DUQUESNE LIGHT STATEMENT NO. 3

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition Of Duquesne Light Company For Approval Of Default Service Plan For The Period June 1, 2015 Through May 31, 2017	**:**	**Docket No. P-_____**

DIRECT TESTIMONY OF
NEIL S. FISHER

Dated: April 24, 2014

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I. Introduction

Q. Please state your name and business address.

A. My name is Neil S. Fisher. My business address is 30 Monument Square, Suite 105, Concord, Massachusetts, 01742.

Q. What is your current position?

A. I am a Principal with The NorthBridge Group, Inc. ("NorthBridge"), an economic and strategic consulting firm for the electric and natural gas industries. NorthBridge has advised Duquesne Light Company ("Duquesne Light" or the "Company") on restructuring matters for many years. I have advised Duquesne Light on supply rate design and rate matters, including issues relating to its default service plans ("DSP" or "default service" or "POLR") since the start of retail access, including Duquesne Light's pilot, DSP I, DSP II, DSP III, DSP IV, DSP V, and DSP VI programs.

Q. Please describe your educational and professional experience.

A. I graduated from the Honors Program at Swarthmore College with a Bachelor of Arts degree in Economics, and I also have a Master's degree in Business Administration from Yale University. Before joining NorthBridge in 1993, I worked as a consultant at Putnam, Hayes & Bartlett, where the main focus of my work was assisting clients with electric and natural gas restructuring issues. As a consultant at NorthBridge, I have helped regulated electric utility clients in several states with the design of default service programs and with

retail access issues. I have also developed strategies for unregulated retail electric providers interested in participating in retail markets.

Q. Have you testified previously before the Pennsylvania Public Utility Commission ("Commission")?

A. Yes, I testified in Docket No. P-2012-2301664, Duquesne Light's Petition for Approval of Default Service Plan for the Period June 1, 2013 through May 31, 2015 ("DSP VI"); Docket No. P-2009-2135500, Duquesne Light's Petition for Approval of Default Service Plan for the Period January 1, 2011 through May 31, 2013 ("DSP V"); Docket No. P-00072247**,** Duquesne Light's Petition for Approval of Default Service Plan for the Period January 1, 2008 through December 31, 2010 ("DSP IV"); Docket A-110150F0035 and A-311233F3002, Duquesne Light's merger application; Docket R-00061346, Duquesne Light's distribution rate case; Docket P-00032071, Duquesne Light's Petition for Approval of Plan for Post-Transition Period POLR Service ("DSP III"); and in Docket P-00021969, Duquesne Light's Petition Requesting Modification to DSP II Plan to Permit Participation in PJM. I also participated in Duquesne Light's DSP II collaborative led by several Pennsylvania Commissioners.

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is threefold. First, I briefly provide an overview of Duquesne Light's retail access program highlighting some of the key accomplishments. Second, for the delivery supply period June 1, 2015 through May 31, 2017 ("Default

Service Plan," "Plan," or "DSP VII"), I support the overall design of the Company's proposed procurement plan, and third, I evaluate DSP VII with respect to Act 129's requirement that the plan include a "prudent mix" of contracts designed to ensure the least cost to customers over time.

Q. Please summarize your conclusions.

A. I have three main conclusions.

1. Duquesne Light has established one of the most successful retail access programs in the United States. The default service models used by Duquesne Light over time have facilitated and supported substantial growth in the competitive retail market. As of March 2014, Duquesne Light has over 300 alternative electric generation suppliers ("EGS") registered to serve load in Duquesne Light's service territory and 75% of customer load has elected service from an EGS.

2. Duquesne Light's Default Service VII Plan is designed to continue to support competition.

3. The Company's Plan incorporates a prudent mix of contracts designed to ensure least cost to customers over time, taking into account the benefits of price stability, and it includes prudent steps necessary to obtain least cost generation supply, as required by Section 2807(e)(3.4) and Section 2807(e)(3.7) of Act 129.

Each of these conclusions is described in more detail below.

II. Duquesne Light Has Established One of the Most Successful Retail Access Programs in the United States

Q. Overall, how would you rate Duquesne Light's retail access program?

A. Duquesne Light has one of the most successful retail access programs in the United States.

Q. Explain how, and by what standards, you determined that Duquesne Light has one of the most successful retail access programs.

A. My statement is based on a number of factors:

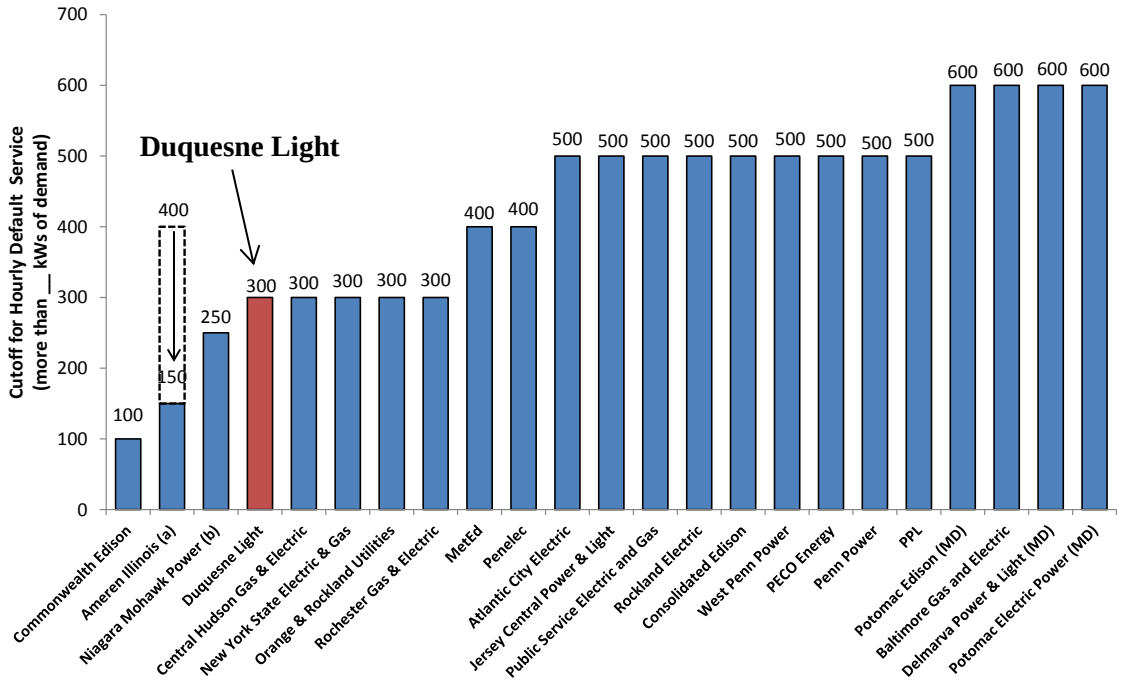
- Duquesne Light was one of the first utilities in the nation to recover its stranded costs and move to market-based pricing. Duquesne Light completed the transition period for most customers in 2002 and, since that time, has successfully implemented six default service plans.

- Duquesne Light has achieved relatively high levels of customer switching in its service area as compared to other electric utilities in Pennsylvania and elsewhere in the United States without exposing small customers to significant rate increases, without the use of opt-out customer assignment programs, and without exposing small customers to short-term market price volatility.

