

COMMONWEALTH OF PENNSYLVANIA



DARRYL A. LAWRENCE
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

March 9, 2026

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Petition of FirstEnergy Pennsylvania
Electric Company for Approval of Its
Default Service Program for the
Period June 1, 2027 to May 31, 2031,
Docket No. P-2026-3060298

Dear Secretary Homsher:

Attached for electronic filing, please find the Office of Consumer Advocate's Answer to FirstEnergy Pennsylvania Electric Company's Petition in this proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Harrison W. Breitman
Harrison W. Breitman, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 320580
Email: HBreitman@paoca.org

Enclosures

cc: Administrative Law Judge Erin L. Gannon (Via Email Only: egannon@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Petition of FirstEnergy Pennsylvania :
Electric Company for Approval of Its : Docket No. P-2026-3060298
Default Service Program for the Period June :
1, 2027 to May 31, 2031 :
:

I hereby certify that I have this day filed electronically on the Commission's electronic filing system and served a true copy of the following document, the Office of Consumer Advocate's Answer to FirstEnergy Pennsylvania Electric Company's Petition, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 9th day of March 2026.

SERVICE BY E-MAIL ONLY

Kenneth M. Kulak, Esq.
Brooke E. McGlinn, Esq.
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
ken.kulak@morganlewis.com
brooke.mcglinn@morganlewis.com
Counsel for FE PA

Tori L. Giesler, Esq.
Angelina Umstead, Esq.
FirstEnergy Service Company
2800 Pottsville Pike
Reading, PA 19612-6001
tgiesler@firstenergycorp.com
aumstead@firstenergycorp.com
Counsel for FE PA

Elizabeth R. Marx, Esq.
Lauren N. Berman, Esq.
Ria M. Pereira, Esq.
John W. Sweet, Esq.
Levi A. Phillips, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org
Counsel for CAUSE-PA

Allison C. Kaster, Esq.
Director & Chief Prosecutor
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
akaster@pa.gov
Counsel for PA PUC

Rebecca Lyttle, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
ra-sba@pa.gov
Counsel for OSBA

Thomas J. Sniscak, Esq.
Whitney E. Snyder, Esq.
Hawke McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
tjsniscak@hmslegal.com
wesnyder@hmslegal.com
Counsel for Penn State

Michael A. Gruin, Esq.
Stevens & Lee
17 North 2nd Street, 16th Floor
Harrisburg, PA 17101
michael.gruin@stevenslee.com
*Counsel for Enerwise Global
Technologies, LLC d/b/a CPower
Energy Management*

John M. White, Esq.
Constellation Energy Generation, LLC
101 Constitution Avenue, N.W.
Suite 400 East
Washington, DC 20001
john.white@constellation.com
*Counsel for Constellation Energy Generation,
LLC and Constellation NewEnergy, Inc.*

Todd S. Stewart, Esq.
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
tsstewart@hmslegal.com
Counsel for EGS Parties

Susan B. Bruce, Esq.
Charis Mincavage, Esq.
Matthew Garber, Esq.
Rebecca Kimmel, Esq.
McNees, Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
sbruce@mcneeslaw.com
cmincavage@mcneeslaw.com
mgarber@mcneeslaw.com
rkimmel@mcneeslaw.com
Counsel for Industrial Customer Groups

Deanne M. O'Dell, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
P.O. Box 1248
Harrisburg, PA 17101
dodell@eckertseamans.com
Counsel for RESA and NRG Energy, Inc.

A. Michael Gianantonio
Robert F. Daley
Robert Peirce & Associates, P.C.
707 Grant Street
Gulf Tower, Suite 125
Pittsburgh, PA 15219
mgianantonio@peircelaw.com
*Counsel for John Bevec and
Sunrise Energy, LLC*

Melissa A Chapaska, Esq.
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
machapaska@hmslegal.com
Counsel for Penn Renewables

Daniel B. Markind, Esq.
Flaster Greenberg, PC
1717 Arch Street
Suite 3300
Philadelphia, PA 19103
Daniel.markind@flastergreenberg.com
Counsel for Dimension

/s/ Harrison W. Breitman

Harrison W. Breitman, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 320580
Email: HBreitman@paoca.org

