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PPL Electric Utilities Corporation

Default Service

Request for Proposals (RFP) Process and Rules

March 27, 2013
(Updated September 8, 2014)

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Large Commercial and Industrial	GS-3	GS-3 – Large General Service – Customers with 500 KW or higher peak demand
	LP-4	LP-4 – Large General Service (12 KV or Higher) – Customers with 500 KW or higher peak demand
	ISP	IS-P(R)–Interruptible Large General Service–12 KV or Higher
	LP-5	LP-5 – Large General Service (69 KV or Higher)
	LP-6	LP-6 – Large General Service (69 KV or Higher)
	LPEP	Power Service to Electric Propulsion
	IST	IST(R) – Interruptible Service by Agreement
	Standby	Rule 6A – Standby Service for Qualifying Facilities applicable to customers in the above listed rate schedules.
Notes:		
1. Rate schedules also may be subject to riders. Any such riders are set forth in PPL Electric Utilities Corporation General Tariff, Rules and Rate Schedules for Electric Service.		
2. LPEP will be included in the Large C&I Customer Group only if Amtrak requests 60 Hz electricity supply.		
3. Rate Schedule LP-4 customers with less than 500 KW peak demand will be included in the Small C&I Customer Group and Rate Schedule GS-3 customers with 500 KW or greater peak demand will be included in the Large C&I Customer Group. The determination of peak demand will be based on the customer’s ICAP peak load contribution assigned for the 2013-2014 PJM Interconnection, LLC (“PJM”) Planning Year. This initial determination of peak demand and classification of customers will remain effective for the period June 1, 2013 through May 31, 2015. For the period from June 1, 2015 through November 30, 2015, Rate Schedule LP-4 and GS-3 customers included in the Small C&I Customer Group and Large C&I Customer Group may change pursuant to Commission Orders related to PPL Electric Utilities Corporation’s default service procurement plan for the period starting June 1, 2015 at Docket No. P-2014-2417907.		

1.1.4 The Default Service Load for each of these Customer Groups for purposes of this Default Service RFP is the Full Requirements Service as recorded by PPL Electric and reported to the PJM Interconnection, LLC (“PJM”) for PPL Electric’s retail customers within that Customer Group, excluding customers that have chosen to take service from an Electric Generation Supplier (“EGS”). 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). In addition, for the Residential Customer Group, the Default Service Load that winning bidders will supply includes reductions associated with load supplied through 300 MW of energy and capacity purchased under separate block supply contracts for the period June 1, 2013 through August 31, 2013, 250 MW for the period September 1, 2013 through November 30, 2013, 200 MW for the period December 1, 2013 through February 28, 2014, and 150 MW for the period March 1, 2014 through December 31, 2015, and 50 MW for the period January 1, 2016 through May 31, 2021 (referred to collectively herein as “Block Supply Purchases”). Appropriate contract and performance data will be provided on PPL Electric’s RFP Web site.

1.1.5 An electricity supplier selected through this RFP is to provide Default Service Supply for a portion of a particular Customer Group, and once approved by the Pennsylvania Public Utility Commission (“PUC” or “Commission”), becomes a Default Service supplier for that Customer Group. A Default Service supplier may be selected to provide Default Service Supply for one or more Customer Groups, and may be selected to supply Default Service

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month and 9-month Fixed Price Products, each serving 16.875% of the Default Service Load for each Customer Group. The third solicitation seeks to procure 12-month Fixed Price Products serving 49.375% of the Default Service Load for each Customer Group and 9-month Fixed Price Products serving 5.625% of the Default Service Load for each Customer Group. The fourth solicitation seeks to procure ~~6~~12-month Fixed Price Products serving 39.375% of the Default Service Load for each Customer Group and ~~39~~-month Fixed Price Products serving 5.625% of the Default Service Load for each Customer Group.

1.1.10 Each Product will be solicited separately for each Customer Group. The following table shows the commencement and expiration dates for the Products.

