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September 3, 2014

VIA HAND DELIVERY

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: Implementation of the Alternative Energy Portfolio Standards Act of 2004
Docket No. L-2014-2404361

Dear Secretary Chiavetta:

Enclosed for filing are the Comments of PPL Electric Utilities Corporation in the above-referenced proceeding.

Respectfully submitted,

Christopher T. Wright

CTW/jl
Enclosure

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Implementation of the Alternative Energy Portfolio Standards Act of 2004	:	Docket No. L-2014-2404361

COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

By Order entered February 20, 2014, the Public Utility Commission ("Commission") requested comments on the Proposed Rulemaking Order amending Chapter 75 of the Commission's regulations, 52 Pa. Code §§ 75.1, *et seq.*, to further comply with the Alternative Energy Portfolio Standards Act of 2004 ("AEPS Act"), 73 P.S. §§ 1648.1 – 1648.8 and 66 Pa.C.S. § 2814. The Proposed Rulemaking Order was published in the *Pennsylvania Bulletin* on July 5, 2014. *See* 44 Pa.B. 4179. Initially, comments to the Proposed Rulemaking Order were to be filed within 30 days from the date of publication in the *Pennsylvania Bulletin*, *i.e.*, on or before August 4, 2014. In a Secretarial Letter dated August 1, 2014, the Commission extended the comment period to September 3, 2014. Consistent with the Proposed Rulemaking Order and the August 1, 2014 Secretarial Letter, PPL Electric Utilities Corporation ("PPL Electric") herein submits these Comments for the Commission's consideration.

The AEPS Act includes, among other things, two key mandates: greater reliance on alternative energy sources in serving Pennsylvania's retail electric customers, and the opportunity for customer-generators to interconnect and net meter small alternative energy systems. The Pennsylvania General Assembly charged the Commission with implementing and

enforcing these mandates, with the assistance of the Pennsylvania Department of Environmental Protection. 73 P.S. §§ 1648.7(a) and (b). Consistent with the requirements of the AEPS Act, the Commission adopted portfolio standard, interconnection, and net metering regulations in 2008. *See Proposed Rulemaking Order*, pp. 2-3. The stated purpose of the Proposed Rulemaking Order is to update the existing portfolio standards, interconnection, and net metering rules to provide guidance and clarify certain issues of law, administrative procedure, and policy in accordance with the intent of the AEPS Act. *See Proposed Rulemaking Order*, pp. 1, 3-5.

PPL Electric is a "public utility" and an "electric distribution company" ("EDC") as those terms are defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2803, subject to the regulatory jurisdiction of the Commission. PPL Electric furnishes electric distribution, transmission, and provider of last resort electric supply services to approximately 1.4 million customers throughout its certificated service territory, which includes all or portions of twenty-nine counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania.

PPL Electric is and has been an active supporter of alternative energy within the Commonwealth. To date, PPL Electric has approximately 3,334 net metering customers and 98 virtual net metering customers on its system. Based on its experience, PPL Electric believes that there is substantial uncertainty and lack of uniformity regarding who can qualify for net metering.[1] Many developers of alternative energy systems have tried to develop a massive

[1] *See, e.g., Larry Moyer v. PPL Electric Utilities Corporation*, Pa. PUC Docket No. C-2011-2273645 (disputing whether a virtual net metering customer must have load that is independent of the alternative energy system); *Petition of PPL Electric Utilities Corporation for a Declaratory Order To Resolve Uncertainty Regarding Whether Certain Applicants Qualify As a "Customer-Generator" Eligible To Participate in Net Metering*, Pa. PUC Docket No. P-2014-2420902 (requesting a declaratory order to resolve the uncertainty regarding whether four large alternative energy systems without any independent load qualify as "customer generators" eligible to participate in net metering); *Sunrise Energy, LLC v PPL Corporation and PPL Electric Utilities Corporation*, W.D. Pa. Docket No. 2:14-cv-00618 (a federal complaint asserting civil rights claims and a number of state law claims and seeking

loophole in the definition of customer-generator that is completely at odds with the AEPS Act. That loophole needs to be closed. Merchant generators are not customer-generators and should not be considered customer-generators for a variety of solid policy reasons. Given the significant uncertainty surrounding these issues and the continued development of alternative energy systems within the Commonwealth, PPL Electric believes that now is the appropriate time to address and resolve these concerns through a statewide proceeding.

PPL Electric applauds the Commission's continued efforts to provide greater guidance and clarity to the implementation of the AEPS Act. PPL Electric appreciates the opportunity to provide comments to the Proposed Rulemaking Order. PPL Electric believes that its familiarity and experience with the Commission's existing regulatory framework regarding portfolio standards, interconnection, and net metering will provide the Commission with a valuable perspective on the proposed regulations.

As explained below, PPL Electric believes that it is reasonable and appropriate to stop merchant generators from attempting to qualify as customer-generators and being subsidized by ratepayers through net metering, which, in turn, increases the rates paid by ratepayers. PPL Electric therefore generally supports the regulations proposed in the Proposed Rulemaking Order, but offers the following limited comments for the Commission's consideration to provide further guidance and clarity. PPL Electric has organized these comments to follow the structure of the Commission's Proposed Rulemaking Order.

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damages against PPL Electric for allegedly not granting net metering applications for three large alternative energy systems that lack any load that is independent of the alternative energy systems).

II. COMMENTS

A. GENERAL PROVISIONS: SECTION 75.1 - DEFINITIONS

1. Aggregator

The Commission proposes to add a definition for "aggregator." PPL Electric supports this definition and recommends that it be adopted.

2. Alternative Energy Sources

The Commission proposes to revise the definition of alternative energy to reflect the amendments to the definition for low-impact hydropower and biomass facilities from Act 129. PPL Electric supports this revision and recommends that it be adopted.

3. Distributed Generation System

The Commission proposes to provide more precise definitions of the elements for distributed generation systems, including the addition of a new definition for "useful thermal energy." PPL Electric supports the Commission's efforts to provide clarity to the intended meaning of "distributed generation systems." However, PPL Electric is concerned that the term "useful thermal energy" is subjective and could result in different and possibly conflicting interpretations regarding whether such energy is eligible for purposes of net metering. Therefore, PPL Electric recommends that the Commission further clarify what is meant by "useful thermal energy."

