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January 4, 2015

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

VIA ELECTRONIC FILING

RE: Petition of PPL Electric Utilities Corporation for Approval of its Act 129 Phase III Energy Efficiency and Conservation Plan; Docket No. M-2015-2515642

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum of the PP&L Industrial Customer Alliance ("PPLICA") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being duly served with a copy of this document. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By


Adeolu A. Bakare

Counsel to the PP&L Industrial Customer Alliance

/leh

Enclosures

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

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CERTIFICATE OF SERVICE

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

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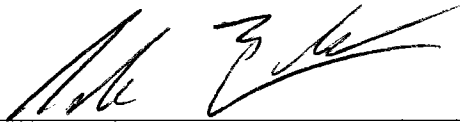
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Dated this 4th day of January, 2016, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
For Approval of its Act 129 Phase III Energy : Docket No. M-2015-2515642
Efficiency and Conservation Plan :

**PREHEARING MEMORANDUM
OF THE PP&L INDUSTRIAL CUSTOMER ALLIANCE**

Pursuant to the Prehearing Conference Order issued by Administrative Law Judge ("ALJ") Susan D. Colwell on December 18, 2015, the PP&L Industrial Customer Alliance ("PPLICA") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On November 30, 2015, PPL Electric Utilities Corporation ("PPL" or "Company") petitioned the Pennsylvania Public Utility Commission ("PUC" or "Commission") for approval of the Company's Phase III Energy Efficiency & Conservation ("EE&C") Plan ("Phase III Plan"). PECO's Petition for Approval of its Phase III Plan ("Petition") outlines PPL's proposal to address the requirements of Act 129, the PUC's Phase III Implementation Order entered on June 19, 2015, at Docket No. M-2014-2424864 ("Implementation Order") and the PUC's Clarification Order entered on August 20, 2015, at Docket No. M-2014-2424864 ("Clarification Order"), through programs designed to achieve an overall 3.8% consumption reduction and a 92 MW peak demand reduction for Residential, Low-Income, Small Commercial and Industrial ("C&I"), Large C&I, and Governmental, Non-Profit and Educational ("GNE") customers. Through the Petition, PPL also requests to implement a non-bypassable charge, or Phase III Act 129 Compliance Rider ("ACR III"), for cost recovery purposes.

Concurrently with the filing of this Prehearing Memorandum, PPLICA is filing Comments and a Petition to Intervene and Answer. A description of PPLICA is set forth in Paragraph 1 of PPLICA's Petition to Intervene and Answer.

A Prehearing Conference has been scheduled in this proceeding for January 5, 2016.

II. ANTICIPATED ISSUES AND SUBISSUES

PPLICA is concerned with issues regarding the terms and conditions of its members' electricity service. Specifically, PPLICA is concerned with the cost of PPL's Phase III Plan and potential rate impact upon PPL's Large C&I customers. Additionally, PPL's proposed Transition Plan must be further analyzed to determine that Phase II and Phase III costs are appropriately assigned and recovered.

PPLICA is also concerned with key aspects of Phase III that warrant further investigation. First, PPLICA stresses that if the U.S. Supreme Court eliminates all PJM Interconnection, L.L.C. ("PJM") Demand Response ("DR") Programs, then the Commission must hold an expeditious and comprehensive stakeholder process to ensure that the Commonwealth can effectively and efficiently replace PJM's programs. In addition, if Senate Bill 805 ("S.B. 805") passes in the Pennsylvania General Assembly, then PPL must be able to adjust its Phase III Plan to permit Large C&I customers to opt-out of the Company's Plan. Furthermore, the Company must structure its Phase III Plan to recognize and comply with PJM market rules. Specifically, as Phase III of Act 129 now requires all Electric Distribution Companies ("EDCs") to rebid all Conservation Service Provider ("CSP") contracts, the Company must comply with the PJM Tariff's requirement that EDCs have only one PJM Curtailment Service Provider to manage economic load response events.¹ Finally, the Company must ensure

¹ The PJM Curtailment Service Provider designation is distinct from the Act 129 "CSP" designation. Many PJM Curtailment Service Providers are not Act 129 CSPs.

that its ratemaking process is transparent, prompt and uniform in order to guarantee that costs are allocated fairly among customers with little uncertainty as to what the customer charges will be.

PPLICA anticipates pursuing these issues during this proceeding and reserves the right to raise further issues as necessary and appropriate during the course of this proceeding and to respond to all matters raised by other parties.

III. PROPOSED WITNESSES

PPLICA will present the testimony of Mr. Michael K. Messer, Linde, LLC, One Greenwich Street, Suite 200 Stewartsville, NJ 08886. Mr. Messer's testimony will address the impact of PPL's Phase III Plan on Large C&I customer rates, the potential adverse effects of failure to comply with the PJM 1-CSP rule, and other issues that may arise throughout the course of this proceeding. PPLICA reserves the right to modify or supplement this witness list during the course of the proceeding. In the event that PPLICA decides to modify or supplement its witness list, PPLICA will inform the parties and the ALJ, as soon as possible, of any additional intended witnesses.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

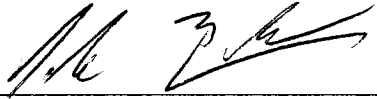
PPLICA does not oppose the procedural schedule proposed by the Company. In addition, PPLICA will cooperate with the ALJ and the parties at the Prehearing Conference to develop appropriate discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ.

V. POSSIBILITY OF SETTLEMENT

PPLICA is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: January 4, 2016