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October 14, 2026

VIA ELECTRONIC FILING

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

RE: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC;
Docket No. R-2026-3060855; **EXCEPTIONS OF THE RETAIL ENERGY
SUPPLY ASSOCIATION**

Dear Secretary Homsher:

Enclosed for filing with the Commission is the Exceptions of the Retail Energy Supply Association ("RESA") to the Recommended Decision issued October 2, 2026 in the above-captioned matter. Copies of the Exceptions have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact my office.

Very truly yours,

A handwritten signature in blue ink, appearing to read "T. Stewart", is written over a large, stylized blue loop that extends across the signature line.

Todd S. Stewart
*Counsel for the Retail Energy Supply
Association ("RESA")*

TSS/jld
Enclosure

cc: Office of Special Assistants (via electronic mail – ra-OSA@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

**EXCEPTIONS OF
THE RETAIL ENERGY SUPPLY ASSOCIATION
TO THE RECOMMENDED DECISION OF
ADMINISTRATIVE LAW JUDGE CHARECE Z. COLLINS**

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DATED: October 14, 2026

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I. INTRODUCTION

A. Summary of RESA’s Position

The Retail Energy Supply Association (“RESA”) submits these Exceptions pursuant to 52 Pa. Code § 5.533 to the Recommended Decision (“R.D.”) of Administrative Law Judge Charece Z. Collins (the “ALJ”) in the base rate proceeding of Peoples Natural Gas Company LLC (“Peoples” or the “Company”).¹ RESA’s interest in this proceeding is narrow. RESA participated to oppose the proposal of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), later adopted by Peoples, to limit participation in Peoples’ Purchase of Receivables (“POR”) program to natural gas suppliers (“NGSs”) that price at or below Peoples’ price to compare (“PTC”). RESA takes no position in these Exceptions on any other issue.

The R.D. recommends that the Commission adopt the CAUSE-PA/Peoples’s proposal. But it does so without a single finding of fact on the subject, without a single conclusion of law, and without any reasoning at all. After describing the parties’ positions, the ALJ disposes of the issue in one sentence. The R.D. never addresses RESA’s arguments that the proposal is unauthorized regulation of NGS prices and unlawful discrimination, and it does not mention RESA’s evidence that the proponents failed to show any causal link between POR and supplier pricing, that the remedy is untethered to the harm alleged, and that the proposal is unworkable. The R.D. cannot be reconciled with its own statement of the governing legal standards, and on the merits the proposal is unlawful, unsupported, and contrary to long-standing Commission policy. The Commission should reject it.

¹RESA is an organization of retail energy suppliers, founded in 1990, dedicated to promoting efficient, sustainable, and customer-oriented competitive retail energy markets. RESA M.B. at 1.

B. Procedural Background

Peoples filed Supplement Nos. 49 and S-5 on March 27, 2026, seeking an annual revenue increase of approximately \$163.2 million.² RESA's unopposed petition to intervene was granted.³ Peoples' direct case did not propose to modify its POR program, except to lower the discount rate to reflect a system-wide reduction in uncollectible expense.⁴ CAUSE-PA's witness, Mr. Cicero, proposed in direct testimony that Peoples limit POR to suppliers pricing at or below the PTC, and Peoples' witness, Mr. Kolich, adopted that proposal in rebuttal testimony.⁵ A single hearing day was held on August 5, 2026, at which all pre-served testimony and exhibits were admitted by stipulation without cross-examination.⁶ RESA filed its Main Brief on August 26, 2026 and its Reply Brief on September 4, 2026. The ALJ issued the R.D. on October 2, 2026.

C. Summary of Exceptions

RESA excepts to the R.D.'s treatment of the POR issue (R.D. at 355–361), Finding of Fact ¶ 86 (R.D. at 37) to the extent it is the only POR finding, and Ordering Paragraph 74 (R.D. at 390), on the following grounds:

1. **Exception No. 1:** The R.D. adopts the CAUSE-PA/Peoples proposal without findings, reasoning, or analysis.
2. **Exception No. 2:** The R.D. ignores RESA's argument that the proposal is unauthorized regulation of NGS prices and wrongly treats it as a "mere condition" on an optional program.
3. **Exception No. 3:** The R.D. ignores RESA's argument that the proposal is unlawful discrimination without any evidentiary basis.

