

Moury, Karen

From: Schmittberger, Teresa <TSchmitt@mwn.com>
Sent: Tuesday, February 07, 2012 12:47 PM
To: Moury, Karen
Cc: Polacek, Pamela
Subject: RE: RMI - Follow up on Several Items

Karen:

Sorry about the confusion regarding who from McNees was on the RMI Participants distribution list. Unfortunately, this confusion also prevented us from submitting an End-State Default Service Proposal. For your reference going forward, here are a few comments of the Industrial Customer Groups:

- We believe that the EDC should remain in the default service provider role.
- The Industrial Customer Groups support a default service model that includes as low an adder as possible associated with the hourly-priced default service product. Certain short-term and long-term situations, e.g., customer bankruptcy or transitioning between EGSs, may require Large Commercial and Industrial ("C&I") customers to return to default service. It is not necessary to inflate the adder to encourage shopping by this class. Different procedures for reducing this adder may be considered, e.g., whether procuring the hourly product in-house is lower cost than auctioning off the procurement of the hourly product.
- The end-stage default service format should include a fixed price option for Large C&I customers to ensure that economic development continues. Many manufacturers need stable, predictable and affordable rates. The short-term nature of the restructured supply market pricing does not always meet these needs. New businesses and industries should not be deterred from entering Pennsylvania because they cannot receive a long-term fixed price option when they can in other states.

Please let me know if you have any questions. Thank you.

Best,
Teresa

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