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September 4, 2024

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan from June 1, 2025 Through May 31, 2029 –
Docket No. P-2024-3047290

Dear Secretary Chiavetta:

Consistent with Section 5.412a of the Commission's regulations, 52 Pa. Code § 5.412a, which requires the electronic submission of pre-served testimony, enclosed for electronic filing please find the following testimony and exhibits on behalf of the Retail Energy Supply Association ("RESA") in the above matter. This testimony is admitted evidence pursuant to the Interim Order Granting Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record dated September 3, 2024 in the above proceeding by Administrative Law Judge F. Joseph Brady.

Testimony	Witness	Exhibits
RESA St. No. 1	Direct Testimony of Joseph Oliker	RESA Exhibits JO-1 through JO-8
RESA St. No. 1-R	Rebuttal Testimony of Joseph Oliker	No Exhibits
RESA St. No. 1-SR	Surrebuttal Testimony of Joseph Oliker	No Exhibits

All known parties and the presiding officers have been served previously with this Testimony and Exhibits. If you have any questions, please contact me.

Sincerely



Deanne M. O'Dell
DMO/lww
Enclosure

cc: Hon. F. Joseph Brady w/o enc.
Cert. of Service w/o enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of RESA's Letter Filing Admitted Testimony and Exhibits, 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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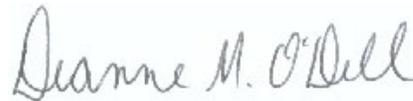
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September 4, 2024



Deanne M. O'Dell, Esq.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIRECT TESTIMONY OF

Joseph Oliker

ON BEHALF OF
THE RETAIL ENERGY SUPPLY ASSOCIATION

Docket No. P-2024-3047290

June 3, 2024

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RESA Ex. JO-2	<i>PaPUC Retail Electricity Choice Activity Report 2022</i> dated October 2023
RESA Ex. JO-3	PA PowerSwitch Monthly Update as of April 2024
RESA Ex. JO-4	November 1, 2022 PPL “Important Notice” Communication to SOP Customers
RESA Ex. JO-5	November 1, 2022 PPL “Important Notice” Communication to Shopping Customers
RESA Ex. JO-6	Sample PPL Emails to Shopping Customers including SOP Customers in 2001, 2002 and first half of 2023
RESA Ex. JO-7	Sample PPL Emails to Shopping Customers including SOP Customers in second half of 2023 and in 2024 (to date)
RESA Ex. JO-8	“Educational Materials” Provided to PPL Consumers Without Prior Commission Approval

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, EMPLOYER AND TITLE.**

3 A. My name is Joseph Olikar. I am Deputy General Counsel of Interstate Gas Supply, LLC.
4 d/b/a IGS Energy (“IGS Energy”).

5 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**
6 **EDUCATIONAL BACKGROUND.**

7 A. I have been employed by IGS Energy for over 10 years. Prior to being named Deputy
8 General Counsel, I served as Associate General Counsel for IGS Energy from January
9 2019 to June 2022 and Senior Regulatory Counsel for IGS Energy from May 2015 to
10 December 2018. My initial position at IGS Energy was Regulatory Counsel, which I
11 started in March 2014. Before starting at IGS Energy, I worked as an associate attorney
12 for McNees Wallace & Nurick LLC for nearly four years, where I practiced in the
13 Energy, Communications and Utility Law practice group representing industrial energy
14 users and utilities before state regulatory commissions and the Federal Energy Regulatory
15 Commission (“FERC”). Prior to that, I worked as an attorney for the law firm Greenberg
16 Traurig and as a clerk for the New York State Supreme Court. I held several other legal
17 positions prior to that time. I am a graduate of the University at Albany, SUNY, where I
18 earned a Bachelor of Arts degree in English and History, and Case Western Reserve
19 University School of Law, where I obtained a Juris Doctorate degree in 2008.

20 **Q. WHAT ARE YOUR KEY RESPONSIBILITIES IN YOUR CURRENT**
21 **POSITION?**

22 A. I supervise participation by IGS Energy and IGS Solar, LLC in legislative, state, and
23 federal proceedings that impact the supply and price of electricity and natural gas and
24 renewable energy development. I am also the chair of the RESA FERC caucus and the
25 Secretary of the Retail Energy Advancement League.

1 **Q. ON WHOSE BEHALF IS THIS DIRECT TESTIMONY OFFERED?**

2 A. This Direct Testimony is offered on behalf of the Retail Energy Supply Association
3 (“RESA”).¹

4 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

5 A. Yes. The RESA Exhibits I am sponsoring are listed in a chart below the Table of
6 Contents.

7 **Q. IN YOUR ROLE WITH RESA, DO YOU HAVE ACCESS TO ANY MEMBER’S**
8 **SPECIFIC PRICING, MARKETING OR BUSINESS OPERATIONS?**

9 A. No. RESA is a trade member organization which focuses on regulatory and political
10 strategies to advance the development of competitive retail energy markets. Members do
11 not discuss specific customers, pricing or markets as they pertain to competitive activity
12 among one another, nor does the RESA organization itself maintain this type of
13 information. My testimony about problems faced by competitive electric generation
14 suppliers (“EGSs”) as a result of the current market structure, the design of the default
15 service plan and the proposals of PPL Electric Utilities Corporation (“PPL” or
16 “Company”) that I discuss below is informed by anecdotal information from members as
17 well as their learned experience about how competitive markets operate in Pennsylvania
18 and across the country.

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable, and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial, and industrial energy customers. More information on RESA can be found at www.resausa.org.

1 **Q. PLEASE DESCRIBE RESA.**

2 A. RESA is an association of diverse competitive energy suppliers devoted to promoting
3 vibrant and sustainable competitive retail energy markets for residential and business
4 customers. Members of RESA include EGSs, also referred to as suppliers or competitive
5 suppliers, which are licensed by the Commission, pursuant to the Electricity Generation
6 Customer Choice and Competition Act (“Competition Act”),² to sell electric generation
7 services to retail customers throughout Pennsylvania and in PPL’s service territory. IGS
8 Energy is a member of RESA and is licensed by the Commission to sell electricity to
9 retail customers.³ EGSs accomplish these sales pursuant to electric supply contracts
10 entered into with retail customers and, for residential and small business customers, are
11 required to follow the Commission’s detailed regulations regarding language to be
12 included in the contracts, as well as the timing and content of notices to be provided to
13 customers upon pending expiration of the contract or notice of material changes.⁴

14 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**
15 **PENNSYLVANIA PUBLIC UTILITY COMMISSION (“PUC” OR**
16 **“COMMISSION”)?**

17 A. Yes. I submitted Direct Testimony on July 25, 2023 in the Petition for Declaratory Order
18 proceeding (“Declaratory Order proceeding”) initiated by RESA and NRG Energy, Inc.
19 (“NRG”) on November 30, 2022 at Docket No. P-2022-3036985.⁵ In addition, I have
20 testified in numerous proceedings before other regulatory commissions, including the

² 66 Pa.C.S. §§ 2801 et seq.

³ Docket No. A-2011-2228643.

⁴ 52 Pa Code §§ 54.5 and 54.10.

⁵ Subsequently, NRG withdrew from the declaratory order proceeding. *Petition for Declaratory Order of the Retail Energy Supply Association and NRG Energy, Inc.*, Docket No. P-2022-3036985, Initial Decision Granting Petition for Leave to Withdraw entered November 15, 2023.

1 Public Utilities Commission of Ohio, the Michigan Public Service Commission, and the
2 Illinois Commerce Commission.

3 **Q. PLEASE DESCRIBE THE FOCUS OF YOUR TESTIMONY IN THE**
4 **DECLARATORY ORDER PROCEEDING REFERENCED ABOVE.**

5 A. My Direct Testimony in the Declaratory Order proceeding addresses communications
6 sent by PPL to electric retail customers purchasing their supply from an EGS, which are
7 also referred to as shopping customers. The specific PPL communications that are the
8 focus of the Declaratory Order proceeding are those that address supply prices charged
9 by EGSs and terms of the customers' private supply contracts with EGS. The disputed
10 communications were sent to all shopping customers, whether they had on their own
11 chosen an EGS to furnish their electric supply or they had been enrolled with an EGS
12 through PPL's Standard Offer Program ("SOP"). Due to the possibility of the issues
13 raised in the Declaratory Order proceeding being addressed here, that proceeding is
14 currently being held in abeyance pending a resolution of the present matter. As a result,
15 my testimony has not yet been moved for admission into the record.⁶

16 **II. PURPOSE OF TESTIMONY**

17 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

18 A. The purpose of my Direct Testimony is to address various proposals set forth in PPL's
19 Petition for Approval of a Default Service Program and Procurement Plan for the Period
20 June 1, 2025 through May 31, 2029 ("DSP VI Plan"), which was filed on March 12,
21 2024, and to offer a recommendation for the PUC – arising out of many of the proposals
22 advanced by PPL – to open a statewide investigation that examines default service

⁶ *Petition for Declaratory Order of the Retail Energy Supply Association and NRG Energy, Inc.*, Docket No. P-2022-3036985, Interim Order Granting Retail Energy Supply Association's Motion to Hold Proceeding in Abeyance, entered April 10, 2024.

1 messaging including discontinuing the use of the term “Price to Compare” (“PTC”) to
2 describe the default service rate. Of note, another key component of this testimony is to
3 address PPL’s communications to shopping customers, particularly in view of the
4 Company’s proposal to modify the existing SOP to expressly include outreach by PPL to
5 SOP customers prior to the end of the 12-month contract period. In addition, I will
6 present testimony in support of RESA’s recommendation that PPL’s other proposed
7 changes to its SOP be rejected. These include its proposal to automatically return
8 customers to default service at the end of the SOP period or, alternatively, to require
9 EGSs to propose specific monthly post-SOP contract termination notices, as well as
10 PPL’s proposal to increase the current EGS SOP referral fee while also requiring EGSs to
11 commit to their participation in the upcoming SOP period 20 days prior to the start of the
12 forthcoming SOP period. In my view, these changes, if approved together or separately,
13 will have a negative impact on the willingness of EGSs to participate in PPL’s SOP and I
14 believe it is highly likely that adoption of PPL’s proposals will effectively end the
15 availability of SOP to consumers in PPL’s service territory.

16 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

17 A. As a foundational matter, I will discuss electric competition in Pennsylvania as well as
18 the roles of EGS competitive offerings and default service and some background
19 information about the SOP. Further, I will describe the barriers to continued competitive
20 market development present in Pennsylvania today due to electric distribution company
21 (“EDC”) provided default service which is particularly clear in the residential market.
22 Then I will turn to RESA’s specific recommendations for a statewide investigation into
23 default service messaging and continued use of the term “Price-to-Compare.” Finally, I
24 will explain why the Commission should reject PPL’s various proposals.

1 III. SUMMARY OF RECOMMENDATIONS

2 Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

3 A. I recommend as follows:

4 1. Open a Statewide Investigation Regarding Default Service Messaging

- 5 • A statewide investigation should be opened to investigate Commission
6 approved messaging of default service as the “Price-to-Compare” to include
7 discontinuing use of that term by replacing it with “default service rate” and
8 how the messaging can be improved to support the ability of customers to
9 make more informed decisions when they evaluate competitive offers.

10 2. Prohibit PPL from Communicating with Shopping Customers about their Specific 11 EGS Contract Terms, Including Pricing

12 3. Standard Offer Program Issues

- 13 • Reject PPL’s proposed and alternative revisions to standard offer program
14 regarding automatically returning customers to default service or requirement
15 for EGSs to issue post SOP contract expiration notices.
- 16 • To the extent the Commission is inclined to address the issues raised by PPL
17 about the “savings” provided to customers participating in the SOP, then I
18 recommend that consideration be given to reforming the program to require
19 EGSs to provide an initial price equal to the default service rate and the
20 marketing of the SOP as a “guaranteed savings” program be ceased.
- 21 • Reject PPL’s proposed increase to the EGS customer referral fee

22 4. Reject PPL’s proposal to enter into a 20-year contract to procure 30,000 Solar 23 Alternative Energy Credits.

24 IV. ELECTRIC COMPETITION

25 A. Enactment of Competition Act

26 Q. PLEASE DESCRIBE ELECTRIC COMPETITION.

27 A. In 1996, Pennsylvania enacted the Electricity Generation Customer Choice and
28 Competition Act (“Competition Act”) to allow retail customers to choose the entity from
29 whom they purchase electricity or electric generation services.⁷ In enacting the
30 Competition Act, the General Assembly determined that it is “in the public interest to

⁷ 66 Pa.C.S. §§ 2801 et seq.

1 permit retail customers to obtain direct access to a competitive generation market.”⁸ This
 2 policy determination was based on the legislature’s conclusion that “[c]ompetitive market
 3 forces are more effective than economic regulation in controlling the cost of generating
 4 electricity.”⁹ To enable electric choice, the Competition Act required electric utilities,
 5 like PPL, “to unbundle their rates and services and provide open access over their
 6 transmission and distribution systems to allow competitive suppliers to generate and sell
 7 electricity directly to consumers in this Commonwealth.”¹⁰ As a result of this law, the
 8 generation of electricity is no longer regulated as a monopoly function.¹¹ However, the
 9 transmission and distribution services performed by EDCs continue to be regulated by the
 10 Commission as monopoly services.¹²

11 **B. Electric Generation Suppliers**

12 **Q. DID THE COMPETITION ACT CREATE NEW ENTITIES CALLED**
 13 **ELECTRIC GENERATION SUPPLIERS?**

14 A. Yes. The Competition Act created EGSs, which include companies like RESA members
 15 that are licensed by the Commission to sell electricity or provide electric generation
 16 services to retail electric customers, using the transmission and distribution systems of
 17 the EDCs.¹³ To provide these services, EGSs enter into private contracts with retail
 18 electric customers, which are required by PUC regulations to set forth the terms and
 19 conditions of service.¹⁴

8 66 Pa.C.S. § 2802(3).

9 66 Pa.C.S. § 2802(5).

10 66 Pa.C.S. § 2802(14).

11 *Id.*

12 66 Pa.C.S. § 2802(16).

13 66 Pa.C.S. § 2803 (definitions); 66 Pa.C.S. § 2809.

14 52 Pa. Code § 54.5.

1 **Q. DOES THE COMMISSION REGULATE SUPPLIERS?**

2 A. Yes. Although the Commission no longer regulates the generation of electricity as a
3 monopoly function and does not regulate the supply prices charged by EGSs,¹⁵ the
4 Commission has implemented a host of regulatory requirements for EGSs to follow.¹⁶

5 **Q. DO RESA MEMBERS SUPPORT RETAIL COMPETITION?**

6 A. Yes, absolutely. RESA members are eager for the opportunity to develop and offer the
7 innovative and creative products that consumers want. To do so effectively, however, the
8 appropriate checks and regulatory systems need to be in place to moderate the continuing
9 dominance of EDC provided default service and the regulatory components included in
10 determining the default service rate. These efforts are necessary to ensure that the EDC
11 is working cooperatively with suppliers to provide reasonable nondiscriminatory access
12 to all the systems and information necessary to offer and provide competitive service and
13 that customers are properly educated regarding the products that are available in the retail
14 competitive market.

15 **C. Default Service**

16 **Q. IF A RETAIL CUSTOMER DOES NOT CHOOSE AN EGS TO PROVIDE**
17 **ELECTRIC GENERATION SERVICES, WHO PROVIDES ELECTRICITY TO**
18 **THE CUSTOMER?**

19 A. Currently, EDCs are in the role of providing “default service” to customers who do not
20 choose an EGS from whom to purchase electricity. As the default service providers,
21 EDCs file default service plans (“DSPs”) with the Commission which set forth a

¹⁵ 66 Pa.C.S. § 2802(5) (“Competitive market forces are more effective than economic regulation in controlling the cost of generating electricity.”); *Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania v. PUC*, 120 A.3d 1087, 1094 (Pa. Cmwlth, 2015); *HIKO Energy, LLC v. PUC*, 163 A.3d 1079, 1100 (Pa. Cmwlth. 2017), *aff’d on appeal*, 2019 Pa LEXIS 3139.

¹⁶ 52 Pa. Code, Chapter 54; 52 Pa. Code §§ 57.171-57.180; 52 Pa. Code, Chapter 111.

1 competitive procurement process. Upon the PUC’s approval of the DSP, an EDC
 2 conducts the competitive procurement process, and the Commission has determined that
 3 the resulting rate be referred to as the price to compare (“PTC”), which is charged to non-
 4 shopping customers for default service.¹⁷

5 **Q. HOW OFTEN DOES AN EDC’S DEFAULT SERVICE RATE CHANGE?**

6 A. Under the Competition Act, the PTC for residential and small business customers may
 7 not change more often than quarterly.¹⁸ While some EDCs currently change their PTC
 8 on a quarterly basis, I am aware that PPL changes its rate for default service every six
 9 months on June 1 and December 1.

10 **D. Standard Offer Program**

11 **Q. WHAT IS PPL’S STANDARD OFFER PROGRAM (“SOP”)?**

12 A. PPL has an SOP that was approved by the Commission and allows residential customers,
 13 except customers who are enrolled in PPL’s OnTrack, and small business customers to
 14 purchase their electricity from an EGS at a price that is a 7 percent discount off the PTC
 15 at the time the customer elects to participate in the program. Customers can either choose
 16 a participating EGS or be automatically paired with an EGS that participates in this
 17 program. The SOP is for one year, or 12 months, during which the customer’s rate is
 18 fixed (i.e. will not change) and the customer can switch suppliers or cancel the contract at
 19 any time without incurring cancellation fees. At the end of the 12-month period,
 20 customers have the option to stay with the EGS at the new price offered by the EGS for
 21 the post expiration period, shop for a new supplier or return to PPL’s default service.

¹⁷ 66 Pa.C.S. § 2807(e); 52 Pa. Code §§ 69.1801-1817.

¹⁸ 66 Pa.C.S. § 2807(e)(7).

1 Suppliers participating in the SOP pay PPL a \$28 fee for each referral made by
2 telephone.¹⁹

3 **Q. WHAT HAPPENS WHEN THE 12-MONTH TERM FOR THE SOP CONTRACT**
4 **EXPIRES?**

5 A. Prior to expiration of the 12-month term for the SOP contract, the EGS sends its
6 customers the two notices that are required by the Commission’s regulations at 52 Pa.
7 Code § 54.10 which notify the customers of the expiration of the contract and provide the
8 EGS options available upon expiration. These are the same required customer notices
9 that EGSs must send all of their customers upon contract expiration.

10 **E. Pricing of Default Service and Supply Offers in Market**

11 **Q. ALTHOUGH BOTH THE EDC, THROUGH THE DEFAULT SERVICE**
12 **PRODUCT, AND EGSS, THROUGH THEIR CONTRACTS, OFFER SUPPLY**
13 **SERVICE TO CUSTOMERS, DO EGSS AND EDCS PRICE SUPPLY**
14 **PRODUCTS IN THE SAME WAY?**

15 A. No. The EDCs develop the rate for their default service through regulated processes
16 approved by the Commission in these default service proceedings. The wholesale
17 electricity purchased by the EDCs for default customers must be contracted for ahead of
18 the time of delivery at then-current market prices to create a “prudent mix” of long- and
19 short-term supply contracts to achieve “the least cost to customers over time.”²⁰
20 Moreover, since the default service provider is guaranteed full cost recovery for the
21 default service product, default service rates in subsequent periods can include these
22 costs. These factors nearly always guarantee a mismatch between the default rate and the
23 actual wholesale market price when the supply is later delivered. As such, the default

¹⁹ <https://www.pplelectric.com/site/Ways-to-Save/Rates-and-Shopping/Standard-Offer-Program>

²⁰ Section 2807(e)(3.4)(ii); *see also* §§ 2807(e)(3.3), (3.6) & (3.7).

1 rate does not reflect the current market price but instead an average of the varied-term
2 supply contract prices procured in earlier periods as well as calculated reconciliations and
3 true-ups. The result is that the earlier obtained prices may be higher or lower than the
4 wholesale price when the supply is delivered, and the resulting default service rate
5 necessarily includes other cost recovery calculations. I am informed by counsel that the
6 Commission has been aware of the harmful effect of this mismatch for some time.²¹

7 In addition, EDCs bill all ratepayers for distribution services creating an
8 opportunity for EDCs to recover some costs of EDC provided default service through
9 distribution rates.²² Indeed, PPL has indicated in discovery responses that it does not
10 recover any indirect costs incurred by the Company on a total basis through the default
11 service rates., but rather recovers them through distribution rates.²³ Likewise, PPL does
12 not routinely allocate costs of employees or consultants who work on default issues to
13 default service rates, including the four witnesses testifying for PPL in this proceeding.²⁴
14 Further, EDCs, as the historical monopoly provider and current entity issuing supply
15 charges, regardless of the provider of service, have inherent brand name recognition with
16 all customers in their service territory. No EGS in the market has similar brand
17 recognition nor Commission approval to send every customer in the service territory a
18 combined bill each month.

²¹ *End State Final Order* at 12 (“[D]ue to reconciliation and the mix of contracts that EDCs use to establish the PTC, EGSs must compete with a PTC that often is not correlated to wholesale energy markets and may move in directions opposite that of wholesale energy markets trends. This can inhibit consumers’ ability to make informed decisions due to the receipt of false or misleading price signals.”).

²² See, e.g., “*Default Service Pricing Has Been Wrong All Along*,” by Frank Lacey, Electric Advisors Consulting, Public Utilities Fortnightly, January 2019, which is attached as RESA Exh. JO-1.

²³ PPL Responses to RESA-I-1, 2 and 3.

²⁴ PPL Responses to RESA-I-6, 8, 11 and 25.

1 In contrast and in a truly competitive marketplace, the manner in which EGSs set
2 the price offered to a customer is based on a variety of market driven forces which
3 include the actual market price of the commodity as well as other business and operating
4 costs. Moreover, all of the providers of service would be on equal footing regarding
5 brand recognition and their ability to reach customers (for example, through supplier
6 consolidated billing). None of these nuances or inherent biases are considered in
7 determining how to explain the default service rate in relation to EGS offers. Rather, the
8 term “Price to Compare” is used to describe the default service rate and consumers are
9 educated to use the default service rate as the “benchmark” supply service rate. The
10 result of relying on this flawed concept is that, in today’s market, instead of suppliers
11 pricing their products based on market forces in competition with other equally situated
12 competitors who all have the same opportunities for cost recovery, they find themselves
13 needing to consider the EDC provided default service rate. Given the EDC’s inherent
14 advantages due to brand recognition, right of full cost recovery and the ability to recover
15 some costs from all distribution customers, the comparison between an EDC’s default
16 service rate and an EGS’s supply price is harmful to EGSs and the competitive market.

17 **F. Current Status of Retail Competition**

18 **Q. HAS THE COMMISSION UNDERTAKEN REVIEWS OF THE STATUS OF**
19 **RETAIL COMPETITION?**

20 A. Yes, I am informed by counsel that the Commission thoroughly examined the state of
21 electric competition as it existed between 2011 and 2013. In its *End State Final Order*,²⁵
22 the Commission summarized its findings and recommendations as follows:

²⁵ *Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered February 15, 2013) (*End State Final Order*), available at <https://www.puc.pa.gov/pdocs/1214105.docx>.

1 While shopping statistics alone are not indicative of the success of a
 2 competitive market, we note that, as of February 13, 2013, nearly two-
 3 thirds of Pennsylvania's electric customers still received electric
 4 generation supply from their EDCs. Despite a large number of EGSs in
 5 the market, many offers are only slightly below each EDC's PTC and few
 6 innovative product offerings have emerged to date that attract residential
 7 and small commercial customers into the competitive retail market.²⁶
 8

9 * * *

10 Therefore, the Commission, through this Final Order, recommends
 11 fundamentally changing the default service product so that it more closely
 12 resembles market conditions. Through the changes proposed herein, the
 13 Commission hopes to create a structure where the market drives prices
 14 charged by EGSs, where EGSs expand their investment in Pennsylvania
 15 due to certainty and a more level playing field, and where consumers
 16 enjoy competitive prices and a wide variety of innovative product
 17 offerings. In this manner, the Commission expects Pennsylvania to
 18 achieve and sustain the robust competitive market that was envisioned in
 19 1996 by the General Assembly.²⁷
 20

21 **Q. IN YOUR OPINION, HAS THE VISION ESPOUSED BY THE COMMISSION AT**
 22 **THAT TIME COME TO PASS?**

23 A. No. Recent trends regarding shopping statistics underscore this point. Residential
 24 shopping peaked in April 2014 when 1,863,828 residential customers were served by an
 25 EGS. As of January 1, 2023, that number had steadily declined to 1,207,224, a difference
 26 of 656,604 customers who returned to their EDC's default service. During the same
 27 period, shopping commercial customers decreased from 306,699 to 274,852, and, not
 28 surprisingly because of their sophisticated understanding of the benefits of competition,
 29 shopping industrial customers increased from 8,752 to 15,460.

²⁶ *Id.* at 11-12 (footnote omitted).

²⁷ *Id.* at 15.

1 In its October 2023 Retail Electricity Choice Report dated October 2023 for
2 calendar year 2022,²⁸ the Commission states the following about shopping trends:

3 In summary the total number of customer accounts served by EGSs in
4 2022 was down slightly from 27% to 30%, in 2021 and 2020 respectively,
5 to 25%. The amount of load served by EGSs decreased from 89 million
6 MWhs in 2021 to 86 MWhs in 2022.

7 . . .

8 The total percentage of all customer accounts served by EGSs decreased
9 by 2% compared to 2021, **marking the sixth straight year of decreasing**
10 **customer accounts.**

11
12 EGS sales in Pennsylvania totaled 85,675,047 MWhs during calendar year
13 2022. This represents a **decrease** of 3,252,400 (4%) compared to . . . the
14 previous calendar year. **During the same period, total EDC sales**
15 **increased 6%.**
16

17 **Q. WHAT DO THE MOST RECENT SHOPPING STATISTICS FROM THE**
18 **COMMISSION REVEAL?**

19 A. As of April 2024, the number of customers shopping is largely consistent with past
20 trends. For residential customers 1,283,489 or 24.3% of all customers are shopping. For
21 commercial customers, 296,645 or 40.4% of all customers are shopping. For industrial
22 customers, 15,094 or 82% of all customers are shopping.²⁹ The Commission's shopping
23 website notes that the percentages are "based on the total number of customers of
24 regulated electric utilities in Pennsylvania as of April 30, 2024 (5,280,239 Residential +
25 733,362 Commercial + 18,414 Industrial = 6,032,015 Total Customers)." Also tracked
26 by the Commission is the percentage of shopping customers relative to the percentage of
27 load served. On a statewide basis, only 26.4% of the total residential load is being served
28 by competitive suppliers.

²⁸ See RESA Exh. JO-2 PaPUC Retail Electricity Choice Activity Report 2022 dated October 2023 at 2,3, and 8 (emphasis added).

²⁹ See RESA Exh. JO-3 PA PowerSwitch Monthly Update as of April 2024.

1 Thus, as of April 2024, approximately 4 million of Pennsylvania’s 5.3 million
2 residential customers and approximately 440,000 of its 733,000 customers are **not**
3 shopping for their electricity, while only approximately 3,300 of Pennsylvania’s 18,000
4 industrial customers are not shopping.

5 While I agree with the prior Commission statement that shopping alone is not
6 indicative of the status of competition, the current numbers, and the trends over the years
7 since the Commission’s Retail Markets Investigation support the view that the market has
8 become stagnant. At the most fundamental level, EDCs continue to be the providers of
9 “first resort” default service with widespread brand recognition and elevation of their
10 supply product as the PTC – resulting in default service having an inherent competitive
11 advantage over all competitive EGSs collectively.

12 **V. RESA RECOMMENDATIONS**

13 **A. Statewide Investigation into Default Service Messaging and Continued Use of Price**
14 **to Compare**

15 **Q. HOW ARE RESA’S PROPOSALS IN THIS PROCEEDING INTENDED TO**
16 **ADDRESS THE CURRENT REALITY OF TODAY’S COMPETITIVE**
17 **MARKET?**

18 A. RESA members continue to believe, as the Commission stated in 2013, that
19 “fundamentally changing the default service product so that it more closely resembles
20 market conditions” is warranted and necessary to deliver true competitive offerings to
21 customers.

22 **Q. IS THIS THE APPROPRIATE PROCEEDING FOR THE COMMISSION TO**
23 **CONSIDER RESA’S PROPOSALS?**

24 A. Yes. I am advised by counsel that the Commission and appellate courts have clearly
25 determined that a default service proceeding is the opportunity for competitive suppliers

1 to raise issues related to the EDC's proposed default structure and other mechanisms
2 which have a direct impact on the ability of competitive suppliers to operate.³⁰

3 **Q. PLEASE DESCRIBE RESA'S INITIAL RECOMMENDATION FOR**
4 **ADDRESSING THE CURRENT COMPETITIVE MARKET DEFICIENCIES.**

5 A. A good first step to begin to address the current competitive market deficiencies would be
6 the opening by the Commission of a statewide investigation that examines the messaging
7 around the default service product to better educate customers about how that product is
8 developed. Providing customers with neutral information about how EDC default service
9 rates are determined, as compared to the development of EGS supply prices, would
10 enable them to make more informed choices about competitive supplier options. A
11 critical focus of such a proceeding should be discontinuance of the term "Price to
12 Compare" or "PTC," given the inherently misleading nature of comparisons of regulated
13 default service rates with supply prices offered in the competitive market. Simply
14 referring to the utility's supply price as a "Default Service Rate" would be a significant
15 improvement, along with other enhancements in messaging to support the ability of
16 customers to make more informed decisions when they evaluate competitive offers.
17 These measures would not be difficult or costly to implement and are necessary in order
18 to replace the skewed messaging that encourages customers to only consider the price of
19 the default service rate when judging competitive market offers. As I discuss further
20 later, PPL's history of communications with consumers – including EGS' customers –
21 about EGSs contracts, has been particularly concerning. Although this damage has
22 already been done, PPL is proposing to continue such communications in the future with

³⁰ See *Respond Power, LLC v. Pa. Public Utility Commission*, 250 A.3d 547 (Pa. Cmwlth. 2021).

1 this proceeding. If more specific Commission approved guidance existed regarding EDC
2 communications with shopping customers and about the default service rate, then perhaps
3 PPL's confusing and misleading messaging to customers would have been avoided.

4 **Q. WHY DO YOU SEE A STATEWIDE INVESTIGATION OF DEFAULT SERVICE**
5 **MESSAGING AS ONLY A FIRST STEP?**

6 A. The reality is that as long as the historical monopoly provider continues to dominate the
7 market supported by less than transparent messaging as sanctioned by regulators and
8 advocates, EGSs will be reluctant to make longer term investments in the market.
9 Despite the Commission's acknowledgment back in 2013 of the need to "fundamentally
10 change" the default service product, I recognize that the Commission has been hesitant to
11 pursue such change in subsequent years. A statewide investigation focused on the
12 messaging of the default service product, however, would be a beneficial path for the
13 Commission to pursue at this time and, because of the focus on messaging, is one that
14 should not be objectionable to any party in this proceeding. Also, given PPL's past and
15 proposed future communications with shopping customers, establishing EDC
16 communication guidelines would provide a benefit to all. From an EGS perspective, they
17 are likely to be reluctant to make longer term investments in the market so long as the
18 messaging reinforcing the purported superiority of the default service product rate
19 continues. Rather EGSs will continue to be primarily focused on short-term
20 arrangements that undercut the DSP. This hampers the ability of EGSs to develop more
21 innovative and a greater variety of competitive products and services for consumers,
22 which is a disappointing outcome for consumers.

23 **Q. PLEASE EXPLAIN MORE FULLY HOW PROMOTION OF THE DEFAULT**
24 **SERVICE RATE AS THE PRICE TO COMPARE AGAINST ALL**

1 **COMPETITIVE EGS OFFERS PRESENTS COMPETITIVE MARKET**
2 **CONCERNS.**

3 A. The reality of today’s retail marketplace for electricity is one in which consumers have
4 been educated to elevate the default service supply product as the superior supply product
5 when considering any and all of the competitive supply options. While consumers may
6 compare one supplier product to another supplier product, they are almost uniformly
7 educated to compare all supplier products to the default service supply product on the
8 basis of price and price alone.

9 This has been the result of years of education by the Commission, the EDCs and
10 consumer advocates counselling consumers to judge competitive offers relative to the
11 default service PTC without any disclaimers about that the nature of this product or the
12 competitive advantages EDC-provided default service enjoys as the monopoly “provider
13 of first resort.” The justification for this education has been, in part, that the rate for the
14 default supply service of the EDC is determined through procurement processes
15 developed and approved in these default service proceedings. This, in turn, permits the
16 EDCs to claim that there is a measure of “regulatory” control over default service pricing
17 that purportedly “protects” consumers – even though that rate may be higher or lower
18 than actual competitive market prices at any point in time.

19 In addition, the default supply product has name and brand recognition due to the:
20 (i) historical monopoly status of EDCs; (ii) the fact that EDCs provide distribution
21 service to all customers in their service territory and; (iii) that EDCs continue to have an
22 exclusive right to bill all customers (even those served by competitive suppliers). Further
23 advantaging the default service supply product is that all distribution customers start with
24 the EDC’s supply service and now “default” back to the EDC’s supply service when

1 cancelling a supplier contract or if they decide to enroll in a utility's low-income
2 customer assistance program. EGS competitive supply products lack all of these inherent
3 advantages.

4 **Q. WHY DOES THE ELEVATION OF THE DEFAULT SERVICE SUPPLY**
5 **PRODUCT CREATE A BARRIER TO ENTRY FOR COMPETITIVE**
6 **SUPPLIERS?**

7 A. The presence of default service provided by the monopoly EDC as it is structured in
8 Pennsylvania today does not foster a robust competitive environment for suppliers where
9 innovation can flourish. Instead, the current market structure incentivizes suppliers to
10 focus their efforts on attracting customers away from the monopoly utility that is offering
11 a highly regulated default service product that, while rooted in market-based dynamics,
12 does not reflect all of the risks and costs associated with providing competitive retail
13 supply service. In short, default service and the current PTC represent an entirely unlevel
14 playing field that is misleading to consumers and unfair to the suppliers endeavoring to
15 serve them. In addition, the default service product lacks product features provided by
16 competitive market suppliers like fixed prices that do not fluctuate throughout the year or
17 renewable content above the state required minimums.

18 **Q. HOW DOES THE CURRENT STATE OF COMPETITION AS YOU HAVE**
19 **DESCRIBED IT NEGATIVELY AFFECT CONSUMERS?**

20 A. These structural barriers, which further entrench and continue the dominance of EDC
21 provided default service, inhibit the full development of innovation and efficiencies
22 which can be provided by EGSs. With the EDC default service supply dominating the
23 market and consumers being educated to judge all competitive offers based on the price
24 of the EDC provided default service, suppliers have less incentive and ability to
25 effectively offer innovative services, such as carbon free products or electric supply

1 bundled with distributed energy or demand response, innovative billing and/or payment
 2 options. This list is merely a preview of the host of other innovations that have been
 3 shown to be available in other states or countries where suppliers have been able to
 4 compete without these barriers and which have benefitted customers by resulting in
 5 enhanced services, and in some cases, lower prices than they otherwise would have
 6 experienced.

7 **B. PPL Communications With Supply Customers of EGSs Regarding Supply**
 8 **Contracts and Prices**

9 *1. PPL's Current and Proposed Communications*

10 **Q. PLEASE DESCRIBE PPL'S CURRENT AND PROPOSED COMMUNICATIONS**
 11 **WITH CUSTOMERS WHO ARE NEARING SOP CONTRACT EXPIRATION.**

12 A. PPL witness Stumpf provides testimony regarding PPL's SOP and describes
 13 modifications that PPL is proposing to that program as part of this proceeding.³¹ In her
 14 testimony, Ms. Stumpf discusses a concept she refers to as "brand confusion" stemming
 15 from the SOP, whereby customers have expressed confusion as to the entity that is
 16 furnishing their electricity when they participate in the SOP. Ms. Stumpf believes that
 17 "additional communication" would aid customers in understanding SOP and notes that
 18 PPL has sent communications to customers nearing the end of the SOP contract, over the
 19 objection of RESA (and NRG). Attached to her Direct Testimony are PPL Exhibits MS-
 20 1 and MS-2, which she describes as the script of an automated blaster call (or text) to
 21 customers nearing the end of the SOP contract term and reminder emails informing
 22 customers that their contract terms are expiring.³² Ms. Stumpf further testifies that PPL

³¹ PPL St. No. 3.

³² PPL St. No. 3 at 7-8.

1 proposes to continue substantially similar communications in month 11 of the SOP as
2 part of implementing DSP VI.³³

3 **2. RESA's Position/Recommendation**

4 **Q. PLEASE DESCRIBE RESA'S POSITION ON THIS PROPOSAL.**

5 A. RESA opposes this proposal and recommends that the Commission reject PPL's proposal
6 to communicate with SOP customers prior to expiration of their 12-month contracts with
7 EGSs. In RESA's view, PPL has no role in communicating with customers of EGSs
8 regarding their supply contracts or prices. This opposition extends not only to customers
9 whose SOP contracts are nearing expiration but to all EGS supply customers. Therefore,
10 RESA further recommends that the PUC make it clear to PPL that any communications
11 with supply customers of EGSs regarding their contracts, terms and conditions, and
12 prices must be sanctioned by the Commission. Specifically, PPL should be directed to
13 refrain from independently communicating with shopping customers about their EGS
14 contracts, whether they are part of the SOP or have made their own decisions to select an
15 EGS without any involvement from PPL. Ironically, PPL witness Stumpf expresses
16 concern about "brand confusion" among customers while the Company has been
17 unilaterally inserting itself into the communications process, which has likely contributed
18 to some of that very confusion she claims to be trying to avoid.

19 **Q. IS THIS THE ISSUE THAT RESA AND NRG SOUGHT TO HAVE ADDRESSED**
20 **IN THE DECLARATORY ORDER PROCEEDING INITIATED IN NOVEMBER**
21 **2022?**

22 A. Yes. As I mentioned earlier, PPL's prior communications with EGS supply customers
23 regarding the terms of their contracts, including pricing, triggered the filing by RESA and

³³ PPL St. No. 3 at 17-18.

1 NRG of a Petition for Declaratory Order in November 2022, a proceeding which is
2 currently being held in abeyance. RESA's position is that it is the role of the EGSs – not
3 the EDCs – to communicate with their customers in accordance with the PUC's
4 regulations and the terms of their individual private contracts. To the extent that the PUC
5 believes more consumer education is necessary and that PPL (and other EDCs) have
6 some role in that process, RESA believes that issue should be taken up on a statewide
7 basis to ensure that feedback from all stakeholders can be considered, including the need
8 for Commission oversight of the content of the messages and their frequency. Within
9 this proceeding, however, RESA urges the Commission to reject PPL's proposal to insert
10 itself into the communications with SOP customers, and to further indicate that the same
11 ruling applies with equal force to communications with other shopping customers.

12 **Q. AMONG THE REGULATORY REQUIREMENTS APPLICABLE TO EGSS,**
13 **ARE THERE RULES THAT SUPPLIERS MUST FOLLOW IN CONNECTION**
14 **WITH ENTERING INTO A NEW CUSTOMER CONTRACT AND PROVIDING**
15 **NOTICE TO CUSTOMERS ABOUT THE EXPIRATION OF THEIR EXISTING**
16 **EGS CONTRACTS?**

17 A. Yes. All EGSs acquiring a customer through the SOP are required to provide a
18 disclosure statement with all the required regulatory elements of 52 Pa. Code § 54.5.
19 This information informs the customer about the terms of the SOP product, the
20 customer's options to cancel without any termination fees, and that the EGS will be
21 providing two notices in advance of the expiration of the contract term about options for
22 the customer to consider going forward.

23 Moreover, all EGSs are required to send customers two contract expiration
24 notices prior to expiration of a fixed duration contract or prior to a change in contract
25 terms, pursuant to the Commission's regulations at 52 Pa. Code § 54.10. The first is an
26 "Initial Notice" that the EGS is required to send to the customer between 45 and 60 days

1 before the expiration date of the contract. The second is an “Options Notice” that the
2 EGS must send to the customer at least 30 days prior the expiration of the fixed duration
3 contract. The Commission’s regulations are very detailed as to what must be contained
4 in those notices. For example, the Options Notice is required to advise the customer of
5 the specific changes being proposed by the EGS and inform the customer of how to
6 exercise the customer’s options, including the customer’s ability to accept the proposed
7 change, to choose another product offering from the customer’s existing EGS, to select
8 another EGS or to return to default service. 52 Pa. Code § 54.10(2)(i). Based upon these
9 requirements, RESA is not convinced that any further communications should be made to
10 customers and believes that the concerns that PPL has expressed about customer
11 confusion have been and would continue to be further exacerbated by having yet another
12 entity chiming in with notifications about expiring contracts.