- Throughout much of the post-transition period process, Duquesne Light has been able to obtain support from various parties for its default service plans (*e.g.*, DSP II Settlement, DSP III Stipulations, DSP IV Settlement, and DSP V Settlement).

- Duquesne Light was one of the first utilities in the nation to offer hourly pricing default service to all customers equal to or greater than 300 kW, and still has one of the lowest kilowatt demand thresholds for hourly price default service for large commercial and industrial ("Large C&I") customers in the United States.

Figure 1 Duquesne Light Still Has One of the Lowest kW Thresholds for Hourly Price Default Service for Large C&I Customers



(a) Existing customers with demand <400 kW not on hourly service as of May 2011 are grandfathered so that they do not have to switch to hourly service until May 2014.
(b) Mandatory switching to hourly pricing takes place if customer demand exceeds 250 kW threshold for six consecutive months.

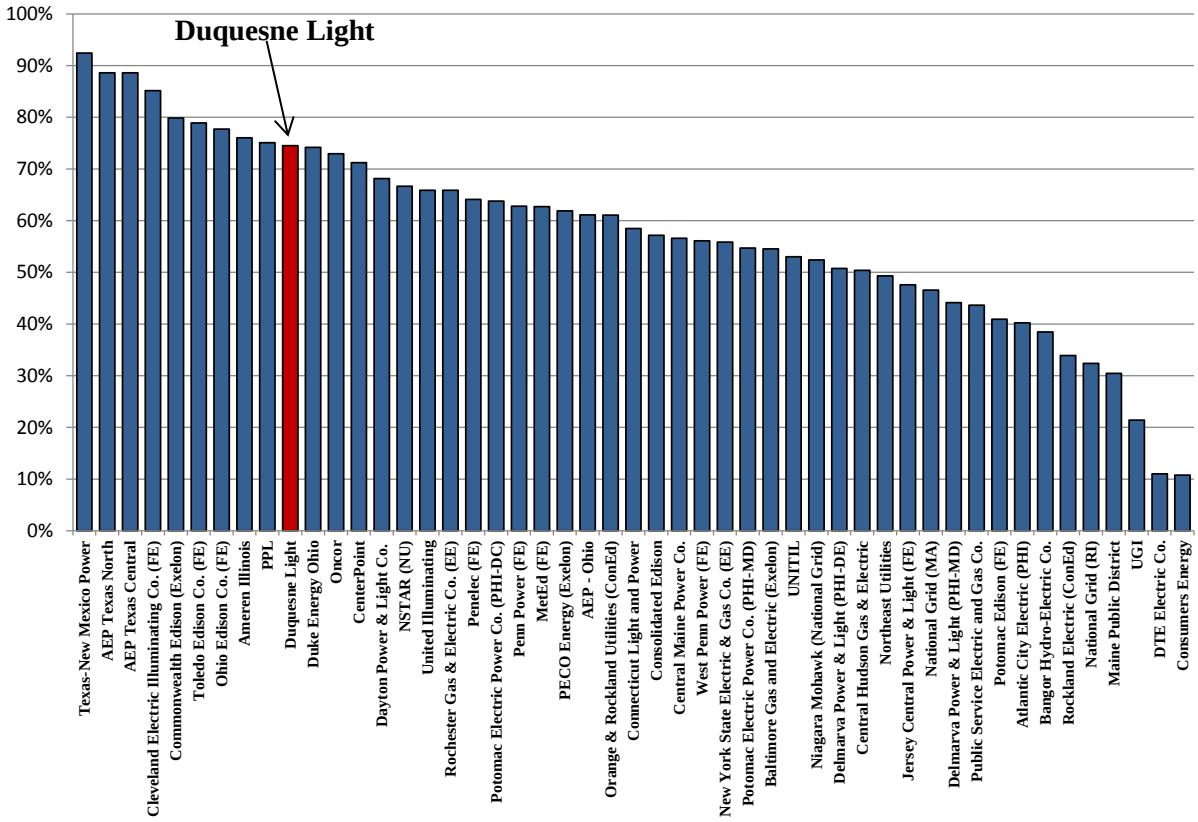
As a result, the default service for almost half of Duquesne Light's total system load is an hourly price service, and this service has transitioned naturally to more of a "backstop" service than a default service, since 97% of this load is already shopping with an EGS.

- Finally, throughout much of the post-transition period process, Duquesne Light has agreed to a number of initiatives to facilitate customer shopping and to educate customers about retail choice. Similar initiatives now have become common across electric distribution companies ("EDCs") in Pennsylvania. I describe these initiatives later in my testimony.

Q. Mr. Fisher, has Duquesne Light achieved a relatively high percentage of customer load switched to competitive retail suppliers?

A. Yes. The Company has achieved relatively high customer switching rates, as shown in Exhibit NSF-1 and the figure below. As of March 2014, 75% of the load in Duquesne Light's service area is receiving supply from an EGS and Duquesne Light is among the top electric utility service areas in the United States in terms of percentage of total load receiving service from a competitive supplier.

Figure 2 Duquesne Light Is Among the Top Electric Utilities in the United States in Terms of Percentage of Total Load Switched



Notably, Duquesne Light has been a leader among U.S. utilities in terms of percentage of total load switched to competitive retail suppliers for many years.

Q. During the time that Duquesne Light has achieved some of the highest levels of customer load switched in the United States, has Duquesne Light offered the majority of its customers fixed default service supply rates?

A. Yes. Duquesne Light has offered the majority of its customers fixed default service supply rates for many years. Since Duquesne Light became the first major utility in the Commonwealth to address post-transition period default service, it negotiated a DSP II

plan with fixed supply rates that began for most customers in early 2002 and were fixed through the period ending December 31, 2004. Duquesne Light had proposed DSP II rates that escalated at approximately the same level as the shopping credits contained in Duquesne Light's Restructuring Order, which was approximately 3% per year, to better track market prices over time. However, by agreement of the parties involved in the DSP II proceeding, the increases in DSP II rates were levelized over the three-year DSP II period (2002-2004) by setting rates equivalent to the 2003 rate levels in Duquesne Light's original proposal. EGSs argued that levelized fixed rates over an almost three-year period would jump start competition and facilitate customer shopping.

During the DSP III period (January 2005 through December 2007), Duquesne Light again offered Residential, Small C&I, and Medium C&I customers fixed-price default service supply rates over a three-year period. During the DSP IV period (January 2008 through December 2010), Duquesne Light continued to offer Residential and Small C&I customers fixed-price default service supply rates over a three-year period, but began to provide shorter-term market price signals to Medium C&I customers – initially one-year followed by six-month rate changes. Then during the DSP V period (January 2010 through May 2013), Duquesne Light continued the process of offering customers shorter-term market prices using tailored supply portfolios for each customer class. Under the DSP V plan, Residential customers were offered 29-month fixed supply rates, while Small C&I customers transitioned from three-year to annual supply rate changes. For Medium C&I customers, Duquesne Light relied on laddered one-year full requirements supply contracts, whereby 50% of the supply was replaced every six months, resulting in six-month supply rate changes. During the current DSP VI period (June 2013 through May

2015), Duquesne Light further transitioned to shorter-term market responsive pricing. Residential customers moved from fixed 29-month to 12-month default service supply rates, Small C&I customers transitioned from 12-month supply rate changes to six-month supply rate changes, and Medium C&I customers moved from laddered 12-month contracts to non-laddered six-month contracts with six-month supply rate changes.