²RESA M.B. at 1.

³RESA M.B. at 2.

⁴RESA M.B. at 6, FN 10 (citing Peoples St. 21-R at 1, 12–13).

⁵R.D. at 356; RESA M.B. at 4–5.

⁶RESA M.B. at 2.

4. **Exception No. 4:** The R.D. identifies no substantial evidence that POR causes above-PTC pricing, misapplies the burden of proof, and ignores RESA's contrary evidence.
5. **Exception No. 5:** The R.D. ignores that the remedy is far broader than any harm shown.
6. **Exception No. 6:** The R.D. adopts an undefined, unworkable rule, and Ordering Paragraph 74 is indeterminate.
7. **Exception No. 7:** The R.D. departs from long-standing Commission policy supporting POR without explanation.
8. **Exception No. 8:** In the alternative, any change to the POR structure that is used in competitive markets across the state, should be deferred to a generic proceeding.

II. EXCEPTIONS

1. **RESA Exception No. 1: The ALJ erred by adopting the CAUSE-PA/Peoples POR proposal without findings, reasoning, or analysis. (R.D. at 355–361, 390; FOF ¶ 86; Ordering ¶ 74)**

The R.D. devotes approximately six pages to describing the positions of Peoples, CAUSE-PA, and RESA on POR. It then disposes of the issue in a single sentence: “After considering the various positions of the parties, I recommend that the Commission adopt Peoples’ proposal, which incorporates recommendations of CAUSE-PA.”⁷ That sentence is the entirety of the ALJ’s reasoning. It does not say what “Peoples’ proposal” is, what it “incorporates,” what evidence supports it, why RESA’s evidence and arguments were rejected, or what legal authority permits it.

The description of Peoples’ position reproduces Peoples’ Main Brief nearly verbatim.⁸ The summaries of CAUSE-PA’s and RESA’s positions likewise track their briefs. A recitation of what a party argued is not a finding that the argument is correct. It does not tell the Commission, or a reviewing court, why the ALJ accepted one side and rejected the other.

⁷R.D. at 361.

⁸Compare R.D. at 355–358 with Peoples M.B. at 143–145.

Nor are there findings. The R.D.'s Findings of Fact contain one reference to POR, and it is purely descriptive: Peoples "maintains a Purchase Of Receivables program."⁹ There is no finding on Mr. Cicero's theory that POR removes suppliers' incentive to price at or below the PTC; on the 95.8% and 82% statistics on which Peoples relied; on the write-off data on which CAUSE-PA relied; on any causal connection between POR and supplier pricing; on the cost or feasibility of implementation; or on the effect on suppliers, customers, and existing contracts. The Conclusions of Law say nothing about POR.¹⁰ Ordering Paragraph 74 simply adopts "CAUSE-PA's proposals regarding the Purchase of Receivables Program."¹¹

This is error. Adjudications of Commonwealth agencies must be in writing and must contain findings and the reasons for the adjudication.¹² The R.D. itself recognizes that the Commission "must ensure that any adjudication is supported by substantial evidence."¹³ An adjudication that identifies no evidence cannot be tested against that standard. The Commonwealth Court requires the Commission to address material arguments and record evidence with findings and reasoning sufficiently specific to permit meaningful appellate review; an unexplained statement or unaddressed arguments are inadequate when the decision does not analyze the evidence or disputed issues.¹⁴ Elsewhere, the Recommended Decision articulates the rationale for

⁹R.D. at 37, FOF ¶ 86.

¹⁰See R.D. at 372–390.

¹¹R.D. at 390.