Katherine “Katie” Kennedy, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 317237
Email: KKennedy@paoca.org

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Phone: 717-783-5048
Fax: 717-783-7152

Dated: March 9, 2026

Olivia M. Spergel, Esq.
PA Attorney I.D. # 337929
Assistant Consumer Advocate
Email: OSpergel@paoca.org
Email: OCAFEPADSP26@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of FirstEnergy Pennsylvania :
Electric Company for Approval of Its : Docket No. P-2026-3060298
Default Service Program for the Period :
June 1, 2027, to May 31, 2031 :
: :
: :
: :

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

I. INTRODUCTION

On February 3, 2026, the FirstEnergy Pennsylvania Electric Company¹ (hereafter FirstEnergy, FE, FE PA, or Company) filed with the Commission a Petition for approval of its Default Service Plan for its generation customers (Petition). The Company’s existing Default Service Plan (DSP) is set to expire on May 31, 2026. The proposed DSP is for the period of June 1, 2027, through May 31, 2031. This filing has been made pursuant to the requirements of Act 129 of 2008 (Act 129), the Commission’s Default Service Regulations, the Commission’s Policy Statement on Default Service, and related Commission Orders. The Office of Consumer Advocate (OCA) files this Answer to the Company’s Petition to help ensure that a reasonable default service plan is approved that fully complies with Act 129 and the Commission’s Regulations.

In its Petition, the Company proposes acquiring supply for residential customers through a series of load-following, full requirements supply contracts in approximately 50 megawatt

¹ On or about January 1, 2024, Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), and West Penn Power Company (West Penn) (collectively, the Predecessor Companies), which were all affiliates and subsidiaries of FirstEnergy Corporation, merged into FE PA. See Petition ¶ 1.

(MW) tranches. Petition ¶ 10. For each residential tranche, 100% of the supply will be at a fixed price. Petition ¶ 13. New contracts include staggered 12- and 24-month terms, plus a new 60-month option covering about 10% of the load. *Id.* Per the Company's filing, residential default service supply will be procured through a portfolio of 12-, 24-, and 60-month fixed-price full-requirements tranches, with approximately 45% of load priced based on one-year purchases, another 45% based on two-year purchases, and the remaining roughly 10% supplied through 60-month purchases. FE PA St. 3 at 4. If a 60-month contract does not yield a successful bid, the Company will offer the remaining tranches in 12 month products in the remaining auctions. FE PA St. 2 at 19. FE PA proposes to continue utilizing the current Commission-approved DSP VI contingency plans. Petition ¶ 28. As of this filing, it is unclear from the Company's filing how these tranches will be allocated among customers and/or customer classes.

The Company is proposing the following changes to its supplier master agreement (SMA): (1) modifications to reflect the changes in default service supplier responsibility for Alternative Energy Portfolio Standards (AEPS) Act compliance; (2) removal of PJM charges for Network Integration Transmission Service (NITS) from the pricing under SMA; (3) changes to add new PJM billing line items associated with emergency orders issued by the U.S. Department of Energy; and (4) revisions to clarify the true-up methodology for the capacity proxy price (CPP) used in FE PA's auctions in the event PJM does not conduct a base residual auction (BRA). Petition ¶ 22.

The Company plans to meet all its AEPS Act obligations through its default service supply auctions, with winning suppliers responsible for fulfilling all Tier I and Tier II requirements, including solar energy. Petition ¶ 24. The Company explained that it will identify any default service supplier that does not acquire the required Alternative Energy Credits (AECs)

during the compliance periods and may assess charges to cover any alternative compliance payments or penalties imposed on the Company by the Commission for AEPS non-compliance. FE PA St. 2 at 13.

The Company is proposing to incorporate NITS as part of the price-to-compare (PTC) and to no longer include NITS in the auction product. FE PA ST. 2 at 16. The Company seeks to move the liability as to NITS from the responsibility of the supplier. FE PA St. 2 at 16. The Company is proposing that it will retain NITS responsibility and will recover NITS through a bypassable rider on default customer service bills, rather than keeping suppliers responsible for the cost. FE PA St. 3 at 15. The Company is also seeking to include in the non-market based charges to be charged to customers directly through a non-bypassable tariff rider (i.e. the Default Service Support Rider, DSSR) Department of Energy emergency order-related generation charges. *See* FE PA St. 4 at 8; FE PA St. 5 at 5 (internal citations omitted). The Company is also proposing to consolidate the Consumer Education Charges (CEC) component of the DSS rider, which is currently set to zero for all Rate Districts. FE PA St. 4 at 8-9.

