



Todd S. Stewart
Office: 717 236-1300 x242
Direct: 717 703-0806
tsstewart@hmslegal.com

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

September 17, 2020

VIA ELECTRONIC FILING

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

RE: Petition of PPL Electric Utilities Corporation for Approval of Its Default Service Plan for the Period From June 1, 2021 through May 31, 2025, Docket No. P-2020-3019356; **EGS PARTIES' STATEMENT IN SUPPORT OF PARTIAL SETTLEMENT**

Dear Secretary Chiavetta:

Enclosed for electronic filing with the Commission is the EGS Parties' Statement in Support of Partial Settlement in the above-captioned matter. Copies of this Statement have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions related to this filing, please do not hesitate to contact me.

Very truly yours,

Todd S. Stewart
Counsel for EGS Parties

TSS/jld

Enclosures

cc: Administrative Law Judge Elizabeth Barnes (via electronic mail)
Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party)

VIA ELECTRONIC MAIL ONLY

Honorable Elizabeth Barnes
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
ebarnes@pa.gov

Michael W. Hassell, Esquire
Lindsay A. Berkstresser, Esquire
Jessica R. Rogers, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
mhassell@postschell.com
lberkstresser@postschell.com
jrogers@postschell.com
Counsel for PPL Electric Utilities Corporation

Kimberly A. Klock, Esquire
Michael J. Shafer, Esquire
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101
kklock@pplweb.com
mjshafer@pplweb.com
Counsel for PPL Electric Utilities Corporation

David B. MacGregor
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
dmacgregor@postschell.com
Counsel for PPL Electric Utilities Corporation

Gina L. Miller
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
400 North Street
Harrisburg, PA 17120
ginmiller@pa.gov

Aron J. Beatty
David T. Evrard
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923
ABeatty@paoca.org
DEvrard@paoca.org

Steven C. Gray
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov

Kenneth L. Mickens, Esquire
316 Yorkshire Drive
Harrisburg, PA 17111
Kmickens11@verizon.net
Counsel for The Sustainable Energy Fund

John F. Lushis, Jr., Esquire
Norris McLaughlin, P.A.
515 W. Hamilton Street, Suite 502
Allentown, PA 18101
jlushis@norris-law.com
Counsel for Calpine Retail Holdings, LLC

Elizabeth R. Marx, Esquire
John Sweet, Esquire
Ria Pereira, Esquire
Pennsylvania Utility Law Project6
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net
Counsel for CAUSE-PA

Gregory L. Peterson, Esquire
Phillips Lytle LLP
201 West Third Street, Suite 205
Jamestown, NY 14701-4907
gpeter@phillipslytle.com
*Counsel for StateWise Energy Pennsylvania LLC
and SFE Energy Pennsylvania, Inc.*

Kevin C. Blake, Esquire
Phillips Lytle LLP
125 Main Street
Buffalo, NY 14203
kblake@phillipslytle.com
*Counsel for StateWise Energy Pennsylvania LLC
and SFE Energy Pennsylvania, Inc.*

Thomas F. Puchner, Esquire
Phillips Lytle LLP
Omni Plaza
30 South Pearl Street
Albany, NY 12207-1537
tpuchner@phillipslytle.com
*Counsel for StateWise Energy Pennsylvania LLC
and SFE Energy Pennsylvania, Inc.*

Derrick Price Williamson, Esquire
Barry A. Naum, Esquire
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
bnaum@spilmanlaw.com
*Counsel for Industrial Energy Consumers of
Pennsylvania*

