

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

FAX (717) 783-7152
consumer@paoca.org

March 25, 2013

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

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

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-2012-2283641, P-2011-2273668
P-2011-2273669, P-2011-2273670

Petition of PPL Electric Utilities Corporation
For Approval of a Default Service Program
And Procurement Plan
Docket No. P-2012-2302074

Petition of Duquesne Light Company
For Approval of a Default Service Program
And Procurement Plan for the Period
June 1, 2013 through May 31, 2015
Docket No. P-2012-2301664

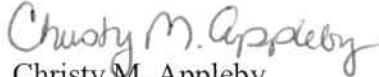
Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Comments in the
above-captioned proceeding.

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Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Sincerely,


Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824

Enclosures

cc: Hon. Dennis J. Buckley, ALJ
Office of Special Assistants
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for Approval of its Default Service Program	:	Docket No.	P-2012-2283641
	:		
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
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Petition of PPL Electric Utilities Corporation For Approval of a Default Service Program And Procurement Plan	:	Docket No.	P-2012-2302074
	:		
Petition of Duquesne Light Company For Approval of a Default Service Program And Procurement Plan for the Period June 1, 2013 through May 31, 2015	:	Docket No.	P-2012-2301664
	:		

COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

On March 14, 2013, the Pennsylvania Public Utility Commission issued its Tentative Order on Reconsideration (Tentative Order) regarding the proposed Retail Opt-In (ROI) Program implementation schedule for PECO Energy Company (PECO); Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively the FirstEnergy Companies); PPL Electric Utilities Corporation (PPL) and Duquesne Light Company (Duquesne). In its Tentative Order for Reconsideration (Tentative Order), the Commission stated:

We tentatively plan to postpone implementation of the ROI Program in each of the affected EDC service territories in order to permit the Standard Offer

Customer Referral Program to move forward on its own. The Commission will revisit the ROI Program after we have had the opportunity to consider the ongoing results of the Standard Offer Referral Program.

Tentative Order at 3. The Commission additionally stated that “[w]e are concerned that implementation of the ROI Program so close in time to the implementation of the Standard Offer Referral Program may result in confusion for customers.” Tentative Order at 3.

The OCA supports the Commission’s proposal to postpone the ROI program and revisit it at a later date. The OCA shares the Commission’s concern that the implementation of the ROI program close in time to the Standard Offer Referral Program would cause customer confusion and may compromise the success of the programs. The programs have similar intent and terms that are also similar. By way of example, the ROI program is to be a 12-month program that provides a 5% discount off the price to compare for four months while the Standard Offer Referral Program provides a 7% discount off the then current price to compare for 12 months. While there are other differences between the programs, such as the \$50 bonus provided under the ROI program, the potential exists for significant customer confusion and adverse comparisons between the programs.¹ The OCA agrees with the Commission that suspending the implementation of the ROI and revisiting the program after having the opportunity to consider the results of the Standard Offer Referral Program is reasonable.

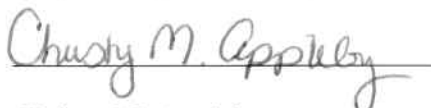
The OCA also submits that suspending the implementation of the ROI Program will allow the Commission and stakeholders to further consider the implementation of the Standard Offer Referral Program. The OCA remains greatly concerned that the final costs of this program have yet to be identified by the EDCs. Under the Commission’s recent Orders in the

¹ The OCA has been concerned about the issue of customer confusion from rolling out these programs close in time throughout these proceedings. The OCA presented testimony and briefs in each case highlighting this potential concern. *See, e.g.,* Petition of PECO Energy for Approval of its Default Service Plan, Docket No. P-2012-2283641, OCA St. 2 at 6; OCA M.B. at 84-85.

