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August 26, 2011

Via Email to ra-rmi@pa.govRe: Investigation of Pennsylvania's Retail Electricity Market
Docket No. I-2011-2237952

Dear Ms. Moury:

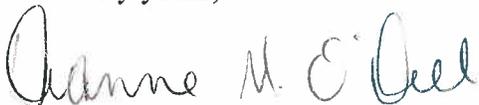
At the August 15, 2011 Technical Conference of the Retail Markets Investigation (RMI), the Retail Energy Supply Association ("RESA") committed to provide deliverables on the following issues:

1. Consumer Education
2. Surveys
3. Enrollment Processes
4. EDC Credit Standards
5. EDC Supplier Charges
6. Identification of Other Issues

Enclosed please find a status update of RESA's deliverables as well as the referenced attachments.

Please do not hesitate to contact me if you have any questions.

Sincerely yours,



Deanne M. O'Dell, Esq.

DMO/lww
Enclosure

STATUS OF RESA'S DELIVERABLES
PURSUANT TO THE AUGUST 10, 2011 TECHNICAL CONFERENCE
August 26, 2011

ISSUE: CONSUMER EDUCATION

DELIVERABLE: RESA and PECO to develop draft call center script to be submitted by August 26, 2011.

UPDATE: RESA has developed a draft discussion document for new/moving customer program and related customer choice education. The discussion document has been shared with and discussed among Direct Energy, the Office of Consumer Advocate and PECO. The feedback and suggestions from the subgroup to date have been useful and parties are working toward developing a consensus plan. However, additional time is necessary to continue discussions.

RECOMMENDATION: RESA requests that the due date for this deliverable be moved to September 7, 2011.

ISSUE: SURVEYS/AWARENESS

DELIVERABLE: Parties were asked to submit customer awareness surveys.

- Enclosed as **Attachment A** is a copy of a Kelton Research Study from June 2011 which surveyed 509 Illinois residents ages 18 and over who use the local distribution company as their electricity provider.
 - Enclosed as **Attachment B** are copies of the 2010 and 2010 Zogby surveys of Pennsylvania residents in the service territories of PECO, PPL, Duquesne Light, Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison and Penn Power.
-

ISSUE: ENROLLMENT PROCESSES

DELIVERABLE: Parties were invited to submit any other proposals by August 26, 2011.

- Enclosed as **Attachment C** is a discussion document on elimination of the EDC confirmation letter and the 16-day enrollment lead time prepared by RESA.
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ISSUE: EGS/EDC COORDINATION PLATFORM – EDC CREDIT STANDARDS

DELIVERABLE: EGSs to look into credit requirement differences and provide summary.

- Enclosed as **Attachment D** is a discussion document on supplier coordination credit provision standardization.

**STATUS OF RESA'S DELIVERABLES
PURSUANT TO THE AUGUST 10, 2011 TECHNICAL CONFERENCE**

August 26, 2011

ISSUE: EDC SUPPLIER CHARGES

DELIVERABLE: RESA asked to submit information about the supplier charge from Allegheny Power's supplier tariff which is pasted below:

TECHNICAL SUPPORT AND ASSISTANCE CHARGE \$53 per hour billed in 15-minute intervals

Technical Support and Assistance is defined as support services and assistance that may be provided by the Company to an EGS. To the extent that the support services and assistance requested is beyond that considered reasonable, customary and necessary for EDC and EGS interactions and transactions: i) the Company is under no obligation to provide any such Technical Support and Assistance services; and ii) the Company may bill an EGS for any such Technical Support and Assistance services. To the extent that the Technical Support and Assistance services are reasonable, customary and necessary services to support the provision of a Registered EGS's Competitive Generation Service to Customers located within the Company's service territory: i) the Company is obligated to provide any such Technical Support and Assistance services; and ii) the Company may not bill for any such Technical Support and Assistance services.

There will be no time recorded against an EGS in connection with inquiries covering required business interactions, specifically:

- (a) Normal load profiling and energy scheduling;*
- (b) Standard automated processing of EGS data files by the Company;*
- (c) Website availability and access; and*
- (d) Correction of erroneous data communicated by the Company via the Internet address and the Company's website.*

ISSUE: IDENTIFICATION OF OTHER ISSUES

DELIVERABLE: Parties asked to identify any other issues by August 26, 2011 for include in the intermediate work plan. RESA has identified the following issues:

- Plan to transition from EDC provided default service. This plan fits under Default Service Model – Identification of Key Issues, No. 3 “EDC as Default Service Provider” but is intended to focus on the parameters and timeline for how to restructure default service. RESA is developing a conceptual plan for the transition based on its comments and requests the ability to circulate the plan prior to September 7, 2011.
- Economically viable EGS Consolidated Billing to be included in the intermediate work plan.
- Utility direct mail program similar to that being conducted by Met-Ed and Penelec to be included in the intermediate work plan.
- “Regulatory Housekeeping.” This should be a long-range commitment to compile all the rules affecting retail suppliers developed as a result of this process in one place.



Illinois Survey

June 2011



Kelton
RESEARCH

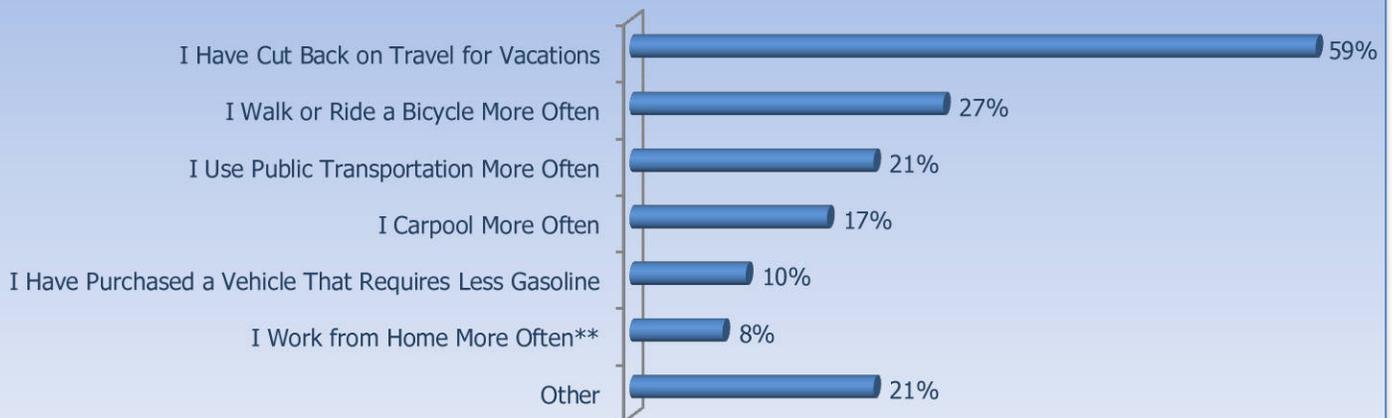
The Power of Supplier Knowledge Illinois Residents Unaware of Electricity Provider Options

With high gas prices increasing the cost of many products and services, residents of Illinois aren't just adjusting their daily activities to save money where they can – they're also trying to be more prudent with their monthly bills. A majority would even switch their electricity provider to keep more cash in their wallets. However, a new survey by Constellation Energy¹ proves many are not privy to all of the facts about their electricity provider options.

1) LIFE CHANGES

- **Expanding Budgets.** Over one third (36%) of Ameren or ComEd users in Illinois say that the high cost of gasoline over the last two months has translated into higher household expenditures.
- **Travel Transitions.** In fact, more than three-quarters (79%) of respondents report that rising gas prices have affected their lifestyle over the last two months. Changes for these folks include cutting back on vacation travel (59%), walking or riding a bicycle more often (27%), using more public transportation (21%), and opting to carpool more (17%).

Which of the Following, if any, Apply to How Increased Gasoline Prices Have Affected Your Lifestyle Over the Last Two Months? Please Choose All That Apply.*



*Among Respondents Whose Lifestyles Have Been Affected By Increased Gasoline Prices over the Last Two Months

**Among Those Who Are Employed

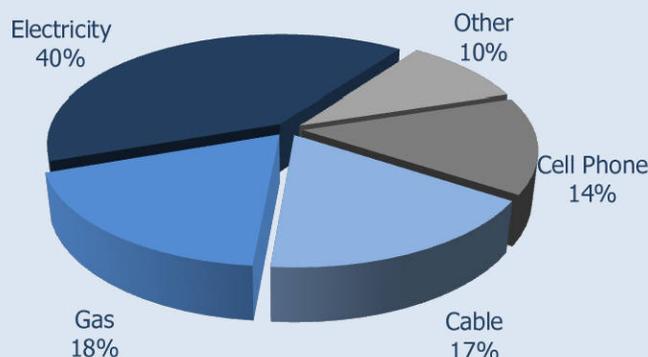
¹ An online survey of 509 Illinois Residents ages 18 and over who use Ameren or ComEd as the electricity provider for their homes.

- More men than woman who say that higher gas prices have altered their lives over the last 60 days walk or ride a bike more often (33% vs. 21%), use more public transportation (29% vs. 14%) and even bought a vehicle that requires less gas (13% vs. 7%).
- Those ages 18-49 whose approach to life has changed over the last two months due to higher prices at the pump are more likely than those 50 and over to walk or ride a bike more often (34% vs. 13%), ride public transportation more (26% vs. 12%), and carpool more (22% vs. 8%).