13 **Q. CAN PPL’S COMMUNICATIONS PROPOSAL REGARDING THE UPCOMING**
14 **EXPIRATION OF AN SOP CONTRACT ALSO BE VIEWED AS A WIN-BACK**
15 **SCHEME?**

16 A. Yes. PPL is proposing outreach to the customer about the SOP contract in the eleventh
17 month of the contract.³⁴ In addition to creating confusion for customers – receiving
18 multiple notifications from two different entities – PPL’s proposal presents it with a
19 marketing opportunity to “win back” customers. Allowing PPL to engage in this
20 outreach creates an unfair competitive advantage for PPL. No other EGS has access to
21 the customer information (i.e. email address and phone numbers) available to PPL nor the
22 ability to engage in a win-back outreach campaign regarding former default service
23 customers. Moreover, there are no Commission approved guidelines about what may or

³⁴ PPL’s proposal also includes outreach prior to the customer’s enrollment in SOP, which I address below.

1 may not be discussed during the “blaster” call if an SOP customer answers or a
2 subsequent call from a customer responding to the text or email notice. Providing PPL
3 with a Commission approved opportunity to engage in this type of win-back marketing is
4 unreasonable and inconsistent with developing a competitive market. For these reasons,
5 RESA does not support PPL’s 11 month notice proposal to the EGS’s SOP customer.

6 **Q. DO YOU HAVE ANY OTHER OBSERVATIONS ABOUT MS. STUMPF’S**
7 **TESTIMONY CONCERNING EXHIBITS MS-1 AND MS-2?**

8 A. Yes. Ms. Stumpf characterizes these communications as being fairly innocuous, such as
9 in her description of the emails simply being reminders that the SOP contract terms are
10 expiring soon. In reality, the communications that PPL has sent – and RESA expects
11 would be sent again absent PUC directives to the contrary – are much more substantive
12 and contain a number of objectionable components. They cannot fairly be described as
13 friendly “reminders” and are clearly more in the nature of winning the customers back.
14 Of particular note, PPL Exhibit MS-2 is a very small excerpt of the communications that
15 have been sent and is far from representing the entire message. Additionally, the
16 frequency of the communications exceeds the month 11 proposal being advanced here.

17 **3. PPL Past Communications**

18 **Q. PLEASE DESCRIBE THE PPL COMMUNICATIONS THAT GENERATED THE**
19 **FILING OF THE PETITION FOR DECLARATORY ORDER BY RESA IN**
20 **NOVEMBER 2022.**

21 A. One type of communication was aimed at SOP customers regarding their options
22 following expiration of their EGS supply contracts and was labeled as an “Important
23 Notice.” It advised SOP customers to check their energy supply contracts and provided
24 the electric supply rate on the last bill. The communication went onto say that PPL cares
25 about helping the customer manage costs, which is why the Company was reminding the

1 customer to check the EGS supply contract to see when it expires and what rate the EGS
2 will charge after expiration. PPL further advised the customer that once the annual SOP
3 contract expired, the EGS can change the rate. Finally, the communication informed
4 SOP customers of their options when the 12-month SOP term ends, including calling the
5 current EGS to discuss next steps, checking out PPL’s “smart shopping tips,” and
6 cancelling their contracts with the EGSs, thereby automatically returning to default
7 service through PPL. This communication was sent on November 1, 2022 and is attached
8 as RESA Exhibit JO-4.

9 A second type of communication, also labeled as an “Important Notice,” was sent
10 to shopping customers purchasing supply from EGSs in the competitive market outside
11 the parameters of the SOP. This email listed the shopping customer’s electric supply rate
12 on the last bill and further advised the shopping customer of the identity of its selected
13 EGS and provided a telephone number for contacting them. In the notice, PPL also
14 informed the shopping customer that it was trying to make sure that the bills are as low as
15 possible and reminded the shopping customer to compare the current supply rate with
16 other options that are available. Among the options identified by PPL were to contact the
17 current EGS, check out PPL’s “smart shopping tips” and cancel with the EGS so as to
18 automatically return to default service. This communication was sent on November 1,
19 2022 and is and attached as RESA Exhibit JO-5. To be clear, these EGS customers have
20 actively shopped for an EGS and entered into a contract with the EGS that must include
21 specific information as mandated by the Commission’s regulations.

1 **Q. HAS PPL SENT OTHER COMMUNICATIONS TO SUPPLY CUSTOMERS**
 2 **ABOUT THEIR SUPPLY CONTRACTS AND SUPPLY PRICES?**

3 A. Yes. As RESA Exhibit JO-6, I am including the following sample emails that PPL sent
 4 to residential and business customers who were purchasing supply from an EGS
 5 (“shopping customers”) and to residential and business customers who were enrolled in
 6 the SOP (“SOP customers”):³⁵

- 7 (1) Emails sent on May 26, 2021 to residential shopping customers who were paying
 8 more than the PTC as of their last bills;
 9
 10 (2) Emails sent on June 25, 2021 to business shopping customers who were paying
 11 less than the PTC as of their last bills and residential shopping customers who
 12 were paying less than the PTC as of their last bills;
 13
 14 (3) Emails sent on October 18, 2022 to business shopping customers, business SOP
 15 customers, residential shopping customers and residential SOP customers;
 16 (4) Emails sent on November 1, 2022 to business shopping customers, business SOP
 17 customers, residential shopping customers and residential SOP customers; and
 18
 19 (5) Emails sent on April 26, 2023 to residential and business SOP customers.
 20

21 **Q. PLEASE IDENTIFY THE PARTICULARLY OBJECTIONABLE COMPONENTS**
 22 **OF THESE COMMUNICATIONS.**

23 A. The emails sent on May 26, 2021 to residential shopping customers paying more than the
 24 PTC asked the question “Have you checked your energy supply price recently?” and
 25 highlighted a direct comparison between the customer’s current rate and PPL’s PTC as of
 26 single point in time. Although these emails acknowledged that there may be reasons for
 27 paying more than the PTC, they provided little details about those reasons and otherwise
 28 focused on price. For instance, in what was clearly a campaign to promote default
 29 service, the communications alleged that PPL secures supply at the lowest rate possible

³⁵ PPL furnished these emails during the Declaratory Order proceeding, and upon mutual agreement, re-served them in response to RESA-I-5.a. in this proceeding.

1 and advised customers to use the PTC to compare supplier offers. These emails also
2 presented PPL's default service as a competitive option by including it with the
3 possibilities of negotiating a new rate with the current supplier or shopping for a different
4 supplier.

5 Similar to the more recent communications, the June 25, 2021 emails described
6 EGS supply prices that are lower than PPL's PTC as the customer getting a "good deal on
7 electricity supply" and that is what "smart shopping" can do. It is not PPL's place to
8 determine what the result of smart shopping is, particularly since the customer may have
9 initially selected a product from the EGS that was higher than the PTC for one of many
10 reasons, including price stability over a longer period of time. Again, PPL's
11 communication encourages the customer to "stay on top" of the supply price to make sure
12 they are always getting the "best deal" possible. For each individual customer, the best
13 deal means something different – and that is not always about the price at a point in time.

14 In emails sent on October 18, 2022, PPL warned that winter means higher energy
15 usage and suggested that customers consider their options, with advice in bold font to
16 "**Check your supplier contract.**" Those communications gave the customers their
17 options as including calling their current supplier, checking out PPL's shopping tips, or
18 cancelling with the current supplier and automatically returning to PPL for default
19 service. Through these emails, PPL took on the role of driving customers to supplier call
20 centers, encouraging PPL's shopping website (rather than the Commission's website at
21 papowerswitch.com) and promoting default service as a competitive option.

22 The April 2023 emails that were sent to customers participating in the SOP are
23 duplicative of the Initial Notices and the Options Notices that the EGSs are required by

1 the PUC’s regulations to send. Again, these communications present an automatic return
2 to PPL default service as one of the competitive options that is available. Assuming an
3 energy advisory role, PPL reminded customers that it is here to help them save and
4 “sharing information about smart shopping is just one way” PPL does that. Such advice
5 suggested that PPL is of the view that customers need the EDC’s input in making
6 decisions about shopping for electricity and that “smart shopping” is only about saving
7 money or saving money at a particular point in time.

8 **Q. HAS PPL SENT ADDITIONAL COMMUNICATIONS SINCE THE EMAILS**
9 **THAT WERE SENT PRIOR TO AND DURING THE DECLARATORY ORDER**
10 **PROCEEDING?**

11 A. Yes. PPL provided these communications through discovery in response to RESA-I-5.b.
12 They are attached as RESA Exhibit JO-7. My observations concerning the prior
13 communications are applicable to these more recent ones, as well. At a minimum, they
14 show a continuing practice on the part of PPL to communicate with shopping customers
15 about issues that are outside their domain and wholly relating to the relationship of
16 shopping customers and their EGSs.

17 **Q. ARE THERE OTHER MORE RECENT EXAMPLES OF PPL**
18 **COMMUNICATIONS TO CUSTOMERS THAT ARE CONCERNING BECAUSE**
19 **OF THE NATURE OF THEIR CONTENT?**

20 A. Yes. The content included by PPL in its March 2024 “Option to Prevent Disclosure of
21 Account Information” regarding the Eligible Customer List generated significant enough
22 concern among consumers that a local news segment “8 On Your Side” provided
23 additional information regarding the purpose of the ECL and its background.³⁶

³⁶ See <https://www.wgal.com/article/letter-says-ppl-is-releasing-your-personal-information/60205912>

1 4. ***Consumer Education***

2 **Q. PPL AND OTHER PARTIES HAVE SUGGESTED THAT THESE**
 3 **COMMUNICATIONS ARE IN THE NATURE OF CONSUMER EDUCATION.**
 4 **DO YOU AGREE?**

5 A. No. I am aware that when electric choice was introduced in Pennsylvania more than
 6 twenty-five years ago, and again when the EDCs' rate caps expired in the 2009-2010
 7 timeframe, the Commission implemented statewide customer education campaigns, as
 8 well as local community action plans, to generally educate retail customers about their
 9 ability to choose the provider that supplies their electricity.³⁷ More recently, as part of
 10 the Retail Markets Investigation ("RMI"), the Commission directed EDCs to send
 11 mailings to residential and small business customers to increase consumers' knowledge
 12 of the retail market in order to improve their willingness to explore competitive options.³⁸

13 I see two major differences between the PPL communications that RESA is
 14 challenging here, and the consumer education efforts implemented during the RMI and
 15 when electric choice was first launched. First, the content of the messages is far
 16 different. While the Commission was focused at those times on educating consumers
 17 about their ability to choose an electric provider and at otherwise increasing their
 18 knowledge of the retail market, PPL is communicating with supply customers about their

³⁷ *See Creation and Implementation of Statewide Consumer Education Program*, 1998 WL 34067531 (Pa.P.U.C.); *Re Statewide Consumer Education Program*, 2000 WL 1510096 (Pa.P.U.C.); *Investigation of Pennsylvania's Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2237952 (Order entered March 2, 2012, at 7-12) ("*Intermediate Work Plan Order*").

³⁸ *Intermediate Work Plan Order* at 7-12. *See also Investigation of Pennsylvania's Retail Electricity Market*, Docket No. I-2011-2237952 (Secretarial Letter dated December 15, 2011 (directed EDCs to produce and mail a PUC-endorsed postcard encouraging customers to shop for an EGS and promoting the Commission's shopping website). In addition, by Secretarial Letter dated May 21, 2012 at the same docket, the PUC noted the apparent effectiveness of the postcards, but delayed the mailing of the tri-fold flyers and the EDC letters by approximately six months each to avoid overwhelming consumers. The May 21, 2012 Secretarial Letter also referenced the PUC's responsibility to ensure that ratepayer funds are used as effectively as possible.

1 private contracts with EGSs, including the prices and the expiration dates, offering advice
 2 on how to compare offers, and highlighting an automatic return to PPL-provided default
 3 service as an option. Second, and perhaps more importantly, previous consumer
 4 education efforts were highly controlled by the Commission. By contrast, PPL has taken
 5 it upon itself – in a manner that suggests the Company knows more than the Commission
 6 does – to independently communicate with shopping customers and focus on the prices
 7 that supply customers are paying to the exclusion of any other issue. At least in this
 8 proceeding, PPL has sought the PUC’s authority to continue corresponding with SOP
 9 customers, but interestingly without a clear indication of the message(s) it would like to
 10 send or the frequency and timing of the same, or whether communications such as
 11 Exhibits MS-1 and MS-2 would be the only outreach to customers about their supply
 12 contracts.

13 **Q. PLEASE DESCRIBE WHAT YOU MEAN ABOUT THE PREVIOUS**
 14 **CONSUMER EDUCATION EFFORTS BEING HIGHLY CONTROLLED BY**
 15 **THE COMMISSION.**

16 A. As an example, in the *Intermediate Work Plan Order*, the Commission directed the
 17 specific mailings that EDCs would send and precisely when they would send them.

18 Below is language taken from the March 2, 2012 RMI Order:³⁹

19 In directing these initiatives, the Commission acknowledges that both the
 20 tri-fold flyer, which will be mailed in May 2012, and the EDC letter and
 21 FAQs, which will be mailed in October 2012, are to occur only once, as
 22 compared to the Commission-endorsed postcard, which is being re-
 23 established on an annual basis.

24 Note that these mailings should be completed using a process similar to
 25 the one established for the postcard mailing. Communications will supply
 26 to the EDCs any required layouts as a digital file, i.e., the tri-fold
 27 PAPowerSwitch.com flyer and FAQ, as well as printing specifications.
 28 Upon receipt of the digital file, EDCs will be responsible for having the

³⁹ *Intermediate Work Plan Order* at 10-11.

1 materials produced and mailed as expeditiously as possible, using current
 2 customer mailing lists to label and mail the materials to all residential and
 3 smallest general service rate class customers. EDCs shall notify [the
 4 Office of Competitive Market Oversight] via email at ra-OCMO@pa.gov
 5 when the mailing is initiated and upon its completion.

6 Additionally, the Commission controlled the content of the mailings. Although
 7 the Commission recognized that it may be beneficial if “some degree of editorial control”
 8 was left to the EDC, the Commission found that consistency in messaging was more
 9 important. Therefore, the Commission directed the Office of Competitive Market
 10 Oversight (“OCMO”) to circulate a standard letter, which would form a template for all
 11 EDCs to use, and which was developed with input from all stakeholders. The only
 12 option the Commission gave the EDCs for deviating from this template was to show good
 13 cause for such deviation and to submit a redlined version to the Commission staff for
 14 review and approval.⁴⁰

15 **Q. MS. STUMPF REFERS TO “EDUCATIONAL MATERIALS” THAT PPL HAS**
 16 **PROVIDED TO CONSUMERS.⁴¹ PLEASE COMMENT.**

17 A. Attached as RESA Exh. JO-8 are the “educational materials” that Ms. Stumpf has
 18 identified as being provided by PPL to consumers. As she notes, PPL did obtain PUC
 19 approval before sharing these materials with consumers. However, a review of this
 20 material shows that it goes well beyond an educational nature in that it is similar to the
 21 communications addressed above. For instance, this material focuses solely on price
 22 comparisons, urging customers to find the best deal or the lowest rate without any
 23 indication or acknowledgement of other factors that may be important to shopping
 24 customers.

⁴⁰ *Intermediate Work Plan Order* at 11.

⁴¹ PPL St. No. 3 at 20.

1 5. *PUC Prior Directives on PPL Communications*

2 **Q. HAS THE COMMISSION PREVIOUSLY ADDRESSED COMMUNICATIONS**
 3 **OF THE NATURE THAT PPL HAS RECENTLY SENT AND THAT IT IS**
 4 **PROPOSING TO SEND?**

5 A. Yes. In its default service plan filed in 2020, PPL included a proposal to implement a
 6 communication process informing EGS customers about their options after their SOP
 7 contracts expire. The communications were proposed to occur 90 days prior to the end of
 8 the SOP contract and involve calls, letters, emails and/or text messages. After EGSs
 9 raised objections to the proposed communications, on several grounds including the fact
 10 that EGSs did not have the same contact information for their supply customers enrolled
 11 via SOP, the Commission expressly rejected PPL’s proposal.⁴²

12 **Q. WHAT WAS THE COMMISSION’S RATIONALE?**

13 A. The Commission emphasized that it is the EGS, not PPL as the EDC, that has a
 14 relationship with the customer regarding their electric supply and that these notices
 15 should be sent by the EGS in accordance with the Commission’s regulations.
 16 Specifically with respect to customers participating in the SOP, the Commission
 17 described SOP as a Commission-approved EGS product offering containing various
 18 restrictions on price and terms of service. While the Commission indicated that an EDC
 19 is permitted to inform a customer of this EGS product offering, the Commission made
 20 clear that once the customer expresses an interest in the product and is transferred from
 21 PPL to a third-party service provider that provides more detail and enrolls the customer,
 22 “the EDC – PPL Electric – has no further role in administering the SOP.”⁴³

⁴² *Petition of PPL Electric Utilities Corporation for Approval of its Default Service Plan for the Period June 1, 2021 through May 31, 2025*, Docket No. P-2020-3019356 (Order entered December 17, 2020 at 2, 44-45, 92 and 98) (“*PPL DSP 5 Order*”).

⁴³ Id. at 93 (emphasis supplied).

1 The Commission went on to explain that after the customer is enrolled with the
2 EGS, it is the EGS, not the EDC, that provides generation supply pursuant to the contract
3 price and terms of service. In addition, the Commission stressed that “it is the EGS, not
4 the EDC, that is required to adhere to existing customer notification requirements,
5 including notices and the timing of those notices relating to proposed changes in the
6 terms and conditions of the EGS-customer relationship.”⁴⁴ Thus, the Commission
7 concluded that although the SOP initially serves to “bridge the gap” between a customer
8 and an EGS, “once a customer is enrolled with the EGS, the customer has a direct
9 relationship with the supplier and the supplier has the responsibility of providing all
10 required notices to the customer relating to the expiration of the SOP fixed duration
11 contract.”⁴⁵

12 **Q. DOES RESA VIEW THIS LANGUAGE FROM THE *PPL DSP 5 ORDER* AS**
13 **BEING EQUALLY APPLICABLE TO COMMUNICATIONS SENT TO EGS**
14 **CUSTOMERS WHO ENROLLED OUTSIDE THE SOP?**

15 A. Yes. Although I understand this is largely a legal issue that will be addressed in briefs, it
16 seems that the Commission’s rationale would apply more forcefully in a situation where a
17 customer has actively shopped for an EGS and entered into a contract with the EGS that
18 contains all the Commission required information to include specific details about how
19 and when the EGS will notify the shopping customer about contract expiration or
20 material changes – all with no intervention by PPL. While SOP customers were initially
21 referred to the program by PPL, other shopping customers have no link to PPL in terms
22 of purchasing their electric supply. Indeed, in the same way that PPL has no role in

⁴⁴ *PPL DSP 5 Order* at 94 (emphasis supplied).

⁴⁵ *Id.*

1 interacting with customers on supply issues once they have enrolled with an EGS through
 2 the SOP, PPL has no role in communicating with shopping customers who have selected
 3 EGSs in the competitive market about their supply contracts with EGSs. No Commission
 4 regulations require or authorize PPL to provide additional or other customer notices to
 5 EGS customers about the competitive supply contracts entered into directly between the
 6 EGS and the customer.

7 **Q. HAS THE COMMISSION PREVIOUSLY ADDRESSED THE TOPIC OF EDCS**
 8 **PROMOTING DEFAULT SERVICE?**

9 A. Yes. The Commission has previously cautioned against any efforts by the EDCs to
 10 promote default service, observing that a description of default service as a competitive
 11 option would be misleading to consumers.⁴⁶ Further, the Commission has found that it
 12 “has a substantial government interest in creating and promoting the formation of a
 13 vibrant and effective competitive market for electric generation,” which necessitates
 14 constraints on the marketing of default service.⁴⁷ The Commission has recognized that as
 15 an incumbent provider, “the EDC possesses an inherent advantage which could be used
 16 to undermine competition if unregulated marketing” of the default service role is
 17 permitted.⁴⁸

18 **Q. DOES THE COMPETITION ACT IMPOSE A BURDEN ON THE COMMISSION**
 19 **TO MONITOR THE COMPETITIVE MARKET?**

20 A. Yes. I am aware that Section 2811 of the Competition Act obligates the Commission to
 21 “monitor the market for the supply and distribution of electricity to retail customers and

⁴⁶ *Interim Guidelines Addressing Electric Distribution Companies’ Activities Relating to Their Provider of Last Resort Functions*, Docket No. M-00960890F0017, 1998 WL 975764 (Pa. P.U.C.) (Order entered November 19, 1998) (“*PLR Marketing Order*”).

⁴⁷ *Id.*

⁴⁸ *Id.*

1 take steps...to prevent anticompetitive conduct.”⁴⁹ If the Commission has reason to
 2 believe that anticompetitive conduct is preventing retail customers from obtaining the
 3 benefits of a properly functioning and workable competitive retail electric market, the
 4 Competition Act mandates referrals to other state and federal agencies.⁵⁰ In addition, the
 5 Commonwealth Court recognized this statutory obligation in affirming the Commission’s
 6 order, which found that information disseminated by PECO Energy Company to
 7 customers created confusion regarding customer choice. The Court further concluded that
 8 on that basis, referral to the Attorney General was appropriate.⁵¹ Here, to the extent that
 9 PPL’s communications with supply customers of EGSs are interfering with the
 10 development of a competitive retail market, it is my view that the Commission has an
 11 obligation to step in and ensure that is not happening.

12 **6. Impact of Communications on the Retail Competitive Market**

13 **Q. PLEASE SUMMARIZE HOW THE COMPETITIVE RETAIL MARKET HAS**
 14 **BEEN HARMED BY THE PPL COMMUNICATIONS AND WOULD CONTINUE**
 15 **TO BE HARMED BY THE SAME TYPE OF OUTREACH.**

16 A. The PPL communications that have been sent to supply customers of EGSs about their
 17 supply prices and supply contracts are harmful to the retail competitive market because
 18 they:

- 19 1) Insert PPL, the EDC, into the private contractual relationships of EGSs and their
 20 supply customers;
- 21 2) Emphasize a supply price that a customer is paying at a particular point in time that
 22 may mislead the customer and cause the customer to take actions that result in paying
 23 more for supply at a later point in time;
- 24 3) Focus on price – to the exclusion of all other issues, which overlooks other potential
 25 benefits of shopping;

⁴⁹ 66 Pa.C.S. § 2811(a).

⁵⁰ 66 Pa.C.S. § 2811(c).

⁵¹ *Mid-Atlantic Supply Ass’n v. Pennsylvania P.U.C.*, 755 A.2d 723 (2000), 2000 Pa. Commw. LEXIS 363.

- 1 4) Promote default service provided by PPL;
- 2 5) Offer advice to EGSs' supply customers regarding the terms and conditions of their
- 3 private supply contracts with EGSs; and
- 4 6) Have the potential to overload or confuse customers with unnecessary notices.

5 **Q. PLEASE CONTINUE.**

6 A. The PPL communications with supply customers of EGSs about their supply prices and
7 supply contracts are harmful to the retail competitive market because they inappropriately
8 insert PPL as the EDC into the private EGS-customer contractual relationship. As PPL is
9 not the entity providing electric generation service to customers purchasing their supply
10 from EGSs, PPL has no role in communicating with these customers about the terms and
11 conditions of these private contracts.

12 Further, the PPL communications are misleading in that they focus on a supply
13 price that a customer is paying at a particular point in time, which may cause the
14 customer to take actions that result in the customer paying more for supply at a later point
15 in time. For instance, a customer may be in a long-term contract with an EGS paying a
16 supply price in a certain month that is higher than PPL's PTC. Upon comparing those
17 prices, the consumer may be persuaded to return to default service. The next time the
18 default service price changes, the customer could be paying more to PPL than the
19 customer would have been paying under the supply contract with the EGS.

20 In addition, PPL's focus on price – to the exclusion of all other issues – overlooks
21 the other benefits of shopping, including the long-term nature of a contract and the
22 associated price stability; a renewable product that the customer may desire for
23 environmental reasons; a TOU rate a customer may elect as a way of controlling the

1 overall energy bill;⁵² a fixed monthly amount that provides certainty but is not easily
2 comparable to the PTC; or other value-added services that are important to the customer.
3 Value-added services include a wide array of offers, such as a free smart thermostat,
4 mileage, shopping and restaurant discounts, charitable contributions, and numerous other
5 countless advantages that customers choose, regardless of the supply price.

6 The PPL communications also promote default service by encouraging customers
7 to cancel their contracts with EGSs, which results in an automatic return to PPL's default
8 service and may result in early termination fees. It is inappropriate for PPL to present its
9 own default service as among the options the customer may select.

10 Further, the PPL communications offer advice to EGS's supply customers
11 regarding the terms of their electric supply contracts, including prices. In suggesting
12 actions that customers should take concerning the supply contracts, PPL is portraying
13 itself as an expert and a trusted source on the purchase of electricity.

14 Finally, given the Commission's requirements for EGSs to provide detailed
15 notices to their supply customers about the prices and their options upon the expiration of
16 contracts, the PPL communications have the potential to overload or confuse customers,
17 particularly when the Commission is also sending out notices regarding these matters.

⁵² For example, a simple TOU product like "Free Saturdays" that saves the customer money on a monthly basis, due to the customer managing usage throughout the week, may have a kWh charge on other days that exceeds PPL's PTC for default service.

1 7. ***PPL Should Focus on Core Functions***

2 **Q. ARE THERE OTHER REASONS WHY PPL SHOULD NOT BE PERMITTED**
 3 **TO COMMUNICATE WITH CUSTOMERS OF SUPPLIERS ABOUT THEIR**
 4 **SUPPLY CONTRACTS AND SUPPLY PRICES?**

5 A. Yes. PPL does not “own” the customer or have any role or responsibility in advising
 6 customers as to the actions they should take regarding their private supply contracts with
 7 EGSs. The Commission has already made this point clear: “we feel compelled to state
 8 once again that the Commonwealth’s EDCs do not ‘own’ their customers. We feel
 9 strongly that our EDCs must rid themselves of this mindset, which is a relic from the pre-
 10 competition days of vertically integrated service provided by a single entity.”⁵³

11 In my view, PPL would be well-advised to focus on its core distribution
 12 functions, including the timely issuance of bills that include EGS charges,⁵⁴ rather than
 13 devoting resources to an area that lies outside their statutory duties as an EDC. Of note,
 14 to the extent that customers call PPL with questions about their supply contracts or
 15 prices, PPL would have no information to provide as the Company knows nothing about
 16 the terms of service in the EGSs’ private contracts with consumers. Yet, through its
 17 communications, PPL promotes default service and implies that the EDC has a superior
 18 role in terms of notifying supply customers of EGSs of their options following the
 19 expiration of their contracts.

⁵³ *Petition of PECO Energy Company for Expedited Approval of its Dynamic Pricing Plan Vendor Selection and Dynamic Pricing Plan Supplement*, Docket No. P-2012-2297304 (Order entered September 26, 2012, at 13).

⁵⁴ *See, e.g., Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement v. PPL Electric Utilities Corporation*, Docket No. M-2023-3038060, Opinion and Order entered May 16, 2024 (PPL investigated and ultimately agreed to a settlement regarding “multiple PPL billing system malfunctions caused by technical issues [which] rendered customer meter data unavailable in the Company’s customer service system, resulting in the promulgation of unusually high or low estimated bills, or no bills at all.”)

1 Specific regulatory requirements established by the Commission govern how and
2 when EGSs are to communicate with their customers about contract changes and
3 expiration. EDCs do not have any similar contracting or notice requirements regarding
4 default service nor do the Commission regulations require or authorized the EDCs to
5 communicate with EGS customers about the competitive supply contracts. By paving its
6 own path and unilaterally inserting itself into the middle of the EGS-customer
7 relationship, PPL is essentially signaling that the EDC knows better than the Commission
8 as to the customer notice requirements that should be followed.

9 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATION REGARDING PPL'S**
10 **PROPOSED COMMUNICATION WITH EGS SOP CUSTOMERS IN THE**
11 **MONTH PRIOR TO CONTRACT EXPIRATION.**

12 A. The proposal must be rejected. PPL's past communications, as I described above, make
13 clear that PPL is communicating EGS contract information which is beyond the scope of
14 PPL's knowledge, and this communication is misleading, sometimes inaccurate, and has
15 no reasonable role in the competitive marketplace. I do not discount the value of accurate
16 communications by the EDC, but that has not occurred here. Beyond rejecting PPL's
17 specific communication proposal, RESA members strongly believe that the statewide
18 investigation I discussed, focused on Commission approved messaging and guidelines for
19 the EDCs, would be a much better outcome for consumers and the competitive market as
20 a whole.

21 **C. PPL's Other Proposed Changes to the SOP**

22 **Q. PLEASE DESCRIBE THE OTHER CHANGES THAT PPL IS PROPOSING TO**
23 **MAKE TO ITS STANDARD OFFER PROGRAM.**

24 A. Besides inserting itself into the communication process with EGS supply customers
25 regarding SOP contract expiration, PPL is proposing several other modifications to the

1 SOP, including: (1) requiring SOP suppliers to automatically transfer SOP customers to
 2 default service upon the expiration of the SOP contract unless the customer affirmatively
 3 elects to remain a shopping customer or, alternatively, requiring EGSs to provide post-
 4 contract notices for SOP customers who take no affirmative action at the end of the SOP
 5 contract; (2) increasing the current SOP referral fee from \$28 to \$33 per referral; (3)
 6 requiring suppliers to lock in their participation status in the SOP 20 days, rather than 5
 7 days, before the start of the period; and (4) requiring customer service representatives to
 8 offer the SOP to customers only once per month. PL is also proposing to modify the SOP
 9 script to adjust for any changes that may be approved by the Commission.⁵⁵

10 **Q. PLEASE SUMMARIZE RESA’S RECOMMENDATIONS REGARDING THESE**
 11 **PROPOSED SOP CHANGES.**

12 A. RESA opposes PPL’s proposals to require that shopping customers acquired by EGSs
 13 through the SOP be automatically returned to default service. As the Commission
 14 previously stated in rejecting this proposal of PPL in its last default service proceeding,
 15 automatically returning EGS customers who have elected to receive service from an EGS
 16 to the default service provider is “a restriction on competition” and inconsistent with the
 17 Commission’s orders and regulations.⁵⁶ Nothing about PPL’s proposal here overcomes
 18 the soundness of the Commission’s prior findings. PPL’s alternative approach, whereby
 19 EGSs would be required to provide post-SOP contract expiration notices, suffers from the
 20 same anti-competitive concerns in that it fails to recognize current notice requirements of
 21 EGSs in this situation and places additional, and unreasonable, regulatory burdens on the
 22 ability of EGSs to provide competitive service. For all these reasons, PPL’s SOP initial

⁵⁵ DSP VI Plan ¶ 105; PPL St. No. 3.

⁵⁶ *PPL DSP 5* at 95.

1 and alternative proposals should be outright rejected. To the extent the Commission is
 2 inclined to address the issues raised by PPL about the “savings” provided to customers
 3 participating in the SOP, then I recommend that consideration be given to reforming the
 4 program to require EGSs to provide an initial price equal to the default service rate and
 5 the marketing of the SOP as a “guaranteed savings” program be ceased.

6 *1. Automatic Transfer to Default Service*

7 **Q. WHAT IS RESA’S POSITION REGARDING AN AUTOMATIC TRANSFER OF**
 8 **SOP CUSTOMERS TO DEFAULT SERVICE UPON EXPIRATION OF THE SOP**
 9 **CONTRACT ABSENT AFFIRMATIVE CUSTOMER CONSENT TO REMAIN**
 10 **WITH THE EGS?**

11 A. RESA opposes PPL’s proposal to automatically return SOP customers to default service
 12 when their contracts with the EGSs expire. At the outset, I am advised by counsel that
 13 the Commission rejected this very same proposal as part of PPL’s last default service
 14 proceeding.⁵⁷ RESA notes that the only reason offered by PPL for this proposal is that
 15 some customers pay more than the PTC after expiration of the SOP contracts. As noted
 16 above, this is a misleading comparison for a variety of reasons and, therefore, should not
 17 be the basis for making any SOP modifications. Moreover, automatically returning
 18 customers to default service who do not make an affirmative election to stay with the
 19 EGS is a fundamental change to the way that electric choice has been implemented for
 20 over two decades – well before SOPs were developed. Despite modifications to the rules
 21 over the years, it has long been settled that a customer who is receiving supply from an
 22 EGS in the market will remain in the market at the conclusion of the contract unless the
 23 customer affirmatively elects to return to default service. Changing the rules of the road

⁵⁷ *Petition of PPL Electric Utilities Corporation for Approval of Its Default Service Plan For the Period June 1, 2021 Through May 31, 2025*, Docket No. P-2020-3019356, Opinion and Order entered December 17, 2020 at 92-102.

1 at this time for customers participating in the SOP would lead to confusion – something
2 that PPL seems to be seeking to avoid.

3 The PUC has spoken. When a contract is about to expire, an EGS is required to
4 notify customers twice – through an Initial Notice and Options Notice. As the
5 Commission recently stated in the context of PPL’s prior default service proceeding, “it is
6 well-established that a lack of action on the part of the customer results in the customer
7 being automatically renewed with the same EGS.”⁵⁸ The customer is free to leave at any
8 time and to do so without any cancellation fee. No rationale exists for changing this rule.

9 Another reason for keeping the current construct in place is general consumer
10 inertia. Former Commissioner James Cawley described the scenario well when he
11 explained that the “fundamental problem with the current default supply structure is that
12 the majority of consumers will not make a proactive decision to choose an energy
13 supplier when they are provided a default supplier if they do not choose one.”⁵⁹ He
14 pointed out that this “is especially so when customers are accustomed to receiving
15 complete service from their electric utility.”⁶⁰ Using the service territory of Duquesne
16 Light Company as an example, Commissioner Cawley noted that multiple supplier offers
17 were available that would be more than 20% lower than the utility’s prices but that the
18 vast majority of customers were still not shopping. Based on this scenario, he concluded
19 that “mass market customers, including residential and small commercial customers,
20 often will not make affirmative choices for their supplier unless they are required to.”⁶¹

⁵⁸ *PPL DSP 5 Order* at 94.

⁵⁹ *Investigation of Pennsylvania’s Retail Electricity Market*, Docket No. I-2011-2237952 (Concurring and Dissenting Statement dated September 27, 2012) at 1.

⁶⁰ *Id.*

⁶¹ *Id.* at 2

1 This rationale applies equally to a situation where a customer is expected to affirmatively
2 elect to stay with the EGS at the end of the contract term.

3 **Q. WILL THE SOP CONTINUE IF PPL'S PROPOSAL TO AUTOMATICALLY**
4 **RETURN SOP CUSTOMERS TO DEFAULT SERVICE UPON CONCLUSION**
5 **OF THE SOP CONTRACT IS ADOPTED?**

6 A. No. Approving PPL's proposal will result in the end of the SOP program as EGSs will
7 likely elect not to participate. I am advised by counsel that the Commission has long
8 recognized the value of a well-designed SOP and memorialized this in its Default Service
9 Policy Statement in 2007.⁶² In furtherance of this goal, the Commission embarked upon
10 a nearly three-year process that led to implementation of the SOP in place in PPL today.
11 The Commission continues to actively monitor the functioning of the SOP programs and
12 provides monthly statistics about performance.⁶³ Given that EGS participation in SOP is
13 voluntary, EGSs must balance a number of factors in determining whether to participate.
14 These factors include the requirement to pay a \$28 referral fee for every customer
15 referred, the requirement to hold the SOP contract price for 12-months without regard to
16 market conditions and the opportunity to retain the SOP customer after the end of the
17 SOP contract. PPL's proposal to automatically return SOP customers to default service
18 who take no affirmative action to the contrary, coupled with PPL's proposed "win-back"
19 communications to SOP customers before the EGS sends any Commission required
20 notice of what they will offer after SOP contract expiration, significantly increases the
21 likelihood that EGSs will not have a fair opportunity to retain their SOP customers after
22 contract expiration. Without a fair opportunity to retain SOP customers (for whom the

⁶² 52 Pa Code § 69.1815.

⁶³ <https://www.powerswitch.com/about-switching-electricity/standard-offer-program/#>

1 EGS already paid to PPL a \$28 referral fee and assumed the risk of changing market
2 conditions to hold a discounted rate), it is highly likely EGSs will not agree to participate
3 in the future SOP.

4 **Q. DO YOU HAVE OTHER CONCERNS ABOUT PPL'S AUTOMATIC PROPOSAL**
5 **REGARDING CUSTOMER SUPPLY SERVICE?**

6 A. Yes. I do not understand how PPL's proposal is different from "slamming," i.e. an
7 unauthorized switch of a customer's service. PPL is proposing to automatically switch
8 the customer from SOP back to default service before receiving the customer's consent to
9 do so. EGSs are strictly prohibited by the Commission from engaging in such behavior,
10 are required to follow specific rules to ensure the customer has authorized the switch and
11 face substantial consequences for any failure to comply with the requirements.⁶⁴ I
12 recognize some parties may argue the difference here is that this is a Commission
13 approved program and the Commission can approve the automatic return of the customer
14 to default service. Setting aside the legal principles embedded in these arguments,
15 automatically returning any EGS customer to EDC provided default service in the current
16 market structure, which already advantages EDC provided default service, further robs
17 customers of the ability to freely shop for competitive service. And, as I stated earlier, I
18 believe this restriction will have the result of ending the SOP program in PPL's service
19 territory, which will result in harm to customers by taking away a shopping avenue
20 currently accessible to them.

⁶⁴ 52 Pa. Code § 111.7.

1 **Q. IS THERE ANOTHER TROUBLING ASPECT OF PPL'S PROPOSAL**
2 **REGARDING AN AUTOMATIC RETURN TO DEFAULT SERVICE?**

3 A. Yes. PPL is proposing to inform customers, prior to enrollment in the SOP, that they
4 will be automatically transferred to default service upon contract expiration unless the
5 customer takes affirmative action. Under PPL's proposal, customers would be required
6 to consent to this return to default service as a condition of enrollment. Further, EGSs
7 would be required to provide an additional notice to SOP customers, beyond that
8 established by the PUC, explaining that the SOP contract is ending and detailing what the
9 customer is currently paying for supply as compared to what they will be paying when
10 the SOP contract expires. As proposed by PPL, this notice would also include the current
11 PTC.⁶⁵

12 **Q. PLEASE DESCRIBE RESA'S POSITION.**

13 A. RESA opposes PPL's proposals to communicate about the end of the SOP contract with
14 customers prior to their entering into an SOP contract and for EGSs to be required to send
15 a notice to customers beyond those required by the PUC's regulations. Permitting PPL to
16 communicate with potential SOP customers about the end of the SOP contract is of grave
17 concern given PPL's demonstrated use of its platform to improperly message information
18 about the competitive market. As to the requirements for EGSs to provide additional
19 notice, RESA believes that the PUC's regulations are adequate to inform customers of
20 their options and changes are unnecessary, particularly given PPL's proposal to place an
21 emphasis – once again – on price as the only factor that is relevant to a customer's
22 decision.

⁶⁵ PPL St. No. 3 at 17-18.

1 **Q. IF THE COMMISSION IS INCLINED TO TAKE ACTION TO ADDRESS**
2 **CONCERNS ABOUT EGS PRICING FOLLOWING THE EXPIRATION OF AN**
3 **SOP CONTRACT, IS THERE ANOTHER OPTION TO BE CONSIDERED?**

4 A. For all the reasons discussed previously RESA opposes adoption of this proposal and
5 believes that were it to be adopted, it would effectively terminate the SOP as EGSs will
6 likely not elect to participate in the program. Moreover, I am concerned about the wider
7 impact of adoption on the current structure of the competitive market where, as the
8 Commission itself has noted, the status quo is that shopping customers remain with their
9 EGS upon contract expiration unless they select a different option. Adopting PPL's
10 proposal here would be the first "exception" made by the Commission to the current rule.
11 While I recognize it would be in the context of a Commission approved program, I am
12 gravely concerned that eventually it will be applied to all shopping customers which
13 would be a devastating blow to the retail competitive market in Pennsylvania. If,
14 however, the Commission is persuaded to take action regarding the prices paid by SOP
15 customers following expiration of their SOP contract then RESA recommends
16 consideration be given to changing the program requirements so that EGSs are required
17 to offer an initial price equal to the then-current default service rate and marketing of the
18 SOP as a "guaranteed savings" program be discontinued. By doing this, expectations
19 regarding price savings would be removed which would fully address the concerns
20 identified by PPL in a more reasonable manner.

