

**PECO ENERGY COMPANY
STATEMENT NO. 2**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF PECO ENERGY COMPANY
FOR APPROVAL OF ITS
DEFAULT SERVICE PROGRAM
FOR THE PERIOD FROM
JUNE 1, 2015 THROUGH MAY 31, 2017

DOCKET NO. P-2014-_____

DIRECT TESTIMONY

WITNESS: JOHN J. MCCAWLEY, P.E.

SUBJECTS: DEFAULT SERVICE PROCUREMENT,
UNIFORM SUPPLY MASTER AGREEMENT,
RETAIL MARKET ENHANCEMENTS, AND
GENERATION SUPPLY ISSUES

DATED: MARCH 10, 2014

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**DIRECT TESTIMONY
OF
JOHN J. MCCAWLEY**

I. INTRODUCTION AND PURPOSE

1. Q. Please state your full name and business address.

A. My name is John J. McCawley. My business address is 2301 Market Street, Philadelphia, PA, 19103.

2. Q. By whom are you employed and in what capacity?

A. I am employed by PECO Energy Company (“PECO” or the “Company”) as Director of Energy Acquisition.

3. Q. Mr. McCawley, what are your current duties and responsibilities as Director of Energy Acquisition?

A. As Director of Energy Acquisition for PECO, I am responsible for the administration of wholesale power supply contracts and purchase agreements for PECO’s default service obligations. I also am responsible for the administration of PECO’s retail electric generation and natural gas supplier coordination functions as they relate to electric and gas customer choice. I have been performing these functions since 1998. In addition, I am responsible for the administration of PECO’s procurement of alternative energy credits necessary for compliance with Pennsylvania’s Alternative Energy Portfolio Standards Act (the “AEPS”).

1 **4. Q. Please summarize your educational background and prior professional**
2 **experience.**

3 A. I hold a BS degree in Electrical Engineering from Lehigh University; an MBA
4 from Villanova University; and a MS Finance degree from Drexel University. I
5 am also a Registered Professional Engineer in the Commonwealth of
6 Pennsylvania.

7 I have been employed by PECO and/or Exelon Corporation since 1984. Over that
8 period, I have held engineering and management positions in the areas of nuclear,
9 fossil fuel, and hydroelectric generation, corporate strategy, planning and
10 budgeting, in addition to my current responsibilities described above.

11 **5. Q. What is the purpose of your direct testimony?**

12 A. The purpose of my direct testimony is to describe PECO's third default service
13 plan ("DSP III" or "Plan"), including PECO's proposed procurement,
14 implementation and contingency plans. In addition, I explain PECO's uniform
15 supply master agreement ("SMA") which will be used with wholesale suppliers
16 and PECO's plans for satisfying AEPS requirements. Finally, I discuss additional
17 competitive enhancements PECO intends to implement during DSP III. My
18 testimony is divided into several parts:

- 19 (1) An overview of PECO's proposed procurement process;
- 20 (2) A description of the customer classes under the Plan and the
21 portfolio of products that PECO intends to procure for each class
22 pursuant to its implementation plan;

- 1 (3) A description of contingency plans in the event PECO does not
2 obtain sufficient default service supply;
- 3 (4) A description of the uniform SMA, and a revision PECO has
4 proposed for compliance with PJM's tariff;
- 5 (5) PECO's plans for compliance with the AEPS;
- 6 (6) Retail market enhancements; and
- 7 (7) Generation supply issues.

8 **6. Q. Have you prepared any exhibits to accompany your testimony?**

9 A. Yes. PECO Exhibits JJM-1 to JJM-5 were prepared at my direction and under my
10 supervision and are described in detail in my testimony.

11 **II. OVERVIEW OF THE PROCUREMENT PROCESS**

12 **7. Q. Please provide an overview of PECO's proposed procurement process.**

13 A. PECO plans to conduct multiple competitive solicitations to acquire generation
14 service to meet its default service obligations on and after June 1, 2015 when its
15 current default service plan ("DSP II") expires. As in DSP II and in PECO's prior
16 default service program ("DSP I"), PECO's DSP III will employ a request for
17 proposals ("RFP") process to solicit bids for a portfolio of full requirements
18 supply products with varying terms for its residential, small commercial, medium
19 commercial, and large commercial and industrial default service customers.

