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February 18, 2014

**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 Plan  
Docket No. P-2012-2283641

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Direct Energy Services, LLC's Answer to Petitions for Reconsideration 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 style.

Deanne M. O'Dell

DMO/lww  
Enclosure

cc: Hon. Cynthia Fordham, w/enc.  
Cert. of Service w/enc.  
Ra-OSA@pa.gov

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of Direct Energy's Answer to Petitions for Reconsideration upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

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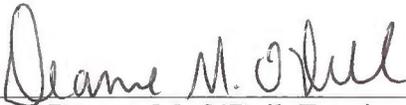
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Date: February 18, 2014

  
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Deanne M. O'Dell, Esquire

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**DIRECT ENERGY SERVICES, LLC's  
ANSWER TO PETITIONS FOR RECONSIDERATION**

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Pursuant to 52 Pa. Code §§ 5.61(a) and 5.572(3), Direct Energy Services, LLC (“Direct Energy”) submits this Answer in response to the Petitions for Reconsideration PECO Energy Company (“PECO” or “Company”), the Office of Consumer Advocate (“OCA”), and the Joint Petition for Reconsideration and/or Clarification and Stay of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) and The Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (“TURN”) (together hereinafter referred to as “CAUSE-PA/TURN”) filed on February 10, 2014 regarding the Commission’s January 24, 2014 Opinion and Order regarding PECO’s proposed customer choice program for customer assistance plan (“CAP”) customers.<sup>1</sup> None of the Petitions for Reconsideration/Stay meet the Commission’s criteria for reconsideration or stay and therefore should be denied. Direct Energy hereby files its Answer to the Petitions for Reconsideration/Stay.

**I. INTRODUCTION**

The Commission’s January 24, 2014 Opinion and Order provides CAP customers the shopping experience guaranteed them by the Commission’s October 12, 2012 Order in this same docket – the ability to avail themselves of the full benefits of retail electric competition.<sup>2</sup> The

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<sup>1</sup> Direct Energy will refer to all the petitions together as “Petitioners” when two or more of the petitions raise the same or similar issues.

<sup>2</sup> *Petition of PECO Energy Company for Approval of its Default Service Plan II*, Docket Number P-2012-2283641, Opinion and Order at 131-132 (October 12, 2012).

Commission should deny the arguments put forth by the Petitioners that would deny CAP customers their ability to fully realize the benefits of retail electric competition that so many other PECO customers realize today. Petitioners continue to refuse to acknowledge the benefits of shopping recognized by this Commission in favor of speculative and other arguments that have no merit. The Commission should uphold its Opinion and Order.

## II. ARGUMENT

### A. The Commission Already Considered And Reasonably Addressed the Petitioners' Concerns and Chose Evidence that Meets the Preponderance of the Evidence Standard

As a threshold matter, the Petitioner's arguments do not meet the Commission's standards for granting reconsideration. The Commission should not entertain the Petitioners' ineffective attempts to soft pedal their obvious second bite at the apple. The Petitioners have not raised new and novel arguments or considerations which appear to have been overlooked or not addressed by the Commission.<sup>3</sup> Rather, the more accurate statement is that the Commission considered their arguments and chose Direct Energy's more legally defensible and common sense arguments than the ones offered by Petitioners. The Commission should deny all of the Petitions for Rehearing on this basis alone. There is no need to reach their substantive arguments.

Further, Petitioners again raise arguments they claim were not considered by the Commission.<sup>4</sup> The Commission made clear in its Order (at 9) that it "duly considered" all of the arguments made by the Parties and that arguments raised but not discussed in the Commission's Order were denied. To the extent Petitioners again raise arguments the Commission did not

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<sup>3</sup> *Philip Duick et. al. v. Pennsylvania Gas and Water Company*, Docket No. C-R0597001, Order entered December 17, 1982, 1982 Pa. PUC LEXIS 4.

<sup>4</sup> See, e.g., PECO at 10, 12.

address in its Order (and which it was not obligated to do), the Commission should deny those arguments as well as a threshold matter inasmuch as the Commission already considered and denied those arguments.

Should the Commission reach the substantive arguments in the various Petitions for Rehearing, the Commission should again determine that PECO did not meet its burden to demonstrate its case by a preponderance of the evidence.<sup>5</sup> The record evidence by Direct Energy was more convincing by a preponderance of the evidence than the evidence presented by PECO or the other Parties and the Commission (as a general matter) should uphold its Order.