2) **POWER PAYMENTS**

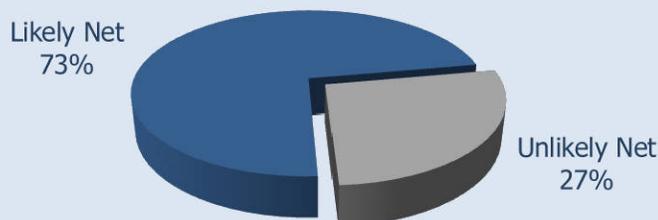
- **Electrified Budgets.** Close to half (40%) of respondents report that electricity is their most expensive regular bill outside of rent or mortgage. Far fewer feel more pressure on their wallets for utilities such as gas (18%) or cable (17%).

Aside from Mortgage or Rent, Which Household Expense Currently Costs You the Most? Please Think of Expenses that You are Billed for on a Regular Basis, not Specific Items Such as Furniture or Food.



- **Money Matters.** This may be why a majority (93%) of respondents would switch to a new electricity provider, and also why money is by far the top factor (90%) that would spur these folks to make the change. Other issues like ease of transition (59%) and company reputation (45%) are simply not as important.
- **True Motivation.** Similarly, about three in four customers imagine they'd swap to a new electricity provider if it saved them money in comparison to their current provider (73%); three in ten (30%) would be extremely likely to make such a switch for this reason. (see chart on next page)

How Likely Would You be to Switch to a New Electricity Provider if the Company Could Provide a Cost-Saving Option Compared to Your Current Provider?



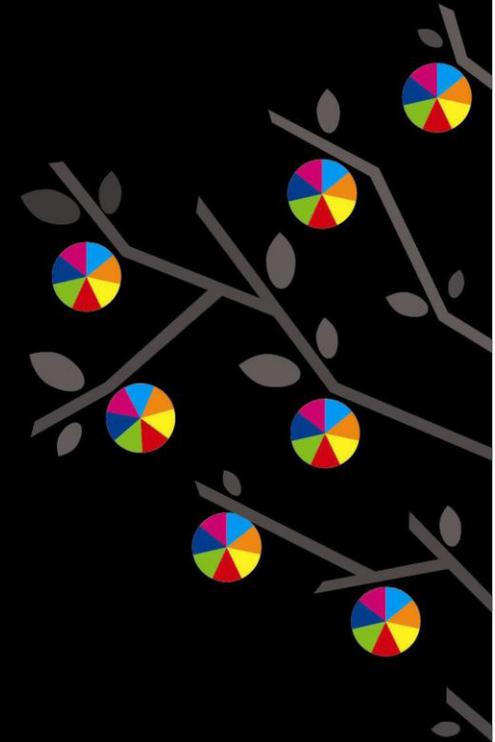
- More folks ages 18-34 than those 35+ would be likely to swap electricity providers if it saved them cash (81% vs. 69%).
- Over four in five (82%) parents would trade electricity providers if they saved money, compared to 69 percent of those without children.
- **The Tipping Point.** Three-quarters (74%) would swap providers if it saved them money, and would need an average of 31 percent savings in order to do so. Yet, nearly one in five (16%) wouldn't have to save a penny in order to make the change.
- **Lack of Knowledge.** While it's good that many consumers in Illinois are open to a change in provider, nearly two in five (37%) Ameren and ComEd customers in the state incorrectly think they don't have a choice in which electricity provider to use, and another 9 percent admit they don't know if this option is on the table.
 - More women than men (43% vs. 31%) are not aware they have a choice as to which electricity provider to use.
- **Truth be Told.** There is also some confusion about the logistics involved for this type of change. Nearly three in five (59%) wrongly believe billing and customer service would not still be handled by the household's current electricity supplier if they swamped to a new supplier.

Constellation Energy Survey

Resolute Consulting

Sample = 509 Residents of Illinois Ages 18 and Over
Who Use Ameren or ComEd as the Electricity Provider
for their Home

June 2011



Q1 Over the last two months, the rising cost of gasoline has caused my household spending to...

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|-----------------------|------------|-----------|-----------|-----------|-----------|------------|------------|-------------------|-----------|------------|-----------|-----------|-----------|----------------|-------------|-------------|-----------|-------------|-----------|-----------|-----------|------------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | All Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| Increase | 181 36% | 99 39% | 82 32% | 70 39% | 48 34% | 63 33% | 128 33% | 53 45%F | 92 35% | 89 36% | 25 45% | 76 37% | 51 34% | 29 30% | 91 35% | 90 36% | 65 39% | 116 34% | 89 33% | 92 38% | 38 30% | 143 37% |
| Decrease | 182 36% | 83 33% | 99 38% | 51 29% | 54 39% | 77 40%C | 148 38% | 34 29% | 99 37% | 83 34% | 17 30% | 72 35% | 53 36% | 40 41% | 109 42%O | 73 29% | 65 39% | 117 34% | 97 36% | 85 36% | 54 43% | 128 34% |
| Remain about the same | 146 29% | 69 27% | 77 30% | 57 32% | 38 27% | 51 27% | 115 29% | 31 26% | 74 28% | 72 30% | 14 25% | 59 29% | 44 30% | 29 30% | 60 23% | 86 35%N | 37 22% | 109 32%P | 84 31% | 62 26% | 35 28% | 111 29% |

Proportions/Mean: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q2 Which of the following, if any, apply to how increased gasoline prices have affected your lifestyle over the last two months? Please choose all that apply.

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|---|------------|------------|------------|-------------|------------|------------|-------------|-------------------|------------|------------|------------|------------|--------------|----------------|------------|-------------|------------|------------|------------|-------------|-----------|------------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| I have cut back on travel for vacations, such as road trips or flights | 236 46% | 123 49% | 113 44% | 87 49% | 62 44% | 87 46% | 192 49%G | 44 37% | 131 49% | 105 43% | 28 50% | 93 45% | 58 39% | 57 58%KL | 127 49% | 109 44% | 82 49% | 154 45% | 113 42% | 123 51%R | 62 49% | 174 46% |
| I walk or ride a bicycle more often | 107 21% | 64 25%B | 43 17% | 60 34%DE | 28 20%E | 19 10% | 77 20% | 30 25% | 52 20% | 55 23% | 9 16% | 30 14% | 40 27%K | 28 29%K | 41 16% | 66 27%N | 39 23% | 68 20% | 60 22% | 47 20% | 23 18% | 84 22% |
| I use public transportation more often | 85 17% | 56 22%B | 29 11% | 42 24%E | 26 19%E | 17 9% | 43 11% | 42 36%F | 46 17% | 39 16% | 4 7% | 27 13% | 46 31%JKM | 8 8% | 28 11% | 57 23%N | 27 16% | 58 17% | 52 19% | 33 14% | 12 9% | 73 19%T |
| I carpool more often | 67 13% | 35 14% | 32 12% | 41 23%DE | 15 11% | 11 6% | 54 14% | 13 11% | 42 16% | 25 10% | 3 5% | 24 12% | 20 14% | 20 20%JK | 27 10% | 40 16% | 32 19%Q | 35 10% | 33 12% | 34 14% | 13 10% | 54 14% |
| I have purchased a vehicle that requires less gasoline, such as a hybrid car | 40 8% | 26 10%B | 14 5% | 22 12%DE | 6 4% | 12 6% | 29 7% | 11 9% | 29 11%I | 11 5% | 4 7% | 17 8% | 11 7% | 8 8% | 19 7% | 21 8% | 15 9% | 25 7% | 14 5% | 26 11%R | 12 9% | 28 7% |
| I work from home more often | 34 7% | 21 8% | 13 5% | 16 9%E | 11 8% | 7 4% | 22 6% | 12 10% | 34 13%I | - - | 3 5% | 15 7% | 14 9%M | 2 2% | 19 7% | 15 6% | 17 10%Q | 17 5% | 6 2% | 28 12%R | 4 3% | 30 8% |
| Other (Please specify) | 84 17% | 20 8% | 64 25%A | 16 9% | 22 16% | 46 24%C | 70 18% | 14 12% | 38 14% | 46 19% | 12 21%L | 43 21%L | 15 10% | 14 14% | 50 19% | 34 14% | 27 16% | 57 17% | 41 15% | 43 18% | 23 18% | 61 16% |
| Increased gasoline prices have not affected my lifestyle over the last two months | 106 21% | 56 22% | 50 19% | 31 17% | 28 20% | 47 25% | 88 23% | 18 15% | 50 19% | 56 23% | 14 25% | 46 22% | 31 21% | 15 15% | 49 19% | 57 23% | 26 16% | 80 23%P | 62 23% | 44 18% | 29 23% | 77 20% |

Proportions/Mean: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q3 Aside from mortgage or rent, which household expense currently costs you the most? Please think of expenses that you are billed for on a regular basis, not specific items such as furniture or food.

