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August 31, 2012

VIA E-FILING AND OVERNIGHT DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**Re: Joint Petition Of Metropolitan Edison Company, Pennsylvania Electric Company,
 Pennsylvania Power Company and West Penn Power Company For Approval Of Their
 Default Service Programs
 Docket No. P-2011-2273650, Docket No. P-2011-2273668,
 Docket No. P-2011-2273669 and Docket No. P-2011-2273670**

Dear Secretary Chiavetta:

Enclosed for filing is the unbound original **Petition for Clarification of the Commission's Order Entered August 16, 2012, on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company** (the "Petition") in the above-captioned proceeding.

As indicated on the enclosed Certificate of Service, copies of this letter and the Petition are being served on all active parties and the presiding Administrative Law Judge.

Sincerely,



Thomas P. Gadsden

TPG/tp
Enclosures

c: Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT PETITION OF METROPOLITAN	:	
EDISON COMPANY, PENNSYLVANIA	:	DOCKET NOS. P-2011-2273650
ELECTRIC COMPANY, PENNSYLVANIA	:	P-2011-2273668
POWER COMPANY AND WEST PENN	:	P-2011-2273669
POWER COMPANY FOR APPROVAL OF	:	P-2011-2273670
THEIR DEFAULT SERVICE PROGRAMS	:	

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served copies of the **Petition for Clarification of the Commission's Order Entered August 16, 2012 on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company** upon the following persons, in the matter specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

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Dated: August 31, 2012

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT PETITION OF METROPOLITAN	:	
EDISON COMPANY, PENNSYLVANIA	:	
ELECTRIC COMPANY, PENNSYLVANIA	:	DOCKET NOS. P-2011-2273650
POWER COMPANY AND WEST PENN	:	P-2011-2273668
POWER COMPANY FOR APPROVAL OF	:	P-2011-2273669
THEIR DEFAULT SERVICE PROGRAMS	:	P-2011-2273670

**PETITION FOR CLARIFICATION
OF THE COMMISSION'S ORDER
ENTERED AUGUST 16, 2012**

I. INTRODUCTION AND OVERVIEW

Pursuant to 52 Pa. Code § 5.572, Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (each individually a “Company” and, collectively, the “Companies”) request that the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) clarify its order entered August 16, 2012 (“August 16 Order”) by affirming the Companies’ authorization to proceed with competitive procurements conforming to the terms of the August 16 Order. Such affirmation will assure that competitive procurements can be conducted in sufficient time to provide for power to flow to default service customers on and after June 1, 2013 under supplier contracts that comply with the terms of the August 16 Order. To that end, the Companies request that the Commission clarify its August 16 Order by explicitly stating that: (1) all issues pertaining to the Companies’ default service procurement plans, default service implementation plans and default service cost recovery plans, which comprise the

core components of their Default Service Programs for the period from June 1, 2013 to May 31, 2015 (“DSPs”), were decided with finality, as required by the “final order” mandate of Section 2807(e)(3.6) of the Public Utility Code, 66 Pa.C.S. § 2807(e)(3.6); and (2) upon the filing of a “revised Default Service Plan” in compliance with Ordering Paragraph 18 of the August 16 Order, each Company may begin to implement its default service procurement, default service implementation and default service cost recovery plan, subject only to properly lodged objections that the Companies’ filings do not materially comply with the applicable terms of the August 16 Order. Thus, the requested clarification, in addition to assuring that the August 16 Order satisfies the “final order” requirement of Section 2807(e)(3.6), will, as previously noted, explicitly affirm the Companies’ authority to begin to deploy their default service procurement, implementation and cost recovery plans. Explicit affirmation of that authority is essential because the Companies must begin to implement the procurement process by October 1, 2012 in order to complete all the work required to conduct their first default service auction by January 2013 under the terms of the August 16 Order. *See* August 16 Order, pp. 25-26. Additionally, by October 1, 2012, the Companies must also begin the process to conduct a request for proposals for Solar Photovoltaic Alternative Energy Credits (“Solar RFP”) in November 2012, as proposed in their DSPs and approved by the Commission.