PECO Energy DSP case and the FirstEnergy DSP cases where the Commission directed a cap on the EGS charges of \$30 per referred customer, ratepayers are exposed to an unknown level of program costs that could far exceed any benefits to customers of the program. Petition of PECO Energy for Approval of its Default Service Plan, Docket No. P-2012-2283641, at 13-14 (Order Entered February 14, 2013); 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, at 14-15 (Order Entered February 14, 2013). The Commission stated in those Orders that one purpose of this EGS cap was to provide an incentive for the EDCs to minimize the implementation costs, but there is still no final cost information to determine if these efforts can be successful. The OCA submits that all efforts should be directed at designing and implementing a Standard Offer Referral Program that remains within the capped EGS charge of \$30 per customer referred if such a program is to be implemented. Significant questions are presented as to whether the most efficient means of implementing the program has been achieved if the program costs will exceed the capped amount.

For the foregoing reasons, the Office of Consumer Advocate supports the Commission's proposal to suspend the implementation of the ROI Program and revisit the program at a later date.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Christy M. Appleby", followed by a horizontal line.

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAappleby@paoca.org

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: Abeatty@paoca.org

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870
E-Mail: Devrard@paoca.org

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: Egannon@paoca.org

Darryl Lawrence
Assistant Consumer Advocate
PA Attorney I.D. # 93682
E-Mail: Dlawrence@paoca.org

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

DATE: March 25, 2013

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CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Comments, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 25th day of March 2013.

SERVICE BY INTER-OFFICE MAIL

Carrie B. Wright, Esq.
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Bldg.
P.O. Box 3265
Harrisburg, PA 17120

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

Anthony E. Gay, Esq.
Exelon Business Services Co.
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

Thomas P. Gadsden, Esq.
Kenneth M. Kulak, Esq.
Brooke E. Leach, Esq.
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921

Melanie J. Elatieh, Esq.
Jodi S. Larison (E-Mail only)
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
jlarrison@ugies.com

Daniel Clearfield, Esq.
Deanne O'Dell, Esq.
Edward Lanza, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Fl.
Harrisburg, PA 17101

Todd Stewart, Esq.
Hawke & McKeon, LLP
Harrisburg Energy Center
100 North Tenth St.
P.O. Box 1778
Harrisburg, PA 17105

Scott H. DeBroff, Esq.
Alicia R. Duke, Esq.
Rhoads & Sinon, LLP
One South Market Sq., 12th Fl.
P.O. Box 1146
Harrisburg, PA 17108-1146

Patrick M. Cicero, Esq.
Harry S. Geller, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Charles E. Thomas III, Esq.
Thomas, Long, Niesen & Kennard
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500

Charis Mincavage, Esq.
Adeolu A. Bakare, Esq.
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Elizabeth Rose Triscari, Esq.
Office of Small Business
Suite 1102, Commerce Bldg.
300 North Second Street
Harrisburg, PA 17101

Thu Tran, Esq.
Robert W. Ballenger, Esq.
George D. Gould, Esq.
Community Legal Services, Inc.
1424 Chestnut Street, 4th Fl.
Philadelphia, PA 19102

Tori L. Giesler, Esq.
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, Esq.
Carl R. Shultz, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Fl.,
P.O. Box 1248
Harrisburg, PA 17101

Brian J. Knipe, Esq.
Buchanan Ingersoll & Rooney, PC
17 North Second Street, 15th Fl.
Harrisburg, PA 17101-1503

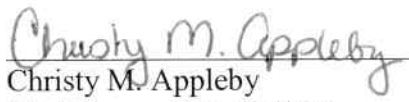
Amy M. Klodowski, Esq.
FirstEnergy Solutions Corp.
800 Cabin Hill Dr.
Greensburg, PA 15601

Andrew S. Tubbs, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Fl.
Harrisburg, PA 17101-1601

Thomas McCann Mullooly
Trevor D. Stiles
Foley & Lardner LLP
777 East Wisconsin Ave.
Milwaukee, WI 53202
amy.hamilton@exeloncorp.com (E-Mail only)

Brian Kalcic
Excel Consulting
225 S. Meramec Ave.
Suite 720-T
St. Louis, MO 63105

Divesh Gupta, Esq.
Managing Counsel – Regulatory
Constellation Energy
100 Constellation Way, Suite 500C
Baltimore, MD 21202


Christy M. Appleby
PA Attorney I.D. # 85824
Email: CApplby@paoca.org
Candis A. Tunilo
PA Attorney I.D. # 89891
Email: CTunilo@paoca.org
Assistant Consumer Advocates

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
*167132