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | |
|--------------------------------------|------------|------------|----------------|----------------|----------------|----------------|------------|-------------------|-----------|------------|-----------------|---------------|----------------|-----------------|----------------|---------------|-----------|---------------|------------|-----------|----------------|----------------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | All Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| Electricity | 203 40% | 107 43% | 96 37% | 62 35% | 53 38% | 88 46% C | 163 42% | 40 34% | 98 37% | 105 43% | 29 52% KL | 75 36% | 49 33% | 50 51% KL | 109 42% | 94 38% | 69 41% | 134 39% | 109 40% | 94 39% | 76 60% U | 127 33% |
| Gas (for my home, not for a vehicle) | 94 18% | 46 18% | 48 19% | 32 18% | 27 19% | 35 18% | 69 18% | 25 21% | 57 22% | 37 15% | 7 13% | 39 19% | 30 20% | 18 18% | 49 19% | 45 18% | 34 20% | 60 18% | 45 17% | 49 21% | 17 13% | 77 20% |
| Cable | 88 17% | 48 19% | 40 16% | 32 18% | 22 16% | 34 18% | 66 17% | 22 19% | 43 16% | 45 18% | 8 14% | 34 16% | 34 23% M | 12 12% | 48 18% | 40 16% | 27 16% | 61 18% | 50 19% | 38 16% | 13 10% | 75 20% T |
| Cell phone | 73 14% | 27 11% | 46 18% A | 35 20% E | 24 17% E | 14 7% | 52 13% | 21 18% | 40 15% | 33 14% | 7 13% | 32 15% | 24 16% | 10 10% | 40 15% | 33 13% | 28 17% | 45 13% | 35 13% | 38 16% | 11 9% | 62 16% T |
| Internet | 19 4% | 12 5% | 7 3% | 13 7% DE | 2 1% | 4 2% | 13 3% | 6 5% | 10 4% | 9 4% | - - | 9 4% | 7 5% | 3 3% | 3 1% | 16 6% N | 1 1% | 18 5% P | 12 4% | 7 3% | 3 2% | 16 4% |
| Landline phone | 7 1% | 2 1% | 5 2% | - - | 3 2% | 4 2% | 6 2% | 1 1% | 5 2% | 2 1% | 2 4% | 2 1% | 2 1% | 1 1% | 4 2% | 3 1% | 2 1% | 5 1% | 4 1% | 3 1% | 1 1% | 6 2% |
| Garbage removal or recycling service | 6 1% | 3 1% | 3 1% | 1 1% | 4 3% | 1 1% | 5 1% | 1 1% | 3 1% | 3 1% | 3 5% LM | 3 1% | - - | - - | 1 * | 5 2% | 2 1% | 4 1% | 3 1% | 3 1% | 2 2% | 4 1% |
| Other (Please specify) | 19 4% | 6 2% | 13 5% | 3 2% | 5 4% | 11 6% C | 17 4% | 2 2% | 9 3% | 10 4% | - - | 13 6% L | 2 1% | 4 4% | 6 2% | 13 5% | 4 2% | 15 4% | 12 4% | 7 3% | 4 3% | 15 4% |

Proportions/Mean: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q4 As a resident of Illinois, are you aware you have a choice of which electricity provider to use?

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|-------------------|--------|------|--------|-------|-------|-----------|-------|-------------------|--------|------------|-------|-----------|-------|----------------|---------|-------------|------|--------|--------|----------|--------|-------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | All Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| Yes | 274 | 148 | 126 | 89 | 71 | 114 | 210 | 64 | 140 | 134 | 25 | 122 | 84 | 43 | 142 | 132 | 84 | 190 | 129 | 145 | 48 | 226 |
| | 54% | 59%B | 49% | 50% | 51% | 60% | 54% | 54% | 53% | 55% | 45% | 59%M | 57%M | 44% | 55% | 53% | 50% | 56% | 48% | 61%R | 38% | 59%T |
| No | 187 | 77 | 110 | 71 | 56 | 60 | 147 | 40 | 104 | 83 | 27 | 65 | 53 | 42 | 102 | 85 | 72 | 115 | 109 | 78 | 72 | 115 |
| | 37% | 31% | 43%A | 40% | 40% | 31% | 38% | 34% | 39% | 34% | 48%K | 31% | 36% | 43% | 39% | 34% | 43%Q | 34% | 40% | 33% | 57%U | 30% |
| I don't know | 48 | 26 | 22 | 18 | 13 | 17 | 34 | 14 | 21 | 27 | 4 | 20 | 11 | 13 | 16 | 32 | 11 | 37 | 32 | 16 | 7 | 41 |
| | 9% | 10% | 9% | 10% | 9% | 9% | 9% | 12% | 8% | 11% | 7% | 10% | 7% | 13% | 6% | 13%N | 7% | 11% | 12%S | 7% | 6% | 11% |

Proportions/Means: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q5 How likely would you be to switch to a new electricity provider if the company could provide a cost-saving option compared to your current provider?

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|-------------------------|------------|------------|------------|-----------------|----------------|-----------------|------------|-------------------|------------|------------|-----------|----------------|----------------|----------------|------------|-------------|-----------------|-----------------|------------|------------|------------|----------------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | All Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| Extremely likely | 151 30% | 82 33% | 69 27% | 72 40% DE | 37 26% | 42 22% | 108 28% | 43 36% | 86 32% | 65 27% | 19 34% | 45 22% | 59 40% K | 28 29% | 76 29% | 75 30% | 63 38% Q | 88 26% | 83 31% | 68 28% | 37 29% | 114 30% |
| Somewhat likely | 221 43% | 105 42% | 116 45% | 73 41% | 66 47% | 82 43% | 172 44% | 49 42% | 116 44% | 105 43% | 24 43% | 92 44% | 53 36% | 52 53% L | 123 47% | 98 39% | 74 44% | 147 43% | 115 43% | 106 44% | 64 50% | 157 41% |
| Somewhat unlikely | 83 16% | 38 15% | 45 17% | 18 10% | 28 20% C | 37 19% C | 68 17% | 15 13% | 40 15% | 43 18% | 10 18% | 44 21% L | 17 11% | 12 12% | 38 15% | 45 18% | 20 12% | 63 18% | 43 16% | 40 17% | 19 15% | 64 17% |
| Extremely unlikely | 54 11% | 26 10% | 28 11% | 15 8% | 9 6% | 30 16% CD | 43 11% | 11 9% | 23 9% | 31 13% | 3 5% | 26 13% | 19 13% | 6 6% | 23 9% | 31 12% | 10 6% | 44 13% P | 29 11% | 25 10% | 7 6% | 47 12% T |
| TOP 2 BOX (Likely) | 372 73% | 187 75% | 185 72% | 145 81% E | 103 74% | 124 65% | 280 72% | 92 78% | 202 76% | 170 70% | 43 77% | 137 66% | 112 76% | 80 82% K | 199 77% | 173 69% | 137 82% Q | 235 69% | 198 73% | 174 73% | 101 80% | 271 71% |
| BOTTOM 2 BOX (Unlikely) | 137 27% | 64 25% | 73 28% | 33 19% | 37 26% | 67 35% C | 111 28% | 26 22% | 63 24% | 74 30% | 13 23% | 70 34% M | 36 24% | 18 18% | 61 23% | 76 31% | 30 18% | 107 31% P | 72 27% | 65 27% | 26 20% | 111 29% |

Proportions/Means: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q6 How likely would you be to switch to a new electricity provider if the company could provide an energy-saving or renewable energy option, also known as green energy?

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|-------------------------|------------|------------|------------|-------------|------------|------------|------------|-------------------|------------|------------|-----------|-------------|-------------|----------------|------------|-------------|------------|------------|------------|------------|------------|------------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | All Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| Extremely likely | 149 29% | 79 31% | 70 27% | 69 39%E | 44 31%E | 36 19% | 105 27% | 44 37%F | 86 32% | 63 26% | 15 27% | 49 24% | 60 41%KM | 25 26% | 73 28% | 76 31% | 60 36%Q | 89 26% | 73 27% | 76 32% | 31 24% | 118 31% |
| Somewhat likely | 244 48% | 121 48% | 123 48% | 79 44% | 65 46% | 100 52% | 190 49% | 54 46% | 124 47% | 120 49% | 29 52% | 108 52%L | 57 39% | 50 51% | 133 51% | 111 45% | 77 46% | 167 49% | 134 50% | 110 46% | 72 57%U | 172 45% |
| Somewhat unlikely | 81 16% | 35 14% | 46 18% | 21 12% | 22 16% | 38 20%C | 68 17% | 13 11% | 36 14% | 45 18% | 10 18% | 35 17% | 20 14% | 16 16% | 40 15% | 41 16% | 20 12% | 61 18% | 46 17% | 35 15% | 16 13% | 65 17% |
| Extremely unlikely | 35 7% | 16 6% | 19 7% | 9 5% | 9 6% | 17 9% | 28 7% | 7 6% | 19 7% | 16 7% | 2 4% | 15 7% | 11 7% | 7 7% | 14 5% | 21 8% | 10 6% | 25 7% | 17 6% | 18 8% | 8 6% | 27 7% |
| TOP 2 BOX (Likely) | 393 77% | 200 80% | 193 75% | 148 83%E | 109 78% | 136 71% | 295 75% | 98 83% | 210 79% | 183 75% | 44 79% | 157 76% | 117 79% | 75 77% | 206 79% | 187 75% | 137 82% | 256 75% | 207 77% | 186 78% | 103 81% | 290 76% |
| BOTTOM 2 BOX (Unlikely) | 116 23% | 51 20% | 65 25% | 30 17% | 31 22% | 55 29%C | 96 25% | 20 17% | 55 21% | 61 25% | 12 21% | 50 24% | 31 21% | 23 23% | 54 21% | 62 25% | 30 18% | 86 25% | 63 23% | 53 22% | 24 19% | 92 24% |

Proportions/Means: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q7 What percentage of costs from your electricity bill would you have to save in order to switch to a new electricity provider?

