



May 1, 2018

Via Electronic Filing
Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

Re:
**Joint Petition of Metropolitan Edison Company,
Pennsylvania Electric Company, Pennsylvania Power
Company, and West Penn Power Company for
Approval of their Default Service Programs for the
period commencing June 1, 2019 through May 31, 2023**

Docket Nos. P-2017-2637855
P-2017-2637857
P-2017-2637858
P-2017-2637866

Dear Secretary Chiavetta:

Enclosed for electronic filing, please find the **Main Brief of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** in the above referenced matter.

A copy of this filing will be circulated to all interested parties in accordance with the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Patrick Cicero".

Patrick Cicero
Counsel for CAUSE-PA

CC: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

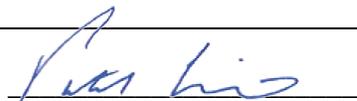
**Joint Petition of Metropolitan Edison Company,
Pennsylvania Electric Company, Pennsylvania Power
Company, and West Penn Power Company for
Approval of their Default Service Programs for the
period commencing June 1, 2019 through May 31, 2023**

**Docket Nos. P-2017-2637855
P-2017-2637857
P-2017-2637858
P-2017-2637866**

I hereby certify that on May 1, 2018, I have served true and correct copies of the **Main Brief of CAUSE-PA**, via email and/or first-class mail upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL & EMAIL	
<p>Honorable Mary D. Long Administrative Law Judge, Pennsylvania Public Utility Commission Piatt Place, Suite 220 301 Fifth Avenue Pittsburgh, PA 15222</p>	
<p>Tori L. Giesler, Esq. FirstEnergy Service Company 2800 Pottsville Pike P.O. Box 16001 Reading, PA 19612-6001 (Counsel for Companies)</p>	<p>Daniel G. Asmus, Esq. Office of Small Business Advocate Suite 202, Commerce Building 300 North Second Street Harrisburg, PA 17101 (Counsel for OSBA)</p>
<p>Aron Beatty, Esq. Hayley Dunn, Esq. Office of Consumer Advocate 555 Walnut Street 5th Floor, Forum Place Harrisburg, PA 17101-1923 (Counsel for OCA)</p>	<p>Allison C. Kaster, Esq. Gina L. Miller, Esq. Bureau of Investigation & Enforcement Pennsylvania Public Utility Commission P.O. 3265 Harrisburg, PA 17105-3265 (Counsel for I/E)</p>

<p>Karen O. Moury, Esq. Eckert Seamans Cherin & Mellott, LLC 213 Market Street, 8th Floor Harrisburg, PA 17101 (Counsel for Respond Power, LLC)</p>	<p>Thomas J. Sniscak, Esq. William E. Lehman, Esq. Christopher M. Arfaa, Esq. Hawke McKeon & Sniscak LLP 100 North 10th Street Harrisburg, PA 17101 (Counsel for PSU)</p>
<p>Charis Mincavage, Esq. Susan East Bruce, Esq. Vasiliki Karandrikas, Esq. Alessandra L. Hylander, Esq. McNees, Wallace & Nurick, LLC 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166 (Counsel for Industrial Intervenors)</p>	<p>Holly Rachel Smith, Esq. Exelon Business Services Corporation 701 9th Street, NW Mailstop EP2205 Washington, DC 20068 (Counsel for Exelon Generation and Constellation)</p>
<p>Deanne M. O'Dell, Esq. Sarah C. Stoner, Esq. Daniel Clearfield, Esq. Eckert Seamans Cherin & Mellott, LLC 213 Market Street., 8th Floor Harrisburg, PA 17101 (Counsel for RESA)</p>	<p>Todd S. Stewart, Esq. Hawke McKeon & Sniscak, LLP 100 N. Tenth Street Harrisburg, PA 17101 (Counsel for Next Era Energy)</p>
<p>Charles E. Thomas III, Esq. THOMAS, NIESEN & THOMAS, LLC 212 Locust Street, Suite 302 Harrisburg, PA 17101 (Counsel for Calpine)</p>	<p>Carl R. Shultz, Esquire Eckert Seamans Cherin & Mellott, LLC 213 Market St., 8th Floor Harrisburg, PA 17101 (Counsel for Direct Energy)</p>
<p>VIA EMAIL ONLY: Mr. Robert Knecht – rdk@indecon.com James L. Crist - JLCrist@aol.com Lael Campbell – lael.campbell@constellation.com Michael Prinkey – mip103@psu.edu Barbara R. Alexander – barbalex@ctel.net Steven Estomin – sestomin@exeterassociates.com</p>	


Patrick M. Cicero, PA ID 89039
pulp@palegalaid.net

May 1, 2018

On Behalf of CAUSE-PA

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company,	:	Docket No. P-2017-2637855
Pennsylvania Power Company and West Penn	:	P-2017-2637857
Power Company for Approval of their	:	P-2017-2637858
Default Service Programs	:	P-2017-2637866
	:	

**MAIN BRIEF OF THE COALITION FOR
AFFORDABLE UTILITY SERVICES AND ENERGY
EFFICIENCY IN PENNSYLVANIA**

PENNSYLVANIA UTILITY LAW PROJECT

Counsel for CAUSE-PA

Patrick M. Cicero, Esq., PA ID: 89039

Kadeem G. Morris, Esq., PA ID 324702

Elizabeth R. Marx, Esq., PA ID: 309014

118 Locust Street

Harrisburg, PA 17101

Tel.: 717-236-9486

Fax: 717-233-4088

pulp@palegalaid.net

May 1, 2018

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	PROCEDURAL HISTORY	5
III.	DEFAULT SERVICE PLAN PORTFOLIO AND TERM	6
	A. Residential Portfolio	6
	B. Commercial Portfolio.....	6
	C. Industrial Portfolio	6
	D. Procurement Classes	6
	E. Default Service Plan Term.....	7
IV.	PURCHASE OF RECEIVABLES CLAWBACK PROVISION	7
V.	BYPASSABLE RETAIL MARKET ENHANCEMENT RATE MECHANISM	8
	A. Legal Standard and Burden of Proof	8
	B. The Companies’ proposed PTC Adder should be rejected as baseless and harmful. .	10
VI.	NON-COMMODITY BILLING	14
VII.	CUSTOMER REFERRAL PROGRAM	16
VIII.	CUSTOMER ASSISTANCE PROGRAM SHOPPING	17
	A. Legal Standard	17
	B. Legal Authority for CAP Customer Shopping Restrictions	18
	C. The unrefuted evidence in the record shows that PCAP customer protections are necessary.	22
	D. CAUSE-PA’s proposal to limit the offers a PCAP customer can accept to offers at or below the Price to Compare is the only proposal that effectively ameliorates the harm associated with unrestricted PCAP shopping.	31
	E. In light of the substantial evidence of harm, the Commission should implement the PCAP restrictions proposed by CAUSE-PA.....	41
IX.	NON-MARKET BASED CHARGES	43
X.	TIME-OF-USE RATE	44
XI.	CONCLUSION	44

Exhibit A: Joint Stipulation between the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania and Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company dated April 10, 2018 at ¶ 3, Admitted into evidence as “Joint Stipulation # 3” on April 10, 2018

APPENDIX A – PROPOSED FINDINGS OF FACT

APPENDIX B – PROPOSED CONCLUSIONS OF LAW

APPENDIX C – PROPOSED ORDERING PARAGRAPHS

TABLE OF AUTHORITIES

CASES

Pennsylvania Supreme Court

Burleson v. Pa. PUC, 461 A.2d 1234 (Pa. 1983)..... 9
Norfolk & Western Ry. Co. v. Pa. PUC, 413 A.2d 1037, 1047 (Pa. 1980)..... 9, 36
Se-Ling Hosiery, Inc. v. Margulies, 364 Pa. 45 (1950)..... 8

Pennsylvania Commonwealth Court

Bell Atl. Tel. Co. v. Pa. PUC, 672 A.2d 352 (Pa. Commw. Ct. 1995)..... 21
Coalition for Affordable Util. Servs. & Energy Efficiency in Pa, et al. v. Pa. PUC, 120 A.3d 1087 (Pa. Commw. Ct. 2015) 4, 20, 21, 32, 39, 43, 44
Murphy v. Comm. Dept. of Public Welfare, White Haven Center, 480 A.2d 382, 386 (Pa. Commw. Ct. 1984)..... 9, 36
Pa. Trout v. Pa. Dep’t of Env’tl. Prot., 863 A.2d 93 (Pa. Commw. Ct. 2004)..... 21

Pennsylvania Superior Court

Hurley v. Hurley, 754 A.2d 1283 (Pa. Super. Ct. 2000)..... 9

Pennsylvania Public Utility Commission

Crawford v. Nat’l Fuel Gas Dist. Co., Docket No. C-20066348 (Opinion and Order entered Dec. 6, 2007). 21
Pa. PUC v. Equitable Gas Co., Docket No. R-822133 (Order entered July 8, 1983)..... 9
Petition of NRG Energy, Inc. for Implementation of Electric Generation Supplier Consolidated Billing, Docket No. P-2016-2579249 (Opinion and Order entered January 31, 2018)..... 16
Petition of PPL Electric Utilities Corp. for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021, Docket No. P-2016-2526627 (Final Order entered Feb. 9, 2018)..... 42
Petition of PPL Electric Utilities Corp. for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021, Docket No. P-2016-2526627 (Final Order entered Oct. 27, 2016)..... 19
Petition of PPL Electric Utilities Corp. for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021, Docket No. P-2016-252662 (Final Order entered Jan. 26, 2017) 20
Universal Service & Energy Cons. Plans of West Penn Power, Metropolitan Edison Co., Pa. Electric Co. & Penn Power Co. for Program years 2015-2018, Docket Nos. M-2014-2407728, M-2014-2407729, M-2014-2407730, and M.2014-2407731 (Final Order entered May 19, 2015). 19

STATUTES

66 Pa. C.S. § 1410.1..... 15
66 Pa. C.S. § 2802..... 2, 13, 32, 39
66 Pa. C.S. § 2803..... 18, 32
66 Pa. C.S. § 2804..... 18, 32, 33
66 Pa. C.S. § 332..... 8

REGULATIONS

52 Pa. Code § 69.265..... 38
52 Pa. Code §§ 54.181-.189..... 5
52 Pa. Code §§ 69.1801-.1817..... 5

I. INTRODUCTION

Low income payment troubled customers enroll in customer assistance programs (CAPs) because they cannot afford to maintain service at full tariff rates. Any plan which continues to allow the Metropolitan Edison, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company's (collectively "the Companies" or "First Energy") CAP customers to receive generation supply service from an electric generation supplier (EGS) must account for this fact, and tie the affordability of electric service to a customer's ability to pay for that service through policies, practices, and services that help low income customers maintain utility service. Thus, the first principal for any CAP must be – regardless of whether a CAP customer remains on default service or receives generation service from an EGS – that CAP bills remain affordable. The Public Utility Commission ("Commission") must balance the coexisting goals contained within the Electricity Generation Customer Choice and Competition Act ("Choice Act") to promote competition without sacrificing affordability of electric service for low income customers and the ratepayers who support low income programming.

Throughout this proceeding, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), the Office of Consumer Advocate (OCA), and the Commission's Bureau of Investigation and Enforcement (I&E) have pursued various ways to ensure that these statutory goals were respected, and coalesced around the central point that CAP customers should pay no more for generation service than the price to compare. This position would ensure that CAP customers continue to have access to the competitive electric market in a manner that protects their ability to receive service at affordable levels and without unnecessary risk, and at the same time shields other residential ratepayers from undue and excessive expense.

Pursuant to the Choice Act, an essential statutory obligation of the Commission is to “continue the protections, policies and services that now assist customers who are low income to afford electric service” in the competitive environment. 66 Pa. C.S. § 2802(10). This declaration of policy recognizes that direct access by low income retail customers to the competitive generation market is conditioned upon ensuring that the affordability of electric service to economically vulnerable citizens is not diminished.

The record in this proceeding is indisputable: The Companies’ failure to exercise control over the terms in which their CAP participants are served by the competitive market has resulted in harm to CAP customers and non-CAP customers who pay for the CAP program.¹ Specifically, the Companies’ current process – which permits its PCAP customers to pay higher prices than the Companies’ default rate (“price to compare” or “PTC”) – has resulted in a net impact of \$18,336,440 over the 58-month period from June 2013 through March 2018.² Annualized, residential ratepayers and PCAP customers have paid approximately \$3.7 million more per year than they would have paid if PCAP customers were prevented from selecting a supplier offering a price higher than the price to compare.³ This \$3.7 million annual price tag is an unacceptable expense, and is inconsistent with the Commission’s obligation to balance the coexisting goals contained within Choice Act to promote competition without sacrificing the affordability of electric service to low income customers or the availability and cost-effectiveness of universal service programming as a whole. See 66 Pa. C.S. § 2802(10).

¹ The Companies’ CAP program is called the Pennsylvania Customer Assistance Program or PCAP. See CAUSE-PA St. No. 1 at 4, n.1.

² Joint Stipulation between the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania and Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company dated April 10, 2018 at ¶ 3, Admitted into evidence as “Joint Stipulation # 3” on April 10, 2018 and attached hereto as Exhibit A. Hereinafter referred to as Joint Stipulation # 3.

³ Id.

In reviewing the undisputed evidence, CAUSE-PA's witness proposed a modification to the Companies' PCAP shopping program that would protect low income customers enrolled in PCAP, and the ratepayers who finance the program, while continuing to allow PCAP customers meaningful access to the competitive market. Specifically, CAUSE-PA proposed that PCAP participants be prohibited from entering into a contract with an EGS in which they will obligate either themselves or the program to, at any time, bear the cost of rates greater than the price to compare or which impose early termination or cancellation fees.⁴ The OCA and I&E both agreed that unrestricted PCAP shopping is causing preventable harm, and concluded that the evidence demonstrated the factual and legal need for shopping restrictions.⁵

In contrast, while acknowledging the scope of the harm and the fact that it could accommodate the proposed alternatives, the Companies have determined to do nothing.⁶ For its part, the Retail Energy Supply Association (RESA) has steadfastly maintained its position that the Companies should not be permitted to impose any control over PCAP customer participation in the competitive market.⁷ In furtherance of its self-serving position, RESA has sought to preserve PCAP customers' unbridled access of to the retail electric market while failing to submit any reasonable proposal to address the coextensive obligation of the Companies and the Commission to ensure continued affordability of service to the Companies' PCAP customers within the competitive electric market.

For the reasons outlined more fully below, the positions of the Companies and RESA are unacceptable. The unrefuted evidence demonstrates "substantial reasons why there is no reasonable alternative so competition needs to bend" to ensure adequately-funded, cost-effective,

⁴ CAUSE-PA St. No. 1 at 32.

⁵ OCA St. No. 2 at 38; I&E St. 1-R at 24.

⁶ Met-Ed/Penelec/Penn Power/West Penn Power St. No. 1-R at 31

⁷ RESA St. No. 1-R at 24.

and accessible PCAP programs to assist customers who are low income to afford electric service. Coalition for Affordable Util. Servs. & Energy Efficiency in Pa, et al. v. Pa. Pub. Util. Comm'n, 120 A.3d 1087, 1103-1104 (Pa. Commw. Ct. 2015), appeal denied, 2016 WL 1383864 (Pa. Apr. 5, 2016) (hereinafter CAUSE-PA et al.). As such, the Commission should “impose [PCAP] rules that would limit the terms of any offer from an EGS that a customer could accept and remain eligible for [PCAP] benefits – e.g. EGS rate ceiling, prohibition against early termination/cancellation fees”, id., and should adopt the reasonable protections proposed by CAUSE-PA.

Regarding the other issues in this proceeding, CAUSE-PA has taken a position on only a few: (1) the Companies’ proposal to impose a default service fee; (2) the marketing of non-basic services by the Companies that are then added to customers’ bills; and (3) the possible use of credit screening by EGSs to mitigate the alleged hardships associated with the Companies’ purchase of receivables clawback charge. As to the first issue, for the reasons outlined below, the record plainly demonstrates that the Companies’ proposal to increase the default service price by arbitrarily adding \$15 per year to the cost of default service is legally impermissible and not in the public interest. As to the second, CAUSE-PA fully supports the OCA’s suggestion that the Commission conduct an investigation into the Companies’ sales and billing of non-basic services and RESA’s contention that it should not be permitted at all.⁸ As to the third, CAUSE-PA asserts that the use of credit screening should not be permitted because of the very real possibility that it would lead to credit discrimination and the marketing of even more dangerous products to economically vulnerable households.

⁸ See OCA St. No. 2 at 30; RESA St. No. 1 at 36.

II. PROCEDURAL HISTORY

On December 11, 2017, the Companies filed a Joint Petition for Approval of their Default Service Programs for the period commencing June 1, 2019 through May 31, 2023 (“DSP Proceeding”), along with Direct Testimony in support of its Petition. The Companies filed the docketed DSP Proceeding in accordance with its responsibilities as a Default Service Provider pursuant the Choice Act, the Commission’s default service regulations, and the Commission’s Policy Statement on Default Service. See 52 Pa. Code §§ 54.181-.189; 69.1801-.1817. Specifically, the Companies sought to establish the terms and conditions under which they will procure default service supply, provide default service to non-shopping customers.

Direct testimony of the other parties to the DSP Proceeding⁹ was served on or before February 22, 2018.¹⁰ On March 13, 2018 the Commission held two public input hearings in Erie Pennsylvania. Rebuttal testimony was served on or before March 22, 2018, and surrebuttal testimony was served on or before April 4, 2018.

An evidentiary hearing was held on April 10, 2018, at which all of the parties’ pre-served testimony, exhibits, and various attachments and exhibits were entered into the record by stipulation and verification. No party conducted cross-examination of any witnesses at the hearing. Specific to CAUSE-PA, the following pieces of evidence were entered into the record at the April 10, 2018 hearing:

⁹ The following entities were parties to this proceeding: the Companies, I&E, OCA, CAUSE-PA, RESA, the Office of Small Business Advocate (OSBA), Calpine Energy Solutions, LLC, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance and the West Penn Power Industrial Intervenors, NextEra Energy Power Marketing, LLC (NextEra), Direct Energy Services, LLC, Exelon Generation Company, LLC and Constellation NewEnergy, Inc., The Pennsylvania State University, Respond Power LLC, and Mr. Kenneth Springirth.

