



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Alessandra L. Hylander
Direct Dial: 717.237.5435
Direct Fax: 717.260.1689
ahylander@mcneeslaw.com

February 5, 2018

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 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 this proceeding are being duly served.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in blue ink that reads 'Alessandra L. Hylander'.

Alessandra L. Hylander

Counsel to the PP&L Industrial Customer Alliance

Enclosure

c: Administrative Law Judge Benjamin J. Myers (via Email 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).

VIA E-MAIL AND FIRST-CLASS MAIL

Devin T. Ryan, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
dryan@postschell.com

David B. MacGregor, Esq.
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
dmacgregor@postschell.com

Kimberly A. Klock, Esq.
PPL Electric Utilities Corporation
2 North Ninth Street
Allentown, PA 18101
kklock@pplweb.com

Lauren M. Burge, Esq.
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101
lburge@paoca.org

Elizabeth Rose Triscari, Esq.
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
etriscari@pa.gov

Sarah C. Stoner, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
sstoner@eckertseamans.com
Counsel for Retail Energy Supply Association

Patrick M. Cicero, Esq.
Elizabeth R. Marx, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net
emarxpulp@palegalaid.net
Counsel for CAUSE-PA

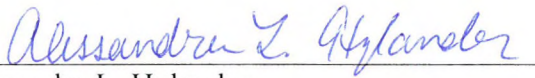
Joseph L. Vullo, Esq.
1460 Wyoming Avenue
Forty Fort, PA 18704
jlvullo@aol.com
Counsel to Commission on Economic Opportunity

Derrick P. Williamson, Esq.
Barry A. Naum, Esq.
Spilman, Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
bnaum@spilmanlaw.com
Counsel for Wal-Mart

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Judith D. Cassel, Esq.
Micah R. Bucy, Esq.
Hawke McKeon and Sniscak, LLP
100 N. Tenth Street
Harrisburg, PA 17101
jdcassel@hmslegal.com
mrbcy@hmslegal.com
*Counsel to Sustainable Energy Fund of
Central Eastern PA*

Scott H. DeBroff, Esq.
Clark Hill PLC
301 Grant Street, 14th Floor
Pittsburgh, PA 15219
sdebroff@clarkhill.com
*Counsel to Nest Labs, Inc.
and EnerNOC, Inc.*



Alessandra L. Hylander

Counsel to the PP&L Industrial Customer Alliance

Dated this 5th day of February, 2018, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
for Approval of its Act 129 Phase III Energy : 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") Benjamin J. Myers on December 8, 2017, 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 filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") a Petition for approval of its Act 129 Phase III Energy Efficiency and Conservation ("EE&C") Plan ("Phase III Plan"). Several parties intervened in that proceeding, filed testimony, and participated in an evidentiary hearing on January 29, 2016. By an Opinion and Order entered on March 17, 2016, in the above-captioned proceeding, the PUC approved PPL's Phase III Plan with modifications. In compliance, PPL filed a revised Phase III Plan.

On September 21, 2016, PPL filed a Petition for Approval of a Minor Change to its Phase III Plan ("Minor Change Petition"). In its Minor Change Petition, PPL sought the Commission's approval to modify the eligibility requirements for measures implemented in the Custom Program of PPL's Phase III Plan. Several parties participated in the Minor Change Petition proceeding and filed comments responding to portions of PPL's proposal. On November 4, 2016, the PUC issued a Secretarial Letter that granted PPL's Minor Change Petition.

On June 6, 2017, PPL filed a Petition for Approval of Changes to its Act 129 Phase III EE&C Plan ("June 6 Petition"), in which the Company proposed 13 changes to its Phase III Plan. Several parties, including PPLICA, filed comments addressing the content and merit of PPL's various proposals. Ultimately, on November 21, 2017, the PUC entered an Opinion and Order declaring that PPL's June 6 Petition is granted, in part, consistent with the Opinion and Order. In particular, that Opinion and Order referred the following issue to the Office of Administrative Law Judge for hearings and a recommended decision:

Proposed Change No. 10 – Allow for Enhanced Incentives for Localized Energy efficiency or Demand Reduction to Be Offered as a Pilot under the Appliance Recycling, Energy Efficient Home, Demand Response and Nonresidential Energy Efficiency Programs.

