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October 21, 2011

VIA UPS OVERNIGHT DELIVERY

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, Second Floor Harrisburg, PA 17120 **RECEIVED**

OCT 21 2011

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

Re:

Electric Generation Supplier License Application

Docket No. A-2009-2097544

Dear Secretary Chiavetta:

This correspondence is on behalf of Just Energy Pennsylvania Corp ("JEP" or "Company") in response to your letter of October 6, 2011 regarding JEP's pending application to amend its Electric Generation Supplier ("EGS") license. The letter of October 6, 2011 requests the filing of a status report required by the Commission in a December 23, 2009 Order at Docket No. A-2009-2097544 which granted JEP an EGS license to operate as an electric generation supplier and as a broker/marketer and aggregator in the business of supplying electricity in the service territory of Duquesne Light Company ("Duquesne"). JEP's currently pending application seeks an expansion of the service territory in which JEP is authorized to operate.

The status report in question is one of the conditions applicable to door-to-door marketing/sales set by the Commission on JEP's current EGS license. The status report is to be filed "[n]ot less than sixty days before the expiration of the "probationary' period". 1

The Commission set a probationary period of eighteen months as the interval over which JEP's performance as an EGS would be measured and evaluated. JEP had proposed that its probationary period commence at the time it begins commencing service. In order to avoid lack of clarity as to the precise date that the probationary period commenced, the Commission's Order stated that the probationary period would be measured from the date of entry of the Order. This decision by the Commission did not take into account the eventuality that JEP would postpone its Pennsylvania market entry for a significant period of time. In fact, to date JEP has not commenced offering service in the Duquesne service territory.

October 6 Order at 10.

² Id. The entry date of the Order was December 23, 2009. The Commission's concern about ambiguity as to when service commences is understandable since in the ramp up to establish Pennsylvania offices, distribute marketing materials and offer service, it may not be clear on which specific date service by JEP commenced.

JEP could comply with the literal letter of the October 6 Order and file a status report with the Commission that, for example, reports that it successfully maintained a complaint ratio of less than 2% of sales over the 18 month probationary period. However in JEP's view, this would completely violate the spirit of the Commission's Order by providing no information whatsoever on the real issue, which is whether JEP is providing service in Pennsylvania without engendering an unreasonable number of complaints and consistent with the conditions the Commission attached to its EGS license. The status report cannot be provided until JEP has provided service in Pennsylvania for sixteen months. In addition, before adopting an interpretation of the Commission's October 6 Order to the effect that a status report would be filed after service was actually initiated, JEP informally discussed this approach with staff which concurred with this interpretation.

JEP respectfully submits that given the Company's decision to postpone initiation of service in Pennsylvania, the status report that has been requested by staff is not yet due. Therefore it is not an outstanding compliance item that warrants further investigation by the Commission, or should adversely affect the pending application to amend the Company's EGS license. Should your office disagree with this assessment, JEP welcomes the opportunity to work out with the staff an appropriate compliance filing or a determination of a precise date for the commencement of JEP's eighteen month probationary period.

Please contact me if you would like to discuss this matter in further detail or require any further information. Thank you for your consideration of this matter.

Very truly yours,

John F. Povilaitis

JFP/kra Enclosure

cc: Kathleen Aunkst, Secretary's Bureau

Daniel Mumford, Bureau of Consumer Services

Paul T. Diskin, Director, Bureau of Technical Utility Services

James R. Shurskis, Bureau of Technical Utility Services (via email)

³ October 6 Order at 8.

⁴ October 6 Order at 10, 13.

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