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|--|------------|-------------|------------|-------------|--------------|------------|-------------|-------------------|------------|------------|-----------|------------|------------|----------------|------------|-------------|------------|------------|------------|-------------|------------|------------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| I wouldn't switch to a new electricity provider, no matter how much it would save me | 51 10% | 18 7% | 33 13%A | 15 8% | 11 8% | 25 13% | 41 10% | 10 8% | 25 9% | 26 11% | 6 11% | 23 11% | 17 11% | 5 5% | 23 9% | 28 11% | 16 10% | 35 10% | 32 12% | 19 8% | 9 7% | 42 11% |
| Switch (Net) | 458 90% | 233 93%B | 225 87% | 163 92% | 129 92% | 166 87% | 350 90% | 108 92% | 240 91% | 218 89% | 50 89% | 184 89% | 131 89% | 93 95% | 237 91% | 221 89% | 151 90% | 307 90% | 238 88% | 220 92% | 118 93% | 340 89% |
| I wouldn't have to save any costs from my electricity bill in order to switch to a new electricity provider (0%) | 81 16% | 45 18% | 36 14% | 42 24%DE | 13 9% | 26 14% | 52 13% | 29 25%F | 39 15% | 42 17% | 7 13% | 29 14% | 29 20% | 16 16% | 37 14% | 44 18% | 26 16% | 55 16% | 56 21%S | 25 10% | 18 14% | 63 16% |
| Swith and Save (Net) | 377 74% | 188 75% | 189 73% | 121 68% | 116 83%CE | 140 73% | 298 76%G | 79 67% | 201 76% | 176 72% | 43 77% | 155 75% | 102 69% | 77 79% | 200 77% | 177 71% | 125 75% | 252 74% | 182 67% | 195 82%R | 100 79% | 277 73% |
| 1%-9% | 9 2% | 5 2% | 4 2% | 5 3% | 2 1% | 2 1% | 7 2% | 2 2% | 4 2% | 5 2% | 2 4% | 3 1% | 3 2% | 1 1% | 4 2% | 5 2% | 3 2% | 6 2% | 5 2% | 4 2% | 3 2% | 6 2% |
| 10%-19% | 64 13% | 44 18%B | 20 8% | 31 17%E | 16 11% | 17 9% | 50 13% | 14 12% | 34 13% | 30 12% | 7 13% | 23 11% | 20 14% | 14 14% | 30 12% | 34 14% | 24 14% | 40 12% | 32 12% | 32 13% | 19 15% | 45 12% |
| 20%-29% | 135 27% | 73 29% | 62 24% | 39 22% | 37 26% | 59 31% | 109 28% | 26 22% | 76 29% | 59 24% | 15 27% | 59 29% | 35 24% | 26 27% | 77 30% | 58 23% | 42 25% | 93 27% | 57 21% | 78 33%R | 37 29% | 98 26% |
| 30%-49% | 83 16% | 32 13% | 51 20%A | 22 12% | 29 21%C | 32 17% | 65 17% | 18 15% | 39 15% | 44 18% | 9 16% | 33 16% | 25 17% | 16 16% | 47 18% | 36 14% | 29 17% | 54 16% | 46 17% | 37 15% | 18 14% | 65 17% |
| 50%-69% | 70 14% | 27 11% | 43 17% | 19 11% | 27 19%C | 24 13% | 55 14% | 15 13% | 42 16% | 28 11% | 8 14% | 31 15% | 15 10% | 16 16% | 36 14% | 34 14% | 24 14% | 46 13% | 31 11% | 39 16% | 21 17% | 49 13% |
| 70%-99% | 10 2% | 4 2% | 6 2% | 2 1% | 3 2% | 5 3% | 7 2% | 3 3% | 4 2% | 6 2% | 1 2% | 4 2% | 3 2% | 2 2% | 4 2% | 6 2% | 2 1% | 8 2% | 7 3% | 3 1% | 1 1% | 9 2% |
| 100% | 6 1% | 3 1% | 3 1% | 3 2% | 2 1% | 1 1% | 5 1% | 1 1% | 2 1% | 4 2% | 1 2% | 2 1% | 1 1% | 2 2% | 2 1% | 4 2% | 1 1% | 5 1% | 4 1% | 2 1% | 1 1% | 5 1% |
| MEAN | 25.3 | 22.8 | 28.0A | 21.1 | 30.0C | 25.8C | 26.1 | 22.8 | 25.6 | 25.1 | 25.8 | 26.3 | 23.0 | 26.4 | 25.6 | 25.1 | 24.5 | 25.7 | 24.1 | 26.7 | 24.5 | 25.6 |
| MEDIAN | 25 | 20 | 25 | 20 | 25 | 25 | 25 | 20 | 25 | 25 | 25 | 25 | 20 | 25 | 25 | 25 | 25 | 25 | 20 | 25 | 25 | 25 |
| MEAN (> 0%) | 30.8 | 28.2 | 33.3A | 28.5 | 33.4C | 30.6 | 30.7 | 31.2 | 30.5 | 31.0 | 30.0 | 31.2 | 29.6 | 31.9 | 30.3 | 31.3 | 29.6 | 31.4 | 31.5 | 30.1 | 28.9 | 31.5 |
| MEDIAN (> 0%) | 25 | 25 | 30 | 25 | 30 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |

Proportions/Means: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q8 Which of the following, if any, would be likely to influence your decision to switch to a new electricity provider? Please choose all that apply.

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|--|------------|------------|-------------|------------|------------|------------|-------------|-------------------|-------------|------------|-----------|------------|------------|----------------|-------------|-------------|------------|------------|------------|-------------|------------|------------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | All Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| Cost savings | 425 83% | 210 84% | 215 83% | 145 81% | 120 86% | 160 84% | 326 83% | 99 84% | 225 85% | 200 82% | 45 80% | 170 82% | 124 84% | 86 88% | 223 86% | 202 81% | 139 83% | 286 84% | 220 81% | 205 86% | 111 87% | 314 82% |
| Reliability | 340 67% | 163 65% | 177 69% | 110 62% | 96 69% | 134 70% | 272 70%G | 68 58% | 190 72%I | 150 61% | 39 70% | 142 69% | 92 62% | 67 68% | 181 70% | 159 64% | 109 65% | 231 68% | 165 61% | 175 73%R | 82 65% | 258 68% |
| Ease of transition | 281 55% | 137 55% | 144 56% | 97 54% | 77 55% | 107 56% | 223 57% | 58 49% | 149 56% | 132 54% | 36 64% | 115 56% | 76 51% | 54 55% | 149 57% | 132 53% | 91 54% | 190 56% | 133 49% | 148 62%R | 79 62% | 202 53% |
| Company reputation | 211 41% | 91 36% | 120 47%A | 75 42% | 61 44% | 75 39% | 161 41% | 50 42% | 108 41% | 103 42% | 21 38% | 89 43% | 55 37% | 46 47% | 121 47%O | 90 36% | 73 44% | 138 40% | 102 38% | 109 46% | 52 41% | 159 42% |
| Other (Please specify) | 13 3% | 4 2% | 9 3% | 4 2% | 2 1% | 7 4% | 10 3% | 3 3% | 5 2% | 8 3% | 2 4% | 4 2% | 2 1% | 5 5% | 5 2% | 8 3% | 5 3% | 8 2% | 8 3% | 5 2% | 3 2% | 10 3% |
| I would never switch to a new electricity provider | 36 7% | 10 4% | 26 10%A | 12 7% | 5 4% | 19 10%D | 29 7% | 7 6% | 13 5% | 23 9%H | 3 5% | 22 11%M | 8 5% | 3 3% | 14 5% | 22 9% | 11 7% | 25 7% | 24 9% | 12 5% | 5 4% | 31 8% |

Proportions/Mean: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Q9 True or false: If a household switches to a new electricity supplier, billing and customer service will still be handled by the household's current electricity supplier.

| | GENDER | | AGE | | | ETHNICITY | | EMPLOYMENT STATUS | | AREA | | | | MARITAL STATUS | | PARENT | | INCOME | | PROVIDER | | |
|-------------------|--------|------|--------|-------|-------|-----------|-------|-------------------|--------|------------|-------|-----------|-------|----------------|---------|-------------|-----|--------|--------|----------|--------|-------|
| | TOTAL | Male | Female | 18-34 | 35-49 | 50+ | White | All Others | Workng | Not Workng | Rural | Sub urban | Urban | Town | Married | Not Married | Yes | No | <\$50K | \$50K+ | Ameren | ComEd |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | |
| Total respondents | 509 | 251 | 258 | 178 | 140 | 191 | 391 | 118 | 265 | 244 | 56* | 207 | 148 | 98* | 260 | 249 | 167 | 342 | 270 | 239 | 127 | 382 |
| True | 211 | 111 | 100 | 63 | 54 | 94 | 164 | 47 | 116 | 95 | 21 | 93 | 60 | 37 | 111 | 100 | 63 | 148 | 107 | 104 | 40 | 171 |
| | 41% | 44% | 39% | 35% | 39% | 49% | 42% | 40% | 44% | 39% | 38% | 45% | 41% | 38% | 43% | 40% | 38% | 43% | 40% | 44% | 31% | 45% |
| False | 298 | 140 | 158 | 115 | 86 | 97 | 227 | 71 | 149 | 149 | 35 | 114 | 88 | 61 | 149 | 149 | 104 | 194 | 163 | 135 | 87 | 211 |
| | 59% | 56% | 61% | 65% | 61% | 51% | 58% | 60% | 56% | 61% | 63% | 55% | 59% | 62% | 57% | 60% | 62% | 57% | 60% | 56% | 69% | 55% |

Proportions/Mean: Columns Tested (5% risk level) - A/B - C/D/E - F/G - H/I - J/K/L/M - N/O - P/Q - R/S - T/U
 * small base

Zogby International

Polling/Market Research
Public Relations Services
Marketing Strategies

Date: September 22, 2010
To: Ron Cerniglia
Direct Energy
From: Phil Vanno
Zogby International
RE: Results from Pennsylvania poll

Methodology

Zogby International was commissioned by Direct Energy to conduct a telephone survey of energy customers in most Pennsylvania counties.