21 **2. PPL Alternative Recommendation – EGS Post-Contract Notices**

22 **Q. DOES PPL OFFER AN ALTERNATIVE PROPOSAL TO ITS PRIMARY**
23 **RECOMMENDATION THAT EGS CUSTOMERS WITH SOP CONTRACTS BE**

1 **AUTOMATICALLY RETURNED TO DEFAULT SERVICE UNLESS THEY**
 2 **TAKE AFFIRMATIVE ACTION TO THE CONTRARY?**

3 A. Yes. According to Witness Stumpf, PPL posits that another way to “protect” customers
 4 who take no action at the end of the SOP contract is to require additional communication
 5 from the SOP supplier. To that end, she suggests that each month after expiration of an
 6 SOP contract, the EGS be required to provide communication to its customer which: (1)
 7 explains that the SOP contract has ended; (2) provides the SOP contract price, the EGS’s
 8 then-current price being charged to the customer, and the current PTC; and, (3) includes
 9 instructions on how to choose what action to take after the SOP contract expires.
 10 According to Witness Stumpf, these options would include: (1) staying with the current
 11 supplier; (2) returning to default service; or (3) shopping for a different competitive
 12 product on PA Power Switch.com. Finally, Ms. Stumpf explains PPL’s proposal
 13 regarding this additional monthly EGS communication to its customer would end after
 14 the customer takes some affirmative action.⁶⁶

15 **Q. DO YOU AGREE THAT PPL’S ALTERNATIVE RECOMMENDATION**
 16 **REGARDING MONTHLY POST-CONTRACT NOTICES TO FORMER SOP**
 17 **EGS CUSTOMERS SHOULD BE APPROVED?**

18 A. No. In addition to all the reasons discussed previously about why RESA opposes PPL’s
 19 primary recommendation to automatically return EGS SOP contract customers back to
 20 default service upon SOP contract expiration and to require additional EGS notice
 21 requirements, PPL’s proposal is wholly unnecessary given the regulations applicable to
 22 all EGSs upon contract expiration. More specifically, 52 Pa. Code 54.10(2)(A)(I) already
 23 includes the requirement that EGSs provide notice of a subsequent change in pricing to

⁶⁶ PPL St. No. 3 at 21-22.

1 the customer at least 30 days prior to the new price being charged for customers failing to
2 respond to EGS's contract expiration notices and are converted to a month-to-month
3 contract. For EGS customers who fail to respond to the EGS's contract expiration
4 notices and are entered into a new fixed duration contract, the EGS is required to provide
5 the fixed, per kilowatt-hour price to be charged and term length of the contract pursuant
6 to 52 Pa Code 54.10(2)(B). In both instances, when the SOP contract expires and the
7 customer will be served pursuant to a new EGS contract, the EGS is required to provide
8 the customer new written disclosure of the terms of service pursuant to 52 Pa. Code
9 54.5(b)(2). Of note, Ms. Stumpf has failed to consider the costs to EGSs of this
10 additional notice requirement, while simultaneously acknowledging that PPL recovers its
11 communications costs through distribution – not default service – rates.⁶⁷

12 **Q. BASED ON YOUR REVIEW OF PPL'S ALTERNATE PROPOSAL AND THE**
13 **REGULATIONS ALREADY APPLICABLE TO EGSS, WHAT DO YOU**
14 **CONCLUDE?**

15 A. I conclude that PPL's alternate proposal is wholly unnecessary as the Commission's
16 regulations already deal with the issue with which PPL expresses concern and the
17 Commission's clear pronouncement about how EGSs are to handle it controls. Adding
18 PPL's proposal will increase costs for EGSs that will need to be factored into their
19 decision about whether to participate in the SOP. Further, multiple notices to customers
20 will be confusing. For these reasons, PPL's alternative proposals regarding SOP should
21 be rejected.

⁶⁷ PPL's Response to I-16.

1 **Q. IF THE COMMISSION IS INCLINED TO ADOPT PPL’S ALTERNATE**
 2 **PROPOSAL TO REQUIRE EGSS TO PROVIDE MONTHLY POST SOP**
 3 **CONTRACT NOTICES, WHAT WOULD RESA RECOMMEND?**

4 A. If the Commission is inclined to consider PPL’s alternative approach as a way to address
 5 concerns about EGS pricing following the expiration of an SOP contract, then RESA
 6 recommends that consideration be given to reforming the current SOP structure to require
 7 EGSs to offer an initial price that is equal to the then-current default service rate and that
 8 marketing of the SOP as a “price savings guaranteed” program be ceased. Adopting this
 9 approach is far more reasonable and not anti-competitive as the ones proposed by PPL.

10 **3. PPL Proposed Increase to EGS SOP Referral Fee**

11 **Q. WHAT IS THE REASON OFFERED BY PPL TO INCREASE THE SOP**
 12 **REFERRAL FEE FROM \$28 TO \$33 PER CUSTOMER REFERRAL.**

13 A. The purported reason for this allegedly “modest” increase is because PPL has determined
 14 it is “no longer a market rate for this type of service” and is needed “so that [PPL’s
 15 vendor] can be compensated appropriately for the service being provided.”⁶⁸

16 **Q. DOES RESA SUPPORT THE PROPOSED INCREASE IN SOP REFERRAL**
 17 **FEE?**

18 A. No. PPL’s proposals in this proceeding are eroding the potential effectiveness of the
 19 SOP while proposing to add new costs to EGSs in the form of additional notices. Aside
 20 from more “appropriately” compensating its SOP vendor, PPL has offered no analysis or
 21 information to support this cost increase. PPL’s proposed cost increase to EGSs is
 22 another factor they will have to consider when assessing whether to participate in PPL’s
 23 SOP. This proposal, along with the other proposed SOP changes, are decreasing the
 24 likely attractiveness to the EGSs of participating in the SOP and, to the extent no EGSs

⁶⁹ PPL St. No. 1 at 13-15.

1 participate in the SOP, such result harms the ability of customers to avail themselves of
 2 this EGS product. Taken together, all of PPL’s proposals regarding SOP in this
 3 proceeding are essentially acting as a death by a thousand cuts for the SOP program.
 4 This would be an unfortunate result for customers and dismantle all of the work by the
 5 Commission over the years to develop and implement competitive market programs to
 6 support the ability of customers to shop and EGSs to develop competitive products and
 7 services.

8 **D. Procurement Approach**

9 **Q. DOES PPL PROPOSE TO MODIFY ITS PROCUREMENT APPROACH IN**
 10 **OBTAINING SUPPLY FOR RESIDENTIAL AND SMALL COMMERCIAL**
 11 **DEFAULT SERVICE CUSTOMERS?**

12 A. Yes. The Company is proposing to modify its procurement approach under DSP VI. As
 13 proposed, the DSP VI Program would utilize 12- and 24-month Fixed-Price Full
 14 Requirements contracts to meet the electricity demand of Residential and Small C&I
 15 Default Service customers, eliminating the 6-month contract terms except for the
 16 Transition Period.⁶⁹

17 **Q. WHAT IS YOUR VIEW OF THE REASONS WHY PPL IS PROPOSING TO**
 18 **ELIMINATE 6-MONTH CONTRACTS FROM ITS PROCUREMENTS FOR**
 19 **RESIDENTIAL DEFAULT SERVICE SUPPLY?**

20 A. According to PPL witness Castanaro, the Company prefers this approach because it “is
 21 intended to achieve more price stability for customers.”⁷⁰ However, I do not believe that
 22 the overarching goal of default service ratemaking should be ensuring that the default
 23 service product provides “price stability.” Default service, as I understand it, is intended

⁶⁹ PPL St. No. 1 at 13-15.

⁷⁰ PPL St. No. 1 at 15.

1 to ensure that customers who do not choose an EGS, or customers whose selected EGS is
2 unable to deliver supply, continue to receive electricity. Specific goals of the customer,
3 to include price stability, can be met in the competitive market by EGSs so long as EGSs
4 are able to offer competitive products and services. Continuing to make changes in the
5 way default service products are procured erode the ability of EGSs to offer viable
6 competitive products while also further entrenching the anti-competitive hold EDCs have
7 on providing that product with every change and maintaining their sole right to bill every
8 customer for EGS services is not consistent with the goals of the Competition Act.
9 Customers desiring price stability for their generation supply must have access to such
10 products through the retail competitive market and that access can only happen if the
11 structures are in place to support the ability of EGSs to make such offers.

12 **Q. DID THE COMPANY PURPORT TO CONSIDER THE IMPACT OF THESE**
13 **PROPOSALS ON RETAIL COMPETITION?**

14 A. Yes. In Direct Testimony, PPL witness Cavicchi stated that he had considered the impact
15 of these proposals on retail competition. To do so, he examined EGS supply offers in
16 PPL's service territory and found that many of them were for a term of 12 months or
17 longer, meaning that this proposed shift, in his view, would make PPL's default service
18 rates "better aligned with EGS offer terms."⁷¹ While acknowledging that PPL's DSP V
19 Plan's product mixture may have created opportunities to persuade default service
20 customers to shop, Mr. Cavicchi believes that the proposed changes will "continue to
21 provide an opportunity for EGSs to make competitive offers to default service
22 providers."⁷²

⁷¹ PPL St. No. 2 at 29.

⁷² Id.

1 **Q. PLEASE RESPOND.**

2 A. At the outset, I note that Mr. Cavicchi’s comparison of the default service rate to
3 suppliers’ pricing offers and effort to “design” a default service product that matches
4 what is in the competitive market at any particular point in time is fraught with the
5 shortcomings identified earlier in my testimony due to the different factors that go into
6 those rates and prices and the inherent advantages and customer bias toward EDC
7 provided default service. Of particular note in this instance is the fact that default service
8 rates are established through a retroactive competitive procurement process and then
9 reconciled on a proactive basis, meaning they are not at all comparable to supply offers
10 being offered at the present time and based on a variety of other factors – none of which
11 is regulatory certainty that is guaranteed by a reconciliation process. Further, it is
12 noteworthy that Mr. Cavicchi recognizes that it would be more difficult for EGSs to
13 compete with the prevailing default service rate if it is established over a longer period of
14 time, and therefore, less reflective of current market conditions. As I have previously
15 testified, customers who place a priority on longer-term price stability have access to
16 such products in the competitive retail market, and it is not the EDC’s role to structure
17 the default service rate in such a manner. In my opinion, the Commission should direct
18 PPL to focus on providing a reasonably structured default service product that maximizes
19 the ability of EGSs to develop competitive products and services rather than designing a
20 product PPL thinks customers want based on competitive offers in the market. An
21 advantage of the competitive market is that similarly situated companies are competing,
22 on equal footing, with one another to acquire customers. As they have no historical hold
23 on the customers and no inherent advantages, like the exclusive right to bill and
24 guaranteed full cost recovery, competitive suppliers have to focus on what customers

1 want and offer those products. Thus, RESA does not support the view that PPL should
 2 be attempting to design a default service product based on what it thinks customers want
 3 based on what is being offered by EGSs.

4 **E. Procurement of Solar Alternative Energy Credits (“AECs”)**

5 **Q. WHAT IS PPL PROPOSING REGARDING THE PROCUREMENT OF SOLAR**
 6 **AECS?**

7 A. PPL is proposing to procure up to 30,000 PA Solar AECs under a long-term 20-year
 8 contract using a staggered approach of two auctions, each procuring 15,000 Solar
 9 AECs.⁷³

10
 11 **Q. DOES RESA SUPPORT THIS PROPOSAL?**

12 A. No. RESA does not support the use of the proposed process of entering into a 20-year
 13 contract to obtain solar AECs and allocating them only to default service load. The 20-
 14 year pricing scheme determined at the formation of the contract may or may not
 15 accurately reflect the actual market price in the next ten years. However, the agreed-to
 16 contract price will be factored into the resulting default service rate, which is the rate
 17 against which consumers have been educated to judge competitive offers (i.e., the Price-
 18 to-Compare or PTC).

19 Competitive energy suppliers have the same AEPS requirement to acquire solar AECs
 20 for shopping customers; and, the cost to these competitive energy suppliers to satisfy the
 21 solar AEC legal requirement is necessarily factored into the retail price that the
 22 competitive suppliers can offer customers. The use of long-term contracts to forecast and
 23 set the cost of solar AECs over a 20-year period for default service customers leads to a

⁷³ PPL St. No. 1 at 31-32.

1 PTC misaligned with market forces. Again, because consumers have been educated to
2 judge competitive supplier offers based on a comparison with the PTC, there could be a
3 situation where supplier offers reflecting the then-current market price of solar AECs are
4 priced higher than the PTC because PPL entered into a long-term contract for cheaper
5 solar AECs. In this situation, consumers will likely not consider availing themselves of
6 competitive supplier options. Educating consumers to judge supplier products based on
7 price and then permitting the default service provider to include components in the PTC
8 that are divorced from market signals does not lead to a level playing field in which
9 competitive suppliers have a fair opportunity to develop viable products and services for
10 consumers.

11

12 VI. SUPPLEMENTAL DIRECT TESTIMONY

13 **Q. DID RESA SERVE DISCOVERY ON PPL REGARDING ITS INITIAL FILING?**

14 A. Yes. I am advised by counsel that discovery was served on May 20, 2024 and that,
15 according to the procedural schedule entered in this proceeding, objections to discovery
16 were due on May 23, 2024 and the responses were due on May 30, 2024.

17 **Q. DID YOU RECEIVE TIMELY RESPONSES TO THE RESA DISCOVERY**
18 **REQUESTS?**

19 A. No. On May 31, 2024, PPL served partial responses regarding 10 of the 25 questions
20 asked. I also understand that they only served to counsel for RESA the non-confidential
21 version of one of the responses and have not yet provided the confidential version,
22 though Non-Disclosure Agreements were provided to counsel on May 30, 2024.

23 Although additional responses were served after 11:00 a.m. on the date this testimony

1 was due to be served and have been incorporated to the degree possible, time has not
2 allowed RESA to fully review and incorporate responses that may be needed.

3 **Q. HAS THE LACK OF THESE DISCOVERY RESPONSES IMPACTED YOUR**
4 **ABILITY TO PROVIDE THIS TESTIMONY?**

5 A. Yes and, therefore, I am specifically reserving my right to supplement this direct
6 testimony upon receipt from PPL of the full and complete responses to the discovery
7 requests and allow RESA a reasonable opportunity to review and digest the answers.

8 **VII. CONCLUSION**

9 **Q. DOES THAT COMPLETE YOUR DIRECT TESTIMONY?**

10 A. Yes, it does. However, I reserve the right to supplement this testimony upon my review of
11 PPL's missing discovery responses.

VERIFICATION

I, Joseph Olikier, hereby state that: (1) I am Deputy General Counsel of Interstate Gas Supply, LLC d/b/a IGS Energy; (2) the facts set forth in my direct testimony are true and correct (or are true and correct to the best of my knowledge, information and belief); and, (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 06/03/2024 | 2:25 PM EDT

DocuSigned by:
Joseph Olikier
DD3D31FD2DBC400...

Joseph Olikier
Deputy General Counsel
Interstate Gas Supply, LLC d/b/a IGS Energy

RESA Ex. JO-1

Default Service Pricing Has Been Wrong All Along,
by Frank Lacey, Electric Advisors Consulting,
Public Utilities Fortnightly, January 2019

Default Service Pricing Has Been Wrong All Along

Allows Utilities to Maintain Dominance in Markets

By Frank Lacey, Electric Advisors Consulting

Default service prices have been wrong for two decades.

Most of the states that have implemented competition in electric and gas sales have employed a Provider of Last Resort, POLR, or default service to supply electricity to customers who do not select an alternative provider. Yet the utilities allocate few to no “costs to serve customers” to default service rates.

This practice has allowed the incumbent utilities to price default service below market rates. And it has allowed them to maintain unregulated monopoly-like power and dominant market positions in the energy markets in their respective service territories.

The failure to allocate costs appropriately to a utility business unit is in direct conflict with cost allocation guidance from the National Association of Regulatory Utility Commissioners, NARUC. Until the default service pricing distortion is corrected, utility default service providers will continue to hold an anti-competitive pricing advantage in the provision of retail electricity service.¹ Regulators should act to correct this major market flaw.

Default Service Rates Artificially Low

Several states have deregulated or restructured their energy markets to allow consumers to choose their own electric and or gas supplier. With few notable exceptions, the deregulation models adopted in these states called for the incumbent utility to become the POLR or default service provider.²

While initially envisioned to serve a small number of customers who needed a “last resort” provider, the market rules incorporated into most restructured markets placed all customers on last resort service at the inception of retail competition, making it more of a “default” service.

Because an appropriate amount of costs are not allocated to default service, customers are reluctant to leave their incumbent utility. They are receiving electricity that is subsidized by distribution rates.

The default service pricing subsidy provides the incumbent utilities with what are effectively unregulated monopolies. Default service customers are not being charged an amount that is reflective of the cost to serve them.

The lack of any meaningful cost allocations to default service allows (requires) the incumbent utilities in restructured states to understate the price of retail electricity. This practice effectively eliminates competitive suppliers from functioning in those markets.

This pricing error leads to numerous market flaws. Distribution rates are too high. Default service rates are too low. Customers

Frank Lacey has worked in competitive energy markets since their inception as a consultant to utilities navigating restructuring and as a direct market participant once the markets opened. After more than twenty years in the industry, he launched Electric Advisors Consulting, in the fall of 2015. His focus is assisting clients with energy market issues – regulatory, strategic and business. His clients include energy market participants and end-use consumers. He can be reached at frank@eacpower.com.

The failure to allocate costs appropriately to a utility business unit is in direct conflict with cost allocation guidance from NARUC.

are receiving incorrect and inappropriate price signals from their host utilities.

Customers who have switched to competitive suppliers are subsidizing those who stay on default service. And competitive suppliers are at a distinct pricing disadvantage compared to default service providers, allowing the utility market power to proliferate in retail energy markets.

This pricing incongruity allows utilities to maintain a stronghold over customers in their service territory. It also has given rise to claims about overcharging by competitive suppliers.

Freestanding Default Service Business Couldn't Survive

It is easy to prove the anti-competitive pricing in default service. One only needs to contemplate how long a default service business could operate if it was removed from the distribution company but kept its current cost structure intact. The short answer is that it would survive for only a very short period of time – technically, not even a day.

Default service companies need to issue tens of thousands of invoices every day and then need to process revenues as they come in. But because no costs to serve customers are allocated to default service businesses, there would be no money to pay any employees to perform those functions, nor any other function involved in running a default service business.

The current default service businesses would be bankrupt in a matter of days, or even hours, if they were operated outside of the distribution utilities. Clearly, this is a fundamentally flawed

Fig. 1 COMPARATIVE ELECTRIC CUSTOMER RATES

Electric customer rates of switching from utility to competitive retail provider.

State	Utility	Percentage migration by customer count		
		Residential customers	Small and medium customers	Large customers
DC	PEPCO	15.0	32.1	N/A
MD	BGE	23.9	41.0	96.5
	PEPCO	19.8	42.8	87.9
	POT ED	10.8	32.4	90.3
	Delmarva	13.8	35.8	96.9
NJ	ACE	12.8	32.2	87.1
	JCPL	16.6	38.1	83.7
	PSEG	9.7	24.7	81.0
	RECO	6.9	18.4	74.5
PA	Duquesne	29.9	39.9	63.1
	Met-Ed	30.2	45.1	86.3
	PECO	31.0	46.0	91.0
	Penn Elec	26.1	42.2	88.1
	Penn Power	24.2	46.3	100.0
	PPL	41.3	53.7	70.5
	West Penn	24.7	32.8	91.9
NY	Central Hud	13.1	23.1	78.0
	Con Ed	22.8	29.8	91.6
	Nat Grid	16.1	38.5	80.2
	NYSEG	18.6	35.2	66.0
	O & R	33.5	45.9	26.4
	Rochester	16.2	42.0	93.2
Maine	State-wide	14.1	42.6	84.2
Delaware	Delmarva	9.8	32.2	

system and one that conflicts with all traditional rate-making standards.

Cost allocation is a fundamental tenet of utility ratemaking. The principles of cost allocation are fully endorsed by NARUC and should be applied to default service as they are to all other utility rates.

Allocations are required to appropriately assign fixed costs to multiple products or services that drive the costs. The principles of cost allocation are the foundation for nearly every (if not every) utility rate, aside from default service rates.

The NARUC Cost Accounting Manual states:

“While opinions vary on the appropriate methodologies to be used to perform cost studies, few analysts seriously

question the standard that *service should be provided at cost*. Non-cost concepts and principles often modify the cost of service standard, but it remains the primary criterion for the reasonableness of rates. The cost principle applies not only to the overall level of rates, but to *the rates set for individual services, classes of customers, and segments of the utility’s business*.” Emphasis added.

NARUC has separately published cost allocation principles. The principles should be applied, according to NARUC “whenever products or services are provided between a regulated utility and its non-regulated affiliate or division.” NARUC principles apply to default service, a business segment where many services are provided by the distribution company:

“The allocation methods should apply to the regulated entity’s affiliates in order to *prevent subsidization* from and ensure equitable cost sharing among the regulated entity and its affiliates, and vice versa.” Emphasis added.

NARUC states that the objective of its guidelines is to “lessen the possibility of subsidization in order to *protect monopoly ratepayers and to help establish and preserve competition* in the electric generation and the electric and gas supply markets.” Emphasis added.

In fact, to ensure the competitiveness of markets, NARUC states that generally, “the price for services, products and the use of assets provided by a regulated entity to its non-regulated affiliates should be *at*

the higher of fully allocated costs or prevailing market prices.” Emphasis added.

NARUC’s objectives and guidelines have been ignored in pricing default service.

Market Distortions

The default service pricing anomaly has given rise to many market distortions and has resulted in competitive suppliers being cast in a negative light in many jurisdictions. It has caused competitive suppliers to spend millions of dollars in unnecessary marketing costs, regulatory costs and legal and compliance costs.

Most important, it has resulted in customer harm from being constrained to the utilities’ “no service” products and from the

lack of product options that are available in more competitive markets.

Table One details the percentage of customers who have chosen a competitive electric supplier across many of the deregulated electricity markets. Despite two decades of competition and dozens of suppliers vying for customers in every market, the incumbent utility stronghold on the market, especially over residential customers, is painfully clear.

See Figure One.

At the low end, we see single digit migration rates for residential customers to competitive suppliers. The Pennsylvania market shows the most promising residential migration numbers – ranging from the mid-twenty percent range to just over forty percent in PPI’s service territory.

States that have deployed municipal aggregations to facilitate customer migration are not included in this chart because aggregations are simply a regulatory fix that masks the pricing problem in the short-term. Municipal aggregations do not solve the pricing problems over time.

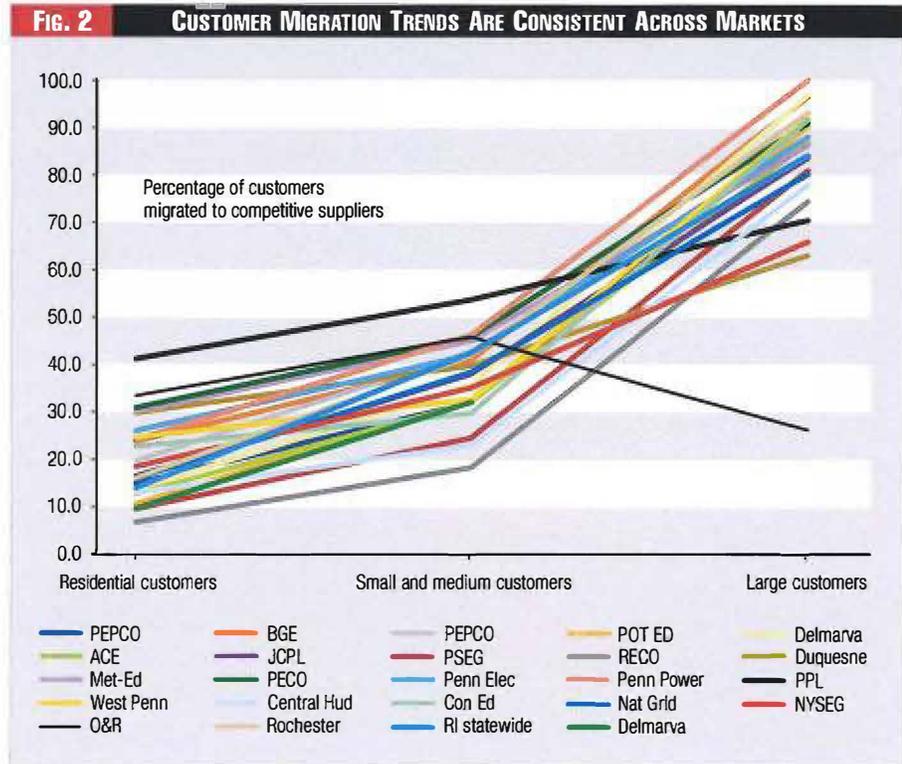
Figure Two shows the same data in graphical form. The utilities all show the same migration trends. Small customers do not migrate away from the utilities while the largest customers participate in the competitive markets at very high penetration levels.³ See Figure Two.

Artificially Low Default Service Prices Harms Customers

Under an appropriate cost allocation approach, the customers will pay, on net, the same amount every year. Cost allocation does not cause an increase in costs to customers. It only moves costs to different buckets.

Because there is no total cost increase to customers with an appropriate cost allocation, the argument that the customers are better off under the current pricing model is flawed. In fact, because of the inaccurate pricing signal with the current model, customers are harmed in meaningful ways.

Most important, customers are not receiving the appropriate price signal for energy. This results in a potential to over-consume energy provided by default service providers, yielding what could be a higher overall monthly cost to the customer than would



Customers who have switched to competitive suppliers are subsidizing those who stay on default service.

otherwise incur if the electricity was priced appropriately. The distribution subsidy also creates a barrier to evaluating competitive offers. It is impossible for customers to assess fairly a competitive offer when the utility price is artificially low.⁴ Because the basic competitive market product would be viewed as uneconomic by the consumers, competitive suppliers are less likely to invest fully in the market, depriving customers of other products and services that the suppliers might be inclined to offer in that market. Foregone products and services include many that might reduce a consumer’s consumption overall, benefitting the customers and the environment.

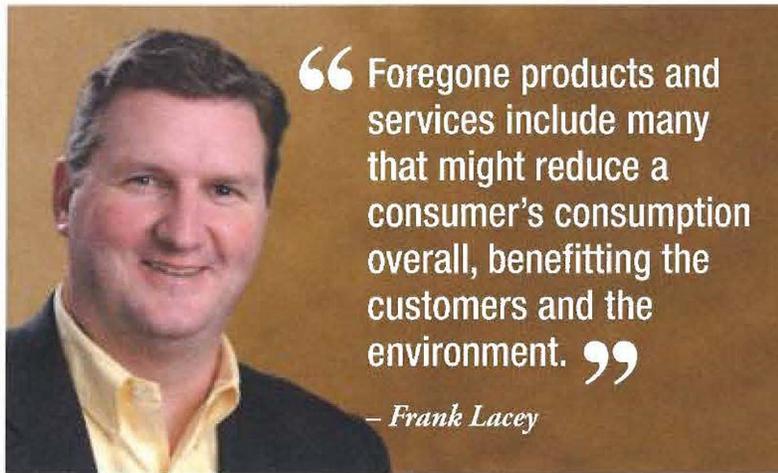
Finally, the distribution subsidy results in a distribution rate that is too high. Customers who have moved away from the utility are forced to pay costs that benefit customers who remain on default service.

Recent Analyses Reveal Subsidies

Substantial analyses seeking to understand the magnitude of the distribution subsidy have been performed in two recent distribution rate cases. The results of those analyses have been presented to utility commissions in Pennsylvania and New

Jersey in the form of expert testimony in those respective cases. These analyses show that the subsidy is significant – a penny or more per kilowatt-hour – as high as fifteen percent of the default service rate.

In PECO's rate proceeding, Pennsylvania Public Utility Commission's docket R-2018-3000164, NRG Energy Company provided an analysis of PECO's distribution rates to determine if any distribution costs were being used to subsidize PECO's default service rates. The analysis showed that the subsidy of PECO's default service by PECO's distribution business amounts to 1.25 cents per kilowatt-hour for residential customers.



If that amount was properly allocated to PECO's default service rates, it would increase those rates by approximately fifteen percent. Of course, if the costs were properly allocated to default service, the corresponding cost components from the distribution rates would decrease by the same amount.

In PSEG's rate proceeding, New Jersey Board of Public Utilities docket ER18010029, I undertook on behalf of Direct Energy, a similar analysis. My analysis showed that the subsidy that PSEG distribution rates were providing to PSEG's default service amounts to 1.0 cents per kilowatt-hour to residential customers. Because PSEG's default service rates are higher than

PECO's, an additional 1.0 cents per kWh represents a subsidy of about eight percent to residential default service rates.

In the PSEG rate case, not enough information was provided by the utility to determine the magnitude of costs (working capital, credit, bad debt, etc.) that should be directly assigned to default service. As a matter of conservatism in my analysis, I assumed that those should be only partially allocated.

If direct costs were assigned properly to default service and indirect costs were allocated appropriately, the actual costs to serve default service customers in New Jersey could be in the range of 1.5 cents per kilowatt-hour.

With default service rates ranging from the low single digits to the low teens in cents per kilowatt-hour in markets across the country, and the unallocated funds (or subsidies) ranging from 1.0 to 1.5 cents per kilowatt-hour, this subsidy can be valued anywhere between eight percent and fifty percent of a monthly default service charge. A subsidy of that magnitude, or that scale of utility “discount” severely distorts the market, unfairly advantages the utilities over competitive service providers and harms customers.

Conclusion

Appropriately allocating costs currently paid by distribution customers to default service is a critical next step in creating more competitively neutral energy markets in the United States. This one step will not create the perfect markets, but it will remove a significant anti-competitive pricing advantage held by monopoly utilities.

It will also remove a subsidy that competitive supply customers are forced to pay to benefit default service customers, and it will help create a market that competitive suppliers are more willing to invest in. At the same time, if implemented correctly, it keeps distribution utilities financially whole. It is a win-win-win solution benefitting all market participants. 

Endnotes:

1. While this article is focused on electricity markets, the same pricing problems exist in gas markets. The costs to serve customers are not allocated to those customers' rates. Instead, they are charged to distribution customers.
2. Most of the deregulation models deployed in the U.S. are generally very similar. In contrast, Texas electricity customers and Georgia natural gas customers were placed with market participants at the inception of those markets and default service in those markets is truly a “last resort” service, not a “default” or “do nothing” service.

3. The one anomaly revealed in this chart is in the Orange & Rockland Utility in New York. It shows an uncharacteristic low level of customer migration at the large end of the customer spectrum. It is not clear whether this is a data error on the NY PSC website, or if there is a market anomaly in that market that results in the largest customers remaining with the utility.
4. Under no circumstance should any price, including the utilities' default service price, be considered a benchmark price. The default service price is for a specific product with a specific set of parameters associated with it. Additionally, as

this article notes, it is heavily subsidized. It comes with a certain level of service and a limited ability for it to be modified in any way to meet customers' needs. Regardless, regulators in many states have mandated rules that require a comparison of all products to the utility default service price. These requirements include for example, a requirement that the default service price be placed on a customer's invoice, even if the customer is being served by another supplier, with a different product. Some have required that all sales interactions include a notice of the utilities' default service price.

RESA Ex. JO-2

*PaPUC Retail Electricity Choice and
Activity Report 2022
dated October 2023*

RETAIL ELECTRICITY CHOICE

Activity Report 2022

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I. Executive Summary

This report has been prepared to provide access to data reported to the Pennsylvania Public Utility Commission (Commission) by electricity market suppliers. The information contained within this report is provided in a manner that does not compromise the confidentiality of company data while also providing it in a useful format. This report illustrates short-term data trends that may appear but does not provide any market analysis beyond what is apparent in the data; additionally, the Commission does not speculate as to the possible reasons for any trends.

Section 54.203 of the Commission's regulations, 52 Pa. Code § 54.203, requires electric distribution companies (EDCs) to file quarterly reports on retail sales activity of electric generation suppliers (EGSs) operating in their service territories. As of Dec. 31, 2022, the EDCs reported a total of 109 active EGSs operating in Pennsylvania.

Section 54.203 also requires active EGSs to file an annual report by April 30 for the previous calendar year. These EGS filings provide aggregate EGS market-share data for the number of customer accounts, megawatt-hour (MWh) sales, and customer participation in various programs including, flat and time-varying rates, fixed-term contracts, green power, and curtailable program offerings, as well as information on which EGSs are providing supplier billing services.

The data contained specifically within Section V of this report is based on information submitted by active EGSs. Of the 109 active EGSs identified by the EDCs as having served load within their service territories, 107 (98%) have filed reports with the Commission. The Bureau of Technical Utility Services (TUS) has made several efforts to contact EGSs who were either tardy or who remain delinquent in filing these required reports. Delinquent EGSs were sent notification that failure to comply with the reporting requirements subjects them to possible loss of their license to serve as an EGS in Pennsylvania. As of August 1, 2023, 2 EGSs are delinquent in their reporting requirements. Those 2 EGSs are identified in Appendix B of this report.

Summary Data for 2022:**Number of Customer Accounts Served by EGSs**

- 1,480,056 of 5,932,085 total accounts served by EGSs (25%)
 - 1,192,378 residential accounts served by EGSs
 - 23% of all residential accounts served by EGSs
 - 287,678 non-residential accounts served by EGSs
 - 40% of all non-residential accounts served by EGSs
- Note: all values are down slightly from the previous year

MWhs Served by EGSs

- 85,675,047 MWhs of 137,733,574 total MWhs served by EGSs (62%)
 - 13,379,823 MWhs served by EGSs from residential accounts
 - 26% of all residential MWhs served by EGSs
 - 72,295,224 MWhs served by EGSs from non-residential accounts
 - 85% of all non-residential MWhs served by EGSs
- Note: all values are down slightly from the previous year

Total Number of Time-of-Use (TOU) Customer Accounts and MWhs

- 10,328 total TOU customer accounts of 5,932,085 total accounts (0.17%)

Although well less than one percent, this represents a 756% increase over the prior year. Of the total above, 2,745 accounts were reported by the EDCs. 7,583 TOU customer accounts were reported by the EGSs.

EGSs are required to report the number of TOU customer accounts in their annual filings with the Commission, however, because of limited data and confidentiality concerns, prior editions of this report had only included EDC data.

- 24,084 TOU MWhs of 137,733,574 total MWhs (<1%)
 - Despite being less than 1%, this represents a 272% increase from the previous year's total of 6,471 MWh. This total, however, is from only the EDCs, as EGSs are not required to report TOU customer account MWhs.

Total Number of Hourly/Real-Time Priced (RTP) Non-Residential Customer Accounts and MWhs

- 16,035 RTP accounts of 723,785 non-residential accounts (2%)
- 44,704,528 RTP MWhs of 85,316,877 non-residential MWhs (52%)
- These values for RTP metrics are in the same range as the previous year.

In summary, the total number of customer accounts served by EGSs in 2022 was down slightly from 27% and 30%, in 2021 and 2020 respectively, to 25%. The amount of load served by EGSs decreased from 89 million MWhs in 2021 to 86 million MWhs in 2022. The percentage of load being served decreased from 64% in 2021 to 62% in 2022.

Residential TOU customer accounts have increased from 432 in 2020 to 10,328 in 2022. The number of non-residential customers enrolled in hourly or RTP accounts is 16,035 and the associated load from these customers has remained relatively static over the past three years, from 59% in 2020, to 52% in 2022.

Further details of the aggregate data above can be found in the tables and figures throughout this report.

II. Electric Generation Supplier Data and Trends

This section provides information on trends in EGS customer accounts and MWh sales during 2022. In all cases, “Customer Accounts” data is reported as of Dec. 31, 2022; MWh sales is the sum of the quarterly reported data during the year. The data is broken out into residential and non-residential which is further broken out into small, medium, and large non-residential classes.

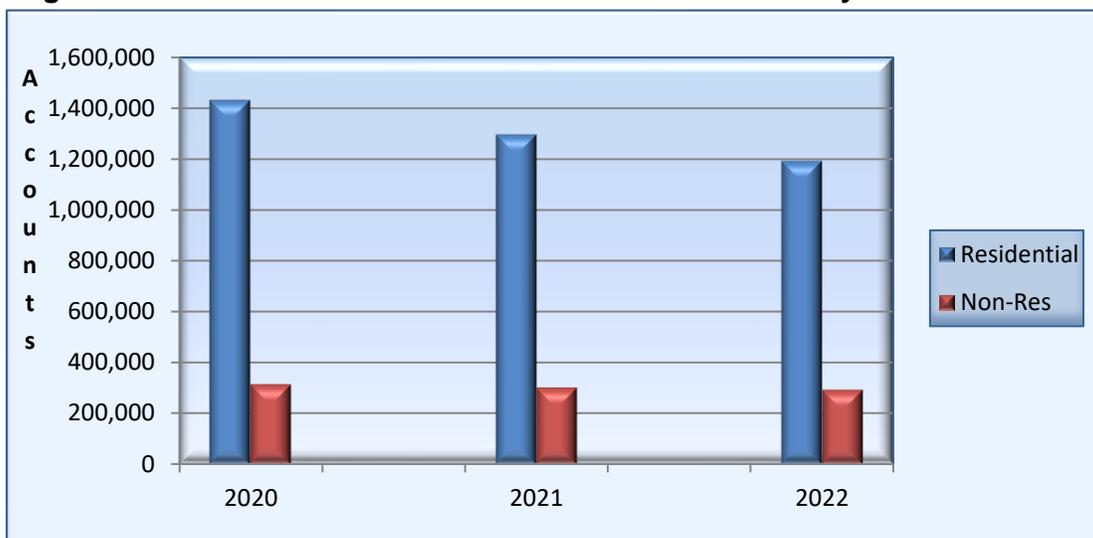
A. Number of Customer Accounts

1. Residential and Non-Residential

As noted in Table 1, in 2022, the percentage of all customer accounts served by EGSs was 25%. The total percentage of all customer accounts served by EGSs decreased by 2% compared to 2021, marking the sixth straight year of decreasing customer accounts.

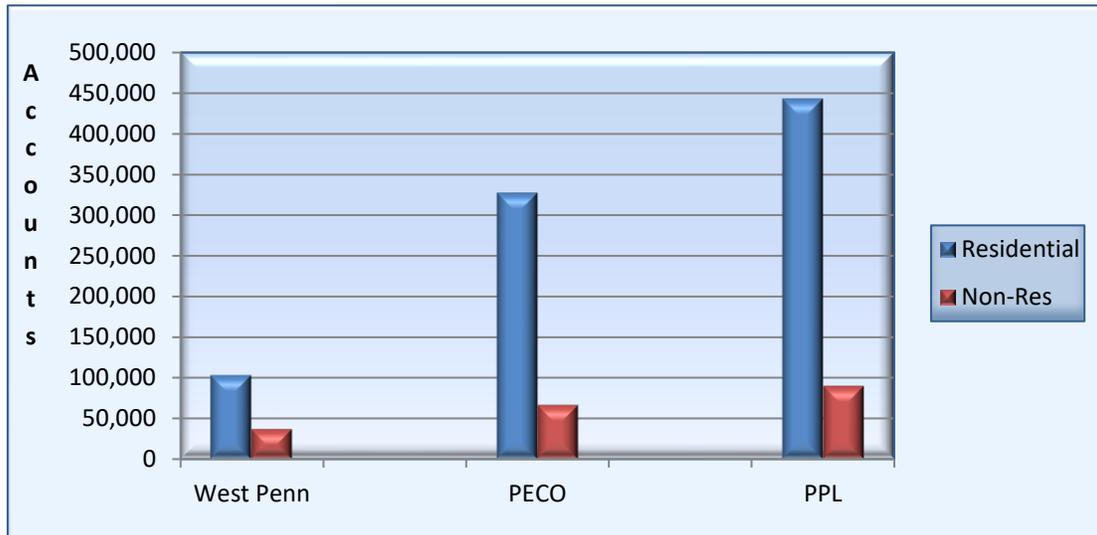
**Table 1. Number of EGS Customer Accounts and MWh Sales: 2020-2022
Residential and Non-Residential**

	<i>Residential</i>		<i>Non-Residential</i>		<i>Total</i>	
	<i>Customer Accounts</i>	<i>MWh</i>	<i>Customer Accounts</i>	<i>MWh</i>	<i>Customer Accounts</i>	<i>MWh</i>
Total Served by EGSs and EDCs-2022	5,208,300	52,416,697	723,785	85,316,877	5,932,085	137,733,574
Total Served by EGSs and EDCs-2021	5,194,470	53,172,074	724,951	85,278,860	5,919,421	138,450,934
Total Served by EGSs and EDCs-2020	5,182,477	53,363,074	713,679	77,024,466	5,896,156	130,387,540
Total Served by EGSs – 2022	1,192,378	13,379,823	287,678	72,295,224	1,480,056	85,675,047
Total Served by EGSs – 2021	1,296,603	15,005,547	297,069	73,921,900	1,593,672	88,927,447
Total Served by EGSs – 2020	1,431,284	14,721,256	309,811	62,163,890	1,741,095	76,885,146
Percent Served by EGSs – 2022	23%	26%	40%	85%	25%	62%
Percent Served by EGSs – 2021	25%	28%	41%	87%	27%	64%
Percent Served by EGSs – 2020	28%	28%	43%	81%	31%	60%

Figure 1. Trends - Number of Customer Accounts Served by EGSs: 2020 - 2022**Table 2. Number of Customer Accounts, by EDC Service Territory: 2022
Residential and Non-Residential**

EDC	Residential Accounts			Non-Residential Accounts			Total Accounts		
	EGS	Total	% EGS	EGS	Total	% EGS	EGS	Total	% EGS
Citizens	0	5,914	0	46	1,201	4	46	7,115	1
Duquesne	112,640	546,358	21	23,037	63,337	36	135,677	609,695	22
Met-Ed	97,221	516,932	19	28,285	69,801	41	125,506	586,733	21
PECO	326,795	1,525,657	21	65,845	171,790	38	392,640	1,697,447	23
Penelec	84,954	497,351	17	34,498	87,073	40	119,452	584,424	20
Penn Power	24,626	149,269	17	9,440	21,433	44	34,066	170,702	20
Pike	809	4,263	19	232	951	24	1,041	5,214	20
PPL	442,090	1,269,826	35	88,929	193,663	46	531,019	1,463,489	40
UGI	354	55,557	1	835	8,913	9	1,189	64,470	2
Wellsboro	0	5,150	0	57	1,279	4	57	6,429	1
West Penn	102,889	632,023	16	36,474	104,344	35	139,363	736,367	19
Total	1,192,378	5,208,300	23	287,678	723,785	40	1,480,056	5,932,085	25

**Figure 2. Number of EGS Customer Accounts: 2022
Top Three EDC Territories with EGS Customer Accounts
Residential and Non-Residential**



As noted above, in Figure 2, West Penn Power Company (West Penn), PECO Energy Company (PECO), and PPL Electric Utilities (PPL) had the highest number of total EGS customer accounts. The accounts were predominantly in the residential class.