The filing also explains that DSP VII continues the use of a CPP as a forward estimate of future PJM BRA outcomes for later delivery years covered by the 24- and 60-month default service contracts. FE PA St. 3 at 5. Because future PJM capacity auction prices are unknown, the CPP is used as an estimate of what those auction prices might be in later years covered by the 24-month and 60-month default service contracts. *Id.* Before the actual auctions take place, suppliers will be told what CPP value is being used so they can factor it into the prices they bid at auction. *Id.*

The Company requests that the Commission allow it to continue reconciling rates twice a year for all customer classes during DSP VII, even though 52 Pa. Code § 54.187(i) requires

quarterly review, in order to reduce swings in default service rates that can happen because of delays between when bills are issued and when usage is recorded. Petition ¶ 40.

The Company is proposing to maintain the same rate design for their Price to Compare (PTC) Default Service Rate Rider used to recover the cost of default service for residential and commercial customers. *See* Petition ¶ 36. Consistent with FE PA's existing tariff, the Company proposes maintaining a flat per kilowatt-hour (kWh) rate design for the residential and commercial customer classes and a demand-based rate design for the industrial customer class. *Id.* For the industrial customer class, demand will continue to be based on the single coincident peak kilowatt network service peak load, as calculated by FE PA in accordance with PJM rules and requirements. *Id.*

FE PA proposes that non-residential default service customers with a demand of 100 kW or greater, or a maximum registered peak load (MRPL) of 100 kW or greater, be served under the HP Rider, while default service customers with a demand below 100 kW and an MRPL below 100 kW be served under the PTC Rider. FE PA St. 1 at 16. The Company wants to classify large net-metering customer-generators (for example, large solar projects) with other large customers when buying default electricity supply. FE PA St. 1 at 17. These projects typically do not use much electricity themselves and generate power and send excess electricity back to the grid. *Id.*

The Company states that it does not directly use that excess power to serve default service customers. *Id.* Rather, the excess generation is treated as a financial reduction in the total amount of electricity that default suppliers are expected to provide. *Id.* That reduction is reported to PJM and credited at the market price. *Id.* Because suppliers must account for this variable and

uncertain reduction in load, the Company is concerned that it can increase the risk they assume, which may lead to higher risk premiums in fixed-price supply contracts. *Id.*

The Company has also expressed concern that the payments it makes for excess net-metered power are currently recovered from other customers in the same rate class. *Id.* The Company is concerned that if large customer-generators remain grouped with smaller commercial customers, smaller customers could end up bearing costs or risks associated with those large projects. *Id.* By classifying customers based on both demand and MRPL, the Company can group large customer-generators with other large customers, reduce procurement risk in the smaller commercial class, and avoid potential cross-subsidization from smaller commercial customers to large customer-generators. *Id.* Thus, FE PA is asking the Commission to classify customers based on use and MRPL, or how much they affect power procurement. *Id.*

FE PA currently offers optional Time of Use (TOU) pricing rates for each Rate District through its TOU Default Service Rider (TOU Rider). Petition ¶ 41. FE PA proposes to continue excluding residential customers enrolled in the Company's Customer Assistance Program (CAP) from the TOU Rider to avoid potential adverse impacts on those customers. Petition ¶ 42. FE PA's existing TOU rates set year-round on-peak, off-peak, and super off-peak prices using class- and Rate District-specific multipliers that are updated every two years to encourage customers to shift usage to lower-cost hours, and FE PA proposes to continue updating those multipliers on a biannual basis as it did under DSP VI. Petition ¶ 43. FE PA's existing TOU rate structure charges a higher rate during non-holiday weekdays from 2 p.m. to 9 p.m. compared to the non-time-varying PTC Rider default service rate, offers reduced rates during off-peak hours, including a super off-peak period from 11 p.m. to 6 a.m. daily to encourage overnight EV charging, and defines all remaining hours as off-peak. Petition ¶ 44. For DSP VII, FE PA is

proposing to shorten the on-peak pricing period from seven hours (2 p.m. to 9 p.m.) to four hours (3 p.m. to 7 p.m.) and is seeking to maintain the same super off-peak pricing usage period from DSP VI. Petition ¶ 45.

