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October 29, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of PECO Energy Company for Approval of its Default Service Program for the Period from June 1, 2020 Through May 31, 2025 – Docket No. P-2020-3019290

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Electric Supplier Coalition's Exceptions with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

Karen O. Moury

Karen O. Moury

KOM/lww
Enclosure

cc: Hon. Eranda Vero w/enc.
Cert. of Service w/enc.
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CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the ESC's Exceptions upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Dated: October 29, 2020

Karen O. Moury

Karen O. Moury

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company for :
Approval of its Default Service Program :
for the Period from June 1, 2021 through : Docket No. P-2020-3019290
May 31, 2025 :

**EXCEPTIONS OF
ELECTRIC SUPPLIER COALITION**

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I. INTRODUCTION

The importance of modifying the method by which PECO Energy Company (PECO) proposes to handle the recovery of Network Integrated Transmission Service (“NITS”) costs has been underscored by the Federal Energy Regulatory Commission’s recent approval of the use of formula rates by transmission owners, which has made NITS charges become even more unpredictable than in the past. As the Commission itself recognized by a Secretarial Letter issued on May 1, 2015, it is imperative “to determine if there is a need to address these non-market based wholesale market charges in a more uniform and comprehensive way that would facilitate and enhance the retail electric market.”¹ Despite the development of an evidentiary record by the Electric Supplier Coalition (“Coalition” or “ESC”)² in this proceeding – through Direct and Surrebuttal testimony of Travis Kavulla – showing the need for a change in PECO’s current cost recovery method, the Recommended Decision (“RD”) of Administrative Law Judge Eranda Vero (“ALJ”) does not acknowledge the inherent inequities in the status quo and instead focuses on how electric generation suppliers (“EGSs”) can manage these costs. The RD also erroneously concludes that the Commission lacks requisite legal authority to adopt ESC’s proposed change to the status quo regarding how NITS costs are recovered.

As explained more fully in Exception Number 1, the ESC’s proposal is consistent with one previously considered and deemed legal by the Commission. This proposal does not violate the Competition Act, the Public Utility Code or Commission Regulations, and the RD’s

¹ ESC Statement No. 1 at 32. The May 1, 2015 Secretarial Letter is included with the April 21, 2017 CHARGE Call Recap available on the Commission’s website at http://www.puc.pa.gov/Electric/docs/OCMO/CHARGE_Recap042117.docx.

² The Electric Supplier Coalition’s members are NRG Energy, Inc., Direct Energy Services LLC, Interstate Gas Supply Inc., d/b/a IGS Energy, Vistra Corp., Shipley Choice LLC, ENGIE Resources LLC and WGL Energy Services, Inc.

characterizations of ESC's proposal as a "rebundling" of distribution and transmission services are incorrect.

As explained more fully in Exception Number 2, the issue is not about whether EGSs can manage these costs. Of course, EGSs can manage these costs and are doing so. The issue that needs to be resolved is that under the status quo in PECO's service territory, customers are treated differently depending upon whether they are shopping for electric supply or not. Continuing PECO's method for recovering NITS costs perpetuates an unlevel playing field. That is because EGSs must estimate likely NITS charges and build them into their price offers to consumers, taking the risk that the NITS charges diverge from an EGS's estimate. Meanwhile, wholesale suppliers for PECO's default service are able to avoid that risk through PECO's after-the-fact true-up of NITS costs. In short, in the EGS context, suppliers of generation service must estimate and price NITS on a forward basis; in the DSP context, they are not under that obligation. That is a significant inequity in the PECO retail marketplace.

The solution proposed by the Coalition is that PECO be directed to recover the costs of NITS from all customers. This is the same treatment that applies for other similar, wholesale costs. Adopting the ESC's proposal would address the current market disparity because it would: (1) align NITS cost recovery with PECO's current recovery method for other wholesale costs; (2) level the playing field so that PECO and all EGSs have access to the same cost recovery mechanism; and, (3) ensure that all customers are paying only the actual costs of NITS.