¹⁰ CAUSE-PA circulated a corrected version of its testimony on March 12, 2018. Throughout this brief, any reference to CAUSE-PA Statement No. 1 refers to the corrected version that was admitted into evidence.

(1) CAUSE-PA Statement No. 1, the prepared Direct Testimony of Harry Geller, consisting of 38 pages of testimony and Appendices A and B.

(2) CAUSE-PA Statement No. 1R, the Rebuttal Testimony of Harry Geller, consisting of 20 pages of testimony and Appendices A and B.

(3) CAUSE-PA Statement No. 1-SR, the Surrebuttal Testimony of Harry Geller, consisting of 24 pages of testimony and Appendices A-C.

(4) Joint Stipulation of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania and Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power, Joint Stipulation 3, consisting of 2 pages, and 1 Exhibit.

III. DEFAULT SERVICE PLAN PORTFOLIO AND TERM

A. Residential Portfolio

CAUSE-PA has not taken a position on the Companies' proposed Default Service Plan Portfolio and Term, including the proposed residential portfolio.

B. Commercial Portfolio

CAUSE-PA has not taken a position on the Companies' proposed Default Service Plan Portfolio and Term, including the proposed commercial portfolio.

C. Industrial Portfolio

CAUSE-PA has not taken a position on the Companies' proposed Default Service Plan Portfolio and Term, including the proposed industrial portfolio.

D. Procurement Classes

CAUSE-PA has not taken a position on the Companies' proposed Default Service Plan Portfolio and Term, including the procurement classes.

E. Default Service Plan Term

CAUSE-PA does not have a position on the Companies' proposed Default Service Plan Portfolio and Term, including the proposal to extend the plan to 4 years.

IV. PURCHASE OF RECEIVABLES CLAWBACK PROVISION

In Direct Testimony, the Companies proposed to continue their purchase of receivables clawback charge ("POR Clawback"), which was approved in the settlement of their previous default service plan.¹¹ Under the POR Clawback, the Companies impose a charge on certain EGSs who meet two-prongs of the clawback charge calculation. CAUSE-PA supports the continuation of the charge for the default service period approved in this proceeding, regardless of whether the default service plan term is 2 or 4 years.

Notwithstanding CAUSE-PA's support for the continuation of the POR Clawback generally, the Commission should reject RESA and Respond Power's suggestion that EGSs should be permitted to conduct credit screening for their customers if the POR Clawback is continued.¹² As set out in the Companies' and CAUSE-PA's rebuttal testimony, experience demonstrates that when households are credit screened, rather than being denied service, a market develops for those customers with less than desirable credit to be served with products that are priced at a premium.¹³ For example, households with poor credit are often denied bank accounts and forced to use check cashing agencies, payday lenders, or high cost credit cards with very low lines of credit.¹⁴ Much like the subprime mortgage products that led to the recent housing crisis, products marketed to those with poor credit history all bear a faint resemblance to the products marketed and sold to

¹¹ Met-Ed/Penelec/Penn Power/West Penn Power at 20.

¹² See RESA St. No. 1 at 17-19; Respond Power St. 1 at 12-13.

¹³ Met-Ed/Penelec/Penn Power/West Penn Power St. No. 1-R at 18; CAUSE-PA St. No. 1-R at 19

¹⁴ CAUSE-PA St. No. 1-R at 19.

borrowers with good credit, but they typically have significantly more onerous terms.¹⁵ Credit screening, nominally intended to exclude certain customers from prime generation offers, has the likely potential to lead to the same sub-prime phenomenon in the utility context. While certainly the possibility exists that some EGSs would simply choose not to serve customers with credit risks, the reality of experience more strongly indicates that some would see it as a business opportunity.

The POR Clawback was initiated in the last DSP as a result of excessive prices and marketing overreach by suppliers, which was raising the cost of uncollectible arrears in the Companies' service territories. RESA and Respond Power are attempting to divert attention from these unscrupulous supplier pricing and marketing tactics, and instead place the onus on consumers through credit screening. As described above, supplier credit screening will likely exacerbate the affordability concerns addressed rather than correct them. In light of the current POR program, and the potential dangers in credit screening, this proposal should be rejected.

V. BYPASSABLE RETAIL MARKET ENHANCEMENT RATE MECHANISM

A. Legal Standard and Burden of Proof

The Public Utility Code provides in relevant part:

(a) Burden of proof.—Except as may be otherwise provided in section 315 (relating to burden of proof) or other provisions of this part of other relevant statute, the proponent of a rule or order has the burden of proof.

66 Pa. C.S. § 332(a). As the petitioner for a Commission Order in this matter concerning the Bypassable Retail Market Enhancement Rate Mechanism (“PTC Adder”), the Companies have the burden of proof to demonstrate by a preponderance of evidence that the PTC Adder is just and reasonable. Se-Ling Hosiery, Inc. v. Margulies, 364 Pa. 45 (1950). “[T]he burden of proof is met

¹⁵ Id.

when the elements of that cause of action are proven with substantial evidence which enables the party asserting the cause of action to prevail, precluding all reasonable inferences to the contrary.” Burleson v. Pa. PUC, 461 A.2d 1234, 1236 (Pa. 1983). The term “substantial evidence” has been defined as such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. See Norfolk & Western Ry. Co. v. Pa. PUC, 413 A.2d 1037, 1047 (Pa. 1980); see also Murphy v. Comm. Dept. of Public Welfare, White Haven Center, 480 A.2d 382, 386 (Pa. Commw. Ct. 1984).

“The term ‘burden of proof’ is comprised of two distinct burdens, the burden of production and the burden of persuasion.” Hurley v. Hurley, 754 A.2d 1283, 1285 (Pa. Super. Ct. 2000). The burden of production dictates which party has the duty to introduce enough evidence to support a cause of action. Id. at 1286. The burden of persuasion determines which party has the duty to convince the finder-of-fact that a fact has been established. Id. “The burden of persuasion never leaves the party on whom it is originally cast.” Id.; see also Pa. PUC v. Equitable Gas Co., Docket No. R-822133 (Order entered July 8, 1983); 57 Pa. PUC LEXIS 423, 471 (Pa. PUC 1983).

Thus, in supporting their proposed PTC Adder, the Companies must produce substantial evidence to affirmatively demonstrate the reasonableness of their claims and must prove with substantial evidence that any resulting rates are just, reasonable, and in the public interest. As discussed in more detail below, CAUSE-PA submits that the Companies have not met their burden in demonstrating that the PTC Adder is just and reasonable and, therefore, it must be denied.

B. The Companies’ proposed PTC Adder should be rejected as baseless and harmful.

The Companies have proposed a PTC Adder that would increase the costs of default service with the purported goal of increasing the percentage of default service residential customer participation levels in the competitive electric market.¹⁶ The Commission should reject this proposal. The Companies have come forward with no evidence suggesting that the PTC Adder is lawful or, if lawful, that it is in the public interest or would accomplish its desired ends. As proposed, the PTC Adder violates the statutory requirements of Act 129, which requires EDCs to procure electric at the least cost generation to customers to over time. 66 Pa. C.S. § 2807(e)(3.4) (ii). Charging a fee to remain on default service, a service which the Companies are statutorily required to provide, is not an incentive – it is coercion.

CAUSE-PA is not alone in its opposition to the PTC Adder. The OCA, OSBA and I&E all oppose the Companies’ proposal to impose this additional adder for residential customers.¹⁷ OCA, OSBA, and I&E each point to serious flaws in the Companies’ proposal, including the lack of any evidentiary basis for the PTC Adder and the failure to state how the PTC Adder will address the nonexistent problem identified by Companies; namely, its unsupported assertion that consumers are not adequately engaged in the competitive market, and must therefore be coerced into shopping for competitive supply.

First, the Companies have failed to provide any evidence of the need for this PTC Adder, or its purported effectiveness. While the Companies assert that they are proposing the PTC Adder “in order to incent residential retail shopping,”¹⁸ they indicated in response to discovery that they “have no evidence that increasing default service costs [through the PTC Adder] will have an

¹⁶ Companies Statement 1, at 25:2-4

¹⁷ See OCA Statement 2, at 32-35, I&E Statement 1, at 2-10, OSBA Statement 1, at 12-15

¹⁸ Met-Ed/Penelec/Penn Power/West Penn Power St. No. 1 at 24:20-21.

identifiable effect on customer shopping.”¹⁹ In fact, the Companies plainly indicated that they “have no opinion on the appropriate level of residential customer shopping” at all.²⁰

Underscoring this lack of evidence is the fact that the public is overwhelmingly opposed to this coercive fee. The public input hearings held in Erie on April 13, 2018, were attended by approximately 350 Penelec customers, and all of the 66 individuals who testified on the record opposed the PTC Adder. The customers who testified expressed outrage that the Companies were proposing to charge them a fee to remain on default service – and, as the record reveals, those in the audience showed overwhelming support for these testifiers.²¹ Many who had previously engaged in the competitive market stated that they returned to default service after having negative experiences with competitive suppliers.²² For them, choosing not to be on default service is a deliberate choice, and they resent being forced to pay a premium for making that lawfully protected choice.

As I&E witness Keller points out, the Commission previously rejected a proposal by the Companies to artificially inflate the cost of default service. In its 2013 DSP filing, the Companies proposed to impose a Market Adjustment Clause (MAC) on all non-shopping residential and commercial default service customers.²³ Just as it has in this proceeding, the Companies claimed at that time that the MAC would function as an important competitive market enhancement.²⁴ Ultimately, the Commission rejected the Companies’ proposal, stating that the MAC had failed to

¹⁹ CAUSE-PA St. No. 1 at 38 (citing ME/PN/PP/WPP Response to OSBA Interrogatory Set I, No. 13(i)).

²⁰ Id.

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-2017-2637855 et al., Public Input Hearing Tr. pp. 63-306.

²² See I&E St. No. 1-SR at 10-11 (citing specific testifiers from Public Input Hearing).

²³ See I&E St. 1 at 9.

²⁴ Id.

qualify as legitimate retail market enhancement tool and was an inappropriate and unnecessary financial adder.²⁵ The Companies' proposed PTC Adder should also be rejected.

The record is clear that when PCAP customers, the Companies' most vulnerable customers, interact with the competitive market, both the PCAP customer and the residential ratepayers who finance these programs are harmed by EGS pricing practices. The specifics of this are addressed below in Section VIII. Assessing a fee to residential default service customers with the hope of incentivizing them to participate in the competitive market would only exacerbate the harm caused to customers who are struggling with utility affordability. Significantly, if the PTC Adder is adopted, it would be doubly harmful for all residential customers who remain on default service. These customers will be forced to pay this fee twice: They will be charged for exercising their right to stay on default service, and they will also be required to pay a portion of the increased costs which are borne by PCAP customers who remain with utility-provided service. Among those required to bear the onus of this inappropriate and unnecessary double burden would be the Companies' 160,000 confirmed low income customers not enrolled in PCAP.²⁶

For its part, RESA supported the Companies' proposed PTC Adder, but proposed doubling the amount. Specifically, RESA states that since the fixed term under the CRP is 12 months, the PTC Adder should be calculated using 12 months and not 24 months as originally suggested by the Companies.²⁷ This would have the effect of increasing the monthly cost of residential default service by \$2.50 per month or \$30 per year, as opposed to the \$1.25 per month proposed by the Companies. As outlined in Mr. Geller's rebuttal testimony:

²⁵ See *id.* (citing 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, at 62-63 (Order entered August 16, 2012)).

²⁶ See CAUSE-PA St. No. 1 at 25.

²⁷ RESA St. 1 at 24.

RESA's proposal to double the amount makes the Companies' proposal worse, not better. RESA did not introduce any evidence demonstrating the need for the adder other than a revival of a general complaint about "competitive advantages" held by default service providers.²⁸

CAUSE-PA's opposition to the PTC Adder is not mollified by RESA's proposal to take some portion of these funds to increase funding for low income programs.²⁹ While CAUSE-PA supports increased funding for PCAP and universal service programs due to the significant unmet need within the Companies' service territory, it does not support RESA's proposal as a mechanism to fund those programs. First, universal service costs are non-bypassable and are to be supported by all customers, whether they are receiving generation through default or EGS-supplied service.³⁰ See 66 Pa. C.S. § 2802(17). Under RESA's proposal, these increased costs would be paid for only by default service customers. Second, as stated above, the adder would create an additional burden for those 160,000 confirmed low income customers who are not enrolled in PCAP. These customers also fall within the ambit of the Choice Act's statutory obligation that the Commission is to "continue the protections, policies and services that now assist customers who are low income to afford electric service" in the competitive environment. 66 Pa. C.S. § 2802(10). Thus, for both these reasons, RESA's proposal appears to violate the Choice Act and is not good public policy.

Using funds improperly assessed for a good purpose does not rectify the fact that there is no legal or factual basis for arbitrarily and impermissibly increasing the cost of default service. Put simply, the ends do not justify the means. In this case particularly, the result would undermine

²⁸ CAUSE-PA St. No. 1-R at 18:20-22.

²⁹ RESA St. No. 1 at 26.

³⁰ In his surrebuttal, Mr. Hudson likens the use of PTC Adder funds to hardship funds that are not assessed on all customers. He asserts that using some of the funds from the PTC Adder to support universal services is no different than providing hardship funds from voluntary contributions. See RESA St. No. 1-SR at 7. Of course, the key difference is that hardship fund dollars are not assessed at all, and are certainly not required to be paid for only by default service customers, which is what RESA and the Companies propose through the PTC Adder. Clearly, there is a difference between supplemental funding for universal service programs that is voluntarily contributed and compulsory funding that is bypassable.

RESA'S purported good purpose of increasing funding for universal service programs by unnecessarily and inappropriately placing an additional burden on the majority of the Companies' low income customers.

Taken as a whole, the Companies have proposed an arbitrary increase to default service in order to incentivize residential customer shopping, despite admitting they do not know if the PTC Adder will in fact accomplish this goal and have no opinion about whether the goal is worth pursuing at all. This fails to meet the Companies' burden of proof. As such, the Commission should reject the Companies' proposed PTC Adder – as well as RESA's modification to double the proposed default service fee. Both lack evidentiary foundation and are inconsistent with the Companies' responsibilities under the Choice Act.

VI. NON-COMMODITY BILLING

Based on her review of the record, OCA witness Barbara Alexander uncovered a pattern in which a third party vendor that operates the Companies' customer referral program has been marketing non-basic services to the Companies' customers – including the Companies' confirmed low income customers.³¹ Ms. Alexander recommends that the Commission investigate the vendor relationship to determine whether there are anti-competitive implications from this arrangement.³² For its part, RESA contends that EGSs are at a competitive disadvantage in marketing non-commodity products, and proposes that the Companies be required to implement a pilot supplier consolidated billing platform or include EGS's non commodity products on their bills.³³

CAUSE-PA supports the recommendations of the OCA on these issues. Ms. Alexander revealed a troubling pattern, whereby customers who were calling the Companies for other reasons

³¹ See OCA St. No. 2 at 30.

³² Id.

³³ RESA St. 1 at 33.

were then marketed a series of non-basic, non-commodity products to be billed on the Companies' electric bill. This is particularly troubling because more than 3,000 confirmed low income customers – whose verified income is at or below 150% of the Federal Poverty Level – were enrolled in the Companies' "Surge Assist" program.³⁴ As explained in Mr. Geller's direct testimony, low income customers at this level of poverty face extraordinary difficulty paying for basic needs, and often forego food and medicine to afford heat and light in their homes.³⁵ Marketing non-energy products to economically vulnerable households, containing charges that appear on their utility bill, only frustrates these households' ability to remain current on their bills. Pursuant to the Public Utility Code, the Companies are required to screen for eligibility and refer for enrollment in CAP all payment troubled, low income customers at various times during a customer's contact with Companies. 66 Pa. C.S. § 1410.1. It is incongruous to contemporaneously market non-energy, non-essential, non-basic energy products to these households.

RESA's suggestion that EGSs should be permitted to market these same products and bill for them on a utility bill only exacerbates and certainly does not resolve CAUSE-PA's concerns. Customers who contact their EDC or EGS to resolve a service, billing, payment, or other service-related issue should not be subjected to unsolicited marketing, regardless of whether the products are offered by an EDC or EGS. Moreover, RESA's proposal for a supplier consolidated billing pilot should also be rejected.³⁶ As RESA correctly noted in its testimony, the Commission recently rejected a similar proposal by NRG Energy, Inc. to implement supplier consolidated billing. See

³⁴ CAUSE-PA St. No. 1-R at 13.

³⁵ CAUSE-PA St. No. 1 at 7-9

³⁶ CAUSE-PA is aware that some of the parties to this proceeding have agreed to a Joint Stipulation that defers issues of supplier consolidated billing to the open docket on this issue and asserts that no party will object to another party using the record created in this proceeding in its presentation or comments in the *en banc* proceeding. See Joint Stipulation #1, entered into the record on April 10, 2018; see also *En Banc* Hearing on Implementation of Supplier Consolidated Billing, Docket No. M-2018-2645254. CAUSE-PA is not a party to Joint Stipulation # 1, but does not object to the process outlined there; however, CAUSE-PA also submits that there no evidence in this proceeding justifying a supplier consolidated billing pilot.

Petition of NRG Energy, Inc. for Implementation of Electric Generation Supplier Consolidated Billing, Docket No. P-2016-2579249 (Opinion and Order entered January 31, 2018). Given the Commission’s recent rejection of NRG’s proposal, there is no reason to think that the outcome should be different here when RESA’s proposal suffers the same fatal flaws.³⁷

For all of these reasons, CAUSE-PA strongly supports the recommendation of Ms. Alexander that the Commission investigate the Companies’ non-commodity sales practices, reject RESA’s proposal to allow EGSs to engage in these same sales, and reject its suggested supplier consolidated billing pilot.

VII. CUSTOMER REFERRAL PROGRAM

CAUSE-PA takes no position on the Companies’ proposal to continue its Customer Referral Program (CRP) through 2021. However, CAUSE-PA fully supports the positions advocated by Ms. Alexander about the need to reform referral program scripting. Based on her review of call records, Ms. Alexander concluded that the Companies were not adhering to the settlement terms agreed to in the two previous DSP settlements to reform the CRP, and that customers were still being misled as to the nature of the CRP.³⁸ Ms. Alexander noted that the customers were not given the required disclosures, and that Allconnect – the subcontractor administering the CRP – was not stressing the voluntary nature of the programs to the customer.³⁹ Ms. Alexander pointed out that for the most part, residential customers did not realize the full value of the promised savings, and in some cases “actually ended up paying more than the PTC shortly

³⁷ See CAUSE-PA Statement No. 1-R at 15-17.