¹²*Popowsky v. Pa. P.U.C.*, 683 A.2d 958, 962 (Pa. Cmwlth. 1996); citing, 2 Pa. C.S. § 507. ("A factfinder, under the Administrative Agency Law, is required to include findings necessary to resolve the issues raised by the evidence and relevant to the decision"); *Scranton Garment Co. v. Workmen's Compensation Appeal Board*, 33 Pa. Commw. 190, 381 A.2d 210 (Pa. Cmwlth. 1977). Also, Section 703(e) of the Public Utility Code requires the Commission to make findings in complaint matters, that are "in sufficient detail to enable the court on appeal, to determine the controverted question presented by the proceeding". 66 Pa. C.S. § 703(e). See *Popowsky*, 669 A.2d at 1040.

¹³R.D. at 373, COL ¶ 8; see also R.D. at 379, COL ¶¶ 36–37 (citing *Norfolk & W. Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980)).

¹⁴[Metro. Edison Co. v. Pa. PUC, 22 A.3d 353.](#)

adopting particular party positions.¹⁵ Against that backdrop, the lack of explanation for the recommendation here is difficult to reconcile..

The omission is also prejudicial. RESA presented both statutory arguments, including that the proposal constitutes unauthorized price regulation and unlawful discrimination, and evidentiary arguments, including that the proponents failed to establish causation, that the proposed remedy is not appropriately tailored to the alleged harm, and that the proposal would be difficult to implement in practice. The R.D.'s summary of RESA's position, however, ends after discussing the discrimination argument and does not address Sections C and D of RESA's Main Brief at all.¹⁶ Likewise, the R.D. does not discuss RESA's proposed findings of fact, conclusions of law, or proposed ordering paragraph.¹⁷ As a result, the R.D. provides no basis for determining whether those arguments were considered and rejected, or simply not addressed. Meaningful review is difficult where substantial arguments presented by a party receive no discussion in the Recommended Decision.

Because the record was stipulated, no live testimony was taken, and the R.D. makes no credibility findings on POR, and so the Commission is in as good a position as the ALJ to reach its own conclusions. RESA respectfully requests that the Commission strike the Recommendation at R.D. 361 and Ordering Paragraph 74, and modify the R.D. accordingly.

¹⁵E.g., R.D. at 105 (adopting I&E's position on outside services because the Company's claim was "speculative").

¹⁶Compare R.D. at 359–361 with RESA M.B. at 9–13.

¹⁷RESA M.B., Apps. C, D, E.

2. RESA Exception No. 2: The ALJ erred by ignoring RESA’s argument that the proposal is unauthorized regulation of NGS prices, and by treating it as a “mere condition” on an optional program. (R.D. at 357, 359–361).

A. The Competition Act leaves NGS pricing to the market.

The Natural Gas Choice and Competition Act places the choice of supplier in the customer’s hands and guarantees customers the ability to “choose among a variety of products including but not limited to different supply and pricing options.”¹⁸ Neither the Competition Act nor any other provision of the Public Utility Code authorizes the Commission or a natural gas distribution company (“NGDC”) to regulate the rates an NGS charges, and nothing in the Code makes the PTC a rate ceiling or competitive benchmark.¹⁹ RESA’s witness explained that conditioning an essential service on a supplier’s price “is the essence of rate regulation.”²⁰

B. The R.D. responds with a label, not an analysis.

The R.D.’s only response to RESA on this point is Peoples’ assertion that the proposal “would merely place a condition on participation in an optional program.”²¹ That is not an analysis. A rule admitting only left-handed children to a public school would not be a “mere condition” on attendance. It would be an exclusion based on a characteristic that bears no relationship to the service and that the school has no authority to regulate. So too here. The proposal conditions access to an essential billing service on a characteristic, the supplier’s retail price, that neither Peoples nor the Commission may regulate. Its practical effect is to remove from the POR-supported market any supplier whose price exceeds a utility-set line, and thus to pressure

¹⁸66 Pa.C.S. §§ 2203(2), 2204(a); RESA M.B. at 7; RESA St. 1-SR at 3.

¹⁹RESA St. 1-SR at 3; RESA M.B. at 7–8.

²⁰RESA St. 1-R at 7; see also *Ronald Valentino v. Dominion Retail t/a Peoples Plus*, Docket No. C-20055447 (Final Order entered Jan. 17, 2006).