FE PA is also proposing consolidating the TOU rider multiplier for residential and commercial rate districts as such:

Table 4		On-Peak	Off-Peak	Super Off-Peak
Met-Ed	R & C Combined	2.2741	0.8593	0.6190
Penelec	R & C Combined	2.2281	0.8673	0.6484
Penn Power	R & C Combined	2.0620	0.8978	0.6498
West Penn	R & C Combined	2.0470	0.9074	0.6282

FE PA St. 1 at 13. TOU rates, as filed, will be adjusted on a semi-annual basis, synchronized with the PTC Rider adjustment periods for the residential and commercial classes. *Id.*

The Company proposes using a single E-Factor for each customer class in its reconciliation process, which is intended to reduce potential fluctuations in PTC Rider over- or under-collections that could result from customers switching between the standard default service and TOU default service rates. *Id.* Participating customers remain on the TOU rate unless they choose to return to FE PA’s standard default service rate, switch to an Electric Generation Supplier (EGS), or otherwise become ineligible, and while they may leave the TOU rate at any time without penalty, they may not re-enroll for 12 billing months, a provision intended to limit short-term participation that could affect the operation of the rider. *Id.* at 9-10. TOU rates will be adjusted on a semi-annual basis, synchronized with the PTC Rider adjustment periods for the residential and commercial classes, using the Company’s proposed pricing multipliers. Petition ¶ 46. Any mismatches between revenues from TOU rates and supply costs paid to default service suppliers will be recovered or refunded within the existing TOU Rider customer class reconciliation. *Id.*

As to the long term solar contracts from the prior phase(s), the Company proposes to eliminate the Solar Photovoltaic Requirements Charge Rider (SPVRC Rider) in DSP VII because all legacy solar contracts have expired and the rider is no longer active. Petition ¶ 38. Additionally, the Company is seeking to eliminate Midcontinent Independent System Operator (MISO) and MISO Transmission Expansion Plan (MTEP) exit fees for Penn Rate District, currently at zero, as the Company has identified that there are no remaining costs associated with Penn Power's move from MISO to PJM in 2011. FE PA St. 4 at 8.

The Company is not proposing a successor Customer Referral Program (CRP) for DSP VII. Petition ¶ 49. In accordance with the DSP VI Settlement, FE PA also convened a collaborative to compile and review CRP metrics, including supplier participation, customer enrollment levels, and the prices CRP customers pay for competitive generation service during and after the 12-month CRP contract term. FE PA St. 4 at 11. Through that process, FE PA learned that supplier participation in the CRP has been significantly declining and interest in the program from eligible customers is very low. *Id.* Under the Commission-approved settlement, the CRP in each of the Rate Districts will terminate on May 31, 2027, which the Company supports. Petition ¶ 49.

The Company is proposing two key modifications to its supplier coordination tariff and protocols regarding its customers' arrangements with EGSs. First, FE PA proposes a new provision to require EGSs that enter into new contracts with residential customers after June 1, 2027, to return those residential customers to default service at the conclusion of their fixed duration contracts, absent an affirmative choice to remain with the EGS in response to the notices required by the Commission's regulations at 52 Pa. Code § 54.10. FE PA St. 1 at 20. The Company is also seeking to require the EGS to provide an attestation of affirmative customer

consent on a quarterly basis for all residential customers on variable priced month-to-month products. *Id.*

Second, the Company is proposing a limitation on eligibility for its purchase of EGS receivables program (POR program or POR) to incentivize EGSs to consider the impact of their pricing on a customer's ability to pay and affordability. *Id.* at 21. Starting June 1, 2027, the Company is requesting that EGSs using utility consolidated billing (UCB) will be required to use "rate-ready" billing and charge a rate that does not exceed the PTC at the time of the customer's enrollment or any pricing change in order to be eligible for POR for that customer account. *Id.* The Company is proposing a supplier coordination tariff change to remove the language making POR mandatory for EGSs electing UCB, aligning with its current practice of offering UCB with or without POR. *Id.*