As a result, while Duquesne Light has continued to move toward shorter-term, more market responsive default service supply rates over time, it is evident from this history that the Company has extensive experience offering the majority of its customers fixed default service supply rates. These fixed rates have ranged from periods of three years to six months, and throughout this transition process, Duquesne Light has maintained one of the highest levels of customer switching in the country.

Q. Why do you believe that Duquesne Light's retail access program has been relatively successful over many years as compared to other programs?

A. There are several reasons. First, Duquesne Light chose to tailor its default service offering to each particular customer group. A key question for policymakers is how often utility default service rates should adjust to changes in market prices. The optimal frequency depends upon a number of factors, including customer sophistication, market price volatility, the number of competitive service alternatives, what customers are accustomed to, and the costs and benefits associated with exposing customers to greater price volatility. Duquesne Light's Plan tailors its default service for each customer group taking into account these considerations.

Second, throughout the restructuring process and post-transition period, Duquesne Light's management has been committed to retail access and competition, as it has taken significant actions to promote competition while balancing the interests of its customers and shareholders. For example, Duquesne Light's management proposed a market determination of stranded costs through the voluntary divestiture of its generation assets. This provided enormous benefits to customers in the form of accelerated recovery of stranded costs, significant rate reductions, and a faster transition from capped default service rates to default service rates that are better designed to reflect market price levels, against which EGSs may compete.

Indeed, Duquesne Light's management has taken many actions over time to promote competition. At the start of retail access, it initiated a "jump start" supply program for EGSs serving retail customers in its service area, a program providing wholesale supply to EGSs at prices below Duquesne Light's default service rates in order to encourage supplier entry. In another effort to foster retail competition at the start of DSP II, Duquesne Light's management agreed to levelize supply rates at the request of EGSs.[1] During DSP II discussions, Duquesne Light's management also adopted several other suggestions offered by EGSs, which included modifying its procedure for determining responsibility for line losses and calculating load responsibility, expanding EGS access to customer information, and developing an hourly pricing program for Large C&I customers once a visible and liquid spot market price was available. Later in DSP III, Duquesne Light's management voluntarily proposed an hourly price service for all

[1] In DSP II, Duquesne Light's management proposed to increase generation rates every year to better track changes in market prices. At the request of EGSs, Duquesne Light modified its original proposal and levelized DSP II supply rates over the three year period. Rates were levelized to promote retail competition at the start of the DSP II period.

customers with peak demands greater than 300 kW.[2] During DSP IV, Duquesne Light eliminated the fixed-price service option for Large C&I customers. Duquesne Light also agreed to divide the small C&I customers into two groups, small C&I customers with maximum registered peak loads of less than 25 kW ("Small C&I") and medium C&I customers with maximum registered peak loads of 25 kW or greater ("Medium C&I"), with the larger customers receiving more frequent market-based rate adjustments. The Company also phased out all supply-related demand charges and below-market declining energy blocks for all C&I and Residential customers so that by 2010 each rate schedule had a single energy rate in order to simplify price comparisons with EGS offerings, thereby promoting competition. In another significant step to further develop the competitive market for Residential and Small C&I customers, Duquesne Light negotiated with EGSs, customer groups, and other parties one of the first Pennsylvania purchase of receivables ("POR") pilot programs, whereby Duquesne Light offered to purchase the receivables of EGSs serving Residential and Small C&I customers.[3]

In DSP V, Duquesne Light agreed to continue to offer the POR program to EGSs serving Residential and Small C&I customers, and expanded the program to include Medium C&I customers.[4] In its DSP V Settlement, Duquesne Light also agreed to several customer referral mechanisms and other customer education initiatives.[5] At the end of 2012, the Company implemented a New/Moving Customer Referral Program in

[2] At this time, these customers also were offered a fixed-price utility option as well.

[3] Since this time, the POR program has been continued in Duquesne Light's service area and similar programs have been implemented elsewhere at Pennsylvania EDCs.

[4] Duquesne Light also proposes to continue its POR program throughout the DSP VII period.

[5] Settlement Agreement, Petition of DLC for Approval of Default Service Plan for the Period January 1, 2011 through May 31, 2013, at 8-10.

accordance with the Commission's recommendations, and as part of its DSP VI plan, Duquesne Light implemented a Standard Offer Customer Referral Program ("Standard Offer Program" or "Standard Offer").

Throughout the transition period and the subsequent default service plan periods, Duquesne Light's management has continued to reset its default service rates to market levels and has established more frequent rate adjustments as default service customers have been become more familiar with shopping.

Q. What do you conclude about the actions of Duquesne Light's management with respect to promoting retail competition?

A. In my view, Duquesne Light has succeeded in balancing the interests of customers, EGSs, and shareholders during the restructuring process in a manner that is quite remarkable in the industry. Duquesne Light has achieved relatively high levels of customer switching in its service area as compared to other electric utilities in Pennsylvania and elsewhere in the United States without exposing small customers to significant rate increases, without the use of opt-out customer assignment programs, and without exposing small customers to short-term market price volatility.

III. Duquesne Light's Default Service VII Plan is Designed to Continue to Support Competition

Q. Please summarize Duquesne Light's proposed plan for DSP VII.

A. Under the Plan, unique portfolios of supply products are procured for each of four different customer classes. The supply product portfolios for each customer class are summarized in the figure below:

Figure 3 Duquesne Light Tailors its Supply Portfolios by Customer Class

Residential & Lighting	Small C&I <25 kW)	Medium C&I (≥25 kW and <300 kW)	Large C&I (≥ 300 kW)
• Six-month fixed default service supply rates • One six-month and four twelve-month full requirements supply products with laddered purchases • Products are procured every six months within three months of start of delivery*	• Six-month fixed default service supply rates • One six-month and four twelve-month full requirements supply products with laddered purchases • Products are procured every six months within three months of start of delivery*	• Three-month fixed default service supply rates • Three-month full requirements supply products that are not laddered • Products are procured quarterly within three months of start of delivery	• Hourly price default service supply rates • 100% spot-price full requirements purchased in day-ahead market directly from PJM • Pass through of other PJM and administrative costs
• Approximately 30% of total system load	• Approximately 5% of total system load	• Approximately 18% of total system load	• Approximately 47% of total system load

* Prior to the start of the DSP VII period, an initial six-month product will be procured in February 2015 within four months of the start of delivery in order to avoid purchasing 100% of the supply in March 2015 for Residential and Small C&I customers.

Large C&I customers, which comprise approximately 47 percent of the total load in Duquesne Light's service area, will be offered default service rates based on hourly spot market prices.

Medium C&I customers, which comprise approximately 18 percent of the total load in Duquesne Light's service area, will be offered three-month fixed price default service rates based on the results of an open and competitive solicitation process for full requirements supply. In DSP VII, Medium C&I rates will transition from the six-month fixed price supply rates offered in DSP VI to rates that will adjust every three months based on quarterly procurements of three-month products that are not laddered. As a result, in DSP VII about 65 percent of the total system load in Duquesne Light's service area will be offered default service supply rates that are based on quarterly or hourly market supply products.

Small C&I customers, which comprise approximately 5 percent of the total load in Duquesne Light's service area, will continue to be offered default service supply rates that adjust every six months based on a combination of a six-month contract and laddered twelve-month contracts.

Residential customers, which represent about 30 percent of the total load in Duquesne Light's service area, will be offered six-month fixed price default service supply rates. In DSP VII, Residential rates will transition from the twelve-month fixed-price supply rates offered in DSP VI to supply rates that will adjust every six months based on a combination of a six-month contract and laddered twelve-month contracts.

