

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition Of Metropolitan Edison	:	
Company, Pennsylvania Electric	:	Docket No. P-2015-2511333
Company, Pennsylvania Power	:	Docket No. P-2015-2511351
Company and West Penn Power	:	Docket No. P-2015-2511355
Company for Approval of Their	:	Docket No. P-2015-2511356
Default Service Program	:	

REBUTTAL TESTIMONY

OF

MATTHEW WHITE

On Behalf of

Retail Energy Supply Association

Topics Addressed:

**Customer Referral Program
Restricting EGS Offers to Low-Income Customers**

February 9, 2016

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1 **I. INTRODUCTION AND BACKGROUND**

2 **Q. PLEASE STATE YOUR NAME AND TITLE.**

3 A. My name is Matthew White. I am employed by Interstate Gas Supply, Inc. (“IGS” or
4 “IGS Energy”) as General Counsel, Legislative and Regulatory Affairs.

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS**
6 **PROCEEDING?**

7 A. Yes. I submitted direct testimony on behalf of the Retail Energy Supply Association
8 (“RESA”)¹ pre-marked as RESA St. No. 2 and served to the parties on January 14, 2016
9 regarding the proposed default service plan of Metropolitan Edison Company (“Met-
10 Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn
11 Power”) and West Penn Power Company (“West Penn”)(collectively, “FirstEnergy” or
12 “Companies”). Additional direct testimony on behalf of RESA was submitted by
13 Richard J. Hudson, Jr.. (RESA St. 1).

14 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

15 A. The purpose of this rebuttal testimony is to explain why the proposals of Office of
16 Consumer Advocate (“OCA”) Witness Barbara Alexander regarding the Customer
17 Referral Program (“CRP”) to modify scripts and increase costs on participating CRP
18 suppliers should be rejected. I will also address why RESA opposes the recommendation
19 of Harry Geller on behalf of the Coalition for Affordable Utility Services and Energy
20 Efficiency in Pennsylvania (“CAUSE-PA”) to prohibit low-income customers who are

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

1 participating in the Companies' customer assistance plan ("CAP") from entering into a
2 contract with an electric generation supplier ("EGS") in which: (1) the customer may pay,
3 at any time, rates greater than the Price-to-Compare ("PTC"); and, (2) the contract
4 includes early cancellation or termination fees.

5 **II. OCA RECOMMENDATIONS REGARDING CRP**

6 **Q. PLEASE SUMMARIZE YOUR POSITION REGARDING OCA'S**
7 **RECOMMENDATIONS REGARDING THE CRP.**

8 A. Ms. Alexander proposes modifications to CRP scripting. (OCA St. No. 2 at 21-23). As
9 explained further below, these proposals would significantly limit the way the CRP could
10 be messaged to customers and would erode the program's purpose and effectiveness.
11 Further, Ms. Alexander proposes that EGSs choosing to participate in CRP pay
12 significantly more to participate in the CRP. (OCA St. No. 2 at 23). If implemented,
13 Ms. Alexander's proposals would stifle EGS and customer participation in the CRP
14 program and otherwise limit the cost savings and customer choice education benefits that
15 the CRP program brings to customers. Further, since 100% of the customer enrollment
16 costs for default service are recovered through distribution rates (and are not allocated to
17 default service – unlike the CRP enrollment fee which is allocated to suppliers), it would
18 be unreasonable to increase the costs on the CRP.

19 **(A) OCA Recommended CRP Scripting Modifications**

20 **Q. CAN YOU PLEASE BRIEFLY DESCRIBE THE CRP PROGRAM OFFERED BY**
21 **FIRSTENERGY?**

22 A. Yes. At a high level, when a customer calls the FirstEnergy call center for reasons such as
23 initiating electric service, the FirstEnergy call center representative will ask the customer
24 if he or she is interested in hearing about opportunities for potential savings on their
25 electric generation bill. If the customer answers yes, he or she is transferred to a third

1 party call center run by AllConnect. An AllConnect representative will then offer the
2 customer an opportunity to enroll in a an EGS product that provides a customer with a 12
3 month fixed price at 7% discount to the current FirstEnergy PTC.