The requested clarification will not disturb the portions of the August 16 Order that provide additional process to resolve three issues not decided by that Order, which issues do not relate to the Companies’ default service procurement, implementation and cost recovery plans, namely: (1) time of use (“TOU”) rates for West Penn and Penn Power (p. 93); (2) updating the customer notification, opt-in enrollment and customer assignment protocols to accommodate Commission-mandated changes in the Companies’ proposed Retail Opt-In Aggregation

Programs (“ROI Programs”) (pp. 109 and 162); and (3) the mechanism the Companies should use to recover the costs of the ROI Program and the Standard Offer Customer Referral Program (“Customer Referral Program”) from electric generation suppliers (“EGSs”) (pp. 136 and 162).¹ As to such issues, a final resolution may not be achieved until after October 1, 2012. Consequently, postponing the effective date of the parts of the Companies’ “revised Default Service Plan[s]” that were decided with finality in the August 16 Order would, in addition to contravening the express terms of Section 2807(e)(3.6), imperil the Companies’ procurement of default service generation supplies in the manner and on the schedules that the August 16 Order has approved. The Commission could not have intended such a result and, therefore, the requested clarification would make explicit what the August 16 Order appears to imply.

II. BACKGROUND

1. On November 17, 2011, the Companies filed a Joint Petition (“Joint Petition”) requesting that the Commission approve their proposed DSPs and find that such DSPs satisfy the criteria set forth in 66 Pa.C.S § 2807(e)(3.7). The proposed DSPs were designed to provide the Companies’ default service customers access to an adequate, reliable generation supply at the least cost over time and to enable the Companies to recover their costs of furnishing that service pursuant to “a commission-approved competitive procurement plan.” *See* 66 Pa.C.S. §§ 2807(e)(3.6) - (3.9).

2. As described in the Joint Petition, the Companies’ DSPs contained all of the elements required by the Commission’s default service regulations (52 Pa. Code §§ 54.181 –

¹ Similarly, the requested clarification order would not affect the provisions of Ordering Paragraphs 14 and 15 that deal with, respectively, requirements imposed on EGSs and generic customer data availability issues. *See* August 16 Order, p. 161.

54.189), including default service procurement plans, default service implementation plans, contingency plans, rate design plans, and associated tariff pages.

3. In addition to the elements required by Section 2807(e)(3.7) and the Commission's default service regulations, the DSPs contained the Companies' proposed ROI and Customer Referral Programs (collectively, "Market Enhancement Programs") and West Penn's and Penn Power's proposals to adopt "bid-out" TOU rates.

a. The Market Enhancement Programs were proposed on the basis of the Commission's recommendations in its Tentative Order entered on October 14, 2011 in *Investigation of Pennsylvania's Retail Electricity Market: Recommendations Regarding Upcoming Default Service Plans*, Docket No. I-2011-2237952. During the course of this proceeding, the Companies revised their proposed Market Enhancement Programs to reflect further recommendations set forth in the Commission's Final Order entered on March 2012 in *Investigation of Pennsylvania's Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2237952.

b. West Penn and Penn Power each proposed residential TOU rates to comply with the "smart meter" provisions of Act 129 of 2008 (*see* 66 Pa.C.S. § 2807(f)(5)) by implementing a recommendation the Commission made in its Final Order entered on December 16, 2011 in *Investigation of Pennsylvania's Retail Electricity Market: Recommendations Regarding Upcoming Default Serv. Plans*, Docket No. I-2011-2237952. Specifically, the Commission asked that "EDCs contemplate contracting with an EGS in order to satisfy their TOU requirement." *Id.* at 47.