The target sample is 802 interviews with approximately 29 questions asked from 9/17/10 to 9/20/10. Samples are randomly drawn from telephone lists of specific counties in Pennsylvania. Zogby International surveys employ sampling strategies in which selection probabilities are proportional to population size within area codes and exchanges. Up to six calls are made to reach a sampled phone number. Cooperation rates are calculated using one of AAPOR's approved methodologies¹ and are comparable to other professional public-opinion surveys conducted using similar sampling strategies.² Weighting by age, education, and gender is used to adjust for non-response. The margin of error is +/- 3.5 percentage points. Margins of error are higher in sub-groups.

¹ See COOP4 (p.36) in *Standard Definitions: Final Dispositions of Case Codes and Outcome Rates of Surveys*. The American Association for Public Opinion Research, (revised 2008).

² *Cooperation Tracking Study: April 2003 Update*, Jane M. Sheppard and Shelly Haas. The Council for Marketing & Opinion Research (CMOR). Cincinnati, Ohio (2003).

Narrative Summary

1. Who is your current electric utility company?

| | |
|---------------------------|-----|
| Pennsylvania Electric Co. | 31% |
| Allegheny Power | 29 |
| Metropolitan Edison | 18 |
| Penn Power | 5 |
| Other* | 15 |
| Not sure/None | 2 |

***(Number in parentheses denotes frequency of similar response)**

FirstEnergy (11); REA Energy (10); Northwestern REC (9); Adams Electric (8); United Electric (8); Claverack (7); Tri-County REC (5); Wellsboro Electric (5); Borough (5); Central Electric (3); Royal Electric (3); Somerset REC (3); PPL (3); Warren Electric (3); TP Electric (2); Valley REC (2)
One each: Duquesne Light; Elwood City Electric; GPU; National Fuel; Ohio Edison; Bedford REC; Southwest Central REC; UGI

Most of the people surveyed have either Pennsylvania Electric Co. (31%) or Allegheny Power (29%) as their electric utility company, but 18% also have Metropolitan Edison.

2. Have you ever considered switching to another electricity supplier?

| | |
|---------------------------------|-----|
| Yes | 20% |
| No | 64 |
| I didn't know that was possible | 15 |
| Not sure | 1 |

About two thirds of respondents (64%) say they have never considered switching to another electricity supplier, while a fifth (20%) say that they have considered doing so. Fifteen percent didn't know it was possible to switch suppliers.

3. *How important do you think it is to be given more choices when deciding on an electricity supplier?*

| | | | |
|----------------------|-----|--------------------|------------|
| Very important | 51% | Important | 89% |
| Somewhat important | 37 | | |
| Somewhat unimportant | 4 | Unimportant | 10 |
| Not at all important | 6 | | |
| Not sure | 1 | | |

Nine in ten respondents (89%) think it is important to be given more choices when deciding on an electricity supplier, half of which (51%) say it is very important.

4. *Right now, electricity customers who don't choose an alternative supplier are provided electricity by the local utility. Would you support or oppose allowing a company other than the utility company to provide that service if all of the consumer protections that exist today continued to apply?*

| | | | |
|------------------|-----|----------------|------------|
| Strongly support | 46% | Support | 84% |
| Somewhat support | 38 | | |
| Somewhat oppose | 4 | Oppose | 10 |
| Strongly oppose | 6 | | |
| Not sure | 6 | | |

A very large majority (84%) say they would support allowing a company other than the utility company to provide electricity to them as long as all the consumer protections that exist today continued to apply. In fact, 46% say they would strongly support allowing that to happen.

5. *Direct Energy, a competitive electricity supplier headquartered in Pittsburgh, is proposing a plan it says will drive down rates by increasing competition. Would you support or oppose such a plan?*

| | | | |
|------------------|-----|----------------|------------|
| Strongly support | 63% | Support | 91% |
| Somewhat support | 27 | | |
| Somewhat oppose | 3 | Oppose | 5 |
| Strongly oppose | 2 | | |
| Not sure | 4 | | |

Nine in ten (91%) respondents would support Direct energy’s proposal to drive down electricity rates by increasing competition, nearly two thirds of which (63%) say they would strongly support it.

6. If you knew that part of the plan involves a competitive process, that you can choose not to participate in, in which electricity suppliers would win the right to provide service by bidding on customers, would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | | | |
|----------------------|-----|--------------------|------------|
| Much more likely | 23% | More likely | 36% |
| Somewhat more likely | 13 | | |
| Somewhat less likely | 6 | Less likely | 12 |
| Much less likely | 6 | | |
| No difference | 44 | | |
| Not sure | 8 | | |

About a third of respondents (36%) say that knowing part of the plan involves a competitive bidding process in which electricity suppliers would win the right to provide them service, but in which they do not have to participate, makes them more likely to support the Direct Energy proposal. However, 44% say that knowing that information makes no difference in their decision.

7. If you knew that the utility company’s response to outages and other service emergencies would remain unchanged would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | | | |
|----------------------|-----|--------------------|------------|
| Much more likely | 27% | More likely | 45% |
| Somewhat more likely | 18 | | |
| Somewhat less likely | 2 | Less likely | 3 |
| Much less likely | 1 | | |
| No difference | 51 | | |
| Not sure | 1 | | |

Knowing that the utility company's response to outages and other service emergencies would remain unchanged under Direct Energy's proposal would make 45% of respondents more likely to support, 27% of which say it would make them much more likely to do so. However, half (51%) say that knowing that bit of information would make no difference to them.

8. If you knew that once you are selected by a new electricity supplier, you would be free to choose a different provider without paying any switching fees, would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | | | |
|----------------------|-----|--------------------|------------|
| Much more likely | 50% | More likely | 75% |
| Somewhat more likely | 24 | | |
| Somewhat less likely | 1 | Less likely | 1 |
| Much less likely | <1 | | |
| No difference | 23 | | |
| Not sure | 1 | | |

Three quarters (75%) would be more likely to support the Direct Energy proposal if they knew that once they are selected by a new electricity supplier they would be free to choose a different one without a switching fee. In fact half (50%) say that knowing that tidbit would make them much more likely to support the proposal. A quarter (23%) says that having that information would make no difference to them.

9. If you knew that you would receive a rebate check ranging from \$150 to \$500 from the electricity supplier who selected you as a customer, would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | | | |
|----------------------|-----|--------------------|------------|
| Much more likely | 47% | More likely | 68% |
| Somewhat more likely | 22 | | |
| Somewhat less likely | 2 | Less likely | 4 |
| Much less likely | 2 | | |
| No difference | 25 | | |
| Not sure | 2 | | |

Knowing that they would receive a rebate check of \$150 to \$500 from their new supplier would make two thirds (68% more likely to support Direct Energy’s plan, nearly half of which (47%) say they would be much more likely to do so. A quarter (25%) say that knowing about the rebate would make no difference to them

10. In this current economic climate, do you agree or disagree that a \$150-\$500 rebate check would make a difference to you/your family?

| | | | |
|-------------------|-----|-----------------|------------|
| Strongly agree | 64% | Agree | 86% |
| Somewhat agree | 23 | | |
| Somewhat disagree | 5 | Disagree | 13 |
| Strongly disagree | 8 | | |
| Not sure | 1 | | |

A very large majority (86%) agree that in this current economic climate, a \$150-\$500 rebate check would make a difference to them, nearly two thirds of which (64%) strongly agree.

11. In this current economic climate, do you agree or disagree that a \$150-\$500 per customer rebate check, totaling approximately \$300 million to \$1 billion for all customers would help stimulate spending in Pennsylvania?

| | | | |
|-------------------|-----|-----------------|------------|
| Strongly agree | 48% | Agree | 78% |
| Somewhat agree | 30 | | |
| Somewhat disagree | 9 | Disagree | 17 |
| Strongly disagree | 8 | | |
| Not sure | 6 | | |

About three quarters (78%) agree that in this current economic climate, a \$150-\$500 rebate check, that would total approximately \$300 million to \$1 billion for all customers, would help stimulate spending in Pennsylvania, nearly half of which (48%) strongly agree.

12. If you received a \$150-\$500 rebate check from the electricity supplier that selected you, and you were able to spend it on anything, which of the following things would you choose?

| | |
|---|-----|
| Save for a rainy day | 54% |
| A shopping spree | 7 |
| Go out to a nice dinner with family and/or friends at a restaurant in Pennsylvania | 6 |
| Family trip to the Poconos or Hershey Park | 4 |
| Other* | 26 |
| Not sure | 3 |

***(Number in parentheses denotes frequency of similar response)**

Pay bills/Debt (99); Home improvement projects (13); Spend on children/family (13); TV/appliance (8); Donate (6); Education/college (6); Taxes (4); New vehicle (3); Groceries (3); Investments (3); Gamble (3); Christmas (2); Sports (2); Luxury (2); Camping/Hunting/Fishing (2); Out-of-state travel (2); Combination of things (2); Gardening supplies, Wood, Normal day-to-day living

Half of respondents (54%) say they would save their rebate check for a rainy day.

13. Knowing what you now know, would you support or oppose Direct Energy's proposed plan to increase competition among electricity suppliers?

| | | | |
|------------------|-----|----------------|------------|
| Strongly support | 59% | Support | 89% |
| Somewhat support | 30 | | |
| Somewhat oppose | 3 | Oppose | 7 |
| Strongly oppose | 4 | | |
| Not sure | 5 | | |

After taking the survey, and knowing what they now know, nine in ten respondents (89%) say they would support Direct Energy's proposal, 59% of which say they would strongly support it.