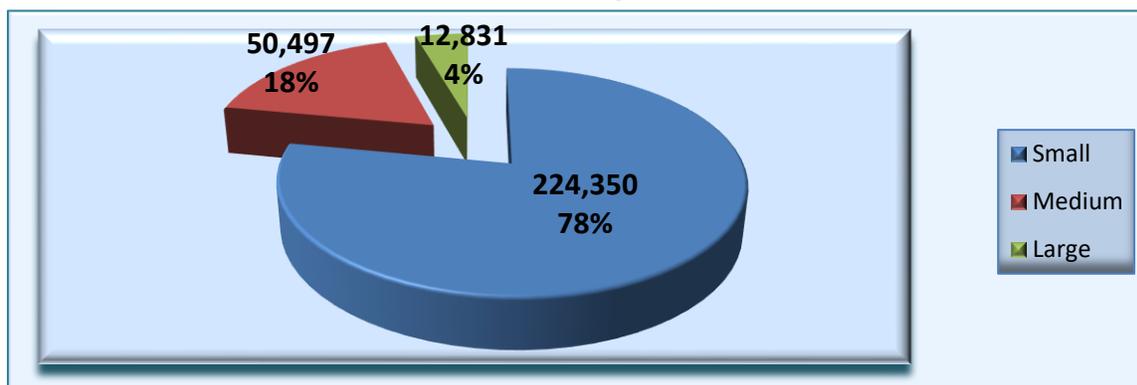
2. Small, Medium, and Large Non-Residential

Data in Table 3 shows that 85% of all large non-residential customers are served by EGSs, corresponding to 93% of the load from this customer class. Extrapolation of the data in Table 3 indicates that while small non-residential accounts comprise 83% of all accounts served by EDCs and EGSs, the large non-residential customers account for 62% of all the load from non-residential customers. Further extrapolation of the data will show that 78% of all non-residential EGS accounts are small non-residential customers but that 68% of all the non-residential load that is served by EGSs is from large non-residential customers.

Table 3. Number of Customer Accounts and MWh Sales: 2020 - 2022
Small, Medium, and Large Non-Residential

	<i>Small</i>		<i>Medium</i>		<i>Large</i>		<i>Total</i>	
	<i>Customer Accounts</i>	<i>MWh</i>						
Total Served-- EGSs and EDCs- 2022	600,772	16,770,731	107,849	15,659,084	15,164	52,887,062	723,785	85,316,877
Total Served-- EGSs and EDCs- 2021	602,840	16,754,053	107,090	15,956,848	15,021	52,567,959	724,951	85,278,860
Total Served-- EGSs and EDCs- 2020	589,333	16,924,826	108,919	11,508,208	15,427	48,591,432	713,679	77,024,466
Total Served by EGSs- 2022	224,350	10,963,417	50,497	11,959,019	12,831	49,372,788	287,678	72,295,224
Total Served by EGSs- 2021	232,055	11,471,973	52,310	12,651,775	12,704	49,798,152	297,069	73,921,900
Total Served by EGSs- 2020	240,521	8,775,292	55,914	8,657,371	13,376	44,731,227	309,811	62,163,890
Percent Served by EGSs- 2022	37%	65%	47%	76%	85%	93%	40%	85%
Percent Served by EGSs- 2021	38%	68%	49%	79%	85%	95%	41%	87%
Percent Served by EGSs- 2020	41%	52%	51%	75%	87%	92%	43%	81%

Figure 3. Number of EGS Customer Accounts: 2022
Small, Medium, and Large Non-Residential

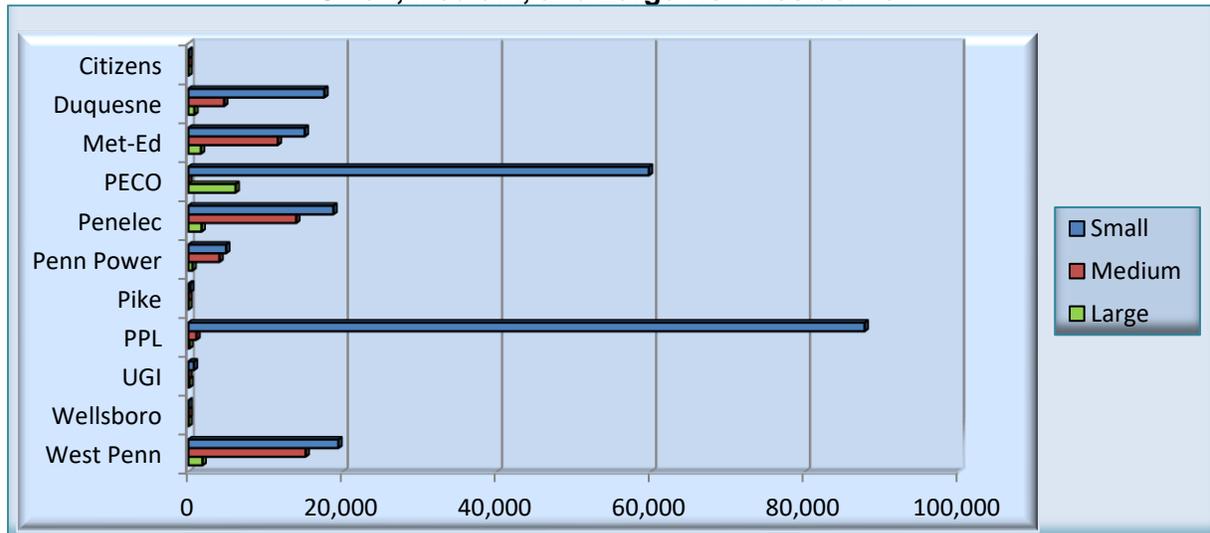


**Table 4. Number of Customer Accounts by EDC Service Territory: 2022
Small, Medium, and Large Non-Residential***

EDC	Small Non-Residential Accounts			Medium Non-Residential Accounts			Large Non-Residential Accounts			Total Non-Residential Accounts		
	EGS	Total	% EGS	EGS	Total	% EGS	EGS	Total	% EGS	EGS	Total	% EGS
Citizens	33	1,160	3	11	37	30	2	4	50	46	1,201	4
Duquesne	17,624	55,470	32	4,636	7,004	66	777	863	90	23,037	63,337	36
Met-Ed	15,086	42,034	36	11,579	25,927	45	1,620	1,840	88	28,285	69,801	41
PECO	59,731	164,347	36	0	0	0	6,114	7,443	96	65,845	171,790	38
Penelec	18,803	55,584	34	13,988	29,568	47	1,707	1,921	89	34,498	87,073	40
Penn Power	4,892	12,432	39	4,030	8,402	48	518	599	86	9,440	21,433	44
Pike	232	941	25	0	0	0	0	10	0	232	951	24
PPL	87,770	192,320	46	1,033	1,195	86	126	148	85	88,929	193,663	46
UGI	707	8,689	8	0	0	0	128	224	57	835	8,913	9
Wellsboro	20	896	2	29	371	8	8	12	67	57	1,279	4
West Penn	19,452	66,899	29	15,191	35,345	43	1,831	2,100	87	36,474	104,344	35
Total	224,350	600,772	37	50,497	107,849	47	12,831	15,164	85	287,678	723,785	40

*See Appendix for definitions of small, medium, and large non-residential classifications.

**Figure 4. Number of EGS Customer Accounts by Classification: 2022
Small, Medium, and Large Non-Residential**



B. MWh Sales

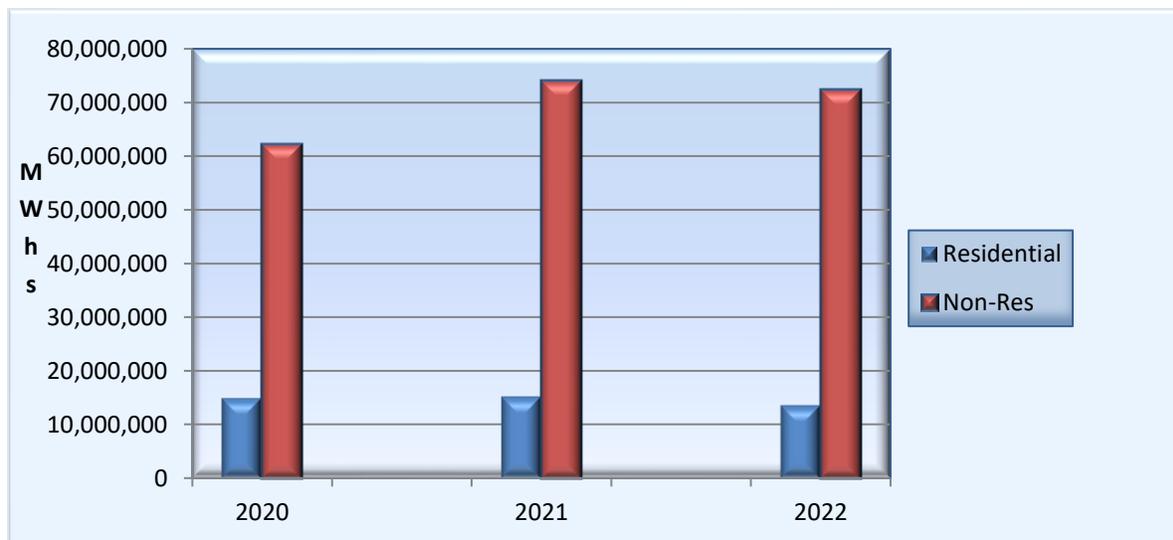
1. Residential and Non-Residential

As noted in Table 5, EGS sales in Pennsylvania totaled 85,675,047 MWhs during calendar year 2022. This represents a decrease of 3,252,400 (4%) compared to 88,927,447 MWhs during the previous calendar year. During the same period, total EDC sales increased 6%.

**Table 5. EGS Sales (MWh): 2020- 2022
Residential and Non-Residential**

<i>Year</i>	<i>Residential</i>	<i>Non-Residential</i>	<i>Total</i>
2022	13,379,823	72,295,224	85,675,047
2021	15,005,547	73,921,900	88,927,447
2020	14,721,256	62,163,890	76,885,146

Figure 5. Trends - Total MWhs Served by EGSs: 2020 - 2022

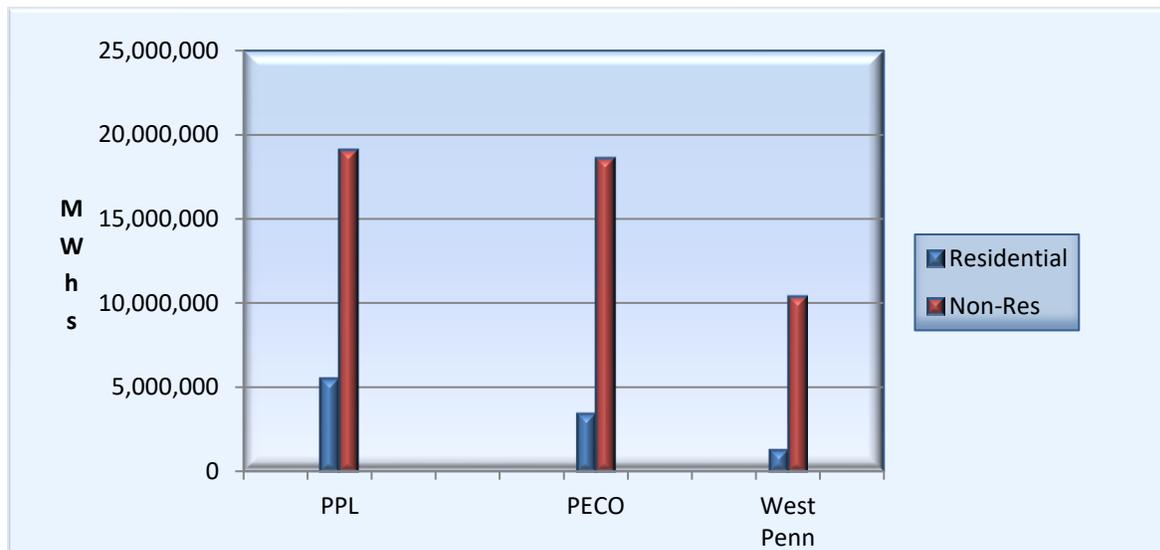


As noted below in Table 6 and Figure 6, PPL, PECO, and West Penn respectively, had the highest total EGS sales (MWhs) for calendar year 2022, predominantly in the non-residential sector.

**Table 6. Sales (MWh) by EDC Service Territory: 2022
Residential and Non-Residential**

EDC	Residential Sales (MWh)			Non-Residential Sales (MWh)			Total Sales (MWh)		
	EGS	Total	%	EGS	Total	%	EGS	Total	%
Citizens	0	89,686	0	33,398	69,107	48	33,398	158,793	21
Duquesne	928,057	4,121,229	23	6,939,886	8,280,460	84	7,867,943	12,401,689	63
Met-Ed	1,225,982	5,871,983	21	7,128,522	8,483,643	84	8,354,504	14,355,626	58
PECO	3,387,896	14,207,832	24	18,566,725	22,149,935	84	21,954,621	36,357,767	60
Penelec	808,500	4,349,172	19	7,660,717	8,868,581	86	8,469,217	13,217,753	64
Penn Power	300,143	1,666,177	18	2,454,112	2,895,271	85	2,754,255	4,561,448	60
Pike	6,448	35,418	18	7,438	45,049	17	13,886	80,467	17
PPL	5,467,284	14,682,564	37	19,064,497	22,096,318	86	24,531,781	36,778,882	67
UGI	1,020	152,838	1	54,993	112,046	49	56,013	264,884	21
Wellsboro	0	44,030	0	20,180	57,430	35	20,180	101,460	20
West Penn	1,254,493	7,195,768	17	10,364,756	12,259,037	85	11,619,249	19,454,805	60
Total	13,379,823	52,416,697	26	72,295,224	85,316,877	85	85,675,047	137,733,574	62

**Figure 6. EGS Sales (MWh): 2022
Top Three EDC Territories with EGS Sales
Residential and Non-Residential**



2. Small, Medium, and Large Non-Residential

Table 7 and Figure 8 show EGS sales (MWh) for each EDC service territory. PECO, West Penn, and Pennsylvania Electric Company (Penelec) service territories had the highest EGS sales, predominantly in the large non-residential sector.

**Table 7. Sales (MWh) by EDC Service Territories: 2022
Small, Medium, and Large Non-Residential***

EDC	Small Non- Residential			Medium Non-Residential			Large Non-Residential			Total Non-Residential		
	EGS	Total	%	EGS	Total	%	EGS	Total	%	EGS	Total	%
Citizens	2,836	28,670	10	10,217	20,092	51	20,345	20,345	100	33,398	69,107	48
Duquesne	378,081	928,898	41	1,612,508	2,168,848	74	4,949,297	5,182,714	96	6,939,886	8,280,460	84
Met-Ed	85,792	201,688	43	1,206,889	1,965,419	61	5,835,841	6,316,536	92	7,128,522	8,483,643	84
PECO	2,454,068	4,677,564	52	0	0	0	16,112,657	17,472,371	96	18,566,725	22,149,935	84
Penelec	102,523	269,123	38	1,414,688	2,201,311	64	6,143,506	6,398,147	96	7,660,717	8,868,581	86
Penn Power	25,150	64,167	39	422,282	649,125	65	2,006,680	2,181,979	92	2,454,112	2,895,271	85
Pike	7,438	30,891	24	0	0	0	0	14,158	0	7,438	45,049	17
PPL	7,796,557	10,218,663	76	5,685,696	6,024,416	94	5,582,244	5,853,239	95	19,064,497	22,096,318	86
UGI	10,257	46,434	22	0	0	0	44,736	65,612	68	54,993	112,046	49
Wellsboro	142	4,270	3	7,283	27,832	26	12,755	25,328	50	20,180	57,430	35
West Penn	100,573	300,363	33	1,599,456	2,602,041	61	8,664,727	9,356,633	93	10,364,756	12,259,037	85
Total	10,963,417	16,770,731	65	11,959,019	15,659,084	76	49,372,788	52,887,062	93	72,295,224	85,316,877	85

*See Appendix A for definitions of small, medium, and large non-residential classifications.

**Figure 7. EGS MWh Sales: 2022
Small, Medium, and Large Non-Residential**

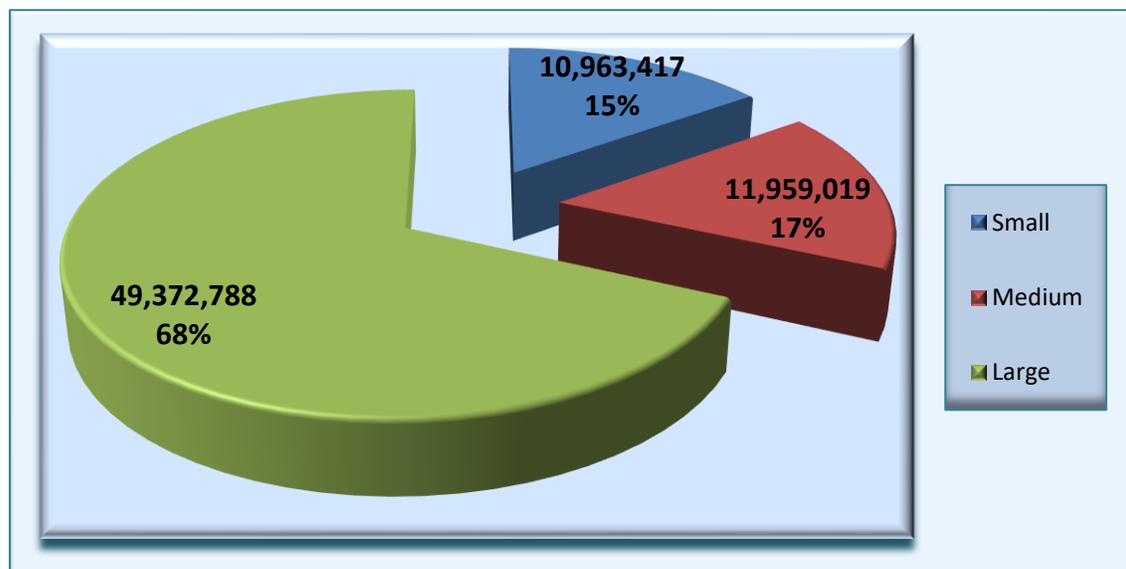
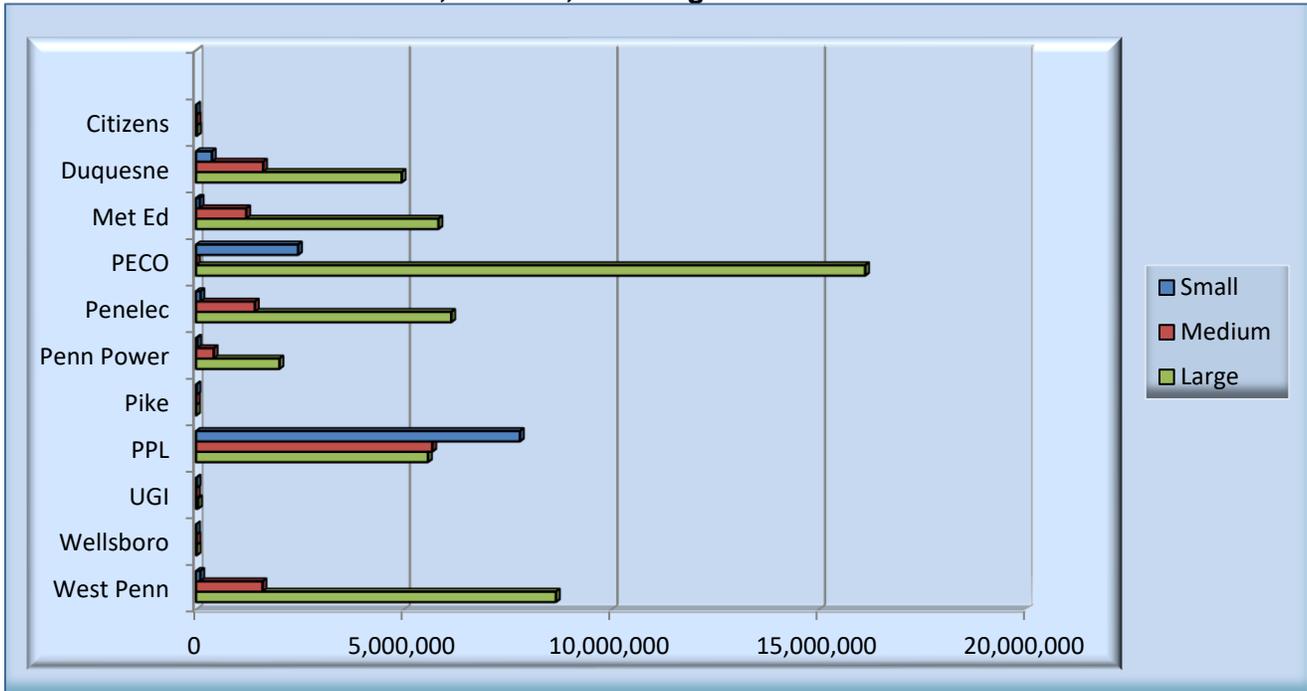


Figure 8. EGS Sales (MWh) by Classification: 2022
Small, Medium, and Large Non-Residential



III. Time-Varying Rates

A TOU Rate is defined as follows – A rate that changes at different times of the day or night, or at different times during a 24-hour or 7-day period, but not as frequently as each hour, to reflect the costs of serving the customer during different time periods. See Appendix A.

An Hourly/RTP Rate is defined as follows – A pricing arrangement based on hourly or daily energy prices. See Appendix A.

This section provides information on trends as defined in the Commission's regulations for:

TOU

- Total Number of TOU Customer Accounts Served by EGSs
 - See 52 Pa. Code § 54.203(a)(2)(vi)
- Total Number of TOU Customer Accounts Served by EGSs and EDCs
 - See 52 Pa. Code § 54.203(a)(2)(vii)
- MWh Sales of EGSs; MWh Sales of EGSs and EDCs
 - See 52 Pa. Code § 54.203(a)(2)(viii) and (ix)

Hourly/RTP

- Total Number of Hourly/RTP Customer Accounts Served by EGSs
 - See 52 Pa. Code § 54.203(a)(2)(x)
- Total Number of Hourly/RTP Customer Accounts Served by EGSs and EDCs
 - See 52 Pa. Code § 54.203(a)(2)(xi)
- MWh Sales of EGSs; MWh Sales of EGSs and EDCs
 - See 52 Pa. Code § 54.203(a)(2)(xii) and (xiii)

A. TOU

As noted in Table 8, for calendar year 2022, the number of reported TOU customer accounts, as of the end of the calendar year, saw a dramatic increase to 10,328. This figure includes 7,583 and 2,745 customer accounts reported by EGSs and EDCs respectively. Due to limited data in prior years and confidentiality concerns, this is the first edition of the report to include TOU customer account data filed by EGSs. As a result, the total customer accounts data below is significantly higher than the prior year's data that included only EDC customers. Additionally, EGSs TOU customer account data is only reported in aggregate, not by EDC service territory.

Duquesne Light Company (Duquesne), PECO and PPL are the only EDCs that reported TOU customer accounts. Metropolitan Edison Company (Met-Ed), Penelec, Pennsylvania Power Company (Penn Power), and West Penn have TOU tariffs but did not report any customer accounts on this service.

The EGS columns in Table 9 indicates NA for each EDC service territory. The aggregate number is reported in the "Total" row.

The EDC columns in Tables 9 and 10 report the number and MWhs of EDC TOU customer accounts. As of Dec. 31, 2022, Duquesne, PECO, and PPL are the only EDCs that report TOU customer accounts. Met-Ed, Penelec, Penn Power, and West Penn have TOU tariffs but do not report any customer accounts on this service.

As noted in Table 10, the electric load from EDC TOU customer accounts totaled 24,084 total MWhs in 2022. The EGS columns in Table 10 indicates NA because EGSs are not required to report TOU MWhs.

Table 8. Number of TOU Customer Accounts: 2020-2022

<i>Year</i>	<i>Accounts</i>	<i>Sales (MWh)</i>
2022	10,328	24,084
2021	1,207	6,471
2020	432	1,432

**Table 9. Number of TOU Customer Accounts, by EDC Service Territory: 2022
Residential and Non-Residential**

EDC	Residential Accounts			Non-Residential Accounts			Total Accounts		
	EGS*	EDC	% EGS	EGS*	EDC	% EGS	EGS*	EDC	% EGS
Citizens	NA	0	NA	NA	0	NA	NA	0	NA
Duquesne	NA	469	NA	NA	5	NA	NA	474	NA
Met-Ed	NA	0	NA	NA	0	NA	NA	0	NA
PECO	NA	1,361	NA	NA	12	NA	NA	1,373	NA
Penelec	NA	0	NA	NA	0	NA	NA	0	NA
Penn Power	NA	0	NA	NA	0	NA	NA	0	NA
Pike	NA	0	NA	NA	0	NA	NA	0	NA
PPL	NA	865	NA	NA	33	NA	NA	898	NA
UGI	NA	0	NA	NA	0	NA	NA	0	NA
Wellsboro	NA	0	NA	NA	0	NA	NA	0	NA
West Penn	NA	0	NA	NA	0	NA	NA	0	NA
Total	6,380	2,695	70%	1,203	50	96%	7,583	2,745	73%

* EGS's are only required to report this data in aggregate form, not by EDC service territory.

**Table 10. TOU Customer Accounts Sales (MWh), by EDC Service Territory: 2022
Residential and Non-Residential**

EDC	Residential Sales (MWh)			Non-Residential Sales (MWh)			Total Sales (MWh)		
	EGS*	EDC	% EGS	EGS*	EDC	% EGS	EGS*	EDC	% EGS
Citizens	NA	0	NA	NA	0	NA	NA	0	NA
Duquesne	NA	4,024	NA	NA	20	NA	NA	4,044	NA
Met-Ed	NA	0	NA	NA	0	NA	NA	0	NA
PECO	NA	11,643	NA	NA	247	NA	NA	11,890	NA
Penelec	NA	0	NA	NA	0	NA	NA	0	NA
Penn Power	NA	0	NA	NA	0	NA	NA	0	NA
Pike	NA	0	NA	NA	0	NA	NA	0	NA
PPL	NA	7,527	NA	NA	623	NA	NA	8,150	NA
UGI	NA	0	NA	NA	0	NA	NA	0	NA
Wellsboro	NA	0	NA	NA	0	NA	NA	0	NA
West Penn	NA	0	NA	NA	0	NA	NA	0	NA
Total	NA	23,194	NA	NA	890	NA	NA	24,084	NA

* EGS's are not required to report MWh data.

B. Hourly/RTP

Residential customers participating in Hourly/RTP rates are currently only being served by EGSs, which is further detailed in Table 16 of this report. Tables 11 through 13 provide data on hourly/RTP non-residential customer accounts. From calendar year 2020 through 2022, the number of hourly/RTP customer accounts remained relatively static, while electricity sales (MWh) increased 8%, from a low of 45,672,076 in 2020.

Table 11. Number of Hourly/RTP Customer Accounts and Sales (MWh): 2020 - 2022

<i>Year</i>	<i>Accounts</i>	<i>Sales (MWh)</i>
2022	16,035	49,299,017
2021	15,609	47,516,250
2020	16,034	45,672,076

**Table 12. Number of Hourly/RTP Customer Accounts, by EDC Service Territory: 2022
Small, Medium, and Large Non-Residential***

<i>EDC</i>	<i>Small Non-Residential Accounts</i>			<i>Medium Non-Residential Accounts</i>			<i>Large Non-Residential Accounts</i>			<i>Total Non-Residential Accounts</i>		
	<i>EGS</i>	<i>Total</i>	<i>% EGS</i>	<i>EGS</i>	<i>Total</i>	<i>% EGS</i>	<i>EGS</i>	<i>Total</i>	<i>% EGS</i>	<i>EGS</i>	<i>Total</i>	<i>% EGS</i>
Citizens	0	0	0	0	4	0	0	0	0	0	4	0
Duquesne	0	0	0	387	474	82	777	863	90	1,164	1,337	87
Met-Ed	0	0	0	0	0	0	1,620	1,840	88	1,620	1,840	88
PECO	0	0	0	0	0	0	6,114	7,443	96	6,114	7,443	82
Penelec	0	0	0	0	0	0	1,707	1,921	89	1,707	1,921	89
Penn Power	0	0	0	0	0	0	518	599	86	518	599	86
Pike	0	0	0	0	0	0	0	0	0	0	0	0
PPL	0	454	0	0	73	0	0	37	0	0	564	0
UGI	0	0	0	0	0	0	128	224	57	128	224	57
Wellsboro	0	0	0	0	0	0	0	3	0	0	3	0
West Penn	0	0	0	0	0	0	1,831	2,100	87	1,831	2,100	87
Total	0	454	0	387	551	70	12,695	15,030	84	13,082	16,035	82

*See Appendix A for definitions of small, medium, and large non-residential classifications.

**Table 13. Hourly/RTP Customer Account Sales (MWh), by EDC Service Territory: 2022
Small, Medium, and Large Non-Residential***

EDC	Small Non-Residential Accounts			Medium Non-Residential Accounts			Large Non-Residential Accounts			Total Non-Residential Accounts		
	EGS	Total	% EGS	EGS	Total	% EGS	EGS	Total	% EGS	EGS	Total	% EGS
Citizens	0	0	0	0	5,061	0	0	0	0	0	5,061	0
Duquesne	0	0	0	477,154	563,112	85	4,949,297	5,182,714	96	5,426,451	5,745,826	94
Met-Ed	0	0	0	0	0	0	6,177,942	6,920,745	89	6,177,942	6,920,745	89
PECO	0	0	0	0	0	0	16,112,657	17,472,371	92	16,112,657	17,472,371	92
Penelec	0	0	0	0	0	0	6,143,506	6,398,147	96	6,143,506	6,398,147	96
Penn Power	0	0	0	0	0	0	2,006,680	2,181,979	92	2,006,680	2,181,979	92
Pike	0	0	0	0	0	0	0	0	0	0	0	0
PPL	0	377,941	0	0	285,884	0	0	270,995	0	0	934,820	0
UGI	0	0	0	0	0	0	172,565	272,840	63	172,565	272,840	63
Wellsboro	0	0	0	0	0	0	0	10,595	0	0	10,595	0
West Penn	0	0	0	0	0	0	8,664,727	9,356,633	93	8,664,727	9,356,633	93
Total	0	377,941	0	477,154	854,057	56	44,227,374	48,067,019	92	44,704,528	49,299,017	91

*See Appendix A for definitions of small, medium, and large non-residential classifications.

IV. Number of Active EGSs in EDC Service Territories

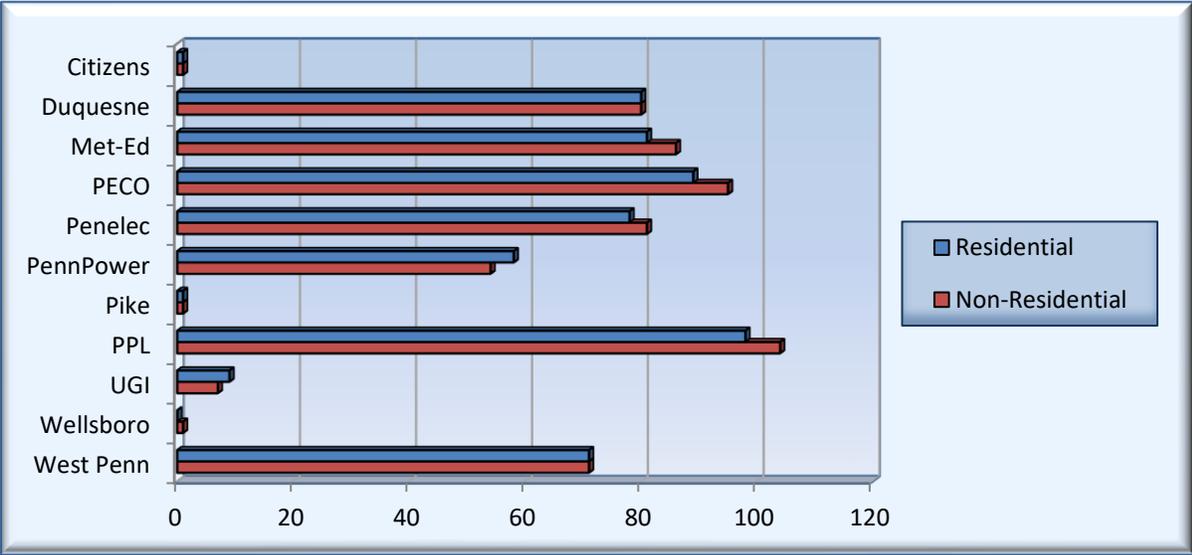
This section summarizes the number of active EGSs serving customer accounts in the respective EDC service territories as of December 31 of the year indicated. An active EGS is defined as “an EGS that is licensed to provide retail electric generation service and is providing that service to one or more customers.” The data is presented for residential and non-residential classes which is further broken out by small, medium, and large non-residential classes.

As of Dec. 31, 2022, there was a combined 109 active EGSs serving residential and non-residential sectors. An active EGS may serve more than one rate class. The numbers shown in Tables 14 and 15 reflect EGSs serving multiple service territories and therefore cannot be added in a cumulative fashion. From Dec. 31, 2021, through Dec. 31, 2022, the number of active EGSs in the residential sector increased in the UGI and Pike territories. During this period, the number of active EGSs in the non-residential sector did not increase in any service territory. PPL, PECO, and Met-Ed reported the most active EGSs during this period. The small non-residential class had the highest number of active EGSs.

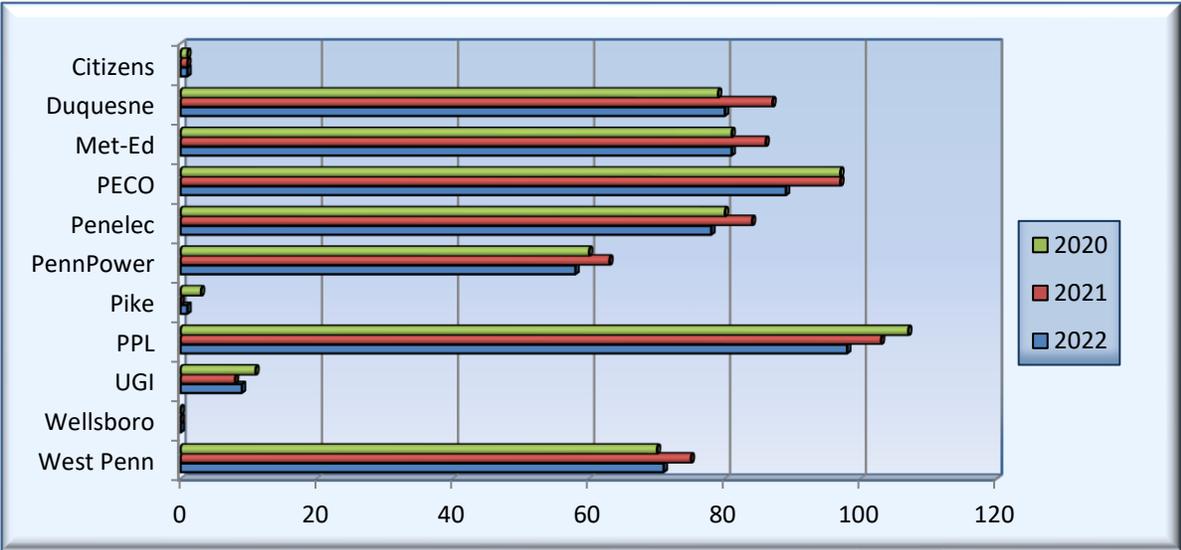
**Table 14. Number of Active EGSs by EDC Service Territories: 2020 - 2022
Residential and Non-Residential**

<i>EDC</i>	<i>Active EGSs Residential</i>			<i>Active EGSs Non-Residential</i>		
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Citizens	1	1	1	1	1	1
Duquesne	79	87	80	83	84	80
Met-Ed	81	86	81	87	88	86
PECO	97	97	89	104	104	95
Penelec	80	84	78	85	84	81
Penn Power	60	63	58	55	58	54
Pike	3	0	1	3	1	1
PPL	107	103	98	109	112	104
UGI	11	8	9	10	10	7
Wellsboro	0	0	0	1	1	1
West Penn	70	75	71	73	74	71

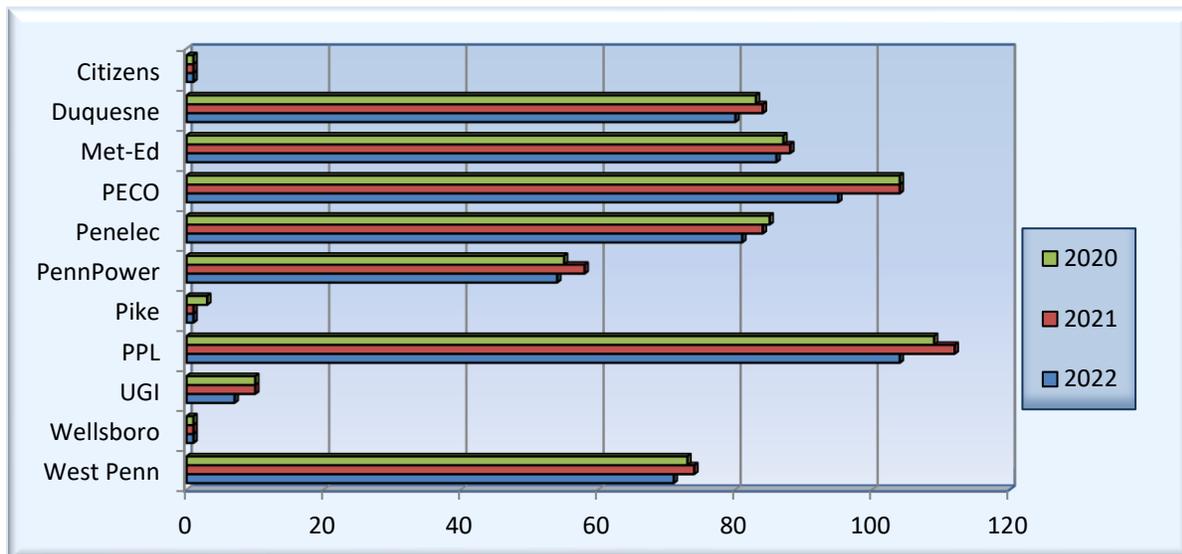
**Figure 9. Active EGSs by EDC Service Territories: 2022
Residential and Non-Residential**



**Figure 10. Active EGSs by EDC Service Territories: 2020 - 2022
Residential**



**Figure 11. Active EGSs by EDC Service Territories: 2020 - 2022
Non-Residential**

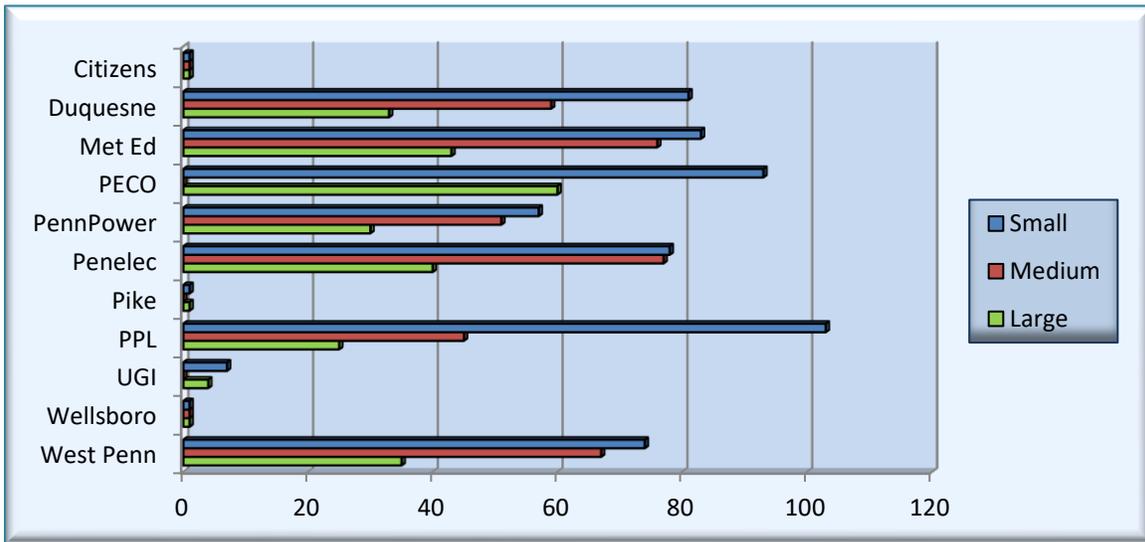


**Table 15. Number of Active EGSs by EDC Service Territory: 2022
Small, Medium, and Large Non-Residential***

<i>EDC</i>	<i>Active EGSs Small Non- Residential</i>	<i>Active EGSs Medium Non- Residential</i>	<i>Active EGSs Large Non- Residential</i>
Citizens	1	1	1
Duquesne	81	59	33
Met-Ed	83	76	43
PECO	93	0	60
Penelec	78	77	40
Penn Power	57	51	30
Pike	1	0	1
PPL	103	45	25
UGI	7	0	4
Wellsboro	1	1	1
West Penn	74	67	35

*See Appendix A for definitions of small, medium, and large non-residential classifications.

