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E-File

November 15, 2022

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120-3265

**Re: Use of Fully Projected Future Test Year 52
Pa. Code Chapter 53.51-53.56a
Docket No. L-2012-2317273**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are PPL Electric's Comments regarding the Use of a Fully Projected Future Test Year, pursuant to the Clarified Notice of Public Rulemaking entered August 24, 2022 and published in the *Pennsylvania Bulletin* on October 1, 2022.

Copies have been served as indicated below and on the attached Certificate of Service.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on November 15, 2022, which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

Kimberly A. Klock

Enclosure

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 Certificate of Service

CERTIFICATE OF SERVICE

(Docket No. L-2012-2317273)

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).

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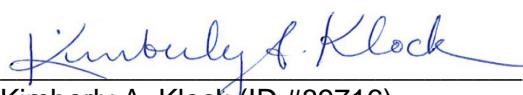
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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Use of Fully Projected Future Test Year, 52 : Docket No. L-2012-2317273
Pa. Code Chapter 53.51-53.56a :
: :

**COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION**

I. INTRODUCTION & BACKGROUND

On February 14, 2012, Governor Corbett signed into law Act 11, which amended Chapters 3, 13, and 33 of the Public Utility Code (“the Code”). Act 11, *inter alia*, amended Section 315(e) of the Code and authorized the use of a fully projected future test year (“FPFTY”) in public utility general rate cases exceeding \$1 million in gross annual revenues.

On December 22, 2017, the Public Utility Commission (“Commission” or “PUC”) entered an Advance Notice of Proposed Rulemaking Order (“ANOPR”) at the instant docket. At the request of stakeholders and in lieu of comments, four stakeholder meetings were held between February 2018 and October 2019.¹ PPL Electric Utilities Corporation (“PPL Electric” or “Company”) participated in these stakeholder meetings. On June 17, 2021, the Commission entered a Notice of Proposed Rulemaking Order.

A Clarified Notice of Proposed Rulemaking Order (“NOPR”), including Clarified Annexes A and B, was adopted by the Commission on May 12, 2022, entered August 24, 2022, and

¹ Stakeholder meetings held February 26, 2018, August 22, 2018, October 29, 2018, and October 30, 2019. See *Clarified Notice of Proposed Rulemaking Order on the Use of Fully Projected Future Test Year (NOPR)*, Order entered August 24, 2022 at Docket No. L-2012-2317273, pp. 1-2.

published in the *Pennsylvania Bulletin* on October 1, 2022. The NOPR seeks to “standardize and streamline the required filing information and data related to various ratemaking components of a public utility’s rates as based on the public utility’s claimed cost of service and proposed cost allocations to customer classes.”² In addition, the Commission’s goal is “to develop consistency in filing requirements across public utility types, incorporate the appropriate standard discovery requests, and eliminate the filing of unnecessary information.”³

PPL Electric appreciates the opportunity to provide comments to the Commission regarding the issues identified in the NOPR and hereby states the following:

II. COMMENTS

As a preliminary matter, PPL Electric supports the Comments filed by the Energy Association of Pennsylvania (“EAP”) on behalf of its members, which include the Company. PPL Electric offers its own separate comments to direct attention to matters that are particularly important to the Company.

PPL Electric appreciates the Commission’s efforts to streamline the base rate case filing process, which is intended to: (1) save the public utilities time and costs in preparing their base rate case filings and, as a result, ultimately benefit their customers; and (2) save the statutory advocates and other stakeholders time and costs in reviewing those filings and preparing their testimony and exhibits. However, the Company believes that some of the Commission’s proposed changes to its regulations need to be adjusted for the Commission to truly achieve its goal of standardizing and streamlining its filing requirements. Therefore, in addition to the items identified in the EAP’s Comments, PPL Electric provides further recommendations about the Commission’s proposed regulations.

² NOPR, p. 10.

³ *Id.*, p. 9.