Date: June 2, 2011
To: Ron Cerniglia
Direct Energy
From: Phil Vanno
IBOPE Zogby International
RE: Results from Pennsylvania Poll

Methodology

IBOPE Zogby International was commissioned by Direct Energy to conduct a telephone survey of energy customers in the PECO, PPL, and Duquesne Light territories of Eastern Pennsylvania and Metropolitan Pittsburgh.

The target sample is 800 interviews with approximately 32 questions asked from 5/24/11 to 5/31/11. Samples are randomly drawn from telephone lists of specific counties in Pennsylvania based on electricity supplier. IBOPE Zogby International surveys employ sampling strategies in which selection probabilities are proportional to population size within area codes and exchanges. Up to six calls are made to reach a sampled phone number. Cooperation rates are calculated using one of AAPOR's approved methodologies¹ and are comparable to other professional public-opinion surveys conducted using similar sampling strategies.² Weighting by age, education, gender, and race is used to adjust for non-response. The margin of error is +/- 3.5 percentage points. Margins of error are higher in sub-groups.

Narrative Summary*

*Not all numbers add up to 100 due to rounding

1. Who is your electric utility company?

| | |
|----------------|-----|
| PPL | 51% |
| PECO | 31 |
| Duquesne Light | 18 |

Half of those polled are customers of PPL (51%), while 31% use PECO, and 18% Duquesne Light.

¹ See COOP4 (p.36) in *Standard Definitions: Final Dispositions of Case Codes and Outcome Rates of Surveys*. The American Association for Public Opinion Research, (revised 2008).

² *Cooperation Tracking Study: April 2003 Update*, Jane M. Sheppard and Shelly Haas. The Council for Marketing & Opinion Research (CMOR). Cincinnati, Ohio (2003).

2. Have you switched to a competitive electricity supplier?

| | |
|----------|-----|
| Yes | 34% |
| No | 66 |
| Not sure | <1 |

A third (34%) say they have switched to a competitive electricity supplier, but two thirds (66%) have not done so.

3. Which of the following is the main reason you switched electricity suppliers? (**Choose one**)

| | |
|--|-----|
| Lower price (savings) | 88% |
| Environmental reasons (green power) | 3 |
| New supplier offered innovated products and services | 2 |
| Budget certainty | 1 |
| Don't like my utility company | -- |
| Other* | 4 |
| Not sure | 2 |

***(Number in parentheses denotes frequency of similar response)**

Family/friend recommended (2); No switching fee; Just moved; Went with coal

The vast majority of those who have switched say the main reason was to save money on lower price (88%).

4. Which of the following is the main reason you have not switched electricity suppliers? (**Choose one**)

| | |
|--|-----|
| Not enough savings to make it worth my while | 23% |
| I don't understand the whole process and don't want to be bothered | 17 |
| I am loyal to my current company and don't want them to lose business | 15 |
| It's simply too much of a hassle | 11 |
| I didn't know it was possible | 9 |
| I am afraid I would become a lower priority and would receive unreliable service | 3 |
| Other* | 19 |
| Not sure | 2 |

***(Number in parentheses denotes frequency of similar response)**

Satisfied with current company/No reason to switch (18); Haven't had the time/gotten around to it (13); In the process of researching (12); Don't trust/think rates will increase after switch (7); No real reason/Just haven't (7); Have special rate/deal with current company (5); Just moved/Will be moving (4); More secure with established company/Question reliability (4); Work for current company/Own stock (3); Live in complex/co-op (2); I have no control over it (2); It's all the same (2); Have solar panels; Not possible; Switched to Dominion; On the fence; Pay bills for my dad and he doesn't want to switch

Of those who have not switched, most say it is because there is not enough savings to make it worth their while (23%), followed by not wanting to be bothered because they don't understand the process (17%), being loyal to their current utility company (15%), and felling it is too much of a hassle (11%). Nine percent say they didn't know it was possible to switch.

5. How important do you think it is to be given more choices when deciding on an electricity supplier?

| | Important | | | Unimportant | | | Not Sure |
|--------------|-----------|----------|-----------|-------------|------------|-----------|----------|
| | Very | Somewhat | Total | Somewhat | Not at all | Total | |
| May 2011* | 52 | 34 | 86 | 4 | 9 | 13 | 1 |
| Sept. 2010** | 51 | 37 | 89 | 4 | 6 | 10 | 1 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

A vast majority (86%) thinks it is important to be given more choices when deciding on an electricity supplier, half of which (52%) say it is very important. This is on par with the importance respondents assigned in the September poll (89%).

6. Right now, electricity customers who don't choose an alternative supplier are provided electricity by the local utility. Would you support or oppose allowing a company other than the utility company to provide that service if all of the consumer protections that exist today continued to apply?

| | Support | | | Oppose | | | Not Sure |
|--------------|----------|----------|-----------|----------|----------|-----------|----------|
| | Strongly | Somewhat | Total | Somewhat | Strongly | Total | |
| May 2011* | 43 | 36 | 78 | 6 | 7 | 13 | 8 |
| Sept. 2010** | 46 | 38 | 84 | 4 | 6 | 10 | 6 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

About three quarters (78%) would support allowing a company other than the utility company to provide service if all consumer protections applied, with 43% strongly supporting. This is down slightly from the September poll (84%).

7. Direct Energy, a competitive electricity supplier headquartered in Pittsburgh, is proposing a plan it says will drive down rates by increasing competition. Would you support or oppose such a plan?

| | Support | | | Oppose | | | Not Sure |
|--------------|----------|----------|-----------|----------|----------|-----------|----------|
| | Strongly | Somewhat | Total | Somewhat | Strongly | Total | |
| May 2011* | 52 | 27 | 78 | 6 | 6 | 13 | 9 |
| Sept. 2010** | 63 | 27 | 91 | 3 | 2 | 5 | 4 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

About three quarters (78%) would support the Direct Energy plan, with half (52%) saying they would strongly support it. This is down 13 percentage points from the September poll (91%).

8. If you knew that part of the plan involves a competitive process, that you can choose not to participate in, in which electricity suppliers would win the right to provide service by bidding on customers, would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | More Likely | | | Less Likely | | | No difference | Not Sure |
|--------------|-------------|----------|-------|-------------|------|-------|---------------|----------|
| | Much | Somewhat | Total | Somewhat | Much | Total | | |
| May 2011* | 15 | 18 | 33 | 6 | 7 | 13 | 45 | 9 |
| Sept. 2010** | 23 | 13 | 36 | 6 | 6 | 12 | 44 | 8 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

Most respondents (45%) say that knowing the plan involves a competitive process that they can choose not to participate in, in which electricity suppliers would win the right to provide service by bidding on customers, makes no difference in their support of the Direct Energy plan. A third however (33%) say it would make them more likely to support. The results are nearly identical to the September poll responses.

9. If you knew that the utility company's response to outages and other service emergencies would remain unchanged would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | More Likely | | | Less Likely | | | No difference | Not Sure |
|--------------|-------------|----------|-------|-------------|------|-------|---------------|----------|
| | Much | Somewhat | Total | Somewhat | Much | Total | | |
| May 2011* | 27 | 20 | 47 | 1 | 1 | 3 | 49 | 1 |
| Sept. 2010** | 27 | 18 | 45 | 2 | 1 | 3 | 51 | 1 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

Respondents are split over whether knowing that the utility company's response to outages and other service emergencies would remain unchanged would make them more likely to support the Direct Energy plan (47%) or would make no difference in their level of support or opposition (49%). This is about the same as what respondents said on the September poll

10. If you knew that once you are selected by a new electricity supplier, you would be free to choose a different provider without paying any switching fees, would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | More Likely | | | Less Likely | | | No difference | Not Sure |
|--------------|-------------|----------|-------|-------------|------|-------|---------------|----------|
| | Much | Somewhat | Total | Somewhat | Much | Total | | |
| May 2011* | 44 | 25 | 69 | 2 | 1 | 3 | 26 | 2 |
| Sept. 2010** | 50 | 24 | 75 | 1 | <1 | 1 | 23 | 1 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

Seven in ten (69%) say they would be more likely to support the Direct Energy plan if they knew that once selected by a new electricity supplier, they would be free to choose a different provider without paying any switching fees, but a quarter say it would make no difference in their decision. Slightly more respondents would have been more likely to support the plan in the September poll (75%).

11. If you knew that you would receive a rebate check ranging from \$150 to \$500 from the electricity supplier who selected you as a customer, would that make you more or less likely to support the Direct Energy proposal or would it make no difference to you?

| | More Likely | | | Less Likely | | | No difference | Not Sure |
|--------------|-------------|----------|-----------|-------------|------|----------|---------------|----------|
| | Much | Somewhat | Total | Somewhat | Much | Total | | |
| May 2011* | 43 | 20 | 63 | 2 | 4 | 6 | 28 | 4 |
| Sept. 2010** | 47 | 22 | 68 | 2 | 2 | 4 | 25 | 2 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

Nearly two thirds (63%) say they would be more likely to support the Direct Energy plan if they knew they would receive a rebate check ranging from \$150 to \$500 from the electricity supplier who selected them as a customer, while about a quarter (28%) say it would make no difference in their decision. The number of respondents to say this would make them more likely was slightly more in the September 2010 poll (68%).

12. In this current economic climate, do you agree or disagree that a \$150-\$500 rebate check would make a difference to you/your family?

| | Agree | | | Disagree | | | Not Sure |
|--------------|----------|----------|-----------|----------|----------|-----------|----------|
| | Strongly | Somewhat | Total | Somewhat | Strongly | Total | |
| May 2011* | 61 | 24 | 85 | 6 | 7 | 13 | 2 |
| Sept. 2010** | 64 | 23 | 86 | 5 | 8 | 13 | 1 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

The vast majority (85%) agree that a \$150-\$500 rebate check would make a difference to them in this current economic climate, six in ten of which strongly agree (61%). The level of agreement in the September 2010 poll was nearly identical.