Additionally, CAUSE-PA/TURN attempts to work into its Petition for Reconsideration a request for Stay as well. CAUSE-PA/TURN makes no attempt to even explain yet satisfy the criteria for a stay and any requests by CAUSE-PA/TURN tucked into its Petition for Rehearing should be denied.

Finally, to the extent that Direct Energy does not address a request for rehearing or an argument in support of a rehearing request, such silence should not be construed as agreement with that request for rehearing or argument. Direct Energy takes no position on requests for rehearing not directly addressed in this Answer.

**B. The Statutory Challenges Brought by Petitioners are Incorrect and Should be Denied**

PECO's proposed CAP plan included a price cap in which no EGS could, at any time, charge a price higher than PECO's CAP.<sup>6</sup> All of the Petitioners argued the Commission could adopt the proposed price cap. The Commission agreed with Direct Energy and FirstEnergy Solutions and found there is nothing in The Electricity Generation Customer Choice and Electric

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<sup>5</sup> Order at 8.

<sup>6</sup> Order at 9-10.

Competition Act (“Competition Act”) that gives the Commission the authority to limit prices charged by EGSs.<sup>7</sup> The Commission also noted “[b]y removing the barrier to customer choice and allowing CAP customers the freedom to choose their EGS, as contemplated by the Competition Act, we are affording PECO’s CAP customers the same opportunities and benefits currently available to every other PECO customer.”<sup>8</sup>

**1. The Commission Correctly Found It Does Not Possess the Authority to Regulate Electricity Generation Supplier (“EGS”) Prices**

Petitioners once again claim that the Commission possesses the general authority to regulate EGS prices based on the language in the Competition Act.<sup>9</sup> Petitioners also again point to the Commission’s previous findings in approving the standard offer programs (“SOP”) in various electric utility proceedings, primarily arguing PECO’s proposed CAP program is just another program that EGSs can voluntarily choose to serve CAP customers.<sup>10</sup> Petitioners also infer that the Commission’s interpretation of the Competition Act somehow takes away the benefits of the CAP program.

As a threshold matter the Commission already thoroughly considered these arguments and correctly rejected them.<sup>11</sup> For this reason alone, the Commission should deny these arguments.

Substantively, should the Commission address their arguments, Petitioners continue to misread the Competition Act. The Commission properly found it does not have the authority to regulate EGS prices when the EGS is offering service to customers who are exercising their legal

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<sup>7</sup> Order at 14.

<sup>8</sup> Order at 14.

<sup>9</sup> CAUSE-PA at 7-8; OCA at 4-10.

<sup>10</sup> CAUSE-PA at 9-11; OCA at 6-8; PECO at 13-14.

<sup>11</sup> Order at 9-14.

right to choose their electric generation service provider. Instances in which EGSs voluntarily agree to charge a certain rate (or provide a certain percentage discount) as a condition to participating in a special program that goes over and above a customer's basic right to participate in choice and promotes electric competition (such as the Standard Offer Program) are wholly inapposite. Additionally, as it relates to the SOP of PECO (and other utilities) and the Commission's previous Orders, Direct Energy (in its Reply Brief) distinguished the SOP program from the price caps proposed by PECO.<sup>12</sup> The SOP argument is inapplicable here. Under Pennsylvania law customers have the right to shop. The SOP is an additional option for customers to shop in conjunction with their rights to shop for any other product offered by an EGS.

PECO's demand that EGSs can only market to CAP customers if they agree to a capped generation rate is not just another option for CAP customers to shop. Rather, it is an artificial and illegal restraint on the products that an EGS can offer, and it is a CAP customer's only option for shopping. The price cap takes away a CAP customer's right to shop like any other customer, whereas the SOP is an additional product offering that does not hinder other shopping opportunities for customers. Accordingly, there is no legal basis upon which to disturb the Commission's correct legal finding. Petitioners do not present any new interpretation of the Competition Act that would give the Commission the authority that Petitioners seek to read into the Act beyond the plain language of the Act. The Commission's interpretation of the plain language of the Competition Act is correct and should be affirmed.

