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August 14, 2019

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

**Re: Electric Distribution Company Default Service Plans – Customer Assistance
Program Shopping, Docket No. M-2018-3006578**

Dear Secretary Chiavetta:

Enclosed for filing please find the reply comments of the Energy Association of Pennsylvania to the Commission's Proposed Policy Statement Order at the above-referenced docket.

Sincerely,

A handwritten signature in blue ink that reads "Nicole W. Luciano". The signature is fluid and cursive, with a long horizontal stroke at the end.

Nicole W. Luciano
Manager, Policy & Research

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Electric Distribution Company Default Service Plans –
Customer Assistance Program Shopping : Docket No. M-2018-3006578

**REPLY COMMENTS OF THE
ENERGY ASSOCIATION OF PENNSYLVANIA
TO PROPOSED POLICY STATEMENT ORDER**

I. INTRODUCTION

The Energy Association of Pennsylvania (“EAP” or “Association”) submits the following Reply Comments on behalf of its electric distribution company (“EDC”)¹ members to the various parties commenting upon the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) Proposed Policy Statement Order entered on February 28, 2019. Initial responses were due to the Commission on July 30 2019, with reply comments permitted 15 days thereafter, i.e., August 14, 2019. EAP incorporates its original Comments filed on July 30, 2019 by reference.

The Energy Association of Pennsylvania submits these reply comments to address positions and suggestions raised by certain stakeholders in filed comments. Individual EAP members may also express their views on these issues in separate company filings.

¹ Electric Utility Members: Citizens’ Electric Company; Duquesne Light Company; Metropolitan Edison Company; PECO Energy Company; Pennsylvania Electric Company; Pennsylvania Power Company; Pike County Light & Power Company; PPL Electric Utilities; UGI Utilities, Inc.-Electric Division; Wellsboro Electric Company; and West Penn Power Company.

II. COMMENTS

A. EDCs Should Not Be Responsible for Enforcing EGS Contracts with CAP Customers

EAP strongly disagrees with the assertion of CAUSE-PA and TURN *et al.*² that the responsibility for oversight and enforcement of the Commission’s proposed CAP shopping guidelines resides with EDCs. The Commission, not individual electric distribution companies, is charged with licensing, regulating, and enforcing regulations (including assessing penalties) on electric generation suppliers (“EGSs”) who wish to participate in Pennsylvania’s retail electric marketplace. EGSs, represented in part by the Retail Energy Supply Association (“RESA”), also acknowledge the inherent problem with this idea: “EDCs have no role in reviewing an EGS’s contracts with the EGS’s customers. Placing the EDCs in the position of policing EGS customer contracts is wholly inappropriate.”³ As outlined in EAP’s Comments to the Proposed Policy Statement Order, EDCs have little to no visibility regarding any particular customer’s contract with an EGS and therefore cannot – and should not – administer or otherwise enforce any guidelines regarding CAP shopping. While EDCs may be able to communicate any agreed-upon parameters to its CAP customers looking to shop for electric supply, it cannot ensure complaint supplier behavior after the point of EGS enrollment. As RESA notes – and EAP agrees – “[t]he role of enforcing EGS’s compliance with Commission regulation is more properly left with the

² CAUSE-PA and TURN are comprised of the Tenant Union Representative Network (“TURN”), Action Alliance of Senior Citizens of Greater Philadelphia, and the Coalition for Affordability Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”); the Joint Commenters suggest “requiring” EDCs to develop mechanisms to prevent or cancel noncompliance EGS contracts with CAP customers, *See* Comments to Proposed Policy Statement Order, p. 4; they also suggest EDCs “can develop” systems to monitor CAP shopping contracts and that EDCs should be “vested with the responsibility” of ensuring CAP customer contracts are compliant with these proposed guidelines, p. 11. EAP disagrees as it is the Commission’s duty and obligation to monitor compliance. EDCs do not perform any other type of EGS enforcement in the marketplace and should not be placed in such a role for any subset of customers, including CAP participants.

³ RESA Comments to Proposed Policy Statement Order, p. 17.

Commission which has the requisite authority to address any violations of its requirements.”⁴ EAP asks the Commission to reject any revisions to its Proposed Policy Statement that would imply or require EDC enforcement of EGS contracts with CAP customers.

B. CAP Customers Should Not Be Held Responsible for Errors or Deception on the Part of EGSs

EAP agrees with the Office of Consumer Advocate that “the automatic disqualification from CAP may unfairly penalize a CAP customer who may not have had any notice that the contract was non-compliant and who may not fully understand the reasons for the disqualification from CAP.”⁵ As EAP outlined in its initial Comments to the Proposed Policy Statement Order, CAP customer should not be disenrolled from CAP due to an error on the part of an EGS. CAUSE-PA and TURN *et al.* are similarly concerned about an automatic removal from CAP; this removal would raise a customer’s monthly electric bills, expose them to renewed EDC collection efforts on previously deferred arrears, and increase uncollectable expenses which inflates the cost of service to other residential customers. Automatic removal of CAP customers as envisioned by the current proposal runs counter to the stated purpose to “limit harm” to both CAP and non-CAP residential customers.

C. EGSs Should Contribute Toward Any Costs of Implementing CAP Shopping Restrictions.

In its comments, RESA argues that, “unlike the previously implemented retail market enhancement programs, EGSs do not support CAP shopping restrictions”⁶ and therefore should not be held responsible for contributing toward the cost of any parameters to limit harm to CAP customers in the marketplace. As outlined by UGI-Electric in its Comments to the Proposed Policy

⁴ *Id.*

⁵ OCA Comments to Proposed Policy Statement Order, p. 8.

⁶ RESA Comments to Proposed Policy Statement Order, p. 16.

Statement Order, dependent on the final guidelines, EDCs may need to make extensive (costly) programmatic changes to permit a CAP customer to shop or a shopping customer to enroll in CAP.⁷ While RESA argues that EDCs have the ability to collect for CAP-associated costs through its universal service rider, UGI points out that costs for CAP shopping “are not incurred for the purpose of promoting universal service and energy conservation policies. They are incurred to further retail consumer choice and permit a retail customer to shop for an alternate electric supplier. These costs are therefore not appropriately recoverable through an EDC’s universal service rider, but rather through another mechanism, such as recovery from EGSs participating in an EDC’s CAP participant shopping program.”⁸ EAP agrees with UGI that the Commission should consider revisions to the Proposed Policy Statement that explicitly address how such costs are to be recovered.

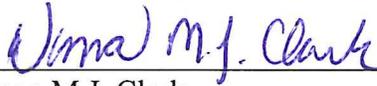
⁷ Comments of UGI-Electric to Proposed Policy Statement Order, p. 7.

⁸ *Id.*

III. CONCLUSION

EAP and its member EDCs understand the importance of maintaining the balance between affordable electric service for CAP customers and a robust energy marketplace. The goal of the comments contained herein is to encourage the Commission to continue to strive toward an optimum balance in the planning and scope of electric retail shopping, continuing to protect both those that receive and those that pay for utility customer assistance. EAP respectfully requests that the Commission consider these comments as it considers a policy statement on CAP customer shopping.

Respectfully submitted,



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