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January 19, 2017

## Via Electronic Filing

Rosemary Chiavetta, Secretary PA Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3265

Re:

PECO Energy Company's Petition for Plan for an Advance Payments Program Submitted Pursuant to 52 Pa. Code § 56.17

PECO Energy Company's Petition for Temporary Waiver of Portions of the Commission's Regulations with Respect to the Plan Docket No. P-2016-2573023

Dear Secretary Chiavetta:

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

Sincerely,

Sarah C. Stoner

SCS/jls Enclosure

cc: Hon. Angela T. Jones, ALJ w/enc.

Cert. of Service w/enc.

#### **CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of RESA's Petition to Intervene upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

### Via Email and/or First Class Mail

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Dated: January 19, 2017

Sarah C. Stoner, Esq.

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company's Petition for Plan for an Advance Payments Program Submitted Pursuant to 52 Pa. Code §56.17

and : Docket No. P-2016-2573023

PECO Energy Company's Petition for Temporary Waiver of Portions of the Commission's Regulations With Respect to that Plan

## PETITION TO INTERVENE OF THE RETAIL ENERGY SUPPLY ASSOCIATION

Pursuant to 52 Pa. Code §§ 5.72-5.75 and the Prehearing Conference Order issued

December 21, 2016, the Retail Energy Supply Association ("RESA")<sup>1</sup> petitions to intervene in
the Petition of PECO Energy Company ("PECO") for Plan for an Advance Payments Program
and a Temporary Waiver of Portions of the Commission's Regulations With Respect to that
Plan. In support of its intervention, RESA states as follows:

1. On October 26, 2016, PECO submitted its prepayment meter program with the Commission in which it proposes to allow certain residential customers/applicants to voluntarily enter a program in which they pay their bills for utility service in advance of receiving service ("Prepay Pilot Program").

The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

- 2. By public notice published in the Pennsylvania Bulletin on November 12, 2016, the Commission established a deadline for comments to be filed by December 15, 2016, and reply comments to be filed by January 16, 2017. RESA submitted comments and reply comments in this proceeding pursuant to that directive. Administrative Law Judge Angela T. Jones scheduled an Initial Prehearing Conference for January 23, 2017. RESA is simultaneously filing its Prehearing Conference Memorandum.
- 3. RESA is a trade association of retail energy suppliers who share the common vision that competitive retail electricity markets deliver a more efficient, customer-oriented outcome than does the monopoly-protected, rate-regulated utility structure. RESA members are licensed to sell electric energy in the markets of Pennsylvania's major electric distribution companies ("EDCs"), including the service territory of PECO.
  - 4. RESA's attorneys in this matter are:

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5. The Commission's regulations allow intervention where a person has an interest in the proceeding which may be directly affected and which is not adequately represented by existing parties, and as to which the person may be bound by the action of the Commission in the proceeding. 52 Pa. Code § 5.72(a)(2). Intervention is also permitted where participation of the person may be in the public interest. 52 Pa. Code § 5.72(a)(3). A "person" includes a corporation and an association. 52 Pa. Code § 1.8.

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- 6. RESA meets the standards for intervention set forth in 52 Pa. Code § 5.72(a). As an organization whose members include competitive electric generation suppliers ("EGSs") licensed to do business in the PECO's service territory, RESA has interests that will be directly affected by this proceeding. PECO's Prepay Pilot Program conveys that only the EDC is in a position in Pennsylvania to offer a prepay billing option. If approved, PECO's Petition will negatively impact EGSs.
- 7. Innovative products and services are best delivered by competitive retail suppliers offering market-based solutions rather than through regulated distribution companies. In fact, many competitive energy suppliers (including RESA members) have successfully provided prepay products in other jurisdictions. Given the proven success of prepay options and the experience of many RESA companies offering prepay options to consumers, RESA fully supports bringing such opportunities to Pennsylvania consumers through the competitive market.
- 8. The Prepay Pilot Program would require ratepayers to bear the risk of costs PECO incurs for the development and implementation of a prepay billing option and threatens to stymie the investment of private investment dollars into Pennsylvania to develop new products like prepay. Innovation is largely driven by competitive companies investing shareholder dollars and putting their own capital at risk. PECO's proposal threatens to negatively impact this potential because private companies cannot compete with a traditional utility that is guaranteed cost recovery for its prepay billing option. If, nonetheless, the Commission elects to move forward to permit PECO's proposal, then special consideration must be given as to how to address the negative retail market impacts that will result.

- 9. The issues mentioned above and addressed in further detail in RESA's Comments and Reply Comments may impact the ability of EGSs to provide competitive billing options regarding generation service to retail customers. In sum, RESA has identified the following issues that should be determined in this proceeding:
- How will PECO's implementation of a prepay billing option affect the ability of suppliers to offer competitive billing options regarding their electric generation products and services to retail customers in PECO's territory?
- Would granting PECO the right to full cost recovery for the development and implementation of its proposed prepay billing option be consistent with provisions of the Electricity Generation Customer Choice and Competition Act?
- Whether the Commission should reject PECO's petition and focus its efforts on implementing policies to allow EGSs the opportunity to build and maintain a direct billing relationship with customers.
- If the Commission elects to approve PECO's proposed prepay billing option, what conditions should it place on its approval to address the negative retail market impacts that will follow?
- 10. Approving PECO's Petition will serve to reinforce the historical EDC-customer monopoly relationship. This would be in contravention of the requirement of the Competition Act to foster the development of a competitive retail market by allowing an EDC to provide a prepay product offering but restricting such competitive market offerings. Such result would directly impact the ability of EGSs to provide competitive offerings.

- 11. RESA's interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene, including individual EGSs or other organizations interested in electric competition in Pennsylvania in general and in PECO's service territory in particular. This is because RESA represents the interests of a diverse and broad group of electric generation suppliers in general and not the interests of any individual member.
- 12. RESA's members will be bound by the action of the Commission in this proceeding, which will adjudicate PECO's proposal to allow certain residential customers/applicants to voluntarily enter a program in which they pay their bills for utility service in advance of receiving service.
- 13. RESA's intervention is in the public interest. RESA's participation will enable it to contribute the unique perspectives and insights of a trade association representing multiple EGSs and complete presentation of the issues to be addressed in this proceeding.

**WHEREFORE**, RESA respectfully requests that the Commission grant RESA's Petition to Intervene.

Respectfully submitted,

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Date: January 19, 2017 Attorneys for Retail Energy Supply Association