20 DSP III will utilize the shorter contract terms and delivery periods first
21 implemented in DSP II. As in DSP II, PECO will not engage in any new
22 purchases of block energy for residential customers. For large commercial and
23 industrial default service customers, PECO will procure all supply through spot-

1 priced full requirements contracts with wholesale suppliers in the same manner as
2 DSP II.

3 In accordance with the Commission's regulations, PECO is also seeking approval
4 for the RFPs to continue to be managed and monitored by an independent
5 evaluator, NERA Economic Consulting, Inc. ("NERA"), to assure that bidding is
6 conducted in a fair and efficient manner and to report the results to the
7 Pennsylvania Public Utility Commission ("Commission").

8 **8. Q. What is the proposed term of DSP III?**

9 A. PECO's DSP III encompasses default service procurement for the period
10 beginning June 1, 2015 through May 31, 2017. This term is consistent with the
11 Commission's Default Service Policy Statement, 52 Pa. Code § 69.1804, which
12 recommends that default service programs following an initial program should be
13 for a two-year period unless the Commission directs otherwise.

14 **9. Q. Is PECO seeking to begin procurement before June 1, 2015?**

15 A. Yes. While some of the supply required on June 1, 2015 will be provided by
16 contracts procured under DSP II, PECO proposes to commence procurement
17 activities for DSP III in February 2015. A table showing the anticipated
18 solicitations for each procurement class is included and described in the RFP
19 Rules attached to the testimony of Dr. Chantale LaCasse of NERA (PECO
20 Statement No. 4).

1 **10. Q. Will PECO's competitive procurement solicitations continue to be open to all**
2 **wholesale suppliers, including affiliates of PECO?**

3 A. Yes. All qualified suppliers who satisfy uniform bidder qualification
4 requirements will have an opportunity to participate in PECO's RFP. As
5 explained by Dr. LaCasse, the competitive solicitation process is designed to
6 ensure that PECO's generation affiliates do not receive an advantage over other
7 bidders. The competitive solicitation process complies with the code of conduct
8 established under 52 Pa. Code § 54.122.

9 **11. Q. Will wholesale suppliers be subject to any limitation on the amount of supply**
10 **they can serve?**

11 Yes. As in DSP II, all suppliers will be subject to a limit of no more than fifty
12 percent (50%) of the supply of each procurement class at any given time during
13 the DSP III period.

14 **III. PROCUREMENT CLASSES**

15 **12. Q. What procurement classes are being proposed by PECO for DSP III?**

16 A. PECO proposes to divide its default service customers into the same four classes
17 as in DSP I and DSP II for purposes of default service procurement.

18 (1) Residential: All customers on schedules R and RH.

19 (2) Small Commercial: All customers with annual peak demand of
20 less than 100 kW under schedule GS, PD and HT plus lighting
21 customers on schedules AL, POL, SLE, SLS and TLCL.

1 (3) Medium Commercial: All customers with annual peak demand
2 equal to or greater than 100 kW, but less than 500 kW, on
3 schedules GS, PD and HT.

4 (4) Large Commercial and Industrial: All customers with annual peak
5 demand greater than 500 kW on schedules GS, HT, PD and EP.

6 **13. Q. Why is PECO proposing to use the same procurement classes that it utilized**
7 **in DSP I and II?**

8 A. These procurement classes continue to reflect the nature of the load of PECO's
9 customers. The separation of the Residential and Small Commercial procurement
10 classes reflects the different usage patterns of those classes and reduces the
11 potential that increases in shopping trends in one customer group will result in a
12 higher price for the other customer group. The separation of the Medium
13 Commercial from the Small Commercial class also reflects the former's higher
14 shopping propensity. An additional benefit of not changing procurement group
15 sizes in DSP III is that the allocation of any existing over/under-collection arising
16 under DSP II will be addressed without any change to PECO's electric service
17 tariff.

