

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105-3265**

**Met-Ed, Penelec, Penn Power & West Penn  
Joint Petition for Approval of Their  
Default Service Programs**

**Public Meeting: August 2, 2012  
2273650-OSA  
Docket Nos.: P-2011-2273650  
P-2011-2273668  
P-2011-2273669  
P-2011-2273670**

**MOTION OF  
COMMISSIONER PAMELA A. WITMER**

Before the Pennsylvania Public Utility Commission (“PUC” or “Commission”) is the Joint Petition of Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (collectively, “Companies”) for approval of their Default Service Program (“DSP”) for the period from June 1, 2013 to May 31, 2015. Evidentiary hearings were held on April 11-12, 2012, and on June 15, 2012, the Administrative Law Judge (“ALJ”) issued a Recommended Decision (“R.D.”), approving the Companies’ DSP, subject to certain modifications. Following the issuance of the R.D., numerous parties filed Exceptions and Reply Exceptions on June 25, 2012, and July 9, 2012, respectively.

This motion eliminates the need to conduct a binding poll on certain substantive issues raised in the Exceptions, and addresses the Time of Use (“TOU”) Rate Proposals for Penn Power and West Penn,<sup>1</sup> as well as the issue of obtaining Electric Generation Supplier (“EGS”) access to customer information.<sup>2</sup>

**Time of Use Rate Proposals for Penn Power and West Penn**

In this proceeding, Penn Power and West Penn each proposed a new Residential TOU Rider, in an attempt to satisfy the requirement of Section 2807(f)(5) of the Public Utility Code<sup>3</sup> that Electric Distribution Companies (“EDCs”) have in place a TOU rate.<sup>4</sup> Major components of these proposed offerings include, among other things, the following:

- An EGS (selected through an annual auction process) would provide TOU service for up to twelve months to Penn Power and West Penn residential customers that enroll in the program;

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<sup>1</sup> See Issue number 14 on page 16 of the August 2, 2012 Binding Poll Sheets for the above-referenced proceeding.

<sup>2</sup> See Issue number 34, *Id.* at 37.

<sup>3</sup> See 66 Pa. C.S. § 2807(f)(5).

<sup>4</sup> As indicated by the Companies in footnote 9 of their Exceptions, “Met-Ed and Penelec have legacy, optional TOU rates available for residential customers, which are set forth in each Company’s Rate Schedule RT – Residential Time-of-Day Service (Companies’ St. 7, p.17). No changes are proposed to Met-Ed’s and Penelec’s Rate Schedule RT in this case.” Companies’ Exceptions at 18.

- Through the EGS auction, Penn Power and West Penn would solicit twelve-month, fixed priced, on-peak and off-peak products, with on-peak hours matching PJM Interconnection, LLC (“PJM”) (7:00 a.m. to 11:00 p.m., excluding Company-observed holidays);
- Customers enrolled for service under the Residential TOU Default Service Rider would be billed by each EDC using rate-ready EDC consolidated billing;
- Once choosing to be served on the Residential TOU Default Service Rider, customers would be prohibited to return to “standard” default service until the next default service year (i.e. June 1 of the year following the year of enrollment); and
- At the end of each TOU contract year, an enrolled customer would not automatically revert to default service. Rather, the TOU supplier would retain the customer unless the customer affirmatively elects a different EGS or affirmatively elects to return to “standard” default service.

In the R.D., upon noting OCA witness Alexander’s concern that there are currently no smart meters deployed in Penn Power’s service territory, the ALJ recommended that the proposed TOU rate option for Penn Power and West Penn “be deferred until there is a larger penetration of smart meters and a TOU rate option that is reasonable and typical of TOU rates in general.”<sup>5</sup>

Although I disagree with the ALJ that these TOU offerings should be rejected because of a current lack of deployed smart meters, I do agree that the terms and conditions of the proposed TOU offering (namely the overly expansive on-peak time period) renders the proposed programs unreasonable at this time. Rather than simply allowing West Penn to “seek continuance of its Critical Peak Rebate (CPR) program in the interim, beyond its current approved term as part of West Penn’s energy efficiency/demand response programs since it has also been approved to serve as a TOU rate option,” as suggested in the R.D., the Commission will require the Companies to submit a revised TOU proposal for Penn Power and West Penn within 60 days or before for our review and approval, including expedited hearings, if necessary. Further, I encourage the Companies to meet with stakeholders, including, but not limited to statutory advocates and EGSs to seek their input prior to making the above referenced filing.

### **EGS Access to Customer Data**

As part of this proceeding, after noting that certain customer information is available in other EDCs’ service territories (such as PECO), the Retail Energy Supply Association (“RESA”) proposed that the Companies investigate implementing a secure, web-based system to provide EGSs electronic access to key customer usage and account data. In response, the ALJ recommended that this issue be addressed in one of the Retail Markets Investigation (“RMI”) working groups, citing the *Intermediate Work Plan Final Order* at Docket No. I-2011-2237952.

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<sup>5</sup> R.D. at 78-79.

I agree with RESA that deferring the issues of customer data availability and EGS access to a statewide stakeholder group is neither an efficient nor reasonable way to improve the status of the competitive market in the short-term. Accordingly, rather than defer this issue to an RMI working group, RESA's request will be referred to the Commission's Office of Competitive Markets Oversight ("OCMO"). Further, in an effort to have this investigation resolved in a timely manner, we will require that OCMO provide a report to the Commission on this issue by no later than February 15, 2013.

**THEREFORE, I move that:**

1. The Recommended Decision be modified consistent with this Motion.
2. The Office of Special Assistants draft an appropriate Order consistent with this Motion.

**DATE: August 2, 2012**

  
PAMELA A. WITMER, COMMISSIONER