While the ESC fully supports adoption of its proposed resolution in this proceeding, it also recognizes the Commission's prior concerns about this approach and that other Commission-approved methods are currently in effect. Notably, the approach adopted for the First Energy Companies solves the level-playing-field problem by making NITS the subject of

price-estimation for both the utility’s default service and for EGSs in its service territory.³ Doing nothing, however, will just continue to perpetuate the inequities in PECO’s current approach. Therefore, the ESC recommends that the Commission institute a statewide review of how to address NITS cost recovery in a more uniform and comprehensive way that would facilitate and enhance the retail electric market. While the Commission’s initiation of an informal staff review of the issue in 2015 was restarted in 2017,⁴ that investigation appears to have stalled. Given that the default service plan periods for three major electric distribution companies (“EDCs”) will likely be for a four year period,⁵ the ESC submits that now is an ideal time for a statewide review of this issue whereby all EGSs and interested stakeholders can present their views and work collaboratively to determine a more fair approach that would best serve customers and support development of the competitive retail market.

II. EXCEPTIONS

A. **Exception No. 1: The RD Errs By Concluding Commission Lacks Requisite Legal Authority To Change Status Quo**

pThe RD concludes that: (1) “Commission precedent holds that collection of NITS for shopping customers should remain with the customer’s EGS;” (2) “having EDCs collect NITS costs. . . constitutes rebundling. . .in clear contravention of the Competition Act;” and, (3)

³ *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-2013-2391368, P-2013-2391372, P-2013-2391375, P-2013-2391378, Opinion and Order entered July 24, 2014 at 38. (“*FE DSP III Order*”).

⁴ ESC Statement No. 1 at 32 citing to a May 1 2015 Secretarial Letter issued to EDCs seeking information and notice from Commission Staff in April 2017 requesting informal comments from stakeholders.

⁵ Besides PECO’s default service plan in this proceeding, default service plans addressing NITS cost recovery are also pending in *Petition of PPL Electric Utilities Corporation for Approval of its Default Service Plan for the Period June 1, 2021 Through May 31, 2025*, Docket No. P-2020-3019356 (Recommended Decision issued October 15, 2020), and *Petition of Duquesne Light for Approval of Default Service Plan for the Period June 1, 2021 Through May 31, 2025*, Docket No. P-2020-3019522 (Recommended Decision Pending).

“removal of NITS costs from products in the competitive markets is contrary to the intent of the Competition Act and Commission regulation.”⁶ Contrary to the conclusion in the RD, the Commission has the requisite legal authority to change the status quo in the recovery of NITS costs. Indeed, the Commission has made clear that adopting a proposal whereby an EDC is directed to recover the costs of NITS from all customers “would not violate the Competition Act, the Public Utility Code or [Commission] Regulations.”⁷ As the ESC’s proposal is consistent with one previously considered and deemed legal by the Commission, there is no basis upon which to now conclude that adoption of the proposal somehow violates the law. Also, the Commission has been open to other alternatives to level the playing field for recovering NITS costs, which is shown through its approval of an approach that requires the wholesale supplier to include the costs of NITS as part of their bids to provide default service.⁸

Moreover, the RD’s reliance on Electricity Generation Customer Choice and Competition Act (“Competition Act”)⁹ and the Commission’s default service regulations¹⁰ to reject the Coalition’s proposal is misplaced. Nothing in the Competition Act or the Commission’s regulations governing default service requires or justifies a continuation of the status quo where PECO handles NITS cost recovery differently for shopping and non-shopping customers. To the contrary, Section 2804(6) of the Competition Act obligates the Commission to ensure that a public utility owning and operating jurisdictional transmission and distribution facilities to provide transmission and distribution service to all retail electric customers and EGSs “on rates,

⁶ RD at 107-108.

⁷ *FE DSP III Order* at 38.

⁸ *FE DSP III Order* at 31-32.

⁹ 66 Pa.C.S. §§2801-2815.

¹⁰ 52 Pa. Code §§54.182, 54.187(d).

terms of access and conditions that are comparable to the utility’s own use of its system.”¹¹ As PECO is using a different cost recovery method in providing transmission service to EGSs’ customers than it is employing for its own default service customers, a modification is warranted to level the playing field and ensure compliance with Section 2804(6).