As also explained by Direct Energy and accepted by the Commission, the proposed price cap runs contrary to Pennsylvania's public policy goals inasmuch as it thwarts setting of prices

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<sup>12</sup> Direct Energy Reply Brief at 4-7.

charges to customers through market forces, creates significant risk for EGS that cannot be satisfactorily mitigated by EGSs, effectively limits CAP customer choices to variable prices, and would actually make it harder rather than easier for CAP customers to shop.<sup>13</sup> Petitioners make no attempt to address these public policy concerns and therefore provide no reason to amend the Order on these grounds. Further, the Order continues the Commission's support of the CAP program and continues the current CAP discounts provided to customers.<sup>14</sup>

Petitioners bring forth nothing new for the Commission's consideration. The Commission should affirm its plain language reading of the Competition Act and distinguish the CAP program from the SOP of PECO (and other utilities). The Petitioners' requests should be denied.

**2. Claims Regarding Rates to Recover Costs Paid by Other Ratepayers are Without Merit and Should Be Denied**

Petitioners also petition the Commission for rehearing on the grounds that the Commission did not consider whether the rates paid by other, non-CAP customers through the Universal Service Fund Charge to subsidize the discounts provided to CAP customers are just and reasonable under 66 Pa. C.S. §1301.<sup>15</sup>

Again, as a threshold matter, Petitioners raise nothing new for the Commission's consideration. The Commission's Order acknowledges the arguments regarding the rates paid for by non-CAP customers.<sup>16</sup> The Order spends an entire paragraph describing these arguments. While the Disposition portion of the Order does not explicitly address these arguments or 66 Pa.

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<sup>13</sup> Order at 13-14.

<sup>14</sup> Order at 17-18.

<sup>15</sup> OCA at 5-6, 9; PECO at 1-2, 10-14.

<sup>16</sup> Order at 13.

C.S. §1301, the Commission did thoroughly consider those arguments and rejected them.<sup>17</sup> The Commission should again reject them and find Petitioners raise nothing new or novel for the Commission's consideration.

As previously explained by Direct Energy, the fact that an EGS price that is higher than the Price-to-Compare ("PTC") in a particular month or quarter will impose an additional subsidy on remaining customers is also not a reason to adopt PECO's proposal. An EGS price that exceeds the PTC in one quarter can be well below the PTC in the next, and so on.<sup>18</sup> PECO Hearing Exhibit 5 puts a fine point on this reality. The PECO plan would allow non-CAP customers to enjoy the benefit of paying less in subsidies when EGS prices are below the default service price without paying their fair share in those months when EGS prices might be higher. From the perspective of one that is not an actual market participant this likely seems like a great deal: the subsidy paid to EGS CAP customers would have a ceiling but no floor. From the perspective of those who put shareholder capital at risk to serve customers, however, this proposal would be no more attractive than a house with a ceiling but no floor would be to a prospective homeowner. As with most other deals that seem too good to be true, this one is just that. Few, if any, EGSs will buy into such a rigged game, leaving CAP customers with no options but utility default service, thus frustrating the Commission's clear directive that gave rise to this proceeding: design a CAP program that "will ensure that all customers have the ability to avail themselves of the full benefits of retail electric competition."<sup>19</sup>

Further, Petitioners provide no estimates of the actual impact of the Commission's Order on the Universal Service Fund Charge. Their arguments are unsupported speculation; Petitioners

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<sup>17</sup> Order at 13-14.

<sup>18</sup> See PECO Exhibit 5 (Confidential).

<sup>19</sup> Direct Energy St. 1 at 7-8 (Kallaher Direct Testimony).

cannot make a case that the actual rate will be unjust or unreasonable because they do not know. In fact, the Commission explicitly states it “expects CAP customers to experience lower electric bills as a result of competitive shopping....”<sup>20</sup> Additionally, the Commission’s Orders enjoy a presumption that any rates resulting from its Order are just and reasonable until found otherwise. Petitioners offer nothing to overcome this presumption. Finally, Petitioners provide no precedent to support their arguments related to 66 Pa. C.S. §1301.

The Commission should reject Petitioners’ arguments and bring to CAP customers the ability to enjoy the full benefits of retail electric competition.