³⁸ OCA St. 2 at 8

³⁹ OCA St. 2 at 18-19

after entering the program because the PTC price dropped . . . during the 12-month Referral contract term.”⁴⁰

In response, Ms. Alexander recommended several reforms. First, she recommended that the program end on May 31, 2021, because the Companies have made no showing that it should continue beyond that point. Second, she recommends that the program scripting be immediately reformed to incorporate all of the DSP IV Settlement provisions, delete all references to “potential savings” or “discounts,” and eliminate any inference that the program is “low risk.”⁴¹

CAUSE-PA fully supports each of these changes for the reasons outlined by Ms. Alexander. It is critical that the CRP be accurately described and that customers not be misled about the nature or terms of the program. Ms. Alexander’s proposed reforms appear to be narrowly tailored to adequately address those concerns and should be approved by the Commission.

VIII. CUSTOMER ASSISTANCE PROGRAM SHOPPING

A. Legal Standard

As proponent of the proposed CAP shopping rule change, CAUSE-PA has the dual burdens of proof and persuasion to demonstrate by a preponderance of evidence that CAP shopping restrictions are needed and that the specific restrictions proposed are just, reasonable, and in the public interest. See Section V.A, above (explaining the applicable legal standard in greater detail).

As discussed in more detail below, CAUSE-PA has met the applicable burden of proof by producing overwhelmingly substantial and unrefuted evidence that the more than \$18.3 million in harm caused by unrestricted PCAP shopping requires the Commission to act and change the Companies’ currently proposed DSP program in order to provide affordable, cost-effective low

⁴⁰OCA St. 2 at 25:8-10

⁴¹ OCA St. 2 at 30-31.

income programs at just and reasonable rates in accordance with the requirements of the Choice Act. Indeed, based on the substantial evidence in the record it is clear that something must be done to stem the clear, sustained, and unrelenting harm to consumers.

CAUSE-PA has also met its burden of persuasion, proving – without refute – that its proposal to stem the substantial harm is just, reasonable, and squarely in the public interest. The record evidence substantially supports CAUSE-PA’s proposed resolution: To impose reasonable, implementable restrictions that will appropriately mitigate the persistent and unrefuted harm to low income consumers and other residential ratepayers. The evidence CAUSE-PA offered in support of its proposal effectively shifted the burden of persuasion to the other parties – all of whom failed to make any proposals to adequately stem the substantial harm to consumers. As such, CAUSE-PA has met its legal burden and its proposal should be approved.

B. Legal Authority for CAP Customer Shopping Restrictions

The Commission has the necessary authority to impose reasonable CAP shopping restrictions, such as those proposed by CAUSE-PA in this proceeding. The universal service provisions of the Choice Act tie the affordability of electric service to a customer’s ability to pay for that service. 66 Pa. C.S. § 2804(9). The Commission has the responsibility to ensure that the means to achieve the affordability of electric service is appropriately funded and available in each electric distribution territory. 66 Pa. C.S. § 2803. This requires the enactment, establishment, and maintenance of policies, practices and services that allow low income customers to retain their electric service at an acceptable level of affordability. Id. The existence of a competitive market for generation supply does not change this requirement; in fact, the creation of the competitive market was the genesis of the statutory obligation.

As such, any plan which allows the Companies’ PCAP customers to receive service from an EGS must continue to tie the affordability of electric service to a customer’s ability to pay for

that service through policies, practices, and services that help low income customers maintain utility service. The Commission recognized this very principal in its recent Final Order approving Companies' Universal Service and Energy Conservation Plan for 2015-2018:

The Electricity Generation Customer Choice and Competition Act (Electric Competition Act), 66 Pa. C.S. §§ 2801-2812, became effective on January 1, 1997. The primary purpose of this legislation was to introduce competition into the retail electric generation market. The Act established standards and procedures for the restructuring of the electric utility industry. While opening up the electric generation market to competition, the Act also include several provisions relating to universal service to ensure that electric service remains available to all customers in the Commonwealth.

The universal service provisions of the Competition Act, among other things, tie the affordability of electric service to a customer's ability to maintain utility service. The Competition Act defines "universal service and energy conservation" as the policies, practices and services that help low income customers maintain utility service. The term includes customer assistance programs, usage reduction programs, service termination protections and consumer education. 66 Pa.C.S. § 2803. Section 2802(10) of the Act commits the Commission to continuing, at a minimum, the policies, practices and services that were in existence as of the effective date of the law. 66 Pa.C.S. § 2802(10). Finally, the Act requires the Commission to ensure that universal service and energy conservation services are appropriately funded and available in each electric distribution territory. 66 Pa. C.S. § 2804(9).

See Universal Service & Energy Cons. Plans of West Penn Power, Metropolitan Edison Co., Pa. Electric Co. & Penn Power Co. for Program years 2015-2018, Docket Nos. M-2014-2407728, M-2014-2407729, M-2014-2407730, and M.2014-2407731, at 2 (Final Order entered May 19, 2015).

The Commission also recently reviewed the scope of PPL Electric Utilities' CAP shopping program when it had before it a substantially similar record to that which is present in this proceeding. On October 27, 2016, the Commission issued an order restricting the ability of PPL's CAP customers to select an EGS except through a special standard offer program called CAP-SOP, the parameters of which were developed in that case. Petition of PPL Electric Utilities Corp. for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021, Docket No. P-2016-2526627 (Final Order entered Oct. 27, 2016) ("PPL

DSP Final Order”). The record in that proceeding demonstrated that prior to the implementation of CAP-SOP, when PPL’s CAP customers elected to shop for competitive electric supply, they routinely paid rates above the utility’s default service price. In that proceeding, the harm amounted to additional costs of \$2.7 million per year, or \$10.5 million over a 46-month period of time. PPL DSP Final Order at 27, 52. The Commission found that “overwhelming substantial evidence” demonstrated significant harm to both CAP shopping customers and non-CAP residential customers who pay the costs of the program. Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021, Docket No. P-2016-252662 (Final Order entered Jan. 26, 2017) (“PPL DSP Reconsideration Order”) at 18. The Commission also found that the unrefuted evidence in that proceeding “is sufficient to permit the Commission to impose CAP rules that may partially restrict or limit the ability of these customers to shop for electricity.” PPL DSP Final Order at 54.

In reaching its decision, the Commission relied on the 2015 decision of the Commonwealth Court in CAUSE-PA et al., in which the Court definitively and unambiguously stated that both utilities and the Commission have the legal ability to set different rules for CAP customers in fulfillment of its statutory obligation to protect the affordability and cost effectiveness of CAP. Specifically, the Court stated that the Choice Act “does not demand absolute and unbridled competition.” CAUSE-PA et al., 120 A.3d at 1101. The Court went on to state that “under certain circumstances, unbridled competition may have to give way to other important concerns,” CAUSE-PA et al., 120 A.3d at 1103, and specifically found that under circumstances like those that exist here, the Commission has the authority to approve program rules which would limit CAP customers to paying no more than the price to compare and eliminate early termination or cancellation fees:

[W]e conclude that the PUC has the authority under Section 2804(9) of the Choice Act, in the interest of ensuring that universal service plans are adequately funded and cost effective, **to impose, or in this case approve, CAP rules that would limit the terms of any offer from an EGS that a customer can accept and remain eligible for CAP benefits.** The obligation to provide low income programs falls on the public utility under the Choice Act, not the EGSs. Moreover, the Choice Act expressly requires the PUC to administer these programs in a manner that is cost effective for the CAP participants and the non-CAP participants, who share the financial consequences of the CAP participant's EGS choice.

Our conclusion finds support in the Choice Act's legislative declaration of policy, which both encourages deregulation to allow consumers the opportunity to purchase directly their supply from EGSs and emphasizes the need to continue to maintain programs that assist low income customers to afford electric service. 66 Pa.C.S. § 2802 (7), (9), (10), (14), (17). **So long as it "provides substantial reasons why there is no reasonable alternative so competition needs to bend" to ensure adequately-funded, cost-effective, and affordable programs to assist customers who are low income to afford electric service . . . the PUC may impose CAP rules that would limit the terms of any offer from an EGS that a customer could accept and remain eligible for CAP benefits – e.g. EGS rate ceiling, prohibition against early termination/cancellation fees, etc.**

CAUSE-PA et al., 120 A.3d at 1103-04 (emphasis added) (internal citation to authority omitted).

While an administrative agency is not bound by the rule of stare decisis, it must render consistent opinions and should either follow, distinguish, or overrule its own precedent. Bell Atl. Tel. Co. v. Pa. PUC, 672 A.2d 352 (Pa. Commw. Ct. 1995); Pa. Trout v. Pa. Dep't of Env'tl. Prot., 863 A.2d 93 (Pa. Commw. Ct. 2004); Crawford v. Nat'l Fuel Gas Dist. Co., Docket No. C-20066348 (Opinion and Order entered Dec. 6, 2007). Where, as here, there is substantial evidence of harm caused by unrestricted PCAP shopping, precedent of both the Commission and the Commonwealth Court necessitates the Commission and the Companies to act to ensure that the Companies' PCAP programs remain accessible and cost-effective, and assist low income customers to maintain their service.

C. The unrefuted evidence in the record shows that PCAP customer protections are necessary.

In light of the substantial and unrefuted evidence of harm caused by unrestricted PCAP shopping, the Commission is obligated to impose CAP shopping restrictions to prevent the continued harm to all residential customers, including those households who are economically vulnerable, in order to preserve the availability and cost-effectiveness of universal service programs, and to ensure that the programs produce affordable bills.

1. The Companies' low income PCAP customers are uniquely situated, economically vulnerable, and require specific and distinct protection within the retail electric market as compared to other electric customers.

The reality for the Companies' PCAP eligible households is that even with PCAP assistance, these households still lack sufficient income to pay for basic necessities. These households struggle with the competing costs of rent, utilities, food, water, medicine, clothing, childcare and transportation, and most often have to make the difficult choice of which life essential to do without.⁴²

Generally, the Companies' PCAP provides a discounted bill for payment troubled, low income ratepayers whose household income is at or below 150% of the Federal Poverty Level (FPL). PCAP also allows participating households to have their pre-PCAP arrearages frozen and forgiven over time by making in-full PCAP payments over a period of years.⁴³ As evidenced through Mr. Geller's testimony, there are a significant number of low income customers enrolled in PCAP, and an even larger number who are eligible for PCAP based on their income. Specifically, across all four service territories, the Companies estimate that they have more than 235,000 confirmed low income customers – just over 65,000 of whom are enrolled in PCAP.⁴⁴

⁴² CAUSE-PA St. No. 1 at 9.

⁴³ CAUSE-PA St. No. 1 at 12.

⁴⁴ CAUSE-PA St. No. 1 at 10, Table 3.

These households are desperately poor. On average, their total household income is less than \$15,000 per year – placing their total household income at less than 75% of the federal poverty level (FPL).⁴⁵ As a direct consequence of their poverty, these households struggle to pay their bills, and have disproportionately high energy burdens.⁴⁶ The evidence shows they need help paying their bills because they cannot afford full-tariff rates, and thus require PCAP assistance.

Under the Companies' existing PCAP,⁴⁷ participants pay the difference between their total budget bill and their monthly bill subsidy credit, which is applied at the time of the billing. The monthly PCAP bill subsidy credit is determined based on total gross household income, primary heating source, targeted energy burden, usage, and price. The maximum monthly benefit amounts are different for each of the four Companies and vary in amount depending on whether the customer is a baseload (non-electric heating) customer or an electric heating customer.⁴⁸

In his direct testimony, CAUSE-PA witness Harry Geller provided two illustrations showing how the PCAP bill subsidy credits are calculated every three (3) months, and the variables affecting the subsidy credits.⁴⁹ As explained by Mr. Geller:

The amount of the PCAP bill subsidy credit is calculated every three months from the [date of the] customer's PCAP enrollment. Specifically, every three months the Companies recalculate [the current electric bill burden] using the most recent 12-months' of electric bill costs. This use of a rolling 12-month annual electric bill helps to smooth out seasonal variations in usage *and cost increases associated with more usage and/or higher prices*. It also means that the customer's PCAP bill subsidy credit will be adjusted up or down – subject to the maximum – if their electric bill burden increases or decreases. The Companies adjust the household

⁴⁵ CAUSE-PA St. No. 1 at 9, Table 2.

⁴⁶ CAUSE-PA St. No. 1 at 10.

⁴⁷ The Companies' currently approved Universal Service and Energy Conservation Plans for the period from 2015-2018 are identical in all material aspects as it relates to the structure and operation of PCAP, except that they each have different maximum PCAP bill subsidy credit amounts. Their plans can be found at:

Met-Ed: http://www.puc.pa.gov/General/pdf/USP_FE-MetEd.pdf

Penelec: http://www.puc.pa.gov/General/pdf/USP_FE-Penelec.pdf

Penn Power: http://www.puc.pa.gov/General/pdf/USP_FE-PennPower.pdf

West Penn Power: http://www.puc.pa.gov/General/pdf/USP_FE-WPP.pdf

⁴⁸ See CAUSE-PA St. No. 1 at 12, Table 5 for Maximum PCAP bill subsidy credit amounts.

⁴⁹ See CAUSE-PA St. No. 1 at 13-14.

income information and expected energy burden obligation . . . either at the time of PCAP recertification or if they receive updated household income from the customer.⁵⁰

Under PCAP, each customer is subject to a maximum allocation of credits each month. These credits, in aggregate, are paid for by all residential, non-PCAP customers through a Universal Service rider that is reconciled to account for actual over/under collections every quarter.⁵¹ The rider, of course, includes the more than 160,000 confirmed low income customers who struggle to exist at or below 150% FPL, but who are not enrolled in PCAP for one reason or another.⁵² Mr. Geller explained the concept of maximum PCAP credits in his testimony:

[PCAP] customers are only entitled to the maximum monthly amount of PCAP bill subsidy credits. Thus, if the calculation places a customer at his or her monthly maximum PCAP bill subsidy credit, that customer will be responsible to pay the difference between what he/she is actually billed each month based on their budget bill and the maximum PCAP credit that has been allocated pursuant to the process described above. Additionally, even for customers whose need for a benefit does not exceed the maximum each month, they will use more credits each month if their bills increase because of increased usage or increased costs per kWh. This – and a customer’s household income – are the variables that affect how much of a credit is used and allocated by the Companies per customer.⁵³

Mr. Geller also explained that because each PCAP customer’s PCAP bill can be divided into two parts: (1) the PCAP bill that the customer pays, which is targeted to 3% or 9% of their monthly income; and (2) the PCAP bill subsidy credit that is paid for by other ratepayers), paying for PCAP is a zero sum game:

[I]f a PCAP customer chooses an electric generation supplier whose price is less than the utility default service price, the amount that either the PCAP customer or other ratepayers pay will be less. Who gets these savings (the PCAP customer or other ratepayers,) and when, is complicated by the Companies’ PCAP structure, which is overlaid with budget billing. Initially, the PCAP customer will likely benefit from a lower price because the amount of credit they receive will be based on previous bills that were at a higher price. However, since the bill subsidy credit is recalculated every three months, the overall effect of a reduced price would be to

⁵⁰ CAUSE-PA St. No. 1 at 14:2-15:2 (emphasis in original).

⁵¹ CAUSE-PA St. No. 1 at 16.

⁵² Id.

⁵³ CAUSE-PA St. No. 1 at 15:13-21

lower the subsidy that is paid by the other ratepayers through the Companies' universal service rider, because – as shown in Illustrations 1 and 2, above – the amount of bill subsidy credit needed to get to a household's 3% or 9% energy burden would be reduced. There would be less bill subsidy credit assistance needed from other ratepayers to get the PCAP customer's energy burden down to the targeted level because the overall bills would be lower.

The same principal works in reverse if the customer chooses an electric generation supplier with a price higher than the price to compare. Initially, PCAP households will bear a higher cost because they are getting too little subsidy because their PCAP bill was based on a previously lower rate. But when their bill subsidy credit is recalculated 3 months later, their bill will be reduced and the amount of bill subsidy credit paid for by other ratepayers will increase because the amount of bill subsidy credit needed to get the household to the targeted energy burden level will increase. In other words, the participant would need more financial help from other ratepayers to bring their energy burden down to the targeted level because the cost of the bill would be higher.

As this explanation demonstrates, paying for PCAP is a zero-sum game. The obligation for the entire bill based on usage and price must be borne by either the PCAP customer or by other ratepayers through the PCAP bill subsidy credit. When bills decrease because of a price that is less than that price to compare, costs are reduced. **When bills increase because of a price that is more than the price to compare, costs are increased.** As I stated, this is a zero sum equation: **Either PCAP customers or ratepayers or both have to pay increased costs and share in the benefits of decreased costs.**⁵⁴

These increased costs to PCAP participants are not trivial. Low income customers already struggle to afford service, and therefore any increase in cost only exacerbates this affordability problem. The Companies' PCAP customers participate in PCAP because they are payment troubled, economically vulnerable, and require assistance to afford their electric bills and to maintain electric service. It is precisely their status as PCAP customers that renders them distinct from other residential customers. Indeed, ratepayer funds provide PCAP customers assistance *for the express purpose of helping these customers to afford basic utility services in their home.* See 66 Pa. C.S. § 2803. Increased costs for PCAP customers and other ratepayers due to prices which are higher than the price to compare does not provide more affordability for PCAP households,

⁵⁴ CAUSE-PA St. No. 1 at 19:3-20:7 (emphasis added).

and is not cost-effective for the PCAP program as a whole. This is particularly significant given that the ability to control increases in costs related to PCAP customer shopping is within the purview the utilities – who design and implement rules for their CAP program subject to the Commission’s oversight responsibilities.

Currently, the Companies’ PCAP design allow EGSs to market products to PCAP customers at any rate and without adequate protections. As discussed more extensively below, this has resulted in the majority of PCAP customers contracting for prices that exceed the applicable price to compare.⁵⁵ Based on record evidence in this proceeding, which is more extensively addressed in the section below, CAUSE-PA submits that this current paradigm has allowed significant, preventable harm to occur to PCAP customers and other ratepayers who fund PCAP.

2. The Companies’ current policy of allowing PCAP customers to shop without limitation on the price or terms of service offered by an EGS has harmed both PCAP customers and other ratepayers by more than \$18.3 million.

