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December 10, 2012

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: Investigation of Pennsylvania's Retail Electricity Market:
End State of Default Service; Docket No. I-2011-2237952**

Dear Secretary Chiavetta:

Enclosed please find the Comments of Industrial Customer Groups regarding the above-referenced proceeding.

Sincerely,

McNEES WALLACE & NURICK LLC

By 
Pamela C. Polacek

Counsel to Industrial Customer Groups

PCP/sar
Enclosure

c: Office of Competitive Market Oversight Retail Markets Investigation
(via E-mail: ra-RMI@pa.gov)

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania's Retail Electricity : Docket No. I-2011-2237952
Market: End State of Default Service :

**COMMENTS OF
INDUSTRIAL CUSTOMER GROUPS**

I. INTRODUCTION

On November 8, 2012, the Pennsylvania Public Utility Commission ("PUC" or "Commission") issued its Tentative Order setting forth the proposed end state of default electric service in Pennsylvania, as proposed by the PUC's Office of Competitive Market Oversight ("OCMO").¹ The Tentative Order outlines fundamental changes to the default service structure based on a number of issues raised by stakeholders participating in the Commission's pending Investigation of Pennsylvania's Retail Electricity Market ("RMI"). The Comments included herein address the Tentative Order's effect on large Commercial and Industrial ("C&I") customers taking default service from Pennsylvania's electric distribution companies ("EDCs").

The Industrial Energy Consumers of Pennsylvania ("IECPA"), Duquesne Industrial Intervenors ("DII"), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Penn Power Users Group ("PPUG"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), PP&L Industrial Customer Alliance ("PPLICA"), and West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups") submit these Comments in response to the Tentative Order. IECPA is a 20-member *ad hoc* group of

¹ *Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Tentative Order entered Nov. 8, 2012) ("Tentative Order").

energy-intensive industrial customers of electricity and natural gas. More than 41,000 Pennsylvanians are employed by IEPCA member companies alone. DII, MEIUG, PICA, PAIEUG, PPLICA, and WPPII are all *ad hoc* groups of commercial, institutional, and industrial customers of electricity that participate in various proceedings before this Commission. Because the cost of electricity is a substantial aspect of the operating budgets of the members of the Industrial Customer Groups, the Commission's fundamental changes to the structure of default electric service in Pennsylvania is of particular concern to the Industrial Customer Groups.²

II. COMMENTS

The Tentative Order cites the original language of Electricity Generation Customer Choice and Competition Act, which required a default service product reflecting "prevailing market prices."³ However, as the Commission points out, Act 129 of 2008 added extensive language to this provision requiring Default Service Providers ("DSPs") to procure default service utilizing a "prudent mix of spot market purchases, short-term contracts and long-term purchase contracts."⁴ The Commission argues that while the intent of Act 129 was to ensure the "least cost to consumers over time," the effect of its mandates have resulted in a highly regulated default service product that has little relationship to market price.⁵ Through the proposed end state, the Commission intends to "fundamentally alter the default service product so that it more closely resembles market conditions" to achieve its goals of having the market drive electric generation supplier ("EGS") prices.⁶ Enacting the default service plan, as proposed, will require legislative changes.

² The positions set forth herein reflect the collective views of the intervention groups and do not necessarily reflect the views of each individual member.

³ See 66 PA. CONS. STAT. § 2807 (West 2012).

⁴ See Tentative Order at 10 (citing 66 PA. CONS. STAT. § 2807(e)(3.2)).

⁵ See *id.* at 12.

⁶ See *id.*

Many of the Commission's proposals within the Tentative Order appropriately address large C&I customer concerns. However, the Industrial Customer Groups submit that the following issues raised by the proposed end state must be addressed before a final default service plan is adopted: (1) Locational Marginal Pricing ("LMP) hourly pricing for medium and large C&I customers must (a) fairly allocate, collect and reconcile implementation, capacity and transmission charges, (b) provide a "failsafe" in situations of market failure, and (c) be accompanied by the pursuit of strategies to effectively use Pennsylvania's shale gas resources for economic development, job retention and job creation; (2) the Commission should proceed cautiously until the costs of Supplier Consolidated Billing ("SCB") have been confirmed; (3) with respect to currently effective long-term energy or Alternative Energy Credit ("AEC") contracts, the Commission should clarify that that a "non-bypassable surcharge" can be class-specific, rather than a uniform charge across all customer classes; (4) the Commission should not mandate the length and structure for future AEC contracts, but could consider this issue on an EDC-by-EDC basis in light of the characteristics of each service territory; and (5) electric industry assessments should not be removed from the traditional base rate case process. The Comments herein provide greater detail with respect to each of these proposals.

