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July 19, 2016

Via Electronic Filing

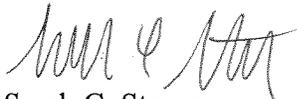
Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program
and Procurement Plan for the Period June 1, 2017 Through May 31, 2021,
Docket No. P-2016-2526627

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Statement in Support of Joint Petition for Approval of Partial Settlement of the Retail Energy Supply Association ("RESA") with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Sarah C. Stoner

Enclosure

cc: Hon. Susan D. Colwell w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of RESA's Statement in Support of Joint Petition for Approval of Partial Settlement upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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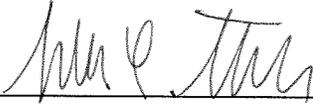
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Sarah C. Stoner, Esq.

Date: July 19, 2016

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval of a Default :
Service Program and Procurement Plan : Docket No. P-2016-2526627
for the Period June 1, 2017 through May :
31, 2021 :

**THE RETAIL ENERGY SUPPLY ASSOCIATION'S
STATEMENT IN SUPPORT OF JOINT PETITION
FOR APPROVAL OF PARTIAL SETTLEMENT**

I. INTRODUCTION

The Retail Energy Supply Association (“RESA”)¹, a trade association of electric generation suppliers (“EGSs”), submits this Statement In Support of the Joint Petition for Approval of Partial Settlement (“Partial Settlement”) by and between itself and PPL Electric Utilities Corporation (“PPL”), the Pennsylvania Public Utility Commission’s (“Commission”) Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and PPL Industrial Customer Alliance (“PPLICA”) (collectively, “Joint Petitioners”). While the Partial Settlement does not address all of the concerns stated by RESA in this proceeding and in the manner preferred by RESA, the Partial Settlement does represent a reasonable compromise of competing positions and narrows the issues that need to be addressed by the Commission which provides more certainty to the stakeholders and assists in reducing administrative burdens. RESA supports approval of the Partial Settlement without modification.

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

RESA is a nonprofit organization and trade association that represents the interests of a broad and diverse group of energy suppliers who share the common vision that competitive retail and wholesale energy markets deliver a more efficient, customer-oriented outcome than the regulated utility structure. RESA is devoted to working with all stakeholders to promote vibrant and sustainable competitive retail energy markets for all consumers. RESA members currently serve residential, commercial and industrial and institutional customers in Pennsylvania and other jurisdictions in North America that have enacted retail choice.

In this proceeding, RESA raised the following issues and concerns about PPL's proposed default service plan: (1) PPL's proposal to establish a four-year default service term; (2) the proposal to add longer-term contracts to the procurement mix for the residential class; and (3) PPL's proposal to require EGSs to serve their prior SOP customers at a future unknown and lower SOP price.

RESA offered the following proposals in this proceeding: (1) that PPL be directed to implement measures to enhance the transparency of Non-Market Based ("NMB") charges; (2) that PPL's proposal to continue to refer customers in "pending active" status through the SOP even though the customer may not be enrolled until their account status has changed be rejected; and (3) that PPL be required to update its Supplier Coordination Tariff to reflect currently effective Purchase of Receivables rates.

In support of the Partial Settlement, RESA offers the following.

II. STATEMENT IN SUPPORT OF THE PARTIAL SETTLEMENT

The Partial Settlement is a reasonable compromise and lawful resolution of PPL's proposed default service procurement plan for the period of June 1, 2017 through May 31, 2021 ("DSP IV"). Regarding the procurement plan, PPL did not propose any major modifications to any of the procedures or products currently in effect. While RESA did not propose

modifications or recommendations regarding PPL’s proposed procurement plan, it did not support PPL’s proposal to implement a four-year default service plan period, as it would “eliminate any near term opportunity to adapt the default service plan and procurement structure to changing market conditions.” (RESA St. No. 1 at 3; RESA St. No. 1-SR at 2-5). While the Partial Settlement establishes a four-year default service program, it provides for a “mid-term stakeholder review” process similar to that contemplated in the FirstEnergy settlement.² (Partial Settlement at ¶ 24). The review process will provide an opportunity to discuss retail market enhancement issues and assess current market conditions and, therefore, is a reasonable outcome for this issue.

