

**PENNSYLVANIA UTILITY LAW PROJECT**

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February 1, 2012

Via E-Filing

Secretary Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Investigation of Pennsylvania's Retail Electric Market: Intermediate  
Work Plan Docket No. I-2011-2237952**

Dear Secretary Chiavetta:

Please accept for filing the Joint Reply Comments of AARP, the Pennsylvania Utility Law Project and Community Legal Services, Inc. to the Commission's Tentative Order entered December 16, 2011 in the above referenced matter.

Thank you for your assistance and please feel free to contact me directly should you have any questions.

Respectfully submitted,



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**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania's  
Retail Electricity Market:  
Intermediate Work Plan

I-2011-2237952

**TENTATIVE ORDER ENTERED DECEMBER 16, 2011**

**REPLY COMMENTS OF  
AARP  
The Pennsylvania Utility Law Project  
and  
Community Legal Services, Inc.**

February 1, 2012

AARP, the Pennsylvania Utility Law Project (“PULP”), and Community Legal Services, Inc. (“CLS”) appreciate the opportunity to provide a reply to comments submitted by parties to the Commission regarding its Tentative Order (“Intermediate Work Plan Order”) entered December 16, 2011 that proposes steps that should be undertaken pursuant to an “Intermediate Work Plan” in this proceeding. As a group, we filed Comments on January 17, 2012 and incorporate those comments, as well as the descriptions of our organizations, herein.

The Tentative Order proposes that the purpose of the plan is to “improve the current retail electricity market.” By “intermediate,” the proposal intends most of the issues, tasks and goals be resolved and implemented prior to the expiration of the electric distribution companies’ (EDCs’) next round of default service plans. Specifically, we reply to the comments of other parties, which refer to CAP customer shopping but which fail to reference or respond to the need and responsibility of a default service provider to provide the full range of low-income universal service programs, policies and services in an integrated and holistic manner to the customers who are served through any default service plan.

In its Intermediate Work Plan Order, the Commission addressed the issue of participation by low-income customers with regard to participation in any of the proposed market enhancements. The Commission stated that “[t]he eligible customer base for the Standard Offer Customer Referral Program is recommended to be residential customers on default service at the time of the contact. We anticipate that issues involving CAP customer participation will be addressed in the individual default service proceedings.”<sup>1</sup> Additionally, the Commission, in discussing the opt-in auction, recommended that all residential customers be eligible to participate, but recognized that within the scope of possible exceptions are “those customers in

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<sup>1</sup> Intermediate Work Plan Order at 21.

CAP programs or in exotic rate classes.”<sup>2</sup> AARP, PULP and CLS addressed this issue within their comments regarding the Intermediate Work Plan Order and specifically noted that “the transition process should be structured in a manner which is seamless and continuous without diminution or loss of CAP, LIURP, Hardship Fund or LIHEAP benefits.”<sup>3</sup> Noticeably absent from the comments of any of the competitive entities is the apparent recognition or stated acknowledgement that a significant responsibility of a default service provider is the obligation to provide an integrated package of universal service programs designed to assist low-income, payment troubled ratepayers maintain and afford essential utility services. These programs are statutorily required by the Electricity Generation Customer Choice and Competition Act<sup>4</sup> (“the Choice Act”) and by the Commission’s regulations.<sup>5</sup>

AARP, PULP and CLS submit that the Commission is required to ensure that universal service programs, services and policies remain intact, as an integrated whole, for the purpose of assisting low-income consumers to connect to, maintain and afford essential electric service within a competitive environment.<sup>6</sup> While Customer Assistance Programs (“CAPs”) are an essential ingredient of universal service provision, CAPs do not exist in isolation, but must be treated as a part of the broader package of universal service, which must be implemented and administered by a default service provider. It is therefore necessary that the Commission articulate and clarify that any default service plan which refers to CAP alone and which does not integrate all universal service components is inadequate.

The Technical Conferences which have addressed the Retail Market Investigation have indicated that issues of universal service will be addressed within a workgroup to be formed.

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<sup>2</sup> Id. at 26 (emphasis added.).

<sup>3</sup> AARP, PULP, CLS comments at 15.

<sup>4</sup> See 66 Pa. C.S. §§ 2802(10), (17), and 2804(8) & (9).

<sup>5</sup> 52 Pa. Code 54.71 et seq.

<sup>6</sup> 66 Pa. C.S. §§ 2802(10), 2804(9).

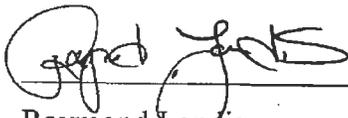
Commission staff has provided a summary information sheet which provides general information regarding the legal background and various components of universal services, including CAP, LIURP, CARES and LIHEAP. However, as of the date of submission of these comments, the Universal Service working group has not yet begun to address universal service issues nor has it met. We therefore recommend that the absence of any reference to this issue within the comments of the competitive entities places the responsibility upon the Commission to address, within the Intermediate Work Plan Order, the need for any default service provider to provide the full panoply of universal services as an integrated whole.

While it is essential for the Commission to put the parties to this proceeding on notice that universal services need to be treated as an integrated whole, it is also incumbent upon the Commission to defer the enunciation of specific details until the universal services working group has had an opportunity to review and attempt to make recommendations or arrive at a consensus concerning the many details of addressing the provision of universal services within default service.

In conclusion, AARP, PULP and CLS thank the Commission for this opportunity to submit Reply Comments regarding the Tentative Order entered on December 16 2011, and urge the Commission to accept our recommendations for addressing universal service.

Respectfully submitted,

**AARP**



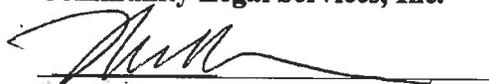
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