In the DSP VI proceeding, the Commission made the Clawback Provision a permanent part of the POR program. *Id.* at 25. This provision uses two measures over a 12-month period to identify high-risk EGSs: (1) an average write-off rate exceeding 200% of the EGS population average, and (2) an average price over 150% of the Company's average PTC. *Id.* EGSs exceeding both thresholds must pay an administrative charge to cover the portion of write-offs above the 200% benchmark in order to remain in the POR program. *Id.* The Company observed that, in 2025, a significant portion of EGSs serving FE PA residential customers faced financial penalties under the Clawback Provision. *Id.* Thus, the Company is proposing to modify the terms of the sale and purchase of EGS accounts receivable by updating the POR program to be available to an EGS only if the supplier's rate is competitive with or lower than the standard default service rate to reduce administrative burden and reduce the risk of excessive EGS-driven write-offs up front at the time of customer enrollment. *Id.*

II. ANSWER

The OCA has preliminarily reviewed the Company's Petition and identified several issues presented by the filing. The OCA anticipates that additional issues will arise as a more comprehensive review of the Company's filing is undertaken and after discovery is conducted. The preliminary issues identified by the OCA include the following:

A. Procurement Methodology.

As described above, the Company proposes to procure residential supply through multiple load-following, full requirements contracts in tranches of approximately 50 MW. FE PA St. 2 at 5. Each residential tranche will be fixed-price. *Id.* at 3. The contracts will be staggered with 12-month and 24-month terms, and the Company is adding a new 60-month option covering approximately 10% of the residential load. *Id.* If a 60-month tranche does not receive a successful bid, those volumes will instead be procured as 12-month products in later auctions. *Id.* at 20. Over the default service period, approximately 45% of residential load will be priced through one-year contracts and approximately 45% through two-year contracts. FE PA St. 3 at 4, fn1. The Company also proposes to continue using the Commission-approved DSP VI contingency plans. Petition ¶ 13. Thus, the Company is proposing continued use of a laddered, fixed-price procurement strategy, adding a limited longer-term product, and retaining existing contingency measures. *Id.*

The Company's proposed residential product mix—particularly the addition of a 60-month option—and the associated procurement methods warrant careful review. The introduction of a longer-term product raises questions regarding pricing, market risk, and whether locking in a portion of load for five years is consistent with providing least-cost, reliable service while maintaining appropriate price stability for customers over time. Accordingly, the

Commission should examine whether the proposed procurement structure, including the frequency of procurements and the allocation of load among contract terms, complies with the Public Utility Code and is reasonably designed to balance cost, risk, and long-term customer impacts.

B. Supplier Master Agreement Modifications.

As previously discussed, the Company proposes several revisions to its supplier master agreement (SMA), including assigning default service suppliers full responsibility for complying with AEPS requirements, with suppliers subject to charges if their non-compliance results in penalties to the Company. Petition ¶ 22. The Company also proposes to remove NITS charges from the auction product and instead recover those costs directly from customers. *Id.* In addition, it seeks to pass through certain Department of Energy emergency order-related generation charges to customers via a non-bypassable rider. *Id.* Finally, the Company proposes clarifications to the true-up process for the Capacity Proxy Price (CPP) in the event PJM does not conduct a Base Residual Auction. *Id.* The proposed SMA must be thoroughly analyzed to ensure its compliance with the Public Utility Code, and to ensure that such a plan does no harm to default service, consumers, or the retail competitive market.

C. Rate Design.

As discussed above, the Company proposes to maintain its existing default service rate design, including flat per-kWh rates for residential and commercial customers and a demand-based rate for industrial customers based on single coincident peak load. Petition ¶ 32. It also proposes classifying non-residential customers based on both demand and Maximum Registered Peak Load (MRPL), with customers at or above 100 kW served under the HP Rider and those below 100 kW served under the PTC Rider. Petition ¶¶ 14, 32. The Company alleges that this change would group large net-metered customer-generators with other large customers for procurement purposes, address supplier risk associated with load variability from excess generation and reduce the potential for smaller commercial customers to bear costs or risks associated with large generation projects. FE PA St. 1 at 17.

