this revised allocation method in its annual TSC application/reconciliation

period for the twelve months ending May 31, 2013. Therefore, the Commission, on a prospective basis, has addressed PPLICA's request PPL Electric be required to reconcile demand-related transmission cost revenues to actual demand-related transmission costs, and PPL Electric's refund petition was clearly timely.

9. Denied. In further answer, it is denied that the Commission's *TSC Order* required PPL Electric to correct its self-reported use of 2008 historical usage, rather than 2009 historical usage. As noted by the Commission in its *TSC Order*, the Company corrected this error in March 2011 and reflected the correction in the Company's TSC rider effective June 1, 2011. *TSC Order*, pp. 17-18. It is further denied that the Commission was not justified in rejecting PPLICA's request for the Commission to direct PPL Electric to refund properly allocated and charged demand-related transmission costs to the Large C&I customer class. On the contrary, the Commission acted reasonably and within its lawful discretion in denying PPLICA's requested relief.

10. Denied. PPLICA's argument that Section 1307(e) entitles customers, on a per-class basis, to refunds of overcollections except for good cause shown is in error. Section 1307(e) discusses reconciliation of "the total revenues received pursuant to the automatic adjustment clause" with "the total amount of that expense or class of expenses incurred which is the basis of the automatic adjustment clause" and the refund to "patrons" of any overcollection. Section 1307(e) makes no reference to the reallocation of costs and reconciliation or refunds on a class basis.

In addition, PPLICA's contention that in its *2010 TSC Reconciliation Order* the Commission determined that PPL Electric's reconciliation of demand-related transmission revenues to the Company's PJM determined demand-related transmission costs resulted in "significant interclass subsidies" is incorrect. Instead, the Commission identified PPL Electric's

allocation of its 2010 demand-related transmission charges based upon 2009 demand allocators, “may have resulted in a misalignment between certain costs and cost causers and may have created inter-class subsidies.” *2010 TSC Reconciliation Order*, p. 3 (Emphasis added.) Indeed, by its *TSC Order* the Commission properly upheld the Company’s 2010 TSC Reconciliation.

11. The averments contained in Paragraph 11 of the Petition are requests for relief to which no responsive pleading is required. To the extent a response is deemed necessary, PPL Electric denies that the Petition should be granted.

12. The averments of Paragraph No. 12 of the Petition are conclusions of law to which no response is required. By way of further response, it is admitted that PPLICA has provided the correct references to Section 703(g) of the Public Utility Code and Section 5.572 of the Commission’s Regulations.

13. The averments of Paragraph No. 12 of the Petition are conclusions of law to which no response is required. By way of further response, it is admitted that PPLICA has properly quoted a portion of the Commission’s decision in *Duick v. Pennsylvania Gas and Water Co.*, 56 Pa. PUC 553 (1982) (“*Duick*”).

14. The averments of Paragraph No. 14 are denied. To the contrary, the arguments and consideration set forth in PPLICA’s Petition in support of clarification and/or reconsideration do not meet the applicable standard for clarification or reconsideration. PPLICA’s arguments on reconsideration are not new and novel and were not overlooked as demonstrated by fact that the Commission fully addressed all of PPLICA’s relevant arguments in its *TSC Order*. *TSC Order*, pp. 20-21. The Commission outlined its standard in *Duick v. Pa. Gas and Water Co.*, 56 Pa. PUC 553 (1982), wherein it found that “[p]arties . . ., cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them. . . .” and that what it “expect[s] to see raised in