A. THE COMMISSION SHOULD ELIMINATE REPEATED AND IRRELEVANT FILING REQUIREMENTS

1. The Proposed Regulations Would Force Public Utilities to Produce Unnecessary Information about a “Fourth” Test Year

The Commission proposes requiring public utilities to provide data for a “fourth” test year in response to every filing requirement and standard data request. Under Section III.A.5 of the proposed regulations, public utilities must:

Provide the following supplemental information when providing the information required by this regulation and in response to each discovery request relative to the current base rate case proceeding, as applicable:

- a. Provide the data for the HTY and the first year that new rates were in effect from the immediately preceding base rate case if the time periods for the data requested relative to the current base rate case do not include the HTY and first year under new rates from the immediately preceding base rate case.
- b. Explain the difference in projections and adjustments made for the immediately preceding base rate case as compared to the projections and assumptions made relative to the current base rate case.
- c. Provide details of any reconciliations and adjustments made relative to the immediately preceding base rate case and explain whether (and how) they would be expected to be rolled into base rates in the current base rate case or whether they are expected to arise relative to rates as may be established in the current base rate case.⁴

This proposed filing requirement is overly burdensome, would produce irrelevant information, and would not advance the Commission’s overall goal of streamlining the base rate case filing requirements. Public utilities may go years without filing base rate cases, especially with the FPFTY and other ratemaking mechanisms helping reduce regulatory lag. As an example, PPL Electric last filed a base rate case in 2015 using a FPFTY ending December 31, 2016, *i.e.*,

⁴ NOPR, Annex B, pp. 3-4 (emphasis added).

nearly six years ago. However, the Commission’s proposed regulations would require PPL Electric to produce a fourth set of data responsive to every filing requirement for that test year and explain any difference in projections and adjustments, regardless of when the Company files its next base rate case. On its own, this filing requirement would substantially increase the amount of time and expense public utilities must incur to prepare and file their base rate cases, while only serving to produce outdated and irrelevant information. Further, many public utilities have already filed base rate cases using a FPFTY, including PPL Electric in 2015, without issue. Therefore, the Commission should avoid proposing changes that would not only fail to improve the existing filing framework but would make the filing process more burdensome and time-consuming.

2. The Commission Should Not Adopt the Proposed Regulations Focused on the DSIC, LTIIP, and AAOP

The Commission also should not implement its proposed filing requirements that are focused on a public utility’s Distribution System Improvement Charge (“DSIC”), Long-Term Infrastructure Improvement Plan (“LTIIP”), and Annual Asset Optimization Plan (“AAOP”). These proposed filing requirements are unduly burdensome and unnecessary and do not further the Commission’s goal of streamlining the base rate case filings.

First, the Commission’s proposed regulations include filing requirements about the impact of a public utility’s DSIC on service lives and dispersion in relation to the depreciation of plant. Specifically, Section III.K.1 directs the public utility to “explain the impact of added DSIC projects on service lives,”⁵ and Section III.K.7 requires the public utility to “[p]rovide a comprehensive statement of any changes made in method of depreciation and in the selection of average service lives and dispersion as a result of implementing the DSIC.”⁶ Effectively, the Commission’s

⁵ NOPR, Annex B, p. 26.

⁶ *Id.*, Annex B, p. 27.

proposed filing requirements would require a public utility to produce at least two depreciation studies: one for all plant (inclusive of DSIC projects) and a second for only DSIC projects. However, the former study is the only relevant inquiry for purposes of a base rate case, given that the utility plant in service funded by the DSIC is rolled into the public utility's overall rate base claim in the base rate case. Thus, the Commission should eliminate these depreciated-related filing requirements focused on DSIC.

Second, Section III.N directs a public utility to: (1) “[p]rovide docket numbers for the most recent LTIIP approved by the Commission as well as any pending LTIIP filed by the public utility”; (2) “[p]rovide docket numbers for AAO Plan(s) approved since the most recent approved LTIIP and a copy of pending AAO Plan(s) filed by the public utility”; and (3) “[p]rovide a schedule comparing the anticipated and experienced impact on service reliability, safety enhancements, and operational savings resulting from LTIIPs and AAO Plans, such as, for example, reduced equipment-failure-related expenses, fewer field investigations for outages, fewer complaints.”⁷ EAP addresses the third point in its Comments. However, the Commission should reconsider the first and second points in Section III.N as well. The LTIIP and AAOP filings and their docket numbers are readily accessible to the public on the Commission’s website. As part of streamlining the base rate case filings, the Commission’s filing requirements should not include requests for information, like public filings and docket numbers, that parties can easily retrieve from the Commission’s website. For example, LTIIP filings must be served on the statutory parties and all other parties from the public utility’s prior base rate case.⁸ Therefore, many, if not all, of the

⁷ NOPR, Annex B, p. 37.