18 The Large Commercial and Industrial class is separated from other classes in
19 accordance with those customers' high propensity for shopping and load shape as
20 well as different bidder interest in products based on hourly prices.

21 **14. Q. Do the Commission's Regulations and Policy Statement support PECO's**
22 **proposed procurement classes for DSP III?**

23 A. The Commission's Regulations and Policy Statement provide that default service
24 procurement classes should be designed based upon peak loads of 0-25 kW, 25-

1 500 kW, and 500 kW and greater. However, the Commission previously granted
2 PECO a waiver from these regulations in DSP I and DSP II to support the 100 kW
3 “breakpoint” among PECO’s commercial customers in light of customer
4 characteristics, and PECO again requests a waiver to maintain its existing
5 procurement classes.

6 **15. Q. In the *End State Order*, the Commission provided that customers who have**
7 **interval meters and peak demands above 100 kW should receive spot-priced**
8 **products.¹ What type of default service supply will be provided to these**
9 **customers?**

10 A. These customers will be supplied by fixed price contracts in the same manner as
11 other customers in the Medium Commercial class. To the extent necessary,
12 PECO requests a waiver of the *End State Order* (pp. 31-32) to maintain this
13 practice from DSP II pending the completion of advanced meter infrastructure
14 (“AMI”) deployment for the entire Medium Commercial class, including testing,
15 implementation of back-office and other information technology (“IT”) systems,
16 and integration with PECO’s billing system.

17 Migrating medium commercial customers with AMI interval meters to spot
18 priced-default supply at the same time as PECO is deploying advanced meters to
19 these customers creates additional risk of deployment issues, a potential for
20 wholesale default service suppliers to include a premium in bids to cover more

¹ See *Investigation of Pennsylvania’s Retail Elec. Mkt.: End State of Default Serv.*, Docket No. I-2011-2237952 (Order entered February 15, 2013) (“*End State Order*”), pp. 29-32.

1 uncertainty in customer load, and additional billing system changes with
2 associated administrative costs.

3 **16. Q. Are there any exceptions with respect to customer size and procurement**
4 **class?**

5 A. Yes. Certain lighting customers have peak demands equal to or exceeding 100
6 kW but have been placed in the Small Commercial class. PECO believes that
7 arrangement remains appropriate to avoid a separate procurement class that may
8 not attract significant bidder interest.

9 **IV. PORTFOLIO OF RFP PRODUCTS FOR DSP III**
10 **AND IMPLEMENTATION PLAN**

11 **17. Q. What are the products that PECO will solicit for each procurement class?**

12 A. Each procurement class will have its own unique procurement strategy consistent
13 with Public Utility Code requirements to obtain a prudent mix of contracts
14 designed to ensure least cost to customers over time, taking into account rate
15 stability, and to continue to support retail competition.

16 **18. Q. What products will wholesale suppliers be responsible for should they be**
17 **chosen to serve a percentage of PECO's load?**

18 A. Suppliers will be obligated to supply full requirements load-following service,
19 which includes energy, capacity, ancillary services, and all other services or
20 products necessary to serve a specified percentage of PECO's default service load
21 in all hours during the supply product's delivery period. The amount of energy
22 and other services and products a supplier must provide under the full

1 requirements contracts PECO will enter into will vary depending upon PECO's
2 actual default service load.

3 The full requirements product obligates the supplier to satisfy a specified
4 percentage of all of the default service customers' supply requirements in every
5 hour of the delivery period, regardless of the customers' instantaneous changes in
6 energy consumption and/or the frequency at which such customers switch to or
7 from default service. In addition, the full requirements product obligates the
8 supplier to provide to PECO all alternative energy credits ("AECs") necessary for
9 compliance with the AEPS requirements associated with the supplier's specified
10 percentage of the load. PECO will continue to allocate AECs from its separate
11 Commission-approved AEC procurements toward the supplier's AEC obligation
12 in the same manner approved in DSP II.

