



Robert Bonner  
Director, Reporting, Operations &  
Policy  
ConocoPhillips Company  
600 North Dairy Ashford  
CH-1014B  
Houston, TX 77079  
Phone: 281.293.4872  
Robert.F.Bonner@conocophillips.com

**Via e-Filing**

August 26, 2016

Ms. Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Bldg.  
2<sup>nd</sup> Floor, Room-N201  
400 North Street  
Harrisburg, Pennsylvania 17120

Re: Tentative Order related to the Proceeding to Evaluate Transition to Corrected Non-Solar Tier I Calculation Methodology; Docket No. M-2009-2093383

**Comments of ConocoPhillips Company**

Dear Secretary Chiavetta:

ConocoPhillips Company (COP), a licensed EGS in the state of Pennsylvania, appreciates the opportunity to offer brief comments in response to the Tentative Order entered August 15, 2016 at the above-captioned docket.

In its Tentative Order, the Commission referenced the July 8, 2016 Secretarial Letter it sent to all EGSs and all EDCs regarding the discovery of an error in how the non-solar Tier I quarterly adjustments were calculated. The Commission states the error resulted in an approximate 7% increase in the otherwise anticipated annual non-solar Tier I obligations.<sup>1</sup>

---

<sup>1</sup> *Proceeding to Evaluate Transition to Corrected Non-Solar Tier I Calculation Methodology*, Tentative Order at Docket No. M-2009-2093383, entered August 15, 2016.

The Commission seeks comments on both the impact of the quarterly adjustment obligation increase and the possible remedies to mitigate any impact due to the miscalculation.

Participating EGSs and companies providing supply to EDC Default Service customers stand to suffer irreparable harm because they have no way to recover the additional cost burden associated with this calculation error.

EGSs directly serving retail customers and Default Service Providers for EDC Default Service programs would not have, and could not have, factored into their rates and offers the additional 7% increase in non-solar Tier 1 obligations to cover the costs associated with procuring them. Therefore, COP supports the Commission's Option I proposal, *AEC Procurement & Non-Bypassable Cost Recovery by the EDC of the Non-Solar Tier I Adjustments*. COP agrees with the Commission that the leverage and purchasing power and billing functionality enjoyed by the EDCs is the most appropriate solution to ameliorate the market effects of the miscalculation.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Bonner', with a long horizontal flourish extending to the right.

Robert Bonner