To further clarify the meaning of "useful thermal energy," PPL Electric recommends that the Commission also adopt the following efficiency standards for distributed generation systems with "useful thermal energy": (i) the useful power output of the facility plus one-half the useful thermal energy output should be no less than 42.5 percent of the total energy input of natural gas and oil to the facility; and (ii) if the useful thermal energy output is less than 15 percent of the total energy output of the facility, the useful power output of the facility plus one-half the useful

thermal energy output must be no less than 45 percent of the total energy input of natural gas and oil to the facility. PPL Electric believes that these proposed efficiency standards will help ensure that the thermal output from eligible distributed generation systems is in fact "useful" thermal energy. PPL Electric further notes that these efficiency standards are consistent with the FERC's qualified facility certification requirements for small power producers and cogeneration facilities.[2]

Notwithstanding the foregoing, PPL Electric supports the proposed definitions, including the definition of "useful thermal energy," provided that the Commission also adopts the proposed requirement that the alternative energy system, which would include all distributed generation systems, be sized to generate no more than 110% of the customer-generator's annual electric consumption. PPL Electric believes that the 110% requirement, as applied to distributed generation systems that produce "useful thermal energy," will reduce the potential for ratepayers subsidizing, through net metering, large co-generation facilities with significant excess electric generation and minimal electric load. As further explained below, PPL Electric submits that this limitation, as applied to distributed generation systems that produce "useful thermal energy," is consistent with the intent and purpose of net metering as defined by the AEPS Act. *See* 73 P.S. § 1648.2 (net metering is available to alternative energy systems "used to offset part or all of the customer-generator's requirements for electricity").

4. Customer-Generator and Utility

The Commission proposes to revise the definition of "customer-generator" to clarify that a customer generator must not only be a nonutility, but must also be a "retail electric customer." PPL Electric believes that this addition to the definition of a customer-generator helps emphasize that the entity is a customer first and a generator second. Importantly, as explained in the

[2] *See* https://www.ferc.gov/docs-filing/forms/form-556/form-556.pdf.

Proposed Rulemaking Order, a "retail electric customer" is a customer that purchases electric power. *See* Proposed Rulemaking Order, pp. 7-8. Thus, PPL Electric believes that the addition of "retail electric customer" to the definition of a customer-generator, together with the adoption of the 110% requirement, will help resolve the ongoing uncertainty regarding whether a customer must have load, independent of the alternative energy system, to qualify for net metering.

The Commission also proposes to add a definition of "utility." PPL Electric supports adding the definition of "utility," which makes it clear that a customer-generator cannot be a person or entity that provides traditional utility services, including generation services, to end-use customers. PPL Electric believes that any entity whose primary business is electric generation should be considered a utility for purposes of the AEPS Act[3] and, therefore, not a customer-generator eligible to participate in net metering. PPL Electric believes that these proposed changes are a reasonable way to limit the possibility of merchant generators posing as customer-generators and being subsidized by ratepayers through net metering.

5. Grid Emergency and Microgrids

The Commission proposes to add definitions for "grid emergencies" and "microgrid." PPL Electric notes that the definition of "microgrid" proposed by the Commission is consistent with those used by PJM Interconnection, LLC ("PJM")[4] Manuals No. 13 (Emergency Operations) and No. 35 (Definitions and Acronyms). However, the PJM Manuals do not define the term "grid emergencies." PPL Electric therefore recommends that the Commission further clarify the term "grid emergencies" to mean dispatchable (stand-by) generation with a nameplate

[3] *The AEPS Act is not part of the Public Utility Code and, therefore, that definition does not apply.*

[4] PJM is a Federal Energy Regulatory Commission ("FERC") approved Regional Transmission Organization charged with ensuring the reliability of the electric transmission system under its functional control and coordinating the movement of wholesale electricity in all or parts of thirteen states and the District of Columbia, including most of Pennsylvania.

capacity between 3 megawatts ("MWs") and up to 5 MWs. With this modification, PPL Electric believes that the proposed definitions of "grid emergencies" and "microgrid" will add clarity and uniformity within Pennsylvania regarding the issue of whether facilities with a nameplate capacity between 3 MWs and up to 5 MWs meet the conditions to qualify as a customer-generator.

6. Moving Water Impoundment

The Commission proposes to add a definition for "moving water impoundments" to make it clear that, in addition to hydroelectric facilities that utilize dams to impound water, electric turbines placed in rivers or streams without a dam also qualify as hydropower within the AEPS Act. PPL Electric supports this definition and recommends that it be adopted.

7. Default Service Provider

The Commission proposes to add a definition for Default Service Provider ("DSP"). The proposed definition is consistent with the definition found in the Pennsylvania Public Utility Code at 66 Pa.C.S. § 2803. PPL Electric supports this definition and recommends that it be adopted.

B. NET METERING: § 75.13 - GENERAL PROVISIONS

1. Section 75.13(a)

The Commission proposes several conditions required to qualify for net metering. Based on its experience, PPL Electric believes that there is substantial uncertainty and lack of uniformity regarding which entities can qualify for net metering.[5] Many developers of alternative energy systems have tried to develop a massive loophole in the definition of customer-generator that is completely at odds with the AEPS Act. Merchant generators are not customer-generators and should not be considered customer-generators for a variety of solid

[5] *See* Footnote 1, *supra*.

policy reasons. Given the significant uncertainty and the continued development of alternative energy systems within the Commonwealth, PPL Electric believes that it is reasonable and appropriate to stop merchant generators from attempting to qualify as customer-generators and being subsidized by ratepayers through net metering, which, in turn, increases the rates paid by ratepayers. Therefore, PPL Electric believes that now is the appropriate time to address and resolve these concerns through a statewide proceeding.

PPL Electric supports all of the proposed conditions required to qualify for net metering, and believes that they will provide much needed guidance and clarity to EDCs and electric generation suppliers ("EGSs") offering net metering, as well as to customers seeking to participate in net metering. In particular, PPL Electric strongly supports and recommends that the Commission adopt: (a) the condition that customer-generators eligible to participate in net metering be required to have load independent of the alternative energy system; (b) the condition that the alternative energy system of customer-generators eligible to participate in net metering be sized to generate no more than 110% of the customer's annual electric consumption; and (c) the condition that the Commission review and approve all net metering applications with a name plate capacity of 500 kilowatts ("kW") or greater.

a. Requirement for Independent Load

With respect to the requirement that a net metering customer-generator must have load that is independent of the alternative energy system, the Commission explains that this proposed condition "makes explicit what was already implied in the AEPS Act and the regulations." *See Proposed Rulemaking Order*, p. 11. PPL Electric agrees that this requirement is consistent with the intent and plain language of the AEPS Act. *See* 73 P.S. § 1648.2 (net metering is available to alternative energy systems "used to offset part or all of the customer-generator's requirements for electricity").