The unrefuted evidence in the record demonstrates that a significant number of the Companies’ PCAP customers who shop for competitive generation supply with an EGS are paying more than the default service price to compare. First, the evidence demonstrates that a significant number of the Companies’ PCAP customers are shopping:

⁵⁵ See CAUSE-PA St. No. 1 at 23, Table 7.

PCAP Customer Shopping⁵⁶

Year	Total Number of PCAP customers across all Companies who remained on default service the entire year	Total Number of PCAP customers across all Companies who received generation supply from an EGS at some point during the year	Total number of PCAP customers
2013	32,987	34,971	67,958
2014	37,565	28,065	65,630
2015	39,700	24,186	63,886
2016	37,996	27,612	65,608
2017	44,073	22,035	66,108

Second, the evidence demonstrates that of the PCAP customers who shop, the overwhelming majority **paid more than the price to compare**. And, those who paid more paid a lot more, while those who paid less paid only a little bit less than the price to compare. Mr. Geller summarized this data in his Direct Testimony, which showed detailed shopping numbers and percentages across all four Companies over a nearly five-year period of time.⁵⁷ This data demonstrates that – over a prolonged period of time – a significant majority of PCAP customers who switch to a competitive electric supplier are charged rates that exceed the price to compare and, thus, cause greater costs to be incurred by PCAP customers – and the PCAP program as a whole – than if these customers were charged the utility default service price for energy. Aggregated, the data shows that over a nearly five-year year period (58 months), two-thirds (65%) of all PCAP customers who shop have contracted for, and obligated PCAP to assume, rates higher than the price to compare.⁵⁸

⁵⁶ CAUSE-PA St. No. 1 at 22, Table 6 (citing ME/PN/PP/WP Response to CAUSE-PA Interrogatory Set I, No. 2(b) and (c), attached to CAUSE-PA St. No. 1 as Appendix B). Totals were calculated by summing the total for each Company for each year from 2013-2017.

⁵⁷ See CAUSE-PA St. No. 1 at 23, Table 7

⁵⁸ Id. at 24

The economic impact of this unrestricted PCAP shopping is significant. From June 2013 through March 2018, the evidence in the record shows the following net harm to PCAP customers and other ratepayers (which factors in both the savings and the costs of those who shopped):⁵⁹

Company	Total Net Cost Above PTC Costs 58 Months (June 2013 – March 2018)	Net Monthly Cost Above PTC Costs	Net Annualized Cost Above PTC Costs
Met Ed	\$3,421,210	\$58,986	\$707,837
Penelec	\$3,414,520	\$58,871	\$706,452
Penn Power	\$653,044	\$11,259	\$135,113
West Penn	\$10,847,665	\$187,029	\$2,244,345
Total	\$18,336,440	\$316,146	\$3,793,746

This more than \$18.3 million in increased PCAP costs over a 58-month period (nearly five years) is a direct result of the Companies’ current practice of allowing PCAP customers to accept any EGS offer regardless of cost. These increased costs affect the affordability of PCAP bills for PCAP customers on a monthly basis – particularly before their PCAP bill subsidy credits are adjusted to catch up to these increased costs or when they already receive the maximum monthly bill credit. In turn, other ratepayers who pay for PCAP also bear cost increases in the aggregate because of the currently permitted unrestricted PCAP shopping.

None of the \$18.3 million in additional PCAP costs – which translates into \$3.79 million more per year – are used to promote universal service goals under the Choice Act to assist low income customers better meet their home energy needs. Since program costs are intended to assist low income customers to afford and maintain essential utility service, they should not be increased by more than \$3.79 million more per year simply to pay an EGS charging rates higher than the default price. This is especially so when the higher EGS payments result in tangible harm to low

⁵⁹ Joint Stipulation # 3, ¶ 3.

income PCAP customers and other residential rate payers, including the more than 160,000 confirmed low income customers who are not enrolled in PCAP. The Choice Act expressly requires the PUC to administer these programs in a manner that is cost effective for the CAP participants and the non-CAP participants, who share the financial consequences of the CAP participant's EGS choice. CAUSE-PA et al., 1020 A.3d at 1103. There is no cost efficiency, and significant unnecessary and impermissible cost, in continued implementation of a PCAP shopping protocol permitting participants to accept any EGS offer above the price to compare.

3. Paying prices higher than the price to compare compromises affordability for the Companies' PCAP customers and needlessly increases costs for non-PCAP ratepayers.

Currently, the Companies do not limit the ability of PCAP customers to shop and receive generation from an EGS. PCAP customers are allowed to select any offer from an EGS regardless of whether the price for service is above or below the price to compare and without consideration of the impact of their choices on the viability and cost-effectiveness of the PCAP program as a whole. The impact of unrestricted PCAP shopping is undisputed. Over the course of 58 months, unrestricted PCAP shopping has caused \$18,336,440 in harm to both PCAP customers, who shoulder the burden of higher bills, and other rate payers who pay the increased program cost.

As outlined in CAUSE-PA's Direct Testimony, the Companies currently recalculate the customer PCAP subsidy every three months.⁶⁰ When a PCAP customer chooses an EGS product at a price above price to compare, the customer bears that initial cost until their next benefit recalculation.⁶¹ For customers who are already receiving the maximum PCAP benefit, choosing an EGS that charges more than the price to compare harms the household because there are no

⁶⁰ CAUSE-PA St. No. 1 at 18-19.

⁶¹ Id.

additional credits available to reduce the financial burden of the EGS pricing decision. For households not yet at their maximum monthly credit, having an EGS that charges more than the price to compare means that their subsidy will be increased so that the customer's ask to pay amount is targeted to the Companies' energy burdens 3% and 9% for electric non heating and electric heating respectively.⁶² This additional cost is paid for by the other ratepayers. Thus, there is no free lunch. Either PCAP customer or other ratepayers – including the more than 160,000 confirmed low income non-PCAP ratepayers – are harmed, in this case, by more than \$18.3 million. None of this evidence was refuted by any party to the proceeding.

To be clear, each of the Companies' very poor PCAP customers became eligible for statutorily mandated PCAP assistance as a result of an inability to consistently make payments at non-discounted rates. Providing a discount paid for by other ratepayers, but permitting PCAP customers to select an EGS who charges rates higher than that PTC erodes the efficacy of the discount because it needlessly cannibalizes the maximum CAP credit provided to these households thereby increasing costs without any increase in affordability. This is nothing more than waste.

4. No party contests the fact that unrestricted PCAP shopping has caused more than \$18.3 million in harm to PCAP customers and other ratepayers.

No party rebutted the evidence of harm to PCAP customers and other ratepayers who pay for PCAP. The only parties who submitted testimony on this topic were the OCA, I&E, RESA, and the Companies. Both the OCA and I&E addressed and supported the need for there to be CAP shopping restrictions consistent with those suggested by CAUSE-PA. For his part, Mr. Keller, for I&E, stated that unrestricted PCAP shopping “harms both non-CAP and CAP customers” and generally agreed that the amount of harm was in the millions of dollars.⁶³ Mr. Keller also

⁶² Id.

⁶³ See I&E Statement No. 1 at 19-21.

specifically affirmed that “the evidence in this case supports the need to curtail CAP shopping losses.”⁶⁴ Through its witness, the OCA reached a similar conclusion as CAUSE-PA about the depth and duration of economic harm that results from unrestricted PCAP customer shopping.⁶⁵

In contrast, the Companies are more cautious about CAUSE-PA’s recommendation to require PCAP customers to shop at prices above the price to compare, but do not contest or otherwise refute the fact that unrestricted PCAP shopping has a cost, on net, of more than \$18.3 million since June 2013.⁶⁶ Similarly, while RESA rejects the need to take any action, it does not contest the numbers. Rather, RESA spends considerable energy asserting that, notwithstanding the fact that unrestricted PCAP shopping costs ratepayers and PCAP participants more than \$18.3 million, PCAP customers and other ratepayers have benefited from the competitive market. Fatal to this position, however, is the utter dearth of any record evidence to support RESA’s conclusion.

D. CAUSE-PA’s proposal to limit the offers a PCAP customer can accept to offers at or below the Price to Compare is the only proposal that effectively ameliorates the harm associated with unrestricted PCAP shopping.

The Companies’ current policy of allowing PCAP customers to shop for EGS supplied service without restrictions needlessly compromises affordability and program costs in the name of choice. For their part, both RESA and the Companies’ believe that PCAP customers should be able to shop without restriction, even though the demonstrated result is to compromise the PCAP customer’s ability to afford service or the affordability of the CAP program as a whole.⁶⁷

This position is inconsistent with the Choice Act, “which both encourages deregulation to allow consumers the opportunity to purchase directly their supply from EGSs **and** emphasizes the need to continue to maintain programs that assist low income customers to afford electric service.”

⁶⁴ I&E Statement No. 1-SR at 20.

⁶⁵ OCA St. No. 2 at 36.

⁶⁶ See Met-Ed/Penelec/Penn Power/West Penn St. No 1-R at 28.

⁶⁷ RESA St. 1-R at 22-23; Met-Ed/Penelec/PennPower/ West Penn Power St. No. 1-R at 31.

CAUSE-PA et al., 120 A.3d at 1103-1104 (emphasis added) (citing 66 Pa. C.S. § 2802 (7), (9), (10), (14), (17)). The universal service provisions of the Choice Act tie the affordability of electric service to a customer's ability to pay for that service. 66 Pa. C.S. § 2804(9). The Commission has the responsibility to ensure that the means to achieve the affordability of electric service is appropriately funded and available in each electric distribution territory. This requires the enactment, establishment, and maintenance of policies, practices and services that allow low income customers to maintain their electric service. 66 Pa. C.S. § 2803. The existence of a competitive market for generation supply does not change this requirement. The Choice Act contains within it the coexisting goals and obligations to promote competition and to protect low income customers within the competitive framework to ensure rate affordability. In this proceeding, the position of CAUSE-PA, the OCA, and I&E are the only positions advanced which meet all of these concerns.

It bears restating that a customer enrolls in PCAP because of a demonstrated inability to afford utility service at the full tariff cost. Thus, contrary to RESA's assertion, PCAP customers are not like other customers.⁶⁸ PCAP customers have evidenced an inability to pay for service at undiscounted rates as a consequence of their poverty. The legislature was clear in the Choice Act that it specifically intended to protect this vulnerable population from the potential price volatility in the competitive market. To ensure that these households continue to have safe and stable electric service, PCAP provides a discount that is paid for by other ratepayers. It has been amply demonstrated in CAUSE-PA's testimony that once PCAP customers elect to shop, the decision to do so at rates above the price to compare adversely affects the continued affordability of bills for CAP customers, the continued ability of those CAP customers to maintain CAP benefits, and

⁶⁸ RESA St. No. 1 at 23.

increases the cost of the program as a whole for other ratepayers.⁶⁹ This is the inevitable outcome of any PCAP customer shopping at prices at or above the price to compare because the Choice Act requires that the EDC be made whole for CAP costs, regardless of the specific CAP structure approved. See 66 Pa. C.S. § 2804(9).

As noted previously, PCAP costs are a zero-sum game, meaning the effect of PCAP customers paying more than the price to compare must be paid by someone. It will either require unaffordable payments by PCAP customers, will cost other ratepayers more money, or – most likely – will result in greater costs for both PCAP and non-PCAP customers. There is simply no way around it: Unless PCAP customers are restricted from shopping at rates above the price to compare, the resultant increase in costs will cause harm to PCAP and non-PCAP customers alike. Throughout this proceeding, CAUSE-PA’s paramount concern was to create a structure whereby PCAP customers who choose to shop for competitive electric generation supply could do so without compromising affordability of their monthly CAP bills or the program as a whole. The positions of CAUSE-PA, OCA, and I&E achieve this goal without disruption to the competitive market. The Companies’ and RESA’s arguments to the contrary are without merit.

1. The Companies’ and RESA’s position that changes to PCAP are not needed is untenable, and ignores the evidence of harm in the record.

Despite acknowledging that the Companies’ policy to allow unrestricted PCAP shopping causes millions of dollars of harm to low income PCAP customers and other ratepayers, the Companies assert that there is not necessarily a need to modify PCAP shopping rules.⁷⁰ In support of their position, the Companies draw the unsupported conclusion that “a comparison of the EGS rate to the PTC *at any one point in time* does not take into consideration the value a CAP customer

⁶⁹ See e.g. CAUSE-PA Statement 1 at 24-26; Joint Stipulation #3.

⁷⁰ See Met-Ed/Penelec/Penn Power/West Penn Power St. No. 1-R at 28.

may place on a known, fixed-price EGS contract that may extend for years.”⁷¹ For its part, RESA asserts that while “the information is seemingly compelling and it is very tempting to draw conclusions based upon it.”⁷² RESA urges the Commission “to be skeptical of such a simplistic comparison of EGS prices to default service rates and to consider the broader benefits” of the competitive market.⁷³ Both of these positions are unsupported and belie the evidence in the record.

First, the Companies’ statement that data produced by them showing a clear pattern of harm over a 58-month period from June 2013 through March 2018 – just shy of five years of data – is “one point in time” is perplexing. As Mr. Geller pointed out in his Surrebuttal Testimony, “[i]f aggregate, net harm over a 5[8] month period is a ‘single point in time,’ then the terms ‘single’ and ‘point’ have been rendered meaningless in the English language.”⁷⁴ But of course, this extensive and unrefuted data shows a clear, long-term, and consistent pattern of excessive and unwarranted costs. The data shows that over 58 months, PCAP customers and other ratepayers who finance PCAP have paid more than \$18.3 million, on net, in increased costs.⁷⁵ The extensive data further shows– without exception – that these increased costs were solely attributable to unrestricted PCAP shopping, and that the increase in cost did nothing to reduce or ease the burden of the basic service costs on low income Pennsylvanians participating in PCAP. The duration and depth of this harm cannot be dismissed as one point in time. To the contrary, the data shows an alarmingly consistent pattern of pervasive and preventable harm, resulting from the Companies’ current PCAP shopping rules.

⁷¹ *Id.* (emphasis added).

⁷² RESA St. No 1-R at 23:22-24.

⁷³ RESA St. No 1-R at 23:22-24.

⁷⁴ CAUSE-PA St. No. 1-SR at 3:16-17.

⁷⁵ Joint Stipulation #3, ¶ 3.

Second, RESA and the Companies both take the unreasonable and unsupported position that a price comparison, alone, is insufficient. This position fails for several reasons. Initially, both RESA and the Companies incorrectly assume that the evidence of harm does not include the value of price stability inherent to fixed term contracts. The data provided by the Companies demonstrates that there is substantial and pervasive harm over a 58-month period of time, and that this data was a ***net of all of the shopping decisions***. That is, it accounted for ***all*** PCAP customers: those who shopped and saved and those who shopped and paid more. Surely this accounts for the monetary value associated with fixed price contracts over this period of time. Even accounting for the price stability, on net, it still cost PCAP customers and other ratepayers \$18.3 million more than default service would have cost.

To the extent that RESA and the Companies assert that the Commission should consider the purported intangible value associated with price stability, they have produced no evidence quantifying the value of price stability, or whether price *stability* is more or less important than price *affordability*, which has already been demonstrated to be irrefutably compromised by unbridled PCAP shopping. As Mr. Geller noted in his Surrebuttal Testimony:

While stability in price is an important consideration because it provides consumers with a predictable monthly bill, it is not accurate that rate stability alone, regardless of the resulting bill amount, is a benefit to the consumer. A stable but unaffordable bill has little value to a vulnerable customer. Indeed, bill stability considered in the context of PCAP customer shopping cannot be divorced from price. Customers enrolled in PCAP pay rates that are calculated in reference to the allowable affordable energy burdens as permitted by the Commission in its CAP policy statement. When a PCAP customer enters the market, if the EGS rate is higher than the PTC, then the additional cost is either paid by the PCAP customer or borne by other ratepayers. While stability of rates that are affordable is to be preferred and sought, stability of higher rates that are *unaffordable* and set above the determined maximum energy burden should be avoided. The crux of my concern is that PCAP customers – customers who have already evidenced that they are payment troubled and in need of an ongoing monthly subsidy to pay for essential electric service – should never pay more than the PTC. Any argument that focuses solely on the stability low income customers receive from fixed rate contracts instead of also

addressing affordability ignores the very factors that resulted in the customer participating in PCAP. A customer enrolls in PCAP because their income is insufficient to cover their basic living and electric service expenses. A fixed rate contract at a price above the PTC only exacerbates the essential and central issue of why they have enrolled in PCAP – the unaffordability of their electric bills. Low income customers receive no tangible benefit by paying more for a service that they already could not afford.

Neither Ms. Bortz nor Mr. Hudson comes forward with any actual evidence that price stability alone – independent of price affordability – is a value prioritized by PCAP customers. Their assertions are nothing more than speculation in the face of the harm that is quantified and known to exist.⁷⁶

To constitute substantial evidence, more is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established; rather, substantial evidence is relevant evidence that a reasonable mind might accept as adequate to support a conclusion. See Norfolk & Western Ry. Co., 413 A.2d at 1047; see also Murphy, 480 A.2d at 386. RESA and the Companies' positions amount to nothing more than wishes or unsubstantiated beliefs, as opposed to any evidence actually supporting their positions. This is insufficient, in light of the record demonstrating that unrestricted PCAP shopping has cost millions of dollars more in net increased costs to PCAP customers and residential ratepayers who pay for PCAP.

2. There is no evidence in the record that so called “value added” products offered generally on the competitive market mitigated any of the known quantifiable harm associated with unrestricted PCAP shopping.

In support of their claim that price alone is insufficient because it fails to account for so called “value added” products, RESA and the Companies fail to produce any evidence of the *actual value* received by any of the Companies' PCAP customers from these products. Instead, both point to the fact that these products are available in the market generally and therefore *could* have been purchased by PCAP customers. This is not evidence, it is speculation. Mr. Geller deftly addressed this issue in his surrebuttal testimony:

⁷⁶ CAUSE-PA St. No. 1-SR at 9:22-10:22 (internal footnotes omitted).

Ms. Bortz provides no evidence indicating that any PCAP customers are currently subscribing to value added products and whether the purported “value” that they add outweighs the harm associated with PCAP customers paying rates that are higher than the PTC. Without this evidence, any purported benefit is speculative. The idea that there could be value that would offset \$17.2 million in harm is not persuasive when one cannot point to any particulars.