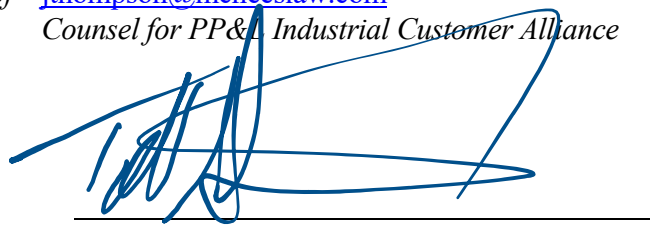
James Laskey
Norris McLaughlin, P.A.
400 Crossing Blvd., 8th Floor
Bridgewater, NJ 08807
jlasky@norris-law.com
Counsel for Calpine Retail Holdings, LLC

Deanne M. O'Dell, Esquire
Kristine E. Marsilio, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
PO Box 1248
Harrisburg, PA 17101
dodell@eckertseamans.com
kmarsilio@eckertseamans.com
Counsel for Retail Energy Supply Association

Deanne M. O'Dell, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
PO Box 1248
Harrisburg, PA 17101
dodell@eckertseamans.com
Counsel for Inspire Energy Holdings, LLC

Lauren M. Burge, Esquire
Eckert Seamans Cherin & Mellott, LLC
600 Grant Street, 44th Floor
Pittsburgh, PA 15219
lburge@eckertseamans.com
Counsel for Inspire Energy Holdings, LLC

Pamela C. Polacek, Esquire
Adeolu B. Bakare, Esquire
Jo-Anne S. Thompson, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166
ppolacek@mcneeslaw.com
abakare@mcneeslaw.com
jthompson@mcneeslaw.com
Counsel for PP&L Industrial Customer Alliance



Todd S. Stewart

DATED: September 17, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**EGS PARTIES' STATEMENT IN SUPPORT
OF PARTIAL SETTLEMENT**

TO THE ADMINISTRATIVE LAW JUDGE ELIZABETH BARNES:

AND NOW, come Interstate Gas Supply, Inc., Shipley Choice LLC, NRG Energy, Inc., Vistra Energy Corp., ENGIE Resources LLC, WGL Energy Services, Inc., and Direct Energy Services, LLC (“EGS Parties”), and hereby submit their Statement in Support of the Joint Petition for Partial Settlement (“Settlement”) being filed simultaneously herewith. The EGS Parties respectfully submit that the Settlement is in the public interest and should be approved by the Presiding Administrative Law Judge and the Pennsylvania Public Utility Commission (“Commission”) as presented. In support thereof, the EGS Parties state as follows:

I. BACKGROUND

1. On March 25, 2020, PPL Electric filed a Petition requesting Commission approval of its proposed DSP V Program.

2. The EGS Parties filed their Petition to Intervene in the above-captioned matter, which Petition was granted by Presiding Administrative Law Judge Elizabeth Barnes at the prehearing conference which was held May 15, 2020 and Memorialized in a Scheduling Order issued the same day.

3. In their Prehearing Conference Memorandum, the EGS Parties identified a number of problematic issues in PPL's filing, including the manner of recovery for Network Integrated Transmission Service ("NITS") charges, PPL's failure to comply with recent FERC Orders concerning the Minimum Offer Price Rule ("MOPR"), PPL's proposed renewables rate rider, PPL's proposed changes to its SOP program, and its proposed elimination of CAP Shopping.

4. The EGS Parties Submitted the testimony of a single witness in this proceeding: Mr. Christopher Kallaher, who offered Direct, Rebuttal and Surrebuttal Testimony on the issues identified above.

5. The Parties were able to reach a partial settlement that resolves some of the issues raised by the various parties, but which reserves for litigation three issues where no serious common ground could be found. Those issues are being briefed separately. The settled issues are the subject of the Joint Petition for Partial Settlement to which this statement in support is directed.

6. The EGS Parties support the Settlement to the extent it addresses issues about which they have concern, and which are identified herein. The other settlement issues, which were not addressed in the EGS Parties' testimony are neither supported nor opposed by the EGS Parties except to the extent there may be some impact on issues of concern.