⁸ See 52 Pa. Code § 121.4(a) (“The LTIIP shall be filed with the Commission’s Secretary’s Bureau with copies served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate and the parties of record in the utility’s most recent base rate case.”).

parties in the base rate case would already have a copy of any pending or recently approved LTIIP filing.

Third, Section III.D.2.d requires a public utility, if it is making a claim for construction work in progress (“CWIP”) to state “[w]hether each project will be funded by the DSIC.”⁹ As a practical matter, public utilities do not always know when they file a base rate case which projects will be funded by the DSIC. Accordingly, the Company believes that this filing requirement would not produce relevant and reliable information.

3. The Proposed Regulations Would Require Public Utilities to File Duplicative Information

To better streamline the base rate case filing requirements, the Commission should eliminate any duplicative filing requirements in its proposed regulations. For example, in the proposed Exhibit E, Sections III.K.1 and III.K.7 both would require public utilities to, among other things, submit “a comprehensive statement of any changes made in the method of depreciation.”¹⁰ Furthermore, as noted in the EAP’s Comments, Section III.B.6 would require public utilities to “[p]rovide reference and citations to FERC and Commission orders or rulings directly applicable to the filing.”¹¹ Such a filing requirement is duplicative with Section 53.52(a)(11) of the Commission’s regulations, pursuant to which public utilities must identify the “FCC, FERC or Commission orders or rulings applicable to the filing.”¹² The filing process is not fully streamlined if public utilities must file duplicative sets of information. Thus, the Company respectfully requests that the Commission eliminate any repeated filing requirements as part of its final regulations.

⁹ NOPR, Annex B, p. 7.

¹⁰ *Id.*, Annex B, pp. 26-27.

¹¹ *Id.*, Annex B, p. 5.

¹² 52 Pa. Code § 53.52(a)(11).

B. THE COMMISSION SHOULD ADOPT THE EAP'S PROPOSED LANGUAGE ALLOWING ELECTRONIC FILING AND SERVICE OF BASE RATE CASE FILINGS

PPL Electric supports the EAP's recommendation that the Commission amend Section 53.51(b) of the Commission's regulations to allow for electronic filing and service of base rate case filings. Currently, Section 53.51(b) states that “[u]tilities shall file with the Commission Secretary an original of the proposed rate changes and of the data required under this chapter” and that “[i]f necessary or appropriate, the Secretary shall request additional copies.”¹³ Additionally, Section 1.32(b)(3) of the Commission's regulations provides that “[a] filing, including attachments, that exceeds 10 megabytes may not be filed electronically.”¹⁴ As for service of filings, Section 1.54(b)(3)(ii) provides that service of documents filed with the Commission “may be made electronically to filing users who have agreed to receive electronic service.”¹⁵ In the wake of the COVID-19 pandemic, the Commission has established other processes for large electronic filings, and electronic service of Commission filings has become commonplace. Even still, the Commission would be better served to remove any ambiguity regarding public utilities' ability to file and serve their base rate cases electronically. Electronic filing and service would be faster, more efficient, and less expensive.

C. THE COMMISSION SHOULD WAIT TO ADDRESS THE FILING REQUIREMENTS FOR ALTERNATIVE RATEMAKING PROPOSALS IN ANOTHER PROCEEDING

PPL Electric maintains that the Commission should wait to address the filing requirements for alternative ratemaking proposals in another proceeding. From the Company's perspective, alternative ratemaking mechanisms have not been explored adequately enough in Commission

¹³ 52 Pa. Code § 53.51(b).

¹⁴ *Id.* § 1.32(b)(3).

¹⁵ *Id.* § 1.54(b)(3)(ii).

proceedings to determine what filing requirements are needed or reasonable as part of this proceeding. In fact, the filing requirements will depend on the particular type of alternative ratemaking mechanism(s) being proposed. For example, the filing requirements for a decoupling mechanism would likely differ from a performance-based rate proposal. Thus, it would be premature to adopt specific filing requirements for alternative ratemaking mechanisms in this proceeding.

III. CONCLUSION

PPL Electric appreciates the opportunity to provide these Comments and respectfully requests that the Commission take these Comments into consideration in developing its final regulations.

Respectfully submitted,



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