4. The Commission issued the August 16 Order at the conclusion of a fully litigated proceeding. In the August 16 Order, the Commission approved, with modifications, the Companies' default service procurement and implementation plans (pp. 9-46) and their proposed plan to recover the costs of providing default service (pp. 47-86, 94-100). However, aspects of the Companies' proposed Market Enhancement Programs and the West Penn/Penn Power residential TOU rate proposal were carved out by the Commission for further consideration and additional process as follows:

a. **ROI Program.** The Commission ordered a modification to the ROI Program that had not been proposed by any party. Specifically, the Commission eliminated the proposed ROI auction and, in its place, required that participating customers receive, in addition to a \$50 bonus, "five percent off the PTC [price to compare] at the time of enrollment for four months." The August 16 Order did not approve rules for implementing the Commission-mandated ROI program, but, instead, provided as follows:

Because the ROI Auction, as proposed by the Companies has been rejected, the corresponding customer notification and opt-in enrollment procedures will have to be modified. Therefore, within sixty days of the entry of this Opinion and Order, the Companies, in consultation with the EGSs, shall update their proposals for customer notification, opt-in enrollment and customer assignment to coordinate with this revised ROI Program design, *infra*.

August 16 Order, p. 109.

b. **Market Enhancement Programs – Cost Recovery.** The Commission affirmed the Administrative Law Judge's recommendation that the costs of the Market Enhancement Programs be recovered from EGSs, but rejected her recommendation to adopt the Companies' alternative proposal for a recovery mechanism. Nonetheless, the Commission

stopped short of deciding how such costs should be recovered from EGSs and, instead, established a separate track for addressing this issue, as follows:

Upon review of the Recommended Decision and the record in this proceeding, we find that we do not have sufficient information to adopt the proposal for the cost recovery of the ROI Aggregation Program and Standard Offer Customer Referral Program as recommended by the ALJ. At this time, we have significant concerns that the \$100,000 required up-front cost for EGS participation may be a significant barrier to entry. Likewise, the costs for the newly designed ROI Aggregation Program have not been discussed during the course of this proceeding. Accordingly, the Companies, with the cooperation of the EGSs, are directed to resubmit a plan or proposal within sixty days for Commission review regarding how EGSs will pay for the Standard Offer Customer Referral Program and the redesigned ROI Aggregation Program.

We believe that the resolution of this issue is particularly important, as it is the cornerstone to the success of these programs. The thrust of the IWPF [Intermediate Work Plan Final] Order was to suggest programs that would be implemented during this round of DSPs in order to bolster customer participation in the retail electric market. However, these steps can only jumpstart the market if they are effectively implemented. We urge the EGSs and Companies to come to an agreement on how to minimize these costs and allocate these costs in order to carry out these programs in a cost-effective manner and bring more retail customers to the competitive electric market.³

[PUC footnote 3: If an agreement on the allocation of these costs is not reached within the allotted time period, the Commission may order an allocation of costs that comes from one of the proposals submitted by the stakeholders.]

August 16 Order, pp. 136-137.

c. **West Penn's And Penn Power's Residential TOU Proposal.** The Commission rejected the TOU Riders proposed by West Penn and Penn Power, but did not share the ALJ's view that the concept of a "bid-out" TOU rate was not worth pursuing at this time. Accordingly, the Commission also carved out this issue for further consideration, as follows:

Although we disagree with the ALJ's conclusion that the Companies' proposed TOU Riders should be rejected because of a current lack of deployed smart meters, we do find that the terms and conditions of the TOU Riders (specifically the overly expansive on-peak time period) renders the proposed programs unreasonable at this time. Rather than simply approving continuation of existing time-differentiated rates as recommended by the ALJ, we will require the Companies to submit a revised TOU proposal for West Penn and Penn Power within sixty days or earlier for our review and approval, including expedited hearings, if necessary. We strongly encourage the Companies to meet with stakeholders, including, but not limited to, the statutory advocates and EGSs, to seek their input prior to making their filing in compliance with this directive.

August 16 Order, p. 93.

5. In Ordering Paragraphs 18 and 19, the Commission directed the Companies to file a "revised Default Service Plan," as follows:

IT IS ORDERED: . . .

18. That with the exception of the matters addressed in Ordering Paragraphs Nos. 14, and 15, *supra*, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company shall file a revised Default Service Plan, including associated tariff supplements, which reflect *all* of the revisions set forth in this Opinion and Order. This revised Default Service Plan shall be filed within sixty days of the entry of this Opinion and Order and shall be served on the active Parties to this proceeding.

19. That any directive, requirement, disposition, or the like contained in the body of this Opinion and Order, which is not the subject of an individual Ordering Paragraph, shall have the full force and effect as if fully contained in this part.