Products for Default Service			
Solicitation #	Product Term	Commencement Date and Time	Expiration Date and Time
1	9-month	12:00:00 a.m. EPT, September 1, 2013	11:59:59 p.m. EPT, May 31, 2014
1	12-month ¹	12:00:00 a.m. EPT, June 1, 2013	
2	9-month	12:00:00 a.m. EPT, March 1, 2014	11:59:59 p.m. EPT, November 30, 2014
2	12-month	12:00:00 a.m. EPT, December 1, 2013	
3	9-month	12:00:00 a.m. EPT, September 1, 2014	11:59:59 p.m. EPT, May 31, 2015
3	12-month ¹	12:00:00 a.m. EPT, June 1, 2014	
4	39 -month	12:00:00 a.m. EPT, March 1, 2015	11:59:59 p.m. EPT, November 30, 2015
4	6 <u>12</u> -month	12:00:00 a.m. EPT, December 1, 2014	

¹ Includes the procurement of Spot Market products for Large Commercial and Industrial Customer Group.

1.1.11 A Default Service Fixed Price Supplier selected to supply a Fixed Price Product shall be paid under a firm price contract in which it will receive the price it bid. A Default Service Spot Market Supplier will receive the hourly real-time spot market energy price for the PPL Zone, PJM’s pre-determined capacity charge for the PPL Zone, and the price it bid covering all other components of the Default Service Supply necessary for PPL Electric to satisfy its obligations to its customers for that portion of the supply being served by the Default Service Spot Market Supplier.

1.1.12 Default Service Fixed Price Load for each Customer Group and Default Service Spot Market Load will be divided into tranches. A tranche represents a share of the Default Service Load for that Customer Group. The nominal size of a tranche for each Customer Group (at present approximately 100 Megawatts (“MW”)) is based on that Customer Group’s 2012-2013 projected Peak Load Contribution (“PLC”), in accordance with PJM, on the PPL Electric system, based on total Customer Group load (i.e., including shopping

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Tranches and Tranche Size for Fixed Price and Spot Products					
Customer Group	Product Delivery Period¹	Product Size (% of Load)	Total Tranches	Tranche Size (% of Load)²	PLC (MW)
Residential	12-month (Solicitation #1)	26.875%	8	3.35938%	2,891
	9-month (Solicitation #1)	16.875%	5	3.375%	
	12-month (Solicitation #2)	16.875%	5	3.375%	
	9-month (Solicitation #2)	16.875%	5	3.375%	
	12-month (Solicitation #3)	49.375%	15	3.29167%	
	9-month (Solicitation #3)	5.625%	2	2.8125%	
	6 12-month (Solicitation #4)	39.375%	12	3.28125%	
	3 9-month (Solicitation #4)	5.625%	2	2.8125%	
Small Commercial and Industrial	12-month (Solicitation #1)	26.875%	6	4.47917%	2,150
	9-month (Solicitation #1)	16.875%	4	4.21875%	
	12-month (Solicitation #2)	16.875%	4	4.21875%	
	9-month (Solicitation #2)	16.875%	4	4.21875%	
	12-month (Solicitation #3)	49.375%	11	4.48864%	
	9-month (Solicitation #3)	5.625%	2	2.8125%	
	6 12-month (Solicitation #4)	39.375%	9	4.375%	
	3 9-month (Solicitation #4)	5.625%	2	2.8125%	
Large Commercial and Industrial	Spot Market (12-month)	100.000%	20	5.000%	1,801

¹ Unless otherwise noted the product type is a Fixed Price Product.

² In some cases, Tranche Size values are rounded to 6 significant digits.

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As stated in Section 1.1.8, Default Service Spot Market Suppliers will be selected on an annual basis to administer spot market purchases for the Large C&I Customer Group.

2.2.2 Default Service solicitations will generally span a four-week to six-week time period. Solicitation activities are shown below. The expected completion date of each of the activities shown is expressed in the approximate number of weeks prior to the expected execution of default service contracts.