In Duquesne Light Statement No. 2, Mr. Habberfield describes the procurement processes for the different customer groups in more detail.

Q. Will Duquesne Light's Default Service Plan support the competitive wholesale market?

A. Yes, the Company will rely on competitive wholesale market purchases to obtain supply for its default service. These competitive market purchases will be in the form of spot market purchases for Large C&I customers, and formal RFP processes with standardized bidding procedures and fixed-price full requirements ("FPFR") contracts for other customers. In DSP VI, unlike in prior default service plans, the Residential supply is available for competitive bid, similar to the procurement process Duquesne Light uses to serve Small C&I and Medium C&I customers on default service. In DSP VII, Duquesne Light proposes to continue relying on competitive wholesale markets to provide fixed-price full requirements service for the benefit of Residential, Small C&I and Medium C&I customers.

Q. What are the benefits of relying on competitive wholesale markets to provide fixed-price full requirements service?

A. In a procurement approach involving FPFR product solicitations, bidders compete on the basis of the lowest price to satisfy all aspects of the default service customers' load requirements at a fixed $/MWH price, regardless of how the load varies, and regardless of future market conditions or generation costs.

The use of a competitive process to procure a full-requirements product is designed to induce competitive bidding among suppliers, and thereby obtain the lowest price for the

product. Since bidders in the proposed solicitations will compete on the basis of price, any party that desires to be a winning bidder in such a solicitation must submit a bid price that reflects its best judgment about the least-cost means of satisfying the supply obligations. Therefore, it is reasonable to assume that bidders in the proposed full requirements solicitations will consider the costs and risks associated with all forms of supply, and will reflect in their bid prices the benefits of any opportunity that they believe is the least-cost supply opportunity. Consequently, those suppliers who are the best portfolio managers in terms of handling the associated supply costs and risks that the fixed-price full requirements obligation requires them to assume to the benefit of customers are likely to place the lowest bids in the competitive solicitations. Thus, the procurement process is intended to rely on the skills of the most adept suppliers to achieve the least cost for customers.

Q. Mr. Fisher, you have described how Duquesne Light's Plan will support the competitive wholesale market, but is the Company's Plan also designed to support the competitive retail market?

A. Yes. During the DSP VII period, Duquesne Light will continue pre-established retail market initiatives and begin to adopt new retail market initiatives in an effort to improve retail competition, including:

a) As described by Duquesne Light witness Sandoe, the Company will continue and improve its Standard Offer program.

b) As described by Duquesne Light witness Habberfield, the Company will move toward more frequent default service supply rate changes for the Medium C&I and

Residential customers. Specifically, Residential rates will transition from annual to semi-annual supply rate adjustments and Medium C&I customers will transition from semi-annual to quarterly supply rate adjustments, thereby helping to ensure that competitive retail suppliers can more continuously compete with the PTC.

c) As described by Duquesne Light witnesses Pfrommer, Habberfield, and Sandoe, the Company will initiate a new Time-of-Use service program and conduct competitive solicitations to allow an EGS to offer this service directly to more and more customers as smart meters are installed.

d) Finally, Duquesne Light proposes to continue its POR program in DSP VII.

Duquesne Light's proposed DSP VII also supports the competitive retail market by including competitive solicitations for FPFR default service supply products. The use of FPFR products helps to provide a more transparent Residential price-to-compare benchmark against which customers can compare competing retail offers. Minimal over- and under-collections that result from the use of FPFR products will enhance rate transparency for retail supply decisions. Furthermore, EGSs will compete against market-based default service rates, as the default service rates will be based on the prices for supply products obtained through competitive solicitations in which multiple bidders compete to sell the products solely on the basis of price.

IV. Duquesne Light's Plan Satisfies the Requirements of Act 129 By Incorporating a Prudent Mix of Contracts Designed to Ensure Least Cost to Customers Over Time, Taking Into Account the Benefits of Price Stability

Q. Act 129 requires a default service plan to procure a prudent mix of contracts, and include prudent steps necessary to obtain least cost generation supply contracts on a long-term, short-term and spot market basis.[6] What guidance has the Commission provided in interpreting that standard?

A. On October 4, 2011, the Commission entered its Second Default Service Rulemaking Order, and in this Order it provided guidance based on input received from stakeholders. Some of the Commission's guidance regarding the interpretation of "least cost" and "prudent mix" is as follows:

> [T]he ["least cost"] standard must give the DSP sufficient latitude to select contracts that constitute a "prudent mix" which includes a sufficient variety of products that adequately take into consideration price volatility, changes in generation supply, customer usage characteristics and the need to assure safe and reliable service.[7]

> In implementing default service standards, the Commission must be concerned about rate stability as well as other considerations such as ensuring a "prudent mix" of supply and ensuring safe and reliable service. In our view, a default service plan that meets the "least cost over time" standard should not have, as its singular focus, the achievement of the absolute lowest cost over the default service plan time frame but rather a cost for power that is both relatively stable and also economical relative to other options.[8]

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[6] 66 Pa. C.S. § 2807(e)(3.4), and 66 Pa. C.S. § 2807(e)(3.7).

[7] Default Service and Retail Electric Markets, Docket No. L-2009-2095604 (Order entered October 4, 2011) ("Second Default Service Rulemaking Order"), p. 38.

[8] Second Default Service Rulemaking Order, p. 40.

Price stability benefits are very important to some customer groups, so an interpretation of "least cost" that mandates subjecting all default service customers to significant price volatility through general reliance on short term pricing is inconsistent with Act 129's objectives.[9]

We agree with the majority of parties that the "prudent mix" of contracts be interpreted in a flexible fashion which allows the DSPs to design their own combination of products that meets the various obligations to achieve "least cost to customers over time," ensure price stability, and maintain adequate and reliable service.[10]

We do reject the positions of those parties that "prudent mix" be defined to always require a specific mix or percentage of types of contract components in each default service plan or a minimum of two types of products.[11]

Q. Do you believe that Duquesne Light's proposed DSP VII incorporates a prudent mix of contracts, and includes prudent steps necessary to obtain least cost generation supply contracts, as required by Section 2807(e)(3.4) and Section 2807(e)(3.7) of Act 129?

A. Yes, I do. There are several reasons for this conclusion:

1. The procurement process is designed to ensure the least cost to customers by requiring qualified bidders in the supply product solicitations to compete and be selected based on the lowest price. Furthermore, when FPFR products are solicited, default service customers are provided the benefits of competition on all aspects of the full requirements supply obligation, including the portfolio

[9] Second Default Service Rulemaking Order, p. 41.

[10] Second Default Service Rulemaking Order, p. 60.

[11] Second Default Service Rulemaking Order, p. 60.

management function.[12] It is reasonable to assume that bidders in the FPFR solicitations will consider the costs and risks associated with all forms of supply available to them to satisfy their fixed-price full requirements obligation, and will reflect in their bid prices the benefits of any opportunity that they believe is the least cost supply opportunity.