A. LMP Hourly Pricing for Medium and Large C&I Customers Must Fairly Allocate, Collect and Reconcile Costs, Include a "Failsafe" to Address Market Failures and Maximize Pennsylvania Resources to Meet Customer Needs

The Commission's stated end goal for default service products is to create a more "market-based" Price to Compare ("PTC").⁷ The Tentative Order puts forth the Commission's finding that the current default service construct creates potential "boom/bust" situations in which the PTC is based on historical market conditions rather than existing conditions. In order

⁷ See Tentative Order at 15.

to facilitate a more stable retail market, the Commission proposes two default service products: one for medium and large C&I class customers, and one for residential and small C&I customers. EDCs would only offer hourly LMP pricing for medium and large C&I customers, defined as "those accounts with demand of 100 kW or greater."⁸ In cases where it is impractical to create default service subclasses, the Commission will permit EDCs to designate a delineating point between small and medium/large C&I customers based on the EDC's existing rate schedule.⁹

If a handful of safeguards are adequately addressed, Industrial Customer Groups are not opposed to the continuation of hourly LMP pricing as the default option for large C&I customers, or the extension of that product to medium C&I customers. An effective hourly LMP default service product for medium and large C&I customers should reflect the following conditions set forth below.

First, hourly-priced services for large C&I customers should be provided by the EDC, not auctioned to other suppliers. Based on the industry's experience to date, it appears that having the EDC act as the supplier for this service will result in the most cost-effective adder. Dividing the small amount of customers relying on hourly-price default service among multiple default EGSs or wholesale suppliers, and then requiring the EDC to perform redundant activities to be prepared in case the EGSs default, is neither efficient, nor just and reasonable. The EDCs should provide the hourly LMP service and charge an adder based on its actual costs to provide

⁸ *See id.* at 16.

⁹ *See id.*

the service.¹⁰ The goal in the structure and design of this product should be ensuring that the adder is as low as possible.

Second, if the proposed hourly LMP service includes all customers with loads greater than 100 kW, only customers new to this service should be paying costs associated with implementation, and separate procurements should occur to minimize interclass cost shifting. As the Commission correctly notes in the Tentative Order, large C&I customers currently take default service using hourly LMP.¹¹ The characteristics of the "large" and "medium" C&I customers differ on issues such as creditworthiness, predictability of usage and payment history. Accordingly, this increases the possibility that wholesale suppliers who bid for the hourly-priced default service product may include higher risk premiums for serving the smaller customers, resulting in a higher adder to be paid by the hourly default service customers.

In addition, medium C&I customers are included on different rate schedules, and therefore, may have different metering requirements than large C&I customers. For example, some EDCs may use load profiles for the hourly billing of medium C&I customers rather than the actual hourly usage of large C&I customers. The use of load profiles is not as accurate as actual hourly usage. Moreover, the addition of medium C&I customers may require changes to the EDC's billing system, increasing costs to the EDC that will be passed on to hourly-priced customers. Large C&I customers should not be expected to pay for billing system changes when they have already incurred similar costs when hourly-priced service was designated as their default service option. As the Commission recognized in its December 16, 2011, Order at this

¹⁰ In addition, if the Commission proceeds with its proposal to auction this service to wholesale suppliers, to keep the administrative costs reasonable, the Commission should ensure that the auctions are conducted annually, rather than quarterly. The ancillary services and other costs reflected in the adder are not as volatile on a quarterly basis as the energy costs that are included in the residential and small C&I procurements. As a result, more frequent wholesale procurements are not necessary for the hourly LMP product.

¹¹ Tentative Order at 17.