II. THE SETTLEMENT

A. NITS

7. The EGS Parties were the only parties to this matter to raise the issue of the collection of NITS. The EGS Parties argued that while PPL does collect NITS charges from customers who do not shop, it does not do so for those who do shop, thus creating increased risk for suppliers who must include NITS recovery in rates to customers, while PPL provides a reconciled rate and never has any risk with regards to NITS recovery. The EGS Parties had

requested a non-bypassable charge that would be levied on all customers to recover the NITS charges of all customers. This issue proved to be extremely contentious and could not be resolved amicably in the case. Accordingly, in view of the benefits to be gained elsewhere in the settlement, the EGS Parties agreed to withdraw the issue from consideration in this case, without impacting their ability to raise the issue in future cases. Because of the benefits received in other areas of the Settlement, the EGS Parties agreed to withdraw this issue and believe that it is in the public interest to do so to spare the time and cost of briefing and deciding the issue.

B. RENEWABLE ENERGY RIDER

8. PPL has agreed to withdraw its proposed Renewable Energy Rider. The EGS Parties and others had vigorously opposed the Rider on various grounds including that it violates the *Electricity Generation Customer Choice and Competition Act*, 66 Pa.C.S. §§ 2801, et seq. and the Commission's Regulations implementing the Act. 52 Pa. Code § 54.187(c). The EGS Parties also presented testimony addressing the catastrophic impact that a renewables default service rate would have on a competitive market in which most suppliers already offer some sort of renewables product. The public interest is served by PPL withdrawing what otherwise would be an illegal and ill-advised rate offering. Otherwise, PPL would have offered a "default service" rate that included a renewables component, but which would be ostensibly reconciled and be in direct competition with rates offered by EGSs which would be necessity be required to recover a broader spectrum of costs and which would constitute unfair competition as described at length by Mr. Kallaher in his testimony. Withdrawing the proposal saves the effort and energy that would have been required to litigate the issue further and therefore is in the public interest.

C. AEC AUCTION

9. The Parties have agreed that PPL will be able to pursue its intended process for acquiring Alternative Energy Credits (“AEC”) via auction rather than the traditional manner of recovering them as part of the contract with default service energy providers. The pilot program will allow PPL to address some of the mechanical problems described by witnesses in their testimony, including Mr. Kallaher, and ensure that an auction process will not cause lasting harm to the market for AECs in general. The proposed pilot is therefore in the public interest and should be approved.

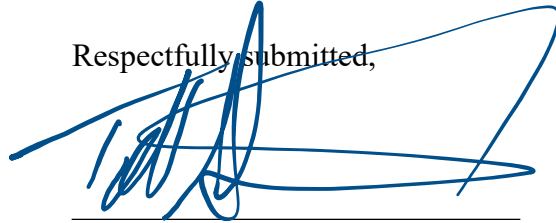
D. PUBLIC INTEREST

10. The Settlement serves the general public interest in a number of ways. First, it reduces the cost and risk of litigation. Obtaining certainty of outcome is almost always a prime benefit of any settlement. Not to be forgotten is the reduced cost to all parties of not briefing every issue in the case. This same economy applies to the presiding officer as well. As general matter then, settlements are promoted for these factors.

11. The Settlement also is in the public interest because it recognizes, implicitly or explicitly, that certain of the items proposed by the parties herein are best left to a future proceeding where the need may be more compelling or the appetite more developed. At the same time, the Settlement approves the needed components of PPL’s Default Service Plan for the next plan period. That is, the plan makes incremental steps in implementing new policy and programs to continue to refresh PPL’s default service program, but leaves for litigation, or another day, certain proposals, such as PPL’s elimination of CAP customer shopping, which will be fully litigated.

12. As proposed, the Settlement is in the public interest and the EGS Parties request that it be approved.

Respectfully submitted,



Todd S. Stewart, PA I.D. No. 75556
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
Telephone: (717) 236-1300
Facsimile: (717) 236-4841
tsstewart@hmslegal.com

Counsel for the EGS Parties

DATED: September 17, 2020