



Supplier. The Commission's regulations at 52 Pa. Code 54.183 further reinforce this reality. Some parties have commented that a legislative change would be necessary for a model in which an EGS serves as the Default Service Provider and the EDC remained as a "Provider of Last Resort" or backstop provider. WGES does not necessarily agree with this interpretation. The use of the word "or" in the definition of "Default Service Provider" in 66 Pa.C.S.A. § 2803 seems to provide flexibility to the Commission to approve one "Default Service Provider" for non-shopping customers and another "Default Service Provider" to serve customers whose supplier cannot supply service. For instance, under the existing legislative framework, the Commission could approve an EGS as a "marketplace" Default Service Provider, and another EGS as a "backstop" Default Service Provider. WGES also believes that one entity can fulfill both roles.

It is clear, however, the new legislation will be required if either Model A or Model B are to be implemented. Both of these Models envision a Default Service procurement that differs considerably from the framework mandated by 66 Pa.C.S.A. § 2807(e). In choosing a new Model, the Commission should be as specific as possible in outlining the legislative changes that need to be made to the procurement rules to ensure that the intended policy goals are reflected in the final Legislation.

As WGES stated in its earlier submission, EGSs (including an EGS serving in a Default Service Role) should be permitted to perform the consolidated billing function (i.e., issue bills to customers for all electricity components, including distribution). Unbundling the billing function from distribution service will create the greatest customer connection with the EGS and will break the customer's inherent bias towards remaining with the EDC. This change will likely require legislative amendment however, as Section 2807(c) authorizes EDCs to perform

consolidated billing, but does not similarly authorize EGSs to do so. In addition, unbundling the billing function will allow the identification of costs allocated to that function and perhaps provide incentives for EGSs to offer competitive billing as an option to customers.

### **OTHER ISSUES**

WGES applauds the Commission for taking a strong stance on customer protection issues, and agrees with the Commission's tough sanctions against EGSs that violate the Commission's customer protection and marketing regulations. WGES believes that if the Default Service Model is changed to allow EGSs to serve as a Default Service Provider, there may need to be some additional customer protection requirements codified. However, this could be accomplished through a Commission policy statement or rulemaking rather than a legislative amendment.

### **CONCLUSION**

WGES thanks the Commission for the opportunity to present these comments and would be pleased to address any questions the Commission may have.

Respectfully Submitted,

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