For his part, Mr. Hudson asserts that PCAP customers are the ones who are “the best arbiter” of the value that these products have, and that there are products in the market that he believes would be beneficial to low income households such as a “free one-year membership to Amazon Prime, which would normally cost \$99” (RESA St. 1-R at 25:16-17). Mr. Hudson acknowledges that the offer in question has a price that is higher than the utility default service price – approximately 5% higher. (RESA St. 1-R at 25). He asserts that it would be reasonable for a low income customer to elect this product because they would be receiving \$99 value from the Amazon Prime membership and asserts that “this [Prime Membership] could easily produce additional savings for a low income customer who may then be able to buy everyday household essentials from Amazon without incurring extra shipping costs.” (RESA St. 1-R at 26).

Mr. Hudson also points to an offer for a “bundled smart thermostat” that would help reduce energy consumption for PCAP customers, despite costing 28% more than the price to compare. (RESA St. 1 at 29:18). Mr. Hudson acknowledges that this increased price would mean a cost increase of \$178.21 per year based on the higher per kWh charge. Mr. Hudson however, assumes that the household heats with UGI gas, spends \$1030 per year on gas, and then assumes that the household receiving this thermostat would have a constant 10% energy reduction which, according to his analysis, would result in \$66.53 in savings over the year to this hypothetical household. (RESA St. 1 at 30).

The fact that there are some products in the market that may produce financial benefit to customers, generally, is irrelevant to the facts in this case that show, specifically, more than \$17.2 million in harm. In response to discovery, Mr. Hudson admitted he has no knowledge of how many PCAP customers may have elected the offers that he touts. Thus, his holding out the so-called value added offers that he outlines in his testimony is at best speculative and irrelevant, and I submit cannot be considered to offset the actual evidence of harm outlined in my Direct Testimony.

Mr. Hudson also omits the fact that the Amazon offer in question has a \$99 early termination fee, which means that if the household cancels or otherwise interrupts their service at any point during the 12- month term, they would essentially have to pay the entire membership fee. Low income households – including those enrolled in PCAP – have a significantly higher rate of involuntary termination. If the account is terminated, this would trigger the imposition of this early termination fee. He also fails to specifically mention that the cost to acquire this benefit would be at \$35 more per year in energy costs because of the increased per kWh charge.

With regard to the smart thermostat, Mr. Hudson admits he posed a hypothetical example and has no idea whether any MetEd customers have signed up for this offer or what their actual experiences have been. Indeed, as Mr. Hudson readily admits, “there is no guarantee that every customer would realize a 10% reduction” in their usage. (RESA St. 1-R at 30 n. 13.) His analysis also makes clear that even assuming a 10% energy reduction, households would still pay \$36 more on their annual electricity bill because of the higher cost per kWh. (RESA St. 1 (corrected) at 30, difference between row J and row N). It is only when Mr. Hudson adds gas heat to the equation that the hypothetical household would see any purported savings. It is a dubious conclusion that \$17.2 million in known harm to the Companies’ PCAP customers and other electric ratepayers who pay for PCAP is offset by the mere possibility of savings for a customer’s natural gas bills. There are simply too many “ifs and buts” in Mr. Hudson’s analysis for it to be credibly relied upon.⁷⁷

There is absolutely no evidence in the record showing whether any of the Companies’ PCAP customers took advantage of any of the so called “value added” products to which RESA and the Companies point. Instead, both merely suppose, assume, and then extrapolate. This is not evidence, let alone substantial evidence upon which the Commission could base its decision.

Moreover, even if there were evidence that PCAP customers were subscribing to so called “value added” services, other ratepayers who pay for PCAP should not be subsidizing these services when they are nonessential products and services which increase the commodity price for basic service and are in part paid by the PCAP customer and in part passed through the Companies’ universal service rider. The Commission’s CAP Policy Statement explicitly prohibits CAP participants from subscribing to “nonbasic services that would cause an increase in monthly billing and would not contribute to bill reduction.” 52 Pa. Code § 69.265(3)(ii). While the policy statement provides that nonbasic services may be allowed if the service *reduces* the customer’s bills, the statement unequivocally concludes by explaining that, even still, “CAP credits should not be used to pay for nonbasic services.” Id.

⁷⁷ CAUSE-PA St. No. 1-SR at 11:16-13:20 (internal footnotes omitted)

In addition to contradicting codified Commission policy, an emphasis on value added analysis also runs afoul of the universal service provisions of the Choice Act, which require the Commission to administer universal service programs like PCAP in a manner that is “cost-effective for CAP participants and non-CAP participants who share the financial consequences of the CAP participants’ EGS choice.” CAUSE-PA et al., 120 A.3d. at 1103. Moreover, the stated purpose of the Choice Act is “to create direct access by retail customers to the competitive market for the *generation of electricity*.” 66 Pa. C.S. § 2802(12). The non-commodity products and services referenced by RESA and the Companies are not related to the generation of electricity and are therefore not a part of the competitive market for retail electric supply authorized by the Choice Act. Thus, their concern about the availability of these products cannot be bootstrapped into a concern about electric generation choice and competition. This is particularly true for PCAP customers who receive assistance from other ratepayers to pay their bills.

3. There is no evidence that PCAP customer will be harmed by a PCAP program that restricts them to offers at or below the applicable PTC.

In addition to contending that PCAP shopping restrictions are not needed, RESA and the Companies state that requiring EGS to guarantee that the price charged for generation will always be below the applicable price to compare will harm PCAP customers. Specifically, they argue that customers who are currently receiving service at rates below the price to compare will either lose their suppliers or be charged more for electricity because EGSs may not be able to convert their current product offerings into cost savings.⁷⁸

RESA asserts that the data for PCAP shopping shows that some customers who are currently shopping have entered into contracts that are for prices at or below the price to compare,

⁷⁸RESA St. 1-R at 26-28; Met- Ed/Penelec/Penn Power/West Penn St. No. 1-R at 29-30.

and that these customers would be harmed by the PCAP rules CAUSE-PA proposed.⁷⁹ There is no basis for this assertion. It is correct that that over the 58 months from June 2013 through March 2018, a certain percentage of PCAP customers who received EGS-provided generation supply service paid prices that were at or below the price to compare. However, it does not logically follow that restricting PCAP shopping to prices no greater than the price to compare would cause harm to those PCAP customers who are currently shopping and saving. Indeed, the fact that there are EGSs who already charge prices below the price to compare bolsters the position that reasonable price restrictions would not unreasonably interfere with a PCAP customer's ability to engage in a robust market. The reality is that, with the exception of the EGS, everyone else benefits if PCAP customers are served at prices lower than the default service price. PCAP customers have lower bills and other ratepayers pay lower amounts to subsidize the program. The problem presented by the data in this proceeding is that overwhelmingly, PCAP customers and other ratepayers have been harmed by unrestricted PCAP shopping, which is why restrictions are needed. Unless the CAP shopping rules are addressed and modified, PCAP customers will continue to be harmed.

The crux of RESA's concern seems to be that there may be fewer suppliers who are willing to serve PCAP customers under CAUSE-PA's proposed shopping rules, and that the offers would have to be structured as variable rate offers because they would have to change with the price to compare. Both of these outcomes would be acceptable as long as protections are in place to ensure that PCAP customers are not paying more than the price to compare. As stated previously, there is no virtue in price stability that does not promote affordability. Furthermore, RESA merely speculates that fewer suppliers would serve PCAP customers, stating that offering guaranteed

⁷⁹ RESA St. 1-R at 26-28

prices that were at or below the price to compare “would *likely* violate the risk policies of *at least some* prudently operating EGSs.”⁸⁰ This speculation is not evidence.

Just as they currently do, depending on the PTC at any given time, EGSs may find that it is financially advantageous or disadvantageous to serve PCAP customers with these restrictions in place. However, in light of the record in this proceeding amply demonstrating that substantial harm has occurred as a result of unrestricted PCAP shopping, protections need to be put into place. Whether or not any individual supplier chooses to serve or not serve CAP customers will be that supplier’s business decision to do so.

E. In light of the substantial evidence of harm, the Commission should implement the PCAP restrictions proposed by CAUSE-PA.

The record in this proceeding amply demonstrates that substantial evidence – above and beyond the burden of proving its case by a preponderance of the evidence – has been presented that the current system has not worked and is producing significant and preventable harm to PCAP and non-PCAP customers. Indeed, the record shows that there is no reasonable alternative other than to cease this continuing harm. Through its testimony, CAUSE-PA developed a proposal that workably protects PCAP customers and other ratepayers. Specifically, CAUSE-PA proposed that: (1) PCAP shopping participants be prohibited from entering into a contract with an EGS in which they will obligate either themselves or the program to, at any time, bear the cost of rates greater than the price to compare; and, (2) PCAP shopping participants should be prohibited from entering into a contract with an EGS that includes early cancellation or termination fees.⁸¹

The Companies could facilitate both of these requirements through the development of a structured CAP shopping program where a CAP customer wishing to receive EGS-supplied

⁸⁰ RESA St. 1-R at 28 (emphasis added).

⁸¹ CAUSE-PA St. No. 1 at 32.

service would have to select from suppliers who were willing to charge a price that would **always** be at or below the Companies' price to compare and who would not charge a cancellation or termination fee. This could occur either by having suppliers sign up to provide compliant offers or simply by the Company rejecting any EGS switching request by a PCAP customer that does not meet these parameters. If at any time a supplier serving a PCAP customer(s) subject to these conditions believes that it is no longer economically viable for the supplier to continue serving PCAP customers, the supplier would return the customer to default service. The Companies' witness, Ms. Bortz, acknowledges that its current systems could accommodate these reasonable PCAP rules and that CAUSE-PA's suggested approach is the preferred approach if the Commission finds that the evidence warrants imposing CAP shopping restrictions.⁸²

CAUSE-PA also proposed a transition plan for those PCAP customers who are currently being served by EGS contracts that is consistent with the transition plan recently approved by the Commission in PPL's DSP Proceeding. See Petition of PPL Electric Utilities Corp. for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021, Docket No. P-2016-2526627 (Final Order entered Feb. 9, 2018) ("PPL CAP-SOP Implementation Order"). Specifically, Mr. Geller recommended the following:

- Customers who are on a fixed duration contract with a supplier on June 1, 2019, may remain with that supplier until the expiration date of the fixed duration contract or the contract is terminated, whichever comes first. Once the customer's supplier contract expires or is terminated, the supplier can either offer a compliant contract that charges no more than the price to compare for the duration of the contract or return the PCAP customer to default service. This same process would be applicable *after* June 1, 2019 for customers on fixed duration contracts who subsequently are eligible for PCAP.
- PCAP customers who are receiving supply service from an electric generation supplier through a month to month contract on June 1, 2019 must be dropped by the electric generation supplier, and returned to default service within 120 days, or

⁸² Met-Ed/Penelec/Penn Power/West Penn Power No. 1-R at 31-32; Met-Ed/Penelec/Penn Power/West Penn Power No. 1-SR at 8.

be offered and accept a contract that charges no more than the price to compare for the duration of the contract. This same process would be applicable *after* June 1, 2019 for customers on month to month contracts who subsequently are eligible for PCAP.⁸³

All of the foregoing restrictions – concerning price and transition for existing shopping customers – are consistent with similar restrictions imposed by the Commission in the PPL DSP proceeding. The record from that proceeding and this are remarkably consistent. In both cases, unrestricted shopping by CAP customers has caused millions of dollars of harm to CAP customers and other ratepayers. In both cases, the opposition to CAP shopping restrictions came forward with no reasonable alternatives that would mitigate the harm. Given the substantial similarity of the records, the Commission should reach the same conclusion.

The current system of unrestricted PCAP shopping has not worked and is harming PCAP and non-PCAP customers to the tune of more than \$18.3 million and counting. Indeed, the record suggests that each month that goes by will add more than \$300,000 in increased costs with no added benefit. The fact of the matter is that there is no reasonable alternative to cease this continuing harm other than by implementing CAUSE-PA’s proposal, which is designed to ensure that adequately-funded, cost-effective, and affordable CAP shopping programs remain available to help customers who are low income afford electric service. As such, “unbridled competition . . . ha[s] to give way to [these] other important concerns,” CAUSE-PA et al., 120 A.3d at 1103.

IX. NON-MARKET BASED CHARGES

CAUSE PA has not taken a position on the Companies’ proposed handling of Non Market Based Charges.

⁸³ CAUSE-PA St. No. 1 at 34.

X. TIME-OF-USE RATE

CAUSE PA has not taken a position on the Companies' proposed Time of Use Rates.

XI. CONCLUSION

Low income customers enrolled in PCAP make up a significant portion of the Companies' residential customer base, and their unique needs must be taken into consideration to ensure that they are adequately protected from higher prices. The record in this proceeding contains substantial evidence that Companies' PCAP customers and its residential ratepayers who pay for PCAP are significantly harmed due to the lack of protections for the price and contract terms charged to PCAP customers. CAUSE-PA, the OCA, and I&E all support the initiation of reasonable restrictions that would limit PCAP customers from selecting an EGS rate that would be higher than the Price to Compare. Both the Companies and RESA have taken the indefensible position that nothing should be done, despite the overwhelming evidence of harm of more than \$18.3 million over a 58 month period of time. Their insistence that the status quo should remain is unreasonable, unacceptable, and unsupported by evidence in the record.

Low income PCAP households simply have no budget elasticity and, thus, face extreme hardship and significant financial harm when faced with the prospect of paying more for electricity, even for a short period of time, as this additional cost is often the difference between remaining current on their bills or falling behind. This is an unacceptable risk for PCAP customers and the other ratepayers who pay to support the PCAP program.

Therefore, in light of the "substantial reasons why there is no reasonable alternative so competition needs to bend," which have been produced in this proceeding, the Commission should impose PCAP rules "that would limit the terms of any offer from an EGS that a customer could accept and remain eligible for CAP benefits." CAUSE-PA et al., 120 A.3d at 1104. Specifically,

the Commission should require that PCAP customers not be permitted to receive EGS-provided service for rates that are higher than the default service price to compare and should not be charged early termination and cancellation fees. Such rules are necessary to “ensure adequately-funded, cost-effective, and affordable programs to assist customers who are low income to afford electric service.” Id.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT

Counsel for the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)



Patrick M. Cicero, Esq., PA ID: 89039
Kadeem G. Morris, Esq., PA ID 324702
Elizabeth R. Marx, Esq., PA ID: 309014
118 Locust Street
Harrisburg, PA 17101
Tel.: 717-236-9486
Fax: 717-233-4088
pulp@palegalaid.net

May 1, 2018

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition Of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Their Default Service Program	:	:	Docket No. P-2017-2637855
	:	:	Docket No. P-2017-2637857
	:	:	Docket No. P-2017-2637858
	:	:	Docket No. P-2017-2637866

**JOINT STIPULATION OF
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY
EFFICIENCY IN PENNSYLVANIA**

and

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC
COMPANY, PENNSYLVANIA POWER COMPANY AND WEST PENN POWER
COMPANY**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) and Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (the Companies) (together, the “Stipulating Parties”) by their respective counsel, hereby enter into this Joint Stipulation.

The Stipulating Parties agree to have this Joint Stipulation, and the attached interrogatory response, admitted as evidence of their agreement and further stipulate and agree as follows:

1. On April 6, 2018, the Companies served an updated interrogatory response to CAUSE-PA Interrogatory Set I, No 3. The response is attached hereto as CAUSE-PA/Companies’ Joint Stipulation Exhibit 1.
2. This response was prepared by the Companies’ witness Kimberlie Bortz and submitted after all testimony was circulated by the parties.

3. The stipulating parties agree that CAUSE-PA/Companies' Joint Stipulation Exhibit 1, Attachment C, shows that from the period of June 2013 through March 2018, unrestricted shopping by the Companies' Customer Assistance Program customers has resulted in the following net costs:

Company	Total Net Cost Above PTC Costs 58 Months (June 2013 – March 2018)	Net Monthly Cost Above PTC Costs	Net Annualized Cost Above PTC Costs
Met Ed	\$3,421,210	\$58,986	\$707,837
Penelec	\$3,414,520	\$58,871	\$706,452
Penn Power	\$653,044	\$11,259	\$135,113
West Penn	\$10,847,665	\$187,029	\$2,244,345
Total	\$18,336,440	\$316,146	\$3,793,746

Respectfully submitted,



Patrick M. Cicero
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
(717) 236-9486, Ext. 202
pciceropulp@palegalaid.net

Counsel for the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania



Tori Giesler
FirstEnergy
2800 Pottsville Pile
PO Box 16001
Reading, PA 19612-6001
(610) 921-6658
tgiesler@firstenergycorp.com

Counsel for Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company

Date: April 10, 2018

ME/PN/PP/WP Supplemental Response to CAUSE-PA Interrogatory Set I, No. 3
Witness: K. L. Bortz
Page 1 of 1

**JOINT PETITION OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA
ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY, WEST PENN
POWER COMPANY FOR APPROVAL OF THEIR DEFAULT SERVICE PROGRAMS
Docket Nos. P-2017-2637855, P-2017-2637857, P-2017-2637858, P-2017-2637866**

**THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY
EFFICIENCY IN PENNSYLVANIA Set I, No. 3**

“In the Collaborative from the DSP IV proceeding, the Companies produced three documents: (1) a document titled “Analysis of CAP Customer Shopping Rate vs. PTC”, also known as Exhibit CVF-3; (2) a document titled “CAP Collaborative part i info”; and (3) a document titled “CAP Collaborative part ii info.”

Please provide each of these documents in the same format as they were provided in the Collaborative from the DSP IV proceeding, and include updated information through and including December 31, 2017. Please provide each of these documents in both .pdf format and fully-executable Excel format with formulae intact.”

RESPONSE:

Supplemental Response 4/6/2018

See ME/PN/PP/WP Supplemental Response to CAUSE-PA Interrogatory Set I, No. 3, Supplemental Attachments A through C.

Original Response 2/5/2018

For Excel format see ME/PN/PP/WP Response to CAUSE-PA Interrogatory Set I, No. 3, Attachments A through C.

For PDF format see ME/PN/PP/WP Response to OCA Interrogatory Set I, No. 34, Attachments A through C.

