



ENERGY MARKETING  
NATURAL GAS • FUEL OIL • ELECTRICITY

## POLR Roundtable

### Pennsylvania Public Utility Commission

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## Who is Amerada Hess Corporation?

- Market capitalization = \$4.77 billion
- Annual revenues = \$14.3 billion
- Operations worldwide with 11,500 employees
- Retail operations – electric, natural gas and oil
- Primary customers – commercial, industrial and institutional at over 24,000 locations
- Serving electricity customers since 1999
- Served PA customers in PenElec, PECO, MetEd and PP&L

# POLR Service Defined

- POLR service should serve only as a default or backstop option
- Extend to all customers who do not choose or can not obtain competitive supply
- POLR must not be anti-competitive
  - Only one pricing option
  - POLR provider should not market POLR service

## Uniformity of POLR Service

- Uniform rules should apply
- Goal = clear and pre-defined objectives
- Balance uniformity and flexibility concerns
  - Uniformity (broad-level policy)
    - Similar POLR models statewide
    - Standardized schedule for POLR implementation
  - Flexibility
    - Timing of POLR implementation

## POLR Service Design

- POLR service must reflect wholesale market prices regardless of method to procure power
- Hourly pricing for large commercial and industrial
- Fixed priced (seasonally differentiated) option for small commercial and residential
  - Alleviates concerns on price stability
- Small commercial defined at 200 KW and above
  - Review feasibility of expanding this class

## POLR Service Design (cont'd)

- POLR pricing must reflect costs for providing service
  - Market based
  - Fully allocated costs (administrative charge)
- The Commission should consider a competitive bid process for generation procurement
  - NJ Auction vs. MD RFP
- There should not be any impediments to shop: switching restrictions, exit fees, or min. stay provisions

## POLR Provider

- EDC appropriate as POLR provider
- Caveats:
  - Market-based rates
  - POLR-related costs properly allocated

## POLR Implementation

- EDC must file for approval a POLR plan
  - Confirm no subsidies
- Customer education meetings
- Standardized schedule to include forum to tweak process