



COMMONWEALTH OF PENNSYLVANIA

January 13, 2014

**E-FILED**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Petition of PPL Electric Utilities Corporation for Approval of its Act 129  
Phase II Energy Efficiency and Conservation Plan  
Docket No. M-2012-2334388**

Dear Secretary Chiavetta:

I am delivering for filing the original of the Reply Comments, on behalf of the Office of Small Business Advocate.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari  
Assistant Small Business Advocate  
Attorney ID No. 306921

Enclosures

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities Corporation for Approval of Changes to Its Phase II Act 129 Energy Efficiency And Conservation Plan** :  
: **Docket No. M-2012-2334388**  
:

**REPLY COMMENTS OF THE  
OFFICE OF SMALL BUSINESS ADVOCATE**

**I. INTRODUCTION**

On November 21, 2013, PPL Electric Utilities Corporation (“PPL”) filed a Petition for Approval of Changes to its Phase II Act 129 Energy Efficiency and Conservation Plan (“Petition”) with the Pennsylvania Public Utility Commission (“Commission”). The Petition seeks permission to make 40 modifications to its Phase II Energy Efficiency and Conservation Plan (“EE&C Plan”), which was approved by the Commission on July 11, 2013.<sup>1</sup>

Comments to the Petition were filed by the PP&L Industrial Customer Alliance (“PPLICA”) and the Sustainable Energy Fund of Central Pennsylvania (“SEF”) on December 20, 2013.

The Office of Small Business Advocate (“OSBA”) submits the following reply comments to the comments of PPLICA and SEF.

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<sup>1</sup> *Petition of PPL Electric Utilities Corporation for Approval of its Phase II Act 129 Energy Efficiency and Conservation Plan*, Docket No. M-2012-2234388 (Order entered July 11, 2013).

## **II. REPLY COMMENTS**

The OSBA supports or does not oppose the majority of the modifications proposed by PPL to its EE&C Plan. The OSBA takes no position on any proposed modifications not specifically referenced herein.

### **A. Reply to SEF Comments**

SEF asserts in its comments that certain of PPL's proposed modifications (Proposed Changes Nos. 11 and 15) increase benefits to government, non-profit, and institution ("GNI") customers at the expense of non-government customers.<sup>2</sup> The OSBA agrees with SEF to the extent it argues that PPL should not be permitted to provide preferential benefits to GNI customers in the Small Commercial and Industrial ("Small C&I") rate class relative to the other Small C&I customers.

### **B. Reply to PPLICA Comments**

Similar to SEF, PPLICA also comments on PPL's proposal to significantly increase revenues directed to GNI programs pursuant to Proposed Changes Nos. 11, 15, 19, 21, and 24.<sup>3</sup> PPL's proposal would result in increasing the current target of 11% of its Phase II MWh/yr savings from GNI customers to 14.3%. PPLICA argues that because Act 129 only requires 10% savings from GNI customers, maintaining the current 11% target adequately ensures PPL's compliance with Act 129. PPLICA therefore recommends that the Commission direct PPL to reduce the revenues allocated to GNI programs to maintain the current 11% savings target.

The OSBA supports a reasonable balance between benefits to GNI customers and non-GNI customers. However, rather than arbitrarily reducing revenues allocated to GNI customers

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<sup>2</sup> See SEF Comments at 4-5.

<sup>3</sup> See PPLICA Comments at 4-8.

to meet an 11% savings target, the OSBA would instead recommend that PPL be required to provide evidence that benefits are not disproportionately assigned to GNI customers.

PPLICA also has concerns with PPL's Proposed Changes Nos. 20, 21, and 24.<sup>4</sup> It argues that these modifications should be rejected because they lack direct and measurable benefits, *i.e.*, they don't produce direct energy savings. These Proposed Changes are to education and training programs that appear to be targeted primarily at GNI customers. The OSBA agrees that if these programs provide no value, they should be eliminated.

PPLICA further argues that if Proposed Changes Nos. 20, 21, and 24 are approved by the Commission, the corresponding programs should only be available to Small C&I GNI customers and the costs should be assigned only to the Small C&I rate class.<sup>5</sup> The OSBA disagrees.

PPLICA has offered no credible argument that GNI customers in the Large Commercial and Industrial ("Large C&I") rate class could not benefit from education and training efforts. If there is value for smaller GNI customers in the Small C&I rate class, there is likely value for larger GNI customers in the Large C&I rate class. Costs for these programs, if approved by the Commission, should be allocated accordingly to both the Small C&I and Large C&I rate classes.

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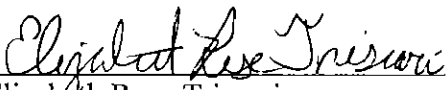
<sup>4</sup> See PPLICA Comments at 8-9.

<sup>5</sup> *Id.* at 9.

**IV. CONCLUSION**

The OSBA respectfully requests that the Commission consider and adopt the foregoing reply comments.