Exhibit A:
Joint Stipulation # 3, Admitted into Evidence on April 10, 2018

**Analysis of CAP Customer Shopping Rate vs PTC
June 2013 - March 2018**

CAP							CAP						
Operating Company	Date	Customer Shopping		% Higher than PTC	% Lower Than PTC		Operating Company	Date	Customer Shopping		% Higher than PTC	% Lower Than PTC	
		Count	PTC						Higher PTC	Lower PTC			Count
Met-Ed	Jun-13	7,512	1,503	6,009	20%	80%	Penelec	Jun-13	8,827	1,469	7,358	17%	83%
Met-Ed	Jul-13	7,330	3,265	4,065	45%	55%	Penelec	Jul-13	8,915	3,840	5,075	43%	57%
Met-Ed	Aug-13	7,178	3,383	3,795	47%	53%	Penelec	Aug-13	8,826	4,032	4,794	46%	54%
Met-Ed	Sep-13	7,133	3,453	3,680	48%	52%	Penelec	Sep-13	8,948	4,050	4,898	45%	55%
Met-Ed	Oct-13	6,922	4,275	2,647	62%	38%	Penelec	Oct-13	8,803	4,301	4,502	49%	51%
Met-Ed	Nov-13	6,898	4,136	2,762	60%	40%	Penelec	Nov-13	9,057	4,423	4,634	49%	51%
Met-Ed	Dec-13	6,163	3,719	2,444	60%	40%	Penelec	Dec-13	8,282	4,549	3,733	55%	45%
Met-Ed	Jan-14	6,332	3,766	2,566	59%	41%	Penelec	Jan-14	8,505	6,320	2,185	74%	26%
Met-Ed	Feb-14	6,313	3,844	2,469	61%	39%	Penelec	Feb-14	8,456	6,215	2,241	73%	27%
Met-Ed	Mar-14	6,335	4,177	2,158	66%	34%	Penelec	Mar-14	8,532	5,362	3,170	63%	37%
Met-Ed	Apr-14	6,065	4,337	1,728	72%	28%	Penelec	Apr-14	8,170	4,016	4,154	49%	51%
Met-Ed	May-14	5,715	3,940	1,775	69%	31%	Penelec	May-14	7,736	3,632	4,104	47%	53%
Met-Ed	Jun-14	5,519	2,240	3,279	41%	59%	Penelec	Jun-14	7,490	2,733	4,757	36%	64%
Met-Ed	Jul-14	5,549	1,455	4,094	26%	74%	Penelec	Jul-14	7,478	2,183	5,295	29%	71%
Met-Ed	Aug-14	5,565	1,064	4,501	19%	81%	Penelec	Aug-14	7,380	2,149	5,231	29%	71%
Met-Ed	Sep-14	5,487	2,420	3,067	44%	56%	Penelec	Sep-14	7,319	3,024	4,295	41%	59%
Met-Ed	Oct-14	5,474	4,638	836	85%	15%	Penelec	Oct-14	7,267	5,182	2,085	71%	29%
Met-Ed	Nov-14	5,444	4,511	933	83%	17%	Penelec	Nov-14	7,257	5,006	2,251	69%	31%
Met-Ed	Dec-14	5,006	4,727	279	94%	6%	Penelec	Dec-14	6,818	5,955	863	87%	13%
Met-Ed	Jan-15	5,045	4,307	738	85%	15%	Penelec	Jan-15	6,851	6,195	656	90%	10%
Met-Ed	Feb-15	4,867	4,057	810	83%	17%	Penelec	Feb-15	6,593	5,968	625	91%	9%
Met-Ed	Mar-15	4,734	3,659	1,075	77%	23%	Penelec	Mar-15	6,445	5,437	1,008	84%	16%
Met-Ed	Apr-15	4,537	2,711	1,826	60%	40%	Penelec	Apr-15	6,213	4,600	1,613	74%	26%
Met-Ed	May-15	4,404	2,612	1,792	59%	41%	Penelec	May-15	5,934	4,391	1,543	74%	26%
Met-Ed	Jun-15	4,356	2,375	1,981	55%	45%	Penelec	Jun-15	5,839	2,807	3,032	48%	52%
Met-Ed	Jul-15	4,306	2,188	2,118	51%	49%	Penelec	Jul-15	5,750	2,361	3,389	41%	59%
Met-Ed	Aug-15	4,203	2,094	2,109	50%	50%	Penelec	Aug-15	5,786	2,293	3,493	40%	60%
Met-Ed	Sep-15	4,213	2,249	1,964	53%	47%	Penelec	Sep-15	5,717	2,460	3,257	43%	57%
Met-Ed	Oct-15	4,122	3,096	1,026	75%	25%	Penelec	Oct-15	5,178	2,786	2,392	54%	46%
Met-Ed	Nov-15	3,875	2,997	878	77%	23%	Penelec	Nov-15	4,961	2,728	2,233	55%	45%
Met-Ed	Dec-15	3,716	1,782	1,934	48%	52%	Penelec	Dec-15	4,826	2,325	2,501	48%	52%
Met-Ed	Jan-16	3,719	1,774	1,945	48%	52%	Penelec	Jan-16	4,804	2,307	2,497	48%	52%
Met-Ed	Feb-16	3,714	1,765	1,949	48%	52%	Penelec	Feb-16	4,866	2,237	2,629	46%	54%
Met-Ed	Mar-16	3,702	1,917	1,785	52%	48%	Penelec	Mar-16	4,837	2,369	2,468	49%	51%
Met-Ed	Apr-16	3,689	2,300	1,389	62%	38%	Penelec	Apr-16	4,835	2,712	2,123	56%	44%
Met-Ed	May-16	3,696	2,255	1,441	61%	39%	Penelec	May-16	4,788	2,664	2,124	56%	44%
Met-Ed	Jun-16	3,755	2,639	1,116	70%	30%	Penelec	Jun-16	4,913	3,533	1,380	72%	28%
Met-Ed	Jul-16	3,806	2,900	906	76%	24%	Penelec	Jul-16	4,961	4,273	688	86%	14%
Met-Ed	Aug-16	3,856	2,862	994	74%	26%	Penelec	Aug-16	5,030	4,230	800	84%	16%
Met-Ed	Sep-16	3,908	2,826	1,082	72%	28%	Penelec	Sep-16	5,101	4,225	876	83%	17%
Met-Ed	Oct-16	3,919	2,713	1,206	69%	31%	Penelec	Oct-16	5,142	3,922	1,220	76%	24%
Met-Ed	Nov-16	3,922	2,709	1,213	69%	31%	Penelec	Nov-16	5,262	4,032	1,230	77%	23%
Met-Ed	Dec-16	4,036	2,492	1,544	62%	38%	Penelec	Dec-16	5,445	3,647	1,798	67%	33%
Met-Ed	Jan-17	4,080	2,250	1,830	55%	45%	Penelec	Jan-17	5,378	2,866	2,512	53%	47%
Met-Ed	Feb-17	4,098	2,230	1,868	54%	46%	Penelec	Feb-17	5,371	2,821	2,550	53%	47%
Met-Ed	Mar-17	4,192	2,386	1,806	57%	43%	Penelec	Mar-17	5,435	3,177	2,258	58%	42%
Met-Ed	Apr-17	4,252	2,689	1,563	63%	37%	Penelec	Apr-17	5,529	3,479	2,050	63%	37%
Met-Ed	May-17	4,701	2,544	2,157	54%	46%	Penelec	May-17	6,013	4,954	1,059	82%	18%
Met-Ed	Jun-17	4,633	3,160	1,473	68%	32%	Penelec	Jun-17	5,777	4,721	1,056	82%	18%
Met-Ed	Jul-17	4,694	3,890	804	83%	17%	Penelec	Jul-17	5,755	4,664	1,091	81%	19%
Met-Ed	Aug-17	4,578	3,813	765	83%	17%	Penelec	Aug-17	5,685	4,597	1,088	81%	19%
Met-Ed	Sep-17	4,551	3,853	698	85%	15%	Penelec	Sep-17	5,572	4,849	723	87%	13%
Met-Ed	Oct-17	4,531	3,876	655	86%	14%	Penelec	Oct-17	5,445	5,119	326	94%	6%
Met-Ed	Nov-17	4,440	3,867	573	87%	13%	Penelec	Nov-17	5,398	5,005	393	93%	7%
Met-Ed	Dec-17	4,252	3,599	653	85%	15%	Penelec	Dec-17	5,210	4,436	774	85%	15%
Met-Ed	Jan-18	4,240	2,893	1,347	68%	32%	Penelec	Jan-18	5,192	3,444	1,748	66%	34%
Met-Ed	Feb-18	4,177	2,807	1,370	67%	33%	Penelec	Feb-18	5,170	3,415	1,755	66%	34%
Met-Ed	Mar-18	3,965	2,931	1,034	74%	26%	Penelec	Mar-18	4,962	3,617	1,345	73%	27%

Exhibit A:
Joint Stipulation # 3, Admitted into Evidence on April 10, 2018

ME/PN/PP/WP Response to CAUSE-PA Interrogatory Set I, No. 3
 Supplemental Attachment A
 Witness: K. L. Bortz
 Page 2 of 2

CAP							CAP						
Operating Company	Date	Customer Shopping		% Higher than PTC	% Lower Than PTC		Operating Company	Date	Customer Shopping		% Higher than PTC	% Lower Than PTC	
		Count	PTC						Count	PTC			
Penn Power	Jun-13	1,144	182	962	16%	84%	West Penn	Jun-13	5,072	3,496	1,576	69%	31%
Penn Power	Jul-13	1,227	414	813	34%	66%	West Penn	Jul-13	5,338	3,840	1,498	72%	28%
Penn Power	Aug-13	1,341	393	948	29%	71%	West Penn	Aug-13	5,772	4,316	1,456	75%	25%
Penn Power	Sep-13	1,401	677	724	48%	52%	West Penn	Sep-13	5,955	4,313	1,642	72%	28%
Penn Power	Oct-13	1,453	1,087	366	75%	25%	West Penn	Oct-13	6,698	4,520	2,178	67%	33%
Penn Power	Nov-13	1,509	1,121	388	74%	26%	West Penn	Nov-13	6,856	4,500	2,356	66%	34%
Penn Power	Dec-13	1,423	961	462	68%	32%	West Penn	Dec-13	7,341	6,118	1,223	83%	17%
Penn Power	Jan-14	1,479	881	598	60%	40%	West Penn	Jan-14	7,661	6,871	790	90%	10%
Penn Power	Feb-14	1,520	920	600	61%	39%	West Penn	Feb-14	7,996	7,203	793	90%	10%
Penn Power	Mar-14	1,556	1,063	493	68%	32%	West Penn	Mar-14	8,344	7,570	774	91%	9%
Penn Power	Apr-14	1,517	917	600	60%	40%	West Penn	Apr-14	8,342	8,044	298	96%	4%
Penn Power	May-14	1,423	816	607	57%	43%	West Penn	May-14	8,275	7,896	379	95%	5%
Penn Power	Jun-14	1,379	472	907	34%	66%	West Penn	Jun-14	8,139	6,051	2,088	74%	26%
Penn Power	Jul-14	1,361	433	928	32%	68%	West Penn	Jul-14	8,152	4,804	3,348	59%	41%
Penn Power	Aug-14	1,362	442	920	32%	68%	West Penn	Aug-14	7,838	4,836	3,002	62%	38%
Penn Power	Sep-14	1,299	577	722	44%	56%	West Penn	Sep-14	7,385	4,956	2,429	67%	33%
Penn Power	Oct-14	1,260	749	511	59%	41%	West Penn	Oct-14	7,067	5,605	1,462	79%	21%
Penn Power	Nov-14	1,202	711	491	59%	41%	West Penn	Nov-14	6,855	5,501	1,354	80%	20%
Penn Power	Dec-14	1,026	891	135	87%	13%	West Penn	Dec-14	7,625	5,308	2,317	70%	30%
Penn Power	Jan-15	1,035	875	160	85%	15%	West Penn	Jan-15	7,771	5,868	1,903	76%	24%
Penn Power	Feb-15	987	817	170	83%	17%	West Penn	Feb-15	7,742	5,973	1,769	77%	23%
Penn Power	Mar-15	971	762	209	78%	22%	West Penn	Mar-15	7,776	6,310	1,466	81%	19%
Penn Power	Apr-15	916	653	263	71%	29%	West Penn	Apr-15	7,726	6,658	1,068	86%	14%
Penn Power	May-15	880	654	226	74%	26%	West Penn	May-15	7,728	6,685	1,043	87%	13%
Penn Power	Jun-15	838	524	314	63%	37%	West Penn	Jun-15	7,768	6,109	1,659	79%	21%
Penn Power	Jul-15	821	375	446	46%	54%	West Penn	Jul-15	7,817	5,316	2,501	68%	32%
Penn Power	Aug-15	832	367	465	44%	56%	West Penn	Aug-15	7,854	5,407	2,447	69%	31%
Penn Power	Sep-15	842	390	452	46%	54%	West Penn	Sep-15	8,002	5,441	2,561	68%	32%
Penn Power	Oct-15	824	370	454	45%	55%	West Penn	Oct-15	8,238	5,281	2,957	64%	36%
Penn Power	Nov-15	845	367	478	43%	57%	West Penn	Nov-15	8,177	5,324	2,853	65%	35%
Penn Power	Dec-15	772	363	409	47%	53%	West Penn	Dec-15	7,728	5,050	2,678	65%	35%
Penn Power	Jan-16	832	373	459	45%	55%	West Penn	Jan-16	7,636	4,907	2,729	64%	36%
Penn Power	Feb-16	861	403	458	47%	53%	West Penn	Feb-16	7,641	4,756	2,885	62%	38%
Penn Power	Mar-16	848	490	358	58%	42%	West Penn	Mar-16	7,436	4,501	2,935	61%	39%
Penn Power	Apr-16	880	577	303	66%	34%	West Penn	Apr-16	7,284	4,354	2,930	60%	40%
Penn Power	May-16	872	569	303	65%	35%	West Penn	May-16	6,993	4,136	2,857	59%	41%
Penn Power	Jun-16	896	735	161	82%	18%	West Penn	Jun-16	7,075	4,586	2,489	65%	35%
Penn Power	Jul-16	919	874	45	95%	5%	West Penn	Jul-16	7,228	5,065	2,163	70%	30%
Penn Power	Aug-16	970	888	82	92%	8%	West Penn	Aug-16	7,515	5,062	2,453	67%	33%
Penn Power	Sep-16	992	839	153	85%	15%	West Penn	Sep-16	7,594	5,729	1,865	75%	25%
Penn Power	Oct-16	995	782	213	79%	21%	West Penn	Oct-16	7,481	6,022	1,459	80%	20%
Penn Power	Nov-16	1,001	674	327	67%	33%	West Penn	Nov-16	7,509	6,069	1,440	81%	19%
Penn Power	Dec-16	1,015	671	344	66%	34%	West Penn	Dec-16	7,377	4,721	2,656	64%	36%
Penn Power	Jan-17	1,002	630	372	63%	37%	West Penn	Jan-17	7,273	4,346	2,927	60%	40%
Penn Power	Feb-17	1,042	640	402	61%	39%	West Penn	Feb-17	7,311	4,329	2,982	59%	41%
Penn Power	Mar-17	1,055	953	102	90%	10%	West Penn	Mar-17	7,457	4,752	2,705	64%	36%
Penn Power	Apr-17	1,091	1,065	26	98%	2%	West Penn	Apr-17	7,695	5,954	1,741	77%	23%
Penn Power	May-17	1,191	1,070	121	90%	10%	West Penn	May-17	8,341	6,272	2,069	75%	25%
Penn Power	Jun-17	1,173	1,048	125	89%	11%	West Penn	Jun-17	8,220	5,863	2,357	71%	29%
Penn Power	Jul-17	1,139	932	207	82%	18%	West Penn	Jul-17	8,131	5,019	3,112	62%	38%
Penn Power	Aug-17	1,145	919	226	80%	20%	West Penn	Aug-17	7,913	4,983	2,930	63%	37%
Penn Power	Sep-17	1128	975	153	86%	14%	West Penn	Sep-17	7800	5378	2,422	69%	31%
Penn Power	Oct-17	1093	979	114	90%	10%	West Penn	Oct-17	7745	5773	1,972	75%	25%
Penn Power	Nov-17	1065	939	126	88%	12%	West Penn	Nov-17	7590	5682	1,908	75%	25%
Penn Power	Dec-17	1017	871	146	86%	14%	West Penn	Dec-17	7274	5632	1,642	77%	23%
Penn Power	Jan-18	1022	701	321	69%	31%	West Penn	Jan-18	7272	5795	1,477	80%	20%
Penn Power	Feb-18	1017	699	318	69%	31%	West Penn	Feb-18	6929	5552	1,377	80%	20%
Penn Power	Mar-18	967	784	183	81%	19%	West Penn	Mar-18	6444	5187	1,257	80%	20%

Met-Ed, Penelec, Penn Power, West Penn
 CAP Shortfall (Variance between CAP Credit and Total Bill Amount)
 June 2013 - March 2018

