

PPL Electric Utilities Corporation

Default Service RFP

Clarification regarding Allocation of NYPA Supply only to Residential Customer Group

PPL Electric Utilities Corporation (“PPL Electric”) provides the following clarification related to the allocation of committed capacity and energy obtained under a long-term contract with the Allegheny Electric Cooperative, Inc. for supply from the New York Power Authority (“NYPA Supply”).

Q: Section 1.1.4 of the Default Service RFP as well as the definitions of “Default Service Fixed Price Load” and “Default Service Spot Market Load” in the Default Service Supply Master Agreement refer to a reduction to the default service load associated with NYPA Supply. For example, Section 1.1.4 of the Default Service RFP states that “For the purposes of this RFP, the Default Service Load will be reduced by PPL Electric’s fractional percentage of committed capacity and energy obtained under a long-term contract with the Allegheny Electric Cooperative, Inc. for supply from the New York Power Authority (NYPA).” **Please clarify whether NYPA supply will be allocated to all Customer Groups (i.e., Residential, Small Commercial and Industrial (“Small C&I”), and Large Commercial and Industrial (“Large C&I”)) under PPL Electric’s Default Service Program for the period June 1, 2013 through May 31, 2015 under docket P-2012-2302074 (“DSP II”)?**

A: Under PPL Electric’s DSP II, NYPA supply is now allocated only to the Residential Customer Group. For purposes of the Default Service SMA and Default Service RFP, in respect of NYPA supply related to the Small C&I and Large C&I Customer Groups, the fractional percentage of committed capacity and energy obtained under long-term contract with Allegheny Electric Cooperative, Inc. for supply from the NYPA is deemed to have become zero.

For avoidance of doubt, the fractional percentage of committed capacity and energy obtained from NYPA that would be allocated to the Residential, Small C&I and Large C&I Customer Groups is as follows:

Fractional percentage of committed capacity and energy obtained from NYPA that would be allocated to the Customer Groups:		
Residential	Small C&I	Large C&I
100%	0%	0%