²¹R.D. at 357.

every supplier to price at or below the PTC. That is price regulation by another name, and it operates to reduce the number of suppliers able to compete on Peoples' system. The R.D. never engages RESA's point that a supplier priced above the PTC would lose POR, and with it the practical ability to serve its customers on the utility's consolidated bill, which is functionally identical to capping its price.²²

C. That POR is "optional" does not make the proposal lawful.

First, the Commission's regulation does make POR voluntary for an NGDC.²³ RESA does not dispute that the Commission may oversee the rules and operation of a POR program. The question is whether this rule, which operates by reference to the price an NGS charges, is within that authority. Nothing in the Code authorizes it, and the R.D. identifies no authority that does.

Second, POR is a tariffed service. Peoples' POR terms appear in its tariff (Rate SBS),²⁴ and the R.D. itself recognizes that a utility's "rates" include "every individual charge that utility demands for any service offered, rendered, or furnished by the utility, whether received directly or indirectly."²⁵ Whatever the terms of Peoples' POR service may be, they are Peoples' tariffed charges and conditions. They are subject to the Code's requirements, including nondiscrimination. They are not a vehicle for regulating the prices of suppliers who are not before the Commission as regulated rate-setters.

²²RESA M.B. at 8.

²³52 Pa. Code § 62.224; see R.D. at 357 & n.1380.

²⁴See CAUSE-PA M.B. at 101 n.587 (citing Peoples Exh. 14, Supp. No. 2 to Gas-Pa. P.U.C. No. S-4, First Revised Page 35).

²⁵R.D. at 42 (quoting *Metro. Edison Co. v. Pa. PUC*, 22 A.3d 353, 359 (Pa. Cmwlth. 2011) (citing 66 Pa.C.S. § 102 ("Rate"))).

Third, CAUSE-PA's reliance on 66 Pa.C.S. § 2205(c)(5) does not help the proponents.²⁶ CAUSE-PA cites that provision for the proposition that an NGDC cannot be required to forward payment to suppliers before the NGDC has been paid. At most, that shows the Commission cannot compel an NGDC to offer POR. It says nothing about whether, once a POR program is offered, the NGDC may ration it by reference to the supplier's retail price.

D. POR's purpose is far broader than cost reduction.

CAUSE-PA relies on the Commission's 2014 Final Order for the point that POR can promote efficiencies and reduce costs to consumers, and "reduce barriers to market entry."²⁷ Cost reduction is one benefit, but it is by no means the only reason, or even the primary reason, that POR exists. As RESA's witness explained, POR exists because the Commission, in structuring retail choice, declined to permit supplier consolidated billing; because only the utility holds the authority to terminate service for nonpayment; and because the billing and collection infrastructure was built at the expense of all ratepayers.²⁸ An essential service of that character cannot lawfully be rationed by the NGS's price.

The Commission should reverse the R.D. and add a conclusion of law that the Commission lacks authority to condition POR eligibility on an NGS's retail price.²⁹

3. RESA Exception No. 3: The ALJ erred by ignoring RESA's nondiscrimination argument and by permitting discrimination without any evidentiary basis. (R.D. at 360–361).

²⁶CAUSE-PA M.B. at 102. Section 2205(c)(1) is the provision under which RESA described Peoples' billing obligation. RESA M.B. at 6 n.9.

²⁷CAUSE-PA M.B. at 102 (citing *Investigation of Pennsylvania's Retail Natural Gas Supply Market*, Docket No. I-2013-2381742, Final Order at 35–37 (entered Dec. 18, 2014)).

²⁸RESA St. 1-R at 3–4, 8.

²⁹RESA M.B., App. D ¶¶ 8–9.

