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May 15, 2018

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: 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-2017-2637855; P-2017-2637857; P-2017-2637858; P-2017-2637866

Dear Secretary Chiavetta:

Enclosed for filing please find the Joint Petition for Partial Settlement in the above-referenced matter. As indicated on the attached Certificate of Service, copies have been served on the parties in the manner indicated.

Please contact me with any questions regarding this matter.

Very truly yours,



Tori L. Giesler

Enclosures

c: As Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company,	:	Docket No. 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

JOINT PETITION FOR PARTIAL SETTLEMENT

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JOINT PETITION FOR PARTIAL SETTLEMENT

TO THE HONORABLE MARY D. LONG, ADMINISTRATIVE LAW JUDGE:

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (collectively, the “Companies”); the Office of Consumer Advocate (“OCA”); the Office of Small Business Advocate (“OSBA”); the Met-Ed Industrial Users Group (“MEIUG”), the Penelec Industrial Customer Alliance (“PICA”), and the West Penn Power Industrial Intervenors (“WPPII”) (collectively, “Industrial Intervenors”); and the Retail Energy Supply Association (“RESA”) (collectively, the “Joint Petitioners”), by their respective counsel, submit this Joint Petition For Partial Settlement (“Partial Settlement”) in the above-captioned proceeding and request that the Administrative Law Judge (“ALJ”) recommend approval of the Partial Settlement without modification.¹ In support of this Partial Settlement, the Joint Petitioners state as follows:

¹ The Bureau of Investigation and Enforcement (“I&E”), Direct Energy (“Direct”), the Penn State University (“Penn State”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), Exelon Generation Company, LLC and Constellation NewEnergy, Inc. (“ExGen/CNE”), NextEra Energy Services (“NextEra”), and Respond Power, LLC (“Respond”), which are parties to this proceeding, have authorized the Joint Petitioners to represent that they do not oppose the Partial Settlement. In addition, Calpine Energy Solutions, LLC (“Calpine”) takes no position on the Partial Settlement, and specifically does not oppose the Partial Settlement as it relates to Network Integration Transmission Services (“NITS”).

I. BACKGROUND

1. On December 4, 2017, the Companies filed the above-captioned petition (the “DSP V Petition”) requesting that the Pennsylvania Public Utility Commission (the “Commission”) approve their proposed default service programs (the “DSPs”) for the period June 1, 2019 through May 31, 2023 (“DSP V”) in accordance with the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, *et seq.* (the “Competition Act”). The Companies currently provide default service pursuant to Commission-approved DSPs that were approved at Docket Nos. P-2015-2511333 (Met-Ed), P-2015-2511351 (Penelec), P-2015-2511355 (Penn Power), and P-2015-2511356 (West Penn) (“DSP IV”).

2. As part of the DSP IV settlement, the Companies agreed to hold a stakeholder collaborative in October 2017 to discuss: (a) the currently-approved default service procurement plan and current market conditions; (b) the establishment of a bypassable retail market enhancement rate mechanism; (c) the scope of shopping available to customers enrolled in the Companies’ customer assistance programs; (d) the continuation of the purchase of receivables clawback charge; and (e) any changes to customer classes.² Further, the Companies were required to make a Commission filing, including but not limited to a new default service petition, with regard to certain collaborative topics in a docketed proceeding by January 31, 2018.³ The Companies filed the DSP V Petition consistent with this DSP IV settlement obligation.

3. The Companies issued a press release and notified their customers of the filing of the DSP V Petition by publishing notices in major newspapers serving their respective service areas, which described the DSPs and informed customers where to obtain copies of the filing and

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, *et al.*, pp. 5-22 (Joint Petition for Settlement dated April 1, 2016).

³ *Id.*

the procedure for submitting comments or complaints with the Commission. The notices also referred interested persons to the Companies' websites and main offices, where copies of the filing were available for review. In addition, the Companies served their DSP V Petition on I&E, the OCA, the OSBA, PJM Interconnection, LLC ("PJM"), the Industrial Intervenors, RESA, Penn State, CAUSE-PA and all electric generation suppliers ("EGSs") registered to provide service in the Companies' respective service territories.

4. Notice of the Companies' filing was published in the *Pennsylvania Bulletin* on December 23, 2017. A prehearing conference was scheduled for January 17, 2018 before ALJ Mary D. Long.

5. The following parties were granted full party status after submitting an answer or intervention: I&E, OCA, OSBA, CAUSE-PA, Calpine, ExGen/CNE, Direct, the Industrial Intervenors, NextEra, Penn State, Respond, and RESA (collectively, the "Parties").

6. A Prehearing Conference was held on January 17, 2018, at which a schedule was established for the submission of testimony, discovery, the conduct of hearings, and briefing. The ALJ thereafter issued a Prehearing Order on January 19, 2018 establishing the procedural schedule.