Figure 12. Active EGSs by EDC Service Territories: 2022
Small, Medium, and Large Non-Residential



V. EGS Programs

This section summarizes data submitted to the Commission by 107 of the 109 active EGSs regarding the number of customer accounts that participated in various programs. To maintain confidentiality, the data is reported in aggregate, so as not to disclose individual EGS market share data. EGS program categories include flat and time-varying rates, fixed-term contract lengths, curtailable and green power products, and EGS billing information.

Highlights as of Dec. 31, 2022:

A. Flat and Time-Varying Rates:

Flat rates had the most customer accounts with 1,386,280. The residential class comprised 1,182,855 (85%) of flat-rate accounts. The small non-residential class had the most non-residential, flat-rate customer accounts with 158,738.

Time-Varying rates, including TOU, hourly/RTP, seasonal, hybrid and others had a combined total of 518,580 customer accounts. The residential class comprised 395,522 (76%) of time-varying accounts. The small non-residential class had the most non-residential time-varying rate customer accounts with 105,652.

B. Fixed-Term Contract Lengths:

One-year, fixed-term contracts had the most customer accounts with 637,002. The residential class comprised 599,534 (94%) of these contracts. The small non-residential class had the most non-residential three-year, fixed-term customer accounts with 51,680.

C. Curtailable:

Voluntary curtailable programs had the most customer accounts with 1,365. Mandatory curtailable programs had 1 customer account. The non-residential class comprised all of the curtailable programs. The small non-residential class had the most non-residential, voluntary curtailable customer accounts with 744.

D. Green Power:

Green power programs had 508,591 customer accounts. The residential class comprised 487,443 (96%) of these accounts. The small non-residential class had the most non-residential green power customer accounts with 17,240.

E. Billing:

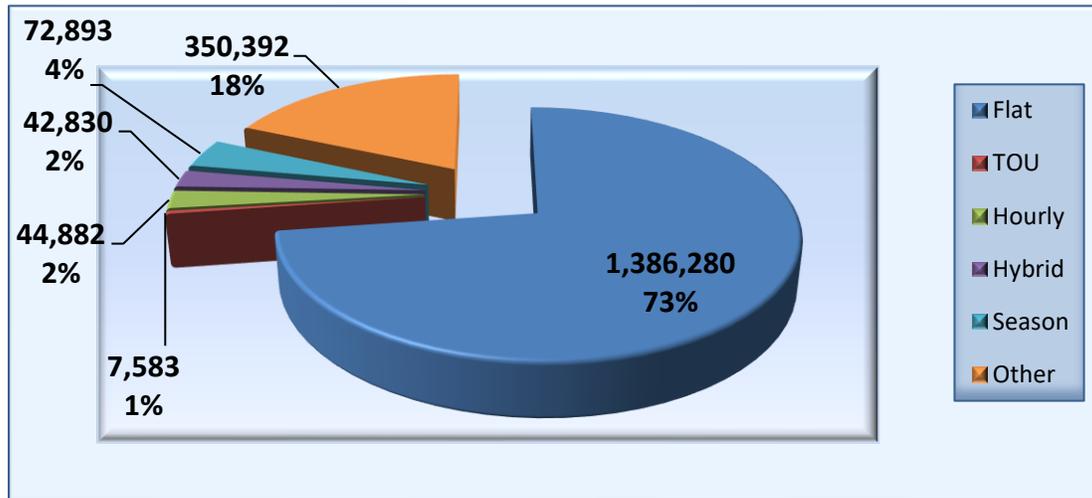
Supplier billing had 57,364 customer accounts with 99% coming from the non-residential class. The small non-residential class had the most non-residential supplier billing customer accounts with 43,316. Auto billing had 3,825 customer accounts with 100% from non-residential.

A. Flat and Time-Varying Rates

**Table 16. Number of EGS Flat and Time-Varying Customer Accounts: 2020 - 2022
Residential and Non-Residential**

<i>Program</i>	<i>Residential Customer Accounts</i>		<i>Non-Residential Customer Accounts</i>		<i>Total Customer Accounts</i>
Flat Rate- 2022	1,182,855	85%	203,425	15%	1,386,280
Flat Rate- 2021	838,374	79%	216,983	21%	1,055,357
Flat Rate- 2020	944,260	81%	224,925	19%	1,169,185
Time of Use- 2022	6,380	84%	1,203	16%	7,583
Time of Use- 2021	2,061	83%	431	17%	2,492
Time of Use- 2020	1,779	98%	41	2%	1,820
Hourly/Real Time- 2022	16,044	36%	28,838	64%	44,882
Hourly/Real Time- 2021	39,851	52%	36,799	48%	76,650
Hourly/Real Time- 2020	29,012	60%	19,361	40%	48,373
Seasonal Rates- 2022	59,972	82%	12,921	18%	72,893
Seasonal Rates- 2021	45,752	79%	12,274	21%	58,026
Seasonal Rates- 2020	50,443	86%	8,467	14%	58,910
Hybrid- 2022	254	1%	42,576	99%	42,830
Hybrid- 2021	9,768	18%	44,491	82%	54,259
Hybrid- 2020	9,543	33%	19,650	67%	29,193
Other- 2022	312,872	89%	37,520	11%	350,392
Other- 2021	306,201	83%	62,930	17%	369,131
Other- 2020	293,303	82%	66,544	18%	359,847

**Figure 13. EGS Flat and Time-Varying Customer Accounts: 2022
Residential and Non-Residential**



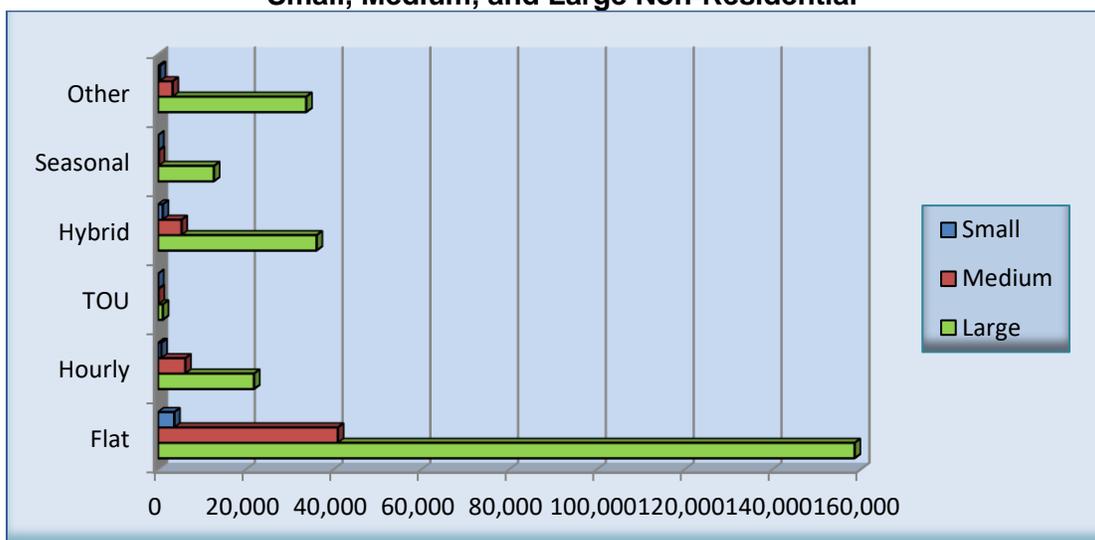
**Table 17. Number of EGS Flat and Time-Varying Customer Accounts: 2020 - 2022
Small, Medium, and Large Non-Residential***

Program	Small Customer Accounts		Medium Customer Accounts		Large Customer Accounts		Total Customer Accounts
	Count	Percentage	Count	Percentage	Count	Percentage	
Flat Rate- 2022	158,738	78%	40,990	20%	3,697	2%	203,425
Flat Rate- 2021	171,679	79%	36,943	17%	8,361	4%	216,983
Flat Rate- 2020	182,118	81%	36,626	16%	6,181	3%	224,925
Time of Use- 2022	1,081	90%	115	10%	7	<1%	1,203
Time of Use- 2021	344	80%	81	19%	6	1%	431
Time of Use- 2020	30	73%	8	20%	3	7%	41
Hourly/Real Time- 2022	21,883	76%	6,217	22%	738	2%	28,838
Hourly/Real Time- 2021	30,837	84%	5,070	14%	892	2%	36,799
Hourly/Real Time- 2020	15,865	82%	2,871	15%	625	3%	19,361
Seasonal- 2022	12,743	99%	154	1%	24	<1%	12,921
Seasonal- 2021	11,582	94%	650	5%	42	<1%	12,274
Seasonal- 2020	7,814	92%	514	6%	139	2%	8,467
Hybrid- 2022	36,146	85%	5,361	13%	1,069	2%	42,576
Hybrid- 2021	39,231	88%	4,127	9%	1,133	3%	44,491
Hybrid- 2020	15,439	79%	3,371	17%	840	4%	19,650
Other- 2022	33,799	90%	3,318	9%	403	1%	37,520
Other- 2021	58,862	94%	3,484	6%	584	1%	62,930
Other- 2020	59,630	90%	6,331	10%	583	1%	66,544

*See Appendix A for definitions of small, medium, and large non-residential classifications.

Note: Due to rounding, some percentage values may not sum to 100%

**Figure 14. EGS Flat and Time-Varying Customer Accounts: 2022
Small, Medium, and Large Non-Residential**



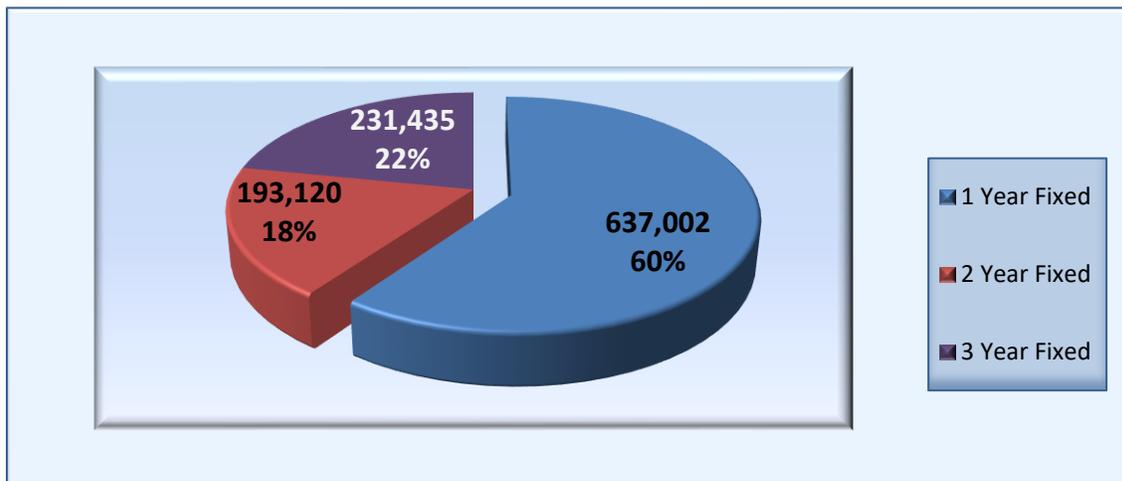
B. Fixed-Term Contract Lengths

**Table 18. Number of EGS Fixed-Term Contract Customer Accounts: 2020 Through 2022
Residential and Non-Residential***

Program	Residential Customer Accounts		Non-Residential Customer Accounts		Total Customer Accounts
	Count	Percentage	Count	Percentage	
1 Year Fixed Term- 2022	599,534	94%	37,468	6%	637,002
1 Year Fixed Term- 2021	449,800	92%	38,191	8%	487,991
1 Year Fixed Term- 2020	479,355	92%	41,869	8%	521,224
2 Year Fixed Term- 2022	153,956	80%	39,164	20%	193,120
2 Year Fixed Term- 2021	154,422	80%	38,492	20%	192,914
2 Year Fixed Term- 2020	208,415	81%	49,726	19%	258,141
3 Year Fixed Term- 2022	161,207	70%	70,228	30%	231,435
3 Year Fixed Term- 2021	158,564	60%	105,360	40%	263,924
3 Year Fixed Term- 2020	256,193	70%	109,578	30%	365,771

*Data reflects the number of fixed-term contract customer accounts by length of the original primary contract, specifying the length in number of years. Data includes customer accounts on flat, seasonal, TOU and hybrid rate schedules.

**Figure 15. EGS Fixed-Term Contract Customer Accounts: 2022
Residential and Non-Residential***



*Data reflects the number of fixed-term contract customer accounts by length of the original primary contract, specifying the length in number of years.

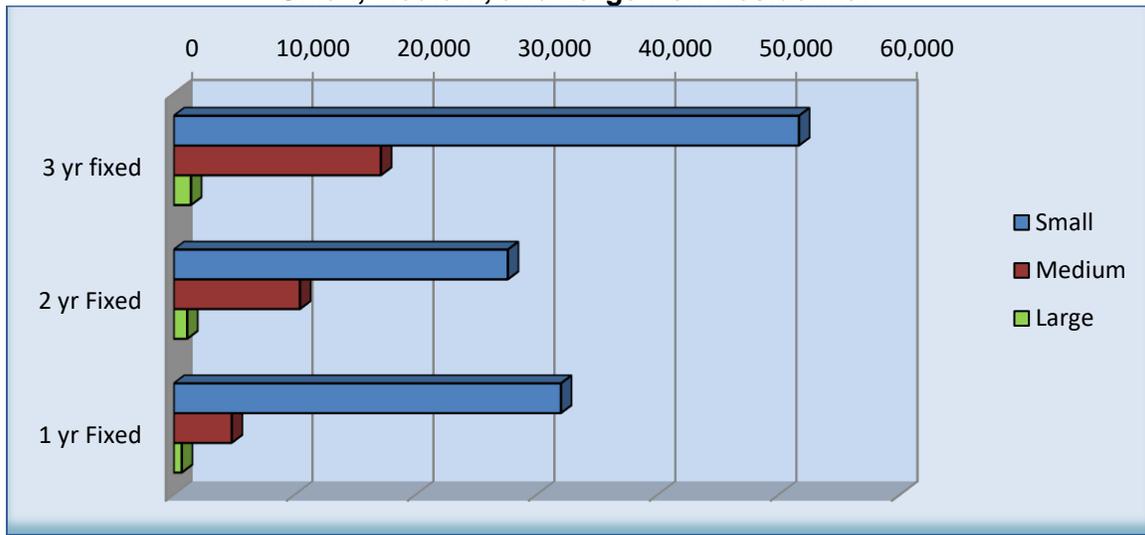
Data includes customer accounts on flat, seasonal, TOU, and hybrid rate schedules.

**Table 19. Number of EGS Fixed-Term Contract Customer Accounts: 2020 Through 2022
Small, Medium, and Large Non-Residential***

Program	Small Customer Accounts		Medium Customer Accounts		Large Customer Accounts		Total Customer Accounts
	Count	Percentage	Count	Percentage	Count	Percentage	
1 Year Fixed Term- 2022	32,007	85%	4,796	13%	665	2%	37,468
1 Year Fixed Term- 2021	29,439	77%	7,008	18%	1,744	5%	38,191
1 Year Fixed Term- 2020	33,088	79%	6,746	16%	2,035	5%	41,869
2 Year Fixed Term- 2022	27,618	70%	10,433	27%	1,113	3%	39,164
2 Year Fixed Term- 2021	27,644	72%	9,381	24%	1,467	4%	38,492
2 Year Fixed Term- 2020	34,822	70%	12,291	25%	2,613	5%	49,726
3 Year Fixed Term- 2022	51,680	74%	17,124	24%	1,424	2%	70,228
3 Year Fixed Term- 2021	88,026	84%	15,485	15%	1,849	1%	105,360
3 Year Fixed Term- 2020	87,900	80%	17,092	16%	4,586	4%	109,578

*Data reflects the number of fixed-term contract customer accounts by length of the original primary contract, specifying the length in number of years. Data includes customer accounts on flat, seasonal, TOU and hybrid rate schedules.

**Figure 16. EGS Fixed-Term Contract Customer Accounts: 2022
Small, Medium, and Large Non-Residential***



*Data reflects the number of fixed-term contract customer accounts by length of the original primary contract, specifying the length in number of years.
Data includes customer accounts on flat, seasonal, TOU, and hybrid rate schedules.

C. Curtailable Programs

Curtailment is defined by PJM as “A reduction in transmission service or generation as a result of system reliability conditions”.¹ As noted in Table 20, in 2022, voluntary curtailable programs had the most customer accounts with 1,365. Mandatory programs had only one customer account. While we don’t speculate the reasoning for the change in trends, it appears that many prior Mandatory Curtailable customers have moved to Voluntary Curtailable program offerings and/or have left curtailable program offerings entirely. Table 21 provides additional breakout of this data, by non-residential class.

**Table 20. Number of EGS Curtailable Customer Accounts: 2020 Through 2022
Residential and Non-Residential**

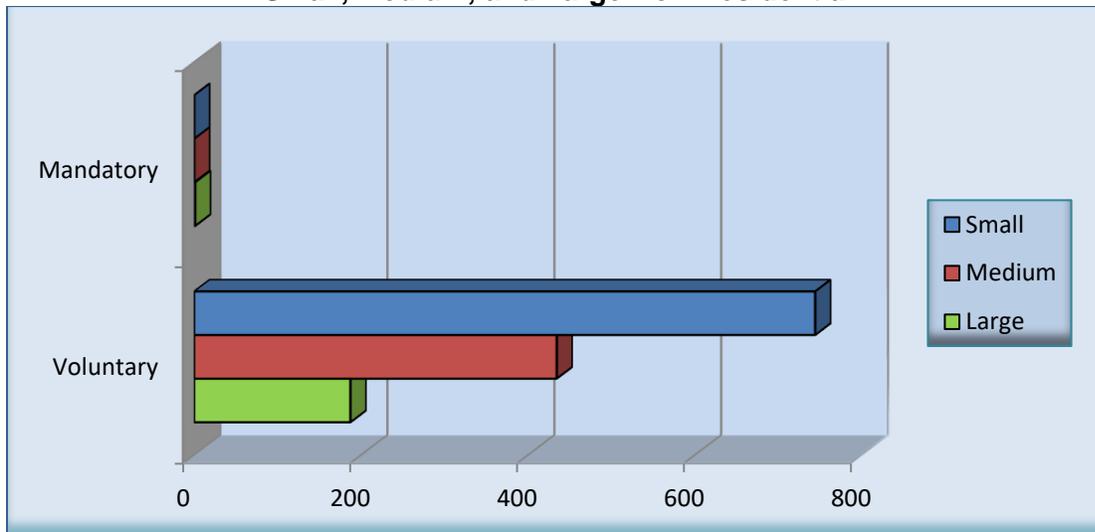
<i>Program</i>	<i>Residential Customer Accounts</i>	<i>Non-Residential Customer Accounts</i>	<i>Total Customer Accounts</i>
Mandatory Curtailable- 2022	0	1	1
Mandatory Curtailable- 2021	0	2,040	2,040
Mandatory Curtailable- 2020	0	4,801	4,801
Voluntary Curtailable- 2022	0	1,365	1,365
Voluntary Curtailable- 2021	0	287	287
Voluntary Curtailable- 2020	0	973	973

¹ See [PJM - PJM Glossary](#)

**Table 21. Number of EGS Curtailable Customer Accounts: 2020 Through 2022
Small, Medium, and Large Non-Residential**

<i>Program</i>	<i>Small Customer Accounts</i>	<i>Medium Customer Accounts</i>	<i>Large Customer Accounts</i>	<i>Total Customer Accounts</i>
Mandatory Curtailable- 2022	0	0	1	1
Mandatory Curtailable- 2021	2,040	0	0	2,040
Mandatory Curtailable- 2020	4,729	69	3	4,801
Voluntary Curtailable- 2022	744	434	187	1,365
Voluntary Curtailable- 2021	287	0	0	287
Voluntary Curtailable- 2020	523	277	173	973

**Figure 17. EGS Curtailable Customer Accounts: 2022
Small, Medium, and Large Non-Residential**



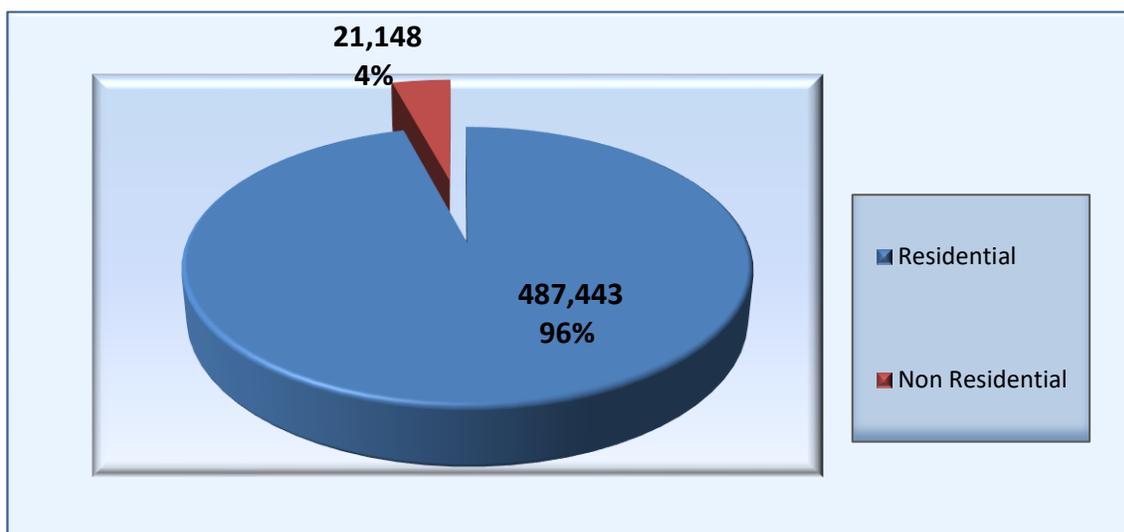
D. Green Power

Green Power Customer Account is defined as: A retail customer account incorporating electric power supply that has greater-than-required renewable content, as specified in Section 3 of the Alternative Energy Portfolio Standards Act (73 P.S. § 1648.3). From 2020 through 2022, Green Power customer accounts declined by 2% with a 65% decline among non-residential customers, while residential Green Power customer accounts increased by 6%.

Table 22. Number of EGS Green Power Customer Accounts: 2020 Through 2022 Residential and Non-Residential

<i>Program</i>	<i>Residential Customer Accounts</i>	<i>Non-Residential Customer Accounts</i>	<i>Total Customer Accounts</i>
Green Power- 2022	487,443	21,148	508,591
Green Power- 2021	484,815	40,570	525,385
Green Power- 2020	457,867	60,822	518,689

Figure 18. EGS Green Power Customer Accounts: 2022 Residential and Non-Residential

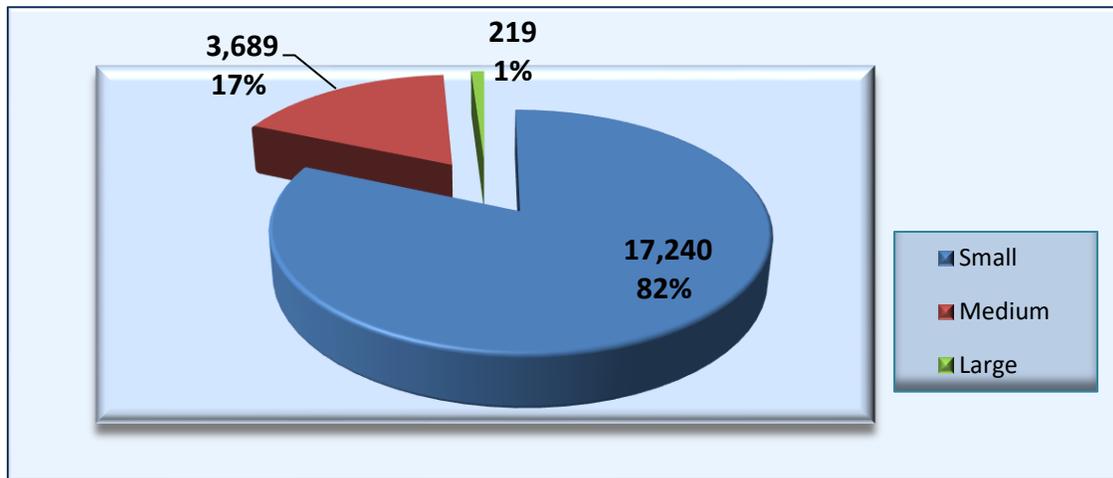


Analysis of the data contained in Table 23 shows that among the non-residential customer classes, there was a general decrease between 2021 and 2022 of Green Power customer accounts by 48%. Respectively, the changes in the small, medium, and large customer classes were -54%, +60%, and -60%.

**Table 23. Number of EGS Green Power Customer Accounts: 2020 Through 2022
Small, Medium, and Large Non-Residential**

<i>Program</i>	<i>Small Customer Accounts</i>	<i>Medium Customer Accounts</i>	<i>Large Customer Accounts</i>	<i>Total Customer Accounts</i>
Green Power- 2022	17,240	3,689	219	21,148
Green Power- 2021	37,615	2,308	647	40,570
Green Power- 2020	54,397	5,914	511	60,822

**Figure 19. EGS Green Power Customer Accounts – 2022
Small, Medium, and Large Non-Residential**



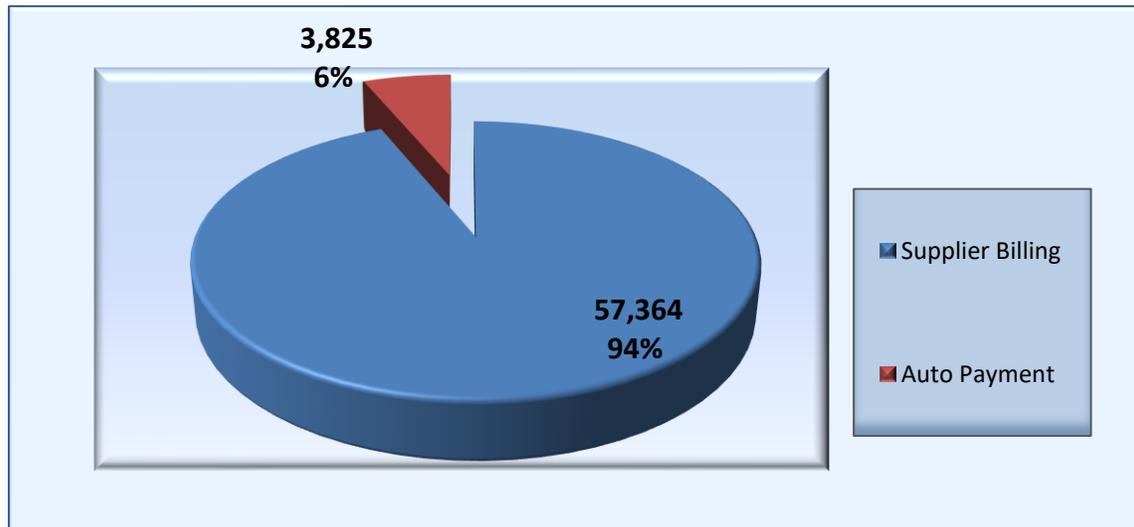
E. Billing

**Table 24. Number of EGS Billing Customer Accounts: 2020 Through 2022
Residential and Non-Residential***

<i>Program</i>	<i>Residential Customer Accounts</i>	<i>Non-Residential Customer Accounts</i>	<i>Total Customer Accounts</i>
Supplier Billing- 2022	425	56,939	57,364
Auto Payment- 2022	0	3,825	3,825
Supplier Billing- 2021	140,491	57,776	198,267
Auto Payment- 2021	0	3,509	3,509
Supplier Billing- 2020	168,369	48,771	217,140
Auto Payment- 2020	1	3,516	3,517

*Auto Payment customers are a subset of Supplier Billing. Auto Payment customers are billed automatically on credit cards or other automatic payment arrangements. (i.e., bank transfer)

**Figure 20. EGS Billing Customer Accounts: 2022
Residential and Non-Residential**



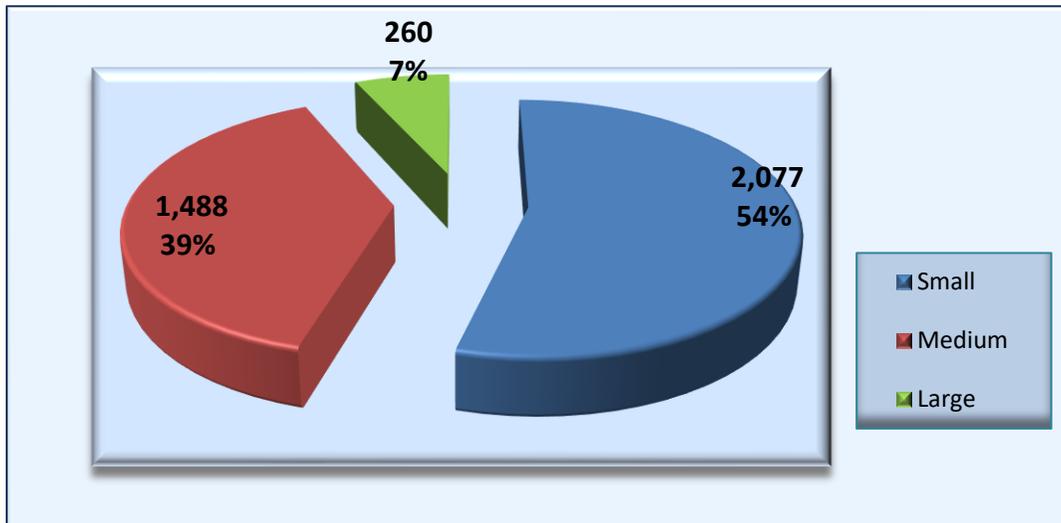
**Table 25. Number of EGS Billing Customer Accounts: 2020 Through 2022
Small, Medium, and Large Non-Residential***

Program	Small Customer Accounts		Medium Customer Accounts		Large Customer Accounts		Total Customer Accounts
	Count	Percentage	Count	Percentage	Count	Percentage	
Supplier Billing- 2022	43,316	76%	11,644	20%	1,979	4%	56,939
Auto Payment- 2022	2,077	54%	1,488	39%	260	7%	3,825
Supplier Billing- 2021	40,218	70%	13,224	23%	4,334	7%	57,776
Auto Payment- 2021	1,818	51%	1,424	41%	267	8%	3,509
Supplier Billing- 2020	34,477	71%	8,118	17%	6,176	13%	48,771
Auto Payment- 2020	2,175	62%	1,083	31%	258	7%	3,516

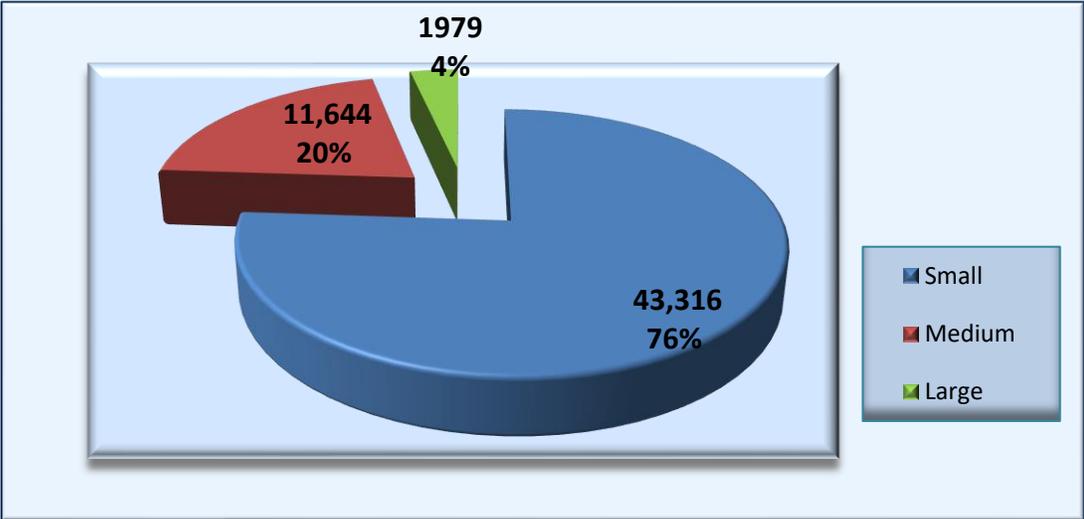
*Auto Payment customers are a subset of Supplier Billing. Auto Payment customers are billed automatically on credit cards or other automatic payment arrangements. (i.e., bank transfer).

Note: Due to rounding some percentage values may not sum to 100%.

**Figure 21. EGS Billing Customer Accounts—Auto Payment: 2022
Small, Medium, and Large Non-Residential**



**Figure 22. EGS Billing Customer Accounts – Supplier Billing: 2022
Small, Medium, and Large Non-Residential**



VI. Appendix A – Definitions

A. General

Active EGS – An EGS that is licensed to provide retail electric generation service and is providing that service to one or more customers.

Flat-Rate Customer Account – A customer account that is charged a fixed, cents-per-kwh rate that changes no more frequently than monthly, excluding seasonal rates.

Green Power Customer Account – A retail customer account incorporating electric power supply that has greater-than-required renewable content, as specified in section 3 of the Alternative Energy Portfolio Standards Act (73 P.S. § 1648.3).

Fixed-Term Contract – A contract which includes an all-inclusive per kWh price that will remain the same for at least three billing cycles or the term of the contract, whichever is longer.

Hourly/Real-Time-Price – A pricing arrangement based on hourly or daily energy prices.

Hybrid-Rate Customer Account – A retail customer account that is charged via an electric generation pricing arrangement that incorporates hourly and block rates.

Seasonal Rates – Rates which differ in summer/non-summer.

Supplier Billing – Includes all customers who are not billed by the utility for the supplier's services. Also includes customers billed by a billing service other than the utility.

Time-of-Use Rate – A rate that changes at different times of the day or night, or at different times during a 24-hour or 7-day period, but not as frequently as each hour, to reflect the costs of serving the customer during different time periods.

B. Small, Medium, and Large Non-Residential Definitions

Citizens' Electric Company

- Small Non-Residential: General light and power service under 50 kW.
- Medium Non-Residential: General light and power service of 50 kW minimum.
- Large Non-Residential: General light and power service greater than 1,000 kW, at primary voltage.

Duquesne Light Company

- Small Non-Residential: Small commercial and industrial customers with maximum registered peak metered demand of less than 25 kW, lighting customers, and unmetered customers.
- Medium Non-Residential: Medium commercial and industrial customers with a maximum registered peak metered demand of 25 kW or greater. This includes customers with demand of 25 kW to 200 kW eligible for fixed-price default supply; and customers with demands of 200 kW or more eligible for hourly-priced service.
- Large Non-Residential: Large commercial and industrial customers with a maximum registered peak metered demand of 300 kW or greater.

UGI Utilities Inc.

- Small Non-Residential: Annual peak load of less than 100 kW.
- Medium Non-Residential: Annual peak load of between 100 kW-500 kW.
- Large Non-Residential: Annual peak load greater than 500 kW. Annual peak load is defined as the highest one-hour usage in a 12-month period.

Metropolitan Edison Company

- Small Non-Residential: Secondary service with monthly usage of 1,500 kWh or less.
- Medium Non-Residential: Secondary service with monthly usage greater than 1,500 kWh and less than 100 kW.
- Large Non-Residential: Secondary, Primary and Transmission service with monthly demand greater than 100 kW.

Pennsylvania Electric Company

- Small Non-Residential: Secondary service with monthly usage of 1,500 kWh or less.
- Medium Non-Residential: Secondary service with monthly usage greater than 1,500 kWh and less than 100 kilowatts.
- Large Non-Residential: Secondary, Primary and Transmission service with monthly demand greater than 100 kW.

Pennsylvania Power Company

- Small Non-Residential: Secondary service with monthly usage of 1,500 kWh or less.
- Medium Non-Residential: Secondary service with monthly usage greater than 1,500 kWh and less than 100 kW.
- Large Non-Residential: Secondary, Primary and Transmission service with monthly demand greater than 100 kW.

PECO Energy Company

- Small Non-Residential: Registered demand of less than 100 kW, GS non-demand metered and, Lighting rate classes.
- Medium Non-Residential: Registered demand of between 100 kW to less than 500 kW.
- Large Non-Residential: Registered demand equal to or greater than 500 kW, rate class EP.

Pike County Light and Power Company

- Small Non-Residential: Small Commercial and Industrial General Service- Secondary Service and Municipal/Private Lighting rate classes.
- Medium Non-Residential: N/A
- Large Non-Residential: Large Commercial/Industrial – Primary Service.

PPL Electric Utilities Corporation

- Small Non-Residential: Secondary voltage-level rate classes: BL, GH-1, GH-2, GS-1, GS-3, IS-1, and Street Lighting.
- Medium Non-Residential: Primary voltage-level rate classes: LP-4, IS-P.
- Large Non-Residential: Transmission voltage-level rate classes: LP-5, LP-6, LPEP.

Wellsboro Electric Company

- Small Non-Residential: Small Commercial rate class with demand under 7 kW.
- Medium Non-Residential: Small Commercial rate class with demand of 7 kW or more.
- Large Non-Residential: Large Commercial rate class with primary voltage of not less than 50 kW.

West Penn Power Company

- Small Non-Residential: Secondary service with monthly usage of 1,500 kWh or less.
- Medium Non-Residential: Secondary service with monthly usage greater than 1,500 kWh and less than 100 kW.
- Large Non-Residential: Secondary service and, Primary and Transmission service with monthly demand greater than 100 kW.