The RD’s characterization of the Coalition’s proposal as resulting in the rebundling of transmission and distribution service is also incorrect.¹² Notably, the only service that the Competition Act declared as competitive is generation service. Section 2802(13) provides that the Competition Act will give retail customers access only to “a competitive market for the generation and sale or purchase of electricity.”¹³ Similarly, Section 2802(14) specifies that unbundling was designed to give competitive suppliers open access to the EDCs’ transmission and distribution systems to allow them “to generate and sell electricity directly to consumers.”¹⁴ Further, the law states that “[i]t is in the public interest for the transmission and distribution of electricity to continue to be regulated as a natural monopoly subject to the jurisdiction and active supervision of the commission.”¹⁵

Three different services must be furnished to customers – distribution, transmission and generation. The transmission costs for shopping customers need to be recovered either by the EDC providing distribution service or the EGS supplying generation service. Today, confusingly, different components of transmission cost are recovered through the EDC in some

¹¹ 66 Pa.C.S. §2804(6).

¹² *See Petition of PECO Energy Company for Approval of its Default Service Program for the Period from June 1, 2015 through May 31, 2017 (“PECO DSP III Order”)* (Ignoring similar arguments, the Commission permitted the non-bypassable recovery of certain PJM transmission charges because it was beneficial to customers).

¹³ 66 Pa.C.S. §2802(13).

¹⁴ 66 Pa.C.S. §2802(14).

¹⁵ 66 Pa.C.S. §2802(16).

circumstances and through the EGS in others. In any case, placing cost recovery responsibility on the EDC rather than the EGS does not amount to rebundling of transmission service with distribution, in the same way PECO's current approach does not rebundle transmission and generation service. Nothing is being rebundled – the only change under the Coalition's proposal is that the NITS charges would be recovered in the same way other transmission charges are.

More specifically, PECO currently recovers the costs for the following charges for all customers: Generation Deactivation/Reliability Must Run charges; Regional Transmission Expansion Plan charges; and, Expansion Cost Recovery charges (collectively, "Other PJM Charges").¹⁶ PECO recovers the costs of the Other PJM Charges via the Non-Bypassable Transmission ("NBT") Charge. The ESC's proposal is that NITS costs be included with the NBT Charge.¹⁷ Since the NBT Charge is a Commission approved cost recovery mechanism for Other PJM Charges, there is no legal reason why NITS – a similar wholesale charge – cannot be included as well. The other side of that coin is that, if the Commission upholds the ALJ's reasoning that the Coalition's proposal would constitute unlawful rebundling, it cannot also sustain the NBT Charge as it presently exists. The ALJ never grapples with this inconsistency.

The RD also cites Commission regulations as supporting its conclusion.¹⁸ However, these regulations do not suggest that the entity providing a customer's generation service must take responsibility for the provision of transmission services and collection of the associated costs. Rather, these regulations merely define default service and specify the costs that should be

¹⁶ ESC Statement No. 1 at 31 and 33.

¹⁷ ESC Statement No. 1 at 33.

¹⁸ RD at 108; 52 Pa. Code §§54.182, 54.187(e).

recovered from default service customers. The RD appears to be conflating responsibility for providing the transmission service with responsibility for recovering the costs of that service.

Finally, in stating that “Commission precedent holds that the collection of NITS for shopping customers should remain with the EGS,” the RD cites to precedent regarding PECO.¹⁹ The Commission, however, regarding this specific issue has made clear that it is not prevented from considering proposals to require a different outcome.²⁰ Rather, at that time, the Commission was not convinced as to the unpredictability of NITS charges. Since then, the Federal Energy Regulatory Commission has approved the use of a formula rate for PECO, which has resulted in significant fluctuations in NITS costs and increased their unpredictability.²¹ While the RD suggests that that NITS costs are predictable,²² this observation is contrary to the compelling evidence presented by the Coalition through the Direct and Surrebuttal Testimony of Mr. Kavulla.²³ Moreover, as the ESC explained, EGSs have no control over these costs because they are driven by PECO’s decisions on transmission spending.²⁴

For all these reasons, the Commission has the requisite legal authority to direct a change to the current status quo regarding cost recovery of NITS in PECO’s service territory. Therefore, the RD’s recommendation to the contrary must be rejected.

¹⁹ RD at 107.