Respectfully submitted,

  
Elizabeth Rose Triscari  
Assistant Small Business Advocate  
Attorney ID No. 306921

For:

John R. Evans  
Small Business Advocate

Office of Small Business Advocate  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101

Dated: January 13, 2014

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PPL Electric Utilities Corporation** :  
**Phase II Energy Efficiency and Conservation** : **Docket No. M-2012-2334388**  
**Plan** :

**CERTIFICATE OF SERVICE**

I certify that I am serving two copies of the foregoing document, on behalf of the Office of Small Business Advocate, by e-mail and first-class mail (unless otherwise noted) upon the persons addressed below:

Hon. Dennis J. Buckley  
Administrative Law Judge  
Pa. Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105  
(717) 787-1191  
(717) 787-0481 (fax)  
[debuckley@pa.gov](mailto:debuckley@pa.gov)  
**(E-mail and Hand Delivery)**

Andrew S. Tubbs, Esquire  
Post & Schell, PC  
17 North Second Street - 12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601  
(717) 731-1970  
(717) 731-1985 (fax)  
[atubbs@postschell.com](mailto:atubbs@postschell.com)

Paul E. Russell, Esquire  
PPL Services Corporation  
Two North Ninth Street  
GENTW3  
Allentown, PA 18106  
(610) 774-4254  
[perussell@pplweb.com](mailto:perussell@pplweb.com)  
**(E-mail Only)**

David B. MacGregor, Esquire  
Post & Schell, PC  
1600 John F. Kennedy Blvd.  
Philadelphia, PA 19103-2808  
(215) 587-1197  
[dmacgregor@postschell.com](mailto:dmacgregor@postschell.com)  
**(E-mail Only)**

Dianne E. Dusman, Esquire  
Amy Hirakis, Esquire  
Office of Consumer Advocate  
555 Walnut Street - 5th Floor  
Harrisburg, PA 17101-1923  
(717) 783-5048  
(717) 783-7152 (fax)  
[Ddusman@paoca.org](mailto:Ddusman@paoca.org)  
[ahirakis@paoca.org](mailto:ahirakis@paoca.org)  
**(E-mail and Hand Delivery)**

Johnnie E. Simms, Esquire  
Bureau of Investigation and Enforcement  
Pa. Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105  
(717) 787-1976  
(717) 772-2677 (fax)  
[josimms@pa.gov](mailto:josimms@pa.gov)  
**(E-mail and Hand Delivery)**

Pamela C. Polacek, Esquire  
Adeolu A. Bakare, Esquire  
McNees Wallace & Nurick, LLC  
P. O. Box 1166  
Harrisburg, PA 17108  
(717) 232-8000  
(717) 237-5300 (fax)  
[ppolacek@mwn.com](mailto:ppolacek@mwn.com)  
[abakare@mwn.com](mailto:abakare@mwn.com)

Harry S. Geller, Esquire  
Patrick M. Cicero, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
(717) 236-9486  
(717) 233-4088 (fax)  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)

Heather M. Langeland, Esquire  
PennFuture  
200 First Avenue - #200  
Pittsburgh, PA 15222  
(412) 258-6684  
(412) 258-6685 (fax)  
[langeland@pennfuture.org](mailto:langeland@pennfuture.org)

Craig R. Burgraff, Esquire  
Julia A. Conover, Esquire  
Christopher M. Arfaa, Esquire  
Hawke McKeon & Sniscak, LLP  
P. O. Box 1778  
Harrisburg, PA 17105  
(717) 236-1300  
(717) 236-4841 (fax)  
[crburgraff@hmslegal.com](mailto:crburgraff@hmslegal.com)  
[jaconover@hmslegal.com](mailto:jaconover@hmslegal.com)  
[cmarfaa@hmslegal.com](mailto:cmarfaa@hmslegal.com)

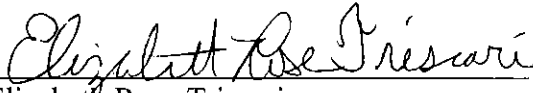
Jeffrey J. Norton, Esquire  
Carl R. Shultz, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street - 8<sup>th</sup> floor  
P. O. Box 1248  
Harrisburg, PA 17101  
(717) 237-6000  
(717) 237-6019 (fax)  
[jnorton@eckertseamans.com](mailto:jnorton@eckertseamans.com)  
[cshultz@eckertseamans.com](mailto:cshultz@eckertseamans.com)

Date: January 13, 2014

Geoffrey Crandall  
Jerry E. Mendl  
MSB Energy Associates  
1800 Parmenter Street - #204  
Middleton, WI 53562  
[crandall@msbnrg.com](mailto:crandall@msbnrg.com)  
[mendl@msbnrg.com](mailto:mendl@msbnrg.com)  
**(E-mail Only)**

Joseph L. Vullo, Esquire  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
(570) 288-6441  
(570) 288-4598 (fax)  
[jlvullo@aol.com](mailto:jlvullo@aol.com)

Derrick Price Williamson, Esquire  
Barry A. Naum, Esquire  
Spilman Thomas & Battle PLLC  
1100 Bent Creek Blvd. - #101  
Mechanicsburg, PA 17050  
(717) 795-2740  
(717) 795-2743 (fax)  
[dwilliamson@spilmanlaw.com](mailto:dwilliamson@spilmanlaw.com)  
[bnaum@spilmanlaw.com](mailto:bnaum@spilmanlaw.com)

  
Elizabeth Rose Triscari  
Assistant Small Business Advocate  
Attorney ID No. 306921