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File #: 178868

May 12, 2020

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 Default Service
Plan for the Period of June 1, 2021 through May 31, 2025
Docket No. P-2020-3019356**

Dear Secretary Chiavetta:

Attached for filing please find the Prehearing Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding. Copies will be provided per the Certificate of Service.

Respectfully yours,

A handwritten signature in blue ink that reads 'Lindsay A. Berkstresser'. The signature is written in a cursive, flowing style.

Lindsay A. Berkstresser

LAB/kl
Attachment

Rosemary Chiavetta, Secretary
May 12, 2020
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cc: Honorable Elizabeth Barnes (*with attachment*)
Certificate of Service (*with attachment*)

CERTIFICATE OF SERVICE

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) and the Pennsylvania Public Utility Commission's March 20, 2020 Emergency Order at Docket No. M-2020-3019262.

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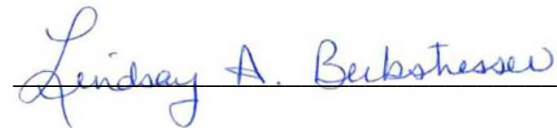
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Counsel for Intervenor Inspire Energy

Date: May 12, 2020



Lindsay A. Berkstresser

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation for :
Approval of Its Default Service Plan for the Period : P-2020-3019356
From June 1, 2021 through May 31, 2025 :

**PREHEARING MEMORANDUM OF
PPL ELECTRIC UTILITIES CORPORATION**

TO ADMINISTRATIVE LAW JUDGE ELIZABETH H. BARNES:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), pursuant to 52 Pa. Code § 5.222(d), and in compliance with the Prehearing Order issued by Administrative Law Judge Elizabeth H. Barnes on April 8, 2020, hereby files this Prehearing Memorandum in the above-captioned matter, and states as follows:

I. PROCEDURAL HISTORY

1. On March 25, 2020, PPL Electric filed a Petition requesting Commission approval of its fifth Default Service Program and Procurement Plan (“DSP V Program”) to establish the terms and conditions under which PPL Electric will acquire and supply Default Service or provider of last resort service (“Default Service”), from June 1, 2021 through May 31, 2025 (the “DSP V Program Period”). As explained in the Petition, the DSP V Program, *inter alia*, consists of a proposal for competitive procurement of Default Service supply and related Alternative Energy Credits (“AECs”) during the DSP V Program Period; an implementation plan; a proposed rate design, including a Time-of-Use (“TOU”) rate option for Default Service during the DSP V Program Period; a proposal to modify the Company’s current Standard Offer Referral Program (“SOP”); a proposal to require Customer Assistance Program (“CAP”) customers to take Default Service; and a contingency plan for the DSP V Program. Copies of a

pro forma Default Service Request for Proposals Process and Rules (“Default Service RFP”), a *pro forma* Default Service Supply Master Agreement (“Default Service SMA”), a *pro forma* Block Energy Request for Proposals Process and Rules (“Block RFP”), a *pro forma* Block Energy Supply Master Agreement (“Block SMA”), a *pro forma* Alternative Energy Credit Request for Proposals Process and Rules (“AEC RFP”), and a *pro forma* Alternative Energy Credit Supply Master Agreement (“AEC SMA”) were included with the Petition. The filing also contained *pro forma* tariff pages to implement rates under the DSP V Program and *pro forma* tariff pages for the proposed Renewable Rate Program.

2. Together with the Petition, PPL Electric filed the direct testimony of four witnesses in support of the DSP V Program. Therein, PPL Electric more fully explained the details of the proposed DSP V Program, and why the Company believes that the proposed DSP V Program includes and/or addresses all of the elements prescribed by Section 2807(e) of the Public Utility Code, the Commission’s regulations, and the Commission’s policies for a Default Service plan.

3. As of the date of this Prehearing Memorandum, the following persons or entities filed petitions to intervene or notices of appearance, as applicable, in the above captioned proceeding:

- CAUSE-PA – Petition to Intervene filed April 2, 2020
- Sustainable Energy Fund – Petition to Intervene filed April 6, 2020
- Calpine Retail Holdings – Petition to Intervene filed April 21, 2020
- EGS Parties – Petition to Intervene filed May 1, 2020
- Retail Energy Supply Association – Petition to intervene filed May 6, 2020
- StateWise Energy Pennsylvania, Inc. and SFE Energy Pennsylvania, Inc. – Petition to Intervene filed May 6, 2020

- Industrial Energy Consumers of Pennsylvania – Petition to Intervene filed May 6, 2020
- Bureau of Investigation and Enforcement – Notice of Intervention filed May 6, 2020
- PPL Industrial Customer Alliance – Petition to Intervene filed May 7, 2020
- Office of Consumer Advocate – Notice of Intervention filed May 8, 2020
- Office of Small Business Advocate – Notice of Intervention filed May 8, 2020
- Inspire Energy – Petition to Intervene filed May 8, 2020

II. SERVICE OF DOCUMENTS

4. PPL Electric requests that all documents be served on:

Michael W. Hassell
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 17 North Second Street
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 Harrisburg, PA 17101-1601
 Phone: 717-612-6029
 Fax: 717-731-1985
 E-mail: mhassell@postschell.com

Given the ongoing COVID-19 crisis and the Commission's Emergency Order at Docket No. M-2020-3019262, PPL Electric requests that electronic service of documents be required in this proceeding. Further, it is requested that electronic copies be served upon:

Kimberly A. Klock - kklock@pplweb.com
 Michael J. Shafer – mjshafer@pplweb.com
 Lindsay A. Berkstresser - lberkstresser@postschell.com

5. PPL Electric's attorneys are authorized to accept service on behalf of the Company in this proceeding. PPL Electric requests that the Commission and all parties of record serve electronic copies of all discovery requests and answers, correspondence, Commission Orders, and any other documents issued in this proceeding on its attorneys.