Based on PPL Electric's experience, merchant generators have attempted to assert that they are eligible for net metering because their alternative energy system is being used to offset the load that is related only to the operation, maintenance, or administration of the alternative energy system, such as lighting, security, HVAC, control equipment and/or equipment housing.[6] PPL Electric submits, however, that such alternative energy systems should not qualify for net metering because, but for the alternative energy system, there would be no load to offset. In PPL Electric's opinion, it is clear that the primary purpose of such systems is to produce and sell power, not offset customer load as intended by the AEPS Act. PPL Electric believes that such systems should not be subsidized by ratepayers and, instead, should sell the excess generation in the wholesale electric market in competition with other similarly situated merchant generators. Allowing alternative energy systems to sell their excess generation through net metering, rather than in the wholesale competitive electric market, will force ratepayers to subsidize these systems by paying higher rates.

In an effort to provide additional clarity, PPL Electric recommends that the Commission consider further defining "independent load" to exclude certain general service loads, such as lighting, HVAC, security systems, control equipment, and/or equipment housing. These are not process loads and should be excluded from consideration as "independent load." PPL Electric also recommends that the Commission require that "independent load" must be permanent and present at the customer-generator service for a customer-generator to maintain net metering status. This will help avoid situations where merchant generators install temporary load solely for the purpose of being deemed eligible for net metering.

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[6] *See, e.g., Petition of PPL Electric Utilities Corporation for a Declaratory Order To Resolve Uncertainty Regarding Whether Certain Applicants Qualify As a "Customer-Generator" Eligible To Participate in Net Metering*, Pa. PUC Docket No. P-2014-2420902 (requesting a declaratory order to resolve the uncertainty regarding whether four large alternative energy systems without any independent load qualify as "customer generators" eligible to participate in net metering).

Importantly, PPL Electric notes that those alternative energy systems that do not meet the independent load requirement are not foreclosed from receiving value for the excess generation produced by their alternative energy systems. Indeed, these facilities already have the ability to sell the excess generation in the wholesale electric market in competition with other similarly situated merchant generators. Further, PPL Electric will permit these alternative energy systems to interconnect with PPL Electric's system consistent with and upon review and approval through the PJM generation interconnection process. Thus, little, if any, harm will occur to alternative energy systems with little or no independent load because they will still be able to get the same value for their excess generation as received by other similarly situated merchant generators. Further, this approach will avoid ratepayers being forced to subsidize these merchant generators, which, in turn, will avoid higher rates for customers.

PPL Electric believes that these proposed modifications to the requirement for independent load will provide additional clarity regarding the alternative energy systems that qualify as customer-generators eligible to participate in net metering, and those that do not. PPL Electric submits that the independent load requirement, together with PPL Electric's proposed modifications, will help prevent merchant generators from attempting to qualify as customer generators and being subsidized by ratepayers through net metering by higher rates for customers. PPL Electric therefore strongly supports this proposed condition and recommends that it be adopted with the Company's proposed modifications.

b. 110% Size Limitation

With respect to the proposed condition that the alternative energy system must be sized to generate no more than 110% of the customer-generator's annual electric consumption at the interconnection meter and all qualifying virtual meter aggregation locations, the Commission explained that the purpose of this condition is to ensure that the customer-generator is not acting

like a utility or merchant generator and receiving excessive retail rate subsidies from other retail rate customers. *See Proposed Rulemaking Order*, p. 13. PPL Electric strongly supports this proposed condition and recommends that it be adopted.

PPL Electric believes that the 110% size limitation is consistent with intent of the net metering provisions of the AEPS Act to provide electric customers with a reasonable means to offset their electric consumption. The 110% design limit is a reasonable and balanced approach to supporting the intent of the AEPS Act by limiting the potential for merchant generators to use net metering as a way to circumvent the wholesale electric market and realize retail rate subsidies at the expense of retail customers. In PPL Electric's opinion, the 110% size limitation is the single most important proposal in the Proposed Rulemaking Order. This condition, by itself, will help resolve much of the ongoing uncertainty and confusion regarding whether specific customer-generators are eligible to participate in net metering.

PPL Electric notes, however, that the 110% size limitation should be clarified to address situations where the customer does not have historic annual consumption, *i.e.*, new or moving customers, new construction, etc. PPL Electric submits that it would not be appropriate to exclude such customer-generators to the extent that they are otherwise qualified. The Commission should develop specific guidance to address such situations.

The Commission should also address situations where a customer-generator exceeds the 110% size limitation after it has qualified for net metering and has been interconnected to the EDC's system. Although the 110% size limitation provides much needed clarity regarding the eligibility for net metering, it remains unclear what should happen if a customer exceeds the 110% size limitation after initial qualification.

For example, it is unclear whether a customer-generator that produces generation in excess of the 110% limit should continue to receive credit for the total excess generation produced, or receive credit only for an amount equal to 110% of the customer's annual consumption. Likewise, it is unclear whether a customer-generator that exceeds the 110% limit must be removed from net metering because it no longer qualifies. PPL Electric strongly supports the 110% size limitation, but recommends that the Commission consider providing additional guidance on situations where the customer-generator exceeds that limit after initial qualification.

PPL Electric has significant concerns that alternative energy systems could initially comply with the 110% size limitation at the time they apply for net metering, and later add significant additional capacity and receive excessive retail rate subsidies from other retail customers. PPL Electric therefore recommends that the 110% limit should not only be applied to the initial determination of eligibility for net metering, it also should be applied to determine if the alternative energy system remains eligible for net metering.

Finally, for virtual net metering customers, PPL Electric recommends that the historic annual consumption data be based on the total consumption at the host and satellite account(s) rather than only the host account (*i.e.*, on the usage at the primary account(s) for the residence or building(s) to be offset together with the usage at the account for the at the alternative energy system).[7] Applying the 110% size limitation only to the usage at the host account could essentially render virtual net metering meaningless. For example, a farmer that installs a solar system in an empty field within two miles from his residence (satellite account) would not be eligible for virtual net metering if the 110% limitation were applied to his solar system account

[7] For purposes of virtual net metering, PPL Electric identifies the account associated with alternative energy system as the "host account" and the account associated with existing load to be aggregated and offset as the "satellite account."

