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File #: 163427

February 5, 2018

VIA ELECTRONIC FILING


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: 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:

Enclosed for filing is the Prehearing Conference Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DTR/jl
Enclosures

cc: Honorable Benjamin J. Myers
Certificate of Service

CERTIFICATE OF SERVICE
(Docket No. M-2015-2515642)

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL & FIRST CLASS MAIL

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Date: February 5, 2018



Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING CONFERENCE MEMORANDUM OF
PPL ELECTRIC UTILITIES CORPORATION**

TO ADMINISTRATIVE LAW JUDGE BENJAMIN J. MYERS:

Pursuant to 52 Pa. Code § 5.222(d) and the Prehearing Conference Order dated December 8, 2017, PPL Electric Utilities Corporation (“PPL Electric” or “Company”) hereby submits this Prehearing Conference Memorandum. The instant proceeding is intended to address a single proposed change to PPL Electric’s Phase III Energy Efficiency and Conservation (“EE&C”) Plan that would allow the Company to conduct a pilot program that would offer enhanced incentives for localized energy efficiency and demand reduction (“Enhanced Localized Incentives Pilot”).

Upon further evaluation and based on the parties’ Comments about the pilot, PPL Electric intends to withdraw this proposed change without prejudice to a future filing or proceeding.

PPL Electric has contacted the other parties about withdrawing the proposed change and actively tried to resolve the case through settlement. As of now, however, the Company has been unsuccessful in reaching a unanimous settlement agreement. Therefore, PPL Electric plans to submit an appropriate pleading in the near future requesting that its June 6, 2017 Petition for Approval of Major and Minor Plan Changes be amended to withdraw the proposed change without prejudice to a future filing or proceeding.

Notwithstanding, in accordance with the December 8, 2017 Prehearing Conference Order, PPL Electric is submitting this Prehearing Memo, which addresses all of the topics and issues outlined in the Prehearing Conference Order.

I. BACKGROUND

On November 30, 2015, PPL Electric filed its initial Phase III EE&C Plan with the Commission pursuant to Act 129 and various related Commission orders. The Commission approved PPL Electric's initial Phase III EE&C Plan, with modifications, on March 17, 2016. *See March 2016 Order*, at pp. 57-61. Pursuant to the *March 2016 Order*, PPL Electric submitted a compliance filing on April 22, 2016. The Company subsequently filed an Errata to its compliance filing on May 24, 2016. The Commission approved PPL Electric's compliance filing, as amended, on June 27, 2016. *See June 2016 Secretarial Letter*.

On September 21, 2016, PPL Electric filed a petition for approval of a minor plan change to its Phase III EE&C Plan ("Revision 1"). On November 4, 2016, the Commission issued a Secretarial Letter evidencing that its staff had approved of the minor plan change. On November 14, 2016, the PP&L Industrial Customer Alliance ("PPLICA") filed a petition for appeal of the Commission staff's decision. PPL Electric filed an answer to PPLICA's petition on November 28, 2016. On January 26, 2017, the Commission denied PPLICA's petition for appeal.

On June 6, 2017, PPL Electric filed a petition for approval of major and minor changes to its Phase III EE&C Plan ("Revision 2"). On November 21, 2017, the Commission entered its Order approving most of the proposed changes, as clarified by the Company. One proposed change—the Enhanced Localized Incentives Pilot—was referred to the Office of Administrative Law Judge for hearings and a recommended decision.

On December 7, 2017, a Notice was issued scheduling a prehearing conference for February 7, 2018, at 10:00 AM in Hearing Room 2 of the Commonwealth Keystone Building in Harrisburg, Pennsylvania.

On December 8, 2017, Administrative Law Judge Benjamin J. Myers (the "ALJ") issued a Prehearing Conference Order directing the parties to file prehearing memoranda on or before January 31, 2018.

On January 25, 2018, the PP&L Industrial Customer Alliance ("PPLICA") served its first set of interrogatories on PPL Electric concerning the Enhanced Localized Incentives Pilot.

