

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 12, 2020

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

Re: Petition of PPL Electric Utilities Corporation for
Approval of a Default Service Program for the Period
of June 1, 2021 through May 31, 2025
Docket No. P-2020-3019356

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ David T. Evrard
David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870
E-Mail: DEvrard@paoca.org

Enclosures:

cc: The Honorable Elizabeth H. Barnes (**email only**)
Certificate of Service

*288225

CERTIFICATE OF SERVICE

Re: Petition of PPL Electric Utilities Corporation for :
Approval of a Default Service Program for the : Docket No. P-2020-3019356
Period of June 1, 2021 through May 31, 2025 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 12th day of May 2020.

SERVICE BY E-MAIL ONLY

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/s/ David T. Evrard

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Dated: May 12, 2020
*288224

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :
For Approval of a Default Service Program : Docket Nos. P-2020-3019356
And Procurement Plan for the Period :
June 1, 2021 through May 31, 2025

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. Section 333, and in response to the April 8, 2020 Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On March 25, 2020, PPL Electric Utilities Corporation (PPL or the Company) filed a Petition (Petition) with the Pennsylvania Public Utility Commission (Commission) seeking approval of its default service program (DSP V) and procurement plans for the period June 1, 2021 through May 31, 2025.

The Petition was assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Elizabeth Barnes for investigation and the scheduling of hearings. On April 8, 2020, ALJ Barnes issued a Prehearing Conference Order indicating that a Prehearing Conference was scheduled for May 15, 2020. This Order also detailed the parties' obligations with respect to the Prehearing Conference.

On May 8, 2020, the OCA filed an Answer in response to the Company's Petition and its Notice of Intervention and Public Statement. The OCA submits this Prehearing Memorandum in accordance with the Prehearing Conference Order in this matter.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of the Company's Petition, the OCA has compiled a list of issues that it anticipates will be included in its investigation of the DSP. It is anticipated that other issues will arise and may be pursued as discovery proceeds.

The OCA has identified several issues that may require further review as follows:

- Default Service Products: The OCA will examine whether the type of load following products that the Company proposes to solicit and the use of 20% six and 80% twelve-month contracts along with two 5-year 50 MW blocks of energy, will provide the least cost over time for residential default service customers as required by the Commission's regulations and Act 129.
- Procurement Methodology: The OCA will examine the Company's proposed procurement method of acquiring all residential supply through biannual procurements occurring in April and October to ensure that the procurement methodology adopted in this proceeding is consistent with the Public Utility Code and is designed to provide the least cost reliable supply, taking into account price stability for customers over time.
- Supplier Master Agreement: The OCA will review the Company's supplier master agreement to ensure its compliance with the Public Utility Code and to ensure that such a plan does no harm to default service customers or the retail competitive market.
- AEPS: The Company proposes to meet its AEPS obligations by procuring all necessary AECs through biannual auctions. DSP auction winners will no longer be required to supply AECs to the Company. The OCA will examine the Company's proposal to ensure that this procedure is consistent with producing default service rates that are least cost over time.
- Rate Design: The Company proposes to maintain its GSC-1 rate design for residential default service with modifications. In particular, the Company proposes to continue to adjust the GSC-1 every six months to reflect the cost of the default service supply contracts in place for the upcoming six-month period. The OCA will examine the components, operation, and effects of the proposed design to ensure continued compliance with the Public Utility Code.

- Time of Use Rates: The Company proposes to continue its current Time of Use (TOU) contingency rate program for residential customers. The OCA will review the TOU proposal to ensure that it continues to meet the needs of ratepayers while maintaining compliance with existing law and Commission regulations.
- Renewable Rate Program: PPL proposes a new voluntary Renewable Rate Program under which default service customers can elect to receive AEC coverage for 100% of their consumption. Customers choosing this option will be charged an additional amount based on the value of Pennsylvania non-solar Tier I AECs. The OCA will review the specifics of this new program to ensure that electing customers are charged fairly for the AECs that cover their consumption.
- Standard Offer Referral Program: The Company proposes to continue to offer its current SOP to residential customers with certain modifications. These include changes to customer education, the automatic transfer of SOP customers to default service upon the expiration of their SOP contract unless the customer affirmatively elects to remain a shopping customer, and changing the EGS enrollment term from quarterly to semi-annually to coincide with the PPL Electric PTC. The OCA will examine the Standard Offer Referral Program and the costs that may arise from the continuation of such a referral program to ensure that the program is remains reasonable, cost-justified, and that the costs are allocated appropriately.
- CAP Shopping: PPL proposes to eliminate its current Customer Assistance Program (CAP) shopping program, known as CAP SOP. By eliminating the program, CAP customers would be ineligible to shop and all CAP customers would be required to take default service beginning June 1, 2021. The OCA will review the Company's proposal to determine whether it is in the best interest of CAP customers and the residential customer class generally.

III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of its witnesses. The OCA's witnesses will present testimony in written form and will also attach various exhibits, documents, and explanatory information which will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be e-mailed directly to the OCA's witnesses at the addresses below, as well as e-mailing a copy to counsel for the OCA.

Dr. Steven L. Estomin
Dr. Serhan Ogur
Exeter Associates, Inc.
Suite 300
10480 Little Patuxent Parkway
Columbia, MD 21044
E-mail: sogur@exeterassociates.com
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Barbara Alexander
Consumer Affairs Consultant
83 Wedgewood Drive
Winthrop, ME 04364
E-mail: barbalex@ctel.net

The OCA specifically reserves the right to call additional witnesses, as necessary. If the OCA determines that an additional witness or witnesses will be necessary for any portion of its case, the OCA will promptly notify Administrative Law Judge Barnes and all parties of record.

IV. SERVICE ON OCA

The OCA will be represented in this case by Senior Assistant Consumer Advocate Aron J. Beatty, and Assistant Consumer Advocate David T. Evrard. Two copies of all documents should be served on the OCA as follows:

David T. Evrard
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut St., 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048 or (717) 599-8960
Email: devrard@paoca.org

In addition, the OCA requests that all electronic correspondence be copied to Aron J. Beatty (abeatty@paoca.org) and Lauren R. Myers (lmyers@paoca.org).

V. DISCOVERY

Because the time period for discovery and preparation of testimony is limited, the OCA supports a shortened discovery response time in this proceeding, consistent with the modifications

approved in numerous other default service proceedings. The OCA, therefore, requests the following modifications to the discovery regulations:

- A. Answers to written interrogatories be served in-hand within ten (10) calendar days of service of the interrogatories.
- B. Objections to interrogatories be communicated orally within three (3) days of service; unresolved objections be served to the ALJ in writing within five (5) days of service of interrogatories.
- C. Motions to dismiss objections and/or direct the answering of interrogatories be filed within three (3) days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories be filed within three (3) days of service of such motions.
- E. Responses to requests for document production, entry for inspection, or other purposes be served in-hand within ten (10) calendar days.
- F. Requests for admission be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service

VI. PROPOSED SCHEDULE

The OCA is working with the Company and other parties to arrive at a schedule that is mutually agreeable to all.

VII. PUBLIC INPUT HEARINGS

At present, the OCA has not received a request for a public input hearing. The OCA will promptly notify ALJ Barnes and request a public input hearing should circumstances warrant.

VIII. SETTLEMENT

At present, settlement discussions have not been scheduled. The OCA will participate fully in settlement negotiations at the appropriate time.

Respectfully Submitted,

/s/ David T. Evrard

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Dated: May 12, 2020
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