(host account) because there would be no annual consumption on that account. Therefore, for purposes of virtual net metering, PPL Electric believes that the 110% limitation should be applied based on the total annual consumption of the satellite account(s) and the host account (*e.g.*, 110% of the total combined annual consumption at the farmer's residence and the solar array in the field). PPL Electric believes that its proposal to apply the 110% size limitation to the satellite account(s) and the host account is consistent with the Commission's application of the 110% size limitation to third-party owned and operated systems. *See Net Metering – Use of Third Party Operators*, Docket No. M-2011-2249441 (Final Order March 29, 2012).

c. Commission Review of Alternative Energy Systems 500 kW or Greater

PPL Electric also supports the Commission's proposal to review and approve all net metering applications for alternative energy systems with a nameplate capacity of 500 kW or greater. Unlike smaller-sized alternative energy systems where it is much easier for the EDC to determine whether the customer qualifies as a customer-generator eligible for net metering, PPL Electric believes that alternative energy systems sized at 500 kW and above often require significant resources and time to determine if such facilities truly qualify as a customer-generator or are really a merchant generator. Further, PPL Electric believes that the Commission's review will ensure that these larger-sized alternative energy systems are treated uniformly and consistently throughout the Commonwealth, which will be a significant benefit to the owners of larger-sized alternative energy systems operating in multiple service territories. Finally, PPL Electric believes that this condition will help ensure that customer-generators whose systems are above 3 MW properly make their systems available to operate in parallel with the electric utility during grid emergencies.

2. Section 75.13(b)

The Commission proposes to make it clear that the Commission has the authority to direct EGSs to offer net metering in certain circumstances. In particular, the Commission would have the authority to direct EGSs to offer net metering if the EGSs are acting in the role of default service provider. PPL Electric supports this clarification and recommends that it be adopted.

3. Section 75.13(d)

The Commission proposes to provide clarity on how excess generation in one billing period is to be treated in subsequent billing periods. PPL Electric supports this clarification and recommends that it be adopted.

4. Section 75.13(e)

The Commission proposes to revise Section 75.13(e) to provide that customer-generators are to be cashed out using the weighted average of the Price-to-Compare ("PTC") based on the rate in effect when the excess generation was actually delivered. Preliminarily, PPL Electric notes that this is a new requirement that is not currently contemplated in the plain language of the Commission's net metering regulations. Although the Commission discussed using a weighted average generation and transmission rate to calculate a customer-generator's year-end compensation in *Implementation of Act 35 of 2007 Net Metering and Interconnection*, Docket No. L-00050174 (Final Omitted Rulemaking Order July 2, 2008), the applicable Regulations at 52 Pa. Code § 75.13 provide that a customer-generator's year-end compensation should be calculated at the PTC. Thus, the use of a weighted average generation and transmission rate to calculate a customer-generator's year-end compensation was not and has not been adopted as

required by the formal rulemaking requirements of the Commonwealth Documents Law[8] and the Regulatory Review Act.[9] PPL Electric appreciates the Commission's efforts to clarify the year-end compensation to customer-generators, but submits that there are additional and critical considerations that must be taken into account before such a proposal can be implemented.

The use of a weighted average generation and transmission rate to calculate a customer-generator's year-end compensation will require individual PTC rates for each individual customer-generator. Not only will this be complicated, time consuming, and expensive, it will cause massive confusion for customers. For example, if the Commission's proposal is adopted, neighboring customer-generators with different alternative energy systems and load requirements could receive different PTC rates for their annual cash out. It would be very confusing to two similarly situated neighbors if they received different annual cash out rates. Given that it currently has approximately 3,334 net metering customer and 98 virtual net metering customers on its system, PPL Electric expects that it would require significant time and resources to explain the separate individual rates to net metering customers that are confused by the different cash out rates, and could potentially lead to numerous complaints filed by those customers.

PPL Electric currently cashes out a customer at the PTC in effect at the time of cash-out (usually May of each year). While the Commission's new proposed weighted average method may be more reflective of the value of the generation at the time it is produced, it would require significant changes to PPL Electric's billing system. Importantly, a more robust billing system would be required to track when excess generation is created and the PTC in effect at that time, as well as create an ongoing tabulation and accounting system of the individual PTC rates per net metering customer. There also is an increased level of complication for net metering customers

[8] Act of July 31, 1968, P.L. 769, as amended, 45 P.S. §§ 1101-1603.

[9] Act of June 25, 1992, P.L. 633, reenacted by Act of February 21, 1986, P.L. 47, and amended by Act of June 25, 1997, P.L. 252, 71 P.S. §§ 745.1-745.15.

on a Time of Use ("TOU") rate and net metering customers that may oscillate between shopping and default service.

If the proposed approach is adopted, PPL Electric recommends that the Commission consider the time and cost involved to implement the proposed weighted average annual cash out method. PPL Electric currently does not have any details regarding the amount of work involved, or the time that would be required. However, it is clear that significant time will be required to modify its system to accommodate the proposed year-end cash out method. Further, additional costs will be necessary for upgrades to PPL Electric's billing system to accommodate the weighted average annual cash out method.

To the extent that the Commission adopts the proposed weighted-average cash out method, the Commission should allow EDCs sufficient time to fully develop and implement the systems required to accommodate the proposal. Further, the Commission should permit EDCs to recover any IT costs, subject to review in an appropriate Commission proceeding to determine the legitimacy or reasonableness of such costs, that they may incur to upgrade their systems so that future end-of-year payments to customer-generators can be calculated automatically. PPL Electric notes that the proposal to recover costs associated with upgrades to its billing system necessary to accommodate the weighted average cash out method is consistent the Commission's treatment of a similar request made by PECO Energy Company in response to a net metering customer's request to be cashed out at the weighted average rate in effect at the time the excess generation was produced.[10]

[10] *See Mari Jo Jensen v. PECO Energy Company*, Pa.PUC Docket No. F-2011-2270675 (May 23, 2014) ("Accordingly, we will grant PECO's request to seek recovery, through its GSA, of any IT costs it may incur to upgrade its billing system so that future end-of-year payments to customer-generators can be calculated automatically. In granting this request, we emphasize that we are making no determination, at this time, regarding the legitimacy or reasonableness of such costs, or whether a request for the recovery of such costs will be granted. Such a determination must be based on a proper analysis of the facts and supporting data that PECO may provide to this Commission at the time it submits its request for whatever amount of cost recovery it may seek.")