On January 31, 2018, counsel for PPL Electric sent an email to the ALJ and the parties, requesting that the Company provide the ALJ with an update on settlement discussions by February 2, 2018, and that the parties submit prehearing memoranda on February 5, 2018. The ALJ responded with an email granting PPL Electric's request.

II. SERVICE OF DOCUMENTS

PPL Electric's attorneys in this proceeding are Kimberly A. Klock, Esquire, Amy E. Hirakis, Esquire, David B. MacGregor, Esquire, and Devin T. Ryan, Esquire. PPL Electric requests that Devin T. Ryan be listed as the recipient for service. Mr. Ryan's contact information is provided below:

Devin T. Ryan (ID # 316602)
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PPL Electric also requests that Ms. Klock, Ms. Hirakis, and Mr. MacGregor be added to any informal e-mail distribution lists in this proceeding. Ms. Klock's e-mail address is

kklock@pplweb.com, Ms. Hirakis's e-mail address is aehirakis@pplweb.com, and Mr. MacGregor's e-mail address is dmacgregor@postschell.com. In addition, PPL Electric agrees to receive service of documents electronically in this proceeding.

III. WITNESSES AND ISSUES

A list of witnesses and a description of testimony is provided below in case PPL Electric's efforts to withdraw the proposed change are unsuccessful. PPL Electric reserves the right to call additional witnesses, as necessary, to address issues that may arise during the course of this proceeding.

<u>Witness</u>	<u>Statement</u>	<u>General Subject Matter</u>
Peter Cleff Manager-Energy Efficiency Evaluation & Performance PPL Electric Utilities Corporation 827 Hausman Road Allentown, PA 18104 484-634-3006	PPL Electric Statement No. 1	Enhanced Localized Incentives Pilot; Allegations of Discriminatory Rates and Service Caused by the Proposed Pilot

PPL Electric believes the issue to be decided in this proceeding is whether the Enhanced Localized Incentive Pilot is just, reasonable, lawful, and in the public interest and, therefore, should be approved. However, as indicated above, the Company has determined not to move forward with the Enhanced Localized Incentive Pilot at this time.

IV. PROCEDURAL SCHEDULE

As mentioned previously, PPL Electric intends to withdraw the proposed change and has actively tried to resolve the case through settlement. As the Company has been unable to reach a unanimous settlement agreement to date, PPL Electric plans to file an appropriate pleading in the

near future requesting that the June 6, 2017 Petition be amended to withdraw the proposed change without prejudice to a future filing or proceeding.

The Company does not believe it is necessary to establish a formal procedural schedule until the ALJ rules on PPL Electric's forthcoming request to withdraw the proposed change. Notwithstanding, to the extent the ALJ would like to establish a formal procedural schedule, the Company will work with the parties in developing a mutually agreeable procedural schedule.

V. DISCOVERY

PPL Electric proposes no modifications to the Commission's rules regarding discovery. In addition, PPL Electric is not aware of any outstanding discovery disputes and has already received discovery requests from PPLICA. The Company is willing to work with the parties, through informal discovery, to expedite discovery.

VI. PUBLIC INPUT HEARINGS

PPL Electric is not aware of any substantial consumer interest with respect to this proceeding. PPL Electric does not propose that any public input hearings be held absent substantial public interest in this proceeding and specific requests for such hearings.

VII. PROTECTION OF CONFIDENTIAL INFORMATION

If necessary and should the case proceed to hearing, PPL Electric will timely submit an appropriate Motion for Protective Order.

VIII. SETTLEMENT

As mentioned previously, PPL Electric has been in contact with the parties about potentially resolving the case through settlement. PPL Electric remains willing to work with the parties in an effort to resolve this proceeding through settlement.

Respectfully submitted,



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Of Counsel:

Post & Schell, P.C.

Date: February 5, 2018

Attorneys for PPL Electric Utilities Corporation