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May 1, 2013

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Retail Energy Supply Association's ("RESA") Reply Comments with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in black ink that reads "Deanne M. O'Dell". The signature is written in a cursive, flowing style.

Deanne M. O'Dell

DMO/jls
Enclosure

cc: Hon. Dennis Buckley, ALJ w/enc.
Office of Special Assistance w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Retail Energy Supply Association's Reply Comments upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

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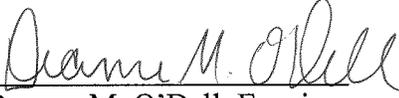
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Date: May 1, 2013


Deanne M. O'Dell, Esquire

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company For : Docket Nos. P-2012-2283641
Approval Of Its Default Service Program :

**RETAIL ENERGY SUPPLY ASSOCIATION
REPLY COMMENTS
TO THIRD REVISED DEFAULT SERVICE PLAN
COMPLIANCE FILING DATED APRIL 15, 2013**

I. INTRODUCTION

The Retail Energy Supply Association (“RESA”)¹ submits these Reply Comments in response to comments filed by the Office of the Consumer Advocate (“OCA”) and Office of Small Business Advocate (“OSBA”) and by the regarding the Third Revised Default Service Plan Compliance Filing dated April 15, 2013 (“Third Revised Default Service Plan”) submitted by PECO Energy Company (“PECO”). Importantly, OCA’s efforts to stop implementation of the Standard Offer Program because it continues to disagree with the Commission’s cost allocation decision should be rejected. Likewise, OSBA’s off-topic claims concerning due process should be disregarded as they are not only immaterial but plainly incorrect. The Commission has recognized since 2007 – as set forth in its Default Service Policy Guidelines that “the public interest would be served by consideration of customer referral programs.”² With expeditious approval of the Third Revised Default Service Plan (which has been well vetted by all stakeholders several times), implementation of this program can finally move forward.

¹ RESA’s members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; GDF SUEZ Energy Resources NA, Inc.; Hess Corporation; Homefield Energy; IDT Energy, Inc.; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; NRG, Inc.; PPL EnergyPlus, LLC; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

² 52 Pa Code § 69.1815.

II. REPLY TO OCA

In its April 26, 2013 comments, OCA recommends that the Commission not approve the Third Revised Default Service Plan “until the Commission and the parties know the precise amounts that they will be expected to pay for the Standard Offer Program and whether such amounts are reasonable.”³ Much time and effort has been spent in this proceeding (and others) regarding the appropriate and reasonable way to allocate the costs of the retail market enhancement programs. The Commission resolved the issue in its February 14, 2013 Order. In doing so, the Commission took into consideration all the competing interests and directed a reasonable resolution which requires electric generation suppliers (“EGSs”) to pay up to a defined capped with all customers sharing any remaining costs. Allocating a reasonable portion of the costs of the Standard Offer Program to all consumers is appropriate and reasonable because the program benefits all stakeholders, especially default customers who are the targets of the programs. As the Commission has already found:

It is also clear that these programs have the potential to benefit all residential and small commercial customers who avail themselves of the myriad of EGS offers. Specifically, these programs are mainly targeted at default service customers, yet it is also true that all customer groups can participate – even if they are already shopping. Moreover, these programs are designed to enhance the competitive market, from which all customers will benefit over time.⁴

OCA’s rehashing of these issues here – with the goal of stopping implementation of the Standard Offer Program – must be rejected as nothing more than an attempt to re litigate an

³ OCA Comments at 7. OCA claims that less cost programs can be designed and cites to the proposals of PPL and Duquesne OCA Comments at 7-8. RESA supports PPL’s proposed CRP program but opposes Duquesne’s proposed CRP program because Duquesne substantially seeks to dramatically revise its enrollment process which, coupled with its proposed cost recovery, presents significant problems that will hinder the success of the program. See *Petition of Duquesne Light Company*, Docket No. P-2012-2301664, RESA Comments dated April 10, 2013 at 2-6.

⁴ Order entered February 14, 2013 at 14.

already decided issue. RESA urges the Commission to expeditiously approve the Third Revised Default Service Plan so as to provide the certainty and final closure necessary to move forward with implementing the Standard Offer Program.

III. REPLY TO OSBA

Similar to OCA's comments, OSBA's comments spend a substantial amount of time bemoaning a decision of the Commission with which OSBA does not agree. Specifically, OSBA disagrees with the Commission's February 14, 2013 Opinion and Order directing small commercial and industrial customers to be included in the Standard Offer Program. According to OSBA it "continues to be troubled by [] due process issues."⁵ Nonetheless, OSBA ultimately states that it does not oppose approval of the Third Revised Default Service Plan as filed.

Pennsylvania's procedural due process requires notice, an opportunity to be heard and to defend in an orderly proceeding adapted to the nature of the case before the tribunal.⁶ Here, OSBA (and other interested parties) had both notice and an opportunity to be heard on this issue at several points in time throughout this proceeding. The most recent opportunity was RESA's December 14, 2012 Petition for Reconsideration *Nunc Pro Tunc* or for Amendment of the Commission's Opinion and Order of October 12, 2012. In fact, OSBA filed comments in response to the Petition and the Commission's February 14, 2013 Opinion and Order fully addressed these issues. The fact that OSBA does not agree with the Commission's resolution does not lend credence to OSBA's effort to paint the Commission as somehow being derelict in its duty. Quite simply, the Commission's policy decision was not somehow faulty for due

⁵ OSBA Comments at 4.

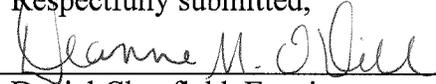
⁶ See, e.g., *Conestoga National Bank v. Patterson*, 275 A.2d 6, 8 (Pa. 1971).

process reasons – even if rehashing these issues in light of OSBA’s support of the Third Revised Default Service Plan were appropriate.

IV. CONCLUSION

For all the reasons discussed above, RESA respectfully requests that the Commission expeditiously approve PECO’s Third Revised Default Service Plan so that implementation of the Standard Offer Program can commence.

Respectfully submitted,



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