13. In this current economic climate, do you agree or disagree that a \$150-\$500 per customer rebate check, totaling approximately \$600 million to \$2 billion for all customers would help stimulate spending in Pennsylvania?***

| | Agree | | | Disagree | | | Not Sure |
|--------------|----------|----------|-----------|----------|----------|-----------|----------|
| | Strongly | Somewhat | Total | Somewhat | Strongly | Total | |
| May 2011* | 45 | 33 | 79 | 7 | 11 | 17 | 4 |
| Sept. 2010** | 48 | 30 | 78 | 9 | 8 | 17 | 6 |

*PECO, PPL & Duquesne Light customers

**Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

***Was asked as "\$300 million to \$1 billion" in Sept. 2010

A very large majority (79%) agrees that a \$150-\$500 per customer rebate check, totaling approximately \$600 million to \$2 billion for all customers would help stimulate spending in Pennsylvania, 45% of which strongly agree. The level of agreement was the same in the September poll, despite the projected totals being halved.

14. If you received a \$150-\$500 rebate check from the electricity supplier that selected you, and you were able to spend it on anything, which of the following things would you choose?

| | May 2011* | Sept. 2010** |
|--|-----------|--------------|
| Save for a rainy day | 56 | 54 |
| A shopping spree | 5 | 7 |
| Go out to a nice dinner with family and/or friends at a restaurant in Pennsylvania | 5 | 6 |
| Family trip to a Pennsylvania destination | 4 | 4 |
| Other*** | 26 | 26 |
| Not sure | 3 | 3 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

*** (Number in parentheses denotes frequency of similar response)

Pay bills/put toward debt (113); Home improvements/buy things for home (21); Spend on/give to family (13); Food/Groceries (9); Donate/Charity (8); Take out-of-state trip (8); Spend on necessities/something important (4); Gas (3); Invest it (3); Not interested (2); New car; New house; Medicine; All of the above

A majority (56%) say they would save their \$150-\$500 rebate check for a rainy day, which is about the same amount that said so in the September poll.

15. Knowing what you now know, would you support or oppose Direct Energy's proposed plan to increase competition among electricity suppliers?

| | Support | | | Oppose | | | Not Sure |
|--------------|----------|----------|-----------|----------|----------|-----------|----------|
| | Strongly | Somewhat | Total | Somewhat | Strongly | Total | |
| May 2011* | 48 | 34 | 82 | 6 | 7 | 12 | 6 |
| Sept. 2010** | 59 | 30 | 89 | 3 | 4 | 7 | 5 |

*PECO, PPL & Duquesne Light customers

** Mainly Pennsylvania Electric Co., Allegheny Power, Metropolitan Edison, Penn Power, with other customers

The vast majority (82%) say that after taking the poll, they would support the Direct Energy plan, which is a slight increase from when they were asked at the beginning of the survey (78%), but down slightly from the September 2010 poll (89%).

**RESA Discussion Document on
Elimination of the EDC Confirmation Letter and 16 Day Switch Window
Submitted to RMI on August 26, 2011**

RESA believes that the best way to expedite the switching process is to fully eliminate the EDC confirmation letter process and the 16 day switch window, which is designed to accommodate the 10 day notice period described in the EDC confirmation letter. RESA believes that instances of erroneous EGS switches should be dealt with through a vigorous customer “hold harmless” process with additional severe penalties for instances of intentional slamming.

Policy Rationale

RESA recognizes that the Commission has a zero tolerance policy for unauthorized switches and RESA agrees that unauthorized switches that occur as a result of intentional, bad faith actions should be addressed with severe penalties. However, to date, RESA is unaware of any significant number of such switches. Therefore, the current enrollment lead time policies impact every customer who shops by requiring him or her to wait a period of time before giving their choice effect for the purpose of “protecting” those few customers who have had an unauthorized switch.

Customers Held Harmless

RESA believes that it is important to distinguish between accidental erroneous switches and instances of intentional slamming. And in either case, the customer should be held harmless.

Accidental Switches

Despite best efforts there may be instances where an EGS accidentally switches the wrong customer or switches a customer on a date earlier than provided for in the customer’s agreement. These accidental switches do not occur often, but when they do, it is the result of technical glitches or other process errors. Examples include:

- A valid switch is contaminated with another customer’s account number due to a system error.
- A valid switch is transmitted too early to the EDC initiating a pre-mature switch away from the customer’s current supplier or default service

Hold Harmless Process for Accidental Switches

For accidental switches, the EGS would be required to hold the customer monetarily harmless from the effects of the erroneous switch. After the EGS determines (or is notified by the EDC, another supplier, or the PUC) of an accidental switch, the EGS would be required to cooperate in ensuring that the customer is switched back to the correct EGS (or EDC) as soon as practicable under the prevailing EDI switching procedures.

The EGS would also be required to compensate the customer for any “lost savings”. For example, assume that a customer was erroneously served by Acme Energy for the month of July and Acme billed the customer at a rate of \$0.10 per kWh. The customer should have been served by Watt Energy at a rate of \$0.09 per kWh. The customer used 1,000 kWhs during July. In this scenario, the customer would

**RESA Discussion Document on
Elimination of the EDC Confirmation Letter and 16 Day Switch Window
Submitted to RMI on August 26, 2011**

be responsible for paying Acme Energy for the electricity actually provided but at a rate of \$0.09 per kWh.

Provisions for Slamming

If it is determined that an intentional unauthorized switch was generated by the EGS, then the EGS would not be permitted to receive or collect any charges from the customer for the period of the unauthorized switch. In the above example, if Acme Energy were found to have initiated an unauthorized switch, then Acme would have no ability to collect for the service it provided during the month of July. In addition, the PUC would have the ability to impose punitive sanctions, including license revocation.

Adjudication of Switch Disputes

It is anticipated that the vast majority of potential disputes will be resolved between EGSs, the EDC and customers without involvement from the PUC. It is important to note that even under today's practice with the 10 day confirmation period, switching disputes do occur. Customers are free to question the validity of a switch even beyond the 10 day period and after the switch occurs.

To address the concern raised by some that elimination of the confirmation process could result in more disputed switches (which, nonetheless, RESA does not believe will occur), we recommend a new expedited procedure for resolving customer complaints involving switching disputes.

Customers would be able to initiate an informal complaint with BCS if they believe that the switch was in error. EGSs would be allowed 10 business days to supply documentation verifying a switch to BCS in addition to any other information requested. BCS would make a preliminary ruling within an additional 10 business days finding whether the switch was: (i) a valid switch, (ii) an invalid, but unintentional mistaken switch, or (iii) an actual slamming occurrence. Parties would maintain existing procedural rights to appeal this preliminary ruling by BCS. Repeated instances of slamming could be referred to BIE for investigation or the initiation of a formal proceeding to impose punitive sanctions.

Rescission times Other States

Connecticut – 2 days Massachusetts – 2 days Maine – 2 days Rhode Island – 2 days

Texas – 3 days for “switches” – (unless a smart meter is installed, then it can be the same day; no rescission period for move-in service)

**RESA Discussion Document on
Supplier Coordination Credit Provision Standardization
Submitted to RMI on August 26, 2011**

RESA believes that Supplier Coordination Tariff credit provisions should be standardized across the Commonwealth. RESA believes that the standardization should be based on unambiguous, transparent credit analysis that uses defensible credit standards to indemnify the utility to the definable credit risks incurred as a result of the stipulations in the Supplier Coordination Tariff. In addition, RESA believes that the resulting credit requirements should be exclusive to any credit risks or requirements that are already mitigated through Public Utility Commission (PUC) or Regional Transmission Organization (RTO) credit obligations incurred by the EGS.

Policy Rationale

RESA supports the concept of credit risk mitigation and indemnification for its customers and counterparties through flexible, transparent, and appropriately calculated credit and collateralization requirements. RESA believes that standardizing these requirements on industry best practices creates a more efficient and cost-effective market for its customers. Standardization in credit provisions and other areas of the Supplier Coordination Tariff allow EGS to more easily bring the benefits of the competitive retail market to all utilities in the Commonwealth. In addition, setting credit requirements at a level that is truly commensurate with customer and counterparty risk exposures helps to balance needed protections with the cost that EGS, and ultimately Pennsylvania customers, incur for those protections.

Standardization and Transparency

As the accompanying matrix shows, RESA did find some consistency in the Supplier Coordination Tariffs that were assessed (i.e. MetEd, Penelec, Penn Power, West Penn Power, PECO, and PPL). Generally, the tariffs stipulate that EGS must provide collateralization for “coordination service charges” incurred over a specified time frame (most often 2 billing cycles). It would be helpful, however, if coordination service charges were more clearly defined in all the tariffs. Having an explicit list of known charges that are included in the utility credit assessments and calculations would provide an EGS with the transparency needed to determine one of the costs of doing business in that utility territory. In addition, more clarity as to the charges covered by the utilities’ credit assessments would allow the PUC and the EGS to verify that the credit obligations levied on the EGS are set at an appropriate level and are not duplicative of credit obligations that EGS manage through either the PUC or PJM.

RESA would like to note that Met-Ed, Penelec, and Penn Power provide the most transparency as to the standards and calculations that are used to determine EGS calculations. These utilities provide this information both in the Supplier Coordination Tariff and on a web site for EGS seeking coordination service in their territories. RESA would like to suggest that all utilities in Pennsylvania include similar levels of transparency in their Supplier Coordination Tariffs as well as on their EGS registration sites.