Appendix B – Overview: EGS Retail Electricity Choice Activity Reporting - 2021 & 2022

EGS Name	2021 Report	2022 Report
AEP Energy, Inc.	YES	YES
Aggressive Energy	YES	YES
Agway Energy Services, LLC	YES	YES
Alpha Gas & Electric, LLC	YES	YES
All American Power and Gas	YES	YES
Ambit Northeast, LLC dba Ambit Energy	YES	YES
American Power & Gas of Pennsylvania, LLC	YES	YES
American Power Net Management, LP	NO	YES
AP Gas & Electric (PA), LLC dba APG&E	YES	YES
APN Starfirst, LP	NO	YES
Astral Energy, LLC	YES	YES
Atlantic Energy MD, dba Atlantic Energy	YES	YES
BP Energy Retail fka EDF Energy Services, LLC	YES	YES
Calpine Energy Solutions	YES	YES
Champion Energy Services, LLC	YES	YES
Choice Energy dba 4 Choice Energy, LLC	YES	YES
City Power and Gas	NA	YES
Clean Choice Energy, Inc.	YES	YES
Clearview Electric, Inc.	YES	YES
Click Energy	YES	YES
Community Energy, Inc.	YES	YES
Constellation New Energy, Inc.	YES	YES
Direct Energy Business, LLC	YES	YES
Direct Energy Services, LLC	YES	YES
Discount Power, Inc.	YES	YES
Dynegy Energy Services East, LLC	YES	YES
Eco Plus Power	NA	YES
Eligo Energy PA, LLC	YES	YES
Energy Cooperative of America, Inc.	YES	YES
Energy Cooperative Association of PA- The Energy Co-op	YES	YES
Energy Plus Holdings, LLC	YES	YES
Energy Services Providers, Inc. dba PA Gas & Electric	YES	YES
Energy Transfer Retail Power, LLC	YES	YES
Ener Penn USA, LLC dba Y.E.P. Energy	YES	YES
ENGIE Retail, LLC dba Think Energy	YES	YES
ENGIE Resources, LLC	YES	YES
ENGIE Power & Gas	YES	YES
Everyday Energy, LLC dba Energy Rewards	YES	YES
Energy Harbor (fka First Energy Solutions Corp.)	YES	YES
First Point Power	YES	YES
Freepoint Energy Solutions, LLC	YES	YES
Frontier Utilities Northeast, LLC	YES	YES
Gateway Energy Services Corporation	YES	YES
Great American Power, LLC	YES	YES

Overview: EGS Retail Electricity Choice Activity Reporting – 2021 & 2022

EGS Name	2021 Report	2022 Report
Greenlight Energy	YES	YES
Green Mountain Energy Co	YES	YES
Grid Power Direct	YES	YES
Holcim (US), Inc.	YES	YES
Hudson Energy Services, LLC	YES	YES
IDT Energy, Inc.	YES	YES
Independence Energy Group dba Cirro Energy Group	YES	YES
Inspire Energy Holdings, LLC	YES	YES
Interstate Gas Supply dba IGS Energy	YES	YES
Jack Rich, Inc. dba Anthracite Power & Light Company	YES	YES
Josco Energy USA, LLC	YES	YES
Just Energy Pennsylvania Corp.	YES	YES
Just Energy Solutions, Inc.	YES	YES
Land O Lakes, Inc.	YES	YES
Median Energy PA, LLC	YES	YES
Messer Energy Services, Inc.	YES	YES
MidAmerican Energy Services, LLC	YES	YES
MP2 Energy NE, LLC	YES	YES
MPower Energy NJ, LLC	YES	NO
National Gas & Electric, LLC	YES	NO
New Wave Energy Corp.	YES	YES
nTherm, LLC	YES	YES
NextEra Energy Services Pennsylvania, LLC	YES	YES
Nordic Energy Services, LLC	YES	YES
North American Power & Gas, LLC	YES	YES
PA Grain Processing	NO	YES
Palmco Power PA, LLC (dba Indra Energy)	YES	YES
Park Power, LLC	YES	YES
Pinnacle Power, LLC	YES	YES
Planet Energy (Pennsylvania) Corp.	YES	YES
Polaris Power Services, LLC	YES	YES
Power Up Pennsylvania dba Power Up Energy	NA	YES
Powervine Energy	YES	YES
Public Power, LLC	YES	YES
Pure Energy USA PA, LLC	YES	YES
Reliant Energy Northeast (dba NRG)	YES	YES
Residents Energy East, LLC	YES	YES
Respond Power dba Major Energy	NA	YES
Robindale Retail Power	YES	YES
RPA Energy dba Green Choice Energy	YES	YES

Overview: EGS Retail Electricity Choice Activity Reporting - 2021 & 2022

EGS Name	2021 Report	2022 Report
Rushmore Energy, LLC	YES	YES
Santanna Energy Services	YES	YES
SFE Energy	YES	YES
Shiple Choice, LLC	YES	YES
Smart Energy Holdings, LLC	YES	YES
Smartest Energy	YES	YES
South Bay Energy Corp	YES	YES
Spring Energy RRH, LLC dba Spring Power & Gas	YES	YES
Star Energy Partners	NO	YES
Statewise Energy Penna, LLC	YES	YES
Stream Energy Pennsylvania, LLC	YES	YES
Summer Energy Midwest, LLC	YES	YES
Talen Energy, LLC	YES	YES
Texas Retail Energy, Inc.	YES	YES
Titan Gas & Power, LLC dba Clean Sky Energy	YES	YES
Tomorrow Energy Corp	YES	YES
Town Square Energy East, LLC	YES	YES
Tri Eagle Energy, LP	YES	YES
Trustees of University of Pennsylvania	YES	YES
UGI Energy Services, LLC	YES	YES
Verde Energy USA	YES	YES
Viridian Energy PA, LLC	YES	YES
Vista Energy Marketing, LP	YES	YES
WGL Energy Services	YES	YES
XOOM Energy Pennsylvania, LLC	YES	YES

Note: "YES" indicates EGS is "active" & submitted the report.

"NO" indicates EGS is "active" & did not submit the report.

"NA" indicates EGS is "not active".

RESA Ex. JO-3

PA Power Switch - April 2024



PA PowerSwitch

Pennsylvania Public Utility Commission

MONTHLY UPDATE - APRIL 2024

CUSTOMERS WHO HAVE SWITCHED TO AN ELECTRIC GENERATION SUPPLIER AS OF APRIL 2024

Electric Utility	Date Updated	Total Switching Customers			Residential Switching Customers			Commercial Switching Customers			Industrial Switching Customers		
		#	%	% of Load	#	%	% of Load	#	%	% of Load	#	%	% of Load
Citizens' Electric	4/30/24	70	1.0	20.6	5	0.1	0.2	46	3.9	14.4	19	47.5	77.4
Duquesne	4/30/24	140,604	22.9	69.3	116,073	21.4	21.4	23,855	38.2	82.3	676	66.5	98.1
Met-Ed	4/24/24	140,503	23.2	58.0	109,874	20.1	20.1	28,963	40.6	63.0	1,666	89.1	95.3
PECO	4/23/24	399,831	23.0	52.0	329,429	22.0	22.0	63,909	39.0	51.0	6,493	83.0	93.0
Penelec	4/24/24	122,272	20.3	62.6	85,477	16.1	16.1	35,084	36.7	63.9	1,711	90.2	96.9
Penn Power	4/24/24	37,788	21.7	62.7	27,517	17.5	17.5	9,850	44.3	74.9	421	86.1	97.7
Pike County Light & Electric	4/30/24	956	18.2	15.5	740	16.0	16.0	216	22.9	20.4	0	0	0
PPL	4/30/24	600,624	40.4	70.1	501,566	43.1	43.1	96,927	51.5	85.7	2,131	72.1	97.9
UGI	4/20/24	1,558	2.4	21.3	542	1.0	1.0	931	10.5	41.4	85	49.4	82.6
Wellsboro Electric	4/30/24	59	0.9	20.9	0	0	0	51	4.0	25.5	8	61.5	49.7
West Penn Power	4/24/24	150,963	20.0	60.8	112,266	16.8	16.8	36,813	31.6	59.7	1,884	88.5	96.4
Statewide Total	4/30/24	1,595,228	26.4	61.5**	1,283,489	24.3	26.9	296,645	40.4	73.3	15,094	82.0	95.9

* Percentage based on the total number of customers of regulated electric utilities in Pennsylvania as of 4/30/24.
(5,280,239 Residential + 733,362 Commercial + 18,414 Industrial = 6,032,015 Total Customers).

** Percentage represents megawatt hours currently delivered by alternative suppliers.



RESA Ex. JO-4

November 1, 2022 PPL “Important Notice”
Communication to SOP Customers

Energy supply rates change Dec. 1

PPL Electric Utilities <email@customerprograms.pplelectric.com>

Tue 11/1/2022 4:29 PM

To [REDACTED]

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Important Notice

Check your energy supply contract today

Your electricity supply rate on your last bill: 8.316¢/kWh

We're here to provide you with safe, reliable electricity, and we care about helping you manage your costs. That's why we want to remind you that it's important to check your contract to see when it expires and what rate your supplier will charge after that.

As of your most recent electric bill, you are enrolled in our Standard Offer Program. As a reminder, this is a 12-month program where an electricity supplier provides you a 7% discount off the PPL Electric Utilities default rate. Once your annual contract is up, that supplier could change your rate.

Important Note: The Standard Offer Program is currently NOT available and may continue to not be available after December 1. If you want to change your electricity supplier when your 12-month term ends, you'll need to take action. You have options:



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 12.366¢/kWh until December 1, 2022. On December 1, 2022, that rate will rise to 14.612¢/kWh. Before cancelling, make sure to check your current contract. You don't want to be hit with any unexpected fees.

Like the prices of many products and services across the board, energy supply prices are on the rise. We know that rising prices are a major concern, and we want to help you manage your electricity bills.

- **Save energy:** We have tips, programs, and rebates available to help all customers. [Learn more.](#)
- **Spread out your costs:** Our budget billing program evens out your bills over 12 months and makes payments more predictable. [Log into your account to sign up.](#)
- **Get bill help:** If you're struggling to keep up with your electric bill, we have programs that can help. [Learn more.](#)

Thank you.

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PPL Electric Utilities | 2 N. 9th St. | Allentown, Pennsylvania | 18101

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RESA Ex. JO-5

November 1, 2022 PPL “Important Notice”
Communication to Shopping Customers

PPL Electric Utilities <email@customerprograms.pplelectric.com>

11/1/2022 6:40 PM

Price to Compare Changes Dec. 1

To _____@comcast.net

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Important Notice

Have you checked your energy supply price recently?

Your electricity supply rate on your last bill: 12.490¢/kWh

As of your most recent electric bill, you have a contract with a third-party energy supplier, Direct Energy Services. You can reach them at 1-888-734-0741.

Like the prices of many products and services across the board, energy supply prices are on the rise.

We want to make sure that your bills are as low as possible. That's why we're reminding you to take a few minutes to compare your current supply rate (noted above) with other options that are available.

If you'd like to make a change, here's what you need to do:



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 12.366¢/kWh until December 1, 2022. On December 1, 2022, that rate will rise to 14.612¢/kWh. Before cancelling, make sure to check your current contract. You don't want to be hit with any unexpected fees.

We know that rising prices are a major concern, and we want to help you manage your electricity bills.

- **Save energy:** We have tips, programs, and rebates available to help all customers. [Learn more.](#)
- **Spread out your costs:** Our budget billing program evens out your bills over 12 months and makes payments more predictable. [Log into your account to sign up.](#)
- **Get bill help:** If you're struggling to keep up with your electric bill, we have programs that can help, including financial assistance, payment plans, and budget billing. [Learn more.](#)

Thank you.

Winter is right around the corner. Cooler temperatures often mean more energy use and higher bills. We know budgets are stretched these days and that affordability is important to you. That's why we wanted to remind you of ways we can help you manage your winter electric bills.

Check your supplier contract: We deliver your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can shop around for the electricity supplier that is right for your lifestyle, preferences, and budget.

As of your most recent electric bill, you have a contract with a third-party energy supplier. This is the perfect time to check that contract, see when it expires, and make sure you're getting the rate and service that is right for your family.

If you'd like to make a change, you have options.



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 12.366¢/kWh until December 1, 2022. We'll let you know what the new rate is in early November.

Save energy: We have tips, programs, and rebates available to help all customers. [Learn more.](#)

Get bill help: If you're struggling to keep up with your electric bill, we have programs that can help, including financial assistance, payment plans, and budget billing. [Learn more.](#)

For more ideas, tips, and information to help you manage higher bills this winter, visit pplelectric.com/highbill. If you ever need to give us a call, we're here for you at 1-800-342-5775.

Stay safe and be well.

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RESA Ex. JO-6

Sample PPL Emails to Shopping
Customers including SOP
Customers in 2001, 2002 and first
half of 2023

PPL Electric Utilities Corporation
Response to the Set I Data Requests of
The Retail Energy Supply Association and NRG Energy, Inc.
Dated June 6, 2023
Docket No. P-2022-3036985

RESA
& NRG I-5

Please refer to Exhibit A attached to PPL's Answer to the Petition for Declaratory Order, and please provide the following:

- A. Dates of each communication.
- B. Number of customers to whom the communication was sent.
- C. Criteria used by PPL in selecting the customers to whom the communication was sent.
- D. Costs incurred by PPL to design, draft and develop the communications.

PPL
Response

PPL Electric sent the following emails. The Company used internal resources to prepare and send these emails. There are no specific costs associated with each email.

Email 1 – Important notice to business customers of PTC change

Send date: May 2, 2022

Number of emails delivered: 33,992

Audience/Criteria: Business customers on default service as of their last bill (not shopping)

Email 2 – Important notice to residential customers of PTC change

Send date: May 2, 2022

Number of emails delivered: 428,289

Audience/Criteria: Residential customers on default service as of their last bill (not shopping)

Email 3 – Have you checked your energy supply price recently?

Send date: May 26, 2021

Number of emails delivered: 132,061

Audience/Criteria: Residential customers with a supplier and paying more than PTC as of their last bill

Email 4 – Have you considered shopping for supply?

Send date: June 11, 2021

Number of emails delivered: 32,027
Audience/Criteria: Mid-size business customers on default service as of their last bill (not shopping)

Email 5 – Have you considered shopping for supply?

Send date: June 11, 2021

Number of emails delivered: 373,481

Audience/Criteria: Residential customers on default service as of their last bill (not shopping)

Email 6 – Shop for electricity supply and save

Send date: June 25, 2021

Number of emails delivered: 7,433

Audience/Criteria: Business customers with a supplier and paying less than PTC as of their last bill

Email 7 – Shop for electricity supply and save

Send date: June 25, 2021

Number of emails delivered: 125,081

Audience/Criteria: Residential customers with a supplier and paying less than PTC as of their last bill

Email 8 – Winter means higher energy use. Consider your options

Send date: October 18, 2022

Number of emails delivered: 3,498

Audience/Criteria: Business customers enrolled on SOP

Email 9 - Winter means higher energy use. Consider your options

Send date: October 18, 2022

Number of emails delivered: 13,847

Audience/Criteria: Business customers shopping with a supplier as of their last bill, non-SOP

Email 10 - Winter means higher energy use. Consider your options

Send date: October 18, 2022

Number of emails delivered: 33,155

Audience/Criteria: Business customers on default service, non-shopping, as of their last bill

Email 11 - Winter means higher energy use. Consider your options

Send date: October 18, 2022

Number of emails delivered: 76,403

Audience/Criteria: Residential customers enrolled on SOP

Email 12 - Winter means higher energy use. Consider your options

Send date: October 18, 2022

Number of emails delivered: 185,889
Audience/Criteria: Residential customers shopping with a supplier as of their last bill, non-SOP

Email 13 - Winter means higher energy use. Consider your options
Send date: October 18, 2022
Number of emails delivered: 390,919
Audience/Criteria: Residential customers on default service, non-shopping as of their last bill, excluding OnTrack

Email 14 – PTC Changes December 1
Send date: November 1, 2022
Number of emails delivered: 13,038
Audience/Criteria: Business customers shopping as of their last bill, non-SOP

Email 15 - PTC Changes December 1
Send date: November 1, 2022
Number of emails delivered: 3,377
Audience/Criteria: Business customers enrolled on SOP

Email 16 - PTC Changes December 1
Send date: November 1, 2022
Number of emails delivered: 187,582
Audience/Criteria: Residential customers shopping as of the last bill

Email 17 - PTC Changes December 1
Send date: November 1, 2022
Number of emails delivered: 75,357
Audience/Criteria: Residential customers enrolled on SOP

Email 18 - PTC Changes December 1
Send date: November 1, 2022
Number of emails delivered: 31,325
Audience/Criteria: Business customers on default service, non-shopping

Email 19 - PTC Changes December 1
Send date: November 1, 2022
Number of emails delivered: 381,510
Audience/Criteria: Residential customers on default service, non-shopping, excluding OnTrack

2023 Email – Your one year energy supply contract ends soon
Send date: April 26, 2023
Number of emails delivered: Residential: 17,456 and Business: 726

Audience: Customers who enrolled in SOP during May 2022

RESA Ex. JO-6

Sample PPL Emails to Shopping
Customers including SOP Customers in
2001, 2002 and first half of 2023

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Have you checked your energy supply price recently?

Your current rate: %%Billed Shopping Price%%¢/kWh

PPL's Price to Compare as of 6/1/21: 7.544¢/kWh

As of your last bill, your energy supplier is charging you more than PPL's Price to Compare. That means you may be able to reduce your electricity bill by contacting your current supplier to negotiate a better rate or shopping for a different supplier.

There may be legitimate reasons why you are paying more than the Price to Compare. For instance, you may have chosen to purchase additional services or renewable energy sources.

Who is your electricity supplier?

PPL delivers your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can shop around and choose the electricity supply that is right for you. Your current supplier is: %%Supplier Name%%. You can reach them at %%Supplier Phone%%.

What is the Price to Compare?

If you do not pick a supplier, PPL will purchase supply for you as your default provider. We hold energy auctions twice a year, secure supply at the lowest rate possible at that time, and then pass the cost on to customers at no profit to us. That supply cost is the Price to Compare. It changes every June 1 and December 1. That's the rate you should use to compare supplier offers.

What should you do next?

If you want to save a few bucks on your bill, you can try to negotiate a new rate with your current supplier, shop for a different supplier, or choose to have PPL buy supply for you. If you do decide to switch suppliers, check your current contract first. You don't want to be caught off guard by early termination fees.

It's easy to compare supplier offers online. Visit our *Shop Smart* website for everything you need to know to shop for electricity and compare rates.

Stay healthy and stay safe!

[Shop for supply](#)

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%%member_busname%% | %%member_addr%% | %%member_city%%, %%member_state%% | %%member_postalcode%%

RESA Exh. JO-6

Audience/Criteria: Residential customers with a supplier and paying more than PTC as of their last bills

RESA Ex. JO-8
“Educational Materials” Provided to PPL
Consumers Without Prior Commission
Approval

RESA Exh. JO-6
Audience/Criteria: Business customers with a supplier and paying less than PTC as of their last bills

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Your current rate: 7.544¢/kWh

PPL's Price to Compare as of 6/1/21: 7.541¢/kWh

Shop for electricity supply and save

We have some good news! As of your last bill, your energy supplier is charging you less than PPL's Price to Compare. That means you're getting a good deal on electricity supply. It's an example of what smart shopping can do!

Who is your electricity supplier?

PPL delivers your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can choose your own energy supplier, based on the rates and plans they provide. Your current supplier is: [Supplier Name]. You can reach them at [Supplier Phone Number].

What is the Price to Compare?

If you do not pick a supplier, PPL purchases supply for you as your default provider. We hold energy auctions twice a year, secure supply at the lowest rate possible at that time, and then pass the cost on to customers at no profit to us. The price we charge for electricity supply is the Price to Compare. It changes every June 1 and December 1. That's the rate you should use to compare supplier offers.

What should you do next?

Nothing. You're all good. But we do encourage you to stay on top of your electricity supply price to make sure you're always getting the best deal possible. You can see what you're paying for supply in any given month by taking a look at your PPL bill, or by logging in to your online PPL account.

It's easy to compare supplier offers online. Visit our Shop Smart website for everything you need to know to shop for electricity and compare rates.

Stay safe and shop smart!

[Shop for supply](#)

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RESA Exh. JO-6
Audience/Criteria: Residential customers with a supplier and paying less than PTC as of their last bills

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Your current rate: 7.544¢/kWh

PPL's Price to Compare as of 6/1/21: 7.544¢/kWh

Shop for electricity supply and save

We have some good news! As of your last bill, your energy supplier is charging you less than PPL's Price to Compare. That means you're getting a good deal on electricity supply. It's an example of what smart shopping can do!

Who is your electricity supplier?

PPL delivers your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can choose your own energy supplier, based on the rates and plans they provide. Your current supplier is: [Supplier Name]. You can reach them at [Supplier Phone Number].

What is the Price to Compare?

If you do not pick a supplier, PPL purchases supply for you as your default provider. We hold energy auctions twice a year, secure supply at the lowest rate possible at that time, and then pass the cost on to customers at no profit to us. The price we charge for electricity supply is the Price to Compare. It changes every June 1 and December 1. That's the rate you should use to compare supplier offers.

What should you do next?

Nothing. You're all good. But we do encourage you to stay on top of your electricity supply price to make sure you're always getting the best deal possible. You can see what you're paying for supply in any given month by taking a look at your PPL bill, or by logging in to your online PPL account.

It's easy to compare supplier offers online. Visit our Shop Smart website for everything you need to know to shop for electricity and compare rates.

Stay safe and shop smart!

Shop for supply

Connect with us



Forward this email to a friend

Please do not reply to this automated email. This mailbox is not monitored

[Update your email address](#) or [unsubscribe](#) from these messages. This does not change the email address for your PPL Electric Utilities online account.

%%member_busname%% | %%member_addr%% | %%member_city%%, %%member_state%% | %%member_postalcode%%



Winter means higher energy use. Consider your options.

Dear [Customer],

Winter is right around the corner. Cooler temperatures often mean more energy use and higher bills. We know budgets are stretched these days and that affordability is important to your business. That's why we wanted to remind you of ways we can help you manage your winter electric bills.

Check your supplier contract: We deliver your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can shop around for the electricity supplier that is right for your business.

Last year, you enrolled in our Standard Offer Program. This is a 12-month program where an electricity supplier provides you a 7% discount off PPL Electric's default rate. Once your annual contract is up, that supplier could change your rate. We want to remind you that it's important to check your contract to see when it expires and what rate your supplier will charge after that.

If your contract is coming due, you have options.



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 11.695¢/kWh through December 1, 2022. We'll let you know what the new rate is in early November.

Save energy: We have tips, programs, and rebates available to help all customers. [Learn more.](#)

Get bill help: If you're struggling to keep up with your electric bill, we have programs that can help, including payment plans and budget billing. Small business customers, call 1-800-342-5775. Larger businesses, call 1-888-220-9991.

Stay safe and be well.

Connect with us



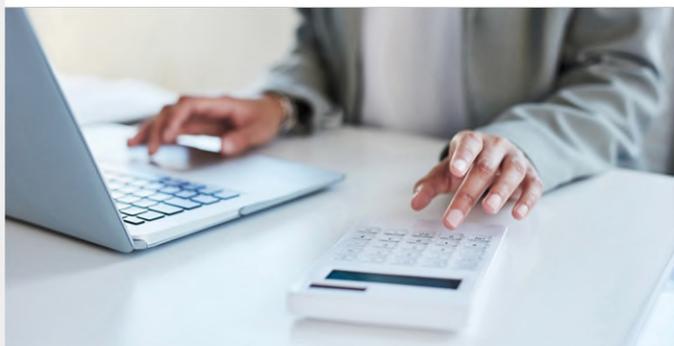
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RESA Exh. JO-6
Audience/Criteria: Business
customers enrolled on SOP

RESA Exh. JO-6
Audience/Criteria: Business customers shopping with a supplier as of their last bills

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[My Account](#) | [Outages](#) | [Ways to Save](#)



Winter means higher energy use. Consider your options.

Dear [Customer],

Winter is right around the corner. Cooler temperatures often mean more energy use and higher bills. We know budgets are stretched these days and that affordability is important to your business. That's why we wanted to remind you of ways we can help you manage your winter electric bills.

Check your supplier contract: We deliver your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can shop around for the electricity supplier that is right for your business.

As of your most recent electric bill, you have a contract with a third-party energy supplier. This is the perfect time to check that contract, see when it expires, and make sure you're getting the rate and service that is right for your business.

If you'd like to make a change, you have options.



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 11.695¢/kWh through December 1, 2022. We'll let you know what the new rate is in early November.

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Stay safe and be well.

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Winter means higher energy use. Consider your options.

Dear [Customer],

Winter is right around the corner. Cooler temperatures often mean more energy use and higher bills. We know budgets are stretched these days and that affordability is important to you. That's why we wanted to remind you of ways we can help you manage your winter electric bills.

Check your supplier contract: We deliver your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can shop around for the electricity supplier that is right for your family.

Last year, you enrolled in our Standard Offer Program. This is a 12-month program where an electricity supplier provides you a 7% discount off PPL Electric's default rate. Once your annual contract is up, that supplier could change your rate. We want to remind you that it's important to check your contract to see when it expires and what rate your supplier will charge after that.

If your contract is coming due, you have options.



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 12.366¢/kWh through December 1, 2022. We'll let you know what the new rate is in early November.

Save energy: We have tips, programs, and rebates available to help all customers. [Learn more.](#)

Get bill help: If you're struggling to keep up with your electric bill, we have programs that can help, including financial assistance, payment plans, and budget billing. [Learn more.](#)

For more ideas, tips, and information to help you manage higher bills this winter, visit ppl.com/highbill. If you ever need to give us a call, we're here for you at 1-800-342-5775.

Stay safe and be well.

Connect with us

Forward this email to a friend

Subject: Important Notice

Preheader: Have you checked your electricity supply contract?

Default Plain Text Code View

Having trouble reading this email? [View email in a browser](#)

[My Account](#) | [Outages](#) | [Ways to Save](#)




Winter means higher energy use. Consider your options.

Dear [Customer],

Winter is right around the corner. Cooler temperatures often mean more energy use and higher bills. We know budgets are stretched these days and that affordability is important to you. That's why we wanted to remind you of ways we can help you manage your winter electric bills.

Check your supplier contract: We deliver your electricity, but we don't own the power plants where that electricity is generated. In Pennsylvania, you can shop around for the electricity supplier that is right for your lifestyle, preferences, and budget.

As of your most recent electric bill, you have a contract with a third-party energy supplier. This is the perfect time to check that contract, see when it expires, and make sure you're getting the rate and service that is right for your family.

If you'd like to make a change, you have options.

-  Call your current supplier to discuss next steps.
-  Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)
-  Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 12.366¢/kWh through December 1, 2022. We'll let you know what the new rate is in early November.

Save energy: We have tips, programs, and rebates available to help all customers. [Learn more.](#)

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For more ideas, tips, and information to help you manage higher bills this winter, visit ppl electric.com/highbill. If you ever need to give us a call, we're here for you at 1-800-342-5775.

Stay safe and be well.

Connect with us



Forward this email to a friend

RESA Exh. JO-6

Audience/Criteria: Residential customers shopping with a supplier as of their last bills

Preheader: It's time to check your energy supply price

RESA Exh. JO-6
Audience/Criteria: Business customers shopping as of their last bills

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Important Notice

Check your rate and consider your options.

Your electricity supply rate on your last bill: X.XXX¢/kWh

As of your most recent electric bill, your business has a contract with a third-party energy supplier. Your current supplier was: [Supplier Name]. You can reach them at [Supplier Phone Number].

Like the prices of many products and services across the board, energy supply prices are on the rise. We want to make sure that your bills are as low as possible. That's why we're reminding you to take a few minutes to check your business's current supply rate (noted above) with other options that are available.

If you'd like to make a change for your business, here's what you need to do:



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 11.695¢/kWh until December 1, 2022. On December 1, 2022, that rate will rise to 14.751¢/kWh. Before cancelling, make sure to check your current contract. You don't want to be hit with any unexpected fees.

We know that rising prices are a major concern, and we want to help you manage your electricity bills.

- **Save energy:** We have tips, programs, and rebates available to help all customers. [Learn more.](#)
- **Spread out your costs:** Our budget billing program evens out your bills over 12 months and makes payments more predictable. [Log into your account to sign up.](#)
- **Get bill help:** We have tools – like payment arrangements – that can help you keep up with your bill. Contact us to review your options. Small businesses, call 1-800-342-5775. Larger businesses, call 1-888-220-9991.

Thank you.

Connect with us



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! Important Notice

Check your energy supply contract today

Your electricity supply rate on your last bill: XX.XX¢/kWh

As of your most recent electric bill, your business is enrolled in our Standard Offer Program. This is a 12-month program where an electricity supplier provides you a 7% discount off the PPL Electric Utilities default rate. Once your annual contract is up, that supplier could change your rate.

Like the prices of many products and services across the board, energy supply prices are on the rise. We're here to provide your business with safe, reliable electricity, and we care about helping you manage your costs. That's why we want to remind you that it's important to check your contract to see when it expires and what rate your supplier will charge after that.

Important Note: The Standard Offer Program is currently NOT available and may continue to not be available after December 1. If you want to change your electricity supplier when your 12-month term ends, you'll need to take action. You have options:



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 11.695¢/kWh until December 1, 2022. On December 1, 2022, that rate will rise to 14.751¢/kWh. Before cancelling, make sure to check your current contract. You don't want to be hit with any unexpected fees.

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Thank you.

Connect with us



[Forward this email to a friend](#)

Preheader: It's time to check your energy supply price

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[My Account](#) | [Outages](#) | [Ways to Save](#)



Important Notice

Have you checked your energy supply price recently?

Your electricity supply rate on your last bill: X.XXX¢/kWh

As of your most recent electric bill, you have a contract with a third-party energy supplier. Your current supplier was: [Supplier Name]. You can reach them at [Supplier Phone Number].

Like the prices of many products and services across the board, energy supply prices are on the rise. We want to make sure that your bills are as low as possible. That's why we're reminding you to take a few minutes to compare your current supply rate (noted above) with other options that are available.

If you'd like to make a change, here's what you need to do:



Call your current supplier to discuss next steps.



Check out our smart shopping tips, including instructions on how to view your current supplier charges, and shop for a new supplier. [Click here.](#)



Cancel with your current supplier and automatically return to default service through PPL Electric. The default service rate is 12.366¢/kWh until December 1, 2022. On December 1, 2022, that rate will rise to 14.612¢/kWh. Before cancelling, make sure to check your current contract. You don't want to be hit with any unexpected fees.

We know that rising prices are a major concern, and we want to help you manage your electricity bills.

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- **Spread out your costs:** Our budget billing program evens out your bills over 12 months and makes payments more predictable. [Log into your account to sign up.](#)
- **Get bill help:** If you're struggling to keep up with your electric bill, we have programs that can help, including financial assistance, payment plans, and budget billing. [Learn more.](#)

Thank you.

Connect with us



Forward this email to a friend

RESA Exh. JO-6
Audience/Criteria: Residential customers shopping of their last bills

Having trouble reading this email? [View email in a browser](#)

[My Account](#) | [Outages](#) | [Ways to Save](#)



! Important Notice

Check your energy supply contract today

Your electricity supply rate on your last bill: XX.XX¢/kWh

We're here to provide you with safe, reliable electricity, and we care about helping you manage your costs. That's why we want to remind you that it's important to check your contract to see when it expires and what rate your supplier will charge after that.

As of your most recent electric bill, you are enrolled in our Standard Offer Program. As a reminder, this is a 12-month program where an electricity supplier provides you a 7% discount off the PPL Electric Utilities default rate. Once your annual contract is up, that supplier could change your rate.

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- **Spread out your costs:** Our budget billing program evens out your bills over 12 months and makes payments more predictable. [Log into your account to sign up.](#)
- **Get bill help:** If you're struggling to keep up with your electric bill, we have programs that can help. [Learn more.](#)

Thank you.

Connect with us



Forward this email to a friend

RESA Ex. JO-6
Sample PPL Emails to Shopping
Customers including SOP Customers in
2001, 2002 and first half of 2023

**PPL Electric Utilities Corporation
Response to the Set I Data Requests of
The Retail Energy Supply Association and NRG Energy,
Inc. Dated June 6, 2023
Docket No. P-2022-3036985**

RESA
& NRG I-6

Please provide a sample copy of each communication PPL sent from January 1, 2021 through the date of the response to supply customers of EGSs who were or are participating in PPL's Standard Offer Program that contained information regarding their contracts with EGSs, the impending expiration of those contracts or the options available to the customers upon the expiration of those contracts.

PPL
Response

See Exhibit A attached to PPL Electric's Answer to the Petition for Declaratory Order as well as PPL Electric's response to RESA & NRG I-5. One additional email, below, was not part of Exhibit A and was sent in 2023.



Your one-year energy supply contract ends soon

Last May, you enrolled in the Standard Offer Program with %%Supplier Name%%. This Program offers a 7% discount off the PPL Electric Price to Compare and is fixed for 12 months with no cancellation fees.

Although you've been saving for the past year, your contract ends soon. Now is the time to check your rate, compare it to other offers, and see how you can continue saving after your contract expires.

Here's what you can do:

1. **Check the rate you're paying** on the Account Summary page of your online profile at pplelectric.com. Keep an eye out for letters or emails from your current supplier before your 12-month term ends. They will include information about your new contract and rate, including whether it's fixed or variable.
2. **Review the Price to Compare**, also known as the PPL Electric default rate. This is the rate you pay if you choose not to shop for energy supply. This rate will change on June 1, 2023.
3. **Compare your options**. You can stay with your current supplier per their new contract terms or cancel and automatically return to the PPL Electric default rate. You can also re-enroll on the Standard Offer Program or shop for a new supplier at pawpowerswitch.com.

We're here to help you save, and sharing information about smart shopping is just one way we do that.

[Learn more](#)

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Forward this email to a friend

Audience: Customers who enrolled in SOP in May 2022

RESA Ex. JO-7

Sample PPL Emails to Shopping
Customers including SOP Customers in
second half of 2023 and in 2024 (to date)



Your one-year energy supply contract ends soon

Last May, you enrolled in the Standard Offer Program with %%Supplier Name%%. This Program offers a 7% discount off the PPL Electric Price to Compare and is fixed for 12 months with no cancellation fees.

Although you've been saving for the past year, your contract ends soon. Now is the time to check your rate, compare it to other offers, and see how you can continue saving after your contract expires.

Here's what you can do:

1. **Check the rate you're paying** on the Account Summary page of your online profile at ppl.com. Keep an eye out for letters or emails from your current supplier before your 12-month term ends. They will include information about your new contract and rate, including whether it's fixed or variable.
2. **Review the Price to Compare**, also known as the PPL Electric default rate. This is the rate you pay if you choose not to shop for energy supply. This rate will change on June 1, 2023.
3. **Compare your options**. You can stay with your current supplier per their new contract terms or cancel and automatically return to the PPL Electric default rate. You can also re-enroll on the Standard Offer Program or shop for a new supplier at ppl.com.

We're here to help you save, and sharing information about smart shopping is just one way we do that.

[Learn more](#)

SOP roll off Email – Your one-year energy supply contract ends soon

Send date: November 8, 2023 - and continuously each month thereafter changing month of enrollment in copy

Number of emails delivered: Varies monthly

Audience: Residential and business customers in the 11th month of their SOP contract



Your one-year energy supply contract ends soon

Last December, you enrolled in the Standard Offer Program with an alternative supplier. This program offers a 7% discount off the PPL Electric Price to Compare at the time of enrollment and is fixed for 12 months with no cancellation fees.

Although you've been saving with the Standard Offer Program, your contract ends soon. Now is a good time to review your supplier's price and contract terms to see if you're getting the best deal. You can find the supply price at the top of your bill or on your online PPL Electric account.

Usage Charges \$87.66

Usage from Sep 8 - Oct 8

Supply \$47.97

Delivery \$39.69

MAOR ENERGY
1.877.875.7763
Effective Date: 10/1/23

ENERGY CHARGE XXXXX900.33XXXX

PPL Electric Utilities Price to Compare
\$XXXXX
Use this price when comparing supplier offers.

SHOP FOR ELECTRICITY
Visit PPLElectricUtilities.com or www.ppl.com if you're shopping, know your contract expiration date, Account Number XXXXX0000000000. The generic company is called, just P and Standard O.

We will debit \$87.66 from your bank account on Nov 8, 2023. We will debit your prior bill amount(s) on the dates shown on your previous bills.

WANT TO SAVE!
Skip the rinsing! Today's dishwashers are designed to do the cleaning. Skip the load off rinses before loading the dishwasher.

You will also receive letters or emails from your current supplier before your Standard Offer contract ends. They'll include information about your new contract and rate, and whether it's fixed or variable. You can stay with your current supplier per their new contract terms, re-enroll on the Standard Offer Program, return to the PPL Electric default rate or shop for a new supplier.

Whatever you decide, use the Price to Compare as a reference to compare your options and see if you can save.

[Compare rates](#)

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Facebook, Twitter, Instagram, YouTube, RSS

Forward this email to a friend

SOP roll off blaster call

Send monthly since November 2023

Audience: Residential and business customers in the 11th month of their SOP contract who do not have consent to email

*This is a message from PPL Electric Utilities regarding your one-year energy supply contract. Last **December**, you enrolled on the Standard Offer Program at a 7% discount off the PPL Electric Price to Compare at the time of enrollment. Although you've been saving since then, your contract ends soon. Check your current rate and contract terms and compare your options. For more information, visit ppllectric.com/shop-smart.*

Email: PTC decreases on December 1

Send: November 2023

Audience: Residential customers paying more than PTC



Price to Compare decreases on December 1

On December 1, PPL Electric Utilities' Price to Compare will decrease to 11.028¢ per kWh.

As of your last bill, you're shopping for your energy supply and paying more than the Price to Compare. We understand there are a variety of factors for choosing an energy supplier. We encourage you to use the Price to Compare as a reference point to see if you're getting the best deal.

Now is the ideal time to review your supplier's price and contract terms. You can find the supply price at the top of your bill or on your online PPL Electric account.



Steps to shop for a supplier:

You have the option to shop around and choose the electricity supplier that is right for you.



1. Review the Price to Compare

On Dec. 1 it will decrease to 11.028¢ per kWh.



2. Confirm your electricity supply price

See page 1 of your bill or your online account summary.



3. Explore options at [papowerswitch.com](https://www.powerswitch.com)

Make sure to have your electric bill or account number handy.



4. Review contract terms closely

Make your bill more predictable by looking for fixed rates and longer-term contracts.



5. Select a supplier

Your electricity supply charges from your supplier will be included with your regular PPL Electric bill.

[Compare rates](#)

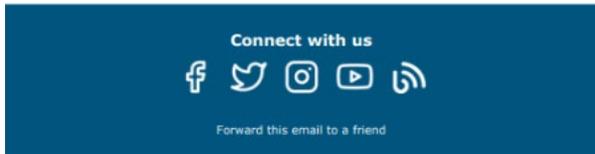
Other useful resources:

We provide many ways you can manage your bill, gain control over your energy usage and save money.

- [Manage your bill](#)
- [Use less energy](#)
- [Get help with your bill](#)
- [Sign up for alerts](#)

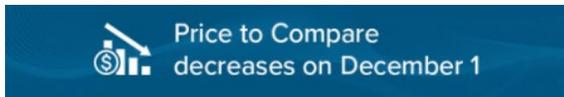
About the Price to Compare

We are committed to managing energy prices and securing the lowest cost of energy for our customers. We deliver your electricity, but we don't own the power plants where it is generated. If you don't shop for electricity supply, you'll pay the default rate, or Price to Compare, which is updated twice per year. We pass along the supply cost without markup to you.

**Email: PTC decreases December 1**

Send: November 2023

Audience: Residential customers shopping



On December 1, PPL Electric Utilities' Price to Compare will decrease to 11.028¢ per kWh.

As of your last bill, you're shopping for your energy supply with an alternative supplier. We understand there are a variety of factors for choosing an energy supplier. We encourage you to use the Price to Compare as a reference point to see if you're getting the best deal.

Now is the ideal time to review your supplier's price and contract terms. You can find the supply price at the top of your bill or on your online PPL Electric account.



Steps to shop for a supplier:

You have the option to shop around and choose the electricity supplier that is right for you.

-  **1. Review the Price to Compare**
On Dec. 1 it will decrease to 11.02¢ per kWh.
-  **2. Confirm your electricity supply price**
See page 1 of your bill or your online account summary.
-  **3. Explore options at papowerswitch.com**
Make sure to have your electric bill or account number handy.
-  **4. Review contract terms closely**
Make your bill more predictable by looking for fixed rates and longer-term contracts.
-  **5. Select a supplier**
Your electricity supply charges from your supplier will be included with your regular PPL Electric bill.

Other useful resources:

We provide many ways you can manage your bill, gain control over your energy usage and save money.

- [Manage your bill](#)
- [Use less energy](#)
- [Get help with your bill](#)
- [Sign up for alerts](#)

About the Price to Compare

We are committed to managing energy prices and securing the lowest cost of energy for our customers. We deliver your electricity, but we don't own the power plants where it is generated. If you don't shop for electricity supply, you'll pay the default rate, or Price to Compare, which is updated twice per year. We pass along the supply cost without markup to you.