13 PECO remains responsible for all distribution services to its default service
14 customers, as well as transmission costs for Network Integration Transmission
15 Service ("NITS") and related transmission services that it will recover through its
16 unbundled retail transmission rate.

17 **19. Q. What are the products that PECO is currently procuring for each customer**
18 **class under DSP II?**

19 A. Under DSP II, most of the Residential class load is served by fixed-price full
20 requirements products. Approximately three-quarters of this class' supply
21 portfolio is comprised of full requirements products that transition to a
22 procurement design in which two-year full requirements contracts comprise about

1 60% of the supply mix and one-year full requirements contracts comprise about
2 40% of the mix. These products overlap on a semi-annual basis. With respect to
3 the remaining roughly one-quarter of the supply portfolio (the “PECO Share”),
4 PECO has reduced its block and spot supply purchases from the levels initiated in
5 DSP I and replaced them with full requirements products with delivery periods
6 extending through the end of May 2015. By the end of DSP II, PECO will be
7 procuring only a small amount of supply under block contracts, specifically only
8 50 MW under a long-term block contract expiring on December 31, 2015.

9 The Small Commercial class and Medium Commercial class loads are served by
10 one-year full requirements products with overlap on a semi-annual basis and six-
11 month full requirements products without overlap, respectively.

12 The Large Commercial and Industrial class is served entirely by one-year full
13 requirements contracts with energy priced by the PJM day-ahead spot market.

14 **20. Q. Please describe PECO’s procurement strategy for the Residential class under**
15 **DSP III.**

16 A. Under DSP III, PECO will continue the procurement design established in DSP II,
17 with slightly less than 40% one-year full requirements products and slightly less
18 than 60% two-year full requirements products and delivery periods that overlap
19 on a semi-annual basis. During the DSP III period, approximately 96% of the
20 supply portfolio will transition to this product arrangement. The remaining
21 approximately 4% of the default service supply portfolio for the Residential
22 customer class will consist of a mix of “long-term” products and spot purchases.

1 Each of the contracts will be procured approximately 2-4 months prior to delivery
2 of the energy. Contracts with delivery periods beginning on June 1 will be
3 procured in the month of January prior to delivery to allow winning suppliers to
4 participate in the annual PJM Auction Revenue Rights (“ARR”) nomination
5 process in early March.² Contracts beginning on December 1 will be procured in
6 a Fall RFP, approximately two months before the start of the contract delivery
7 period.

8 In PECO Statement No. 3, Mr. Fisher explains how the proposed residential
9 supply portfolio represents a “prudent mix” of contracts in light of the results of
10 DSP II and is designed to ensure least cost over time.

11 **21. Q. Does the Residential class supply portfolio for DSP III include any new block**
12 **energy purchases?**

13 A. No. PECO will not rely on any additional block energy purchases beyond an
14 unexpired five-year contract procured during DSP I, which terminates on
15 December 31, 2015. PECO is proposing to replace this single block energy
16 contract with a four-year, five-month full requirements product split into two
17 tranches, and to supply the remaining approximately 1% of the default service
18 residential customer load through spot market purchases. The addition of five
19 months to the four-year product term will facilitate termination of that product at
20 the end of a PJM planning year.

² An ARR is the mechanism by which PJM allocates proceeds from the annual auction of Financial Transmission Rights (“FTRs”), which are rights to receive compensation associated with transmission congestion between points in the transmission system operated by PJM.

1 **22. Q. Is PECO proposing any changes to its procurement strategy for the Small**
2 **Commercial, Medium Commercial and Large Commercial and Industrial**
3 **classes?**

4 A. No. PECO is not proposing any changes to its Commission-approved DSP II
5 procurement plans for those customer classes. The Small Commercial class load
6 will continue to be supplied by one-year full requirements products, each laddered
7 with six-month spacing between procurements. For the Medium Commercial
8 class, PECO proposes to maintain its current portfolio of six-month fixed-price
9 full requirements products without overlap. Finally, with respect to the Large
10 Commercial and Industrial class, PECO proposes to continue to procure all
11 default service supply for this class through spot-priced full requirements
12 products.