²⁰ *FE DSP III Order* at 53.

²¹ ESC Main Brief at 7-10; ESC Statement No. 1 at 34-40.

²² RD at 106.

²³ ESC Statement No. 1 at 37-39; ESC Statement No. 1-S at 22-23.

²⁴ ESC Main Brief at 9-10; ESC Statement No. 1 at 39-40.

B. Exception No. 2: The ALJ Erred By Overlooking Or Misinterpreting the Evidence To Conclude That The Current Market Inequities Do Not Need To Be Addressed

The RD does not include any discussion about the status quo in PECO's service territory regarding how default service customers and shopping customers are assessed NITS charges. Rather, it analyzes methods used by EGSs and concludes that EGSs can manage the NITS risk without any need to disrupt the status quo.²⁵ The RD's analysis on this point is in error because it overlooks the clear record evidence presented explaining: (i) the underlying inequity in the market caused by PECO's recovery of NITS costs for default service customers only; (ii) the reality of the unlevel playing field and differences that exist based on customer class; and (iii) why action needs to be taken to correct the current status quo. In some way, shape, or form, it is imperative that the Commission recognize and address the inequities of maintaining PECO's status quo given the competitive advantage it creates for default service.

As Mr. Kavulla explains, pursuant to the status quo, "EGSs bear the risk of estimating and pricing likely NITS charges. Meanwhile, PECO's wholesale default service suppliers and PECO itself pass that risk along to default service customers, who have their rates increased after the fact for any increase in NITS charges."²⁶ Continuing PECO's method for recovering NITS costs perpetuates an unlevel playing field.

This situation is particularly unjust because it is PECO itself, as a transmission owner, whose planning and investment decisions ultimately drive NITS rate changes. As Mr. Kavulla explains, for the first time in this default service plan, PECO's NITS rates are a function of FERC's formula ratemaking methodology, which whatever its other policy merits or demerits,

²⁵ RD at 107-108.

²⁶ ESC Statement No. 1 at 33.

results in transmission rates that change more frequently, are based on forward-looking revenue requirements that are less forecastable, and which have resulted in volatility in the NITS rate.²⁷

The RD does not appear to consider any of this evidence, brushing it aside by stating that “since implementation of a formula rate, PECO’s NITS rates have been stable.”²⁸ The ALJ has plainly misapprehended the effect of the only evidence in this proceeding related to PECO’s NITS rates, which shows a rate change of 18% in a single year.²⁹

The ALJ also avers that “even if such volatility existed, EGSs do not have to take on such risk” because they can write into contracts automatic pass-through provisions for NITS rate changes.³⁰ As explained in ESC’s Reply Brief, that is not a viable approach for residential and small business customers because of the Commission’s Order on *Guidelines for Use of Fixed Price Labels for Products With a Pass Through Clause*.³¹ In its consideration of the types of costs that were triggering price increases from EGSs to residential and small business customers (including NITS), the Commission noted that it is “unrealistic to expect the average residential consumer to understand electric markets to this level of granularity, with many of them still struggling with the basic distinctions of generation, transmission and distribution.”³² The Commission also determined that the *Fixed Means Fixed Order* applies to small business

²⁷ ESC Statement No. 1 at 35-38.

²⁸ RD at 107.

²⁹ PAIEUG Statement No. 1 at 7. Mr. Pollock presents a table which summarizes the history of PECO’s NITS rates. According to this table, between June 1, 2019 and June 1, 2020, there was a percent change of -18.0%. The fact that this was a volatile decrease and not an increase in transmission rates apparently may have influenced the ALJ, but that is not a reasoned basis for fact-finding on whether the rate is volatile.

³⁰ RD at 107.

³¹ ESC Reply Brief at 9-11 citing *Guidelines for Use of Fixed Price Labels for Products With a Pass Through Clause*, Docket NO. M-2013-2362962 (Order entered November 14, 2013) (“*Fixed Means Fixed Order*”), at 2-3.