such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission.” 56 Pa. PUC at 559 (quoting *Pa. R.R. Co. v. Pub. Serv. Comm’n*, 179 A. 850, 854 (Pa. Super. Ct. 1935); *see also Application of Laser Northeast Gathering Company, LLC for Approval to Begin to Offer, Render, Furnish or Supply Natural Gas Gathering and Transporting or Conveying Service by Pipeline to the Public in Certain Townships of Susquehanna County, Pennsylvania, Docket No. A-2010-2153371.*, Pa., 2011 Pa. PUC LEXIS 1303, *19 (Aug. 25, 2011) (denying petitions for reconsideration because the petitioners “have repeated the same arguments that they have already made throughout the proceeding”); *Peluso v. Pennsylvania Power Company*, 2011 Pa. PUC LEXIS 275, *10, 16 (Oct. 28, 2011) (denying the petition for reconsideration because the complainant failed to raise any new or novel arguments and agreeing with the utility that the complainant “seeks to justify reconsideration by ‘recycling’ arguments he made at the evidentiary hearing and which were considered and rejected” in the Commission’s previous order); *Application of Pa. Elec. Co. for Approval to Locate and Construct the Bedford North-Osterburg East 115 kv HV Transmission Line Project Situated in Bedford and E. St. Clair Twps., Bedford Cnty.*, Pa., 2013 Pa. PUC LEXIS 418, *4-5 (July 16, 2013) (holding that the petition did not satisfy the *Duick* standards because the petitioner neither raised a new or novel argument nor “alleged that she has discovered new evidence that was unavailable to her prior to the issuance” of the previous order). Therefore, the standards for clarification and/or reconsideration set forth in *Duick* have not been met.

15. The averments of Paragraph No. 15 of the Petition are denied. Paragraph No. 6 of this Answer is incorporated herein by reference.

16. The averments of Paragraph No. 16 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

17. The averments of Paragraph No. 17 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

18. The averments of Paragraph No. 18 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same. As addressed in Paragraph No. 6 of this Answer, which PPL Electric incorporates herein by reference, PPL Electric's calculation of its 2010 TSC was fully consistent with the Remand Settlement and fully consistent with how PPL Electric calculated its TSC pursuant to the Remand Settlement in 2008 and 2009, to which PPLICA did not object.

19. The averments of Paragraph No. 19 of the Petition are denied. It is denied that PPL Electric's historic methodology of allocating and reconciling demand-related transmission costs in 2010 conflicts with the Remand Settlement and the Commission's order approving the Remand Settlement. By way of further response, PPL Electric maintains that the Company's historic methodology for allocating and reconciling demand-related transmission costs in 2008, 2009, 2010 and 2011 are consistent with its Commission-approved TSC rider and that PPL Electric consistently developed and applied the appropriate peak load responsibility assigned to each customer class, pursuant to the terms, conditions and intent of its tariff and the Remand Settlement. Moreover, as addressed in Paragraph 8 above, which PPL Electric incorporates by reference, in its *DSP II Order*, the Commission approved a prospective revision to PPL Electric TSC wherein the Company now uses a monthly adjustment to the customer class allocation

factors would then be reflected in the Company's annual reconciliation of TSC demand-related costs.

20. The averments of Paragraph No. 20 of the Petition are denied. In Paragraph 20, PPLICA improperly attempts to rewrite the Commission's *TSC Order*. Contrary to PPLICA's assertions otherwise, the *TSC Order*'s internal citations to the Remand Settlement and the Administrative Law Judge's Recommended Decision do not support PPLICA's proposition that the *TSC Order*, "appropriately recognized that PPL [Electric's] Remand Settlement is clear and unambiguous on the appropriate manner of reconciliation of PPL [Electric's] TSC". Indeed, PPLICA's assertion is undermined by the Commission's acknowledgement in the *TSC Order*, that, with the exception of PPLICA, the other commenters in Commission's investigation of the PPL Electric's 2010 TSC reconciliation support PPL Electric's historic methodology for estimating and reconciling its demand-related transmission costs for the TSC. *TSC Order*, p. 21. Further, despite noting that "there appears to be" contrary language in the Remand Settlement, the Commission upheld PPL Electric's 2010 TSC reconciliation, noting that PPL Electric has consistently used its historic methodology for estimating and reconciling demand-related transmission costs, without objection from any party, including PPLICA.

