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June 2, 2015

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation;
Docket Nos. R-2015-2469275 and C-2015-2480265**

Dear Secretary Chiavetta:

Attached please find for filing with the Pennsylvania Public Utility Commission the First Amended Complaint of the PP&L Industrial Customer Alliance ("PPLICA") in the above-reference proceeding.

As shown on the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Adeolu A. Bakare

Counsel to the PP&L Industrial Customer Alliance

Enclosures

c: Administrative Law Judge Susan D. Colwell (via e-mail and First-Class Mail)
Certificate of Service

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PPLICA requests that the names and address of its attorneys be added to the Commission's official service list, and that all correspondence in this proceeding from the Commission be directed to the attention of Pamela C. Polacek at the address listed above.

3. The Respondent utility is:

PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101-1179

4. On March 31, 2015, PPL filed with the Commission Supplement No. 179 proposed to become effective on June 1, 2015. By this filing, PPL requested a distribution rate increase of approximately \$167.5 million, or 18.5% over the Company's present annual distribution revenues, and a proposed Return on Equity ("ROE") of 10.95%. If approved, the Company's distribution rate increase request would produce a rate increase for Large General Service at 12,470 Volts ("LP-4") customers, a significant rate increase for Power Service to Electric Propulsion ("LPEP") customers and rate decreases for Large General Service at Secondary Voltage ("GS-3") and Large General Service at 69,000 Volts or Higher ("LP-5") customers. Additionally, PPL developed a modified rate design for all base distribution rate schedules, which would convert the monthly customer charges to daily customer charges. PPL also requested authority to increase the cap on its Distribution System Improvement Charge ("DSIC") recoveries from 5% to 7.5% of billed distribution revenues. In support of Supplement No. 179, PPL filed and served supporting testimony that purports to validate the Company's claim for a \$167.5 million distribution rate increase and the other elements of its proposal.

5. On April 23, 2015, the Commission suspended PPL's proposed filing by operation of law until January 1, 2016, and instituted an investigation into the Company's proposed Supplement No. 179.

6. This Complaint is filed in general opposition to the rates, terms and provisions contained in PPL's Supplement No. 179.

7. PPLICA is an *ad hoc* association of energy-intensive industrial customers receiving electric service in PPL's service territory. PPLICA members purchase service from PPL primarily under Rate Schedules LP-4, LP-5, and LPEP, as well as available riders. PPLICA members collectively consume approximately 1.4 billion kWh of electricity annually in manufacturing and other operational processes, and electric costs comprise a significant portion of their production costs. PPLICA was an active Party in PPL's Restructuring Proceeding pursuant to the Competition Act, during which the Company's initial unbundled distribution and transmission rates were established, as well as PPL's 2004, 2007, 2010, and 2012 Distribution Base Rate proceedings. As PPL's largest retail customers, the Commission's disposition of PPL's distribution base rate filing will change the distribution rates paid by PPLICA members.

8. Complainant alleges that the information and data filed in support of the proposed rates and tariff revisions in PPL's Supplement No. 179 are insufficient to establish that the proposed rates are just, reasonable and nondiscriminatory, as required by Sections 1301 and 1304 of the Public Utility Code, 66 Pa. C.S. §§ 1301 & 1304.

9. Pursuant to Section 315(a) of the Public Utility Code, 66 Pa. C.S. § 315(a), PPL has the burden of proving that its proposed rates are just and reasonable and otherwise in accord with Section 1301 of the Public Utility Code, 66 Pa. C.S. § 1301.

10. PPLICA's preliminary review of the Company's filing indicates the need for Commission investigation into at least the following issues:

- a) Whether the size of the requested rate increase is appropriate;
- b) Whether the expenses claimed by PPL were prudently incurred;

- c) Whether the allocation of the proposed distribution rate increase between and among customer classes is just, reasonable and non-discriminatory;
- d) Whether PPL's proposed rate structure and rate design are appropriate, just, reasonable, and not unduly discriminatory, specifically including the proposed rate design changes for customers on Rate Schedules LP-4, LP-5, and LPEP;
- e) Whether the utility plant upgrades projected in the future test year(s) for Rate LPEP are accurate, appropriately ascribed to the distribution function, appropriately allocated, necessary and prudent, and otherwise appropriately treated in PPL's filing.
- f) Whether the 10.95% ROE proposed by PPL results in a fair Rate of Return ("ROR");
- g) Whether PPL's claimed Cost of Service Study ("COSS") is accurate, legitimate and appropriately allocated;
- h) Whether PPL's proposal to increase the cap on its DSIC revenues from 5% to 7.5% of billed distribution revenues is appropriate, just, reasonable, and not unduly discriminatory; and
- i) Whether application of the DSIC to Rate Schedule LPEP is appropriate, just, or reasonable.

11. PPLICA reserves the right to raise and address other issues of concern upon further examination of PPL's filing and to respond to issues raised by other parties during the course of the proceeding.

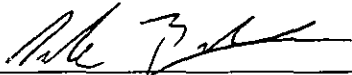
12. PPLICA respectfully requests that the Commission provide the following relief:

- a) Allow PPLICA to participate in this proceeding with full party status;
- b) Consolidate PPLICA's Complaint with the Commission's investigation into PPL's Supplement No. 179; and
- c) Require PPL at hearings to adduce substantial evidence to justify and substantiate its proposed rate changes and tariff revisions, and provide PPLICA with full opportunity to cross-examine PPL's witnesses, present evidence and offer argument on its own behalf.

WHEREFORE, the PP&L Industrial Customer Alliance respectfully requests that PPL Electric Utilities Corporation be required to answer this Complaint and that, upon a final hearing, the Pennsylvania Public Utility Commission make such order as it deems necessary and appropriate.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 
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Counsel to the PP&L Industrial Customer Alliance

Dated: June 2, 2015

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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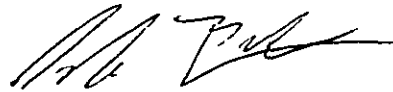
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Adeolu A. Bakare

Counsel to PP&L Industrial Customer Alliance

Dated this 2nd day of June, 2015, at Harrisburg, Pennsylvania.

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APPENDIX A

**MEMBERSHIP OF THE
PP&L INDUSTRIAL CUSTOMER ALLIANCE**

Air Products and Chemicals, Inc.

Amtrak

Arcelor Mittal Steelton LLC

The Hershey Company

Linde LLC

SAPA Extrusions, Inc.

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