2. Duquesne Light's Plan relies on FPFR default service supply products, which are well-tested in the marketplace. These products have been successfully procured by Duquesne Light, and are frequently procured by utilities in Pennsylvania and in other jurisdictions. In fact, FPFR product solicitations are the most prevalent form of default service procurement for smaller customers in restructured jurisdictions.[13]

3. The Commission has recognized the benefits of reliance on full requirements products in a default service portfolio, as it stated in its Second Default Service Rulemaking Order:

> The [full requirements] process insulates default supply customers from the volatility associated with wholesale market conditions with the supplier bearing the risks of factors such as customer migration, weather, load variation and economic activity.[14]

[12] FPFR product suppliers have the responsibility for continuously satisfying the uncertain and constantly changing supply requirements at the agreed-upon price, and therefore must manage the associated costs and risks through their supply portfolio decisions.

[13] Examples of specific jurisdictions in which full requirements supply products are procured include Connecticut, Delaware, Maine, Maryland, Massachusetts, New Jersey, Ohio, Pennsylvania, Rhode Island, and Washington D.C.

[14] Second Default Service Rulemaking Order, p. 54.

> We do express a preference for continued reliance by DSPs on the [full requirements] approach to the extent this method best suits the DSP's particular procurement needs.[15]

The seller of a FPFR product is responsible for assuming, managing, and covering the financial costs and risks associated with electricity supply, while customers receive benefits that protect against adverse market and/or generation cost outcomes. Sellers of FPFR products must satisfy their obligation, regardless of how much market prices or generation costs may increase during the delivery period and regardless of the default service load level. Yet if market prices decrease after these types of supply contracts are signed, customers may elect service from a lower cost competitive retail supplier.

4. The FPFR products proposed by Duquesne Light will be procured close to the commencement of their delivery periods, which will provide a Price-to-Compare ("PTC") that better reflects contemporaneous market prices, thereby helping to ensure that competitive retail suppliers can more continuously compete with the PTC.

5. Duquesne Light's Plan continues the use of a standard supply contract (referred to as a supply master agreement or "SMA"), which lets bidders know the terms and requirements of the default service supply obligation well in advance of the bid due date, and therefore allows qualified bidders to submit firm bid prices knowing that these contract terms and conditions will not change. The use of a standard SMA also assures qualified bidders that the selection of the winning bidders will be an

[15] Second Default Service Rulemaking Order, p. 56.

objective process and encourages participation in the solicitations from a large number of potential suppliers.[16]

6. Duquesne Light's Plan is also prudent because it includes tailored supply portfolios for different customer classes that take into account the benefits of price stability, the different shopping propensity of each customer class, and the desire to further develop the competitive retail market in Duquesne Light's service area.

Q. Has the Commission supported the use of tailored supply portfolios for each customer class?

A. Yes. Specifically, in its Second Default Service Rulemaking Order, in its discussion of the "prudent mix" requirement under Act 129, the Commission stated:

> The Commission notes there was substantial unanimity on this point and agrees with the parties that the "prudent mix" standard should be interpreted to allow for a class-specific product mix that best matches the needs of each DSP customer class.[17]

Q. Does Duquesne Light's Plan satisfy Section 2807(e)(3.1) of the Act, which requires that supply be acquired through competitive procurement processes?

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[16] In the Commission's Default Service End State Order in the Investigation of Pennsylvania's Retail Electricity Market, the Commission directed the Office of Competitive Markets Oversight to create a Procurement Collaboration Working Group. This working group was tasked with developing a uniform default service SMA for the EDCs in Pennsylvania. As discussed by Duquesne Light witness Habberfield, the Company actively participated in the Procurement Collaboration Working Group, including the development of the SMA template. The Company is proposing to use this new SMA template, with a few modifications, in DSP VII.

[17] Second Default Service Rulemaking Order, p. 69.

A. Yes, Duquesne Light's Plan satisfies this requirement. Section 2807(e)(3.1) provides that the default service provider shall acquire electric power through competitive procurement processes including one or more of the following: auctions, RFPs, and/or bilateral agreements entered into at the sole discretion of the default service provider. Duquesne Light's Plan satisfies Section 2807(e)(3.1) by relying on a) supply products for Large C&I default service customers procured from the competitive PJM spot markets, and b) open and competitive solicitation processes utilizing RFPs for full requirements supply contracts to obtain its default service supply for Residential, Small C&I, and Medium C&I customers.

Q. Do you believe that Duquesne Light's Plan includes prudent steps necessary to negotiate favorable generation supply contracts, as required by Section 2807(e)(3.7) of the Act?

A. Yes. For Large C&I customers, Duquesne Light will procure supply products directly from the competitive spot markets operated by PJM. For Residential, Small C&I, and Medium C&I customers, Duquesne Light's Plan requires bidders to compete with each other, on the basis of lowest price, in an RFP process to provide default service supply at the least cost.

Q. Do you believe that Duquesne Light's Plan is designed to ensure adequate and reliable service, as required by Section 2807(e)(3.4) of the Act?

A. Yes. First of all, the supply contracts contain protections to provide reliability with respect to the sellers' ability to satisfy the terms and conditions of the contracts. Under Duquesne Light's Plan, suppliers must satisfy certain requirements (including being a member in good standing of PJM) that help ensure that they are able to perform their obligations.

Furthermore, since all load served under the contracts will be supplied through PJM, regardless of whether the winning default service supply bidders own or control generation, reliable and adequate service is further ensured. PJM is a FERC-approved regional transmission organization with a central responsibility to ensure the reliability of its regional electricity grid of which Duquesne Light is a part, and has numerous mechanisms in place to meet this responsibility. PJM helps to ensure service adequacy because all of the fundamental components of electricity supply can be purchased through PJM. In the event that a default service supplier defaults on its contract, Duquesne Light can procure the physical supplies necessary to ensure adequate and reliable service to satisfy its default service obligations.

Q. Do you believe that Duquesne Light's Plan is consistent with the requirements of the Act, given that Section 2807(e)(3.2) contemplates inclusion of "long-term" contracts with a term of more than four years?

A. Yes. While I am not an attorney, my understanding is that Act 129 requires a prudent mix of spot, short-term and long-term contracts, but does not necessarily mandate the use of long-term contracts in all situations. In fact, Duquesne Light's current default service plan does not include a long-term (i.e., four-year or more) contract. Furthermore, Duquesne Light recognizes that, in its Default Service End-State Order in the Investigation of

Pennsylvania's Retail Electricity Market, the Commission indicated a preference for product mixes that generally consist of shorter-term products than the products in the existing product mixes, rather than longer-term products.[18] As a result, I do not believe that it would be advisable to inject long-term default service supply commitments in the Company's DSP VII supply mix at this time.

Q. Mr. Fisher, briefly describe the end-state model for electric default service that the Commission outlined in its Default Service End-State Order in the Investigation of Pennsylvania's Retail Electricity Market, with respect to its relationship to default service procurement.[19]

A. For Residential and Small C&I customers, the Commission proposed a significant shortening of the term lengths of the default service supply products starting on June 1, 2015.[20] Specifically, the Commission proposed that customers with demands below 100 kW, including Residential customers, be served entirely by FPFR products with 90-day delivery periods, procured each quarter. This supply portfolio would consist of substantially shorter-term supply products for small customers than the products currently included in the major Pennsylvania EDCs' approved default service plans for these

[18] "Should legislative efforts fall short, we will consider an alternative shorter-term product that is more reflective of market conditions than the currently-offered default service products." (Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service, Docket No. I-2011-2237952, Order entered February 15, 2013, p. 41.)

[19] Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service, Docket No. I-2011-2237952 (Order entered February 15, 2013) ("Default Service End-State Order").