**C. The Commission Fully Considered the Impact on CAP Customers**

Petitioners aver in their Petitions for Rehearing that the Commission overlooked the impact on CAP customers of rejecting the proposed illegal price cap.<sup>21</sup> As noted in its Main Brief and Reply Brief, Direct Energy shares concerns about energy affordability for all customers. Direct Energy also appreciates and takes seriously the viewpoints about affordability expressed by Commissioners Brown and Cawley.

However, the Commission already fully considered the impacts on CAP customers.<sup>22</sup> The Commission expects customers to experience lower electric bills as a result of competitive shopping.<sup>23</sup> The Commission also found that the clear and effective customer education program will create an environment that could provide savings or additional benefits over continuing to receive default service from PECO.<sup>24</sup> These findings are in direct response to the same

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<sup>20</sup> Order at 40.

<sup>21</sup> CAUSE-PA at 11-13; OCA at 5-10; PECO at 12-14.

<sup>22</sup> Order at 12-14.

<sup>23</sup> Order at 40.

<sup>24</sup> Order at 15.

arguments made on the record and in the briefs in this case regarding impacts to CAP customers. The Commission should reject the Petitioners' arguments on this basis alone.

Should the Commission address the merits of the Petitioners' arguments, the Commission came to the correct conclusion the first time and should not reverse itself. The price cap provision (along with the other restrictions and other burdens proposed) will deter EGSs from serving these customers and will likely make serving these customers so unattractive that CAP customers in PECO's territory will not have any opportunity at all to choose an EGS product best suited for them nor will there be an opportunity to decrease the amounts that subsidize CAP customers through rates lower than the PTC.<sup>25</sup> This is the opposite of the Commission's desire to provide CAP customers the ability to enjoy the full benefits of retail electric competition. Further, inferences that any price charged by an EGS that exceeds PECO's price to compare is somehow unreasonable are wrong. The fact that an EGS's price might exceed the PTC in a particular quarter says nothing about the underlying reasonableness of the EGS price. An EGS price might be greater than the PTC for any number of good reasons – fixed price stability, length of term, the sourcing of the power from a particularly desirable source (such as “wind” or Pennsylvania natural gas). Or it may be that the customer simply wants to deal with a particular EGS rather than purchase its generation from PECO.

CAUSE-PA/TURN also attempt to point to “recent events” including the PPL's time of use (“TOU”) rate proceeding and wholesale price increases in January 2014 as reasons to uphold the illegal PECO price cap.<sup>26</sup> The data referenced was submitted in response to discovery questions as the PPL TOU proceeding is still in the litigation stage with the evidentiary hearing scheduled for February 28, 2014. Therefore, the data cannot be relied upon here.

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<sup>25</sup> PECO St. 3 at 6-7 (Cohn Direct Testimony).

<sup>26</sup> CAUSE-PA at 12-13; See also OCA at 11.

Notwithstanding this, the data does not provide a full picture of a particular customer's experience as the customer may shop several times and have generation prices above or below the PTC at varying times throughout his or her shopping experience. The benefits of allowing a customer to shop is that he or she can choose another supplier if he or she is not satisfied with the service. Further, the data does not address whether there are additional supplier incentives that the customer received that had an impact on the overall cost to the consumer. Finally, customers' energy-related behavior and weather also affect the amount of the bill for shopping customers regardless of whether or not that customer is a CAP participant. Thus, a customer who is dissatisfied with the cost may be incented to change his or her behaviors to consumer electricity at times when prices are lower. The point is that allowing CAP customers the opportunity to shop gives them a variety of options to allow them to more effectively and efficiently manage what they pay for their generation.

Further, the wholesale price increases impacting customers and EGSs described by CAUSE-PA/TURN are simply unprecedented. Direct Energy is not taking these pricing changes lightly and we are working diligently to both minimize the impact to our customers as well as continue to mitigate price risk in markets where we serve customer load. Despite modest price increases to customers as a result of the unprecedented wholesale price increases, Direct Energy is still among the lowest priced suppliers in Pennsylvania. And, to benefit customers, Direct Energy is not fully passing along the full wholesale price increases. Additionally, Direct Energy is undertaking additional significant operational expenses in the form of customer outreach (e.g., direct mail, outbound telephone, and email campaigns) to provide our customers with other options to the higher priced variable rates they are/will be experiencing in the coming months. These communications will stress our partnership with them and our willingness to

assist them in getting their household budgetary requirements back on track by offering longer term prices that are potentially much lower than what they are currently experiencing while also reminding them of budget billing services. This is the kind of education and customer outreach the Commission's Order indicates the Commission expects CAP customers to receive from market participants.