Connect with us



Forward this email to a friend

Email - PTC decreases December 1

Send: November 2023

Audience: Business customers paying more than PTC

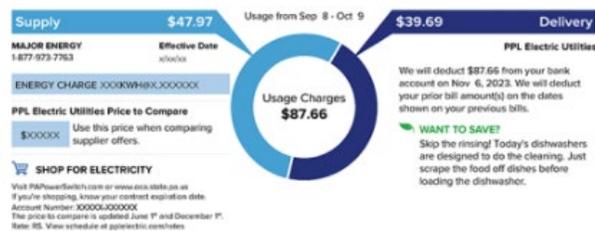


Price to Compare decreases on December 1

On December 1, PPL Electric Utilities' Price to Compare will decrease slightly to 11.386¢ per kWh.

As of your last bill, you're shopping for your energy supply and paying more than the Price to Compare. We understand there are a variety of factors for choosing an energy supplier. We encourage you to use the Price to Compare as a reference point to see if you're getting the best deal.

Now is the ideal time to review your supplier's price and contract terms. You can find the supply price at the top of your bill or on your online PPL Electric account.



Steps to shop for a supplier:

You have the option to shop around and choose the electricity supplier that is right for you business.



1. Review the Price to Compare

On Dec. 1 it will decrease slightly to 11.386¢ per kWh.



2. Confirm your electricity supply price

See page 1 of your bill or your online account summary.



3. Explore options at papowerswitch.com

Make sure to have your electric bill or account number handy.



4. Review contract terms closely

Make your bill more predictable by looking for fixed rates and longer-term contracts.



5. Select a supplier

Your electricity supply charges from your supplier will be included with your regular PPL Electric bill.

We provide many ways you can manage your bill, gain control over your energy usage and save money. Check out additional resources [here](#).

About the Price to Compare

We are committed to managing energy prices and securing the lowest cost of energy for our customers. We deliver your electricity, but we don't own the power plants where it is generated. If you don't shop for electricity supply, you'll pay the default rate, or Price to Compare, which is updated twice per year. We pass along the supply cost without markup to you.

Email - PTC decreases December 1

Send: November 2023

Audience: Business customers shopping



On December 1, PPL Electric Utilities' Price to Compare will decrease slightly to 11.386¢ per kWh.

As of your last bill, you're shopping for your energy supply with an alternative supplier. We understand there are a variety of factors for choosing an energy supplier. We encourage you to use the Price to Compare as a reference point to see if your business is getting the best deal.

Now is the ideal time to review your supplier's price and contract terms. You can find the supply price at the top of your bill or on your online PPL Electric account.



Steps to shop for a supplier:

You have the option to shop around and choose the electricity supplier that is right for your business.



- 1. Review the Price to Compare**
On Dec. 1 it will decrease slightly to 11.386¢ per kWh.



- 2. Confirm your electricity supply price**
See page 1 of your bill or your online account summary.



- 3. Explore options at papowerswitch.com**
Make sure to have your electric bill or account number handy.



- 4. Review contract terms closely**
Make your bill more predictable by looking for fixed rates and longer-term contracts.



- 5. Select a supplier**
Your electricity supply charges from your supplier will be included with your regular PPL Electric bill.

We provide many ways you can manage your bill, gain control over your energy usage and save money. Check out additional resources [here](#).

About the Price to Compare

We are committed to managing energy prices and securing the lowest cost of energy for our customers. We deliver your electricity, but we don't own the power plants where it is generated. If you don't shop for electricity supply, you'll pay the default rate, or Price to Compare, which is updated twice per year. We pass along the supply cost without markup to you.

Email – Low-income customers paying more than PTC

Send: February 2, 2024

Audience: Low-income customers paying more than PTC, not enrolled on OnTrack




We have a range of options to help with your bill

We understand life can get busy and it's easy to fall behind on your bill. The good news is — we're here to help. We offer payment plans and assistance programs to help pay off your past due balance over time.

Apply for assistance

Sign into your online profile at ppl.electric.com or create one in 5 easy steps. Then, click "Get help paying," they'll ask you some questions about your household and match you with the options that will benefit you most.

Here are two programs you may qualify for:

OnTrack Get a fixed monthly payment, debt forgiveness and referrals to energy saving programs. [Learn more](#)

LIHEAP Apply for up to \$2,000 from the federal Low-Income Home Energy Assistance Program to help with your winter heating bills. [Learn more](#)

Shop smart and save

As of your last bill, we noticed you're paying more than the Price to Compare with your supplier. Choosing an electricity supplier is your choice, but we're here to help you with options to make your bill more affordable. We encourage you to use the Price to Compare, or PPL Electric default rate, as a reference to see if you're getting the best deal. Compare this rate to the price you're paying for electricity supply with your supplier, which can be found on your bill or the Account Summary page of your online profile. Then, compare your options and make the best choice for your family.

Find the Price to Compare and more shopping tips at ppl.electric.com/ShopSmart

Seasonal savings

Between managing your energy bill, becoming more energy efficient, and getting payment assistance when you need it, find the right combination of options to help you reduce your energy costs and stay comfortable this season at ppl.electric.com/SeasonalSavings.

Email – Low-income customers paying more than PTC

Send: April 26, 2024

Audience: Low-income customers paying more than PTC, not enrolled on OnTrack



We have a range of options to help with your bill

We understand life can get busy and it's easy to fall behind on your bill. The good news is — we're here to help. We offer payment plans and assistance programs to help pay off your past due balance over time.

1 of 3

Shop smart and save

As of your last bill, we noticed you're paying more than the Price to Compare with your supplier. Choosing an electricity supplier is your choice, but we're here to help you with options to make your bill more affordable. We encourage you to use the Price to Compare, or PPL Electric default rate, as a reference to see if you're getting the best deal. Compare this rate to the price you're paying for electricity supply with your supplier, which can be found on your bill or the Account Summary page of your online profile. Then, compare your options and make the best choice for your family.

Find the Price to Compare and more shopping tips at ppllectric.com/ShopSmart.

Apply for assistance

Sign into your online profile at ppllectric.com or create one in 3 easy steps. Then, click "Get help paying." We'll ask you some questions about your household and match you with the options that will benefit you most.

Here are two programs you may qualify for:



Get a fixed monthly payment, debt forgiveness and referrals to energy saving programs. [Learn more](#)



Apply for a grant from our fuel fund to help pay your electric bill. [Learn more](#)



But assistance when you need it, find the right combination of options to help you reduce your energy costs and stay comfortable this season at ppllectric.com/SeasonalSavings.

Email – June 1 PTC decrease

Send: May 1, 2024

Audience: Residential customers shopping



Price to Compare decreases on June 1

On June 1, our Price to Compare, or PPL Electric default rate, will drop to 10.040¢ per kWh. Since you did not have an electric generation supplier as of your last bill, this is the price you'll pay for electricity supply. If you're using approximately 1,000 kWh per month, you can expect this to decrease your bill by \$9.77.

You also have the option to shop around, compare offers and choose an electricity supplier that is right for you. If you choose to shop, use the Price to Compare as a reference point to see if you're getting the best deal.

Check out this video to learn more about how to shop smart and save:

1 of



[Learn to shop](#)

Other useful resources

We offer a variety of ways to manage your bill, track your electricity use and save money.

[Manage your bill](#)

[Use less energy](#)

[Get help paying your bills](#)

[Sign up for alerts](#)

About the Price to Compare

We are committed to managing energy prices and securing the lowest cost of energy for our customers. We deliver your electricity, but we don't own the power plants where it is generated. If you don't shop for electricity supply, you'll pay the default rate, or Price to

2

Compare, which is updated twice per year. We pass along the supply cost without markup to you.

Connect with us

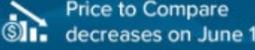
[Forward this email to a friend](#)

Email – June 1 PTC decrease

Send: May 1, 2024

Audience: Business customers shopping





Price to Compare decreases on June 1

On June 1, our Price to Compare, or PPL Electric default rate, will drop to 9.237¢ per kWh. If your business uses approximately 1,000 kWh per month and does not shop for your supply, this would decrease your bill by \$22.24.

As of your last bill, you were shopping with an electric generation supplier. Now is the ideal time to review your supplier's price and contract terms and compare offers. Use the Price to Compare as a reference point to see if you're getting the best deal.

Check out this video to learn more about how to shop smart and save:

1 of



Compare offers

Other useful resources

We offer a variety of ways to manage your bill, track your electricity use and save money.

-  [Manage your bill](#)
-  [Use less energy](#)
-  [Sign up for alerts](#)

About the Price to Compare

We are committed to managing prices and securing the lowest cost of energy for our customers. We deliver your electricity, but we don't own the power plants where it is generated. If you don't shop for electricity supply, you'll pay the default rate, or Price to Compare, which is updated twice per year. We pass along the supply cost without markup to you.

2 of

Connect with us



Forward this email to a friend

RESA Ex. JO-8

**“Educational Materials” Provided to PPL
Consumers Without Prior Commission
Approval**

WITNESS: Melinda Stumpf

**PPL Electric Utilities Corporation
Response to the Set I Interrogatories of
the Retail Energy Supply Association (RESA)
Dated May 20, 2024
Docket No. P-2024-3047290**

RESA I-15 Reference PPL St. No. 3 at 20 where Ms. Stumpf refers to “educational materials provided by PPL Electric to assist in the shopping process.” Please provide copies of these “educational materials” and indicate whether and when they were approved by the Commission, including docket numbers, as relevant.

PPL
Response See RESA I-15 Attachment 1. The educational material was not approved by the Commission as no approval is required.

Educational materials to customers¹

Bill insert – December 2021



Energy costs are rising.
 Shop for the rate that's right for you.

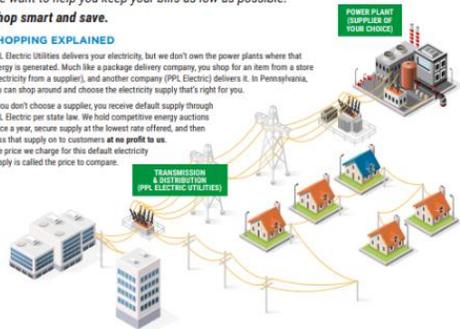
We want to help you keep your bills as low as possible.
Shop smart and save.

SHOPPING EXPLAINED

PPL Electric Utilities delivers your electricity, but we don't own the power plants where that energy is generated. Much like a package delivery company, you shop for an item from a store (electricity from a supplier), and another company (PPL Electric) delivers it. In Pennsylvania, you can shop around and choose the electricity supply that's right for you.

If you don't choose a supplier, you receive default supply through PPL Electric per state law. We hold competitive energy auctions twice a year, secure supply at the lowest rate offered, and then pass that supply on to customers **at no profit to us**.

The price we charge for this default electricity supply is called the price to compare.



We've noticed that the prices of many energy supply sources are on the rise due to a variety of external market factors.

SHOPPING GUIDE

Do your homework before you shop.

1 Review the price to compare (also known as the PPL Electric default rate).

Price to Compare effective December 1, 2021	
\$ 0.9502/kWh Residential	\$ 1.0285/kWh Business

Use the price to compare as a reference point when comparing available options.

2 Check your current rate and consider shopping around for a better deal.

Our bill makes it easy to check the rate you're paying for electricity. You can also view your rate on the Account Summary page of your online profile.

On your paper bill	On pplelectric.com
<p>Supply: \$176.88 (Change from last 3 - Paid 4)</p> <p>Power Energy (PPL): \$176.88 (2021)</p> <p>Rate Effective: \$176.88</p> <p>PPL Electric Utilities Price to Compare: \$0.9502/kWh</p> <p>Use this price when comparing supplier offers.</p> <p>Charge Charges: \$646.85</p> <p>SHOP FOR ELECTRICITY</p> <p>Visit PPL Electric Utilities at www.ppl.com to shop for electricity.</p> <p>For more information, visit www.ppl.com or call 1-800-444-4444.</p> <p>For more information, visit www.ppl.com or call 1-800-444-4444.</p> <p>Visit www.ppl.com or call 1-800-444-4444.</p>	<p>Electricity Supplier: PPL Electric Utilities</p> <p>Rate Type: Standard</p> <p>Rate: \$0.9502/kWh</p> <p>Price to Compare: \$0.9502/kWh</p> <p>Supplier: PPL Electric Utilities</p> <p>Rate Type: Standard</p> <p>Rate: \$0.9502/kWh</p> <p>Price to Compare: \$0.9502/kWh</p>

3 Prepare a list of questions. Know what to ask and what to look out for.



- Sometimes suppliers offer introductory offers or special incentives. Know if you're on a fixed or variable rate. Make sure your rate doesn't increase significantly at some point in the future. Variable rates often start low and then increase depending on the price of power.
- Make sure you understand when your contract ends and determine if there are any cancellation fees of which you need to be aware.
- Compare your supply rates often so you can stay on the lookout for the best rate possible.
- Know how to spot a scam. If an offer seems too good to be true, it probably is.

Shop around for an electricity supplier that can offer you a better rate.

- Visit powerwatch.com to compare available offers.
- Choose the supplier that offers the service, energy source and price that's right for you. Once you sign up, they'll notify us to make the switch.

Our online resources can help guide you through the process. Visit pplelectric.com/shopsmart to get started.



¹ These communications were not pre-approved by the PUC, just PPL Electric Utilities' legal team.

Bill insert - November 2023

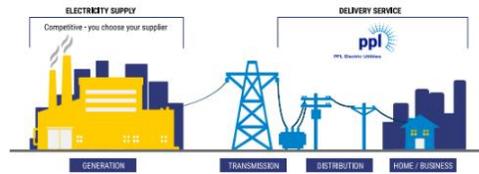


Are you getting the best deal for your energy supply?

Check the rate you're paying and see if you can save.

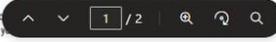
SHOPPING EXPLAINED

PPL Electric Utilities delivers your electricity, but we don't own the power plants where it's generated. In Pennsylvania, you have the option to shop around and choose the electricity supplier that is right for you.



If you don't shop for your electricity supply, you'll pay the PPL Electric default rate, or Price to Compare, which is updated twice per year on June 1 and December 1. The supply cost is included in the Price to Compare, and we pass on that cost without markup if you don't have an alternative supplier.

There are a variety of factors to consider when shopping for a supplier. Use the Price to Compare as a reference point to see if you can save.



Shopping Guide

FOLLOW THESE STEPS TO SHOP FOR A SUPPLIER.

- 1 Review the Price to Compare and check the price you're paying for your electricity supply. You can find the Price to Compare and your supply price at the top of your bill or on your online PPL Electric Account.



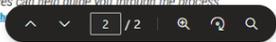
SHOP FOR ELECTRICITY
 Visit paperswitch.com or www.ppl.com
 If you're shopping, know your contract expiration date.
 Account Number: XXXXX-XXXXXX
 The price to compare is updated June 1st and December 1st.
 Rate: 15. View schedule at ppl.com/rates

PPL Electric Online Account		
Electricity Supplier	Direct Energy Services	Shop Rates >
	1-888-734-6741	
Supplier Rate	Check with Supplier	View Supplier Activity >
PPL Price to Compare*	12.126¢/kWh	Update Privacy Settings >
	Valid until Nov. 30, 2023	

*PPL's Price to Compare is the rate customers pay if they don't shop suppliers. It is based on PPL buying electricity on the supplier market and passing the price to customers without markup.

- 2 Explore offers from licensed suppliers at paperswitch.com. When considering a new supplier, review the contract terms carefully. Make your bill more predictable by looking for fixed rates and longer-term contracts.
- 3 Use these tips to help you choose the electricity supplier that's right for you.
 - Watch out for variable rates that start low and then increase depending on the price of power.
 - Understand your contract terms and if you have any cancellation fees.
 - Compare your supply price often so you can be on the lookout for the best deal.
 - Know how to spot a scam. If an offer seems too good to be true, it probably is.

Our online resources can help guide you through the process. Visit ppl.com/shop



Print Connect Newsletter article - December 2021

Shop smart for your energy supply and save

Inflation is impacting the energy supply market. In Pennsylvania, you can shop for the energy supplier that's right for you – but beware of variable rates that start small and increase depending on the price of power.

Now's the time to shop around for the best supply rate and service. Learn more at ppl.com/shopsmart.

Print Connect Newsletter article - December 2023

Connect
DECEMBER 2023



Are you getting the best deal for your energy supply?

On December 1, the Price to Compare, also known as the PPL Electric default rate, will decrease to 11.028¢ per kWh. This is the new price you will pay for the supply portion of your electric bill if you're not shopping for a supplier.

You have the option to shop around and choose the electricity supplier that is right for your family. There are a variety of factors for choosing

an energy supplier and we encourage you to use the Price to Compare as a reference point. Now is the ideal time to check your rate, review supplier offers and contract terms and see if you're getting the best deal.

For tips on smart shopping, visit ppllectric.com/ShopSmart. To compare supplier offers, visit papowerswitch.com.

Rates & shopping webpage

[Ppllectric.com/ShopSmart](https://ppllectric.com/ShopSmart)

Shopping video: Shopping for electricity

Launched May 2022 on a variety of channels, including social media.

[Watch video](#)

Shopping video: Get the best deal for your energy supply

Launched April 2024 on a variety of channels, including social media.

[Watch video](#)

Shopping video: Shop smart and save on your electricity supply

Launched May 2024 on a variety of channels, including social media.

[Watch video](#)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

REBUTTAL TESTIMONY OF

Joseph Olikar

ON BEHALF OF
THE RETAIL ENERGY SUPPLY ASSOCIATION

Docket No. P-2024-3047290

July 1, 2024

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, EMPLOYER AND TITLE.**

3 A. My name is Joseph Oliker. I am Deputy General Counsel of Interstate Gas Supply, LLC.
4 d/b/a IGS Energy (“IGS Energy”).

5 **Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY IN THIS PROCEEDING?**

6 A. Yes. On June 3, 2024, I submitted Direct Testimony behalf of the Retail Energy Supply
7 Association.¹

8 **Q. ON WHOSE BEHALF IS THIS REBUTTAL TESTIMONY OFFERED?**

9 A. This Rebuttal Testimony is offered on behalf of RESA.

10 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

11 A. No.

12 **Q. PLEASE SUMMARIZE THE RECOMMENDATIONS YOU SET FORTH IN**
13 **DIRECT TESTIMONY.**

14 A. I recommended as follows:

- 15 1. Open a Statewide Investigation Regarding Default Service Messaging
16 • A statewide investigation should be opened to investigate Commission
17 approved messaging of default service as the “Price-to-Compare” to include
18 discontinuing use of that term by replacing it with “default service rate” and
19 how the messaging can be improved to support the ability of customers to
20 make more informed decisions when they evaluate competitive offers.
- 21 2. Prohibit PPL from Communicating with Shopping Customers about their Specific
22 EGS Contract Terms, Including Pricing
- 23 3. Standard Offer Program Issues

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable, and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial, and industrial energy customers. More information on RESA can be found at www.resausa.org.

- 1 • Reject PPL’s proposed and alternative revisions to standard offer program
 2 regarding automatically returning customers to default service or requirement
 3 for EGSs to issue post SOP contract expiration notices.
- 4 • To the extent the Commission is inclined to address the issues raised by PPL
 5 about the “savings” provided to customers participating in the SOP, then I
 6 recommend that consideration be given to reforming the program to require
 7 EGSs to provide an initial price equal to the default service rate and the
 8 marketing of the SOP as a “guaranteed savings” program be ceased.
- 9 • Reject PPL’s proposed increase to the Electric Generation Supplier (“EGS”)
 10 customer referral fee.
- 11 4. Reject PPL’s proposal to enter into a 20-year contract to procure 30,000 Solar
 12 Alternative Energy Credits.

13 **II. PURPOSE OF TESTIMONY**

14 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

15 A. The purpose of my Rebuttal Testimony is to address various proposals set forth in Other
 16 Parties’ Direct Testimony regarding the Petition of PPL Electric Utilities Corporation
 17 (“PPL”) for Approval of a Default Service Program and Procurement Plan for the Period
 18 June 1, 2025 through May 31, 2029 (“DSP VI Plan”), which was filed on March 12,
 19 2024. Specifically, this testimony responds to the Direct Testimony of Serhan Ogur and
 20 Barbara R. Alexander for the Office of Consumer Advocate (“OCA”).² Silence
 21 regarding particular issues discussed by witnesses for the Other Parties should not be
 22 viewed as agreement with the positions that are advocated. I stand by my Direct
 23 Testimony and am offering this Rebuttal Testimony only for the purpose of refuting
 24 certain positions taken by Other Parties that may not have been captured in the responses
 25 I provided to the proposals made by PPL.

² OCA St. Nos. 1 and 2. In addressing their Direct Testimony, my Rebuttal Testimony also refutes some of the points made by Harry Geller on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), CAUSE-PA St. No. 1, and Mark D. Ewen for the Office of Small Business Advocate (“OSBA”), OSBA St. No. 1.

1 **III. SUMMARY OF RECOMMENDATIONS**

2 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS SET FORTH IN THIS**
 3 **REBUTTAL TESTIMONY.**

4 A. In addition to the recommendations outlined in my Direct Testimony, I recommend
 5 rejection of the following proposals:

- 6 1. To end PPL's Standard Offer Program.
- 7 2. To direct PPL to implement a bill design that shows show a dollars and cents
 8 calculation of the customer's supplier charges, as compared to the dollars and cents
 9 calculation of what the customers would pay under the default service rate.
- 10 3. To utilize 12- and 24-month Fixed-Price Full Requirements contracts to meet the
 11 electricity demand of Residential and Small C&I Default Service customers.
- 12 4. To procure up to 30,000 PA Solar AECs under a long-term 20-year contract using a
 13 staggered approach of two auctions, each procuring 15,000 Solar AECs.
- 14 5. For PPL develop one or more pilot programs for TOU rates.

15 **IV. RESA'S REBUTTAL TO OTHER PARTIES' DIRECT TESTIMONY**

16 **A. Standard Offer Program**

17 **Q. WHAT IS PPL'S STANDARD OFFER PROGRAM ("SOP")?**

18 A. PPL has an SOP that was approved by the Commission and allows residential customers,
 19 except customers who are enrolled in PPL's OnTrack, and small business customers to
 20 purchase their electricity from an EGS at a price that is a 7 percent discount off the PTC
 21 at the time the customer elects to participate in the program. Customers can either choose
 22 a participating EGS or be automatically paired with an EGS that participates in this
 23 program. The SOP is for one year, or 12 months, during which the customer's rate is
 24 fixed (i.e. will not change) and the customer can switch suppliers or cancel the contract at
 25 any time without incurring cancellation fees. At the end of the 12-month period,
 26 customers have the option to stay with the EGS at the new price offered by the EGS for
 27 the post expiration period, shop for a new supplier or return to PPL's default service.

1 Suppliers participating in the SOP pay PPL a \$28 fee for each referral made by
2 telephone.³

3 **Q. WHAT HAPPENS WHEN THE 12-MONTH TERM FOR THE SOP CONTRACT**
4 **EXPIRES?**

5 A. Prior to expiration of the 12-month term for the SOP contract, the EGS sends its
6 customers the two notices that are required by the Commission's regulations at 52 Pa.
7 Code § 54.10 which notify the customers of the expiration of the contract and provide the
8 EGS options available upon expiration. These are the same required customer notices
9 that EGSs must send all of their customers upon contract expiration.

10 **Q. DID PPL RECOMMEND TERMINATION OF THE SOP THROUGH ITS**
11 **FILING?**

12 A. No. However, PPL recommended significant modifications to the SOP, to which my
13 Direct Testimony responded.⁴

14 **Q. WHAT DOES OCA RECOMMEND CONCERNING THE SOP?**

15 A. On behalf of OCA, Ms. Alexander recommends that PPL's SOP be terminated. The
16 reasons she advances for this view are: (i) that customers who enroll may experience a
17 discount less than 7% or may pay a higher price than the price to compare ("PTC")
18 during the term of the SOP; and (ii) some customers pay higher supply prices under the
19 negative option renewal policy after the SOP ends.⁵ Ms. Alexander also opines that in
20 her view, the purpose of the program, to expose PPL's residential and small commercial
21 customers to the retail energy supply market, has been fulfilled.⁶

³ <https://www.pplelectric.com/site/Ways-to-Save/Rates-and-Shopping/Standard-Offer-Program>

⁴ RESA St. No. 1 at 20-50.

⁵ OCA St. No. 2 at 11.

⁶ OCA St. No. 2 at 3; CAUSE-PA St. No. 1 at 25-29.

1 **Q. DO YOU AGREE WITH RECOMMENDATIONS OF OCA AND CAUSE-PA TO**
2 **TERMINATE THE SOP?**

3 A. No. Looking at the shopping statistics alone, which are set forth in detail in my Direct
4 Testimony,⁷ those trends do not support the notion that residential and small commercial
5 customers have been sufficiently encouraged to explore the benefits available in the
6 competitive retail energy supply market. The PUC has long lauded the benefits of the
7 SOP as a way of promoting customer participation in this market,⁸ and while certainly
8 any program warrants periodic reviews to determine potential enhancements, a decision
9 to terminate the program in its entirety should not be made on the basis of Ms.
10 Alexander's opinion that its purpose has been fulfilled. As to concerns about customers
11 experiencing a discount less than 7% or paying a price higher than the PTC, I note that
12 this term has been in place for many years and is consistent with the structure that has
13 been established through default service proceedings and approved by the PUC.
14 Nonetheless, to address Ms. Alexander's concern that the description of the program as a
15 "savings" opportunity may not always be accurate, given changes in the PTC over the
16 course of the SOP, I suggest that – rather than terminating the program or revising it so
17 detrimentally as PPL proposes – the program be modified to enroll customers at the PTC
18 and dispense with the "savings" aspect of the program. This alternative is spelled out in
19 more detail in my Direct Testimony responding to PPL's significant negative
20 modifications to the SOP, including a requirement for return to default service in the

⁷ RESA St. No. 1 at 12-15.

⁸ *Innovation and Savings: The PUC's Standard Offer*, available at http://www.puc.state.pa.us/General/pdf/PAPS-Standard_Offer_Program.pdf; *PUC Reminds Consumers that Award-Winning Electric Choice Standard Offer Program Offers Immediate Savings*, published July 28, 2014 at http://www.puc.pa.gov/about_puc/press_releases.aspx?ShowPR=3396

1 absence of the customer making an affirmative choice to stay with the EGS.⁹ Indeed, a
2 program that eliminates an arbitrary discount off a default service rate that is already
3 divorced from market conditions would more effectively provide an experience for
4 customers to participate in the competitive retail market.

5 Regarding the experiences of some customers paying higher prices following the
6 expiration of the SOP term, the options at the end of the SOP term are well explained to
7 the customer at contract initiation and in the requisite customer contract expiration
8 notices (and subsequent price change notices, if applicable) provided by the participating
9 EGSs. It is also noteworthy to highlight here the shortcomings that I explained in my
10 Direct Testimony about comparisons between default service rates (upon which the SOP
11 price is based) and supply prices in the market, such as long-term stability, renewable
12 energy products or other value-added products and services. Additional factors that skew
13 this comparison include the way in which default service rates and supply prices are
14 developed; the varying costs that are recovered through the two mechanisms; the time lag
15 between default service auctions and implementation of default service rates; and the
16 reconciliation of rates for default service so that EDCs are made whole.

17 **B. Bill Redesign**

18 **Q. PLEASE DESCRIBE MS. ALEXANDER'S PROPOSAL FOR A BILL REDESIGN**
19 **BY PPL.**

20 A. Ms. Alexander recommends that PPL revise its bill to show a dollars and cents
21 calculation of the customer's supplier charges, as compared to the dollars and cents
22 calculation of what the customers would pay under the default service rate. In offering

⁹ RESA St. No. 1 at 40-44.

1 this recommendation, Ms. Alexander contends that the current presentation that relies on
2 comparing a cents per kilowatt hour (“kWh”) comparison is insufficient, particularly if
3 the supplier either does not include such information in its billing detail or misrepresents
4 its cents per kWh, such as by failing to include fixed or additional monthly charges.¹⁰

5 **Q. HOW DO YOU RESPOND?**

6 A. As RESA opposes any comparison of the regulated default service rate and the
7 competitive supply price in the market, for the reasons explained in my Direct
8 Testimony,¹¹ RESA is likewise opposed to the dollars and cents calculation described by
9 Ms. Alexander. At the outset, her testimony contains no evidence of a particular problem
10 she is seeking to address. I understand that she is pointing to situations in which an
11 apples-to-apples comparison between the default service rate and the supply price in the
12 market may not be feasible due to the limitations of rate ready billing. However, in
13 making this point, she is alluding – without any supporting evidence – to situations in
14 which she believes EGSs may intentionally be skewing this comparison. That said, I do
15 not disagree with Ms. Alexander’s basic premise regarding the shortcomings of rate
16 ready billing to capture all the factors that go into the development of a supply rate,
17 particularly as those limitations apply to suppliers. For instance, this model does not
18 permit suppliers to factor into the supply price per kWh the value of long-term price
19 certainty, Time of Use (“TOU”) rates, gift cards and other value-added products and
20 services. However, the answer is not to transition to a dollars and cents calculation being
21 shown on the bill, which would suffer from similar deficiencies. The simple solution is

¹⁰ OCA St. No. 2 at 4, 15-16.

¹¹ RESA St. No. 1 at 15-20.

1 to move away from the practice that has become embedded in the retail market over the
 2 course of more than two decades – that of holding up the default service rate as the PTC
 3 against which all other price offers should be judged, whether they are cents per kWh or a
 4 dollars and cents calculation.

5 **C. Procurement Approach**

6 **Q. PLEASE DESCRIBE THE TESTIMONY OF OCA’S WITNESS CONCERNING**
 7 **PPL’S PROPOSAL TO MODIFY ITS PROCUREMENT APPROACH IN**
 8 **OBTAINING SUPPLY FOR RESIDENTIAL AND SMALL COMMERCIAL**
 9 **DEFAULT SERVICE CUSTOMERS.**

10 A. Testifying for OCA, Mr. Ogur supports the Company’s proposal to modify its
 11 procurement approach under DSP VI to utilize 12- and 24-month Fixed-Price Full
 12 Requirements contracts to meet the electricity demand of Residential and Small C&I
 13 Default Service customers, eliminating the 6-month contract terms except for the
 14 Transition Period.¹² In support of this approach, Mr. Ogur describes PPL’s proposal as
 15 representing a reasonable balance between rate stability, which he states is extremely
 16 important to residential customers, and reflectiveness of competitive market conditions.

17 **Q. HOW DO YOU RESPOND?**

18 A. As explained in more detail in my Direct Testimony, I do not believe that the overarching
 19 goal of default service ratemaking is ensuring that the default service product provides
 20 “price stability.”¹³ Rather, default service is intended to ensure that customers who do
 21 not choose an EGS, or customers whose selected EGS is unable to deliver supply,
 22 continue to receive electricity. Today, retail customers in Pennsylvania have access to

¹² OCA St. No. 1 at 10-13; PPL St. No. 1 at 13-15.

¹³ RESA St. No. 1 at 50-53.

1 long-term offers in the market that may offer the desired level of price stability.¹⁴ In a
 2 properly functioning competitive market supported by sound directives and policies of
 3 the regulator, retail customers desiring price stability for their generation supply would
 4 have ready access to a wide array of options that are tailored to meet their needs.

5 Therefore, PPL's proposed transition to 12- and 24-month contracts should be rejected.

6 **D. Procurement of Solar Alternative Energy Credits ("AECs")**

7 **Q. DOES OCA SUPPORT PPL'S PROPOSAL FOR THE PROCUREMENT OF PA**
 8 **SOLAR AECs?**

9 A. Yes. Mr. Ogur supports PPL's proposal to procure up to 30,000 PA Solar AECs under a
 10 long-term 20-year contract using a staggered approach of two auctions, each procuring
 11 15,000 Solar AECs. In support, Mr. Ogur expresses the view that long-term contracts for
 12 the provision of solar Tier 1 AECs can help stabilize prices for what would otherwise be
 13 a volatile component of the overall portfolio.¹⁵

14 **Q. DO YOU AGREE WITH MR. OGUR?**

15 A. No. As explained in greater detail in my Direct Testimony, RESA does not support the
 16 use of the proposed process of entering into a 20-year contract to obtain solar AECs and
 17 allocating them only to default service load.¹⁶ The 20-year pricing scheme determined at
 18 the formation of the contract may or may not accurately reflect the actual market price in
 19 the next ten years. However, the agreed-to contract price will be factored into the
 20 resulting default service rate, which is the rate against which consumers have been
 21 educated to judge competitive offers (i.e., the Price-to-Compare or PTC). As the use of

¹⁴ PaPowerSwitch.com (offers available from 18 to 48 months).

¹⁵ OCA St. No. 1 at 22-23; PPL St. No. 1 at 31-32.

¹⁶ RESA St. No. 1 at 53-54.

1 long-term contracts to forecast and set the cost of solar AECs over a 20-year period for
2 default service customers leads to a PTC that is misaligned with market forces, the
3 Commission should reject this proposal.

4 **E. Time of Use Rates**

5 **Q. DID PPL PROPOSE TO MODIFY ITS TOU RATE DESIGN AS PART OF ITS**
6 **ORIGINAL FILING?**

7 A. Yes. Currently, PPL offers a TOU Rate, for which the on-peak hours vary depending on
8 whether it is summer or winter, with the summer on-peak hours being 2:00 PM through
9 6:00 PM, and the winter on-peak hours being 4:00 PM through 8:00 PM, Monday
10 through Friday, excluding holidays. As proposed by the DSP VI Plan, PPL would make
11 the on-peak hours consistent for summer and winter – 3:00 PM through 7:00 PM,
12 Monday through Friday, excluding holidays.¹⁷

13 **Q. DID RESA RESPOND TO THIS PROPOSED CHANGE?**

14 A. No. While RESA's primary view is that the PUC should rely on the retail competitive
15 market to develop product offerings, including TOU Rates, which meet the individual
16 needs of consumers, rather than having ratepayer dollars spent for these purposes, RESA
17 recognizes that PPL's proposal in this instance appears to be intended to simplify the
18 TOU Rate. Given the stated purpose of the proposal, and the fact that it does not seek to
19 expand or further study the array of TOU Rate offerings that PPL might develop, RESA
20 expressed no objections to this proposal.

¹⁷ PPL Statement No. 1 at 50-52.

1 **Q. HAS OCA MADE SIGNIFICANT PROPOSALS REGARDING THE TOU RATE**
2 **THAT WARRANT A RESPONSE?**

3 A. Yes. In his Direct Testimony, Mr. Ogur opposes PPL’s proposals to change the TOU on-
4 peak hours to 3 PM – 7 PM annually, and to eliminate the separate summer and winter
5 terms. Instead, Mr. Ogur recommends that the Company retain the seasonality
6 component, with the same seasonal definitions and the same summer peak hours (2 PM –
7 6 PM), and assign all capacity costs to the summer season peak TOU period. He further
8 agrees with OCA witness Alexander’s recommendations that PPL should explore
9 incentive and reward programs to determine customer interest in peak load reductions, in
10 addition to or in lieu of more traditional TOU rates.¹⁸

11 **Q. PLEASE DESCRIBE MS. ALEXANDER’S RECOMMENDATIONS.**

12 A. On behalf of OCA, Ms. Alexander recommends that “PPL develop one or more pilot
13 programs with a properly designed evaluation protocol that targets customers to reduce
14 peak usage with demand response features, such as incentive payments for customers
15 with usage profiles that reflect high usage due to hot water heating, electric home heating,
16 and other appliances that contribute to peak usage. It is not necessary to offer a program
17 that is suited to all residential customers, particularly those with low or modest usage
18 whose profile does not suggest any benefit from shifting usage to non-peak periods.
19 Rather, the program should be focused on a well-developed analysis of customers whose
20 usage pattern will benefit from an incentive to either reduce or shift usage during
21 expensive peak hours.”¹⁹ In opposing PPL’s proposal, Ms. Alexander cites a number of
22 factors, such as the inability of consumers to calculate the impact of the TOU rate relative

¹⁸ OCA St. No. 1 at 25-27.

¹⁹ OCA St. No. 2 at 22-23.

1 to the default service rate; the lack of any evaluation by PPL about their customers’
2 experiences with the TOU; and the incompatibility of budget billing with the TOU.²⁰

3 **Q. DO YOU AGREE WITH MS. ALEXANDER’S RECOMMENDATIONS**
4 **REGARDING THE NEED TO EVALUATE THE CURRENT TOU RATE**
5 **DESIGN AND CONSIDER ALTERNATIVES?**

6 A. No. RESA cautions against any efforts to enhance the PPL TOU rate offering and to
7 instead rely on EGSs in the competitive market to develop the innovative products that
8 are tailored to the needs of a variety of customers. EGSs have long advocated for the
9 importance of relying on TOU offers that are available in the retail competitive market.
10 Indeed, the Commission has recognized the important role of EGSs in offering this
11 product to consumers.²¹ Although RESA understands the statutory requirement for the
12 EDC to offer a TOU rate, that does not mean the EDC should expend ratepayer money on
13 creating products that can more appropriately and effectively be delivered by the
14 competitive market. To the extent that consumers desire to have particular features
15 incorporated into a TOU rate so that it is an attractive option to them, EGSs are well-
16 positioned to provide these solutions and to facilitate such offerings. While utilities may
17 need to develop a “one size fits all” product due to the confinement of regulatory
18 frameworks, EGSs are spending their own dollars to respond to the demands of the
19 market. As the EGSs are bearing the financial risks since they are not guaranteed cost
20 recovery by captive ratepayers, they are incentivized to ensure that the features of their
21 TOU products offer the flexibility that is important to customers. Therefore, the OCA’s
22 recommendations should be rejected.

²⁰ OCA St. No. 2 at 17-19.

²¹ *Investigation of Pennsylvania’s Retail Electricity Market: Recommended Directives on Upcoming Default Service Plans*, Docket No. I-2011-2237952 (Tentative Order entered October 14, 2011) at 7.

1 V. **CONCLUSION**

2 Q. **DOES THAT COMPLETE YOUR REBUTTAL TESTIMONY?**

3 A. Yes, it does. However, I reserve the right to supplement this testimony, as appropriate.

VERIFICATION

I, Joseph Olikier, hereby state that: (1) I am Deputy General Counsel of Interstate Gas Supply, LLC d/b/a IGS Energy; (2) the facts set forth in my rebuttal testimony are true and correct (or are true and correct to the best of my knowledge, information and belief); and, (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 7/1/2024

/s/ Joseph Olikier

Joseph Olikier
Deputy General Counsel
Interstate Gas Supply, LLC d/b/a IGS Energy

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SURREBUTTAL TESTIMONY OF

Joseph Olikar

ON BEHALF OF
THE RETAIL ENERGY SUPPLY ASSOCIATION

Docket No. P-2024-3047290

July 15, 2024

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, EMPLOYER AND TITLE.**

3 A. My name is Joseph Oliker. I am Deputy General Counsel of Interstate Gas Supply, LLC.
4 d/b/a IGS Energy (“IGS Energy”).

5 **Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY IN THIS PROCEEDING?**

6 A. Yes. On June 3, 2024, I submitted Direct Testimony on behalf of the Retail Energy
7 Supply Association (“RESA”),¹ and on July 1, 2024, I submitted Rebuttal Testimony on
8 behalf of RESA.

9 **Q. ON WHOSE BEHALF IS THIS SURREBUTTAL TESTIMONY OFFERED?**

10 A. This Surrebuttal Testimony is offered on behalf of RESA.

11 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

12 A. No.

13 **Q. PLEASE SUMMARIZE THE RECOMMENDATIONS YOU SET FORTH IN**
14 **DIRECT TESTIMONY.**

15 A. With respect to the Petition of PPL Electric Utilities Corporation (“PPL”) for Approval of
16 a Default Service Program and Procurement Plan for the Period June 1, 2025 through
17 May 31, 2029 (“DSP VI Plan”), I recommended as follows:

- 18 1. Open a Statewide Investigation Regarding Default Service Messaging
- 19 • A statewide investigation should be opened to investigate Commission
- 20 approved messaging of default service as the “Price-to-Compare” to include
- 21 discontinuing use of that term by replacing it with “default service rate” and
- 22 how the messaging can be improved to support the ability of customers to
- 23 make more informed decisions when they evaluate competitive offers.

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable, and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial, and industrial energy customers. More information on RESA can be found at www.resausa.org.

1 2. Prohibit PPL from Communicating with Shopping Customers about their Specific
2 EGS Contract Terms, Including Pricing

3 3. Standard Offer Program Issues

- 4 • Reject PPL’s proposed and alternative revisions to standard offer program
5 regarding automatically returning customers to default service or requirement
6 for EGSs to issue post SOP contract expiration notices.
- 7 • To the extent the Commission is inclined to address the issues raised by PPL
8 about the “savings” provided to customers participating in the SOP, then I
9 recommend that consideration be given to reforming the program to require
10 EGSs to provide an initial price equal to the default service rate and the
11 marketing of the SOP as a “guaranteed savings” program be ceased.
- 12 • Reject PPL’s proposed increase to the Electric Generation Supplier (“EGS”)
13 customer referral fee.