August 16 Order, p. 162 (emphasis in original).

6. Pursuant to Ordering Paragraphs 18 and 19, *supra*, the Companies will make filings that comply with those directives and other directives in the body of the August 16 Order. Accordingly, with regard to their default service procurement, implementation and cost recovery

plans approved by the Commission in the August 16 Order, the Companies are making a compliance filing no later than September 6, 2012 that includes the following:

- (1) Revised Supplier Master Agreements for the Residential/Commercial Class Full Requirements;
- (2) Revised Supplier Master Agreements for the Industrial Customer Class Hourly Priced Service;
- (3) Revised Bidding Rules to Procure Default Service Products;
- (4) Revised Price To Compare Default Service Rate Riders;
- (5) Revised Hourly Pricing Default Service Riders;
- (6) Revised Default Service Support Riders;
- (7) Revised Solar Photovoltaic Requirements Charge Riders for Met-Ed, Penelec and Penn Power;²
- (8) Revisions to the supplier tariffs of Met-Ed (§§ 7.1 and 9.1), Penelec (§§ 7.1 and 9.1), Penn Power (§§ 7.2 and 9.1) and West Penn (§ 7.1) to conform the applicable tariff pages to the Commission's decisions concerning the Companies' recovery of PJM Interconnection LLC ("PJM") Regional Transmission Expansion Plan ("RTEP") and Expansion Program costs and the provision of Solar Photovoltaic Alternative Energy Credits. *See* August 16 Order, pp. 37-46, 63-86 and Ordering Paragraph 17.

7. Additionally, by October 15, 2012, as required by the August 16 Order, the Companies will file proposals designed to address the three issues carved out by the Commission for further consideration, which will consist of: (1) customer notification, opt-in enrollment and customer assignment rules that are coordinated with the Commission-revised ROI Program; (2) a plan to recover from EGSs the costs of the ROI and Customer Referral Programs; and (3) a revised TOU proposal for West Penn and Penn Power.

² Consistent with the August 16 Order (p. 46), West Penn will not implement a Solar Photovoltaic Requirements Charge Rider.

III. SECTION 2807(E)(3.6)

8. Section 2807(e)(3.6) of the Public Utility Code provides:

The default service provider shall file a plan for competitive procurement with the commission and obtain commission approval of the plan considering the standards in paragraphs (3.1), (3.2), (3.3) and (3.4) before the competitive process is implemented. The commission shall hold hearings as necessary on the proposed plan. *If the commission fails to issue a final order on the plan within nine months of the date that the plan is filed, the plan shall be deemed to be approved and the default service provider may implement the plan as filed.* Costs incurred through an approved competitive procurement plan shall be deemed to be the least cost over time as required under paragraph (3.4)(ii).

66 Pa.C.S. § 2807(e)(3.6) (emphasis added).

9. In this case, the nine-month period demarcated in Section 2807(e)(3.6) ended on August 17, 2012. As a consequence, the August 16 Order satisfies the “final order” requirement of Section 2807(e)(3.6) only if the portions of that Order carving out issues for further process after August 17, 2012 (i.e., ROI Program rules; Market Enhancement Program cost recovery; and the West Penn/Penn Power TOU rates) are legally separated from the portions of that Order approving, with finality, the Companies’ DSPs (i.e., their default service procurement, implementation and cost recovery plans). In other words, the Companies must be permitted to implement their DSPs as approved by the Commission upon filing the documents identified in Paragraph 6, above, in compliance with the terms of the August 16 Order approving those plans. *See Bell Tel. Co. of Pa. v. Pa. P.U.C.*, 69 Pa. Cmwlth. 554, 452 A.2d 86 (1982), *affirmed*, 505 Pa. 603, 482 A.2d 1272 (1984) (the Commission must permit a compliance filing to become effective as of the last day of a statutory suspension period if a Commission order is to be considered “final” for purposes of a Public Utility Code provision requiring entry of a “final

order” before the end of the suspension period). *Accord Nat’l Fuel Gas Dist. Corp. v. Pa. P.U.C.*, 76 Pa. Cmwlth. 102, 147-48, 464 A.2d 546, 567 (1983).