[20] Default Service End-State Order, p. 41, 48.

customers, as the current supply portfolios contain many products with one-year and two-year delivery periods.[21]

Other key features of the Commission's Default Service End-State Order include:

- Having EDCs conduct solicitations for supply delivered after May 31, 2015, to obtain and offer only hourly-priced service with an administrative adder for customers with 100 kW of demand and above who have interval meters.[22]

- Having EDCs conduct solicitations far enough in advance to permit them to establish a final PTC no less than 45 days prior to the effective date of the PTC.[23]

- Having EDCs collaborate on solicitations in order to realize efficiencies and reduce expenses, and directing the Office of Competitive Markets Oversight to form a Procurement Collaboration Working Group as part of

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[21] See 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 (Order entered August 16, 2012), pp. 17, 19, 25-27; Petition of PECO Energy Company for Approval of its Default Service Program II, Docket No. P-2012-2283641 (Order entered October 12, 2012), p. 20-21, 31; Petition of PPL Electric Utilities Corporation For Approval of a Default Service Program and Procurement Plan, Docket No. P-2012-2302074 (Order entered January 24, 2013), pp. 7-10, 18, 29, 34; Petition of Duquesne Light Company for Approval of Default Service Plan For the Period June 1, 2013 Through May 31, 2015, Docket No. P-2012-2301664 (Order entered January 25, 2013), pp. 12, 36-37, 46, 50-51, 58.

[22] Default Service End-State Order, p. 29.

[23] Default Service End-State Order, p. 41. Duquesne Light witness Habberfield discusses how the Company will conduct solicitations far enough in advance to permit Duquesne Light to know the default service supply rates no less than 45 days prior to the effective date of the PTC. Duquesne Light Pfrommer addresses the timing of when the Company will post estimated and final PTCs.

this effort.[24]

Q. In the Default Service End-State Order, did the Commission recognize that some of its proposed changes may require amendments to existing legislation?

A. Yes, the Commission acknowledged that procuring only a 90-day default service product for Residential and Small C&I customers may require a change to the existing statutory procurement standard, and in any event a legislative change was desirable for a variety of reasons. The Commission also stated that any necessary legislative changes would need to be made in 2013 to establish June 1, 2015, as the implementation date for its proposed end-state default service model.[25] To date, such changes have not been adopted by the General Assembly.

Q. How does Duquesne Light's proposed overall mix of default service supply products reflect the Commission's findings in the Default Service End-State Order?

A. Duquesne Light is proposing shorter term supply product lengths for Medium C&I customers and more frequent supply rate changes for both Medium C&I and Residential default service customers than under DSP VI. These changes are consistent with the Commission's statement that if legislative changes are not adopted to clearly accommodate 90-day default service products for Residential and Small C&I customers,

[24] Default Service End-State Order, p. 42. As discussed by Duquesne Light witness Habberfield, the Company actively participated in the Procurement Collaboration Working Group, including the development of the SMA, and the Company is proposing to use this new SMA template in DSP VII.

[25] Default Service End-State Order, pp. 16, 41, 43, 45-46, 48.

then "...we will consider an alternative shorter-term product that is more reflective of market conditions than the currently-offered default service products."[26]

Q. Do you recommend that the term lengths of the products in Duquesne Light's DSP VII supply portfolio for Residential customers be shortened even further at this time?

A. No. I do not believe that further shortening of the product term lengths in Duquesne Light's Residential default service supply portfolio would be appropriate at this time.

The Commission has explicitly acknowledged that price stability is an important consideration in developing a default service plan:

> In implementing default service standards, the Commission must be concerned about rate stability as well as other considerations such as ensuring a "prudent mix" of supply and ensuring safe and reliable service. In our view, a default service plan that meets the "least cost over time" standard should not have, as its singular focus, the achievement of the absolute lowest cost over the default service plan time frame but rather a cost for power that is both relatively stable and also economical relative to other options.[27]

> Price stability benefits are very important to some customer groups, so an interpretation of "least cost" that mandates subjecting all default service customers to significant price volatility through general reliance on short term pricing is inconsistent with Act 129's objectives.[28]

[26] Default Service End-State Order, p. 41.

[27] Second Default Service Rulemaking Order, p. 40.

[28] Second Default Service Rulemaking Order, p. 41.

Accordingly, in assessing the relative merits and drawbacks of a portfolio consisting of generally shorter-term products, it must be recognized that such a portfolio would erode the price stability provided to default service customers. This is an important consideration because small customers generally realize the greatest benefits from default service price stability. Some small customers who need price stability may not have the time, incentive, knowledge, sophistication, or resources to elect an EGS offering that provides the price stability that they seek with competitive pricing. Act 129 appears to be consistent with this position, as it requires that a default service plan include a "prudent mix" of contracts that takes into account any benefits of price stability.[29]

Q. Is it necessary to shorten the term lengths of the default service supply products to reduce the likelihood of over- and under-collections?

A. No. Duquesne Light's proposed Plan, unlike the default service supply portfolios of some other Pennsylvania EDCs, does not include a block-and-spot component. Rather, Duquesne Light relies exclusively on FPFR products for all of the Residential and Small C&I customer default service supply. Over- and under-collections are related to the degree to which actual costs during a given period may vary from the retail rates that were set for that period. If there is significant uncertainty about the all-in dollar-per-megawatt-hour default service supply cost for an upcoming rate period when the default service retail supply rate for that period is set, then the likelihood for significant over- and under-collections is increased. This is the case when a block-and-spot supply component is

[29] 66 Pa. C.S. § 2807(e)(3.4), and Act 129 of 2008 (Preamble).

included in the portfolio, because under the block-and-spot approach the EDC must forecast future default service loads and spot prices, and actual outcomes may deviate significantly from the forecasted values.[30] However, in both the Residential portfolio proposed in the Default Service End-State Order and Duquesne Light's proposed DSP VII Residential portfolio, 100% of the supply portfolio is composed of FPFR products. Consequently, there will be very little uncertainty about the default service supply costs on a dollars-per-megawatt-hour basis for any given upcoming rate period at the time that the default service retail rate for that period is set, so both portfolios should be similarly effective in reducing the potential for significant over- or under-collections.[31] As a result, it is unnecessary to shorten the term lengths of the default service supply products in order to reduce the likelihood of over- and under-collections. Duquesne Light's proposed DSP VII is designed to accomplish this objective.

Q. Does this conclude your direct testimony?

A. Yes, it does.

[30] The Commission cites "instances when the EDC's PTC fails to reflect the actual cost of service due to inaccurate customer migration projections, certain accounting practices or inaccurate spot market price projections. These inaccuracies can lead to the inclusion of significant reconciliation costs within the PTC that have little or no relationship to the present market for energy and, therefore, can potentially further move the PTC away from market conditions at the time of delivery." (Default Service End-State Order, pp. 23-24.)

[31] With either portfolio, over- and under-collections also can occur due to billing cycle lag.