Month	Met-Ed	Penelec	Penn Power	West Penn
Jun-13	\$ 433,678	\$ 431,165	\$ 50,879	\$ 451,567
Jul-13	\$ 548,371	\$ 489,239	\$ 60,839	\$ 543,213
Aug-13	\$ 583,691	\$ 497,483	\$ 78,131	\$ 613,017
Sep-13	\$ 461,917	\$ 404,213	\$ 65,011	\$ 550,149
Oct-13	\$ 374,335	\$ 382,825	\$ 34,764	\$ 549,804
Nov-13	\$ 404,646	\$ 499,709	\$ 10,614	\$ 661,770
Dec-13	\$ 509,820	\$ 634,121	\$ 99,570	\$ 951,169
Jan-14	\$ 772,253	\$ 825,001	\$ 139,811	\$ 1,203,083
Feb-14	\$ 1,092,248	\$ 1,081,411	\$ 168,973	\$ 2,068,292
Mar-14	\$ 998,302	\$ 959,262	\$ 192,590	\$ 1,544,895
Apr-14	\$ 629,373	\$ 605,949	\$ 115,275	\$ 909,007
May-14	\$ 291,606	\$ 320,251	\$ 53,848	\$ 590,050
Jun-14	\$ 207,140	\$ 251,049	\$ 43,741	\$ 632,679
Jul-14	\$ 250,268	\$ 263,390	\$ 62,130	\$ 809,249
Aug-14	\$ 297,371	\$ 273,421	\$ 67,001	\$ 871,422
Sep-14	\$ 262,866	\$ 262,359	\$ 58,973	\$ 776,358
Oct-14	\$ 206,395	\$ 258,760	\$ 45,579	\$ 709,024
Nov-14	\$ 236,147	\$ 328,484	\$ 58,617	\$ 824,308
Dec-14	\$ 408,210	\$ 486,987	\$ 89,603	\$ 1,055,386
Jan-15	\$ 536,062	\$ 578,228	\$ 99,911	\$ 1,231,564
Feb-15	\$ 605,263	\$ 609,115	\$ 98,926	\$ 1,257,602
Mar-15	\$ 587,388	\$ 579,162	\$ 94,329	\$ 1,092,095
Apr-15	\$ 344,107	\$ 363,149	\$ 52,984	\$ 657,817
May-15	\$ 179,218	\$ 218,249	\$ 27,263	\$ 447,112
Jun-15	\$ 233,194	\$ 256,011	\$ 35,151	\$ 613,696
Jul-15	\$ 289,066	\$ 294,190	\$ 43,563	\$ 802,414
Aug-15	\$ 331,120	\$ 298,687	\$ 51,341	\$ 876,578
Sep-15	\$ 289,933	\$ 295,883	\$ 47,930	\$ 875,176
Oct-15	\$ 176,701	\$ 209,944	\$ 35,321	\$ 697,364
Nov-15	\$ 184,683	\$ 235,563	\$ 36,236	\$ 841,115
Dec-15	\$ 276,735	\$ 327,348	\$ 69,477	\$ 965,024
Jan-16	\$ 365,553	\$ 422,669	\$ 98,733	\$ 1,054,658
Feb-16	\$ 435,994	\$ 466,909	\$ 112,411	\$ 1,204,990
Mar-16	\$ 338,359	\$ 350,658	\$ 92,897	\$ 876,692
Apr-16	\$ 218,993	\$ 253,104	\$ 59,842	\$ 519,164
May-16	\$ 149,599	\$ 173,433	\$ 39,098	\$ 297,436
Jun-16	\$ 180,604	\$ 190,793	\$ 33,073	\$ 380,294
Jul-16	\$ 270,284	\$ 288,196	\$ 58,822	\$ 521,798
Aug-16	\$ 353,035	\$ 345,848	\$ 73,857	\$ 694,756
Sep-16	\$ 340,418	\$ 356,654	\$ 94,514	\$ 750,909
Oct-16	\$ 216,632	\$ 248,355	\$ 56,670	\$ 415,390
Nov-16	\$ 198,420	\$ 262,508	\$ 51,272	\$ 406,340
Dec-16	\$ 319,266	\$ 382,729	\$ 78,152	\$ 666,005
Jan-17	\$ 491,181	\$ 508,407	\$ 109,639	\$ 907,645
Feb-17	\$ 445,299	\$ 438,232	\$ 94,941	\$ 787,518
Mar-17	\$ 351,897	\$ 345,773	\$ 96,197	\$ 579,593
Apr-17	\$ 386,848	\$ 398,590	\$ 80,106	\$ 567,052
May-17	\$ 224,638	\$ 277,120	\$ 46,508	\$ 370,794
Jun-17	\$ 221,247	\$ 266,605	\$ 49,354	\$ 396,029
Jul-17	\$ 320,405	\$ 308,360	\$ 64,900	\$ 524,692
Aug-17	\$ 338,829	\$ 316,879	\$ 68,806	\$ 504,833
Sep-17	\$ 236,323	\$ 228,175	\$ 47,541	\$ 372,786
Oct-17	\$ 211,222	\$ 228,980	\$ 47,446	\$ 373,014
Nov-17	\$ 222,733	\$ 293,576	\$ 52,160	\$ 425,383
Dec-17	\$ 413,037	\$ 425,464	\$ 97,240	\$ 762,160
Jan-18	\$ 639,273	\$ 609,758	\$ 138,677	\$ 1,104,111
Feb-18	\$ 509,034	\$ 481,737	\$ 112,783	\$ 776,394
Mar-18	\$ 366,972	\$ 373,654	\$ 77,311	\$ 542,392

Exhibit A:
Joint Stipulation # 3, Admitted into Evidence on April 10, 2018

Met-Ed, Penelec, Penn Power, West Penn
 PA CAP Customer PTC vs. Supplier Revenue Comparison
 June 2013 - March 2018

*Excludes customers with zero kWh or supplier revenues

Month	Met-Ed			Penelec			Penn Power			West Penn		
	Simulated PTC Revenue	Supplier Revenue	Supplier Less PTC Revenue	Simulated PTC Revenue	Supplier Revenue	Supplier Less PTC Revenue	Simulated PTC Revenue	Supplier Revenue	Supplier Less PTC Revenue	Simulated PTC Revenue	Supplier Revenue	Supplier Less PTC Revenue
Jun-13	\$ 513,855	\$ 500,385	\$ (13,469)	\$ 511,951	\$ 461,847	\$ (50,104)	\$ 62,960	\$ 56,533	\$ (6,427)	\$ 337,813	\$ 371,892	\$ 34,079
Jul-13	\$ 605,450	\$ 622,068	\$ 16,618	\$ 563,413	\$ 556,560	\$ (6,853)	\$ 70,887	\$ 67,949	\$ (2,938)	\$ 376,854	\$ 441,799	\$ 64,945
Aug-13	\$ 604,377	\$ 644,353	\$ 39,976	\$ 559,306	\$ 566,758	\$ 7,452	\$ 73,776	\$ 72,287	\$ (1,489)	\$ 374,498	\$ 474,984	\$ 100,486
Sep-13	\$ 509,171	\$ 548,454	\$ 39,283	\$ 485,950	\$ 494,988	\$ 9,039	\$ 67,403	\$ 70,467	\$ 3,063	\$ 373,938	\$ 465,875	\$ 91,937
Oct-13	\$ 436,817	\$ 483,619	\$ 46,802	\$ 462,574	\$ 484,861	\$ 22,287	\$ 54,094	\$ 61,342	\$ 7,249	\$ 398,705	\$ 466,968	\$ 68,263
Nov-13	\$ 447,716	\$ 491,399	\$ 43,682	\$ 521,778	\$ 551,246	\$ 29,467	\$ 71,095	\$ 78,473	\$ 7,378	\$ 448,848	\$ 517,365	\$ 68,517
Dec-13	\$ 545,658	\$ 590,429	\$ 44,771	\$ 607,559	\$ 666,034	\$ 58,475	\$ 91,677	\$ 99,677	\$ 8,000	\$ 603,747	\$ 722,335	\$ 118,588
Jan-14	\$ 711,444	\$ 797,342	\$ 85,899	\$ 673,559	\$ 827,632	\$ 154,073	\$ 129,093	\$ 135,595	\$ 6,502	\$ 769,154	\$ 1,017,093	\$ 247,939
Feb-14	\$ 722,131	\$ 1,125,231	\$ 403,101	\$ 692,751	\$ 1,101,611	\$ 408,860	\$ 133,458	\$ 169,554	\$ 36,096	\$ 863,415	\$ 1,964,752	\$ 1,101,337
Mar-14	\$ 725,205	\$ 1,036,506	\$ 311,301	\$ 685,759	\$ 1,005,827	\$ 320,068	\$ 134,623	\$ 196,286	\$ 61,664	\$ 813,466	\$ 1,781,471	\$ 968,005
Apr-14	\$ 550,984	\$ 723,266	\$ 172,282	\$ 572,506	\$ 709,222	\$ 136,716	\$ 104,630	\$ 138,659	\$ 34,029	\$ 623,516	\$ 1,180,719	\$ 557,204
May-14	\$ 368,117	\$ 450,821	\$ 82,704	\$ 418,192	\$ 478,461	\$ 60,269	\$ 72,507	\$ 84,413	\$ 11,906	\$ 446,806	\$ 780,061	\$ 333,255
Jun-14	\$ 353,898	\$ 377,085	\$ 23,187	\$ 404,336	\$ 416,616	\$ 12,280	\$ 70,376	\$ 73,070	\$ 2,694	\$ 472,647	\$ 682,897	\$ 210,250
Jul-14	\$ 430,675	\$ 406,442	\$ (24,232)	\$ 441,927	\$ 415,339	\$ (26,588)	\$ 89,968	\$ 83,668	\$ (6,300)	\$ 644,953	\$ 761,677	\$ 116,724
Aug-14	\$ 468,690	\$ 435,009	\$ (33,681)	\$ 444,058	\$ 412,547	\$ (31,511)	\$ 93,199	\$ 85,510	\$ (7,690)	\$ 638,624	\$ 755,220	\$ 116,597
Sep-14	\$ 392,026	\$ 401,979	\$ 9,952	\$ 387,507	\$ 397,473	\$ 9,966	\$ 79,533	\$ 80,285	\$ 752	\$ 553,415	\$ 686,094	\$ 132,679
Oct-14	\$ 291,928	\$ 355,804	\$ 63,876	\$ 320,066	\$ 386,244	\$ 66,178	\$ 58,227	\$ 69,049	\$ 10,823	\$ 435,465	\$ 622,393	\$ 186,928
Nov-14	\$ 308,307	\$ 374,353	\$ 66,046	\$ 357,733	\$ 430,071	\$ 72,338	\$ 64,183	\$ 76,924	\$ 12,741	\$ 474,412	\$ 679,358	\$ 204,946
Dec-14	\$ 405,717	\$ 497,993	\$ 92,276	\$ 431,765	\$ 533,817	\$ 102,051	\$ 77,999	\$ 99,147	\$ 21,147	\$ 603,070	\$ 853,117	\$ 250,048
Jan-15	\$ 460,055	\$ 576,144	\$ 116,089	\$ 445,924	\$ 583,026	\$ 137,102	\$ 72,167	\$ 101,654	\$ 29,488	\$ 837,692	\$ 1,147,803	\$ 310,112
Feb-15	\$ 491,294	\$ 620,905	\$ 129,611	\$ 455,469	\$ 599,242	\$ 143,773	\$ 70,694	\$ 97,662	\$ 26,968	\$ 870,708	\$ 1,206,232	\$ 335,525
Mar-15	\$ 492,964	\$ 603,725	\$ 110,761	\$ 443,188	\$ 578,636	\$ 135,448	\$ 68,036	\$ 93,211	\$ 25,175	\$ 812,334	\$ 1,237,432	\$ 425,099
Apr-15	\$ 369,159	\$ 417,029	\$ 47,869	\$ 347,264	\$ 419,846	\$ 72,582	\$ 47,672	\$ 62,886	\$ 15,213	\$ 508,700	\$ 833,875	\$ 325,175
May-15	\$ 253,794	\$ 290,271	\$ 36,477	\$ 260,152	\$ 314,716	\$ 54,564	\$ 33,618	\$ 44,925	\$ 11,307	\$ 394,259	\$ 642,057	\$ 247,798
Jun-15	\$ 265,841	\$ 295,475	\$ 29,634	\$ 263,721	\$ 298,622	\$ 34,901	\$ 38,333	\$ 46,236	\$ 7,902	\$ 455,228	\$ 659,402	\$ 204,173
Jul-15	\$ 296,120	\$ 319,171	\$ 23,051	\$ 297,387	\$ 307,237	\$ 9,850	\$ 49,569	\$ 50,492	\$ 922	\$ 543,718	\$ 690,555	\$ 146,837
Aug-15	\$ 322,943	\$ 344,527	\$ 21,584	\$ 306,462	\$ 314,131	\$ 7,669	\$ 53,266	\$ 54,168	\$ 902	\$ 566,736	\$ 711,348	\$ 144,612
Sep-15	\$ 288,261	\$ 321,814	\$ 33,553	\$ 296,475	\$ 316,177	\$ 19,701	\$ 53,223	\$ 53,691	\$ 468	\$ 579,388	\$ 722,128	\$ 142,740
Oct-15	\$ 203,623	\$ 246,340	\$ 42,717	\$ 220,161	\$ 254,506	\$ 34,345	\$ 47,490	\$ 47,187	\$ (304)	\$ 487,232	\$ 602,793	\$ 115,560
Nov-15	\$ 206,842	\$ 250,026	\$ 43,183	\$ 234,319	\$ 269,015	\$ 34,697	\$ 49,115	\$ 48,945	\$ (170)	\$ 534,041	\$ 657,221	\$ 123,180
Dec-15	\$ 291,866	\$ 310,454	\$ 18,588	\$ 301,458	\$ 320,920	\$ 19,462	\$ 58,888	\$ 58,524	\$ (363)	\$ 670,936	\$ 805,303	\$ 134,367
Jan-16	\$ 337,299	\$ 361,161	\$ 23,862	\$ 340,918	\$ 371,294	\$ 30,376	\$ 76,690	\$ 76,408	\$ (282)	\$ 801,682	\$ 958,364	\$ 156,682
Feb-16	\$ 378,489	\$ 401,953	\$ 23,464	\$ 368,723	\$ 397,983	\$ 29,260	\$ 88,992	\$ 86,712	\$ (2,280)	\$ 882,865	\$ 1,043,721	\$ 160,856
Mar-16	\$ 320,829	\$ 341,812	\$ 20,983	\$ 303,468	\$ 330,589	\$ 27,121	\$ 77,789	\$ 79,242	\$ 1,453	\$ 728,243	\$ 840,596	\$ 112,353
Apr-16	\$ 241,738	\$ 271,174	\$ 29,436	\$ 244,376	\$ 276,712	\$ 32,336	\$ 61,615	\$ 65,828	\$ 4,213	\$ 546,762	\$ 631,261	\$ 84,499
May-16	\$ 195,431	\$ 216,723	\$ 21,293	\$ 205,805	\$ 233,810	\$ 28,005	\$ 52,363	\$ 56,727	\$ 4,364	\$ 420,202	\$ 483,961	\$ 63,759
Jun-16	\$ 214,426	\$ 245,454	\$ 31,027	\$ 208,162	\$ 246,621	\$ 38,459	\$ 47,533	\$ 54,953	\$ 7,420	\$ 455,706	\$ 539,782	\$ 84,076
Jul-16	\$ 256,450	\$ 301,992	\$ 45,542	\$ 227,866	\$ 284,586	\$ 56,719	\$ 53,766	\$ 68,280	\$ 14,514	\$ 518,676	\$ 631,548	\$ 112,872
Aug-16	\$ 286,481	\$ 335,060	\$ 48,579	\$ 254,161	\$ 315,447	\$ 61,286	\$ 66,725	\$ 84,205	\$ 17,480	\$ 592,138	\$ 719,353	\$ 127,216
Sep-16	\$ 283,282	\$ 329,132	\$ 45,851	\$ 268,949	\$ 325,964	\$ 57,014	\$ 70,685	\$ 84,446	\$ 13,761	\$ 588,377	\$ 723,171	\$ 134,795
Oct-16	\$ 210,973	\$ 243,645	\$ 32,672	\$ 221,400	\$ 259,993	\$ 38,593	\$ 62,166	\$ 69,629	\$ 7,462	\$ 427,402	\$ 528,222	\$ 100,820
Nov-16	\$ 213,093	\$ 245,545	\$ 32,452	\$ 239,400	\$ 278,766	\$ 39,366	\$ 59,088	\$ 64,156	\$ 5,068	\$ 423,597	\$ 523,887	\$ 100,290
Dec-16	\$ 300,487	\$ 335,467	\$ 34,980	\$ 326,491	\$ 367,054	\$ 40,563	\$ 82,050	\$ 88,189	\$ 6,139	\$ 595,505	\$ 712,375	\$ 116,870
Jan-17	\$ 408,533	\$ 442,181	\$ 33,648	\$ 403,131	\$ 439,219	\$ 36,089	\$ 99,603	\$ 108,170	\$ 8,566	\$ 742,257	\$ 851,729	\$ 109,472
Feb-17	\$ 393,402	\$ 420,209	\$ 26,807	\$ 374,927	\$ 405,243	\$ 30,315	\$ 94,064	\$ 102,712	\$ 8,648	\$ 696,002	\$ 792,739	\$ 96,737
Mar-17	\$ 340,741	\$ 374,525	\$ 33,784	\$ 329,855	\$ 361,581	\$ 31,727	\$ 74,689	\$ 90,618	\$ 15,929	\$ 581,852	\$ 690,139	\$ 108,287
Apr-17	\$ 304,197	\$ 346,235	\$ 42,038	\$ 294,485	\$ 329,412	\$ 34,926	\$ 59,878	\$ 62,435	\$ 2,556	\$ 486,337	\$ 607,077	\$ 120,740
May-17	\$ 232,335	\$ 261,591	\$ 29,256	\$ 213,155	\$ 274,877	\$ 61,722	\$ 44,999	\$ 63,914	\$ 18,914	\$ 377,940	\$ 489,616	\$ 111,676
Jun-17	\$ 220,118	\$ 263,367	\$ 43,249	\$ 208,462	\$ 270,337	\$ 61,876	\$ 47,575	\$ 64,429	\$ 16,854	\$ 406,314	\$ 512,899	\$ 106,586
Jul-17	\$ 247,283	\$ 326,574	\$ 79,291	\$ 229,938	\$ 294,458	\$ 64,520	\$ 57,368	\$ 72,583	\$ 15,215	\$ 498,344	\$ 596,131	\$ 97,787
Aug-17	\$ 252,823	\$ 334,442	\$ 81,618	\$ 295,647	\$ 299,236	\$ 3,588	\$ 60,875	\$ 76,923	\$ 16,047	\$ 483,509	\$ 581,311	\$ 97,802
Sep-17	\$ 210,389	\$ 281,009	\$ 70,621	\$ 195,763	\$ 265,200	\$ 69,436	\$ 49,666	\$ 66,635	\$ 16,969	\$ 416,741	\$ 516,287	\$ 99,546
Oct-17	\$ 196,173	\$ 266,510	\$ 70,337	\$ 170,392	\$ 256,593	\$ 86,201	\$ 44,975	\$ 65,347	\$ 20,371	\$ 382,571	\$ 493,216	\$ 110,645
Nov-17	\$ 200,759	\$ 273,535	\$ 72,776	\$ 191,208	\$ 285,296	\$ 94,088	\$ 46,752	\$ 67,343	\$ 20,591	\$ 406,926	\$ 519,901	\$ 112,975
Dec-17	\$ 292,780	\$ 378,097	\$ 85,317	\$ 259,274	\$ 348,096	\$ 88,822	\$ 69,311	\$ 92,821	\$ 23,510	\$ 562,370	\$ 723,374	\$ 161,004
Jan-18	\$ 426,978	\$ 511,206	\$ 84,228	\$ 381,045	\$ 450,215	\$ 69,169	\$ 98,746	\$ 117,442	\$ 18,696	\$ 717,725	\$ 937,218	\$ 219,493
Feb-18	\$ 361,047	\$ 436,834	\$ 75,788	\$ 322,521	\$ 389,914	\$ 67,393	\$ 85,504	\$ 102,233	\$ 16,729	\$ 554,803	\$ 723,521	\$ 168,718
Mar-18	\$ 278,043	\$ 356,865	\$ 78,822	\$ 259,779	\$ 336,771	\$ 76,992	\$ 65,203	\$ 82,631	\$ 17,428	\$ 425,494	\$ 568,700	\$ 143,206

