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May 1, 2013

VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
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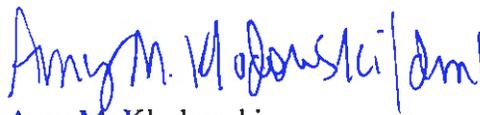
Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Their Default Service Programs, Docket Nos. P-2011-2273650, P-2011-2273668, P-2011-2273669, P-2011-2273670

Dear Secretary Chiavetta:

Enclosed please find FirstEnergy Solutions Corp.'s Reply Comments on the Second Revised Default Service Plan – Retail Market Enhancement Programs Compliance Filing of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Very truly yours,


Amy M. Klodowski

AMK:dml

Enclosure

cc: Honorable Elizabeth H. Barnes
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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 Nos.:	P-2011-2273650
	:		P-2011-2273668
	:		P-2011-2273669
	:		P-2011-2273670
	:		

**REPLY COMMENTS OF FIRSTENERGY SOLUTIONS CORP. ON
THE SECOND REVISED DEFAULT SERVICE PLAN—RETAIL MARKETS
ENHANCEMENT PROGRAMS COMPLIANCE FILING OF METROPOLITAN
EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA
POWER COMPANY AND WEST PENN POWER COMPANY**

FirstEnergy Solutions Corp. ("FES"), by its attorneys, hereby files its Reply Comments to the Comments filed by the Office of Consumer Advocate ("OCA") on the Revised Default Service Plan—Retail Markets Enhancement programs Compliance Filing ("RME Filing") filed by Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (the "Companies") on April 16, 2013. Comments to the RME Filing were submitted by the OCA on April 26, 2013. FES submits these Reply Comments in response to the OCA's Comments.

I. INTRODUCTION

The Comments of the Office of Consumer Advocate in regard to the Companies' revised Standard Offer Program ("SOP") cost recovery proposal contains suggestions which are unsupported by record evidence in these proceedings and Commission precedent. The OCA's proposals that the Companies' SOPs must be designed so the costs fall at or below the \$30 per customer cap the Commission has established for electric generation supplier ("EGS") cost responsibility, and alternatively that EGSs should bear half of any unknown cost responsibility for any costs that exceed the \$30 per customer fee amount, are contrary to prior Commission

Orders and are not supported by record evidence in these proceedings. FES respectfully submits the arguments of the OCA should be rejected.

II. REPLY COMMENTS

As the OCA acknowledges, the Commission has established a \$30 per customer cap for program costs to be borne by participating EGSs. OCA Comments at 6. The OCA argues that the Commission should require the Companies to redesign their SOPs so that the costs thereof remain less than the \$30 per customer cap and customers will not have to bear any costs of the programs. The OCA points approvingly to the lower cost estimates of PPL Electric and Duquesne Light Company, and urges the adoption of the Duquesne Light Company SOP design. OCA Comments at 7-8.

The OCA's proposal that the Companies adopt the drastically different (and flawed) Duquesne Light SOP design is untimely and bears no relationship to the evidentiary record in these proceedings. The Companies' SOP design is based upon the Companies' operations, not those of Duquesne Light or PPL Electric. The OCA's recommendation lacks any analysis of any impacts of changing the Companies' SOPs on other aspects of the program or on other of the Companies' operations. Therefore the OCA's recommendation to substitute other EDCs' SOP designs should be rejected.

The OCA also urges the Commission to reject the Companies' proposal to recover SOP costs in excess of the \$30 per customer cap through a nonbypassable charge, and instead require the Companies to recover 50% of these excess costs from default service customers and 50% through a discount on EGS receivables which the Companies purchase through their purchase of receivables ("POR") program. However, the OCA acknowledges that the Commission

recognized the possibility that costs would exceed the \$30 per customer cap on EGS responsibility, and expressly permitted EDCs to choose one of two options for recovery of any costs in excess of the \$30 per customer cap: (1) the 50/50 division between default service customers and POR or (2) a nonbypassable charge.¹ The OCA presents no arguments for disregarding Commission precedent. The Companies' choice of a nonbypassable charge is expressly permitted by the Commission's Order and should be approved.

Further, the Companies have chosen the option permitted by the Commission which promotes greater EGS participation. Any unknown cost responsibility on top of the \$30 per customer fee would inhibit EGS participation in the SOP program. The Commission has previously recognized that the resolution of retail market enhancement program cost recovery issues is "the cornerstone to the success of these programs," which "can jumpstart the market only if they are carried out."² Thus, EGS participation is obviously vitally important to the success of the programs. Accordingly, the OCA's Comments should be rejected, and the Companies' cost recovery proposals should be approved.

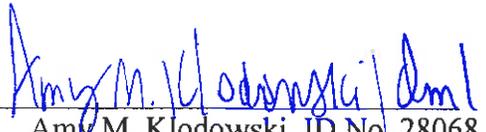
III. CONCLUSION

For the foregoing reasons, FirstEnergy Solutions Corp. requests that the Commission reject the arguments set forth in the Comments filed in this proceeding by the OCA, approve the Companies' cost recovery proposals and grant such further relief as the Commission deems appropriate.

¹ 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 Nos. P-2011-2273650, P-2011-2273668, P-2011-2273669, P-2011-2273670 (Opinion and Order entered February 15, 2013); Petition of PECO Energy Company for Approval of its Default Service Program II, Docket No. P-2012-2283641 (Order entered February 14, 2013).

² Petition of PECO Energy Company for Approval of its Default Service Program II, Docket No. P-2012-2283641 (Order entered October 12, 2012) at 148-149.

Respectfully submitted,

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Dated: May 1, 2013

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison Company,	:	Docket Nos.:	P-2011-2273650
Pennsylvania Electric Company, Pennsylvania	:		P-2011-2273668
Power Company and West Penn Power Company	:		P-2011-2273669
for Approval of Their Default Service Programs	:		P-2011-2273670

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served copies of the foregoing upon the following persons, in the matter specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

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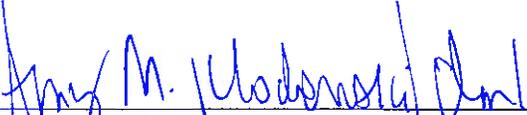
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