Docket (regarding "Recommendation Regarding Upcoming Default Service Plans"), creating a third default service product providing hourly LMP service for those "medium" C&I customers with load greater than 100 kW will alleviate concerns regarding cross-subsidization.¹²

Third, any default service charges for capacity and transmission must be allocated, collected and reconciled for all hourly price customers in accordance with the PJM rates and rate design for each product. This is necessary to avoid interclass and intra-class cost shifting, and also to provide customers with an "apples to apples" comparison. As the Industrial Customer Groups explained in the Comments regarding the pending *Default Service Reconciliation Interim Guidelines* at Docket No. M-2012-2314313, PJM's determination of an EDC's proportionate share of capacity and transmission costs is the primary driver in the capacity and transmission costs that are assessed by EDCs to their respective retail customers. Specifically, an EDC's Peak Load Contribution ("PLC") establishes that EDC's proportionate share of the system's capacity obligation, which is then reflected on an invoice from PJM and ultimately charged to retail customers. PJM allocates capacity obligations among load-serving entities, which include Pennsylvania's EDCs, on a 5 CP basis.¹³ Similarly, an EDC's Network Service Peak Load ("NSPL") is used to determine that entity's proportionate share of the transmission costs in a particular zone, which are also reflected on the EDC's PJM invoice and, in turn, charged to retail customers. PJM allocates transmission costs on a 1 CP basis.¹⁴ As the determination of an EDC's capacity and transmission costs directly affects rates, terms, and conditions of service for EDCs and their customers, the EDC process for allocating and collecting wholesale capacity and

¹² *Investigation of Pennsylvania's Retail Electricity Market: Recommendations Regarding Upcoming Default Service Plans*, Docket No. I-2011-2237952 (Final Order entered December 16, 2011) at 61.

¹³ Under the 5 CP methodology, PJM reviews summer hourly metered load data for the period between June 1 through September 30 to determine the five highest daily peaks on the PJM system. See PJM Manual 19: Load Data System at <http://www.pjm.com/~media/documents/manuals/m19.ashx>.

¹⁴ The 1 CP is the metered peak zonal demand as determined by PJM as set during the highest demand day for each of the PJM zones.

transmission costs (including, but not limited to, Reliability Must-Run and Regional Transmission Expansion Project costs) from default service customers should mirror PJM's billing methodology. This includes ensuring that an EDC's rate design and reconciliation are done on the same basis as PJM is consistent with cost causation, and is necessary to ensure that customers pay just and reasonable rates. Furthermore, consistent with the Commission's recent decisions in various default service proceedings, all ancillary service, transmission and capacity costs should follow the customer's generation supplier and not be collected through a non-bypassable EDC charge.¹⁵

Fourth, there must be a failsafe mechanism in place to address the event of market failure. Where hourly priced service is the only default service option, it is clear that most customers shop to avoid the variability of such service. Many large C&I customers desire prices that are affordable, stable and predictable. By enacting hourly-priced default service as the only default service product, the Commission is assuming that the EGSs in the marketplace will respond to the needs of the customers. If EGSs are not offering prices that meet these goals, then the market is failing and the Commission must step-in to revise its default service paradigm. This is similar to the Commission's recent advocacy at the Federal Energy Regulatory Commission ("FERC") for a relief mechanism related to Shortage Pricing situations when a market failure exists.¹⁶ Specifically, the Final Order should acknowledge the possibility of this failure, and demonstrate willingness to step-in if requested in the future. In addition, any modifications to the Electricity Generation Customer Choice and Competition Act should

¹⁵ See, e.g., *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Their Default Service Plans*, Docket Nos. P-2011-2273650, et al. (Opinion and Order Entered Aug. 2, 2012); *Petition of PECO Energy Company for Approval Of Its Default Service Program*, Docket No. P-2012-2283641, Recommended Decision (Buckley, ALJ) (Aug. 27, 2012).

¹⁶ See, e.g., *PJM Interconnection, L.L.C.*, 141 FERC ¶ 61,096 (Nov. 5 2012) (order denying rehearing of the PUC's request for reconsideration). In its request for rehearing, the Commission advocated for FERC to provide a backstop to PJM's shortage pricing mechanism arguing that shortage pricing is an "untested major modification" that could cause long-term harm in the event of market failure.

provide the Commission with the flexibility to revise the default service structure, if necessary, to further the public interest.