4 **Q. IN YOUR OPINION HAS THE FIRSTENERGY CRP LARGELY BEEN A**
5 **SUCCESSFUL PROGRAM.**

6 A. Yes. Overall the CRP has seen healthy customer and EGS participation and has largely
7 been successful in encouraging customers to take advantage of lower cost options in the
8 market place. Further, the CRP has helped educate customers about retail electric choice
9 and helped familiarize customers with the concept of shopping for their retail electric
10 supply. Because customers participating in the CRP can leave the CRP Supplier at any
11 time without penalty, customers enrolled in CRP have the ability to enroll with another
12 supplier or return to default service. As such, CRP is a valuable tool to introduce first
13 time shoppers to the competitive market and enabling them to select other competitive
14 offers thereafter. I would note, however, two facts that warrant addressing in the future.
15 First, the CRP, while successful has not resulted in a majority of FirstEnergy customers
16 participating in the competitive market (currently the shopping levels are still under 40%
17 in all of the FirstEnergy EDC service territories). Second, the CRP creates an emphasis
18 on the price of energy as the determining factor in a shopping decision. A market is
19 unlikely to become fully and vibrantly competitive unless it offers customers a variety of
20 “value added” features so that customers will have a reason to continue to participant in
21 the competitive market even when there is less price incentive to do so.

22 **Q. HAS MS. ALEXANDER’S PROPOSED MODIFICATIONS TO THE CRP**
23 **ENROLLMENT PROCESS FOR CUSTOMERS?**

24 A. Yes, despite the CRP’s success, Ms. Alexander recommends a number of modifications
25 to the CRP enrollment process that would have the effect of limiting customer

1 participation in the CRP. (OCA St. No. 2 at 21-23). Specifically Ms. Alexander
2 recommends prohibiting:

- 3 • Any reference to a “7% discount” in CRP communications to customers;
- 4 • Referencing the Commission’s approval of the CRP to customers; and
- 5 • Promising any savings or lower prices when discussing the CRP with
6 customers.

7 **Q. IS MS. ALEXANDER RECOMMENDING ADDITIONAL DISCLOSURE**
8 **REQUIREMENTS WHEN A CUSTOMER ENROLLS IN A CRP PRODUCT?**

9 A. Yes. Ms. Alexander is also proposing that when the CRP is being discussed with
10 customers, FirstEnergy must affirmatively state that:

- 11 • The customer can select or retain default service and refrain from any
12 suggestion that the customer must or should select an EGS;
- 13 • FirstEnergy is offering a means to introduce a customer to being served by an
14 EGS with a fixed rate contract for 12 billing cycles;
- 15 • The fixed rate will be [cents per kilowatt-hour] for 12 billing cycles. This
16 price is slightly less than the current default service or Price to Compare
17 [cents per kWh] as stated on the customer’s bill;
- 18 • The EGS price will not change for 12 months, but the PTC will change every
19 quarter and, therefore, the PTC may be higher or lower than the fixed rate
20 EGS price so that the customer may pay more than the future PTC or
21 experience an even greater savings than the PTC over the 12 billing cycles;
- 22 • The PTC will next change in _____ and in [name the following
23 months for the PTC change]; and (6) The customer can return to default
24 service without 1 penalty at any time or select another EGS without penalty
25 during this 12-month period.

26 **Q. DO YOU SUPPORT MS. ALEXANDER’S RECOMMENDATIONS?**

27 A. No. I do not support the adoption of any of the proposed changes to the CRP suggested
28 by Ms. Alexander.

1 **Q. IS IT REASONABLE TO PROHIBIT REFERENCES TO A 7% DISCOUNT,**
2 **REFERENCE TO THE COMMISSION'S APPROVAL OF THE PROGRAM,**
3 **AND ANY PROMISE OF SAVINGS OR LOWER PRICE?**

4 A. No. Eliminating these references from the CRP scripts would deprive customers of
5 important information that they need to know about the program. Further the information
6 provided in the CRP scripts are accurate representations about the CRP program that
7 enable customers to make an informed decision about whether or not to enroll with an
8 EGS through the CRP.