13 Each of the contracts for the Small Commercial and Medium Commercial classes
14 will be procured approximately two to four months prior to delivery of energy
15 under the contract. Like the Residential procurement, contracts beginning on
16 June 1 will be procured in January to allow winning suppliers to participate in the
17 March PJM ARR nomination process before the FTR auction.

18 Each of the spot-priced contracts for the Large Commercial and Industrial Class
19 will be procured annually in January.

20

1 **23. Q. Will some of the full requirements contracts that PECO proposes to enter**
2 **into continue past May 31, 2017?**

3 A. Yes. The extension of contracts beyond the term of a default service plan is
4 permitted by the Commission’s regulations (52 Pa. Code § 54.186(b)(3)) and is
5 consistent with the procurement design approved by the Commission in DSP II.
6 The laddering of contract delivery periods (extending beyond May 31, 2017) will
7 better ensure that customers are not exposed to rate volatility associated with
8 replacing a large portion of default service supply in a short period of time.
9 Under PECO’s proposal, there will be ample time after Plan approval to adjust the
10 applicable solicitations in the event of any legislative changes affecting PECO’s
11 role as a default service provider, as none of the contracts with delivery periods
12 extending beyond May 31, 2017 will be procured until September 2015 at the
13 earliest. PECO’s proposed uniform SMA also includes provisions under which
14 PECO’s obligations may be assigned.

15 **24. Q. Has PECO prepared an implementation plan for DSP III?**

16 A. Yes. A schedule of PECO’s proposed procurements is attached to my testimony
17 as Exhibit JJM-1. In PECO Statement No. 4, Dr. LaCasse describes PECO’s
18 competitive bid procedures in detail, including bidder qualification requirements
19 and associated documentation.

1 V. CONTINGENCY PLANS

2 25. Q. Is PECO proposing any changes to its contingency plans in the event it either
3 does not obtain sufficient supply through its procurement processes or
4 experiences supplier default?

5 A. No. PECO proposes to use the same contingency plans as those in DSP II. PECO
6 employs a contingency plan when it fails to obtain sufficient approved bids for all
7 tranches of supply offered in a solicitation and when a supplier enters into a
8 supply agreement and subsequently defaults on its obligations. In the event
9 PECO fails to obtain sufficient approved bids for all offered tranches for a
10 product in a solicitation, the tranches will be included in PECO's next default
11 supply solicitation for that product. If necessary, PECO will supply any unserved
12 portion of its default service load from the PJM-administered markets for energy,
13 capacity and ancillary services and procure sufficient AECs at market prices to
14 satisfy any near-term obligations under the AEPS Act.

15 In the event of a supplier default and the immediate need to obtain supply for
16 default service that PECO otherwise would have received, PECO will initially
17 rely on filling that supplier's portion of PECO's default service load through the
18 PJM-administered markets for energy, capacity, and ancillary services. If the
19 default occurs within a reasonable time before a scheduled procurement, the load
20 served by the defaulting supplier will be incorporated into that next procurement.
21 Otherwise, PECO will file a plan with the Commission with alternative
22 procurement options and a request for approval on an expedited basis.

1 **28. Q. Is PECO proposing any revisions to the Uniform SMA?**

2 A. No. PECO’s Uniform SMA differs from the Uniform SMA submitted to the
3 Commission only in the addition of PECO’s name where appropriate and several
4 minor, non-substantive corrections.

5 Separately, PECO is proposing two changes in DSP III to its DSP II SMA
6 allocation of PJM charges between PECO and wholesale suppliers relating to
7 meter error correction and generation deactivation. Under the Uniform SMA,
8 such charges are allocated in an EDC-specific SMA appendix (Appendix D).

9 **29. Q. Please explain the proposed change relating to meter error correction.**

10 A. PJM Meter Error Correction Charges (which can be positive or negative) arise
11 from meter true-ups reported at month-end by EDCs and generators to account for
12 any accumulated tie line and generation meter error during the month. Currently,
13 PJM meter error correction charges in the PJM PECO Zone are allocated only to
14 default service suppliers, and PECO collects these allocated amounts from default
15 service suppliers under its existing SMA. I have quantified the PJM meter error
16 correction amounts charged or credited by PECO during 2012 and 2013 on
17 Exhibit JJM-3.