Customer Switching Levels in the United States

Total Customer Load

Rank	Utility	State	Migration Rate	Date Reported
1	Texas-New Mexico Power	TX	92.4%	Sep-13
2	AEP Texas North	TX	88.6%	Sep-13
3	AEP Texas Central	TX	88.6%	Sep-13
4	Cleveland Electric Illuminating Co. (FE)	OH	85.2%	Dec-13
5	Commonwealth Edison (Exelon)	IL	79.8%	Dec-13
6	Toledo Edison Co. (FE)	OH	78.9%	Dec-13
7	Ohio Edison Co. (FE)	OH	77.7%	Dec-13
8	Ameren Illinois	IL	76.0%	Dec-13
9	**PPL**	**PA**	**75.1%**	**Jan-14**
10	**Duquesne Light**	**PA**	**74.5%**	**Mar 14**
11	Duke Energy Ohio	OH	74.2%	Dec-13
12	Oncor	TX	73.0%	Sep-13
13	CenterPoint	TX	71.2%	Sep-13
14	Dayton Power & Light Co.	OH	68.2%	Dec-13
15	NSTAR (NU)	MA	66.6%	Dec-13
16	United Illuminating	CT	65.9%	Feb-14
17	Rochester Gas & Electric Co. (EE)	NY	65.9%	Jun-13
18	**Penelec (FE)**	**PA**	**64.1%**	**Jan-14**
19	Potomac Electric Power Co. (PHI-DC)	DC	63.8%	Jan-14
20	**Penn Power (FE)**	**PA**	**62.8%**	**Jan-14**
21	**MetEd (FE)**	**PA**	**62.7%**	**Jan-14**
22	**PECO Energy (Exelon)**	**PA**	**61.9%**	**Jan-14**
23	AEP - Ohio	OH	61.1%	Dec-13
24	Orange & Rockland Utilities (ConEd)	NY	61.1%	Jun-13
25	Connecticut Light and Power	CT	58.5%	Feb-14
26	Consolidated Edison	NY	57.2%	Jun-13
27	Central Maine Power Co.	ME	56.6%	Feb-14
28	**West Penn Power (FE)**	**PA**	**56.1%**	**Jan-14**
29	New York State Electric & Gas Co. (EE)	NY	55.8%	Jun-13
30	Potomac Electric Power Co. (PHI-MD)	MD	54.7%	Dec-13
31	Baltimore Gas and Electric (Exelon)	MD	54.5%	Dec-13
32	UNITIL	MA	53.0%	Dec-13
33	Niagara Mohawk (National Grid)	NY	52.4%	Jun-13
34	Delmarva Power & Light (PHI-DE)	DE	50.8%	Feb-14
35	Central Hudson Gas & Electric	NY	50.4%	Jun-13
36	Northeast Utilities	MA	49.3%	Dec-13
37	Jersey Central Power & Light (FE)	NJ	47.6%	Feb-14
38	National Grid (MA)	MA	46.6%	Dec-13
39	Delmarva Power & Light (PHI-MD)	MD	44.1%	Dec-13
40	Public Service Electric and Gas Co.	NJ	43.6%	Feb-14
41	Potomac Edison (FE)	MD	40.9%	Dec-13
42	Atlantic City Electric (PHI)	NJ	40.2%	Feb-14
43	Bangor Hydro-Electric Co.	ME	38.5%	Feb-14
44	Rockland Electric (ConEd)	NJ	33.9%	Feb-14
45	National Grid (RI)	RI	32.4%	Dec-13
46	Maine Public District	ME	30.5%	Feb-14
47	**UGI**	**PA**	**21.4%**	**Jan-14**
48	DTE Electric Co.	MI	11.0%	Dec-13
49	Consumers Energy	MI	10.8%	Dec-13

Notes: Differences exist in how jurisdictions define customer groups and in how they measure customer shopping.

Source: State websites. Duquesne Light Accounting, billed kWh for March 2014.

Customer Switching Levels in the United States

Residential Customer Load

Rank	Utility	State	Migration Rate	Date Reported
1	Texas-New Mexico Power	TX	81.5%	Sep-13
2	AEP Texas Central	TX	75.2%	Sep-13
3	Cleveland Electric Illuminating Co. (FE)	OH	74.9%	Dec-13
4	AEP Texas North	TX	73.6%	Sep-13
5	Toledo Edison Co. (FE)	OH	72.1%	Dec-13
6	Ohio Edison Co. (FE)	OH	70.0%	Dec-13
7	Commonwealth Edison (Exelon)	IL	69.2%	Dec-13
8	Ameren Illinois	IL	63.5%	Dec-13
9	CenterPoint	TX	61.9%	Sep-13
10	Oncor	TX	57.6%	Sep-13
11	NSTAR (NU)	MA	53.9%	Dec-13
12	**PPL**	**PA**	**51.8%**	**Jan-14**
13	United Illuminating	CT	49.6%	Feb-14
14	Duke Energy Ohio	OH	49.0%	Dec-13
15	**Duquesne Light**	**PA**	**46.5%**	**Mar 14**
16	Orange & Rockland Utilities (ConEd)	NY	45.2%	Jun-13
17	Dayton Power & Light Co.	OH	43.7%	Dec-13
18	Connecticut Light and Power	CT	42.2%	Feb-14
19	**Penelec (FE)**	**PA**	**40.0%**	**Jan-14**
20	**Penn Power (FE)**	**PA**	**38.2%**	**Jan-14**
21	**MetEd (FE)**	**PA**	**37.8%**	**Jan-14**
22	**PECO Energy (Exelon)**	**PA**	**34.4%**	**Jan-14**
23	**West Penn Power (FE)**	**PA**	**33.9%**	**Jan-14**
24	Central Maine Power Co.	ME	33.1%	Feb-14
25	Baltimore Gas and Electric (Exelon)	MD	31.7%	Dec-13
26	Rochester Gas & Electric Co. (EE)	NY	30.6%	Jun-13
27	Consolidated Edison	NY	28.0%	Jun-13
28	Potomac Electric Power Co. (PHI-MD)	MD	27.3%	Dec-13
29	AEP - Ohio	OH	27.2%	Dec-13
30	New York State Electric & Gas Co. (EE)	NY	27.0%	Jun-13
31	Jersey Central Power & Light (FE)	NJ	24.7%	Feb-14
32	UNITIL	MA	24.3%	Dec-13
33	Niagara Mohawk (National Grid)	NY	23.4%	Jun-13
34	Delmarva Power & Light (PHI-MD)	MD	20.3%	Dec-13
35	Atlantic City Electric (PHI)	NJ	18.4%	Feb-14
36	Central Hudson Gas & Electric	NY	15.9%	Jun-13
37	Potomac Edison (FE)	MD	15.3%	Dec-13
38	Rockland Electric (ConEd)	NJ	14.7%	Feb-14
39	Public Service Electric and Gas Co.	NJ	14.6%	Feb-14
40	Bangor Hydro-Electric Co.	ME	14.4%	Feb-14
41	Potomac Electric Power Co. (PHI-DC)	DC	14.1%	Jan-14
42	National Grid (MA)	MA	14.1%	Dec-13
43	Northeast Utilities	MA	11.7%	Dec-13
44	Delmarva Power & Light (PHI-DE)	DE	10.9%	Feb-14
45	Maine Public District	ME	1.0%	Feb-14
46	Consumers Energy	MI	0.0%	Dec-13
47	DTE Electric Co.	MI	0.0%	Dec-13
48	**UGI**	**PA**	**0.0%**	**Jan-14**

Notes:

Differences exist in how jurisdictions define customer groups and in how they measure customer shopping.

Source: State websites. Duquesne Light Accounting, billed kWh for March 2014.