21. Denied for the reasons set forth in paragraph 20 to this Answer, which is incorporated by reference.

22. In response to Paragraph No. 22 of the Petition, it is denied that the Commission relied upon external evidence in properly determining to reject PPLICA's request for refunds from PPL Electric's 2010 TSC. As addressed in Paragraph No. 6 of this Answer, which PPL Electric incorporates herein by reference, the Company's calculation of its 2010 TSC was fully consistent with the Remand Settlement.

23. Denied. In its *Statewide Order*, which the Commission issued contemporaneously with the *TSC Order*, the Commission determined that for reconciliation periods on or after July 1, 2013, electric distribution companies (“EDCs”) are to reconcile class-specific actual TSC revenues to actual transmission usage and transmission costs incurred. *Statewide Order*, p. 21. The Commission’s *Statewide Order* is expressly prospective in nature and does not impact EDC TSC reconciliations prior to July 1, 2013.

By way of further response, PPL Electric reiterates that PPLICA’s argument that Section 1307(e) requires EDCs to reconcile revenues on a per-class basis is completely without merit. Specifically, PPLICA’s contention that that the “Commission’s *Statewide Order* . . . extensively addressed the requirements of Section 1307(e) and confirmed that the statute unambiguously requires [EDCs] to reconcile TSCd revenues to actual TSCd usage on a per-class basis” is simply incorrect. The Commission’s *Statewide Order* determined that Section 1307(e) is unambiguous in that Section 1307(e) reconciliation mechanisms adjust for the difference between revenues received and expenses incurred within the reconciliation period. *Statewide Order*, p. 8. However, the *Statewide Order* does not state and PPLICA fails to support its position as to how the statute can “unambiguously” require reconciliation on a per-class basis when the statute contains nothing to that effect.

24. In response to Paragraph No. 24 of the Petition, it is admitted that the Commission’s *TSC Order* included several statements and, indeed the *TSC Order* ultimately determined, that PPL Electric’s historic methodology of using actual demand-related transmission costs was permissible. For these reasons, PPLICA’s averment that the referenced statements supporting the Commission’s ultimate determination in the *TSC Order* statements have no bearing on the Company’s 2010 TSC is illogical and should be denied.

25. The averments to Paragraph No. 25 of the Petition are denied. Contrary to the assertions of PPLICA, the Commission's determinations in its *Statewide Order* are not applicable retrospectively. The Commission specifically determined that its *Statewide Order* was to apply to EDC TSC reconciliations, on or after July 1, 2013. *Statewide Order*, p. 21. Further, PPLICA's assertions that the Commission's interpretation of Section 1307 in its *Statewide Order* reflects the "statutory standard in effect throughout PPL [Electric's] 2010 TSC" are without merit for several reasons. First, as addressed in Paragraph No. 6 of this Answer, which PPL Electric incorporates herein by reference, PPL Electric's TSC reconciliations for the years 2008-2011 were not in error, but were fully consistent with the Remand Settlement and were calculated and implemented by the Company without objection by any party until 2010. Second, the Commission's *Statewide Order* is effective for EDC reconciliations on and after July 1, 2013 and, therefore, is not to applied retrospectively to PPL Electric's 2010 TSC.

Third, the Commission's interpretations of Section 1307(e) in its *Statewide Order* do not represent a "statutory standard" but instead reflect a change in Commission policy as to how it intends to interpret this provision prospectively. As addressed in detail in this Answer, prior to 2010, PPL Electric's historic methodology for estimating and reconciling its demand-related transmission costs operated without objection since 2008. In addition to being supported by the Remand Settlement, the Company's TSC rider and Section 1307, the Commission's decision in its *TSC Order* to approve PPL Electric's 2010 TSC and to reject PPLICA's request to retroactively revise the Company's historic TSC reconciliation was an appropriate exercise of Commission discretion. See *Armco Advanced Materials Corp. v. Pa. PUC*, 579 A.2d 1337 (Pa. Cmmwlth. Ct. 1990); *Barasch v. Pa. PUC*, 550 A.2d 257 (Pa. Cmmwlth. Ct. 1988); *Chevron Oil Co. v. Huson*, 404 U.S. 97 (1971); *Petition of Duquesne Light Co. Requesting a Declaratory*

Order to Terminate a Controversy Concerning Interpretation of Duquesne's Rate Schedule HVPS, No. P-00021989, 2003 Pa. PUC LEXIS 5 (Feb. 6, 2003).

