

May 2, 2018

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Filing Room  
Harrisburg, PA 17120

RE: Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of Their Default Service Programs for the Period June 1, 2019 Through May 31, 2023; Docket Nos. P-2017-2637855, P-2017-2637857, P-2017-2637858, and P-2017-2637866; **MAIN BRIEF NEXTERA ENERGY MARKETING, LLC AND NOTICE OF APPEARANCE**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Brief of NextEra Energy Marketing, LLC and my Notice of Appearance in the above-captioned proceedings. Copies of these documents have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions related to this filing, please do not hesitate to contact my office.

Very truly yours,



Derek Rykaczewski  
*Counsel for*  
NextEra Energy Marketing, LLC

Enclosure

cc: Administrative Law Judge Mary D. Long  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Metropolitan Edison Company,	:	
Pennsylvania Electric Company,	:	
Pennsylvania Power Company,	:	P-2017-2637855
and West Penn Power Company	:	P-2017-2637857
for Approval of a Default	:	P-2017-2637858
Service Programs	:	P-2017-2637866
for the Period June 1, 2019	:	
Through May 31, 2023	:	

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**INITIAL BRIEF OF  
NEXTERA ENERGY MARKETING, LLC**

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Before the Pennsylvania Public Utility Commission (the “Commission”), Intervenor, NextEra Energy Marketing, LLC, (“NextEra”), by its undersigned counsel, hereby respectfully submits this Initial Brief.

**I. INTRODUCTION**

Pursuant to Section 2807(e) of the Public Utility Code, on December 4, 2017, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (“the Companies”) filed a Petition for Approval of its Default Service Programs (“Programs”) for the period June 1, 2019 through May 31, 2023. NextEra submits this brief to address the Price To Compare (“PTC”) Adder.

**II. THE PTC ADDER**

The Companies propose to implement a bypassable retail market enhancement rate mechanism called the PTC Adder, which is a surcharge added to the utilities’ default service rate with the purpose of incentivizing non-shopping residential customers to shop. Direct Testimony of Met-Ed/Penelec/Penn Power/West Pennn Witness Kimberlie L. Bortz at 25. The PTC adder would only be applied to the residential customer class. *Id.*

The record shows, however, that the PTC Adder should not be adopted because it (1) distorts the price signals for both the residential default service customers and for the residential shopping customers; (2) results in a cross-subsidy from residential default service customers to residential customers receiving competitive supply service; (3) may result in higher competitive prices, which would represent a subsidy from residential customers receiving competitive service to generation suppliers; and (4) is not an appropriate price signal to encourage residential customers to decide to leave default service. Direct Testimony of OCA Steven L. Estomin at 17-18; Rebuttal Testimony of OCA Steven L. Estomin at 2-4; Surrebuttal Testimony of OCA Steven L. Estomin at 8-12; Direct Testimony of CAUSE-PA Witness Harry Geller at 37-39; Direct Testimony of BIE Witness Christopher Keller at 2-10; Rebuttal Testimony of BIE Witness Christopher Keller at 2-7; Surrebuttal Testimony of BIE Witness Christopher Keller at 2-12.

Further, the support provided for the PTC Adder by the Companies and the Retail Energy Supplier Association (“RESA”) is not based on empirical evidence, only conjecture. *Id.* The lack of empirical evidence support led the Commission to reject a similar unsupported adder stating: “. . . the Companies and other Parties failed to provide sufficient empirical support for any actual known and measurable costs that are not being recovered through existing or proposed rates and riders. Accordingly, we adopt the ALJ’s recommendation and deny the Exceptions related to the establishment of a [Market Adjustment Charge] MAC.”<sup>1</sup> Similarly, the Commission should reject the PTC Adder in this proceeding as unsupported by the record.

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<sup>1</sup> *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company For Approval of Their Default Service Programs*, Opinion and Order at 62-63 (August 16, 2012).

### III. CONCLUSION

WHEREFORE, for all the foregoing reasons, NextEra respectfully requests that the Commission reject the proposed PTC Adder.

Respectively submitted,



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DATED: May 2, 2018

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Metropolitan Edison Company,	:	
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for the Period June 1, 2019	:	
Through May 31, 2023	:	

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**NOTICE OF APPEARANCE  
NEXTERA ENERGY MARKETING, LLC**

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Please enter the following appearance of Derek Rykaczewski for NextEra Energy Marketing, LLC, ("NextEra"). A copy of all correspondence and notices, documents, order or other communications with respect to the above-captioned proceeding should be addressed to:

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## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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