- Five weeks or more: RFP Addendum Issued, Bidder Interest Form and Confidentiality Agreement Available, RFP Data Room Opens;
- Three and one-half weeks: Bidder Information Session;
- Two and one-half weeks: Bidder Qualifications Due;
- Two weeks: Cure Deficiency Deadline;
- One and one-half weeks: Qualified Bidders Notified;
- Final week: Bid Proposals Due, PUC Decision Issued, Transaction Confirmations Issued.

2.2.3 The RFP Schedule for each solicitation will be provided in the RFP Addendum issued for that solicitation.

2.3 Multi-Solicitation Process

2.3.1 In each of the solicitations in 2013 and 2014, PPL Electric will seek to procure Default Service Supply for Fixed Price Products for the Residential and Small C&I Customer Groups corresponding to each Customer Group’s Default Service Load (see table below). In the first and third solicitations, PPL Electric will also seek to procure Default Service Supply for the Spot Market Product for the Large C&I Customer Group corresponding to 100% of the Customer Group’s Default Service Load.

Available Tranches in Solicitations					
Customer Group	Product ¹ Delivery Period	Solicitation #1	Solicitation #2	Solicitation #3	Solicitation #4
	3-month				2
	6-month				12
Residential	9-month	5	5	2	2
	12-month	8	5	15	12
	3-month				2
	6-month				9
Small Commercial and Industrial	9-month	4	4	2	2
	12-month	6	4	11	9
Large Commercial and Industrial	Spot Market (12-month)	20		20	

¹Unless otherwise noted, the product type is a Fixed Price Product.

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PPL Electric Utilities
Default Service RFP Process and Rules
APPENDIX 8
Example Bid Proposal Spreadsheet—Notes

Instructions:

The RFP Bidder must complete the Bid Proposal Spreadsheet as directed in Article 5.

All required information must be entered in the shaded cells. The absence of any required information will be deemed a non-conforming bid and will be eliminated from further consideration.

Residential -- is comprised of the following rate schedules:

RS RS – Residential Service
RTS RTS(R) – Residential Service – Thermal Storage

Small Commercial and Industrial -- is comprised of the following rate schedules:

GS-1 GS-1 – Small General Service
GS-3 GS-3 – Large General Service – Customers with less than 500 kW peak demand
LP-4 LP-4 – Large General Service (12 KV or Higher) – Customers with less than 500 KW peak demand
GH-2 GH-2(R) – Separate Meter General Space Heating Service
BL BL – Borderline Service – Electric Utilities
SA SA – Private Area Lighting
SM SM – Mercury Vapor Street Lighting
SHS SHS – High Pressure Sodium Street Lighting
SE SE – Energy Only Street Lighting Service
TS TS(R) – Municipal Traffic Signal Lighting Service
SI-1 SI-1(R) – Municipal Street Lighting
Stand Rule 6A – Standby Service for Qualifying Facilities applicable to customers in the above listed rate
by schedules.

Large Commercial and Industrial -- is comprised of the following rate schedules:

GS-3 GS-3 – Large General Service –Customers with 500 KW and higher peak demand
LP-4 LP-4 – Large General Service (12 KV or Higher) – Customers with 500 KW and higher peak demand
ISP IS-P(R) – Interruptible Large General Service (12 KV or Higher)
LP-5 LP-5 – Large General Service (69 KV or Higher)
LP-6 LP-6 – Large General Service (69 KV or Higher)
LPEP Power Service to Electric Propulsion
IST Interruptible Service by Agreement (R)
Stand Rule 6A – Standby Service for Qualifying Facilities applicable to customers in the above listed rate
by schedules.

NOTES:

1. Rate schedules also may be subject to riders. Any such riders are set forth in PPL Electric Utilities Corporation General Tariff, Rules and Rate Schedules for Electric Service.
2. LPEP will be included in the Large C&I Customer Group only if Amtrak requests 60 Hz electricity supply.
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