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September 22, 2010

VIA OVERNIGHT UNITED PARCEL SERVICE

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

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SEP 22 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

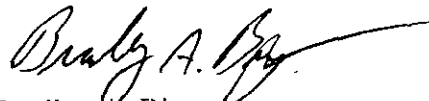
Re: Reports on Rate Ready Billing Platforms
Docket No. M-2010-2189433

Dear Secretary Chiavetta:

Enclosed for filing are an original and four (4) copies of Comments of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company pursuant to the Reports on Rate Ready Billing Platforms in the above-captioned docket.

Please date stamp the additional copy and return it to me in the enclosed, postage-prepaid envelope. Please contact me if you have any questions regarding this matter.

Very truly yours,



Bradley A. Bingaman

dln
Enclosures

c: As Per Certificate of Service

SEP 22 2010

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Reports on Rate Ready Billing Platforms : **Docket No. M-2010-2189433**
:

**COMMENTS OF METROPOLITAN EDISON COMPANY,
PENNSYLVANIA ELECTRIC COMPANY
AND PENNSYLVANIA POWER COMPANY**

I. INTRODUCTION

On August 23, 2010, the Pennsylvania Public Utility Commission (“Commission”), by Secretarial Letter, issued two Reports on Rate Ready Billing Platform for comment by interested parties. One report was submitted by the Retail Markets Working Group (“RMWG”), and the other report was submitted by Commission Staff (“Staff”). The Commission directed RMWG to submit a report to discuss whether the consensus plan for a Rate Ready Billing Platform developed for PPL Electric Utilities Corporation could serve as a statewide model for Rate Ready Billing Platforms. The Commission Staff was directed to submit an independent recommendation following the review of the RMWG report. Interested parties were invited to submit comments within 30 days of issuance of the date of the Secretarial Letter.

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”) and Pennsylvania Power Company (“Penn Power”) (“the Companies”) respectfully submit the following comments regarding the RMWG report and the Commission’s Staff recommendations in the above-captioned docket.

II. COMMENTS

The Companies have been strong proponents of competitive retail electricity markets for many years and have been making a good faith effort to ensure a successful transition to full competition throughout their service territories. The Companies look forward to continuing to work with the Commission and other interested parties to help remove impediments to achieving robust competition in the retail marketplace. Inasmuch as the RMWG was established to consider the resolution of competitive issues in a collaborative manner, the Companies believe that the good work of the RMWG should continue in that fashion.

As an initial matter, the Companies recognize that the reports at issue herein have not been the subject of any formal proceeding and there is no evidentiary record to support the recommendations contained therein or order the Companies to comply with any such directives at this time. Any new regulatory requirements to be imposed upon the Companies would need to be developed through a formal rulemaking or adjudicatory process.

Moreover, the Companies wish to point out that numerous retail market enhancements have been considered and included in settlements regarding the Companies' default service plans and proceedings. These settlements have included good-faith agreements among the interested parties, including EGSs, that address many key issues and programs currently being implemented to enhance retail competition. It is critical that these carefully balanced settlements remain in place.

Furthermore, the Companies would be remiss not to point out that implementing many of the recommendations contained within each of the reports cannot be achieved without incurring additional costs. Therefore, the Companies strongly believe that any and all costs associated with the implementation of additional measures to facilitate retail competition must be recovered

on a full and current basis. Therefore, in the event that the Commission would order the Companies in the future to implement additional measures to enhance retail competition as a result of an appropriate formal rulemaking or adjudicatory process, the Companies would expect the Commission to authorize, at the same time, full and current recovery of all costs associated with complying with such Commission mandates through their existing Default Service Support Riders, established pursuant to 66 Pa. C.S. § 1307.

Finally, the Companies do not have comments on every section in each of the reports. Therefore, the comments set forth herein will only address those sections of the reports where the Companies wish to offer specific comments and thoughts for the Commission's consideration. The Companies expressly reserve all legal rights regarding their ability to further comment, raise concerns, objections or any other actions they deem necessary with regard to any future directives to implement any of the recommendations set forth in the reports. The Comments submitted by the Companies are not intended to waive any due process or other legal rights with regard to any future application of the issues addressed in the reports and the Companies' comments thereto.

A. Creating New EGS Rates

The Companies currently program new rate codes within 30 days for 15 or fewer new rate codes, and within 90 days to program 16 or more new rate codes. The Staff recommends that the Commission direct the Companies to implement processes to support a 14 calendar day maximum rate code creation turnaround time.