14 4. Reject PPL’s proposal to enter into a 20-year contract to procure 30,000 Solar
15 Alternative Energy Credits.

16 **Q. PLEASE SUMMARIZE THE RECOMMENDATIONS ADVANCED IN YOUR**
17 **REBUTTAL TESTIMONY.**

18 A. In addition to the recommendations outlined in my Direct Testimony, I recommended
19 rejection of the following proposals offered by Other Parties in their Direct Testimony:

- 20 1. To end PPL’s Standard Offer Program.
- 21 2. To direct PPL to implement a bill design that shows show a dollars and cents
22 calculation of the customer’s supplier charges, as compared to the dollars and cents
23 calculation of what the customers would pay under the default service rate.
- 24 3. To utilize 12- and 24-month Fixed-Price Full Requirements contracts to meet the
25 electricity demand of Residential and Small C&I Default Service customers.
- 26 4. To procure up to 30,000 PA Solar AECs under a long-term 20-year contract using a
27 staggered approach of two auctions, each procuring 15,000 Solar AECs.
- 28 5. For PPL develop one or more pilot programs for TOU rates.

29 **II. PURPOSE OF TESTIMONY**

30 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

31 A. The purpose of my Surrebuttal Testimony is to address various proposals set forth in the
32 Rebuttal Testimony of PPL, as well as that of Other Parties, including the Office of
33 Consumer Advocate (“OCA”) and the Coalition for Affordable Utility Services and

1 Energy Efficiency in Pennsylvania (“CAUSE-PA”). Specifically, this testimony
 2 responds to the Rebuttal Testimony of PPL Witness Melinda Stumpf² who focuses on
 3 defending PPL’s communications with customers, opposes RESA’s recommendation for
 4 a Statewide investigation regarding messaging about default service rates, and opposes
 5 my recommendations in response to PPL’s proposed changes to the SOP. I also offer
 6 support for PPL’s position regarding OCA’s proposal to add a comparison chart on
 7 residential bills showing what shopping customers would have paid if they had received
 8 PPL’s default service rate. Finally, I also express support for his comment regarding
 9 reliance on the competitive market for Time of Use (“TOU”) rates.³ Both OCA Witness
 10 Barbara Alexander and CAUSE-PA Witness Harry Geller echo many of the same points
 11 raised by the PPL witnesses but no new points or issues are discussed to convince me that
 12 any of RESA’s initial proposals should be abandoned. Silence regarding particular
 13 issues discussed by witnesses for PPL or the Other Parties should not be viewed as
 14 agreement with the positions that are advocated. I stand by my Direct and Rebuttal
 15 Testimony and am offering this Surrebuttal Testimony only for the purpose of refuting
 16 certain positions that may not have been fully captured in my prior testimony.

17 III. **RESA’S RESPONSES TO REBUTTAL TESTIMONY**

18 **A. Communications with Shopping Customers**

19 **Q. IN YOUR DIRECT TESTIMONY, YOU CHALLENGED THE**
 20 **COMMUNICATIONS THAT PPL HAS HAD AND CONTINUES TO HAVE**
 21 **WITH CUSTOMERS REGARDING THEIR CONTRACTS WITH ELECTRIC**

² PPL St. No. 3-SR.

³ PPL St. No. 1-R.

1 **GENERATION SUPPLIERS.⁴ HOW DOES PPL WITNESS MS. STUMPF**
2 **RESPOND TO THIS TESTIMONY?**

3 A. Ms. Stumpf testifies that my description of PPL’s communications with shopping
4 customers as unnecessary and duplicative is flawed because I have not personally
5 reviewed the notices sent by electric generation suppliers (“EGSs”) or confirmed whether
6 EGSs comply with those requirements.⁵

7 **Q. PLEASE RESPOND.**

8 A. The basis for RESA’s challenge against PPL’s communications sent to shopping
9 customers is that they are duplicative of the requirements imposed by the Commission on
10 EGSs for notices that must be sent prior to the expiration of contracts. As to the specific
11 content of particular EGSs’ notices and their ongoing compliance with those
12 requirements, those are issues that are properly addressed through formal complaint
13 proceedings or other enforcement processes at the Commission. The comparison for
14 purposes of my testimony is between what the PUC requires EGSs to send and what the
15 electric distribution company (“EDC”) is sending without any oversight by the PUC.
16 Through my Direct Testimony, I went through each PPL communication and highlighted
17 the offensive portions of them, and RESA’s challenges should be addressed on that
18 basis.⁶

4 RESA St. No. 1 at 20-39.

5 PPL St. No. 3-R at 2-4.

6 RESA St. No. 1 at 24-28.

1 **Q. MS. STUMPF GOES ON TO DESCRIBE PPL’S COMMUNICATIONS WITH**
 2 **SHOPPING CUSTOMERS AS “EDUCATIONAL” AND STRESSES THE**
 3 **IMPORTANCE OF CONSUMER EDUCATION.⁷ PLEASE RESPOND.**

4 A. Of course, RESA agrees with the premise that consumer education is important to the
 5 functioning of a competitive retail electric market. However, Ms. Stumpf’s description
 6 of the PPL communications select discrete phrases and avoid conveying the overall anti-
 7 competitive nature of their messages to consumers.⁸ Importantly, Ms. Stumpf omits
 8 many of the points that are set forth in these communications which are attached to my
 9 Direct Testimony in their entirety and carefully reviewed by my testimony. Examples of
 10 messages within these communications that are not competitively neutral include: (1) the
 11 June 25, 2021 emails describing EGS supply prices that are lower than PPL’s PTC as the
 12 customer getting “a good deal on electricity supply” and stating that is what “smart
 13 shopping” can do; (2) assuming an energy advisory role, PPL’s communications
 14 reminded customers that it is here to help them save and “sharing information about
 15 smart shopping is just one way” PPL does that; and, (3) sending “Important Notices”
 16 listing the customer’s EGS price, providing the EGS contact information and advising the
 17 customer that it was trying to make sure the bills are as low as possible.⁹

18 Indeed, even in her Rebuttal Testimony where Ms. Stumpf is seeking to defend
 19 the PPL communications as educational, she proclaims that “EDCs, EGSs, the
 20 Commission, and all other interested stakeholders should encourage efforts to provide

⁷ PPL St. No. 3-SR at 4-6, 15.

⁸ Both CAUSE-PA Witness Geller and OCA Witness Alexander’s Rebuttal Testimony take a similar point of view that the information contained in PPL’s communications are accurate. OCA St. No. 2R at 7; CAUSE-PA St. No. 1-R at 7-9. Like Ms. Stumpf, both Mr. Geller and Ms. Alexander fail to focus on the overall inappropriate messaging that is conveyed as I discussed at length in my Direct Testimony.

⁹ RESA St. No. 1 at 25, 27- 28.

1 accurate information to customers about how they may be able to lower their electric
2 service bills.”¹⁰ That statement alone reflects PPL’s ongoing single-minded
3 misunderstanding regarding the need for competitively neutral communications. As I
4 explained in my Direct Testimony, a significant problem with PPL’s communications is
5 that they put a spotlight on a comparison of the default service rate with supply prices in
6 the market at a given point in time which we have shown to be a meaningless
7 comparison.¹¹ Further, PPL’s statement focusing on lower electric bills wholly ignores
8 the fact that customers may elect to pay prices that are higher than the default service rate
9 to obtain a product or service that is not available from the EDC. In the competitive
10 market, the availability of products or services is not constrained by ratepayer dollars or
11 regulatory requirements and can be more easily tailored to meet the customers’ needs,
12 such as long-term stability, renewable energy, innovative rate designs, and other values
13 important to the customer, including charitable contributions. Additionally, while PPL
14 describes the communications as constituting educational materials, it is noteworthy that
15 the Commission has not endorsed or provided any oversight of the dissemination of these
16 materials. This is in contrast to prior consumer education measures of EDCs that were
17 closely monitored and highly controlled by the Commission, in large part to ensure that
18 they remained competitively neutral. Whether additional consumer education is needed
19 and the best means for presenting that information falls within the Commission’s
20 discretion, and PPL should not be taking it upon itself as an EDC to decide what the
21 Company thinks that shopping customers need to hear.

¹⁰ PPL St. No. 3-SR at 6.

¹¹ RESA St. No. 1 at 18, 26-27, 52-53.

1 **Q. DOES MS. STUMP TAKE ISSUE WITH YOUR TESTIMONY THAT PPL IS**
2 **ENCOURAGING A COMPARISON OF THE DEFAULT SERVICE RATE AND**
3 **THE COMPETITIVE SUPPLY PRICE AT A GIVEN POINT IN TIME?**

4 A. Yes. Ms. Stumpf refutes this testimony by noting that PPL encourages customers to
5 check their supply rates often.¹²

6 **Q. DOES PPL'S SUGGESTION TO CUSTOMERS TO FREQUENTLY CHECK**
7 **THEIR SUPPLY RATES ADDRESS THE ISSUE YOU RAISED ABOUT**
8 **COMPARING DEFAULT SERVICE RATES AND COMPETITIVE SUPPLY**
9 **PRICES AT A GIVEN POINT IN TIME?**

10 A. No. Regardless of how frequently a customer checks the supply rate, the comparison
11 with the default service rate is going to be focused on that particular point in time. The
12 comparison will not consider the way that default service rates are structured via the
13 auction method or changed through the reconciliation process. Nor will it factor in the
14 costs of services and products that the customer may be purchasing from the EGS.
15 Therefore, PPL's suggestion that the consumer check the supply rate frequently does not
16 address RESA's concern about the focus on prices at a particular point in time.

17 **Q. PLEASE RESPOND TO MS. STUMPF'S CLAIM THAT PPL**
18 **COMMUNICATIONS WILL ONLY IMPACT CUSTOMERS WHO ARE**
19 **UNKNOWNLY PAYING MORE THAN THE DEFAULT SERVICE RATE.**¹³

20 A. Ms. Stumpf's assertion regarding the impact of PPL's communications on customers is
21 wholly based on speculation and has no support in the evidentiary record of this
22 proceeding. Even if we agreed with this assertion, PPL's communications still refer to a
23 single point in time. It is plausible that a customer receiving this communication who is
24 on a fixed price contract and is paying more under today's default service rate could end
25 up paying less under the next default service rate. This customer could be encouraged by

¹² PPL St. No. 3-R at 16.

¹³ PPL St. No. 3-R at 16-17.

1 PPL’s “educational” communications to terminate their fixed price contract and be worse
2 off when the default service rate increases. Moreover, to the extent that additional
3 consumer education is warranted to ensure that customers are aware of the prices in the
4 market compared to the rates for default service, such an initiative should involve the
5 PUC so that the message sent to customers is competitively neutral.

6 **Q. MS. STUMPF SUGGESTS THAT PRIOR COMMISSION OVERSIGHT OF**
7 **EDUCATIONAL MATERIALS IS NO LONGER APPLICABLE.¹⁴ DO YOU**
8 **AGREE?**

9 A. No. It does not matter when the PUC directives were issued concerning the nature, scope
10 and type of consumer education that was undertaken by the EDCs. The point is that
11 when the Commission determined that the EDCs had a role in educating customers, about
12 whatever aspect of the market may have been needed, the Commission was highly
13 involved in the process. Not only did the PUC approve the content of the
14 communications, the Commission also governed the timing and frequency of the
15 messages. The glaring omission of Commission’s involvement in recent PPL
16 communications has resulted in messages that promote default service, focus solely on
17 price and are sent at various times throughout the year, sometimes in conjunction with
18 EGSs sending required notices.

19 As to the comment of Chairman Brown Dutrieuville during PPL’s last DSP
20 proceeding concerning PPL’s ongoing communications with EGS customers, it is
21 noteworthy that this comment was made in a Statement accompanying the Order and
22 does not appear in the Order. By contrast, the Order makes it clear that once a customer
23 has been referred by PPL to an EGS through the SOP, it is an EGS-customer relationship

¹⁴ PPL St. No. 3-R at 10-11.

1 and that PPL no longer has any involvement.¹⁵ Moreover, Chairman Brown Dutrieuielle
2 was not (and could not have been without a majority) suggesting that PPL engage in its
3 own in-house version of consumer education without any oversight from the PUC.
4 Finally, Ms. Stumpf testifies that PPL regularly communicates with customers about a
5 host of issues without approval from the Commission. While that may well be true, it is
6 not other communications that concern RESA; rather, it is communications with EGS
7 customers about their supply contracts and prices – topics that the PUC has said are the
8 rightly done by EGSs with their own customers. Given the continuing downward trends
9 of retail shopping in Pennsylvania, and the PUC’s duties to oversee the development and
10 functioning of the competitive retail market, communications with EGS supply customers
11 regarding their contracts and prices are in a far different category than other messages
12 PPL may be independently sending to consumers such as about planned outages, the
13 availability of rebates for certain appliances and other issues related to the Company’s
14 core distribution functions.

15 **Q. DOES MS. STUMPF VIEW PPL’S COMMUNICATIONS AS PROMOTING**
16 **DEFAULT SERVICE OR PRESENTING DEFAULT SERVICE AS A**
17 **COMPETITIVE OPTION?**

18 A. No. Ms. Stumpf claims that PPL’s communications neither promote default service nor
19 present default service as a competitive option. Rather, she testifies that the
20 communications list default service as one of the options that customers can choose.¹⁶

¹⁵ *Petition of PPL Electric Utilities Corporation for Approval of its Default Service Plan for the Period June 1, 2021 through May 31, 2025*, Docket No. P-2020-3019356 (Order entered December 17, 2020 at 93-94).

¹⁶ PPL St. No. 3-R at 11-12, 16.

1 **Q. HOW DO YOU RESPOND?**

2 A. The PPL communications speak for themselves and my Direct Testimony contains
3 significant detail concerning the ways in which those messages promote default service
4 and present it as a competitive option.¹⁷ Without belaboring the point regarding the
5 shortcomings of such a comparison, I note that the PPL communications pit the default
6 service rate against the supply prices in the market at any given point in time. The
7 messages also encourage customers to be “smart” shoppers by choosing the lowest rate
8 that is available. Further, the PPL communications portray PPL as following a
9 procurement approach for energy that produces lower cost results. Overall, when the
10 PPL communications are read in total, they urge customers to return to default service so
11 they get the so-called “best” rate.

12 **Q. DOES MS. STUMPF REFER TO A SURVEY COMMISSIONED BY PPL TO**
13 **SUPPORT HER CLAIM FOR A NEED FOR ADDITIONAL CONSUMER**
14 **EDUCATION?**

15 A. Yes. Ms. Stumpf refers to a survey done by Bellomy Market Intelligence in early 2021 to
16 get a better understanding of customers’ reasons for paying a higher price for EGS supply
17 than the default service rate.¹⁸ In her view, the results of that study showed a need for
18 additional consumer education.

19 **Q. PLEASE RESPOND.**

20 A. As a threshold matter, I note that the survey only polled 2,975 respondents. According to
21 RESA Exh. JO-2, Pa PowerSwitch April 2024 Update, PPL has 600,624 shopping
22 customers. Thus, the statistical significance of this size of a survey is questionable.

¹⁷ RESA St. No. 1 at 25, 27- 28.

¹⁸ PPL St. No. 3-R at 6-7.

1 Further, it is unclear why PPL would be having customers surveyed about a topic that is
2 private between customers and their EGSs. Why customers are making certain selections
3 in the competitive market is not any of PPL's business. Finally, even in the event that
4 PPL obtained information supporting the need for additional consumer education, these
5 results should have been shared with the PUC and other stakeholders. While Ms. Stumpf
6 notes that the survey was shared with the Office of Competitive Market Oversight, there
7 is no indication that it was shared with anyone else or accompanied by a proposal so that
8 an informed decision could be made as to the type and extent of education that is needed
9 rather than PPL going out on its own to implement measures that it believed would be
10 useful.

11 **Q. DOES MS. STUMPF REFER TO RESA'S MARKET SAVINGS REPORTS AS**
12 **MISLEADING?**

13 A. Yes. Ms. Stumpf testifies that because I referred to PPL's communications as misleading
14 due to their sole focus on price savings at a given point in time, that makes the RESA
15 Market Savings Reports similarly misleading.¹⁹

16 **Q. PLEASE RESPOND.**

17 A. These materials were prepared and provided for very different reasons. PPL's
18 communications were sent to shopping customers whose contracts were about to expire
19 and contained various information comparing default service rates with supply prices, as
20 well as the customers' options for electric supply following expiration of their contract.
21 The RESA Market Savings Reports are assembled to assist RESA in responding to
22 entities who claim that no price savings are available in the competitive market. Not only

¹⁹ PPL St. No. 3-SR at 9-10.

1 do these Market Savings Reports show that such savings are available, they also highlight
2 notable offers that would not be reflected in that comparison, such as value-added
3 products and services. Therefore, based on the different purposes and contents of these
4 materials, my description of the PPL communications as misleading is not applicable to
5 RESA's Marketing Savings Reports.

6 **Q. DOES MS. STUMPF REFER TO YOUR CLAIM THAT PPL IS ATTEMPTING**
7 **TO WIN BACK CUSTOMERS THROUGH ITS COMMUNICATIONS?**

8 A. Yes. Ms. Stumpf testified that because PPL earns no profit from serving default service
9 customers, the Company has no incentive to win back customers.²⁰

10 **Q. HOW DO YOU RESPOND?**

11 A. It is unclear to me what drives PPL to attempt to win back customers to default service
12 with its communications, unless it is simply a general desire to preserve its stronghold as
13 the predominant electric provider. While the Company claims that it does not wish to
14 take the "blame" from customers about EGS price increases, I note that the answer to the
15 ongoing dilemma of customer confusion regarding the roles of EDCs and EGSs is not
16 going to be solved by the EDC sending communications about supply contracts and
17 promoting default service. A primary modification to the market that would likely clear
18 up confusion as to the provider would be for EGSs to be authorized to implement
19 supplier consolidated billing ("SCB"), which PPL has opposed.²¹ As long as PPL
20 continues to provide utility consolidating billing, with no option for SCB, customers are
21 likely to be confused by the provider.

²⁰ PPL St. No. 3-SR at 10.

²¹ *En Banc Hearing on Implementation of Supplier Consolidated Billing*, Docket No. M-2018-2645254 ([PPL Comments](#) filed May 4, 2018).

1 **Q. MS. STUMPF CLAIMS THAT YOUR POSITIONS ARE INCONSISTENT IN**
2 **THAT YOU ARE SEEKING TO REMOVE PPL FROM THE**
3 **COMMUNICATION PROCESS WHILE AT THE SAME TIME SUPPORTING**
4 **SOP WHERE PPL IS INSERTED INTO THE PROCESS.²² PLEASE RESPOND.**

5 A. What I am seeking is entirely consistent. RESA recognizes that the SOP is administered
6 by PPL and that the supply customers are enrolled into the SOP as a result of their
7 interactions with PPL. However, beyond that referral, it is RESA's view – which the
8 PUC supported in PPL's last default service plan proceeding, the EDC has no role in that
9 relationship. Therefore, RESA's requests to limit PPL's communications with EGS
10 customers are the same regardless of whether the EGS enrolled the customer
11 independently or the EGS obtained the customer through SOP. In either case, RESA
12 believes that PPL's interactions with supply customers regarding their EGS supply
13 contracts and prices are unnecessary, duplicative and harmful to the competitive market.

14 **Q. DO YOU AGREE WITH MS. STUMPF'S FUNDAMENTAL PREMISE THAT**
15 **PPL'S COMMUNICATIONS ARE EDUCATIONAL?²³**

16 A. No. While some of the communications may have an educational component to them,
17 many of the messages revolve around the concept of achieving the lowest possible cost
18 for electricity at a given point in time. That message falls far short of educational for
19 reasons I have explained in my Direct and Rebuttal Testimony, such as the mismatch
20 between default service rates and competitive supply prices due to the different
21 timeframe over which supply is procured and provided, as well as the reconciliation that
22 PPL is guaranteed in the recovery of costs. PPL's theme also focuses on the ability of

²² PPL St. No. 3-R at 10-11.

²³ PPL St. No. 3-R at 11.

1 customers to return to default service – by doing nothing, and fails to recognize situations
2 in which customers may have opted to pay more for supply than the default service rate.

3 **Q. PLEASE ADDRESS MS. STUMPF’S TESTIMONY DISCUSSING THE PUC’S**
4 **RETAIL ELECTRIC CHOICE ACTIVITY REPORT.**

5 A. In contending that the competitive market is not harmed by PPL’s communications, Ms.
6 Stumpf refers to the statistic in the PUC’s most recent Retail Electric Choice Activity
7 Report showing that 35% of PPL’s residential customers are shopping, which is a higher
8 percentage of shoppers on average across the Commonwealth. Based on this statistic
9 alone, Ms. Stumpf claims that PPL’s communications are not harmful to the competitive
10 market.²⁴

11 **Q. PLEASE RESPOND.**

12 A. It is of no significance that PPL’s shopping percentage for residential customers is higher
13 than that of other EDCs. As a starting point, the record developed in this proceeding has
14 no information about the communications other EDCs may have had since 2021 when
15 PPL began those that are in question here. Further, Ms. Stumpf provides no information
16 indicating how the percentage of residential customers has changed in the PPL service
17 area since that time. Of additional note, PPL’s 35% of residential customers shopping
18 can hardly be viewed as a success since that means that approximately two-thirds of
19 PPL’s distribution customers continue to receive default service. The point of my
20 testimony is that when the utility presents the rate of its default service offering side-by-
21 side with the price of competitive products, the utility is creating a misimpression among

²⁴ PPL St. No. 3-R at 13-14.

1 consumers by failing to acknowledge the shortcomings of this comparison. When
 2 consumers do not receive accurate information, the retail competitive market is harmed.

3 **Q. MS. STUMPF CLAIMS THAT YOU SUPPORT “A COMPETITIVE MARKET**
 4 **WHERE CUSTOMERS HAVE LESS INFORMATION ABOUT THEIR**
 5 **ELECTRIC PRICES” AS COMPARED TO THE DEFAULT SERVICE RATE.²⁵**
 6 **IS THIS TRUE?**

7 A. Of course not. To the contrary, RESA supports a competitive market where customers
 8 are fully and accurately informed about their default service rates and their supply prices
 9 in the market. The problem today is that this information is not being conveyed to
 10 customers, as discussed in detail in my Direct Testimony, in large part due to the reliance
 11 on the “price to compare” concept, which produces meaningless comparisons.²⁶

12 **Q. PLEASE RESPOND TO MS. STUMPF’S ASSERTION THAT THE**
 13 **“FOUNDATIONAL PRINCIPLE OF RESTRUCTURING WAS TO REDUCE**
 14 **CUSTOMERS’ ELECTRIC SUPPLY RATES.”²⁷**

15 A. While this testimony involves a legal issue that counsel will address in briefs filed in this
 16 matter, I note that the Competition Act had a number of goals – and that reducing
 17 customers’ electric supply rates was not a “foundational principle.” One provision on
 18 which Ms. Stumpf relies relates to competitive forces being more effective than
 19 regulation in controlling the cost of generating electricity. That goal does not guarantee a
 20 savings to customers resulting from lower retail supply rates. Most importantly, the
 21 Competition Act made it clear – and the PUC has been faithful to this pronouncement –

²⁵ PPL St. No. 3-R at 14-15.

²⁶ RESA St. No. 1 at 15-20.

²⁷ PPL St. No. 3-R at 14-15.

1 that supply prices charged to customers in the competitive market are not regulated by the
 2 Commission.²⁸

3 **Q. DOES MS. STUMPF AGREE THAT IN PPL'S COMMUNICATIONS, IT HOLDS**
 4 **ITSELF OUT AS A TRUSTED SOURCE OF INFORMATION?**

5 A. Yes. Ms. Stumpf testifies that the Company offers education on shopping as a trusted
 6 source of information.²⁹ In this discussion, she refers to PPL's duty to provide adequate
 7 and reasonable service, which she views as including consumer education. While PPL's
 8 statutory duties to provide adequate and reasonable service will be addressed by counsel
 9 in briefs, I simply note a return to my recurring theme throughout my testimony that it is
 10 not PPL's unilateral prerogative to decide whether to place itself into the middle of
 11 contracts that customers have executed with EGSs.

12 **Q. PLEASE DESCRIBE MS. STUMPF'S VIEWS ON THE POSSIBLE CONFUSION**
 13 **TO CUSTOMERS RESULTING FROM COMMUNICATIONS FROM**
 14 **DIFFERENT ENTITIES?**

15 A. Ms. Stumpf disagrees with my assertion regarding the potential for customer confusion
 16 when EDCs voluntarily send their own communications and the EGSs send the notices
 17 mandated by the regulations, particularly when the Commission is also sending reminders
 18 about the same topics. Instead, Ms. Stumpf opines that the minimum mandated
 19 communications are insufficient, which justifies a role for PPL.³⁰

²⁸ *Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania v. PUC*, 120 A.3d 1087, 1094 (Pa. Cmwlth. 2015) (PUC does not regulate EGS prices); *HIKO Energy, LLC v. PUC*, 163 A.3d 1079, 1100 (Pa. Cmwlth. 2017), aff'd on appeal, 2019 Pa. LEXIS 3139. Additionally, nothing in the Public Utility Code authorizes the Commission to direct EGSs to issue refunds to their customers. *Blue Pilot Energy, LLC v. P.U.C.*, 241 A.3d 1254, 1267 (October 27, 2020).

²⁹ PPL St. No. 3-R at 17-18.

³⁰ PPL St. No. 3-R at 18-19.

1 **Q. DO YOU HAVE A RESPONSE?**

2 A. Ms. Stumpf has offered her own opinion regarding the need for additional
3 communications – an opinion that has not been vetted by or approved by the PUC. The
4 fact remains that when more than one entity regulated by the Commission is interacting
5 with consumers about the same topic – roughly around the same time – the very real
6 potential exists for the communications to be overwhelming and confusing. This
7 likelihood warrants PUC involvement in this process.

8 **B. Statewide Investigation Regarding Default Service Messaging**

9 **Q. PLEASE RESTATE RESA’S RECOMMENDATIONS RELATED TO OPENING**
10 **A STATEWIDE INVESTIGATION REGARDING DEFAULT SERVICE**
11 **MESSAGING.**

12 A. For the reasons supported by my Direct Testimony related to the current stagnant state of
13 the retail competitive market for residential consumers and RESA’s decision not to
14 recommend more aggressive structural reforms in this proceeding, I recommend the
15 opening of a statewide investigation regarding Commission approved messaging of the
16 default service rate as the “Price-to-Compare” (or “PTC”). This investigation would
17 include discontinuing use of that term and replacing it with “Default Service Rate” and
18 consideration of how messaging can be improved to support the ability of customers to
19 make more informed decisions when they evaluate competitive offers.³¹

20 **Q. DOES MS. STUMPF ADDRESS THIS RECOMMENDATION FOR A**
21 **STATEWIDE INVESTIGATION ?**

22 A. Yes. Ms. Stumpf opposes this recommendation for several reasons including: (i) PPL’s
23 view that such a proposal may not be made in a default service plan proceeding; (ii)
24 discontinuing use of the PTC would be confusing to customers; and (iii) the lead topic at

³¹ RESA St. No. 1 at 17.

1 any statewide investigation should consider the reasons that customers are paying more
2 than the PTC.³²

3 **Q. PLEASE RESPOND.**

4 A. I am advised by counsel that nothing in the statute or regulations precludes a party from
5 raising statewide issues in a default service plan proceeding, which will be further
6 addressed in briefing. The impact on consumers of discontinuing use of the PTC is an
7 issue that RESA expects would be considered and weighed against the importance of
8 ensuring that customers receive meaningful and accurate price comparisons. As to the
9 reasons that customers are paying more for supply than the PTC, RESA would again
10 expect that to be an appropriate topic especially given the manner in which the PTC is
11 developed and reconciled, as compared to how supply prices in the competitive market
12 are determined.

13 **Q. DOES MS. STUMPF CHARACTERIZE RESA'S POSITIONS HERE AS**
14 **CONTRADICTIONARY?**

15 A. Yes. Ms. Stumpf characterizes RESA's positions as contradictory because customers
16 may be knowingly paying higher supply prices than default service rates, while PPL's
17 communications focused on price may be confusing those same customers.³³

18 **Q. HOW DO YOU RESPOND?**

19 A. There is nothing contradictory about RESA's position. Our point, all along, has been that
20 customers pay more than the default service rate for a whole host of reasons, and that
21 communications coming from a "trusted source" that focus on price only could serve to

³² PPL St. No. 3-R at 19-20. CAUSE-PA Witness Geller also strongly opposed this recommendation and disuse of the term "Price to Compare" to describe the default service rate. CAUSE-PA St. 1-R at 4-5.

³³ PPL St. No. 3-R at 21.

1 confuse those customers. In the larger picture, PPL has no role in the contracts that EGSs
 2 have with their supply customers, including the prices that they pay. The bottom line is
 3 that PPL has no business unilaterally stepping into the middle of these contracts by
 4 communicating with supply customers about the prices or other terms of them.

5 **C. Standard Offer Program**

6 **Q. PLEASE DESCRIBE THE RECOMMENDATIONS YOU MADE IN DIRECT**
 7 **TESTIMONY CONCERNING PPL'S PROPOSED MODIFICATIONS TO THE**
 8 **SOP.**

9 A. In my Direct Testimony, I made the following recommendations relating to PPL's
 10 proposed modifications to the SOP:³⁴

11 (1) Reject the Company's proposal to return SOP customers automatically to default
 12 service upon expiration of SOP contract unless the customer takes affirmative action to
 13 remain enrolled with the EGS;

14 (2) Reject the Company's alternative proposal to communicate about the end of the SOP
 15 contract with customers prior to entering into an SOP contract;

16 (3) Reject the Company's alternative proposal to require EGSs to communicate with
 17 customers after the expiration of the SOP contract on a monthly basis until the customer
 18 takes affirmative action regarding their supplier contract; and

19 (4) Reject the Company's proposed increase to the SOP referral fee charged to EGSs
 20 participating in the SOP.

21 **Q. DID YOU ALSO MAKE AN ALTERNATIVE RECOMMENDATION?**

22 A. Yes. Rather than making the proposed modifications to the SOP, I recommended
 23 restructuring the program so that customers no longer receive a discount off the PTC
 24 when they enroll with an EGS through the SOP.³⁵

³⁴ RESA St. No. 1 at 40-49.

³⁵ RESA St. No. 1 at 47.

1 **Q. DOES MS. STUMPF AGREE WITH THIS ALTERNATIVE**
2 **RECOMMENDATION?**

3 A. No. In large part, she indicates that since its inception, the SOP as been structured to
4 have a discount off the PTC at the time of enrollment and expresses her concern that
5 consumers would receive no benefit from enrolling in the program.³⁶

6 **Q. HOW DO YOU RESPOND?**

7 A. PPL has made several proposed modifications, including an automatic return to default
8 service at the end of the term, which vary significantly from the structure of the SOP that
9 has been in place since its inception. As for RESA’s alternative recommendation, it is
10 nothing more than another way to approach the so-called problems that PPL and other
11 parties see with the SOP.³⁷ Under this proposal, however, the “guaranteed savings”
12 aspect of the program would be eliminated which would permit the focus to be on
13 experiencing the competitive market without any lingering concerns of PPL and the
14 advocates about prices that customers may pay when the discounts are removed.

15 **Q. PLEASE DESCRIBE MS. STUMPF’S RESPONSE TO YOUR CONCERNS**
16 **RELATING TO AN AUTOMATIC RETURN TO DEFAULT SERVICE AT THE**
17 **END OF THE TERM.**

18 A. Ms. Stumpf does not view the proposed automatic return to default service as a restriction
19 on competition because SOP is a voluntary program that is not mandated by statute or
20 governed by the regulations.³⁸ However, in my view it does not matter whether the SOP
21 was implemented pursuant to PUC order versus the statute or regulations. Nor does it

³⁶ PPL St. No. 3-R at 22-23.

³⁷ Both CAUSE-PA Witness Geller and OCA Witness Alexander expresses similar opposition to the alternative proposal. CAUSE-PA St. No. 1-R at 17-28. OCA St. No. 2R at 10.

³⁸ PPL St. No. 3-R at 23-24. Similarly, OCA Witness Alexander views the EGS contract post SOP expiration as different from a customer acquired directly by the EGS because “the original enrollment was promoted by and conducted by the EDC.” OCA St. No. 2-R at 11.

1 matter that the enrollment occurred through the Commission approved processes of the
2 SOP. The point is that when a customer who has affirmatively consented to participate in
3 the SOP consistent with the terms of service and receives the requisite notices regarding
4 the expiration of the contract term and any price increases, it is inconsistent with
5 competition to unilaterally transfer the customer back to default service at the end of the
6 term.ithout the customer's consent.

7 **Q. PLEASE DESCRIBE MS. STUMPF'S CLAIM REGARDING YOUR**
8 **TESTIMONY THAT A CHANGE INVOLVING A MANDATORY RETURN TO**
9 **DEFAULT SERVICE WOULD LIKELY END THE SOP.**

10 A. Ms. Stumpf suggests that what I was saying is that if EGSs are not afforded some
11 opportunity to charge prices above the PTC after expiration of the SOP contract, they
12 would not want to participate.³⁹ That is most definitely not what I was saying. To the
13 contrary, I was explaining that it would be difficult for EGSs to make a business decision
14 to participate in the SOP where they are required to serve a customer at a price lower than
15 the default service rate at the time of contracting if they are given no opportunity to
16 continue serving the customer after expiration of the SOP contract. While a slim
17 opportunity still exists through an affirmative election to remain with the EGS, my Direct
18 Testimony already demonstrates the inherent challenges with consumer inertia, which
19 may interfere with that opportunity. In addition, an ability to charge customers some
20 amount greater than 7% off the PTC would afford EGSs a chance to recover some losses
21 associated with serving customers at that sharp discount during the SOP. Overall, the
22 ability to retain the customer after the expiration of the SOP contract gives EGSs the
23 chance to learn more about what is important to each customer in terms of energy

³⁹ PPL St. No. 3-R at 27.

1 offerings going forward. Without that ongoing relationship, it is difficult to identify any
2 benefits to EGSs of participating in an SOP that results in an automatic return to default
3 service after expiration of the contract term.

4 **Q. ARE THERE OTHER REASONS WHY OCA WITNESS ALEXANDER**
5 **STRONGLY OPPOSES CONTINUATION OF THE SOP AS CURRENTLY**
6 **DESIGNED?**

7 A. Yes. Ms. Alexander generally expresses displeasure with EGSs and the competitive
8 market and takes the view that EDCs have become “the marketing and enrollment are of
9 the supplier at a very modest charge thus allowing the supplier to avoid marketing and
10 enrollment expenses.” In support of this view, Ms. Alexander discusses the Purchase of
11 Receivables Program (“POR”) and describes its as a “significant benefit and subsidy to
12 suppliers.”⁴⁰

13 **Q. DO YOU AGREE WITH MS. ALEXANDER?**

14 A. No, and her arguments about this have already been soundly rejected by the Commission
15 which approved the current form and program requirements of the POR notwithstanding
16 OCA’s objections. The POR recognizes that: (1) EGSs must place all residential
17 customers into the POR program in order to have their charges appear on the EDC’s
18 consolidated bill; (2) if EGSs elect not to use the EDC’s consolidated bill, there is no
19 Commission approved process in place for the EGSs to terminate service for non-
20 payment; (3) the Commission does not permit EGSs to issue a consolidated bill to
21 customers with the utility’s charges included. The Commission recognized the need for
22 the POR program to permit a realistic opportunity for EGSs to offer service to residential
23 and mass market customers given the lack of ability to terminate service for non-payment

⁴⁰ OCA St. No. 2R at 7.

1 and to issue supplier consolidated bills. This is not a “subsidy” to the EGSs, as Ms.
 2 Alexander suggests, nor is the existence of the POR program a justification to revise
 3 the SOP in an effort to somehow take away all the so-called “advantages” to EGSs
 4 imagined by Ms. Alexander. For all the reasons set forth in my Direct Testimony, EDC
 5 provided default service continues to dominate the market and retains significant
 6 advantages over all EGSs collectively for numerous structural reasons like maintaining
 7 all the customer data, being solely permitted to issue an EDC consolidated bill⁴¹ and
 8 receiving full cost recovery.

9 **D. Bill Comparison Presentation**

10 **Q. PLEASE DESCRIBE MS. ALEXANDER’S PROPOSAL TO ADD A BILL**
 11 **COMPARISON ON RESIDENTIAL BILLS.**

12 A. Ms. Alexander recommends that PPL revise its bill to show a dollars and cents
 13 calculation of the customer’s supplier charges, as compared to the dollars and cents
 14 calculation of what the customers would pay under the default service rate. In offering
 15 this recommendation, Ms. Alexander contends that the current presentation that relies on
 16 comparing a cents per kilowatt hour (“kWh”) comparison is insufficient, particularly if
 17 the supplier either does not include such information in its billing detail or misrepresents
 18 its cents per kWh, such as by failing to include fixed or additional monthly charges.⁴²

⁴¹ Notably, Ms. Alexander appears to view Commission mandated EDC consolidated billing as “a core function” of the EDC and something that advantages EGSs. OCA St. No. 2R at 9. This view is contrary to the significant advocacy by RESA and other EGSs in Pennsylvania seeking the ability to offer Supplier Consolidated Billing. The Commission approved exclusive right of EDCs to issue consolidated billing to mass market customers is a barrier to competition.

⁴² OCA St. No. 2 at 4, 15-16.

1 **Q. DOES RESA SUPPORT THIS PROPOSAL?**

2 A. No, as I explained in my Rebuttal Testimony, RESA opposes any comparison of the
3 regulated default service rate and the competitive supply price in the market and Ms.
4 Alexander’s Direct Testimony contains no evidence of a particular problem she is
5 seeking to address.⁴³

6 **Q. DOES PPL SUPPORT MS. ALEXANDER’S BILL PRESENTATION**
7 **PROPOSAL?**

8 A. According to PPL Witness Stumpf, PPL “generally supports changes that help customers
9 better understand their bill,” but she identifies technical and operational concerns with
10 Ms. Alexander’s specific approach. More specifically, Ms. Stumpf recognizes that the
11 difficulty of attempting to present a comparison of a fixed default service rate with an
12 EGS rate that may include other factors to arrive at the final price charged the customer
13 which cannot be distilled into a simple “comparison.”⁴⁴

14 **Q. DO YOU AGREE THAT THESE CONCERNS ARE VALID?**

15 A. Yes, I do. The concerns raised by Ms. Stumpf further support RESA’s view that
16 attempting to add a “simple comparison” of what the customer would have paid under a
17 default service rate to what the customer did pay pursuant to a competitive shopping price
18 does not lend itself to an “apples-to-apples” comparison of the two and will only lead to
19 customer confusion.

⁴³ RESA St. No. 1-R at 7-8.

⁴⁴ PPL St. No. 3-R at 28-29.

1 **E. Time of Use Rates**

2 **Q. PLEASE DESCRIBE RESA’S POSITION ON PPL’S TIME OF USE (“TOU”)**
 3 **RATE PROPOSAL IN THIS PROCEEDING.**

4 A. RESA expressed no objections PPL’s original proposal to slightly adjust the on-peak time
 5 periods and remove the seasonal component. However, when Ms. Alexander set forth a
 6 host of recommendations concerning PPL’s TOU, RESA cautioned against efforts to
 7 enhance the PPL TOU rate offering and to instead rely on EGSs in the competitive
 8 market to develop the innovative products that are tailored to the needs of a variety of
 9 customers.⁴⁵

10 **Q. DOES PPL AGREE WITH OCA’S RECOMMENDATIONS ON THE TOU?**

11 A. No. In setting forth various concerns about Ms. Alexander’s recommendations, PPL
 12 Witness Castanaro testifies that the goal of the TOU rate is not to aggressively attract a
 13 significant number of customers. Rather, as Mr. Castanaro observes, “the competitive
 14 market should drive adoption of TOU products.”⁴⁶

15 **IV. CONCLUSION**

16 **Q. DOES THAT COMPLETE YOUR SURREBUTTAL TESTIMONY?**

17 A. Yes, it does. However, I reserve the right to supplement this testimony, as appropriate.

⁴⁵ RESA St. No. 1-R at 10-12.

⁴⁶ PPL St. No. 1-R at 17.

Verification

I, Joseph Olikier, state that I am Deputy General Counsel of Interstate Gas Supply, LLC d/b/a IGS Energy and providing the foregoing Surrebuttal Testimony of RESA in this proceeding. I hereby state that the facts contained in the foregoing Interrogatory Responses are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

July 15, 2024

/Joseph Olikier/

Joseph Olikier
Deputy General Counsel
Interstate Gas Supply, LLC d/b/a IGS Energy