Fifth, the Commonwealth must continue to explore how Marcellus Shale resources and opportunities can be used to meet the electricity needs of manufacturing and industrial consumers. As outlined in a recent report by the Governor's Manufacturing Advisory Council ("Council"), shale gas plays offer a unique opportunity not only to provide stable low-cost energy to existing customers, but also to grow manufacturing industries dependent on low-cost energy.¹⁷ The Council recommends the development of a statewide energy plan that, among other endeavors, promotes Pennsylvania's shale gas resources with a focus on job creation and competitiveness for Pennsylvania-based businesses.¹⁸ According to the Council, both markets and government have roles in reaching the goal of ensuring that Pennsylvania's energy costs are the lowest and most stable in the United States.

In summary, if the Commission incorporates the above-described consumer safeguards into the Final Order, the Industrial Customer Groups are not opposed to the continuation of hourly LMP pricing as the default option for large C&I customers, or the extension of that product to medium C&I customers.

B. The Proposed End State Correctly Retains EDCs as DSPs

The Industrial Customer Groups support the Commission's proposal to retain EDCs as DSPs for all customer groups. As the Commission correctly notes in the Tentative Order, requiring EDCs to continue serving customers as DSPs "strikes the appropriate balance" for continued growth of the retail electric market, while providing customers with ongoing reliable

¹⁷ See *Governor's Manufacturing Advisory Council, Recommendations to Encourage Growth in Pennsylvania's Manufacturing Sector* at 16 (2012), available at http://teampa.com/wp-content/uploads/2012/08/GMAC_FinalReportRecommendations1.pdf.

¹⁸ See *id.*

default service.¹⁹ Although the Tentative Order reserves the Commission's right to select an alternative DSP, the Industrial Customer Groups submit that the EDCs' proven track record of reliable default electric service recommends their continued performance of such service to all customer classes unless they are unable to do so.

C. Standardization of the Proposed End State Among the Major EDCs Provides Clarity for Default Service Customers With Multiple Pennsylvania Locations

The Commission has proposed that the changes announced in the Tentative Order be applicable to all jurisdictional EDCs in Pennsylvania. The Industrial Customer Groups generally support this uniform applicability for the major EDCs. Standardization of the default service structure across all EDCs will result in less confusion for customers with multiple locations in Pennsylvania.

D. The Commission Should Proceed Cautiously Until the Costs of SCB are Evaluated

The Tentative Order requires OCMO to provide a recommendation to the Commission by July 1, 2013, as to how to proceed with making SCB available to EGSs and third parties as a billing option. Although the Commission acknowledges that SCB continues to present a number of challenging and complex issues, "none of these concerns present an insurmountable obstacle to making SCB available."²⁰ In addition to significant up-front costs to EDCs associated with implementing SCB, there will likely be ongoing costs associated with switching if the Commission determines that SCB should be provided as a customer billing option. Given the uncertainty surrounding these costs, the Commission should proceed cautiously before implementing SCB as a customer billing option, and fully examine the costs prior to issuing a binding decision to move forward with this option.

¹⁹ See Tentative Order at 14.

²⁰ See *id.* at 27.

E. "Non-Bypassable Surcharge" Recovery For Currently Effective Energy and AEC Contracts Could Be Class-Specific

The Commission proposes to hold harmless all currently effective Alternative Energy Credits ("AEC") contracts, as well as any other energy contracts currently in force, from any changes to Pennsylvania's retail electric market resulting from this proceeding. On a case-by-case basis, EDCs may propose the means to address cost recovery with respect to these contracts in default service plan proceedings. These means may include, but are not limited to, including incurred costs in the PTC, including costs in a non-bypassable surcharge, or voluntary assignment to an EGS.