The credit facility that an EGS can use to meet its credit obligations is a tariff provision that can also be modified to improve operational efficiencies. While there is some overlap as to the credit facilities accepted by the reviewed utilities, RESA believes that there is no reason that the tariffs should exclude (or require special dispensation for) any of the commonly used credit vehicles. As such, RESA suggests

**RESA Discussion Document on
Supplier Coordination Credit Provision Standardization
Submitted to RMI on August 26, 2011**

that all supplier coordination tariffs should include stipulations that allow properly structured Parental Guarantees, Letters of Credit, Surety Bonds, or Cash Deposits to meet EGS credit obligations.

EGS Credit Obligations with the PUC

In order to maintain a license with the PUC, an EGS must post a bond or other security with the PUC. The purpose of the security requirement is to ensure the licensee's financial responsibility, the payment of gross receipts tax as required by section 2810 of the code (relating to revenue-neutral reconciliation), and the supply of electricity at retail in accordance with contracts, agreements or arrangement (52 Pa. Code § 54.40). As such, RESA does not believe it is appropriate for utilities to include GRT or other risks covered by the PUC security requirement in the credit obligations levied on EGS. Inclusion of these risks in utility credit assessments would be duplicative and result in extraneous costs for EGS and their customers.

EGS Credit Obligations with PJM

As a Load Serving Entity and member of PJM, EGS are required to post collateral with the RTO to cover default risk to the wholesale market. As such, RESA does not believe it is appropriate for utilities to include risks associated with default at PJM in the credit obligations levied on EGS. Inclusion of these risks in utility credit assessments would be duplicative and result in extraneous costs for EGS and their customers.

Competitive Supplier Provisions in Maryland and Illinois

RESA would like to point out that both Maryland and Illinois have adopted credit requirements for retail suppliers that allow EGS to provide proof of collateralization at PJM (or MISO in IL) to meet their credit requirements at the applicable utility commissions. RESA would like to ask that utilities in the Commonwealth study the provisions in the MD and IL regulatory code and determine if it would be possible to adopt similar provisions for EGS engaging in coordination services in their territory

[IL Title 83: Chapter I: Subchapter c: Part 451: Section 451.320](#)

An applicant shall be deemed to possess sufficient financial resources to be certified as an ARES able to serve all retail customers if it meets any of the following criteria:

The applicant maintains one or more lines of credit with RTOs and/or unaffiliated wholesale suppliers for electric energy for delivery to the service territories of the utilities for which the applicant is seeking a certificate.

[MD COMAR 20.51.02.08](#)

08 Financial Integrity

A. Each applicant for a license shall file audited financial documents as listed in Regulation .02B(4) of this chapter.

B. The Commission shall consider an applicant to have acceptable financial integrity if it:

(1) Receives an unsecured credit allowance greater than \$2,000,000 from PJM Interconnection, LLC, and provides documentation of the credit allowance;

| Utility | Credit Facility Amount/Basis | Credit Facilities Accepted | Documented Credit Risks | Published Credit Standards | Forms | | | | | | | | |
|---------------------------------|--|--|--|--|------------------|-----------|-----------------------------|-----------|------------|-----------|---------------------------------|-----------|-------------------------------------|
| MetEd Penelec Penn Power | Initial Amount of \$250,000 EGS Credit Exposure Formula Slides An EGS shall satisfy its Creditworthiness requirement and receive an unsecured credit limit which will be a maximum of 5% of a Suppliers Tangible Net Worth by demonstrating that it has, and maintains, investment grade long-term bond ratings from any two of the following four rating agencies: (See published Credit Standards) | Letter of Credit Alternates: Parental Guarantee Cash Deposit alternate credit arrangements may be provided by a party other than the EGS | The deposit shall be equal to the value of Coordination Services Charges the Company projects the EGS will incur during the next two (2) billing periods based on that EGS's forecasted load obligation. | Credit requirements Unsecured credit for: <table border="1" data-bbox="1182 266 1728 483"> <tr> <td>Standard & Poors</td> <td>Min. BBB-</td> </tr> <tr> <td>Moody's Investors' Services</td> <td>Min. Baa3</td> </tr> <tr> <td>Fitch IBCA</td> <td>Min. BBB-</td> </tr> <tr> <td>Duff & Phelps Credit Rating Co.</td> <td>Min. BBB-</td> </tr> </table> | Standard & Poors | Min. BBB- | Moody's Investors' Services | Min. Baa3 | Fitch IBCA | Min. BBB- | Duff & Phelps Credit Rating Co. | Min. BBB- | CREDIT HISTORY FORM |
| Standard & Poors | Min. BBB- | | | | | | | | | | | | |
| Moody's Investors' Services | Min. Baa3 | | | | | | | | | | | | |
| Fitch IBCA | Min. BBB- | | | | | | | | | | | | |
| Duff & Phelps Credit Rating Co. | Min. BBB- | | | | | | | | | | | | |

| | | | | | |
|-----------------|--|---|---|---|---|
| <p>Duquesne</p> | <p>The deposit shall be equal to</p> <p>(i) \$250,000 or (ii) two months of the EGS's customers' forecasted MWH load multiplied by \$25.00, whichever is less.</p> <p>The Company, in its sole discretion, may reduce the amount of this deposit if circumstances warrant.</p> | <p>Letter of Credit Or "Other guarantee, satisfactory to the Company"</p> | <p>Payment of final bills and compliance with the Company's Rules and Regulations</p> <p>the Company may require an EGS to post a deposit at any time if the Company determines that the EGS is no longer creditworthy or has bad credit. An EGS shall have the right to submit to the Commission for resolution any reasonable dispute regarding such deposit sought by the Company if the EGS believes such a requirement is inappropriately based or assessed.</p> | <p>Initial Credit Evaluation:</p> <ul style="list-style-type: none"> • Provide S&P Credit Rating and Date of most recent rating • Provide Moody's Credit Rating and Date of most recent rating • Other Rating Agency Reports – Provide Credit Rating and Date of most recent rating for any other nationally known rating agencies. <p>Financial Statements and Related Information – Each EGS must submit financial statements for the most recent fiscal quarter, as well as independently audited financial statements for the most recent three fiscal years, or the period of existence of the EGS, if shorter.</p> | <p>"How to Get Started" Document (pg 2)</p> |
|-----------------|--|---|---|---|---|

| | | | | | | | | | | | | | |
|---------------------------------|---|--|---|--|--|-----------|-----------------------------|-----------|------------|-----------|---------------------------------|-----------|---|
| <p>West Penn Power</p> | <p>[Credit] standards take into consideration the scope of operations of each supplier.</p> <p>The Supplier shall at all times satisfy requests for Credit Resources, and shall periodically, but no less frequently than quarterly, provide updated information to the Company to reflect any changes in financial and business status</p> | <p>Letter of Credit</p> <p>Alternates: Parental Guarantee Cash Deposit</p> | <p>Assurance of the following:</p> <p>The Supplier's ability to pay the applicable Credit Amount, Supplier Coordination Fees, and/or any applicable penalties included in the Supplier Coordination Tariff, or any other charges, fees, or penalties authorized by the Commission and payable to the Company.</p> | <p>Published Standards</p> <p>Unsecured credit for:</p> <table border="1" data-bbox="1182 159 1728 375"> <tr> <td>Standard & Poors</td> <td>Min. BBB-</td> </tr> <tr> <td>Moody's Investors' Services</td> <td>Min. Baa3</td> </tr> <tr> <td>Fitch IBCA</td> <td>Min. BBB-</td> </tr> <tr> <td>Duff & Phelps Credit Rating Co.</td> <td>Min. BBB-</td> </tr> </table> | Standard & Poors | Min. BBB- | Moody's Investors' Services | Min. Baa3 | Fitch IBCA | Min. BBB- | Duff & Phelps Credit Rating Co. | Min. BBB- | <p>EGS Credit Application</p> |
| Standard & Poors | Min. BBB- | | | | | | | | | | | | |
| Moody's Investors' Services | Min. Baa3 | | | | | | | | | | | | |
| Fitch IBCA | Min. BBB- | | | | | | | | | | | | |
| Duff & Phelps Credit Rating Co. | Min. BBB- | | | | | | | | | | | | |
| <p>PECO PPL</p> | <p>Equal to the value of Coordination Services Charges the Company projects the EGS will incur during the next two billing periods based on that EGS's forecasted load obligation</p> | <p>Cash Deposit Letter of Credit Surety Bond "Other Guarantee"</p> | <p>For the payment of final bills and compliance with the Company's Rules and Regulations</p> | <p>No explicit standard published</p> <p>An EGS shall be required to provide to the Company such credit information as the Company requires.</p> <p>The Company may require an EGS to post a deposit at any time if the Company determines that the EGS is no longer creditworthy or has Bad Credit. An EGS shall have the right to submit to the Commission for resolution any reasonable dispute regarding such deposit, letter of credit, surety bond or other guarantee sought by the Company if the EGS believes such a requirement is inappropriately based or assessed.</p> | <p>PECO</p> <p>PPL</p> <p>EGS Credit Application EGS Credit Application - Supplement</p> | | | | | | | | |

Definitions:

Coordination Services - those services that permit the type of interface and coordination between EGSs and the Company in connection with the delivery of Competitive Energy Supply to serve Customers located within the Company's service territory including, but not limited to, provision of metering information to PJM. Coordination Services do not include Network Integration Transmission Service and ancillary services which are offered under the PJM Tariff.

Coordination Services Charges - all charges stated in the charges section of this Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for Coordination Services performed hereunder.

Payment Obligation. The Company's provision of Coordination Services to an EGS is contingent upon the EGS's payment of all charges provided for in this Tariff and the PJM Tariff.