RESA argued that POR is a utility service that cannot be provided in a discriminatory manner, and that the proposal would have Peoples “pick winners and losers” among otherwise creditworthy, Commission-licensed NGSs based on a criterion, retail price, that is itself unregulated.³⁰ The R.D. recites the argument and never answers it. That is so even though the R.D.’s own statement of the law is that rates charged by public utilities “cannot result in unreasonable rate discrimination.”³¹ The R.D. never applies that standard to POR. The Commission may, of course, recognize different classes of customers or service recipients, but classifications must rest on factual differences.³² The court held that only unreasonable rate differences are prohibited, that the reasonableness of a classification is a factual question for the Commission, and that distinctions may rest on the kind of service demanded, the quantity or nature of use, usage patterns, service conditions, or cost of service. For example, the court has previously upheld a separate classification and surcharge for outdoor-gas-light customers specifically because substantial evidence showed that natural gas was inefficient for lighting, gas lights operated continuously, electricity was more efficient and controllable, and gas-supply costs were increasing.³³ But here, there is no evidence that prices charged by suppliers are reflected in the cost of POR, and the R.D. makes no finding that such a differential exists.

Here the R.D. would allow obvious discrimination without any evidence that suppliers whose rates exceed the PTC have a greater negative impact on POR costs than suppliers whose rates are at or below it. Neither Mr. Cicero nor Mr. Kolich made that showing. Making price the

³⁰RESA M.B. at 8 (citing 66 Pa.C.S. § 1502; RESA St. 1-R at 6, 10).

³¹R.D. at 43 (citing 66 Pa.C.S. §§ 1301, 1304).

³² *Philadelphia Electric Co. v. Pennsylvania Public Utility Com.*, 79 Pa. Commw. 445; *Peoples Natural Gas Co. v. Pennsylvania Public Utility Com.*, 47 Pa. Commw. 512.

³³ *Id.*

basis for creating winners and losers is rate regulation; doing so without an evidentiary basis for the distinction is also discrimination.

The proposal is also internally incoherent. The PTC is not a market price. It is Peoples' own bundled default-service rate, reset quarterly on a cadence unrelated to the timing or duration of supplier contracts.³⁴ If, as CAUSE-PA and Peoples assume, the PTC is a valid apples-to-apples benchmark, the proposal lets one competitor, Peoples, set the effective price ceiling for its rivals.³⁵ If, on the other hand, supplier products and default service are not directly comparable, as RESA submits, the premise for the entire proposal collapses. The R.D. addresses neither alternative.

The Commission should reverse and add a conclusion of law that conditioning POR eligibility on supplier pricing would constitute unlawful discrimination.³⁶

4. RESA Exception No. 4: The ALJ erred by identifying no substantial evidence that POR causes above-PTC pricing, by misapplying the burden of proof, and by ignoring RESA's contrary evidence. (R.D. at 42–43, 356–359).

A. The proponents bore the burden and did not carry it.

The R.D. correctly states that the utility bears the burden of proof on every element of its rate request and that the burden never shifts.³⁷ The R.D. also recognizes that “where a party proposes an adjustment to a ratemaking claim of a utility, the proposing party bears the burden of presenting some evidence or analysis tending to demonstrate the reasonableness of the adjustment.”³⁸ Peoples' direct case proposed no change to POR other than a lower discount rate.

³⁴RESA St. 1-R at 11.

³⁵RESA St. 1-R at 7; RESA M.B. at 8–9.

³⁶RESA M.B., App. D ¶ 10.

³⁷R.D. at 42–43; R.D. at 372–373, COL ¶¶ 3–4 (citing 66 Pa.C.S. § 315(a)).

³⁸R.D. at 379–380, COL ¶ 38 (citing *Pa. PUC v. Aqua Pa., Inc.*, Docket No. R-00072711 (Opinion and Order entered July 17, 2008)).

CAUSE-PA proposed the change, and Peoples adopted it in rebuttal. Together they bear the burden of showing that the proposal is necessary and appropriate.³⁹

Neither party carried it. Mr. Kolich sponsored no exhibits and offered no independent study; he adopted Mr. Cicero's recommendation and reasoning. His statement that the proposal "could help" customers is pure speculation.⁴⁰ It does not address what happens to a customer whose supplier is excluded from POR, whether that customer moves to default service, moves to another supplier, or loses a product the customer affirmatively chose.⁴¹ The R.D. neither states nor applies its own standards to this proposal and identifies no evidence satisfying them.