26. The averments of Paragraph No. 26 of the Petition are requests for relief to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

27. The averments to Paragraph No. 27 of the Petition are denied. PPL Electric previously addressed PPLICA's erroneous arguments in Paragraph No. 6 of this Answer and PPL Electric incorporates them herein by reference.

28. The averments of Paragraph No. 28 of the Petition are requests for relief to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same. By way of further response, Paragraph 6 of this Answer is incorporated herein by reference.

29. Admitted.

30. The averments of Paragraph No. 30 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

31. The averments of Paragraph No. 31 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

32. The averments of Paragraph No. 32 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

33. The averments of Paragraph No. 33 of the Petition are admitted in part and denied in part. It is admitted that the Commission's *TSC Order* approved the Company's 2010 TSC.

However, for the reasons set forth in Paragraph No. 6 to this Answer, which is incorporated herein by reference, a requirement that PPL Electric to retroactively reallocate and refund demand-related transmission costs would be unjust and unreasonable.

34. The averments of Paragraph No. 34 of the Petition are admitted in part and denied in part. It is admitted that the information provided in Table 1 reflects the impact on customers if PPLICA's proposed reallocation of TSC costs and refunds and recoupments were adopted. It is denied that these figures "confirm" the adverse customer effects "originally identified" by the Commission in its *2010 TSC Reconciliation Order*. As noted previously, PPLICA mischaracterizes the Commission's *2010 TSC Reconciliation Order* as the Commission made no determinations relative to the effects of the Company's historical methodology of allocating PJM peak load contribution to each of its customer classes. Indeed, the Commission's *2010 TSC Reconciliation Order* initiated an investigation into the Company's process, which the Commission has approved in this proceeding relative to PPL Electric's 2010 TSC. Moreover, as addressed in Paragraph No. 6 of this Answer, PPL Electric's historic methodology for estimating and reconciling its demand-related transmission costs was consistent with the Remand Settlement and operated without objection since 2008.

35. The averments of Paragraph No. 35 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

36. Paragraph Nos. 6 and 10 to this Answer are incorporated herein by reference.

37. The averments of Paragraph No. 37 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

38. The averments of Paragraph No. 38 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

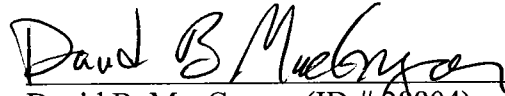
39. The averments of Paragraph No. 39 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same.

40. The averments of Paragraph No. 40 of the Petition are legal conclusions to which no responsive pleading is required. To the extent that a response is deemed necessary, PPL Electric denies the same. By way of further response, PPL Electric concurs with PPLICA that the issues presented regarding PPL Electric's 2010 TSC are unique. Specifically, the impact of the large and unprecedented level of shopping by Large C&I customers during 2010 on the operation of the PPL Electric's historic methodology of allocating and reconciling demand-related transmission costs. The unique factors presented in this case, coupled with the fact that the PPLICA's proposal represents a change in the method historically used by PPL Electric to allocate TSC costs, is further reason why good cause exists to deny PPLICA's requested retroactive reallocation of demand-related transmission costs and the corresponding refund and recoupment of these costs.

41. The averments of Paragraph No. 41 of the Petition are denied. For the reasons explained above, PPLICA has not met the standard for a grant of clarification and/or reconsideration.

WHEREFORE, for all the foregoing reasons, PPL Electric Utilities Corporation respectfully requests that the "Petition for Clarification and/or Reconsideration of the PP&L Industrial Customer Alliance" be denied.

Respectfully submitted,



David B. MacGregor (ID # 28804)

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Date: September 9, 2013

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