In order for the Companies to facilitate such a shortened turnaround time for creation of new EGS rate codes to be effective January 1, 2011, a plan to develop "Standard Rates" that

would provide for a 14-day turnaround time would need to be implemented. Standard Rates, including fixed cents per kWh rates, would be created starting from \$0.0500 through \$0.1199 per kWh in \$.0001 increments, and up to four (4) decimal place precision. A standard “percent off” of shopping rates would be created from 1% through 50% off the Price To Compare in one-half percent increments. The Companies would provide a 14-day turnaround time for EGS Rate Ready rates which conforms to the above standard rates.

The 14-day turnaround time would not apply to EGS rates that do not conform to the standard rate parameters. The non-standard rates would be implemented no later than within 90 days. The expansion of 4 to 5 decimal place precision for the standard fixed-cents per kWh rates *would significantly expand the programming time and, therefore, would not be implemented.*

The Companies believe the use of standard rates to achieve a 14-day turnaround time to implement EGS rates is a reasonable resolution and they would be in a position to comply with these requirements for Standard Rates.

If ordered by the Commission to implement a 14-day rate code creation turnaround time, the Companies would expect the Commission to authorize at the same time full recovery of all costs associated with complying with such a Commission-mandate through their Default Service Support Riders. The costs would include all costs associated with modifying the Companies’ SAP System to implement the standard rate categories described above. The costs of the programming would be allocated among the three Companies based on customer accounts and *recovered from customers as incurred beginning with the next scheduled change in the default service support rider.*

B. Changing Prices Associated with Existing EGS Rate Codes

The Companies do not support changing prices associated with existing rate codes, but instead believe the EGS should change the customer's rate code. Changing prices would cause proration issues and the standard rates structure described above will not accommodate price changes within the rate. The Companies agree with the Staff's recommendation to return this issue to the Electric Data Exchange Working Group ("EDEWG") for further consideration.

C. Billing and Associated EDI Impacts

The Staff recommends that EGS charges shall be calculated using the identical criteria that is used for EDC charges. The Companies agree that the same kWh energy usage should be used to calculate both the EDC and EGS charges. The Companies believe measured demand should be used for EGS charges if the EGS rate has a kW demand component. The distribution charges dictated by the Companies' retail tariff may utilize a billing demand different than the actual measured demand. In fact, EDCs currently may bill different charges based on different demands. For example, energy efficiency charges are based on a peak load share while base rates may utilize a separate measure of demand. Therefore, in those instances where an EGS wants to incorporate a demand charge in its rate, the Companies believe the measured demand should be used since using the billed demand to calculate EGS rates with a demand component would likely create customer and EGS confusion.

D. Cancel-Rebill Process

The Staff recommends that if a prior billing period is involved in a rebill, the EDC should use the EGS billing parameters associated with that period. The Companies agree; however, the

Companies wish to clarify that the billing system would use the current tax exemption information to process the rebill. The current tax exemption information would be utilized because it reflects the latest information available to the Companies, and it should reflect the current taxable status of the customer.

E. Budget Billing

The Staff recommends that EDCs using Rate Ready platforms should be able to calculate the budget billing amounts for both EDC and EGS charges and that the EDC will also calculate the true-ups of the budgeted amounts throughout the year. Met-Ed's and Penelec's current processes conform to the Staff's recommendation. Penn Power currently does not calculate the budget bill for the EGS portion of the bill; the EGS provides the budget bill amount. Penn Power would need to make changes to its billing system to bring it into compliance if the Staff's recommendation is ultimately directed by the Commission, and the Companies would expect the Commission to authorize full recovery of all costs associated with such changes.

III. CONCLUSION

The Companies appreciate the opportunity to provide comments on the RMWG Rate Ready Report and the Commission's Staff recommendations. As previously stated, these comments are not intended to indicate the Companies' waiver of any legal rights or its acquiescence to any issues or recommendations contained within the reports.

Respectfully submitted,

Dated: September 22, 2010



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Reports on Rate Ready Billing
Platforms**

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Docket No. M-2010-2189433

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by overnight United Parcel Service, as follows:

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

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Service by electronic mail, as follows:

Retail Markets Working Group
Pennsylvania Public Utility Commission
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Dated: September 22, 2010



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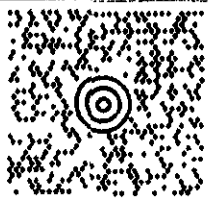
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