B. Mr. Cicero's theory of causation fails.

Mr. Cicero's theory is that POR immunizes suppliers from uncollectible risk and therefore removes any pressure to price at or below the PTC.⁴² That theory is contrary to the basic premise of competitive markets: other things being equal, lower-priced products sell more. And where, as here, products are differentiated by term, price certainty, and other features, as RESA's witness explained, price is less determinative of customer choice.⁴³ In either case the theory fails. Mr. Cicero identifies nothing connecting the existence of POR to the level at which suppliers' price.⁴⁴

The premise is also factually wrong. Suppliers are not insulated from uncollectible expense. They are charged a discount equal to Peoples' actual system-wide uncollectible rate,

³⁹RESA M.B. at 3–4, 9 (citing *Pa. PUC v. Metro. Edison Co.*, Docket No. R-00061366, 2007 Pa. PUC LEXIS 5 (Order entered Jan. 11, 2007)).

⁴⁰Peoples St. 21-R at 5:2–3, quoted at RESA St. 1-SR at 4; see also Peoples St. 21-R at 1:21–22, 3:9–23, as characterized at RESA St. 1-SR at 2.

⁴¹RESA M.B. at 10.

⁴²RESA St. 1-R at 3:9–15.

⁴³RESA St. 1-R at 5:12–25.

⁴⁴RESA St. 1-R at 3:9–15.

which is adjusted when Peoples updates its merchant function charge based on actual experience.⁴⁵ Moreover, supplier-originated receivables are a very small portion of Peoples' write-offs (see Part E below).

C. Peoples' own filing undercuts the theory.

In this very proceeding, Peoples proposed to reduce the POR discount from 2.20% to approximately 1.93% to reflect declining uncollectibles.⁴⁶ A discount that is shrinking cuts directly against the notion that suppliers are increasingly shielded from uncollectible risk. The R.D. recites this point in its summary of RESA's position,⁴⁷ but the Recommendation never engages it or explains why it does not alter the recommended outcome.

D. The statistics prove less than the R.D. implies.

The R.D. recites that approximately 95.8% of residential shopping customers pay more than the PTC and that the average supplier price is 82% above the PTC.⁴⁸ Those figures, and Mr. Cicero's Tables 15 and 16, are aggregate, point-in-time comparisons to the PTC. Neither witness compared what shopping customers actually paid to the lowest-cost offer available in the market in the same period, or accounted for contract term, price certainty, or other attributes a customer may deliberately have chosen. A customer on a multi-year fixed contract will appear to be "paying more than the PTC" in any month the PTC happens to be low, without having been harmed in any meaningful sense.⁴⁹ Nor did either witness show that suppliers actually rely on the averaged POR

⁴⁵RESA St. 1-R at 5; RESA M.B. at 9.

⁴⁶RESA St. 1-R at 3-4; RESA St. 1-SR at 4; RESA M.B. at 9-10.

⁴⁷R.D. at 359.

⁴⁸R.D. at 356 (citing Peoples St. 21-R at 4-5).

⁴⁹RESA St. 1-SR at 5; RESA M.B. at 10.

discount in setting prices.⁵⁰ The statistics describe a price differential. They do not show that POR causes it.

E. The write-off data do not show what CAUSE-PA claims.

The R.D. recites CAUSE-PA's figures that write-offs for residential shopping customers were 484% higher, and for low-income shopping customers 853% higher, than for default service customers.⁵¹ By the heading of CAUSE-PA's own table, however, those figures are averages per customer with debt written off.⁵² They do not measure how much of Peoples' write-off expense is attributable to supplier-originated receivables or to supplier pricing. RESA's evidence, which the R.D. does not mention, is that supplier-originated receivables account for less than one-half of one percent of Peoples' average residential write-offs, and less than two-tenths of one percent of write-offs among low-income accounts.⁵³

F. The Commission should apply the same evidentiary rigor the R.D. applied elsewhere.

The R.D. repeatedly holds the Company to a standard of substantial, non-speculative evidence on its own claims.⁵⁴ The same standard applies to a proposal that would restructure an essential utility service. The record was stipulated, no cross-examination occurred, and the R.D. makes no credibility findings,⁵⁵ so there is no live testimony that could have supplied what the

⁵⁰RESA M.B. at 10–11.