IV. THE COMPANIES MUST BEGIN TO IMPLEMENT THEIR DSPS BY OCTOBER 1, 2012 TO COMPLY WITH THE PROCUREMENT SCHEDULES OUTLINED BY THE AUGUST 16 ORDER

10. In the August 16 Order, the Commission rejected the Companies’ proposals for the terms, mix and procurement dates of contracts for full-requirements, load-following generation supplies needed to meet the demands of the Companies’ Residential and Commercial default service customers. With respect to the Residential class, the Commission adopted the Retail Energy Supply Association’s (“RESA”) proposal. For the Commercial class, the Commission adopted the Office of Small Business Advocate’s (“OSBA”) proposal. August 16 Order, pp. 24-26. Additionally, the Commission directed that “no procurements be made more than five months prior to the time the Companies are scheduled to first provide service under those procurements.” *Id.* at 26.

11. In order to implement the RESA and OSBA proposals and stay within the five-month window imposed by the Commission, the Companies plan to hold their first procurement auction in January 2013. (Copies of the Companies’ approved procurement schedules are provided as Appendix A to this Petition.) Additionally, the schedule for the Solar RFP proposed by the Company and approved by the Commission provides for that procurement to occur in November 2012. *See* Companies’ Ex. DWS-3; Companies’ St. 4 (p. 16).

12. In order to conduct a competitive procurement auction in January 2013 and a Solar RFP in November 2012, the Companies must begin to implement critical elements of their DSPs by October 1, 2012. Unless implementation begins by this date, the Companies will not be

able to conduct their first and subsequent procurements on a schedule that conforms to the applicable terms of the August 16 Order.

V. REQUEST FOR CLARIFICATION – LEGAL STANDARD

13. This Commission has previously held that the standard for determining whether clarification is warranted is substantially similar to the standard for granting reconsideration set forth in *Duick v. Pa. Gas and Water Co.*, 56 Pa. P.U.C. 553 (1982):

The OCA's Petition was filed pursuant to 52 Pa. Code § 5.572, Petitions for Relief. This regulation encompasses "Petitions for Clarification," and, as with Petitions for Reconsideration, these are decided by the application of the standards set forth in *Duick v. Pennsylvania Gas and Water Co.*, Docket No. C-R0597001 *et al.*, 56 Pa. P.U.C. 553, 559 (1982) n1. Under the standards set forth in *Duick*, a Petition for Reconsideration may properly raise any matter designed to convince this Commission that we should exercise our discretion to amend or rescind a prior Order, in whole or in part. Such petitions are likely to succeed only when they raise "new and novel arguments" not previously heard or considerations that appear to have been overlooked or not addressed by the Commission. *Duick* at 559.

Application of PPL Elec. Util. Corp., Docket No. A-2009-2082652 *et al.*, 2010 Pa. PUC LEXIS 1707 at 3-4 (Order entered April 22, 2010). *See also Energy Efficiency and Conservation Program*, Docket No. M-2008-2069887, 2009 Pa. PUC LEXIS 1158 at 3-4 (Order entered June 2, 2009).

VI. THE COMMISSION SHOULD CLARIFY ITS AUGUST 16 ORDER AS THE COMPANIES REQUEST

14. This Petition satisfies the standard for granting clarification. Given the multiplicity of issues presented in this proceeding, including issues associated with the proposed Market Enhancement Programs, the Commission may not have focused upon the importance to

the Companies and their customers of stating expressly – as the August 16 Order implies – that the Companies’ default service procurement, implementation and cost recovery plans were decided with finality and that the Companies were authorized to deploy those plans upon filing the documents listed in Paragraph 6. As previously explained, an express statement of such authority is needed to assure that competitive procurements can be conducted in sufficient time to provide for power to flow to default service customers on and after June 1, 2013 under supplier contracts that comply with the terms of the August 16 Order.

