PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 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

Public Meeting: February 14, 2013
2273650-TUS
Docket No. P-2011-2273650, P-2011-227366, P-2011-2273669 and P-2011-2273670

MOTION OF COMMISIONER JAMES H. CAWLEY

Before the Public Utility Commission (Commission) for consideration is the Joint Petition for approval of the Revised Default Service Plan (DSP) Retail Market Enhancement Programs of Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn) (collectively, FirstEnergy or Companies) (Joint Petition) filed on November 14, 2012. While the parties were able to resolve any number of changes to reflect the Commission's action on its original default service plan, issues related to the pricing structure of the Opt-In Aggregation Program were unresolved.

The Companies propose that participating EGSs provide a 4-month fixed-price offer that is 5% off the March 1-May 31, 2013 Price to Compare (PTC) for supply service commencing between June 1, 2013 and June 30, 2013. Participating EGSs would also provide an 8-month fixed price for the duration of the 12-month contract, and reward customers who remain with the EGS under this program with a $50 rebate check if they remain with the assigned EGS for the first 4 months. Both the 4 month and 8 month prices would be required to be provided to the Commission by February 25, 2013, and be provided to customers in their marketing materials submitted to the Company's mail house by April 4, 2013.

Both the Retail Energy Supply Association (RESA) and Washington Gas Energy Services (WGES) express concerns about the pricing requirements of the Company's proposed Opt-In Aggregation Program. Specifically, RESA takes issue with requiring an EGS participant to provide a price fully 8 months in advance of the date of delivery, without any reasonable ability to predict the level of enrollment that would be in effect at that later date.

Both RESA and WGES are correct in their assertions. It is also unreasonable and unworkable to expect EGSs to provide an 8 month forward price to customers 8 months in advance of delivery, when there are no reasonable means of anticipating with any level of certainty, customer participation levels. There is simply no means for EGSs to securely and responsibly hedge such a requirement. Instead, the 8-month price should be provided to the enrolled customer of an EGS at least 45 days prior to taking effect. Furthermore, these prices shall be submitted to the Commission no later than forty-five (45) days before offers are extended to their customers. To the extent an EGS prefers to provide an 8-month fixed price, as

indicated by the Company's affiliate First Energy Solutions, they are certainly free to do so.

THEREFORE, I MOVE THAT:

1. The Office of Special Assistants prepare an Order consistent with this Motion.
2. Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company file a compliance filing within 30 days.

DATE: February 14, 2013

James H. Cawley, Commissioner