18 As permitted under PJM’s tariff, PECO is proposing to now have PJM allocate
19 these meter error correction charges to all load serving entities (“LSEs”) in the
20 PJM PECO Zone, including EGSs, instead of requiring default service suppliers
21 to cover all such costs. This revision will appropriately assign cost responsibility
22 to all LSEs providing generation service. In order to effect this change, the

1 allocation for PJM bill line item 1250 is assigned to each default service supplier
2 in the EDC-specific portion of the SMA. Each LSE – including all default service
3 suppliers, EGSs, and PECO (in cases where PECO is acting as an LSE), will be
4 required to pay their share of meter error correction charges directly to PJM.

5 **30. Q. Is PECO proposing any changes to its Electric Generation Supplier Tariff**
6 **(“Supplier Tariff”) to implement its recommendation regarding meter error**
7 **correction charges?**

8 A. Under PJM rules, implementation of this provision will require agreement among
9 all LSEs serving load in PECO’s service territory. Accordingly, PECO is
10 proposing an amendment to its Supplier Tariff, which requires EGSs to consent to
11 the proposed allocation of meter error correction charges to all LSEs. This
12 change shown in the clean and redlined version of Page 53A of PECO’s Supplier
13 Tariff attached as Exhibits JJM-4 and JJM-5, respectively.

14 **31. Q. What change is PECO proposing relating to generation deactivation**
15 **charges?**

16 A. PECO is proposing to change the allocation of default service load responsibility
17 for PJM Generation Deactivation charges from default service suppliers to PECO
18 (PJM bill line item 1930). Generation Deactivation charges are established under
19 PJM’s Open Access Transmission Tariff for payments to an owner of a generating
20 facility which PJM has determined must be maintained in operation for reliability
21 reasons pending completion of necessary transmission upgrades even though the
22 owner has sought to deactivate the facility.

1 The proposed change will result in Generation Deactivation charges being
2 collected directly by PECO from default service customers under PECO's
3 bypassable default service transmission rate instead of as part of the price for
4 default service supply paid to wholesale suppliers. With this change, the
5 collection of Generation Deactivation charges will be consistent with PECO's
6 collection of other default service transmission-related charges (including NITS).³

7 VII. AEPS COMPLIANCE

8 **32. Q. Will PECO continue to satisfy its AEPS obligations with respect to sales to**
9 **default service customers by requiring suppliers to transfer alternative**
10 **energy credits ("AECs") to PECO?**

11 A. Yes. The AEPS Act requires electric distribution companies like PECO to obtain
12 an increasing percentage of electricity sold to retail customers from alternative
13 energy sources, as measured by AECs. Under the Uniform SMA, PECO will
14 continue to require each default service supplier to transfer Tier I and Tier II
15 AECs to PECO corresponding to PECO's AEPS obligations associated with the
16 amount of default service load served by that supplier.

17 In addition, PECO will continue to allocate AECs obtained through its prior solar
18 and non-solar Tier I and II procurements to suppliers in accordance with each
19 customer class and the percentage of load served by each supplier. PECO will

³ PECO notes that the collection of certain PJM bill charges through a non-bypassable rider has been proposed in the default service proceedings of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company at Docket Nos. P-2013-2391368 *et al.* (hereinafter referred to as the "FirstEnergy EDCs"). As in PECO's DSP II proceedings, PECO will continue to monitor the FirstEnergy EDCs' proceedings and will take into consideration any Commission direction to the FirstEnergy EDCs as it may apply to PECO's proposals for DSP III.

1 retain a percentage of its AECs to meet the AEPS requirements associated with
2 any residential default service customer load not supplied by full requirements
3 contracts, and procure or sell any additional AECs required through PECO's Tier
4 I and Tier II "balancing" procurements previously authorized by the Commission.

