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Via Electronic Filing

Rosemary Chiavetta, Esq.
PA Public Utility Commission
P.O. Box 3265
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Re: Petition of PPL Electric Utilities Corporation for Approval of its Default Service Plan for the Period from June 1, 2021 through May 31, 2025 – Docket No. P-2020-3019356

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Inspire Energy Holdings, LLC's ("Inspire") Reply Brief in the above captioned matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in blue ink that reads "Deanne M. O'Dell".

Deanne M. O'Dell

DMO/lww

Enclosure

cc: Hon. Elizabeth Barnes w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Inspire Energy's Reply Brief upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Date: September 17, 2020



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of a Default :
Service Program and Procurement Plan for : Docket No. P-2020-3019356
the Period June 1, 2021 Through May 31, :
2025 :

REPLY BRIEF OF INSPIRE ENERGY HOLDINGS, LLC.

I. INTRODUCTION AND SUMMARY OF ARGUMENT

In its Main Brief, Inspire Energy Holdings, LLC (“Inspire”) explained why it supports continuation of the Customer Assistance Plan – Standard Offer Program (“CAP-SOP”) of PPL Electric Utilities Corporation (“PPL”) through PPL’s next default service plan period. As explained therein, the CAP-SOP has only been fully operational for a relatively short period of time¹ and a lack of compliance by PPL in providing notice to electric generation suppliers (“EGSs”) about the enrollment of their customers into PPL’s OnTrack program negatively skews PPL’s data about the true potential impact of CAP-SOP.²

Because Inspire anticipated and fully addressed many of the arguments in support of PPL’s proposal in its Main Brief (and incorporates those argument herein), this Reply Brief is narrowly focused on responding to claims by both PPL and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) that the CAP-SOP has been ineffective in mitigating the harms caused by unrestricted shopping and that the only way to resolve this expressed concern is by eliminating the program rather than requiring PPL to comply with Commission directives regarding notice to EGSs about their customers’ OnTrack status.

¹ Inspire Main Brief (“MB”) at 11-14.

² Inspire MB at 9-11.

II. COMMISSION MUST NOT OVERLOOK THE BENEFITS TO ALL RATEPAYERS WHEN ONTRACK CUSTOMERS ARE PARTICIPATING IN CAP-SOP

As a threshold matter, Inspire does not agree that the effectiveness of the CAP-SOP should be measured based on prices charged by EGSs to OnTrack participants since 2013. Beyond the fact that comparison of PPL’s Price to Compare and competitive market prices offered by EGSs is flawed, there is no dispute that when OnTrack customers participate in CAP-SOP there are benefits to them (maintaining benefits longer, access to competitive market products) and all ratepayers (reduced overall costs of low income customer assistance programs).³ In terms of dollars, Inspire’s CAP-SOP customers enrolled with Inspire since March 2020 through July 1, 2020 have received a total monthly savings of \$22,592.40.⁴ These savings forestall the CAP-SOP customer who may already be struggling to afford their electric bills from maximizing their CAP benefit earlier enabling them to enjoy OnTrack benefits longer and result in less costs that non-CAP consumers have to pay to make up the difference between what the OnTrack participant is required to pay and the amount that is “forgiven” as part of the program.⁵ Rather than directly address why these benefits should be taken away in favor of requiring all OnTrack customers to take default service (which is 7% higher and cannot provide any additional benefit, such as an alternative energy product)⁶ PPL makes the blatantly incorrect

³ Inspire St. No. 1-SR at 2-3; Inspire MB at 7-8.

⁴ Inspire MB at 7; Inspire St. No 1-SR at 7.

⁵ Inspire St. No. 1 at 5.

⁶ For example, Inspire’s CAP-SOP product is a renewable energy product at no additional cost to the customer. Inspire MB at 8; Inspire St. No. 1-SR at 8. Such a product is not available through any other avenue for the low income customer who also want to receive the financial assistance available through OnTrack.

assertion that “Inspire fails to recognize that a CAP customer’s bill amount is based on ability to pay.”⁷

Ignoring that Inspire Witness Jacobs-Smith acknowledged that fact repeatedly throughout his direct and surrebuttal testimony⁸ is simply a convenient way to redirect the focus to those customers who continue to receive EGS service while enrolled in OnTrack. To be clear, the concern about OnTrack customers remaining on EGS contracts is not a factor of the presence of the CAP-SOP program and is one that could be addressed through other ways that do not result in the end of the CAP-SOP (as discussed further in the next section). However, the benefits available as a result of the CAP-SOP (as discussed previously) must not be overlooked nor should opportunities to improve the CAP-SOP to generate greater participation by OnTrack customers be ignored. As explained in Inspire’s Main Brief, the Commonwealth Court approved CAP-SOP strikes the appropriate balance “between competing policy concerns promoting competition and choice, and protecting access, affordability, and cost-effectiveness” of universal service programs.⁹ Instead of proposing reasonable program revisions or options to generate more participation in the CAP-SOP, PPL’s proposal here is to simply take it away from all customers and deny all OnTrack customers any opportunity to fully utilize the CAP-SOP for their own benefit as well as for the benefit of all ratepayers. Such result is not a reasonable way to proceed in an effort to redress the concerns raised by PPL in this proceeding.

⁷ PPL MB at 34.