The Commission fully considered the arguments regarding impacts on CAP customers and should reject Petitioner's rehearing requests. Petitioners bring nothing new or novel to consider. There have been no changes in circumstances that warrant the Commission reversing itself and incorporating an illegal price cap to serve CAP customers. The Commission should deny the Petitions for Rehearing.

**D. The Commission properly rejected CAUSE-PA/TURN's request to prohibit cancellation fees and provides no reason to stay the Commission's Order**

CAUSE- PA avers that the Commission "overlooked" a proposed prohibition on cancellation fees. The Commission already fully considered this argument and rejected it.<sup>27</sup> CAUSE provides no reason for the Commission to reconsider this argument. The Commission correctly concluded that it has no legal authority to impose a prohibition on early termination or switching fees.<sup>28</sup> Further, as a policy and factual matter, such a prohibition is unwise.

As previously explained by Direct Energy, a prohibition on termination fees would take away yet another risk mitigation tool and likely require an EGS to place that additional risk into the price offered to customers. Additionally, CAUSE-PA/TURN's assertion that customers will be "financially unable" to leave unaffordable variable rate contracts is incorrect. Most variable rate contracts do not have cancellation fees. Even assuming the variable rate contracts do have

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<sup>27</sup> Order at 15-16.

<sup>28</sup> Order at 16.

termination fees, if those variable rates result from the end of a fixed rate term, then customers received at least one (and most likely two) notices that they were about to go to a variable rate. Indeed, the Commission found its rules and Interim Guidelines provide “more than adequate notice of a pending expiration and/or change in an EGS contract and provide necessary safeguards to shopping customers after a contract has expired.”<sup>29</sup>

The Commission should reject CAUSE-PA/TURN’s petition for rehearing.

**E. The Commission should again reject OCA’s request for affirmative consent before a customer is placed on a variable rate contract**

OCA again asks the Commission to require a CAP customer to affirmatively consent to a variable rate at the end of a CAP customer’s contract.<sup>30</sup> As a threshold matter the Commission should reject OCA’s request inasmuch as it raises nothing new for the Commission’s consideration.<sup>31</sup> The Commission found (and explained how) its rules and Interim Guidelines provide “more than adequate notice of a pending expiration and/or change in an EGS contract and provide necessary safeguards to shopping customers after a contract has expired.”<sup>32</sup> Further, OCA’s request is bad public policy inasmuch as it would, as a practical matter, require an EGS to incur two costs to acquire the same customer. These doubling of costs would only put upward pressure on an EGS’s price offered to CAP customers and lead to less savings opportunities for customers. OCA’s Petition for Rehearing should be denied.

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<sup>29</sup> Order at 21.

<sup>30</sup> OCA at 10-11.

<sup>31</sup> Order at 21.

<sup>32</sup> Order at 21.

**F. The Commission Should Affirm and Clarify the Reporting Obligations of PECO**

PECO's proposed reporting plan included a semi-annual requirement that EGSs report specific information to PECO, including: (1) supplier name; (2) PECO customer account number; (3) EGS CAP rate (per kWh); (4) PECO's price-to-compare for the months covered by the report; and (5) the start and end date for the CAP rate charged to the CAP customer during the six-month reporting period.<sup>33</sup> Direct Energy opposed the reporting requirement as overly burdensome. The Commission found that PECO should gather the data on its own and provide semi-annual reports from information within its possession.<sup>34</sup>

**1. The Commission Should Deny the Rehearing Petition of CAUSE-PA/TURN Regarding Reporting Obligations of PECO**

CAUSE-PA/TURN requests the Commission "clarify" its Order to provide greater specificity about the bi-annual report that PECO must submit to the Commission that reflect the net benefits of allowing CAP customers to purchase their generation supply from EGSs. CAUSE-PA/TURN says the report may be "unbalanced" without such clarity. CAUSE-PA/TURN provides no additional clarity about what it would like to see in the report; just a general observation that it wants to see more detail. Without specific requests for additional details the Commission should not guess about what CAUSE-PA/TURN would like to see in the report. CAUSE-PA/TURN's request should be denied.