The Industrial Customer Groups agree with the Commission that the appropriate venue to address cost recovery with respect to all existing long-term contracts is the default service plan proceedings. In the default service proceedings, the parties will have an opportunity to examine the specific nature and purpose of individual contracts, and to propose how to address the costs of the contracts. However, if some of these contracts may be serving only particular customer classes, then traditional cost causation principles would support allocating the costs only to that class. To resolve any ambiguity that may exist, the Commission should clarify that a "non-bypassable surcharge" can be class-specific, rather than a uniform charge across all customer classes.

F. The Commission Should Not Mandate That EDCs or DSPs Enter Into Long-Term AEC Contracts

As part of a broader discussion of whether to include long-term AEC contracts in EDCs' next default service filings, the Tentative Order requests comment on whether an EDC or an alternative, PUC-approved DSP should file a procurement plan for Tier I, II, and Solar AECs. The Tentative Order also requests comment on whether future AEC contract procurements

should include a mix of short-term, medium-term, and long-term contracts.²¹ If the procurements should include a mix of contract durations, the Commission further asks whether the procurement schedules should attempt to procure enough AECs to comply with up to 50 percent of the zonal load for a given service territory and pro-rata allocate those AECs (1) to EGSs operating in the EDC's zone; (2) entirely among the default service load; or (3) a mix of both.²²

The currently-applicable statutory provisions neither mandate nor prohibit EDCs from entering into medium-term and long-term AEC contracts. The Industrial Customer Groups support an EDC-by-EDC resolution of this issue based on the characteristics of each territory, rather than mandated contracts. As an initial observation, creating an obligation for EDCs to enter into medium and long-term contracts may exceed the current statutory authority, which already interferes with customer choice and the energy market by providing these technologies with guaranteed market share.²³ However, for some territories, it may be reasonable to enter into short, medium and long-term solar AEC contracts for some customer classes and for some types of AECs. This position is consistent with the Commission's current policy statement encouraging companies to enter into long-term AEC solar contracts.²⁴ Yet there may be unintended consequences of making this procurement mix a requirement, such as customers paying AEC costs that are not consistent with current market conditions because the contract was executed five (5) or ten (10) years prior.

²¹ See *id.* at 36-37.

²² See *id.*

²³ Act 129 requires a "prudent mix" of spot market, short-term and long-term purchase contracts for the provision of "adequate reliable service" and the "least cost to customers over time." 66 PA. CONS. STAT. § 2807(e)(3.4). The statute does not mandate that a particular type of contract be used to achieve these objectives.

²⁴ See *Policy Statement in Support of Pennsylvania Solar Projects*, Docket No. M-2009-2140263 (Final Policy Statement Order Entered Sept. 16, 2010) (setting forth regulations for standardized contracts for the long-term procurement of solar renewable energy credits).

As the Tentative Order recognizes, because customers can shop for electric supply, the possibility exists that an EDC or DSP who has entered into medium-term and long-term AEC contracts will have more AECs than necessary for its default service load. This is especially true if the 50% zonal target is adopted. The "solutions" suggested by the Commission interfere with the negotiations between customers and the competitive retail suppliers, and could result in customers paying twice for AECs.

For example, Customer A may enter into a retail supply contract with Supplier A that has a lower rate than what had been offered by Supplier B, because Supplier A made a proactive decision to include AEC-eligible projects in its generation fleet. If the Commission then requires Supplier A to take an additional assignment of AECs at the "long-term" price, then Customer A and/or Supplier A have been denied the benefits of the bargain they negotiated (because either Customer A will have to pay a higher price if the assigned AECs are passed through or Supplier A will have a lower profit). Customer A would also be harmed if the "solution" endorsed by the Commission is a non-bypassable AEC charge assessed on all customers. In this situation, Customer A may end up paying twice for AECs, or may be required to pay a higher surcharge than Supplier A would have requested.

In addition, if Customer A has its own AEC-eligible project (such as a solar field), it may be willing to negotiate an arrangement with Supplier A whereby Supplier A uses the AECs generated by the project to meet the requirements for the account. Supplier A does not need a further assignment of AECs for this account and clearly this customer should not be required to pay an EDC surcharge for other AEC projects. Thus, the "solution" to ensure that the EDC is held harmless for its medium and long-term AEC purchases could adversely interfere with the negotiations between customers and their retail suppliers.