As an alternative to the use of a weighted average generation and transmission rate to calculate a customer-generator's year-end compensation, PPL Electric recommends that the Commission consider adopting a straight PTC average for the year. If the Commission adopts the 110% size limitation, which PPL Electric strongly supports as discussed above, there should not be significant excess, unused generation produced from net metering alternative energy system remaining at the end of the year and, therefore, there should not be significant excess generation to cash out at the end of the year. Using a straight PTC average for the year will reduce customer confusion, complexity, and the time and resources that would otherwise be required to implement the weighted average proposal.

PPL Electric also notes that not all alternative energy systems produce excess generation during the same periods, which could have significant impacts to net metering customers on TOU rates. Therefore, PPL Electric recommends that the Commission establish a predefined weighted average for the TOU rates based upon the generation type. For example, excess generation produced from net metering solar alternative energy systems on a TOU rate should be weighted to daylight hours (likely on-peak), while excess generation produced from net metering biomass alternative energy systems should be weighted evenly for all hours of production.

Based on the foregoing reasons explained above, PPL Electric strongly encourages the Commission to consider adopting a straight PTC average to calculate a customer-generator's year-end compensation.

5. Section 75.13(f)

In the current net metering regulations, the net metering terms and conditions for customers that shop is a matter to be determined between an EGS and the customer-generator. However, as the Commission noted in the Proposed Rulemaking Order, the current regulations are silent as to how distribution charges are to be treated by the EDC for net metering customers

who shop. In its Proposed Rulemaking Order, the Commission has clarified that net metering customers who take supply service from an EGS are to receive a credit for their excess generation based on the unbundled kilowatt-hour based distribution charges, and that this credit must be equal to the unbundled kilowatt-hour distribution charge of the EDC for the customer-generator's kilowatt-hour rate schedule. PPL Electric generally supports this clarification, subject to the discussion on customer and demand changes set forth below in the Miscellaneous Comments. *See* Section II.O, *infra*.

6. Section 75.13(j)

The Commission proposes to add references to default service and the default service rate to recognize default service providers and the role EDCs currently play in providing default service. PPL Electric supports this clarification and recommends that it be adopted.

7. Section 75.13(k)

The current regulation states that an EDC may not charge a customer-generator a fee or other type of charge unless the fee or charge would apply to other customers. However, Section 75.14(e) states that "[i]f the customer-generator requests virtual meter aggregation, it shall be provided by the EDC at the customer-generator's expense," and "[t]he customer-generator shall be responsible only for any incremental expense entailed in processing his account on a virtual meter aggregation basis." The Commission proposes to provide clarity and address this conflict by allowing EDCs to charge fees as authorized by Chapter 75 or by order of the Commission. PPL Electric appreciates and supports the Commission's proposal to remove any conflicts in the regulations and provide clarity. However, PPL Electric believes that the costs to implement virtual net metering are an important issue that requires further consideration and guidance.

Unlike a net metering customer where there is only one meter and one bill, virtual net metering applies to two separate meters that are read and billed independently. Currently, PPL

Electric's billing system is unable to associate two different accounts that are read and billed independently. As a result, PPL Electric currently tracks and applies virtual metering through a manual process.

In *Larry Moyer v. PPL Electric Utilities Corporation*, Pa. PUC Docket No. C-2011-2273645, a virtual net metering customer requested that PPL Electric should implement an automated billing system for the virtual metering program rather than using a manual billing process, and that bills for virtual metering customers should reflect additional data, such as the kWh of generation produced by the host account, and all credits and/or payments that have been made to the satellite account. However, as PPL Electric explained in that proceeding, it would require considerable time and expense to update the current billing system to automate the virtual metering billing process and provide the additional data requested.

Currently, there are only about 98 virtual metering customers on PPL Electric's system. Although PPL Electric supports and appreciates the Commission's efforts to clarify that EDCs are permitted to impose fees or charges on virtual net metering customers for any incremental expense in providing virtual net metering, PPL Electric believes that imposing the costs to automate the virtual metering billing system on the limited number of existing virtual net metering customers would erode any benefits that could potentially be realized by those customers. Simply stated, imposing those fees on such a small number of customers would make virtual net metering uneconomical for these customer-generators. Further, given the small number of participants in the virtual metering program, it is unclear whether automating the billing process for virtual net metering customers would be a reasonably prudent expense that could be recovered through base rates.

PPL Electric submits that, to the extent that EDCs are required to automate virtual net metering and/or provide additional data regarding the host and satellite accounts, EDCs should be permitted to fully recover the costs incurred, subject to review in an appropriate Commission proceeding. PPL Electric therefore recommends that the Commission provide additional guidance on the "incremental costs" that should be directly charged to virtual net metering customers and those that should be recovered through base rates.

PPL Electric notes that, as explained above, it will require considerable time and resources to upgrade its billing system to accommodate the Commission proposed weighted-average cash out method. To the extent that EDCs must also update their billing systems to automate virtual net metering, PPL Electric suggests that these costs be included with those needed to accommodate any revised cash out method, and that the Commission allow EDCs to fully recover the total costs, subject to review in an appropriate Commission proceeding.

C. NET METERING: METERS AND METERING

1. Virtual Meter Aggregation

The Commission proposes several changes regarding virtual net metering. Pertinent to these Comments, the Commission proposes to require that all properties to be aggregated must be receiving electric generation service and must have measurable load independent of the alternative energy system. PPL Electric generally supports this proposal; however, PPL Electric believes that the requirement that virtual net metering systems have independent load requires further clarification.

Similar to the application of the 110% size limitation to virtual net metering, PPL Electric recommends that the requirement for independent load be modified to make it clear that it applies to the satellite account (*e.g.*, the primary account for the residence or building) rather than the host account (*e.g.*, the account for the alternative energy system). PPL Electric believes

that applying the requirement for independent load to the host account is entirely inconsistent with the purpose of virtual net metering and would render virtual net metering meaningless.