The Commission should verify that the Company's proposals appropriately allocate costs and risks, minimize cross-subsidization, protect customers from unnecessary volatility, and maintain a competitive and reliable default service structure. These changes should be examined based on the facts as developed through testimony and discovery. The OCA supports the Company's objective of promoting greater price stability in the PTC and reducing the potential for smaller commercial customers to bear costs or risks associated with large net-metered customer-generators. To the extent the proposed classification changes and rate design modifications are intended to better align cost responsibility with cost causation and mitigate procurement risk, the OCA is supportive of those goals. However, the OCA maintains that the record should fully examine the projected customer impacts and operational effects of these changes to ensure they produce the intended benefits without unintended cost shifts or adverse consequences for consumers.

D. Time of Use Rates.

As discussed above, the Company proposes to continue offering optional TOU default service rates in each Rate District, while continuing to exclude CAP participants to avoid potential adverse impacts. Petition ¶¶ 41-42. The Company proposes maintaining the current super off-peak period but shortening the weekday on-peak window from seven hours (2 p.m. to 9 p.m.) to four hours (3 p.m. to 7 p.m.). Petition ¶¶ 44-45. The Company also proposes to consolidate TOU rider multipliers by customer class, maintain semi-annual rate adjustments synchronized with the PTC Rider, and reconcile any revenue differences with supplier costs, while limiting short-term customer re-enrollment to support stable and predictable cost recovery. *Id.*; FE PA St. 1 at 13.

The Commission should carefully review the proposed TOU changes to ensure they are in the best interest of customers and do not create undue risks or costs. This includes evaluating whether shortening the on-peak period, consolidating multipliers, and aligning semi-annual adjustments with the PTC Rider will maintain fair and transparent pricing, provide appropriate incentives for load shifting, and avoid unintended bill impacts. The Commission should also examine the reconciliation methodology to confirm that any over- or under-collections are accurately accounted for and fairly allocated and assess whether the 12-month re-enrollment limitation appropriately balances program stability with customer choice. The OCA respectfully submits that the TOU program should provide predictable cost recovery, price stability, and benefits to customers without exposing them to imprudent financial or operational risks, and that the changes proposed herein are consistent with the same.

E. Discontinuance of the Solar Photovoltaic Requirements Charge Rider.

The Company proposes discontinuing the Solar Photovoltaic Requirements Charge Rider in DSP VII because all legacy long-term solar contracts have expired and the rider is no longer active. Petition ¶ 38. The OCA respectfully submits that the Commission should review the proposed discontinuance of the Solar Photovoltaic Requirements Charge Rider to ensure that all costs associated with the legacy solar contracts have indeed been fully recovered and that no remaining obligations or liabilities will shift to current customers. The OCA will also seek to investigate as to whether eliminating the rider will affect or create under-recovery or result in future surcharges, and that the removal is consistent with prior Commission approvals and the Public Utility Code.

F. Elimination of MISO and MTEP Exit Fees.

Additionally, the Company proposes to eliminate the MISO and MTEP exit fees for the Penn Rate District, as all costs from Penn Power's 2011 transition from MISO to PJM have been fully recovered and the fees are currently zero. Petition ¶ 35. The OCA respectfully submits that the Commission should review the proposed removal of the MISO and MTEP exit fees to ensure that all costs associated with Penn Power's 2011 transition from MISO to PJM have been fully recovered and that no residual liabilities remain that could affect customers. The OCA will also seek to investigate as to whether eliminating these fees will affect or create under-recovery or result in future surcharges, and that the fees are indeed inactive and no longer serve a cost-recovery purpose.

G. Customer Referral Program.

The Company is not proposing a successor Customer Referral Program for DSP VII, noting that supplier participation and customer interest have declined, and the existing CRP will

terminate on May 31, 2027, in accordance with the Commission-approved DSP VI settlement. Petition ¶¶ 48-49. At face value, the Customer Referral Program (CRP) in DSP VII appears to offer meaningful improvements by directly addressing the concerns raised in the prior proceeding, including low consumer awareness, declining supplier participation, and limited customer engagement, factors that have constrained the program's overall effectiveness. The OCA will review whether ending the CRP would ensure that default service customers are no longer funding a program characterized by limited participation and measurable impact. The OCA will also evaluate whether discontinuing the program appropriately aligns costs with those who directly benefit and whether it allows resources to be redirected to initiatives that provide clearer, demonstrable value to customers.

