

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company For :
Approval of its Default Service Program : Docket No. P-2012-2283641

**ANSWER OF DOMINION RETAIL, INC.
AND INTERSTATE GAS SUPPLY, INC.
TO PETITION FOR CLARIFICATION
AND RECONSIDERATION**

AND NOW, come Dominion Retail, Inc. d/b/a Dominion Energy Solutions (“DES”) and Interstate Gas Supply, Inc. d/b/a IGS Energy (“IGS”) (collectively “EGS Parties”) and hereby Answer PECO Energy Company’s (“PECO”), *Petition for Clarification and Reconsideration of the Commission’s Order Entered October 12, 2012* (“PECO Petition”), that was filed in this docket on or about October 31, 2012. Accordingly, Answers to the PECO Petition would have been due to be filed and served on or before November 13, 2012.¹ However, due to the pressing nature of some of the requests in the PECO Petition, and the independent running of the thirty day appeal period, the Commission took action at its November 8, 2012 Public Meeting and granted reconsideration pending further consideration on the merits of the PECO Petition. Nonetheless, and in an effort to inform any Commission determination on the merits of the PECO Petition, the EGS Parties offer this response to a limited component of the PECO Petition.

In its Petition, PECO requests that the Commission “clarify” its October 12, 2012 Order in the matter of: *Petition of PECO Energy Company for Approval of Its Default Service*

¹ 52 Pa. Code § 5.572(e).

Program II, Docket No. P-2012-2283641, (Opinion and Order Entered October 12, 2012)(“PECO DSP Order”), by:

- affirming the Commission’s authorization for PECO to proceed with this procurement for default service;
- “clarifying” that the cost of the company’s Retail Market Enhancement (“RME”) be recovered from Electric Generation Suppliers (“EGS”) and NOT customers; and
- clarifying the time for the Commission’s review of EGS participation in the eight (8) month opt-in program; and,
- “correcting” several alleged “typographical errors”.

The EGS Parties Answer PECO’s Petition is as follows:

PECO’s “clarification” of the RME cost recovery provision ignores the plain intent of the Order and must be rejected.

With regard to the RME programs, PECO contends that “the Commission appears to have provided conflicting guidance on whether the cost of the RME program should be recovered from EGSs or customers.” (PECO Petition at 10). PECO’s request ignores the plain context and appears not to be requesting “clarification” but rather asks that the Commission reconsider the point, without any basis for doing so. While it is true that the Commission did say “we agree with the ALJ that our position articulated in the *IWPF Order* was and continues to be that EGSs should be responsible for these costs.” The Commission went on to state:

However, at this juncture, we do not believe we have sufficient information to adopt PECO’s proposal. Upon review of the EGSs positions in this proceeding, the Commission has significant concerns that the POR discount method of allocating costs may be a significant barrier to EGS participation. Accordingly, PECO, EGSs and interested parties are directed to resubmit a plan or proposal within sixty (60) days of the date of entry of this Opinion and Order, for Commission review and approval, addressing how participating EGSs or

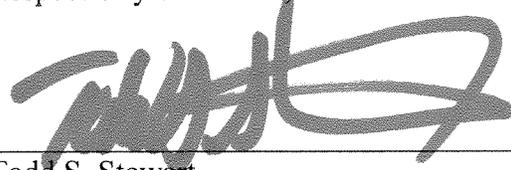
customers will pay for the cost of market enhancements approved in this DSP proceeding.

(PECO DSP Order at 148). While the Commission states that its initial position was that EGSs should be responsible for these costs, it is clear that the Commission has reconsidered that view in the context of this case, and has decided to allow for proposals that would provide for customers paying for at least a portion of the costs of the market enhancements.

PECO's suggestion that the Commission's inclusion of the words "or customers" in the Order must have been an error simply ignores the context provided by the statements in the preceding and subsequent paragraphs. PECO is not asking for clarification. Rather, it is asking the Commission to reconsider and change its obvious intention that customers could be asked to pay for RME expenses if the collaborative concludes that it is appropriate. It is inappropriate for PECO to attempt to remove that option, to effectively take it off the table for discussion in the collaborative, when the Commission's Order clearly made that outcome a possibility.

Accordingly, PECO's request for reconsideration should be denied. If the Commission believes that clarification is necessary, the EGS' Parties suggest that the Commission clarify that it intended that customers could share the costs for retail market enhancements in order to eliminate the "significant barrier" to EGS participation that the Commission has identified in this proceeding.

Respectfully submitted,



Todd S. Stewart
Attorney I.D. #75556
Hawke McKeon & Sniscak LLP
100 North Tenth Street
P.O. Box 1778
Harrisburg, PA 17105-1778
E-mail: tsstewar@hmslegal.com
Telephone: (717) 236-1300
Facsimile: (717) 236-4841

*Counsel for Dominion Retail, Inc. and
Interstate Gas Supply, Inc.*

Dated: November 12, 2012



Todd S. Stewart
(717) 236-1300 x242
tstewart@hmslegal.com

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com
November 12, 2012

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

RE: Petition of PECO Energy Company For Approval of its Default Service Program; Docket No. P-2012-2283641; **ANSWER OF DOMINION RETAIL, INC. AND INTERSTATE GAS SUPPLY, INC. TO PETITION FOR CLARIFICATION AND RECONSIDERATION**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the original Answer of Dominion Retail, Inc. and Interstate Gas Supply, Inc. to Petition for Clarification and Reconsideration in the above-captioned docket. Copies of the Answer have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

Todd S. Stewart
Counsel for Dominion Retail, Inc.

TSS/jld/:151268.1

Enclosures

cc: Honorable Dennis J. Buckley (w/encl.)