³² *Fixed Means Fixed Order* at 23.

customers.³³ After considering different solutions, the Commission concluded that a fixed-price product for residential and small business customers must not change in price during the term of the agreement.³⁴ The ultimate result of the *Fixed Means Fixed Order* left EGSs – serving residential and small business customers – with no option to protect themselves against PJM-related cost spikes except by charging variable prices, despite the preferences of many customers and regulators for fixed-price products. Thus, the ability of some EGSs to pass-through NITSs charges directly to large commercial customers is not an option that exists in the same way for residential and small business customers. As a result, the RD’s reliance on pass-through to large commercial customers as a way to conclude that EGSs have viable options to manage the risk of NITSs charges is not correct.

To be clear, the issue here is not that EGSs cannot manage risk but that the current market structure creates an unlevel playing field. Thus, when NITS costs change unpredictably (which the record supports is likely to happen), the impact on shopping customers will be very different depending on how their EGS has elected to manage the risk and also based on the customer class. None of these difficulties occur, though, for default service customers because PECO can simply recover the NITSs costs via a true-up and reconciliation of the default service price. The ALJ errs by failing to recognize the inequitable situation that exists and appropriately considering the evidence explaining why future NITS are likely to continue to be unpredictable and the difficulties that poses for EGSs due to PECO’s current cost recovery structure.

³³ *Fixed Means Fixed Order* at 30.

³⁴ *Fixed Means Fixed Order* at 20-24.

III. THE COMMISSION SHOULD INSTITUTE A STATEWIDE REVIEW OF WHETHER THERE IS A NEED TO ADDRESS NITS IN A MORE UNIFORM AND COMPREHENSIVE WAY THAT WOULD FACILITATE AND ENHANCE THE RETAIL ELECTRIC MARKET

The fundamental point of contention regarding NITS cost recovery is how load-serving entities have to factor these costs into their prices. EGSs must bear the risk of estimating NITS charges and may elect various methods, including risk premiums, to account for the risk. To the contrary, the generation supply function within default service does not have this burden and bear this risk. PECO's wholesale default suppliers need not include any risk premiums associated with NITS charges into the prices they bid to provide default service. This results in a situation where EGS customers are paying for what EGSs guessed NITS charges would be, including possibly a risk premium related to the possibility that the guess may be wrong. By contrast, non-shopping customers will only pay their actual NITS costs as a result of PECO's ability to utilize reconciliation and true-up mechanisms to address any NITS unpredictability.³⁵ As explained by the Coalition's witness, Mr. Kavulla, "PECO's current method is the worst possible approach to dealing with the unpredictable nature of the actual NITS costs to be assessed on all LSEs both because of the imparity with how PECO treats NITS for default supply customers and shopping customers and because having EGSs bear the cost of NITS may increase costs to customers."³⁶

Because the ALJ finds that EGSs can manage NITS costs – a point with which the ESC does not disagree – and ignores the unlevel market created by PECO's recovery of costs for default service customers only, she recommends that the Commission maintain the status quo.³⁷ Respectfully, focusing on how EGSs are managing this issue and ignoring the market disparity

³⁵ ESC Statement No. 1 at 33-34.

³⁶ ESC Statement No. 1 at 34.

³⁷ RD at 107.

created by PECO's current structure to recover NITS costs for default service customer only, is shortsighted and does not create a path forward for the Commission to fully consider the best resolution of this issue for consumers. While the ESC continues to support adoption of its recommended solution, it also recognizes the Commission's prior unwillingness to implement such an approach and that other approaches are available. Rather than continue the current unlevel market by outright rejecting the ESC's proposed solution here, the ESC urges the Commission to institute a statewide review of whether there is a need to address NITS cost recovery in a more uniform and comprehensive way that would facilitate and enhance the retail electric market.

In the ESC's testimony, Mr. Kavulla referred to the Commission's May 1, 2015 Secretarial Letter initiating an informal investigation "to determine if there is a need to address these non-market based wholesale market charges in a more uniform and comprehensive way that would facilitate and enhance the retail electric market during future proceedings."³⁸ He also noted that neither the information provided by the EDCs in response to the May 1, 2015 letter nor any other result of the Staff's informal investigation was shared publicly. PECO, in response to discovery in this proceeding, indicated that "after a reasonable search . . . it was unable to locate the written informal comments" shared with Commission Staff.³⁹ Then, in April 2017, Commission Staff announced its intent to reopen the non-market based charges informal investigation and requested any interested stakeholder to submit informal comments by July 2017. Like the earlier investigation, none of the informal information received in July 2017 nor

³⁸ The May 1, 2015 Secretarial Letter is included with the April 21, 2017 CHARGE Call Recap available on the Commission's website at http://www.puc.pa.gov/Electric/docs/OCMO/CHARGE_Recap042117.docx.