5 VIII. COMPETITIVE ENHANCEMENTS

6 **33. Q. Will PECO continue the EGS Standard Offer Program ("Standard Offer**
7 **Program") that was implemented as part of DSP II?**

8 A. Yes, PECO proposes to extend the program for the two-year term of DSP III.
9 Continuing the Standard Offer Program is consistent with the Commission's
10 observation in the *End State Order* (pp. 12-13) that standard offer customer
11 referral programs will "improve the overall operation of the competitive market in
12 the near term." As explained by Mr. Crowe (PECO Statement No. 1), the
13 Standard Offer Program has resulted in more than 15,000 customers switching to
14 an EGS that has voluntarily chosen to offer customers a twelve-month contract
15 priced at least 7% below PECO's default service rate at the time of the offer.

16 **34. Q. Mr. McCawley, is PECO taking any additional steps to enhance retail**
17 **competition?**

18 A. Yes. As Mr. Crowe explains in his testimony, PECO will be completing the
19 implementation of several retail enhancements during DSP III, including seamless
20 moves and "instant connect."⁴ In addition, PECO is proposing to continue to

⁴ A seamless move is the "ability of a customer's choice of supplier to move with the customer to a new address without interruption." *End State Order*, p. 70. An instant connect is the "ability of supply service to start on 'day one' of new utility service – without the customer first having to go on default service." *Id.*

1 allow EGSs to request customer account information if such information is not
2 available from the customer or PECO's Eligible Customer List ("ECL").

3 **35. Q. Please describe the programs PECO will implement during DSP III to**
4 **accelerate switching to EGS service.**

5 A. PECO will complete implementation of seamless moves and instant connect to
6 reduce the time customers spend on default service due to administrative and
7 regulatory delay, as directed by the Commission in the *End State Order* (pp. 69-
8 75).⁵ PECO actively participated in the Electronic Data Exchange Working
9 Group ("EDEWG") stakeholder process, which recommended that electric
10 distribution companies, including PECO, redesign their systems to allow
11 acceptance of an EGS enrollment request on a pending active customer account
12 that will become active on a specified future date rather than waiting for the new
13 account to become active. The final design and associated cost recovery
14 mechanism are pending Commission review in a separate proceeding.

15 **36. Q. Is PECO implementing any enhancements to provide EGS access to**
16 **customer account numbers where such information is not available from the**
17 **customer or PECO's ECL?**

18 A. Yes. By May 2014, PECO will enhance its existing, pass code-protected Supplier
19 Customer Choice Energy Systems Solution ("SUCCESS") website portal to add a
20 feature that will allow EGSs to submit account number requests by uploading a

⁵ See PECO Energy Company's Plan for Accomplishing Seamless Moves and Instant Connects, *Investigation of Pennsylvania's Retail Elec. Mkt.: End State of Default Serv.*, Docket No. I-2011-2237952 (filed December 18, 2013).

1 delimited file.⁶ With each request for account information, an EGS must attest
2 that it is enrolling the customer at a public location and has obtained both photo
3 identification and a signed letter of authorization from the customer it seeks to
4 enroll.

5 The Company proposes to maintain this new SUCCESS feature during the DSP
6 III term to facilitate EGS marketing at public locations and community events
7 where customers do not have their account information in their possession.

8 IX. GENERATION SUPPLY ISSUES

9 37. Q. **Please describe the determination that the Commission must make pursuant**
10 **to Section 2807(e)(3.7)(iii) of Act 129.**

11 A. Section 2807(e)(3.7)(iii) requires the Commission to determine that neither the
12 default service provider nor its affiliated interest has withheld from the market
13 any generation supply in a manner that violates federal law.

14 38. Q. **Does PECO own any generation supply?**

15 A. No.

16 39. Q. **Has PECO withheld from the market any generation supply in violation of**
17 **federal law?**

18 A. No.

⁶ See PECO Energy Company's Compliance Filing Regarding Customer Account Number Access for EGSs, *EDC Customer Account Number Access Mechanism for EGSs*, Docket No. M-2013-2355751 (filed December 18, 2013).