On December 8, 2017, the PUC issued a Prehearing Conference Order scheduling a prehearing conference for this matter on February 7, 2018. That Prehearing Conference Order also directed parties to file Prehearing Memoranda addressing several issues, including a statement regarding possible settlement of the case, a proposed plan and schedule of discovery, a proposed litigation schedule, a list of witnesses, and issues and sub-issues of concern. Pursuant to that Prehearing Conference Order, PPLICA files this Prehearing Memorandum. A description of PPLICA is set forth in Paragraph 1 of PPLICA's Petition to Intervene and Answer, which was dated January 4, 2016, and filed under the above-referenced docket.

II. ANTICIPATED ISSUES AND SUBISSUES

PPLICA is concerned with issues impacting the rates, terms, and conditions of its members' electricity service. Accordingly, PPLICA members have been actively involved in several PPL proceedings, including PPL's Phase I, Phase II, and Phase III EE&C Plans, and have participated in PPL's EE&C stakeholder meetings. The Commission's final disposition of Proposed Change No. 10 may directly affect the reasonableness of rates that PPL imposes upon PPLICA members

under the Phase III EE&C Plan. As such, PPLICA will explore several aspects of Proposed Change No. 10, including the projected costs of these enhanced incentives, the particular locations in PPL's territory that are impacted by this incentive program, and other circumstances and issues regarding this proposed program. In addition, PPLICA 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

Mr. Michael K. Messer, a Manager in the Energy & Regulatory Affairs division at Linde Energy Services, Inc., will provide customer impact testimony on behalf of PPLICA members. Mr. Messer's contact information is as follows:

One Greenwich Street
Stewartsville, NJ 08886
Office: 908-329-9542
Mobile: 610-554-6884
Email: Michael.Messer@linde.com

At this time, Mr. Messer's testimony will address, at the very least, the impact of PPL's proposal on customers receiving service on LP-5 accounts.¹ PPLICA reserves the right to call additional witnesses to address other topics of testimony, as necessary. Furthermore, PPLICA also intends to participate in these proceedings through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

¹ Mr. Messer previously provided testimony in the above-captioned proceeding on PPL's Phase III EE&C Plan. PPLICA Statement No. 1, *Petition of PPL Electric Utilities Corporation for Approval of its Act 129 Phase III Energy Efficiency and Conservation Plan*, Docket No. M-2015-2515642 (served January 12, 2016 and updated on January 28, 2016). In addition, Mr. Messer previously provided customer impact testimony on behalf of PPLICA in *PP&L Industrial Customer Alliance v. PPL Electric Utilities Corporation* at PUC Docket Nos. C-2013-2398440 and C-2013-2398442, wherein he addressed the impact of PPL's Tariff Supplement Nos. 139 and 140 (which pertained to PPL's Phase I and Phase II Act 129 Compliance Riders).

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

For the ALJ's and the parties' consideration, PPLICA proposes the following schedule:

Prehearing Conference	February 7, 2018
PPL Direct Testimony	February 26, 2018
Other Parties' Direct Testimony	March 26, 2018
Rebuttal Testimony	April 23, 2018
Surrebuttal Testimony	May 18, 2018
Written Rejoinder	June 4, 2018
Evidentiary Hearings (in Harrisburg)	June 7 and June 8, 2018
Main Briefs	July 9, 2018
Reply Briefs	August 2, 2018

Notwithstanding this proposed schedule, PPLICA will cooperate with the ALJ and the parties at the Further Prehearing Conference to develop an appropriate procedural schedule in accordance with the Commission's regulations and any directives issued by the ALJ. PPLICA is not proposing any modifications to the discovery rules set forth in the Commission's regulations.

V. POSSIBILITY OF SETTLEMENT

PPLICA is participating in discussions with the other parties to amicably resolve the issues in this proceeding, subject to Commission approval.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By Alessandra L. Hylander
Pamela C. Polacek (I.D. No. 78276)
Adeolu A. Bakare (I.D. No. 208541)
Alessandra L. Hylander (I.D. No. 320967)
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
ppolacek@mcneeslaw.com
abakare@mcneeslaw.com
ahylander@mcneeslaw.com

Counsel to the PP&L Industrial Customer Alliance

Dated: February 5, 2018