15. In summary, by granting this Petition, the Commission will assure that its August 16 Order complies with the “final order” requirement of Section 2807(e)(3.6) of the Public Utility Code and will also provide express authorization for the Companies to implement the competitive procurement process in time to comply with the schedule of procurements approved by the August 16 Order. In addition, the clarification requested by the Companies will not disturb the portions of the August 16 Order that call for additional process to resolve issues not decided by that Order, which pertain to matters other than the Companies’ DSP. Those issues, involving the proposed Market Enhancement Programs and TOU rates, may proceed on a separate track to accommodate the Commission’s desire to consider an appropriate resolution of such issues beyond the statutory deadline imposed by Section 2807(e)(3.6) for the final approval of electric distribution companies’ default service plans.

VII. CONCLUSION

WHEREFORE, for the foregoing reasons, the Commission should grant this Petition and clarify its August 16 Order to expressly affirm the Companies' authority to conduct competitive procurements in a timely fashion and, thereby, assure that power will flow to default service customers on and after June 1, 2013 under supplier contracts that conform to the terms of that Order.

Respectfully Submitted



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Company, Pennsylvania Electric
Company, Pennsylvania Power Company
and West Penn Power Company*

Dated: August 31, 2012

APPENDIX A

Procurement Schedule

Met-Ed Default Service Supply Plan

June 1, 2013 to May 31, 2015

28-50 MW Residential Tranche Procurement Schedule (24 Full Requirements Tranches and 4 Fixed Block and Spot Tranches)
Delivery Period

Auction	Tranches Bid	Total Tranches	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-10	4	14%	17	48 months (Energy Only) - 50MW											
Jan-13	12	43%	5	24 months											
Feb-13	12	43%	4	12 months											
Jan-14	12	43%	5	12 months											

23 - Commercial Tranche Procurement Schedule

Auction	Load Bid	Total Load	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-13	11	48%	5	6 months											
Feb-13	12	52%	4	12 months											
Sep-13	11	48%	3	12 months											
Jan-14	12	52%	5	12 months											
Sep-14	11	48%	3	6 months											

11 - Hourly Pricing Service Tranche Procurement Schedule

Auction	Tranches Bid	Total Tranches	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-13	11	100%	5	24 months											

Penelec Default Service Supply Plan

June 1, 2013 to May 31, 2015

21- 50 MW Residential Tranche Procurement Schedule (18 Full Requirements Tranches and 3 Fixed Block and Spot Tranches)
Delivery Period

Auction	Tranches Bid	Total Tranches	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-10	3	14%	17	48 months (Energy Only) - 50MW											
Jan-13	9	43%	5	24 months											
Feb-13	9	43%	4	12 months											
Jan-14	9	43%	5	12 months											

20 - Commercial Tranche Procurement Schedule

Auction	Load Bid	Total Load	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-13	10	50%	5	6 months											
Feb-13	10	50%	4	12 months											
Sep-13	10	50%	3	12 months											
Jan-14	10	50%	5	12 months											
Sep-14	10	50%	3	6 months											

11 - Hourly Pricing Service Tranche Procurement Schedule

Auction	Tranches Bid	Total Tranches	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-13	11	100%	5	24 months											

Penn Power Default Service Supply Plan

June 1, 2013 to May 31, 2015

8- 50 MW Residential Tranche Procurement Schedule (6 Full Requirements Tranches and 2 Fixed Block and Spot Tranches)

Auction	Tranches Bid	Total Tranches	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-11	2	25%	5	48 months (Energy Only) - 25 MW											
Jan-13	3	37.5%	5	24 months											
Feb-13	3	37.5%	4	12 months											
Jan-14	3	37.5%	5	12 months											

7 - Commercial Tranche Procurement Schedule

Auction	Load Bid	Total Load	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-13	3	43%	5	6 months											
Feb-13	4	57%	4	12 months											
Sep-13	3	43%	3	12 months											
Jan-14	4	57%	5	12 months											
Sep-14	3	43%	3	6 months											

3 - Hourly Pricing Service Tranche Procurement Schedule

Auction	Tranches Bid	Total Tranches	Months to Delivery	9/1/11	5/31/12	6/1/12	5/31/13	6/1/13	11/30/13	12/1/13	5/31/14	6/1/14	11/30/14	12/1/14	5/31/15
Jan-13	3	100%	5	24 months											