9 **Q. WHY IS IT IMPORTANT TO MAINTAIN THE REFERENCE TO THE 7%**
10 **DISCOUNT IN THE REFERRAL PROGRAM SCRIPT?**

11 A. First, a reference to a 7% discount is an accurate characterization of the product that
12 customers receive when they enroll in a CRP product. The CRP offers customers the
13 opportunity to enroll in a price that is 7% less than the current PTC. The PTC is a
14 variable price that has the potential to change quarterly, but EGSs have no control over
15 whether the PTC increases or decreases and EGSs would have no knowledge of whether
16 the PTC will increase in the future. The only thing that is known is the PTC at the time
17 the customer enrolls, and thus the 7% discount is the comparison that is provided to the
18 customer. Second, a reference to the 7% discount is a key component in engaging the
19 customer about participation in the CRP program. Without the reference to the 7%
20 discount, fewer customers will be interested in the CRP leading to less customer and EGS
21 participation in the CRP. The result of this would be to erode an important purpose of the
22 CRP which is to incent customers to participate in the competitive market.

23 **Q. DO CRP CUSTOMERS OFTEN RECEIVE A DISCOUNT IN EXCESS OF 7% TO**
24 **THE PTC AFTER THE QUARTERLY PTC ADJUSTMENT?**

25 A. Yes. In her testimony Ms. Alexander discusses extensively the fact that the PTC changes
26 quarterly which creates instances when the CRP fixed price reflects a discount less than

1 7% off the PTC. What Ms. Alexander fails to mention is that the PTC is equally as likely
2 to increase as it is to decrease. So, after the PTC adjusts, customers are just as likely to
3 receive a discount *greater than 7% off* the PTC. In fact Ms. Alexander's own data shows
4 that on approximately two dozen occasions between August 2013 and May 2014,
5 FirstEnergy customers enrolling in the CRP received a discount to the PTC by over 15%
6 or more.²

7 **Q. ARE CUSTOMERS GUARANTEED TO RECEIVE A DISCOUNT TO THE PTC**
8 **UPON INITIAL ENROLLMENT IN THE REFERRAL PROGRAM?**

9 A. Yes. Participation in the CRP guarantees customers a discount off the PTC when they
10 enroll with the CRP Supplier. This discount is guaranteed until the next PTC change.
11 Thus, the representation that they will receive a savings to the PTC is a completely
12 accurate representation. Further, Ms. Alexander's own data indicates that a vast majority
13 of customers receive savings vs. the PTC for the full 12 month term. Only between June
14 1, 2014 to August 1, 2014 did FirstEnergy customers enrolling in the CRP not receive
15 savings to the PTC. Moreover, frequently customers enrolled in the CRP received
16 savings in excess of 10% to the PTC for the 12 month fixed period.³

17 **Q. ARE CUSTOMERS FREE TO LEAVE THE CRP FIXED PRODUCT IN THE**
18 **EVENT THAT THE PTC IS LOWER THAN THE CRP?**

19 A. Yes. If the PTC ever drops below the CRP price, or customers simply wish to enroll in
20 another product, customers are free to switch to another product at any time without
21 incurring a cancellation fee.

² See Tables A-D, OCA St. No. 2 at 15-16. Most recently, for the June 2014 – February 2015 period, West Penn Power CRP customers experienced savings of 38.6%, 26.3%, and 27%. See Table D. Between June and August 2015, Penn Power CRP customer experienced savings of 40.8%. See Table C. Between Marcy and August 2015, Met-Ed CRP customers experienced savings of 17.7% and 17%. See Table A.

³ See attached RESA Exh. No. MW-6 which is an analysis of the CRP savings vs. the PTC.

1 **Q. ARE THERE OTHER BENEFITS TO CUSTOMERS THAT HAVE ENROLLED**
2 **IN THE CRP?**

3 A. Yes. As I noted above the PTC is a variable rate. The savings variance of the CRP is a
4 reflection of the significant volatility in the PTC rate. Thus, enrollment in the CRP
5 allows customers to avoid the volatility of the PTC for the 12 month fixed period.

