



January 16, 2018

Via Electronic Filing
Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

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 for the
period commencing June 1, 2019 through May 31, 2023**

Docket Nos. P-2017-2637855
P-2017-2637857
P-2017-2637858
P-2017-2637866

Dear Secretary Chiavetta:

Enclosed for electronic filing, please find the Prehearing Memorandum of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) in the above referenced matter.

A copy of this filing will be circulated to all interested parties in accordance with the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kadeem Morris".

Kadeem Morris
Counsel for CAUSE-PA

CC: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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CERTIFICATE OF SERVICE

I hereby certify that I have January 16, 2018, served copies of the **Prehearing Memorandum of CAUSE-PA**, via email and/or first-class mail upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL & EMAIL

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January 16, 2018

On Behalf of CAUSE-PA

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**PREHEARING MEMORANDUM
OF THE COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum pursuant to the December 21, 2017, Prehearing Order of Administrative Law Judge Mary D. Long.

I. History of Proceeding

On December 11, 2017, Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), and West Penn Power Company (“West Penn”) (collectively the “First Energy Companies” or “Companies”) filed a Joint Petition for Approval of their Default Service Programs for the period commencing June 1, 2019 through May 31, 2023.

On December 21, 2017, CAUSE-PA, through its attorneys at the Pennsylvania Utility Law Project, filed an Answer and Intervention in this proceeding.

CAUSE-PA chose to file an Answer to the Companies' Petition because it sought to ensure that the issue of appropriate protections for CAP customers were raised at the pleading-stage of this proceeding. To the extent that there is any concern or ambiguity with CAUSE-PA's request to participate as an intervening party, CAUSE-PA requests that its Answer also be deemed a Petition to Intervene as it contained all of the required elements of both 52 Pa. Code § 5.61 (regarding required content of answers) and 52 Pa. Code § 5.73 (regarding form and content of petitions to intervene).

On December 21, 2017, Administrative Law Judge Mary D. Long issued a Prehearing Conference Order scheduling a Prehearing Conference for January 17, 2018 at 1:30pm. The Prehearing Order directed that, prior to 3:00 pm on January 16, 2018, all parties are to file and serve a Prehearing Conference Memoranda. This Prehearing Conference Memoranda is filed in accordance with Judge Long's December 21, 2017 Order.

II. Service on CAUSE-PA

CAUSE-PA is represented by attorneys at the Pennsylvania Utility Law Project. Electronic service and one hard copy of all documents should be served on CAUSE-PA as follows:

Patrick M. Cicero, Esq.
Kadeem G. Morris, Esq.
Elizabeth R. Marx, Esq.
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Tel.: 717-236-9486
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pulp@palegalaid.net

III. Settlement

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to resolve or narrow the issues in this proceeding with any and all parties, and encourages the parties to engage in settlement discussions early in the process.

IV. Proposed Schedule

CAUSE-PA is working with the other parties to identify a schedule that suits the needs of all of the parties and the Commission.

V. Discovery

CAUSE-PA supports shortening the discovery timeframes in light of the expedited nature of this proceeding consistent with the modifications requested by the Office of Consumer Advocate (OCA) in its Prehearing Memoranda.

VI. Witnesses and Testimony

CAUSE-PA will present testimony from the following witness in this matter:

Harry S. Geller, Esq.
118 Locust Street
Harrisburg, PA 17101
hgellerpulp@palegalaid.net

Mr. Geller will address the issues identified below and any other issues that may arise in the course of this proceeding. CAUSE-PA reserves the right to identify additional witnesses if necessary to respond to additional issues identified throughout the course of this proceeding. If additional witnesses become necessary, CAUSE-PA will promptly notify Judge Long and the parties to this proceeding.

VII. Issues to be Presented

CAUSE-PA is concerned about the effect that the proposals contained in First Energy's Petition will have on the long-term affordability of electric service for economically vulnerable households within its service territory. While CAUSE-PA is still formulating its positions on all of the issues presented in the Companies' filing, it has tentatively identified the following issues which potentially affect its members. Furthermore, CAUSE-PA anticipates that additional issues may arise as a more comprehensive review of the Companies' filing is undertaken, discovery is conducted, and the Companies' testimony is presented. However, the preliminary issues identified by CAUSE-PA include:

a. CAP Customer Shopping

Currently, customers in First Energy service territories who are enrolled in First Energy's Customer Assistance Program (CAP) are allowed to accept offers for competitive supply service at any rate. In its Petition, the Companies propose to make no changes to CAP shopping for June 1, 2019 to May 31, 2023 period. Joint Petition, ¶ 5. CAUSE-PA identified the flaws in this approach in its Answer, which was served on all potentially interested participants in this proceeding. CAUSE-PA Answer, ¶ 2-3 Specifically, based on information received from the Companies through the collaborative developed in the last DSP proceeding, unrestricted CAP shopping is causing unambiguous and preventable harm to low income CAP consumers and other ratepayers who pay for CAP. CAUSE-PA will present testimony and evidence on the harm that has been suffered by low income CAP customers and other ratepayers in the Companies' service territories as a result of unrestricted CAP shopping and will propose reasonable solutions to mitigate this harm.

b. Retail Market Enhancement Rate

The Companies propose changes to their Default Services Surcharge to include a non-bypassable retail market enhancement rate. Joint Petition, ¶ 16. CAUSE-PA is concerned about the Companies' proposal to artificially inflate the cost of default service. Given the significant harm to low income customers who participate in the competitive market, and the Companies' proposal to make no changes to CAP Shopping, CAUSE-PA is concerned that the harm to low income customers will be exacerbated by the addition of a retail market enhancement charge. CAUSE-PA Answer, ¶ 2-3.

c. Purchase of Receivables Clawback Charge

The Companies propose to continue the clawback charge as a permanent part of its Purchase of Receivables (POR) program. Joint Petition, ¶ 20. CAUSE-PA tentatively supports the Companies' proposal to continue the clawback charge as a permanent part of their POR program and intends to address this issue in testimony.

The Companies assert that their portfolio and proposed program changes are in the public interest. Joint Petition, ¶ 23. CAUSE-PA asserts that the Companies' proposal to make no change to its CAP shopping rules and the Companies' proposed retail market enhancement rate are not in the public interest. Each of the matters as presented within the Petition, and/or raised by others parties' answers, along with any subsequently proposed modifications, must be thoroughly reviewed through discovery and a hearing to ensure that the Companies' low income customers are not harmed and the programs are in the public interest.

VIII. Conclusion

CAUSE-PA respectfully requests that its Prehearing Memorandum be entered into the record of this proceeding.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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