To this end, though, the OCA respectfully submits that the Commission should review the proposed discontinuance of the CRP to ensure that ending the program does not create unintended financial impacts for default service customers. The OCA seeks information to confirm that any remaining costs or obligations associated with the CRP are properly accounted for and that customers will not be charged for program elements that are no longer active or providing value. The OCA also submits that the Commission should evaluate whether ending the program aligns with cost-causation principles, ensuring that any related costs are borne by participating suppliers rather than shifted to the broader customer base. Overall, the OCA submits that review should ensure that discontinuing the program safeguards consumers by confirming that it prevents unnecessary charges and appropriately reflects the program's declining participation and limited impact.

H. Supplier Coordination Tariff Changes.

The Company proposes two changes to its supplier coordination tariff: requiring new residential customers to return to default service at the end of fixed-term contracts unless they affirmatively choose to remain with the EGS, and limiting eligibility for its Purchase of Receivables (POR) program to EGSs using utility consolidated billing (UCB) who charge a “rate-ready” rate at or below the PTC at the time of enrollment or any pricing change, while also removing the tariff language making POR mandatory for UCB to align with the Company’s current practice of offering UCB with or without POR. Petition ¶ 50.

The OCA appreciates the Company’s efforts to update its supplier coordination tariff and encourages the Commission to give thoughtful consideration to the proposed amendments. The OCA will review how limiting POR eligibility to EGSs offering a rate-ready rate at or below the PTC may enhance consumer protections by helping shield customers from higher-cost supply, reducing the likelihood of unpaid balances, and minimizing potential cost shifts to default service customers. The OCA will also examine the proposed removal of mandatory POR for UCB to ensure it continues to support transparency and equitable risk allocation while maintaining reasonable customer costs. Overall, the Commission’s evaluation of these changes provides an opportunity to advance administrative efficiency while preserving strong consumer protections, cost fairness, and access to competitive supply options.

The Company also proposes to update the Clawback Provision of the POR program by limiting eligibility to EGSs whose rates are at or below the default service PTC, building on the DSP VI framework that required high risk EGSs that exceed thresholds for write offs and pricing to pay administrative charges, in order to reduce administrative burden and minimize the risk of excessive write offs at customer enrollment. Petition ¶ 55. The OCA encourages the Commission

to carefully review the proposed updates to the Clawback Provision of the POR program to ensure that they effectively protect consumers. This review should assess whether limiting eligibility to EGSs with rates at or below the default service PTC adequately mitigates the risk of excessive write-offs and financial exposure for default service customers. The Commission should also evaluate whether the changes maintain appropriate accountability for high-risk EGSs, preserve the intended protections of the DSP VI framework, and achieve the stated goal of reducing administrative burden without shifting costs or risks to consumers. Overall, the review should ensure that the updated provision balances operational efficiency with robust consumer safeguards.

I. Additional Matters.

The OCA also reserves the right to investigate any additional issues that may arise during the course of litigation that could affect consumer protections, affordability, or access to the program. Additionally, each of the foregoing matters should be thoroughly reviewed through discovery and, if necessary, hearings, to ensure that the Company's customers are protected and that any approved programs serve the public interest.

WHEREFORE, the Office of Consumer Advocate respectfully submits that the Company's default service filing must be thoroughly reviewed to ensure that the default service rates that will be charged starting June 1, 2027, are just and reasonable and otherwise consistent with Pennsylvania law.

Respectfully Submitted,

/s/ Katie Kennedy

Harrison W. Breitman, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 320580
Email: HBreitman@paoca.org

Katherine "Katie" Kennedy, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 317237
Email: KKennedy@paoca.org

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Phone: 717-783-5048
Fax: 717-783-7152

Dated: March 9, 2026

Olivia M. Spergel, Esq.
PA Attorney I.D. # 337929
Assistant Consumer Advocate
Email: OSpergel@paoca.org
Email: OCAFEPADSP26@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate