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January 16, 2018

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company for Approval of Their
Default Service Program (DSP-V) – Docket Nos. P-2017-2637855; P-2017-2637857;
P-2017-2637858; and P-2017-2637866

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Respond Power LLC's Prehearing Conference Memorandum with regard to the above-referenced matters. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Karen O. Moury

KOM/lww
Enclosure

cc: Hon. Mary D. Long w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Respond Power's Prehearing Conference Memorandum 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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Dated: January 16, 2018



Karen O. Moury, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company,	:	Docket Nos. P-2017-2637855
Pennsylvania Power Company, and West	:	P-2017-2637857
Penn Power Company for Approval of	:	P-2017-2637858
Their Default Service Programs	:	P-2017-2637866

**PREHEARING CONFERENCE MEMORANDUM OF
RESPOND POWER LLC**

Respond Power LLC (“Respond Power”), by and through its counsel, submits the following Prehearing Conference Memorandum pursuant to Section 5.222 of the regulations of the Pennsylvania Public Utility Commission (“Commission” or “PUC”), 52 Pa. Code § 5.222, and the Prehearing Conference Order dated December 21, 2017 in connection with the Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company, and West Penn Power Company (“West Penn”) (collectively referred to as the “Companies”) for Approval of Their Default Service Programs (“DSP V”).

I. BACKGROUND

Respond Power is an electric generation supplier (“EGS”) licensed by the Commission to supply electricity or electric generation services to the public within the Commonwealth of Pennsylvania. *License Application of Respond Power LLC for Approval to Offer, Render, Furnish or Supply Electricity or Electric Generation Services as a Supplier of Retail Electric Power*, Docket No. A-2010-2163898 (Order entered August 19, 2010). As a licensed EGS, Respond Power serves customers in the Companies’ service territories and participates in the Companies’ purchase of receivables (“POR”) Program.

Pursuant to the Commission's Order in the Companies' last default service proceeding,¹ the Companies implemented clawback charges, which have since been incorporated in their Supplier Tariffs. These provisions permit the Companies to assess charges against EGSs participating in the POR programs, which is mandatory for EGSs using the Companies' consolidated billing system, on the basis of customer write-offs and EGS pricing. By the DSP V filing, which spans a four-year period, the Companies propose to continue the clawback charges as currently structured. The Companies imposed clawback charges on Respond Power in 2016 and 2017, on which formal complaints are currently pending before the Commission.²

Notice of the DSP V filing was published in the Pennsylvania Bulletin on December 23, 2017, requiring interventions to be filed on or before January 12, 2018. Respond Power filed a Petition to Intervene on January 12, 2018.

By Notice dated December 21, 2017, an Initial Prehearing Conference was scheduled for January 17, 2018 at 1:30 p.m. By Prehearing Conference Order dated December 21, 2017, prehearing conference memoranda are due on January 16, 2018 no later than 3:00 p.m. Respond Power's Prehearing Conference Memorandum is submitted in accordance with that directive.

II. SERVICE OF DOCUMENTS

Respond Power requests that all documents be served on:

¹ *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 No. P-2015-2511333, P-2015-2511351, P-2015-2511355 and P-2015-2511356 (Order entered May 19, 2016) ("DSP IV Order").

² *Respond Power LLC v. Pennsylvania Electric Company*, Docket No. C-2016-2576287; *Respond Power LLC v. West Penn Power Company*, Docket No. C-2016-2576292, *Respond Power LLC v. Pennsylvania Electric Company*, Docket No. C-2017-2631331; *Respond Power LLC v. West Penn Power Company*, Docket No. C-2017-2631326.

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Respond Power agrees to receive electronic service of documents in this proceeding and does not require hard copies to follow. If materials are disseminated electronically, it is requested that copies be sent to kmoury@eckertseamans.com.

III. DISCOVERY

Respond Power proposes no changes to the discovery periods established by the Commission's regulations but is amenable to changes proposed by the other parties.

IV. PROPOSED SCHEDULE

Respond Power agrees with the schedule proposed by the Companies.

V. WITNESSES

Respond Power expects to call the following witness during this proceeding:

Adam Small, General Counsel
Major Energy Services
100 Dutch Hill Road – Suite 310
Orangeburg, New York 10962
(374)-274-0893
asmall@majorenergy.com

The subject of his testimony will be the structure of the existing clawback charges, which the Companies propose to continue. Respond Power reserves the right to call witnesses to address any issues that have been or are later raised during the course of the proceeding and will identify such additional witnesses within a reasonable period of time prior to serving testimony or the commencement of evidentiary hearings.

VI. PROTECTIVE ORDER

Respond Power supports the Companies' Motion for a Protective Order.

VII. ISSUES

During the above-captioned proceedings, Respond Power will raise issues concerning the flawed structure of the clawback charges, which the Companies propose to continue. These flaws include Respond Power's lack of information about its customers who are not paying their bills to the Companies; Respond Power's lack of control over the Companies' collection efforts and inability to conduct its own efforts prior write-offs; the Companies' write-off practices that use data that are several years old to assess clawback charges based on current EGS pricing; the Companies' handling of partial payments; and the Companies' treatment of payments made by customers of amounts that were previously written off.

VIII. SETTLEMENT

Respond Power is willing to engage in settlement discussions with the parties, with the objective of achieving a mutually acceptable resolution of this matter, subject to the Commission's approval.

Respectfully submitted,



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Date: January 16, 2018

Attorney for Respond Power, LLC