III. DISCOVERY

6. The Company has received discovery requests from other parties and is working to provide timely responses.

7. PPL Electric encourages the use of informal discovery processes to expedite discovery.

8. Based upon past experience, PPL Electric believes that a protective order may be appropriate with regard to discovery in this proceeding. PPL Electric will coordinate with the other parties of record to agree upon and submit a motion for a protective order that appropriately limits the disclosure of trade secrets or other confidential information. PPL Electric anticipates that the form of protective order to be used in this proceeding will be substantially similar to the protective order used in PPL Electric’s last default service proceeding.

IV. LITIGATION SCHEDULE

9. PPL Electric is continuing to work with the parties to develop a mutually agreeable procedural schedule before the prehearing conference.

10. PPL Electric will also work with the parties to develop a mutually agreeable schedule for the appearance of witnesses at the hearing.

11. PPL Electric proposes that any in-person evidentiary hearing be held in Harrisburg, Pennsylvania.

V. WITNESSES AND ISSUES

12. The names and positions of witnesses that PPL Electric expects to call and the subject matter of their testimony are as follows:

Statement No.	Witness	Topics Addressed
1	James R. Rouland, Regulatory Policy	<ul style="list-style-type: none">Describe the background of, and essential elements of, the DSP V Program;

	<p>Manager PPL Electric Utilities Corporation Two North Ninth Street Allentown, PA 18101</p>	<ul style="list-style-type: none"> • Describe the <i>pro forma</i> RFP and the <i>pro forma</i> SMA for Default Service, Block Energy, and Alternative Energy Credits • Explain the TOU Program; • Describe the Renewable Energy Rate Program; • Provide a summary of research into Critical Peak Pricing; • Describe compliance with AEPS Act and Procurement of AEPS Credits; • Describe the RFP process; • Explain selection of the independent third-party manager; • Describe compliance with RTO requirements; and • Respond to the Commission’s request for additional information in the Secretarial Letter closing the Investigation into Default Service and PJM Interconnection, LLC Settlement Reforms at Docket No. M-2019-3007101.
2.	<p>A. Joseph Cavicchi, Executive Vice President, Analysis Group 111 Huntington Avenue, Boston, MA 02199</p>	<ul style="list-style-type: none"> • Describe and evaluate the competitive procurement program proposed in the DSP V Program; • Describe the DSP V product portfolio for each customer group; • Evaluate the proposed DSP V and explain why the plan is a reasonable approach to procuring default service supply in a manner that is consistent with the requirements of Act 129 and the Commission’s Orders; and • Address why the product portfolio constitutes a “prudent mix” that will ensure “least cost over time” to non-shopping customers while continuing to support the competitive retail market.
3.	<p>Melinda Stumpf, Manager of Regulatory Programs and Business Services, Customer Services Department PPL Electric Utilities Corporation 827 Hausman Rd. Allentown, PA 18104</p>	<ul style="list-style-type: none"> • Describe the statistics and data related to CAP shopping within PPL Electric’s service territory; • Describe the impact that CAP shopping has on CAP credits and the CAP program costs borne by other customers; and • Present PPL Electric’s proposed changes to CAP shopping.
4.	<p>Michelle LaWall-Schmidt, Director of Customer Service</p>	<ul style="list-style-type: none"> • Present the history of the SOP; • Present certain changes that PPL Electric is proposing to its SOP;

	Operations 827 Hausman Rd. Allentown, PA 18104	<ul style="list-style-type: none"> • Explain why the changes should be implemented; and • Provide data supporting the changes.
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13. The primary issue in this proceeding is whether the DSP V Program as proposed by PPL Electric is reasonable and appropriate.

14. PPL Electric’s direct case consists of PPL Electric’s DSP V Petition and the eight Attachments thereto: Attachment A – Default Service RFP; Attachment B – Default Service SMA; Attachment C – Block RFP; Attachment D – Block SMA; Attachment E – AEC RFP; Attachment F – AEC SMA; Attachment G - *Pro Forma* Tariff provisions for the Generation Supply Charge-1, the Generation Supply Charge-2 and the Transmission Service Charge; and Attachment H – *Pro Forma* Tariff provisions for the Renewable Rate Program. PPL Electric requests that the DSP V Petition and Attachments thereto be marked for identification and referenced as PPL Electric Exhibit 1.

15. PPL Electric’s direct case also consists of the four statements of direct testimony and related exhibits filed in support of the DSP V Petition: PPL Electric Statement No. 1 - the Direct Testimony of James R. Rouland; PPL Electric Statement No. 2 - the Direct Testimony of A. Joseph Cavicchi; PPL Electric Statement No. 3 - the Direct Testimony of Melinda Stumpf; and PPL Electric Statement No. 4 – the Direct Testimony of Michelle Lawall-Schmidt.

VI. SETTLEMENT

16. At this time, the parties have not discussed the possibility of settlement. PPL Electric will work with the parties in an attempt to reach a settlement in this proceeding.

Respectfully submitted,

Lindsay A. Berkstresser

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Dated: May 12, 2020

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