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January 8, 2014

VIA ELECTRONIC FILING

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

RE: EDC Customer Account Number Access Mechanism For EGSs; Docket No. M-2013-2355751; **ANSWER OF DOMINION RETAIL, INC. TO PECO ENERGY COMPANY'S DECEMBER 18, 2013 FILING**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Answer of Dominion Retail, Inc. to PECO Energy Company's December 18, 2013 Filing in the above-captioned docket. Copies of this Answer 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,

Todd S. Stewart
Counsel for Dominion Retail, Inc.
d/b/a Dominion Energy Solutions

TSS/jld
Enclosure
cc: Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document 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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Dated: January 8, 2014

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

EDC CUSTOMER ACCOUNT NUMBER	:	
ACCESS MECHANISM FOR EGSs	:	Docket Nos.: M-2013-2355751
	:	

**ANSWER OF DOMINION RETAIL, INC.
TO PECO ENERGY COMPANY'S
DECEMBER 18, 2013 COMPLIANCE FILING**

NOW COMES Dominion Retail, Inc. d/b/a Dominion Energy Solutions ("DES") by and through its counsel in the above-captioned matter, Hawke McKeon & Sniscak, LLP, and hereby files this Answer[1] in Opposition to PECO's request for approval of a customer account number access mechanism filed with the Pennsylvania Public Utility Commission ("Commission") on December 18, 2013. DES's concern is limited to the cost recovery portion of the proposal.

I. BACKGROUND

1. On July 17, 2013, the Pennsylvania Public Utility Commission ("Commission") entered an Order in the above-captioned matter that required EDCs to develop a passcode protected website portal that would provide EGSs access to customer account numbers for customers whose account information is not immediately available to that customer or was not otherwise on the eligible customer list. The required web portal mechanisms are to be used

[1] While PECO's filing is captioned as a "Compliance Filing", and even though it is required by the Commission's July 17, 2013 Order in this Docket, the filing does not comport with the definition of "Compliance Filing" described in the Commissions Regulation at 52 Pa. Code § 5.592 (Compliance with orders prescribing rates). DES submits that the filing it is more akin to a Petition requesting approval of the proposed customer lookup mechanism. Accordingly, DES submits that the 10 day response period of Section 5.592 does not apply and further believes that an Answer, rather than Exceptions, is the appropriate document to file in response.

primarily for soliciting customers to participate in the competitive markets in public places. That Order also required EDCs to submit a plan for the recovery of the costs of developing the website portal on the mechanisms, therefore. *EDC Customer Account Number Access Mechanism for EGSs* (Docket No. M-2013-2355751) (Final Order entered July 17, 2013 at 2. (pp. 29-30)("Final Order").

2. On or about December 18, 2013, PECO Energy Company ("PECO") submitted a "Compliance Filing" seeking to implement its access plan. However, rather than implementing the Commission's preferred approach of a user-fee structure, so that only EGSs that actually use this system would pay the costs associated with developing it and maintaining it, PECO chose instead to employ the blunt instrument approach of socializing these costs across all electric generation suppliers serving in its service territory through the Purchase of Receivable ("POR") discount recovery mechanism.

3. DES believes that this is the wrong approach and, accordingly, on this basis asks the Commission to send this matter to hearing so that there can be a full vetting of the cost recovery process, and so the due process rights of interested parties will be preserved.

II. DES OPPOSITION

4. In its Final Order, the Commission made it clear that it intended a cost recovery mechanism that would impose costs on the cost causers, stating:

> Depending on the level of costs, EDCs should consider having EGSs pay a fair share of the development and maintenance costs for these information sharing systems, given that these systems will be used by EGSs to accommodate their selected marketing model. If the cost justify it, consideration should be given to a user fee structure so that the EGS cost recovery portion is limited to those EGSs that actually use and benefit from the information sharing systems.

(Final Order, pp. 29-30).

5. In its request for recovery, PECO acknowledges the Commission's preference for a user-fee structure, but discounts it because it is "greatly concerned with such an approach … there are no assurances of cost recovery …" (PECO Petition at 9). PECO's belief is based upon the fact that there is no historical data upon which to base an analysis of how many EGSs may actually use the system and, therefore, no guarantee that PECO will have any opportunity to fully recover its implementation costs. PECO bases this judgment on the vague suggestion that "supplier interest in the customer account number lookup-tool has not been overwhelming. (*Id.*) Such a conclusion not only fails to provide any information about how many EGSs have expressed an interest in the system, it is appears to be largely speculation and thus cannot support an out-of-hand rejection of the Commission's preferred recovery mechanism Rather than conducting any sort of analysis, however, PECO simply piles on the speculation by suggesting that "EGSs may avoid the account lookup-tool because of the user fee." As the culmination of its speculative suggestions, PECO proposes, instead, that it should recover half of the costs of the mechanism from all EGSs through the POR discount, and the other half from customers.

6. While DES does not disagree with the notion that EGSs, as a general matter, should pay from some portion of these costs; it strongly disagrees with notion that ALL EGSs should be forced to compensate PECO for these costs through the PORs discount. The POR discount is a blunt instrument for recovering the costs of targeted enhancements that may only benefit a small segment of EGSs. In other words, as the market matures, EGSs cannot be viewed as being a homogeneous group. Each has its own marketing strategy as the Commission's Order recognizes. It is anti-competitive to assess a marketer for the costs of a program in which it does not participate—it increases the non-using marketer's costs unreasonably and conversely lowers to costs for those who use the service, thus creating a subsidy. The added harm of using the POR

discount for this program is that the costs disproportionately fall on EGSs with the existing customer bases, thus providing an even larger subsidy to those EGSs that could adopt this marketing tool. PECO's proposed recovery method does not seek to allocate the costs to cost causers.

7. DES believes that a user fee mechanism could be developed that would provide adequate assurance of cost recovery to PECO and at the same time would not cause some suppliers to subsidize others and that therefore PECO's unsubstantiated rejection of the Commission's preference for such an approach should be rejected and PECO ordered back to the drawing board.

III. CONCLUSION

Accordingly, DES respectfully requests that the cost recovery portion of PECOs proposed plan not be approved or implemented, and that the matter be set for further proceedings to determine an appropriate and fair user-fee structure so that better embodies the intent of the Commission's Final Order.

Respectfully submitted,

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DATED: January 8, 2014