**2. The Commission should require PECO to bring together the stakeholders in this case to bring a recommendation to the Commission on PECO's reporting obligation**

In its Petition for Rehearing, PECO requests that the Commission amend the Order to clarify that the Company will be deemed to be in compliance with Ordering Paragraph 3 if its

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<sup>33</sup> Order at 30.

<sup>34</sup> Order at 33-34.

reports reflect a manually calculated value for the per-kWh CAP Rate.<sup>35</sup> In the alternative, PECO requests that the Commission clarify that PECO is permitted to incorporate a new provision in its Supplier Tariff requiring EGSs to provide PECO with the per-kWh price charged to each CAP customer. PECO explained that the Company's existing Supplier Tariff simply requires EGSs to transmit the overall amount to be charged to each customer via an electronic data interchange ("EDI") transaction for billing purposes and that PECO does not collect information on the per kWh price billed to customers.

Direct Energy recognizes that PECO does not collect the per kWh amount charged to customers. However, the calculation that PECO proposes to make is too simplistic without additional explanation. Customers might choose a product, even if it is above the PTC, for any number of reasons.<sup>36</sup> A customer may pick a fixed price for stability or length of term. The customer may be on a contract that sources power from a particularly desirable source (such as a renewable energy resource or Pennsylvania natural gas). Or it may be that the customer simply wants to deal with a particular EGS rather than purchase its generation from PECO. Or a customer may be on a time of use product (like Free Power Day) or other innovative product, the value (e.g. overall bill savings) of that product may not be fully captured by a simple per kWh calculation.

As with the per kWh calculation, PECO would not have product specific information either. Therefore, simply removing the per kWh calculation from the reporting requirement obligation does not solve the problem. Substituting the total amount the customer paid (information PECO does have) versus what they would have paid under the PTC rate also does not solve the concerns expressed by Direct Energy about other factors that make a pure price

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<sup>35</sup> PECO at 16-17.

<sup>36</sup> Direct Energy Reply Brief at 3.

comparison inaccurate and unbalanced. The alternative tariff requirement suggested by PECO suffers from similar defects.

The Commission should require PECO to convene, within 30 days of the Commission's Order on Reconsideration, a stakeholder group to begin the process of bringing back to the Commission a recommendation on reporting by PECO. The stakeholders should be required to bring a recommendation back to the Commission within 90 days of the Order on Reconsideration. And if the stakeholders cannot agree then they should each be given the opportunity to bring their viewpoints to the Commission for a decision. As demonstrated by PECO's requested clarification and the concerns about reporting requirements by other Parties, there are several moving pieces to consider when adjusting the reporting requirements and an opportunity for all stakeholders to figure out reporting obligations for PECO that accurately report the net benefits of shopping by CAP customers. Further, the stakeholder group could help better define the additional benefits, services, or incentives provided to CAP customers that are not otherwise captured in PECO's bills. Having the stakeholder group would also help streamline the Commission's directive for PECO to work with the Office of Competitive Oversight and Bureau of Consumer Services regarding the content, format, and timing of the reports.

**G. The Commission should address PECO's request for an extension of the date for CAP customer shopping to commence**

In its Petition for Rehearing, PECO requests an extension to June 15, 2014 before it is required to make shopping possible for CAP customers.<sup>37</sup> PECO explained it needs more time for educational materials to be approved and delivered to CAP customers and be able to offer the

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<sup>37</sup> PECO at 17-20.

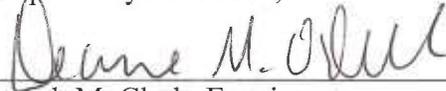
SOP to CAP customers. PECO asserts it needs a “short” extension of time to June 15, 2014 assuming the Commission addresses its Petition for Rehearing by March 24, 2014.

Direct Energy does not oppose the extension to June 15, 2014 but does not support an extension any longer than June 15, 2014, regardless of when the Commission addresses PECO’s Petition for Rehearing.

**III. CONCLUSION**

Direct Energy respectfully requests the Commission deny and/or clarify the various requests for rehearing in the manner suggested by Direct Energy. The Commission should ensure its Order on Rehearing continues to provide CAP customers a marketplace environment conducive to giving CAP customers the ability to avail themselves of the full benefits of retail electric competition.

Respectfully submitted,



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