APPENDIX A

PROPOSED FINDINGS OF FACT

1. Households below 150% of the federal poverty guidelines lack sufficient income to pay for all of their essential needs, including utility bills. (CAUSE-PA St. No. 1 at 7:15-8:1.)
2. More than 235,000 of the First Energy Companies' customers have income below 150% of the federal poverty level, and pay between 9.6% and 13.5% of their income towards their electricity bills. (CAUSE-PA St. No. 1 at 9, Table 2.)
3. As regulated public utilities serving more than 100,000 customers, the First Energy Companies offer customer assistance programs (CAPs), which are provide a discounted bill for payment troubled, low-income ratepayers whose household incomes are at or below 150% of the federal poverty income guidelines. (CAUSE-PA St. No. 1 at 12:3-6.)
4. The First Energy Companies CAP program is called the Pennsylvania Customer Assistance Program (PCAP). (CAUSE-PA St. 1 at 4, n. 1.)
5. While enrolled in PCAP, PCAP customers pay a reduced bill. (CAUSE-PA St. 1 at 12:7-8.)
6. The difference between a PCAP customer's PCAP Bill and the total bill that the customer would have been charged based on usage and price per kWh is called the customer's PCAP bill subsidy credit. (CAUSE-PA St. 1 at 13:5-7.)
7. The PCAP bill subsidy credit is determined for each customer based on total gross household income, primary heating source, targeted energy burden, usage, and price. (CAUSE-PA St. 1 at 12:8-10.)
8. Each PCAP customer is permitted a maximum dollar amount of PCAP bill subsidy credits each month– this is known as their maximum PCAP credits. (CAUSE-PA St. 1 at 12, table 5.)
9. The amount of the PCAP bill subsidy credit is calculated every three months from the date of customer's PCAP enrollment. Specifically, every three months the Companies recalculate the households actual electric bill burden using the most recent 12-months' of electric bill costs. This use of a rolling 12-month annual electric bill helps to smooth out seasonal variations in usage and cost increases associated with more usage and/or higher prices. It also means that the customer's PCAP bill subsidy credit will be adjusted up or down – subject to the maximum – if their electric bill burden increases or decreases. (CAUSE-PA St. 1 at 14:2-8.)

10. In aggregate, the PCAP bill subsidy credits for all PCAP customers are paid for by all residential, non-PCAP customers through a Universal Services rider that is reconciled to account for actual over/under collections every quarter. (CAUSE-PA St. No. 1 at 15:3-5.)
11. More than 160,000 confirmed low income customers who are not enrolled in PCAP help pay for the PCAP subsidy for those who are enrolled. (CAUSE-PA St. No. 1 at 15:5-7.)
12. Currently, the First Energy Companies have no limit on a PCAP customer's ability to shop and receive generation supply from an EGS. PCAP customers are allowed to enter into any contract with any licensed EGS and pay any price for service regardless of whether that price is higher or lower than the Companies' price to compare and/or whether it compromises continued affordability of service. (CAUSE-PA St. No. 1 at 18:18-23.)
13. The First Energy Companies are the only electric distribution companies who permit their CAP customers to shop and receive electric generation supply service without restriction. (CAUSE-PA St. No. 1-SR at 6:1-5.)
14. Each PCAP customer's PCAP bill can be divided into two parts: (1) the PCAP bill that the customer pays, which is targeted to 3% or 9% of their monthly income; and (2) the PCAP bill subsidy credit that is paid for by other ratepayers. Combined, these two parts make up the whole of the bill that a customer would otherwise have been charged if they were billed solely based on their consumption and price. (CAUSE-PA St. No. 1 at 18:27-19:3.)
15. If a PCAP customer chooses an electric generation supplier whose price is less than the utility default service price, the amount that either the PCAP customer or other ratepayers pay will be less. (CAUSE-PA St. No. 1 at 19:3-5.)
16. If a PCAP participant chooses an electric generation supplier with a price higher than the price to compare, the amount that either the PCAP customer or other ratepayers pay will be more. Initially, PCAP households will bear a higher cost because they are getting too little subsidy because their PCAP bill was based on a previously lower rate. But when their bill subsidy credit is recalculated 3 months later, their bill will be reduced and the amount of bill subsidy credit paid for by other ratepayers will increase because the amount of bill subsidy credit needed to get the household to the targeted energy burden level will increase. (CAUSE-PA St. No. 1 at 19:15-20.)
17. Because of the design of the PCAP program, when prices increase the costs are paid for either by the PCAP customer or other ratepayers who help PCAP customers pay their bills through the PCAP bill subsidy credit. The obligation for the entire bill based on usage and price must be borne by either the PCAP customer or by other ratepayers

through the PCAP bill subsidy credit. (CAUSE-PA St. No 1. at 20:1-7.)

18. From June 2013 through December 2017 (55 months) or calendar year 2015, a significant majority of PCAP customers who switched to a competitive electric supplier were charged rates that created an obligation for greater costs to be incurred by PCAP than if these customers would have been charged the utility default service price for energy. Aggregated, over this 55 month period of time, across all four Companies, two-thirds (65%) of all PCAP customers who shop have contracted for, and obligated PCAP to assume, rates higher than the price to compare. (CAUSE-PA St. No 1. at 24:3-8.)
19. Over the 58 month period from June 2013 through March 2018, as a result of PCAP customer shopping in the manner presently occurring in the First Energy Service territories, there has been a net increase in the costs to the PCAP program of \$18,336,440. This averages out to be \$316,146 per month or \$3,793,759 per year. (Joint Stipulation of CAUSE-PA and the First Energy Companies (“Joint Stipulation # 3) ¶ 3.)
20. These increased costs are net of all shopping decisions of PCAP customers and therefore include all those PCAP customers who shopped and paid prices less than the price to compare over this period and all of those who shopped and paid more than the price to compare. (CAUSE-PA St. No. 1-SR at 9:12-18.)
21. The data shows that in almost every month over the 58-month period from June 2013 through March 2018, a significant majority of PCAP customers paid prices higher than the price to compare. (Joint Stipulation of CAUSE-PA and the First Energy Companies,
22. None of this more than \$18.3 million promoted universal service goals under the Choice Act to assist low-income customers meet their home energy needs. (CAUSE-PA St No. 1 at 25.)
23. Unrestricted PCAP shopping has jeopardized the affordability of PCAP for PCAP participants and the ratepayers who pay for PCAP, including the more than 165,000 confirmed low-income customers who are not enrolled in PCAP. (Joint Stipulation # 3).
24. There is no evidence in the record indicating whether any PCAP customer has chosen “value added” services. (CAUSE-PA Statement No. 1 at 31:11-15; CAUSE-PA St. No. 1-SR at 11:16-20.)
25. There is no evidence in the record indicating that the value of any “value added” services outweighs the more than \$18.3 million in harm that has resulted in unrestricted PCAP shopping. (CAUSE-PA St. No. 1-SR at 9).
26. There are electric generation suppliers already in the Companies’ service territory who are making offers that would comport with the program restrictions proposed by CAUSE-

PA, and such contracts are common in other states such as Ohio. (Met-Ed/Penelec/Penn Power/West Penn St. No. 1-R at 30; CAUSE-PA St. No. 1-SR at 20.)

27. No reasonable alternative exists than to impose restriction on the type of offer a PCAP customer can accept and remain eligible for PCAP. This is necessary to allow PCAP customers' rates to remain affordable and that would not continue to jeopardize the overall adequacy, cost-effectiveness, or affordability of the CAP program for CAP customers and the ratepayers who pay for CAP. (CAUSE-PA Statement No. 1 at 22:10-23:3.)
28. There is no evidence in the record that the Companies' proposed bypassable retail market enhancement rate mechanism would have an identifiable effect on customer shopping. (CAUSE-PA St. No. 1 at 38.)
29. There is no evidence in the record that the Companies' proposed bypassable retail market enhancement rate mechanism is necessary. (CAUSE-PA St. No. 1 at 38)
30. All sixty-six (66) individuals who testified at the April 13, 2018 Public Input Hearing in Erie, Pennsylvania were opposed to the bypassable retail market enhancement rate mechanism. (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-2017-2637855 et al, Public Input Hearing Tr. pp. 63-306.)
31. The bypassable retail market enhancement rate mechanism would be doubly harmful for all residential customers who remain on default service, including the more than 160,000 confirmed low-income customers not enrolled in PCAP, because these customers will be forced to pay this fee twice: They will be charged for exercising their own decision to stay on default service and they will also be required to pay a portion of the increased costs which are borne by PCAP customers who remain with utility-provided service. (CAUSE-PA St. No. 1 at 25.)

APPENDIX B

PROPOSED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter. 66 Pa. C.S. §§ 701; 2806-2808.
2. Section 332(a) of the Code, 66 Pa. C.S. §332(a), provides that the party seeking a rule or order from the Commission has the burden of proof in that proceeding. It is well-established that “[a] litigant’s burden of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of evidence which is substantial and legally credible.” Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm’n, 578 A.2d 600, 602 (Pa.Cmwlth. 1990).
3. The burden of proof is comprised of two distinct burdens: the burden of production and the burden of persuasion. The burden of production tells the adjudicator which party must come forward with evidence to support a particular proposition. See In re Loudenslager’s Estate, 430 Pa. 33, 240 A.2d 477, 482 (1968). The burden of persuasion determines which party must produce sufficient evidence to convince a judge that a fact has been established, and it never leaves the party on whom it is originally cast. Reidel v. County of Allegheny, 633 A.2d 1325, 1329 n. 11 (Pa.Cmwlth. 1993).
4. The Electricity Generation Customer Choice and Competition Act (“Choice Act”) requires the Commonwealth “continue the protections, policies and services that now assist customers who are low-income to afford electric service” in the competitive environment. 66 Pa. C.S. § 2802 (10.)
5. The Choice Act defines “universal service and energy conservation” as policies, protections and services that help low-income customers to maintain electric service. 66 Pa. C.S. § 2803.
6. The term “universal service and energy conservation” includes customer assistance programs or CAPs. 66 Pa. C.S. § 2803.
7. Universal Service Programs are subject to the administrative oversight of the Commission which will ensure that the programs are operated in a cost-effective manner. 66 Pa. C.S. § 2804 (9).
8. The universal service provisions of the Choice Act tie the affordability of electric service to a customer’s ability to pay for that service: The Commission has the responsibility to ensure that utilities appropriately fund and make available the programs and services necessary to achieve affordability of electric service in each electric distribution territory. 66 Pa. C.S. § 2804(9); see also, Coalition for Affordable Util. Servs. and Energy Efficiency in Pennsylvania, et al. v. Pa. Pub. Util. Comm’n, 1020 A.3d 1087, 1103

(2015), *appeal denied*, 2016 WL 1383864 (Pa. Apr. 5, 2016) (citing 66 Pa. C.S. § 2892 (7), (9), (10), (14), (17)) (emphasis added) (“*CAUSE-PA et al.*”) (“The obligation to provide low-income programs falls on the public utility under the Choice Act, not on the EGSs. Moreover, the Choice Act expressly requires the PUC to administer these programs in a manner that is cost-effective for both the CAP participants and the non-CAP participants, who share the financial consequences of the CAP participants' EGS choice.”)

9. The obligation to provide low-income programs falls on the public utility under the Choice Act, not the EGSs. CAUSE-PA et al., 1020 A.3d at 1103.
10. Choice Act both encourages deregulation to allow consumers the opportunity to purchase directly their supply from electric generation suppliers and emphasizes the need to continue to maintain programs that assist low-income customers to afford electric service. CAUSE-PA et al. at 1103-04.
11. The Choice Act “does not demand absolute and unbridled competition,” but rather, “under certain circumstances, unbridled competition may have to give way to other important concerns” such as ensuring that universal service plans are adequately funded and cost effective. CAUSE-PA et al. at 1101, 1103
12. The Choice Act expressly requires the Commission to administer these programs in a manner that is cost effective for the PCAP participants and the non-PCAP participants, who share the financial consequences of the PCAP participant’s EGS choice. CAUSE-PA et al. at 1103-04.
13. Because of the dual purposes of the Choice Act, at times, competition needs to bend to ensure that adequately-funded, cost-effective, and affordable programs exist and are maintained to assist customers who are low-income to afford electric service. CAUSE-PA et al. at 1104.
14. The Commission has the legal authority to impose PCAP rules that would limit the terms of any offer from an EGS that a customer could accept and remain eligible for PCAP benefits, this includes the right to impose a rate ceiling, prohibit against early termination/cancellation fees, and other rules necessary to ensure PCAP programs are adequately run, cost-effective, and programs remain affordable. CAUSE-PA et al. at 1104.
15. It is not reasonable to approve discounts and reduced rates for low income customer classes, paid for by other residential customers, and at the same time approve a DSP plan which allows PCAP customers to be charged higher rates than the price to compare when these rates result in unaffordable or higher bills.

16. While an administrative agency is not bound by the rule of stare decisis, it must render consistent opinions and should either follow, distinguish, or overrule its own precedent. Bell Atl. Tel. Co. v. Pa. Pub. Util. Comm'n, 672 A.2d 352 (Pa. Commw. Ct. 1995); Pa. Trout v. Pa. Dep't of Env'tl. Prot., 863 A.2d 93 (Pa. Commw. Ct. 2004); Crawford v. Nat'l Fuel Gas Dist. Co., Docket No. C-20066348 (Opinion and Order entered December 6, 2007).
17. The Commission recently determined in reviewing PPL Electric Utilities CAP shopping rules, based on a record of harm that is substantially similar to the evidence presented in this case, that the unrefuted evidence “is sufficient to permit the Commission to impose CAP rules that may partially restrict or limit the ability of these customers to shop for electricity.” Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021, Final Order, Docket No. P-2016-2526627 (Oct. 27, 2016) at 54.
18. CAUSE-PA has demonstrated by a preponderance of the evidence that, under the facts presented in this case, unbridled competition must bend and special PCAP rules must be imposed.
19. CAUSE-PA has produced substantial evidence demonstrating that the First Energy Companies' current practice of allowing PCAP customers to shop for EGS-supplied generation service has caused significant and un-mitigatable harm to their PCAP customers and the residential ratepayers who pay for PCAP.
20. CAUSE-PA has produced substantial evidence why no reasonable alternative exists to imposing PCAP shopping restrictions that would limit the offer from an EGS that a PCAP customer could accept and remain eligible for PCAP.
21. The failure to impose PCAP shopping restrictions would allow PCAP customers' rates to remain unaffordable and would continue to jeopardize the overall adequacy, cost-effectiveness, or affordability of the PCAP program for PCAP customers and the ratepayers who pay for PCAP.

23. The evidence demonstrates that without action, ongoing net harm of more than \$300,000 per month would persist.
24. The substantial evidence of harm to PCAP customers and other ratepayers who pay for PCAP necessitates immediate action so as to ensure that adequately-funded, cost-effective, and affordable programs exist and are maintained to assist customers who are low-income to afford electric service.
25. The PCAP rules outlined by CAUSE-PA are reasonably designed to ensure access to the competitive market for PCAP customers while preserving adequately-funded, cost-effective, and affordable programs to assist customers who are low-income to afford electric service.
26. Both the Companies and RESA have failed to come forward with any evidence contradicting the substantial evidence produced by CAUSE-PA that unrestricted PCAP shopping has caused more than \$18.3 million in net harm to the PCAP program over a 58-month period.
27. The Proposed bypassable retail market rate enhancement mechanism is inconsistent with the statutory mandate found in Act 129 that the Companies, as default service providers, must procure electricity at the “least cost to customers over time.” 66 Pa. C.S. § 2807(e)(3.4)(ii).
28. The Companies have failed to meet their burden of proof that their proposed bypassable retail market rate enhancement mechanism is lawful.

APPENDIX C

PROPOSED ORDERING PARAGRAPHS

THEREFORE, IT IS ORDERED:

1. By no later than June 1, 2019, the First Energy Companies shall implement the following PCAP shopping rules:
 - a. PCAP customers are prohibited from entering into any retail electricity contract with an EGS which would charge rates exceeding the applicable price to compare for the entire duration of the EGS' contract.
 - b. EGSs are not permitted to enter into contracts charging early termination or cancellation fees.
 - c. EGSs enrollments submitted for any PCAP customers that do not meet these requirements will be rejected.
2. For the purpose of transitioning PCAP customers who are currently being served by an EGS, as of the June 1, 2019:
 - a. PCAP customers who are served under a fixed duration contract with an EGS as of June 1, 2019 (a "pre-existing fixed duration contract") may remain with their EGS until the expiration date of the fixed duration contract or the contract is terminated, whichever comes first.
 - b. Non-PCAP customers served under a fixed duration contract who subsequently enroll in PCAP (also considered to be served under a "pre-existing fixed duration contract") may remain with their EGS until the expiration date of the fixed duration contract or the contract is terminated, whichever comes first.
 - c. Upon expiration or termination of a pre-existing fixed duration contract, the EGS must either: (a) enroll the PCAP customer under a contract compliant with the new PCAP shopping rules; or, (b) return the CAP customer to default service.
 - d. For EGSs serving CAP customers under a month-to-month contract as of June 1, 2019, the EGS must either: (a) return the PCAP customer to default service effective June 1, 2019; or, (b) enroll the PCAP customer under a contract compliant with the provisions, above, with an effective date of June 1, 2019.
 - e. For EGSs serving non-PCAP customers under a month-to-month contract who subsequently enroll in PCAP, the EGS must either, within 120 days of the customer's CAP enrollment: (a) return the PCAP customer to default service; or,

(b) enroll the PCAP customer under a contract compliant with the provisions, above.

3. The Companies' request to impose a bypassable retain market enhancement rate mechanism is denied.