For example, a farmer that installs a solar system in an empty field within two miles of his residence would not be eligible for virtual net metering unless the farmer has existing load at the solar site (*i.e.*, the empty field) that is independent of the operation, maintenance, or administration of the solar alternative energy system. Clearly, such application would dramatically decrease the number and type of customer-generators that would qualify for and could potentially participate in virtual net metering. PPL Electric submits that such a result is not consistent with the intent and purpose of virtual net metering.

PPL Electric therefore recommends that, for purposes of virtual net metering only, the requirement for independent load be modified to make it clear that it applies to the satellite account(s) (the primary account for the residence or building) rather than the host account (the account for the alternative energy system), because there could be no independent load on the host account. PPL Electric notes that this modification, together with the 110% size limitation, will continue to limit the potential for merchant generators to use virtual net metering as a way to circumvent the wholesale electric market and realize retail rate subsidies at retail customers' expense.

2. Year and Yearly

In the existing regulations, the term year and yearly, as applied to net metering, is defined as the planning year as determined by PJM. According to the Commission, with a year ending in May, many alternative energy systems may have excess generation that receives a payment at the price-to-compare rate as opposed to receiving a fully bundled credit toward their subsequent billing periods. Therefore, the Commission proposes to revise the definition for year and yearly

as it applies to net metering to the period of time from May 1 through April 30. PPL Electric recommends that the Commission reconsider this proposal.

The Commission's proposal appears to be directed primarily towards maximizing the value received by photovoltaic alternative energy systems, which produce the majority of their excess generation between May and August and, in theory, would be able to bank more excess generation at the full retail rate and carry it forward. PPL Electric submits that the proposed change in the yearly period will disassociate the net metering period from the PJM Planning period and PTC issuance periods, which run June 1st through May 31st. The Commission's proposal to change the definition for year and yearly will further complicate the system and needlessly confuse customers.

D. NET METERING: SECTION 75.16 - LARGE CUSTOMER-GENERATORS

The Commission proposes to add Section 75.16 to address distributed generation systems with a nameplate capacity of greater than three megawatts and up to five megawatts, and to identify the standards that must be met to qualify as a large customer-generator. With the clarification of the definition of "grid emergencies" described above, see Section II.A.5, *supra*, PPL Electric generally supports this proposal and recommends that it be adopted.

E. NET METERING: SECTION 75.17 - PROCESS FOR OBTAINING COMMISSION APPROVAL OF CUSTOMER-GENERATOR STATUS

The Commission proposes to address the potential for inconsistent application of the net metering rules by implementing a procedure for obtaining Commission approval of net metering applications for alternative energy systems with a nameplate capacity of 500 kW or greater. PPL Electric supports the proposed procedure, but notes that, if adopted, the interconnection regulations should also be updated and reconciled with the proposed procedure.

F. INTERCONNECTION: SECTION 75.22 - DEFINITIONS

The Commission proposes to revise the definition for "electric nameplate capacity." PPL Electric supports this proposal and recommends that it be adopted.

G. INTERCONNECTION: SECTIONS 75.31, 75.34, 75.39, AND 75.40 - CAPACITY LIMITS

The Commission proposes to revise Sections 75.31, 75.34, 75.39, and 75.40 to reflect the increase of the capacity limit resulting from Act 35 for customer-generators from 2 MW to 5 MW. PPL Electric supports this proposal and recommends that it be adopted.

H. INTERCONNECTION: SECTION 75.51 - DISPUTES

The current regulations at Section 75.51(c) provide that the Commission may designate a technical master to help resolve interconnection disputes. The Commission notes that it is not aware of any interconnection disputes that have not been resolved through the normal Commission complaint or alternative dispute resolution processes. The Commission, therefore, proposes that Section 75.51(c) be deleted. PPL Electric supports this proposal and recommends that it be adopted.

I. ALTERNATIVE ENERGY PORTFOLIO REQUIREMENT: SECTION 75.61 - EDC AND EGS OBLIGATIONS

The Commission proposes to revise Section 75.61 to note that the requirements are subject to the quarterly adjustment provisions of Act 129 of 2008. PPL Electric supports this proposal and recommends that it be adopted.

J. ALTERNATIVE ENERGY PORTFOLIO REQUIREMENT: SECTION 75.62 - ALTERNATIVE ENERGY SYSTEM QUALIFICATION

The Commission proposes to add Section 75.62(g) to note that alternative energy system status may be suspended or revoked for violations of the provisions of this chapter. PPL Electric supports this proposal and recommends that it be adopted.

K. ALTERNATIVE ENERGY PORTFOLIO REQUIREMENT: SECTION 75.63 - ALTERNATIVE ENERGY CREDIT CERTIFICATION.

The Commission proposes supplement Section 75.63(g) with a proposed end to the use of estimates for future small solar photovoltaic systems and to clarify when estimated readings may be used by existing small solar photovoltaic systems. PPL Electric generally supports this proposal. However, with respect to using estimated data for small systems, there must be a limit implemented as to what it means to have or not have the technology to capture this data. PPL Electric also recommends including a provision that the cost for any additional metering requested by a customer-generator be the responsibility of the customer-generator.

L. ALTERNATIVE ENERGY PORTFOLIO REQUIREMENT: SECTION 75.67 - ALTERNATIVE ENERGY CREDIT PROGRAM ADMINISTRATOR

The Commission proposes to add provisions to note that alternative energy system status may be suspended or revoked, to more accurately reflect the current reporting requirements, and to expressly state that the program administrator may not certify an alternative energy credit that does not meet the requirements of § 75.63 (relating to alternative energy credit certification). PPL Electric supports these proposals and recommends that they be adopted.

M. ALTERNATIVE ENERGY PORTFOLIO REQUIREMENT: 75.65 - ALTERNATIVE COMPLIANCE PAYMENTS

The Commission proposes to identify the Commission's Bureau of Technical Utility Services as the Bureau with the responsibility of providing notice of and processing alternative compliance payments. PPL Electric supports this proposal and recommends that it be adopted.

N. ALTERNATIVE ENERGY PORTFOLIO REQUIREMENT: SECTIONS 75.71 AND 75.72 - QUARTERLY ADJUSTMENT OF NON-SOLAR TIER I OBLIGATION

The Commission proposes to codify the processes and standards adopted by the Commission in *Implementation of Act 129 of 2008 Phase 4 – Relating to the Alternative Energy*

Portfolio Standards Act, Docket M-2009-2093383 (Order entered May 28, 2009). PPL Electric supports this proposal and recommends that it be adopted.