7. A hearing was held on April 10, 2018. At the hearing, the Companies entered Joint Stipulation No. 1 into the record of the above-captioned proceeding. ALJ Long requested that Joint Stipulation No. 1 be converted into a joint petition for settlement.

8. Subsequent to the hearing, the Parties notified ALJ Long regarding an Addendum to Joint Stipulation No. 1. This Joint Petition for Partial Settlement encompasses the settlement terms agreed to in both Joint Stipulation No. 1 and its Addendum.

9. Despite the Parties' best efforts, the Partial Settlement does not resolve all issues related to DSP V. All issues that remain in dispute are addressed in the Parties' briefs in this proceeding.

10. All the Parties to this proceeding support, do not oppose, or take no position regarding this Partial Settlement.

II. TERMS AND CONDITIONS OF PARTIAL SETTLEMENT

11. The Partial Settlement consists of the following terms and conditions:

A. Non-Commodity Products

1. Subject to the appropriate approvals by the Commission, issues related to supplier consolidated billing shall be addressed in the Commission's generic proceeding on the topic in Docket M-2018-2654254.
2. No party to this Partial Settlement will object to any other party to this Partial Settlement recommending at Docket M-2018-2654254 that the Commission take administrative notice of the record in this proceeding with respect to the issue of access to electric distribution company ("EDC") bills for EGS non-commodity products, and no party will object to any other party's submittal of testimony or other record evidence from this DSP V proceeding in Docket M-2018-2654254.

B. FERC 494 Settlement

1. The parties agree that the Companies' proposal related to the distribution and recovery of FERC 494 Settlement allocations will be considered uncontested in this matter.

C. Net Metering

1. The parties agree that concerns related to net metering will not be addressed in this proceeding.

D. Time of Use (“TOU”)

1. The Companies are currently providing residential TOU service under the terms and conditions of the Companies’ Price to Compare Default Service Rate Riders as described in each Company’s Rider K, Time-Of-Use Default Service Rider. The Companies will make a specific proposal regarding their residential time of use rate offerings in the earlier of their first base rate increase requests or default service proceedings following full implementation of smart meter back office functionality, which is planned for fourth quarter 2019 as of the date of this Partial Settlement.

E. Network Integration Transmission Services

1. NITS will remain the responsibility of both default service and electric generation suppliers.

III. THE PARTIAL SETTLEMENT IS IN THE PUBLIC INTEREST

12. For those issues which are resolved by the Partial Settlement, the Companies, the OCA, the OSBA, the Industrial Intervenors, and RESA will address their support of those topics within their reply briefs, filed contemporaneously with this Joint Petition, in lieu of filing statements in support.

13. The Joint Petitioners submit that the Partial Settlement is in the public interest for the following additional reasons:

- **Litigation and Associated Costs Will Be Avoided Related to the Partial Settlement Issues.** The Settlement amicably and expeditiously resolves a number of important and contentious issues. The administrative burden and costs to litigate these matters to conclusion would be significant.
- **The Settlement is Consistent with Commission Policies Promoting Negotiated**

Settlements. The Joint Petitioners arrived at the Partial Settlement terms after conducting extensive discovery and engaging in in-depth discussions over several weeks. The Partial Settlement terms and conditions constitute a carefully crafted package representing reasonable negotiated compromises on the issues addressed herein. Thus, the Partial Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (see 52 Pa. Code §§ 5.231, 69.391 and 69.401), and is supported by a substantial record.

IV. ADDITIONAL TERMS AND CONDITIONS

14. The Partial Settlement terms are agreed to without any admission against, or prejudice to, any position which the Joint Petitioners might adopt during subsequent litigation of this case or any other case. It is understood, however, that paragraphs 15 and 16 shall be binding upon the Joint Petitioners.

15. This Partial Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission should disapprove the Partial Settlement or modify the terms and conditions herein, this Partial Settlement may be withdrawn upon written notice to the Commission and all the Parties within five business days following entry of the Commission's Order by any of the Joint Petitioners and, in such event, shall be of no force and effect.

16. If the ALJ, in her Recommended Decision, recommends that the Commission adopt the Partial Settlement as herein proposed without modification, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their rights to file Exceptions with respect to any modifications to the terms and conditions of this Partial Settlement, or any

additional matters proposed by the ALJ in her Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request that Administrative Law Judge Mary D. Long enter a Recommended Decision and the Commission enter an Order approving the terms of the Partial Settlement as part of the Companies' DSP V.

Respectfully submitted,

Dated: May 15, 2018



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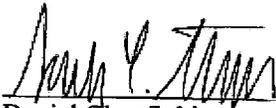
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CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the Joint Petition for Partial Settlement of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

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