⁵¹R.D. at 358–359.

⁵²CAUSE-PA M.B. at 105, Table 3.

⁵³RESA St. 1-R at 9–10 (citing CAUSE-PA “Gross Write Offs (Table 16)” workpapers); RESA M.B. at 10–11.

⁵⁴E.g., R.D. at 105.

⁵⁵RESA M.B. at 2.

written record lacks. The Commission should reject the proposal for failure of proof and adopt RESA's proposed findings and conclusions.⁵⁶

5. RESA Exception No. 5: The ALJ erred by ignoring that the proposed remedy is far broader than any harm shown. (R.D. at 358–361).

Even accepting CAUSE-PA's numbers, the alleged harm is concentrated in a small share of the affected population. As recited in the R.D., approximately 14% of the claimed excess charges are attributable to confirmed low-income customers.⁵⁷ Yet the restriction would apply to every residential shopping customer in Peoples' territory, without regard to income.⁵⁸ A market-wide restriction is a poor fit for harm that, on the proponents' own data, is concentrated in a small slice of the population. Neither witness considered, let alone demonstrated to be inadequate, any less restrictive alternative before proposing wholesale exclusion from an essential service.⁵⁹

The R.D. also does not say which CAUSE-PA proposal it adopts. CAUSE-PA presented the price certification as a "middle alternative" to eliminating POR altogether and urged elimination in the alternative.⁶⁰ And the R.D. repeats Peoples' statement that concerns about supplier pricing are "not necessarily limited to only suppliers in Peoples' service territory."⁶¹ That statement is not record evidence and cannot support a Peoples-specific rule. The Commission should reject the proposal and adopt RESA's proposed conclusion of law on this point.⁶²

⁵⁶RESA M.B., App. C ¶¶ 10–17; App. D ¶¶ 4–5, 11.

⁵⁷R.D. at 358 (citing CAUSE-PA St. 1 at 85–86).

⁵⁸CAUSE-PA St. 1 at 89; RESA St. 1-SR at 7; RESA M.B. at 11.

⁵⁹RESA St. 1-SR at 6; RESA M.B. at 11.

⁶⁰CAUSE-PA M.B. at 100–101.

⁶¹R.D. at 357–358.

⁶²RESA M.B., App. D ¶ 12.

6. RESA Exception No. 6: The ALJ erred by adopting an undefined rule and by ignoring the evidence of cost and disruption; Ordering Paragraph 74 is indeterminate. (R.D. at 357, 390).

Mr. Kolich conceded that Peoples “has not yet fully evaluated the level of effort or potential costs associated with implementing Mr. Cicero’s recommendation because the proposal does not specify how the Company would be expected to adopt it,” and that no rules yet exist for the timing of entry into or exit from a POR pool or for communicating with customers.⁶³ The R.D. nonetheless repeats Peoples’ view that implementation costs “would likely be minimal,” acknowledges that “clear rules” would be needed, and then sets none and requires none.⁶⁴

Peoples’ cost view also addresses only its own systems. It says nothing about the cost and disruption to suppliers that must build or contract for independent billing and collection capability, or about how a certification tied to “contract initiation or renewal” would apply to existing multi-year or variable-rate contracts whose prices move above and below the PTC over their terms.⁶⁵ RESA’s illustration is a customer who selects a 24-month fixed-rate product for its budget certainty. If the PTC moves lower fifteen months in, the supplier could not renew, though the product was below the PTC for those fifteen months and the PTC could move the other way three months later. The supplier would face only bad options: build billing and collection capability on short notice, continue on consolidated billing without POR (where Peoples would have no incentive to collect receivables it no longer owns), or exit the customer relationship.⁶⁶ None of

⁶³Peoples St. 21-R at 5:12–18, quoted at RESA St. 1-SR at 6; RESA M.B. at 12.

⁶⁴R.D. at 357.

⁶⁵RESA St. 1-SR at 6–7; RESA M.B. at 12–13.