³⁹ Exhibit TK-14 (PECO Response to ESC-I-21).

any other result of Staff's restarted investigation was publicly shared. No further information or action has occurred as a result of this Staff informal review.⁴⁰

Because this investigation appears to have stalled, the Coalition took the position that the issue should be addressed as part of this proceeding. However, in response to PECO's witness, John McCawley, who suggested that the Commission's investigation should prevent a reconsideration of the earlier Commission ruling in an individual default service proceeding,⁴¹ the Coalition noted that it would welcome a serious statewide review of the issue.⁴²

The record here well explains the various ways EGSs may manage NITS costs for their shopping customers and the ALJ notes why she is persuaded that NITS costs can be reasonably managed by EGSs.⁴³ The RD, however, does not consider how an EGS's recovery of NITS may vary depending on customer class but, rather, relies on testimony that large commercial and industrial ("C&I") customers pay NITS costs on a direct pass-through basis.⁴⁴ Decisions on these issues that may make sense for large C&I customers do not necessarily make sense for residential and/or small commercial customers. Given the debate on the record in this proceeding, the fact that an unlevel playing field will continue to exist so long as the Commission maintains the status quo, and the apparent importance of this issues to a majority of EGSs (as they continue to raise it in default service proceedings), the ESC supports taking action

⁴⁰ ESC Statement No. 1 at 31-32.

⁴¹ PECO Statement No. 1-R at 19.

⁴² ESC Statement No. 1-S at 21-22.

⁴³ RD at 107 (citing to advocacy from PAIEUG that Large C&I customers procure generation from EGSs under contracts in which NITS costs are a direct pass-through and Calpine which "has been able to manage NITS costs.")

⁴⁴ RD at 107. This observation ignores the issue raised by the ESC concerning the limitations on the ability of EGSs serving residential and small business customers to use pass-through clauses. ESC Reply Brief at 9-11. *Guidelines for Use of Fixed Price Labels for Products With a Pass Through Clause*, Docket No. M-2013-2362961 (Order entered November 14, 2013).

that will lead to a reasonable resolution after input and deliberation from all interested stakeholders and the Commission.

The ESC recommends that the best way to achieve this goal would be to implement a statewide investigation which could fully consider the market inequities created by PECO's recovery of NITS costs for default service only and what, if any proposals, should be implemented. While the ESC's proposal is one that would address the market inequities, the Commission has also been open to other alternatives to level the playing field for recover NITS costs, which is shown through its approval of an approach that requires the wholesale supplier to include the costs of NITS as part of its bid to provide default service.⁴⁵ The statewide investigation could also deal with differences necessitated by differing customer classes as well as transition issues.⁴⁶

In sum, EGSs in the market continue to view the issue of NITS cost recovery as one that merits attention in the context of the various default service proceedings. In this case particularly, the ESC explained how PECO's decision to use formula rates has led to more frequent and sudden transmission rate changes.⁴⁷ While other EGSs and large commercial customers continue to support the status quo, such result fails to recognize that an inequity exists for other classes. Upon consideration of the history of this issue and the current proceeding, the ESC supports a statewide investigation focused on the topic as the best way for all interested stakeholders to present their issues and proposals for the Commission's consideration so that a uniform statewide decision can be made that would best serve the needs of consumers.

⁴⁵ *FE DSP III Order* at 31-32.

⁴⁶ ESC Main Brief at 12-13; ESC Statement No. 1-S at 24.

⁴⁷ ESC Statement No. 1 at 35-40.

IV. CONCLUSION

For the reasons discussed above, the Commission should grant these Exceptions and find that the Commission has the legal authority to direct a change to PECO's current cost recovery mechanism for NITS and open a statewide investigation of whether there is a need to address NITS cost recovery in a more uniform and comprehensive way that would facilitate and enhance the retail electric market.

Respectfully submitted,

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