Customer Switching Levels in the United States

Small and Medium C&I Customer Load

Rank	Utility	State	Migration Rate	Date Reported
1	Texas-New Mexico Power	TX	99.6%	Sep-13
2	AEP Texas Central	TX	97.1%	Sep-13
3	AEP Texas North	TX	96.4%	Sep-13
4	Toledo Edison Co. (FE)	OH	92.2%	Dec-13
5	Cleveland Electric Illuminating Co. (FE)	OH	91.3%	Dec-13
6	Ohio Edison Co. (FE)	OH	90.6%	Dec-13
7	**PPL**	**PA**	**90.0%**	**Jan-14**
8	Orange & Rockland Utilities (ConEd)	NY	86.8%	Jun-13
9	Duke Energy Ohio	OH	83.4%	Dec-13
10	Oncor	TX	83.4%	Sep-13
11	Dayton Power & Light Co.	OH	82.1%	Dec-13
12	AEP - Ohio	OH	79.7%	Dec-13
13	NSTAR (NU)	MA	76.8%	Dec-13
14	CenterPoint	TX	76.6%	Sep-13
15	Commonwealth Edison (Exelon)	IL	75.3%	Dec-13
16	Ameren Illinois	IL	74.2%	Dec-13
17	Rochester Gas & Electric Co. (EE)	NY	73.7%	Jun-13
18	Connecticut Light and Power	CT	71.9%	Feb-14
19	**Duquesne Light (Medium C&I)**	**PA**	**71.8%**	**Mar 14**
20	Potomac Electric Power Co. (PHI-MD)	MD	70.1%	Dec-13
21	**MetEd (FE)**	**PA**	**69.7%**	Jan-14
22	Niagara Mohawk (National Grid)	NY	69.4%	Jun-13
23	Northeast Utilities	MA	69.3%	Dec-13
24	Baltimore Gas and Electric (Exelon)	MD	68.8%	Dec-13
25	**PECO Energy (Exelon)**	**PA**	**68.6%**	**Jan-14**
26	**Penn Power (FE)**	**PA**	**66.7%**	**Jan-14**
27	Atlantic City Electric (PHI)	NJ	66.7%	Feb-14
28	Jersey Central Power & Light (FE)	NJ	66.5%	Feb-14
29	**Penelec (FE)**	**PA**	**65.6%**	**Jan-14**
30	New York State Electric & Gas Co. (EE)	NY	65.6%	Jun-13
31	United Illuminating	CT	65.5%	Feb-14
32	Delmarva Power & Light (PHI-MD)	MD	65.1%	Dec-13
33	Consolidated Edison	NY	64.7%	Jun-13
34	**West Penn Power (FE)**	**PA**	**62.6%**	**Jan-14**
35	Central Maine Power Co.	ME	62.2%	Jan-14
36	Potomac Edison (FE)	MD	59.2%	Dec-13
37	Public Service Electric and Gas Co.	NJ	57.6%	Feb-14
38	Central Hudson Gas & Electric	NY	57.5%	Jun-13
39	Bangor Hydro-Electric Co.	ME	57.5%	Jan-14
40	Rockland Electric (ConEd)	NJ	55.9%	Feb-14
41	**Duquesne Light (Small C&I)**	**PA**	**48.3%**	**Mar 14**
42	National Grid (MA)	MA	48.3%	Dec-13
43	UNITIL	MA	45.2%	Dec-13
44	Maine Public District	ME	45.0%	Jan-14
45	**UGI**	**PA**	**36.6%**	**Jan-14**

Notes:

Differences exist in how jurisdictions define customer groups and in how they measure customer shopping. For example, Duquesne Light has lower kW threshhold for hourly price service offered to large C&I customers than most other utilities. Therefore, Duquesne Light tends to have smaller customers included in the small and medium C&I customer groups shown above.

Source: State websites. Duquesne Light Accounting, billed kWh for March 2014.

Customer Switching Levels in the United States

Large C&I Customer Load

Rank	Utility	State	Migration Rate	Date Reported
1	Texas-New Mexico Power	TX	100.0%	Sep-13
2	AEP Texas Central	TX	99.6%	Sep-13
3	AEP Texas North	TX	99.4%	Sep-13
4	**Penn Power (FE)**	**PA**	**97.9%**	**Jan-14**
5	Dayton Power & Light Co.	OH	97.8%	Dec-13
6	**MetEd (FE)**	**PA**	**97.4%**	**Jan-14**
7	Central Maine Power Co.	ME	96.9%	Feb-14
8	**Duquesne Light**	**PA**	**96.7%**	**Mar 14**
9	Duke Energy Ohio	OH	96.6%	Dec-13
10	Commonwealth Edison (Exelon)	IL	96.6%	Dec-13
11	Delmarva Power & Light (PHI-MD)	MD	96.5%	Dec-13
12	UNITIL	MA	96.3%	Dec-13
13	**PECO Energy (Exelon)**	**PA**	**95.4%**	**Jan-14**
14	**PPL**	**PA**	**95.4%**	**Jan-14**
15	Baltimore Gas and Electric (Exelon)	MD	95.3%	Dec-13
16	Maine Public District	ME	94.7%	Feb-14
17	United Illuminating	CT	94.4%	Feb-14
18	**Penelec (FE)**	**PA**	**93.9%**	**Jan-14**
19	Rochester Gas & Electric Co. (EE)	NY	93.5%	Jun-13
20	Consolidated Edison	NY	92.2%	Jun-13
21	Rockland Electric (ConEd)	NJ	91.8%	Feb-14
22	Potomac Electric Power Co. (PHI-MD)	MD	90.9%	Dec-13
23	NSTAR (NU)	MA	90.7%	Dec-13
24	Northeast Utilities	MA	90.5%	Dec-13
25	Cleveland Electric Illuminating Co. (FE)	OH	90.4%	Dec-13
26	New York State Electric & Gas Co. (EE)	NY	89.0%	Jun-13
27	Public Service Electric and Gas Co.	NJ	88.5%	Feb-14
28	National Grid (MA)	MA	88.2%	Dec-13
29	Ameren Illinois	IL	87.5%	Dec-13
30	Potomac Edison (FE)	MD	86.9%	Dec-13
31	Atlantic City Electric (PHI)	NJ	86.6%	Feb-14
32	Central Hudson Gas & Electric	NY	85.8%	Jun-13
33	**West Penn Power (FE)**	**PA**	**85.7%**	**Jan-14**
34	Oncor	TX	84.5%	Sep-13
35	Jersey Central Power & Light (FE)	NJ	84.1%	Feb-14
36	AEP - Ohio	OH	81.4%	Dec-13
37	Connecticut Light and Power	CT	79.5%	Feb-14
38	Bangor Hydro-Electric Co.	ME	79.4%	Feb-14
39	CenterPoint	TX	79.3%	Sep-13
40	Ohio Edison Co. (FE)	OH	78.1%	Dec-13
41	Toledo Edison Co. (FE)	OH	77.8%	Dec-13
42	**UGI**	**PA**	**75.6%**	**Jan-14**
43	Niagara Mohawk (National Grid)	NY	67.1%	Jun-13
44	Orange & Rockland Utilities (ConEd)	NY	50.3%	Jun-13

Notes:

Differences exist in how jurisdictions define customer groups and in how they measure customer shopping. For example, Duquesne Light has lower kW threshhold for hourly price service offered to large C&I customers than most other utilities. Therefore, Duquesne Light tends to have smaller customers included in the large C&I customer group shown above.

Source: State websites. Duquesne Light Accounting, billed kWh for March 2014.