PPL initially proposed that EGSs be required to re-rate the existing EGS’ SOP customers who desire to cancel the existing SOP contract and be enrolled in a new SOP contract at a new SOP rate due to a decreasing rate change in the PTC. (PPL St. No. 1 at 40-41). RESA opposed this proposal which would be risky for EGSs and diverges from the intent of the SOP to encourage customers who had not shopped before to enter the competitive market with an initial guarantee of savings – not a rate savings guarantee for the entire year. (RESA St. No. 1 at 12-14; RESA St. No. 1-SR at 9-12). RESA was also concerned that PPL’s proposal just continued customers indefinitely in the SOP rather than encouraging customers who contact PPL with concerns about the SOP contract rate to contact the EGS. (RESA St. No. 1-SR at 11). The Partial Settlement reasonably resolves this issue and reflects that all customers that request to be enrolled in the SOP (both new and re-enrollments) be placed into the SOP “pool” and randomly assigned to participating EGSs. (Partial Settlement at ¶ 35). The Settlement also proposes to

² *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs*, Docket Nos. P-2015-2511333, P-2015-2511351, P-2015-2511355, P-2015-2511356, Joint Petition for Settlement dated April 1, 2016.

add new language to its scripts for customers who express a concern about the SOP rate to encourage the customers to contact the SOP supplier to request a new rate. (Partial Settlement at Appendix B at 15). This additional SOP script change supports better customer education about the competitive market options and, by encouraging customers to contact their SOP supplier to request a new rate, appropriately addresses the concerns RESA identified regarding PPL's original proposal.

The Joint Petition also reasonably addresses concerns raised by RESA that suppliers cannot enroll customers in the SOP if they are in pending active status. Currently, EGSs may pay a referral fee for a customer in pending active status even though customers in pending active status cannot be enrolled until the account is resolved which may take a long time. Currently, EGSs need to manually deal with these specific accounts on an individual basis which is time consuming and costly. (RESA St. No. 1 at 10-11). PPL agrees in the Joint Petition to incorporate any processes and protocols developed by the Seamless Moves and Instant Connect Electronic Data Exchange Working Group, to the extent feasible in the SOP. (Partial Settlement at ¶ 36). These processes include developing protocols to communicate important customer information (such as resolving a pending active account) to the EGSs through the EDI process. (RESA St. No. 1-SR at 14). Ensuring these protocols are also implemented in the context of SOP is a reasonable outcome for this issue as it provides interested stakeholders an opportunity to help guide procedures that may resolve RESA's concerns regarding customers in pending active status.

While PPL did not propose any changes regarding the way it handles NMB charges, RESA has long advocated that requiring PPL to assume the cost responsibility for the NMB charges for all load is a fair way to ensure that all customers are only required to pay the actual

costs of these charges. As part of the Partial Settlement, PPL agreed to implement various processes and procedures to provide more transparency to market participants regarding NMB charges (Partial Settlement at ¶ 37). In consideration of the Commission's prior determinations on this issue as well as PPL's willingness to implement the new transparency provisions established in the Partial Settlement, the settlement term is a practical and reasonable outcome as it will provide more transparency to EGSs about these unpredictable charges. (RESA St. No. 1 at 9).

RESA fully supports the settlement term in the Partial Settlement requiring PPL to update its Supplier Coordination Tariff to reflect the current Purchase of Receivables ("POR") discount rate and to ensure that the tariff is updated with any future Commission-approved changes. (Partial Settlement at ¶ 38). This is a good result from a policy perspective, as EGSs that provide or seek to provide service in PPL's service territory will have an accurate understanding of its rates and processes. (RESA St. No. 1 at 15).

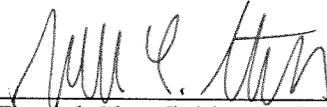
While agreement regarding the issue reserved for litigation – Customer Assistance Program shopping - could not be reached, a substantial number of issues raised by the parties were able to be resolved by the Partial Settlement enabling the Commission to narrowly focus on the remaining issue in the proceeding. Additionally, the terms of the Partial Settlement are supported by the testimony entered into the record, and thus, there is a sound evidentiary basis for the Partial Settlement terms. The Partial Settlement is in the public interest because its procurement plan and other modifications will serve to facilitate electric competition in PPL's service territory. Importantly, the SOP will continue with appropriate process improvements to be implemented. Finally, the Partial Settlement amicably and expeditiously resolves a number of important and contentious issues which narrows the issue reserved for litigation. For all these

reasons, the Partial Settlement reduces the administrative burden and costs to resolve the numerous issues in this proceeding and should be adopted as a reasonable outcome that is in the public interest.

III. CONCLUSION

RESA respectfully requests that the Partial Settlement, taken as a whole, is in the public interest and should be approved without modification.

Respectfully submitted,



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