⁶⁶RESA St. 1-R at 11–13; RESA M.B. at 12.

those outcomes serves the customer who chose the product, and duplicative billing infrastructure raises costs borne by all ratepayers.⁶⁷ The R.D. does not weigh any of this.

Ordering Paragraph 74 compounds the problem. It adopts “CAUSE-PA’s proposals” (plural). CAUSE-PA’s proposal contemplated a notice to suppliers, an effective date of June 1, 2027, an updated POR Agreement and Affidavit, and a price certification for contracts entered or renewed after that date,⁶⁸ and CAUSE-PA urged elimination of POR in the alternative.⁶⁹ The Recommendation, however, says the Commission should adopt “Peoples’ proposal,” though Peoples’ direct case proposed no POR change other than a lower discount rate.⁷⁰ It is impossible to tell from the R.D. what Peoples would be ordered to do, by when, or how any of it would apply to existing contracts. An order that cannot be implemented or enforced as written should not be adopted. Further, an unspecified rule affecting every NGS on Peoples’ system was adopted at the rebuttal stage on a stipulated record, without any opportunity to test its terms. The Commission should reject Ordering Paragraph 74 or, at a minimum, vacate it as indefinite.

7. RESA Exception No. 7: The ALJ erred by departing from long-standing Commission policy supporting POR without explanation. (R.D. at 355–357).

Peoples itself “recognizes the important role that POR programs have played in fostering retail competition.”⁷¹ CAUSE-PA acknowledges that the Commission has recognized POR’s efficiency and market-entry benefits.⁷² Peoples has administered POR since its 2010 rate case,⁷³

⁶⁷RESA St. 1-R at 12.

⁶⁸CAUSE-PA M.B. at 106.

⁶⁹CAUSE-PA M.B. at 100–101.

⁷⁰RESA M.B. at 2.

⁷¹R.D. at 356.

⁷²CAUSE-PA M.B. at 102.

⁷³R.D. at 355.

and POR has operated since then without material complaint or need for restructuring.⁷⁴ POR is the Commission's answer to its decision not to permit supplier consolidated billing and the fact that NGS have no ability to terminate customers for non-payment. It places utility and supplier receivables on equal footing, and it allows customers to receive a single bill.⁷⁵

The R.D. recommends unwinding that arrangement for any supplier whose price exceeds the PTC but gives no reason for doing so and does not weigh the program's competitive and customer benefits against the harms CAUSE-PA alleges. If such fundamental changes are to be made to a program enshrined in regulations, the change should take the same path and not be implemented by ambush in a rate case. The Commission should reject the proposal and adopt RESA's proposed findings regarding the nature and purpose of POR.⁷⁶

III. CONCLUSION

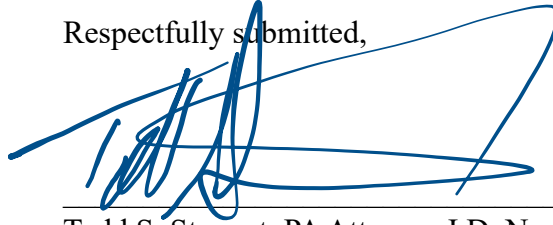
For the reasons stated, the Retail Energy Supply Association respectfully requests that the Commission grant RESA's Exceptions; reject the proposal to limit participation in Peoples' Purchase of Receivables program to natural gas suppliers that price at or below the price to compare; strike the Recommendation at R.D. 361 and Ordering Paragraph 74; and modify the Recommended Decision accordingly. The Commission should not irreparably damage a program it promoted in its regulations, in a rate case without a complete examination of the facts, to do otherwise is not a responsible approach.

⁷⁴RESA M.B. at 7.

⁷⁵RESA St. 1-R at 3-4, 8; see also *PPL Elec. Utils. Corp. Retail Mkts.*, Docket No. M-2009-2104271 (Opinion and Order entered Aug. 11, 2009), at 22-30.

⁷⁶RESA M.B., App. C ¶¶ 2-8.

Respectfully submitted,



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DATED: October 14, 2026

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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