O. MISCELLANEOUS COMMENTS

In addition to the comments provided above, PPL Electric respectfully requests that the Commission also consider the following miscellaneous issues regarding the existing portfolio standards, interconnection, and net metering rules.

1. PTC Cash-Out

While the Proposed Rulemaking Order provides much needed guidance and clarity regarding net metering, it continues to require that customers-generators should be cashed-out at the PTC. PPL Electric believes that using the PTC as the cash-out rate is not appropriate for several reasons.

First, Section 1648.5 of the AEPS Act provides that "[e]xcess generation from net-metered customer-generators shall receive *full retail value for all energy produced* on an annual basis." 73 P.S. §1678.5 (emphasis added). PPL Electric submits that the retail value of the energy produced is the generation price alone. The PTC, however, includes components that are beyond the "full retail value for all energy produced" (such as the Transmission Service Charge, E-factor (over/under collection), taxes, etc.), which ultimately subsidize the customer-generators' cost for this type of service.

Second, because net metering customers are cashed out at the PTC, default service customers are paying a price higher than they would otherwise be required to pay wholesale suppliers for electricity. The cash out for net metering customers is recovered through the E-factor component of the GSC. In PPL Electric's opinion, this creates a reciprocating cost function where net metering customers are paid at the PTC (including an E-factor with their own previous costs), which drives up the PTC and, in turn, results in net metering customers receiving

a greater cash out based upon the PTC. PPL Electric submits that, overall, this mechanism is broken and gives the wrong economic price signals to these customers.

Third, requiring a PTC cash out essentially rebundles generation, distribution, and transmission related costs. PPL Electric believes that such a result is inconsistent with the goals of the Competition Act and clear Commission policy. Section 2804(3) of the Competition Act provides as follows:

> The commission shall require the unbundling of electric utility services, tariffs and customer bills to separate the charges for generation, transmission and distribution....

66 Pa.C.S. § 2804(3). *See also Lloyd v. Pa. P.U.C.*, 904 A.2d 1010, 1020 (Pa. Cmwlth. 2006) *appeal denied*, 591 Pa. 676, 916 A.2d 1104 (2007) (holding that Section 2804(3) mandates rates for services as unbundled charges for transmission, distribution and generation). PPL Electric also notes that the Commission has encouraged EDCs to unbundle generation-related costs from distribution rates.

> While utility rates were unbundled into transmission, distribution and generation components as part of the restructuring process, there is significant concern on the part of the Commission and others that some generation costs have been improperly allocated, or "embedded," in EDC distribution rates. The Commission has not undertaken a full-fledged review of distribution rates with the goal of resolving this issue. This was in part due to the existence of rate caps and the agreements reached in the restructuring settlements. With the coming expiration of the remaining rate caps, there is now no obstacle to taking this issue up for consideration.
>
> Our preference is that this issue will be addressed in the next distribution rate case for each EDC. For those EDCs who have not initiated cases by the end of 2007, the Commission reserves the right to initiate a cost allocation proceeding to resolve this issue.

Default Service and Retail Electric Markets, Final Policy Statement, Docket No. M-00072009, 256 PUR 4th 341, 2007 Pa. PUC LEXIS 3 at *12-13 (May 10, 2007). Requiring EDCs to cash

out net metering customers at the PTC is contrary to the clear policy in this Commonwealth that generation charges should be unbundled from transmission and distribution charges.

For these reasons, PPL Electric recommends that the Commission consider using the retail value of the generation alone as the cash-out for Residential and Small Commercial and Industrial ("Small C&I") net metering customers.

PPL Electric also notes that with respect to the Large Commercial and Industrial ("Large C&I") net metering customers there is no true PTC because the generation component is based on an hourly spot market price. Therefore, it is unclear how the PTC should be derived to determine the annual cash out rate for Large C&I customer-generators.[11] PPL Electric submits that, because the Large C&I customer group has a real time pricing component, the Commission should consider adopting regulations that permit EDCs to do monthly cash outs for Large C&I net metering customers. Specifically, PPL Electric recommends that if a Large C&I net metering customer supplies more generation than the EDC delivers to the customer-generator during a billing period, the excess kWh shall not be carried forward to a subsequent billing period but, instead, will be cashed out each month based on the monthly average of the hourly PJM locational marginal price ("LMP"). PPL Electric submits that this proposal is consistent with the Commission's approval of PECO Energy Company's net metering billing for customer-generators who receive service under the Procurement Class 4 rate. *See PECO Energy Company – Electric Supplement No. 34 to Tariff Electric Pa. P.U.C. No. 4*, Docket No. R-2012-2286475 (Pa. PUC Order Aug. 30, 2012). Alternatively, if the Commission declines to adopt this proposal for the monthly Large C&I net metering customer cash out, PPL Electric recommends that the Commission consider using the average LMP for each hour of each day during the PTC period,

[11] PPL Electric notes that it currently does not have any Large C&I customer-generators that receive net metering.

plus an adder for capacity and other charges, to calculate the PTC for the Large C&I net metering customer cash out.

2. Customer and Demand Charges

PPL Electric further recommends that the Commission consider clarifying Sections 75.13(i) and (j) to address the uncertainty of whether customer-generators are responsible for the customer, demand, and other applicable charges or whether they should receive a credit for such charges. Sections 75.13(i) and (j) currently provide as follows:

> (i) An EDC shall provide net metering at nondiscriminatory rates identical with respect to rate structure, retail rate components and any monthly charges to the rates charged to other customers that are not customer-generators. An EDC may use a special load profile for the customer-generator which incorporates the customer-generator's real time generation if the special load profile is approved by the Commission.
>
> (j) An EDC may not charge a customer-generator a fee or other type of charge unless the fee or charge would apply to other customers that are not customer-generators. The EDC may not require additional equipment or insurance or impose any other requirement unless the additional equipment, insurance or other requirement is specifically authorized under this chapter or by order of the Commission.

52 Pa. Code §§ 75.13(i) and (j). It is unclear from Sections 75.13(i) and (j), however, whether customer-generators are responsible for applicable customer and demand charges. For the reasons explained below, PPL Electric believes that Commission should consider clarifying Sections 75.13(i) and (j) to make it clear that net metering and virtual net metering customers are responsible for the customer and demand charges.