CERTIFICATE OF SERVICE

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

VIA ELECTRONIC AND FIRST CLASS MAIL

THOMAS P GADSDEN ESQUIRE
KENNETH M KULAK ESQUIRE
BROOKE E LEACH ESQUIRE
MORGAN LEWIS & BOCKIUS LLP
1701 MARKET STREET
PHILADELPHIA PA 19103-2921

IRWIN A POPOWSKY ESQUIRE
CANDIS A. TUNILO
OFFICE OF CONSUMER ADVOCATE
5TH FLOOR FORUM PLACE
555 WALNUT STREET
HARRISBURG PA 17101-1923

STEPHEN C GRAY ESQUIRE
ELIZABETH ROSE TRISCARI ESQUIRE
OFFICE OF SMALL BUSINESS
ADVOCATE
1102 COMMERCE BUILDING
300 NORTH 2ND STREET
HARRISBURG PA 17101

ANDREW S. TUBBS, ESQUIRE
POST & SCHELL
17 N. SECOND STREET, 12TH FLOOR
HARRISBURG, PA 17101-1601

AMY E. HAMILTON
EXELON GENERATION COMPANY
300 EXELON WAY
KENNETT SQUARE, PA 19348

JOHNNIE E SIMMS ESQUIRE
CARRIE B. WRIGHT, ESQUIRE
PA PUC BUREAU OF INVESTIGATION
& ENFORCEMENT
PO BOX 3265
HARRISBURG PA 17105-3265

MELANIE J. ELATIEH, ESQUIRE
UGI CORPORATION
460 NORTH GULPH ROAD
KING OF PRUSSIA, PA 19406

DANIEL CLEARFIELD, ESQUIRE
DEANNE O'DELL, ESQUIRE
EDWARD LANZA, ESQUIRE
ECKERT SEAMANS CHERIN &
MELLOTT, LLC
213 MARKET STREET, 8TH FLOOR
HARRISBURG, PA 17101

THU TRAN, ESQUIRE
ROBERT W. BALLENGER, ESQUIRE
GEORGE D. GOULD, ESQUIRE
COMMUNITY LEGAL SERVICES, INC.
1424 CHESTNUT STREET, 4TH FLOOR
PHILADELPHIA, PA 19102

TREVOR D. STILES, ESQUIRE
FOLEY & LARDNER
777 E. WISCONSIN AVE. SUITE 3800
MILWAUKEE, WI 53202-5367

J. BARRY DAVIS, ESQUIRE
SCOTT J. SCHWARTZ, ESQUIRE
CITY OF PHILADELPHIA LAW DEPT.
1515 ARCH STREET, 16TH FLOOR
PHILADELPHIA, PA 19102-1595

PATRICK M. CICERO, ESQUIRE
HARRY S. GELLER, ESQUIRE
PENNSYLVANIA UTILITY LAW
PROJECT
118 LOCUST STREET
HARRISBURG, PA 17101

THOMAS T. NIESEN, ESQUIRE
NORMAN J. KENNARD, ESQUIRE
CHARLES E. THOMAS III, ESQUIRE
212 LOCUST STREET
P.O. BOX 9500
HARRISBURG, PA 17108-9500

CHARIS MINCAVAGE, ESQUIRE
ADEOLU A. BAKARE, ESQUIRE
MCNEES WALLACE & NURICK LLC
100 PINE STREET
P.O. BOX 1166
HARRISBURG, PA 17108-1166

DIVESH GUPTA, ESQUIRE
CONSTELLATION ENERGY GROUP,
INC.
100 CONSTELLATION WAY,
SUITE 500C
BALTIMORE, MD 21202

SCOTT H. DEBROFF, ESQUIRE
ALICA R. DUKE, ESQUIRE
RHOADS & SINON LLP
ON SOUTH MARKET SQUARE
12TH FLOOR
PO BOX 1146
HARRISBURG PA 17108-1146

TORI L. GIESLER, ESQUIRE
FIRSTENERGY SERVICE CO.
2800 POTTSVILLE PIKE
P.O. BOX 16001
READING, PA 19612-6001

STEPHEN L. HUNTOON
NEXTERA ENERGY RESOURCES, LLC
801 PENNSYLVANIA AVE., N.W.,
SUITE 220
WASHINGTON, D.C. 20001

JEFFREY J. NORTON, ESQUIRE
CARL R. SHULTZ, ESQUIRE
ECKERT SEAMANS CHERIN &
MELLOTT, LLC
213 MARKET STREET, 8TH FLOOR
P.O. BOX 1248
HARRISBURG, PA 17101

BRIAN J. KNIPE, ESQUIRE
BUCHANAN INGERSOLL & ROONEY,
P.C.
17 NORTH SECOND STREET, 15TH
FLOOR
HARRISBURG, PA 17101-1503

AMY M. KLODOWSKI, ESQUIRE
FIRSTENERGY SOLUTIONS CORP.
800 CABIN HILL DRIVE
GREENSBURG, PA 15601

JESSE A. DILLON
PPL SERVICES CORPORATION
OFFICE OF GENERAL COUNSEL
TWO NORTH NINTH STREET
ALLENTOWN, PA 18106

ANTHONY E. GAY, ESQUIRE
JEANNE J. DWORETZKY, ESQUIRE
PECO ENERGY COMPANY
2301 MARKET STREET
P.O. BOX 8699
PHILADELPHIA, PA 19101-8699

A handwritten signature in black ink, appearing to read "Todd S. Stewart", written over a horizontal line.

Todd S. Stewart
*Counsel for Dominion Retail, Inc. and
Interstate Gas Supply, Inc.*

Dated: November 12, 2012