⁸ Inspire St. No. 1 at 5-6; Inspire St. No. 1-SR at 6.

⁹ Inspire MB at 6 quoting *Retail Energy Supply Ass’n v. Pa. PUC*, 185 A.3d 1206, 1223 (Pa. Commw. Ct. 2018).

III. THERE IS EVIDENCE TO SUPPORT HOW THE FAILURE OF PPL TO COMPLY WITH COMMISSION DIRECTIVES FOR THE CAP-SOP HAS EXACERBATED THE ISSUES WHICH PPL SEEKS TO RECTIFY BY ENDING THE PROGRAM

Like PPL, CAUSE-PA deems CAP-SOP a “failure” because it “has failed to stop excessive supplier pricing and the associated financial harms to low income CAP customers and other residential ratepayers who finance the program.”¹⁰ CAUSE-PA goes further to claim that the reason CAP-SOP is failing is because EGSs are not timely returning CAP shopping customers to default service consistent with CAP shopping rules.¹¹ In response to the undisputed record evidence that PPL did not follow Commission directives to provide EGS notices between May 2019 and April 2020 about the status of their customers in OnTrack, CAUSE-PA claims that responsibility still lies with suppliers who “should have contacted PPL and/or used other resources available to them in order to comply.”¹² To that end, CAUSE-PA characterizes Inspire as a supplier which “presumably has a greater understanding of the CAP shopping rules than most suppliers” and disparages it as having “not timely returned CAP shopping customers to default service consistent with CAP shopping rules for a period of at least 6 months.”¹³ CAUSE-PA’s assertions and conclusions are wholly without foundation and should be summarily dismissed.

First, the Commission specifically ordered PPL (as the only entity that has direct access to all of the needed information) to provide EGSs notice at least once a month when their customers enrolled in OnTrack and specifically directed that EGSs “act upon this information”

¹⁰ CAUSE-PA MB at 22; PPL MB at 34.

¹¹ CAUSE-PA MB at 28.

¹² CAUSE-PA MB at 28, n. 47.

¹³ CAUSE-PA MB at 28.

consistent with the directives set forth by the Commission’s order.¹⁴ The Commission directed EGSs to rely on the PPL notices only after careful consideration of the exact alternative CAUSE-PA posits in its Main Brief, i.e. that suppliers “can and should have contacted PPL and/or used the other resources available to them.”¹⁵ More specifically, the Commission expressed concern about “the reasonableness and effectiveness of requiring all the suppliers to continually check PPL’s web-portal and to constantly cross-check customer lists to determine which of their customers has recently enrolled in CAP.”¹⁶ Further, the Commission concluded that “this will be a time-consuming and labor-intensive process just to identify a limited number of customers who enroll in CAP” and “such a procedure could result in these customers being overlooked or not identified timely.”¹⁷ Without PPL’s compliance in the first instance to provide notice at least once a month to EGSs of their customer’s enrollment in OnTrack, it cannot be established that EGSs are the root cause of the problems CAUSE-PA and PPL are attempting to address with their proposal to eliminate CAP-SOP. Moreover, CAUSE-PA’s attempt to cast a bad light on Inspire for relying on the clear directives set forth by the Commission about what both PPL and EGSs were required to do to implement CAP-SOP should be disregarded.

Second, upon receipt of the information from PPL, Inspire has elected to act even more quickly than required by the *PPL CAP-SOP Implementation Order*¹⁸ by exercising its contractual right to return an existing customer to default service usually within 30 days upon notice from

¹⁴ *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-2016-2526627, Final Order entered February 9, 2018 at 25 and Ordering Paragraph No. 4 (“*PPL CAP-SOP Implementation Order*”).

¹⁵ CAUSE-PA MB at 29, n. 47.

¹⁶ *PPL CAP-SOP Implementation Order* at 25.

¹⁷ *PPL CAP-SOP Implementation Order* at 25.

¹⁸ Pursuant to the *PPL CAP-SOP Implementation Order*, EGS customers who subsequently enroll in OnTrack cannot continue to receive EGS service and either at the end of the existing fixed contract or within 120 days for month-to-month contracts, the EGS customer must be returned to default service or receive generation supply through the CAP-SOP. *PPL CAP-SOP Implementation Order* at 22-24.

PPL of OnTrack enrollment.¹⁹ Since PPL has not provided timely or consistent notice to EGSs about the OnTrack status of their customers, there is simply no way to know if other EGSs would have elected the faster return to default service option; thus, changing the data upon which CAUSE-PA and PPL rely to argue that harm still exists.

Given all of this, the more prudent course is to direct PPL to comply with Commission requirements and continue to evaluate the CAP-SOP through the next default service plan period. The results of that evaluation – whereby EGSs are receiving timely notices with some choosing to drop customers faster upon receipt – will provide a more insightful and fuller picture of the effectiveness of the CAP-SOP without disrupting the benefits available when OnTrack customers are able to participate in CAP-SOP as discussed in the previous section.

IV. CONCLUSION

PPL’s proposal to terminate the CAP-SOP should be rejected. Instead, Inspire respectfully requests that the ALJ issue a Recommended Decision continuing the CAP-SOP through the next default service plan period with direct to PPL to comply with the EGS required notice procedures.

Respectfully submitted,



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¹⁹ Inspire MB at 11; Inspire St. No. 1-SR at 5.