Section 75.13 of the Commission's regulations provide, in pertinent part, as follows:

> (c) The EDC shall credit a customer-generator at the full retail rate, which shall include generation, transmission and distribution charges, for *each kilowatt-hour* produced by a Tier I or Tier II resource installed on the customer-generator's side of the electric revenue meter, up to the total amount of electricity used by that

> customer during the billing period. If a customer generator supplies more electricity to the electric distribution system than the EDC delivers to the customer-generator in a given billing period, *the excess kilowatt hours shall be carried forward and credited against the customer-generator's* usage in subsequent billing periods at the full retail rate. Any excess kilowatt hours shall continue to accumulate until the end of the year....
>
> (d) At the end of the year, the EDC shall compensate the customer generator *for any excess kilowatt hours generated* by the customer-generator over the amount of kilowatt hours delivered by the EDC during the same year at the EDC's price to compare.

52 Pa. Code § 75.13(c), (d) (emphasis added). The plain language of Section 75.13 suggests that an EDC is obligated to credit or compensate customer generators only for the excess kilowatt-hours of electric generation, not the customer or demand component of a customer's bill.

Net metering customers continue to be connected to an EDC's distribution system and continue to use that system both as a consumer of electricity and as a generator of electricity. The customer charge is designed to recover costs associated with connecting a customer to the system regardless of the customer usage (either as a buyer or as a seller). The demand charge is designed to recover the costs associated with the maximum demand a customer places on the system (again either as a buyer or as a seller). There is therefore no rational basis for eliminating a net metering customer's responsibility for the customer or demand charges, or other applicable riders.

PPL Electric also notes that in its 2010 base rate case, the Commission rejected an intervenor's proposal that net metering customers should not be responsible for the customer charge or demand charge and, instead, should receive a credit for the customer and demand charges. *Pa. PUC v. PPL Electric Utilities Corporation*, Docket Nos. R-2010-2161694, 2010 Pa. PUC LEXIS 2001 at *82-84 (Pa. PUC Order Dec. 21, 2010). In rejecting the intervenor's argument, the Commission held as follows:

> Based upon our review of the record evidence, as well as the Commission's Regulations and the relevant statute, we conclude that SEF's Exceptions on this issue are without merit. The Regulations clearly state that customer-generators are responsible for all monthly customer charge and demand charge billing components. This responsibility simply cannot be relinquished when a customer-generator's net metering results in energy provided into PPL's distribution system on any given month. PPL's system remains in place to serve the customer-generator's demand when needed and PPL continues to incur costs recovered through the customer charge whether or not the customer-generator's net metering results in excess supply. Additionally, Section 75.13(i) provides that the rates of both customer-generators and non-generators alike shall be nondiscriminatory, identical with respect to rate structure, retail rate components and any monthly charges. 52. Pa. Code § 75.13(i). Relieving any customer-generator of its responsibility to pay customer charges or demand related charges would create an unjust and unreasonable burden on all other ratepayers. Accordingly, we shall adopt the ALJ's recommendation and deny the Exceptions of SEF regarding this issue.

Id. at *84-85.

Finally, PPL Electric notes that Commission recently reaffirmed that net metering customers are responsible for their demand charges. *See Petition of Sunrise Energy, LLC for Clarification of Electronic Distribution Company Tariffs that Address Renewable Energy Net Metering*, Docket No. P-2013-2398185 (Opinion and Order entered Mar. 20, 2014). In that proceeding, a solar developer noted that commercial net metering customer-generators are not being credited and are required to pay the demand portion of their distribution charges. The solar developer proposed that the rate design for commercial customer-generators should not include demand charges and, instead, should be based only on per kilowatt-hour distribution charges. Citing to its order in PPL Electric's 2010 base rate case, *supra*, the Commission again rejected the proposal that commercial net metering customers should not be responsible for the demand charge and, instead, should receive a credit for the demand charges. *Id.*, Slip Op. pp. 17-18.

For these reasons, PPL Electric recommends that the Commission consider clarifying Sections 75.13(i) and (j) to specifically add that a "customer-generator is responsible for the customer charge, demand charge, and applicable riders charges under the applicable Rate Schedule."

3. Compliance Report Timing

PPL Electric submits that there has been an ongoing issue with the annual alternative energy credit reporting requirements set forth in the existing regulations and reiterated in the Proposed Rulemaking Order. Specifically, the final end of year load numbers for EDCs and EGSs are due by June 30th, one month after the end of the June-May period, and no additional data is accepted after this date. However, at this time final settlement data for the April and May periods is not available. This data has a direct impact on the number of alternative energy credits required to obtain compliance for that year. In some instances, this leaves EDCs and EGSs with a shortfall based upon how bundled contracts are written.

PPL Electric recommends the alternative energy credit reporting deadline be extended to 70 days after the year end to allow for final settlement values to be submitted, and that the Compliance deadline be extended from August 30th to September 30th to accommodate the extended alternative energy credit reporting deadline.

4. Compliance Reporting Obligations and Penalties

PPL Electric submits that there has been an ongoing issue regarding the submission of EGS data related to the usage/load of the EGSs customers. Specifically, not all EGSs notify the Administrator that they have begun offering service in an EDC's territory, and there have been instances where EGSs are not reporting their usage data to the Administrator in the time allotted. As a result, the Administrator mandates that the EDCs report when EGSs begin serving

customers and report EGS monthly data. This is extremely burdensome, time consuming, and ultimately shifts the EGSs' burden to report *their* customers' load and usage to the EDCs.

PPL Electric recommends the Commission consider adopting language that would require EGSs to notify the Administrator when they begin serving customers, and require EGS to meet all reporting requirements set forth in the regulations. Additionally, PPL Electric recommends that the Commission consider adding language that would impose an appropriate penalty on EGSs in the event they do not meet these reporting requirements. PPL Electric believes that this proposal is reasonable and appropriate places the burden on the EGS, not the EDC.

III. CONCLUSION

PPL Electric appreciates the opportunity to provide comments to the Proposed Rulemaking Order. For the reasons explained above, PPL Electric generally supports the regulations proposed in the Proposed Rulemaking Order, but respectfully requests that the Pennsylvania Public Utility Commission modify its proposed regulations consistent with these comments.

Respectfully submitted,

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