These are a few examples of how customers and retail suppliers could be adversely impacted by a mandate for the EDC (or DSP) to enter into medium-term and/or long-term contracts. The Industrial Customer Groups respectfully, but strongly, urge the Commission to reconsider this aspect of the Tentative Order.²⁵

G. Costs for the Statewide Consumer Education Program are Appropriately Allocated to the Residential and Small C&I Customer Classes

The Tentative Order proposes to develop and implement a statewide consumer education program focused on educating electricity consumers on the benefits of shopping and the available comparison tools. The Commission proposes to fund the program utilizing a "Fair Share" approach, wherein funding will be collected on a proportional basis from EGSs and EDCs, with costs ultimately recouped from residential and small C&I customer classes.²⁶

The Industrial Customer Groups support the Commission's proposal to allocate the \$5 million annual cost of the consumer education program to residential and small C&I customers. Given that these customers are the target audience of the education campaign, and that large C&I customers are fully aware of the advantages to competitive electricity supply procurement, it is appropriate for residential and small C&I customers to bear the costs of an education campaign conducted primarily for their benefit.

H. Electric Industry Assessments Should Remain Within the Traditional Base Rate Case Process

As the Tentative Order notes, the Commission is statutorily barred from levying assessments on EGSs.²⁷ Therefore, the PUC collects assessments related to regulating EGS from EDCs, which are then recovered by EDCs via distribution charges in a base rate case. The

²⁵ In addition, if the Commission chooses to proceed with an AEC procurement methodology that includes mixed duration contracts, it should ensure that the percentage dedicated to long-term contracts still allows for the pursuit of new AEC projects. The structure of the procurement methodology also should not favor larger alternative energy developers over small projects.

²⁶ Tentative Order at 38-39 (describing the "Fair Share" cost allocation process for consumer education program).

²⁷ See *id.* at 41-42 (citing *Delmarva Power & Light Co. v. Commonwealth*, 870 A.2d 901, 911 (Pa. 2005)).

Commission believes the base rate case mechanism does not fully and fairly provide for recovery of assessments. Accordingly, the Commission proposes to seek the legislative changes required to allow EDCs to use an automatic surcharge mechanism to recover electric industry assessments paid to the PUC.

Initially, the Industrial Customer Groups respectfully question why the Commission is not seeking to amend the statute to ensure that the EGSs pay the costs of regulating their industry. Although the current statute may prohibit this, the Commission will be seeking legislative changes, even under its proposed resolution of the issue. The Commission should allocate these costs to the entities that are responsible for them – the EGSs.

The Industrial Customer Groups also oppose the removal of assessments from the traditional rate base case process. All EDCs are beyond the rate caps, and can file base rate cases to reflect the level of the assessments. In a base rate proceeding, a utility utilizes the test year concept to reflect its typical revenues, expenses and capital costs, with the intent of proving its new rates are "just and reasonable."²⁸ In the post rate cap environment, where some utilities are filing rate cases every two to three years, there is no basis to create an additional 1307 surcharge for the recovery by EDCs of regulatory assessments.

Finally, if the Commission chooses to implement an automatic surcharge mechanism (which it should not do), the mechanism must be designed properly. The clause should be designed to reflect the allocation methodology for regulatory assessments that is used in rate cases. A clause that results in a per meter surcharge or a percentage of the customer's distribution costs, as the State Tax Adjustment Surcharge is currently assessed, would be more appropriate than a kWh surcharge. An assessment based on kWh has no correlation to the costs

²⁸ See *Popowsky v. Pa. Pub Util. Comm'n*, 869 A.2d 1144, 1152 (Pa. Commw. Ct. 2005) (citing 66 PA. CONS. STAT. § 315(a)).

associated with EGS regulation and oversight, and would disproportionately impact larger customers.

III. CONCLUSION

WHEREFORE, Industrial Energy Consumers of Pennsylvania, Duquesne Industrial Intervenors, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Penn Power Users Group, Philadelphia Area Industrial Energy Users Group, PP&L Industrial Customer Alliance, and West Penn Power Industrial Intervenors respectfully request that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing Comments.

Respectfully submitted,

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Dated: December 10, 2012