6 **Q. IS IT REASONABLE TO PROHIBIT ANY REFERENCE TO COMMISSION**
7 **APPROVAL OF THE CRP?**

8 A. No. The CRP is a program that has been approved by the Commission. Thus
9 representing this to customers is an accurate representation of the facts. Further this
10 information is relevant to the customer and it enables customers to make an informed
11 decision about whether to enroll in a CRP product. Thus, the CRP can introduce
12 customers to shopping and, once they enroll in CRP, enable the customer to freely shop
13 without penalty.

14 **Q. ARE THE ADDITIONAL DISCLOSURE REQUIREMENTS NEEDED WHEN A**
15 **CUSTOMER ENROLLS IN THE CRP?**

16 A. No. Ms. Alexander's additional proposed disclosures would amount to information
17 overload for a customer. As a general matter, there are diminishing returns when
18 providing more information and disclosures to a customer. As more information and
19 disclosures are provided, the customer starts to ignore the information provided, until all
20 disclosures are drowned out completely and the information is not processed and retained
21 by the customer. The current CRP customer disclosure requirements strikes the
22 appropriate balance by giving customers enough information about the CRP and the
23 products in which they enroll, without overloading the customer with information.

1 **Q. CAN TOO MANY DISCLOSURES ALSO BE BURDENSOME AND ANNOYING**
2 **TO CUSTOMERS?**

3 A. Yes. Customers in the CRP are busy like everyone else and do not want to spend more
4 time on the phone than is absolutely necessary. Adding additional disclosure
5 requirements to the CRP will merely increase the time customers spend on the phone, and
6 lessen the customer experience when enrolling through the CRP. Furthermore, adding
7 additional disclosures will only add to the time spent on the phone with the customer
8 resulting in additional cost of administering the program, thus diminishing any savings
9 that customers may enjoy from enrolling in the program.

10 **Q. DO YOU FEEL ACCURATE AND SUFFICIENT INFORMATION IS ALREADY**
11 **PROVIDED TO CUSTOMERS IN THE CURRENT FIRSTENERGY CRP**
12 **SCRIPTS?**

13 A. Yes. Establishing the CRP scripting for FirstEnergy was a well thought out process that
14 included the input of many stakeholders. The current FirstEnergy scripting strikes the
15 balance of giving the customer the appropriate information needed to make an informed
16 decision, but at the same time enabling the customer to have a relatively seamless
17 experience when enrolling with the CRP. Ms. Alexander's proposed changes to the CRP
18 appear to be attempts to dissuade customer from participating in the CRP and otherwise
19 limit customer enrollment in the CRP. Ms. Alexander's recommendations are
20 inappropriate and thus should not be adopted.

21 **(B) OCA Recommended CRP Program Changes**

22 **Q. HAS MS. ALEXANDER MADE ANY OTHER CHANGES TO THE CRP**
23 **PROGRAM INCLUDING CHANGES TO THE CRP COST ALLOCATION?**

24 A. Yes. Ms. Alexander recommends that funding for CRP from ratepayers be eliminated and
25 either: (i) FirstEnergy reduce costs; or (ii) increase EGS fees to cover costs. (OCA St.

1 No. 2 at 18-19.) Ms. Alexander also recommends that the Companies survey customers
2 participating in CRP and sunset the program on May 31, 2019. (OCA St. No. 2 at 24-25.)

3 **Q. DO YOU SUPPORT MS. ALEXANDER'S PROPOSED PROGRAM CHANGES?**

4 A. No. Each quarter EGS' must make the economic decision whether or not to participate in
5 the CRP program. Adding additional costs to the customer referral program would limit
6 EGS participation in the referral program and ultimately will limit customer enrollment in
7 the CRP. I would also note that in adopting the \$30 fee, the Commission made clear that
8 the amount was to "be capped in order to attract participation in these programs, and also
9 to provide proper cost incentives for EDCs to minimize implementation costs."⁴

10 **Q. WILL ADDING CRP COSTS EXACERBATE THE ANTI-COMPETITIVE**
11 **ADVANTAGE ALREADY PROVIDED TO FIRSTENERGY DEFAULT**
12 **SERVICE?**

13 A. Yes. Currently when customers call to enroll in electric service with FirstEnergy, unless
14 they affirmatively elect EGS service, the customer is enrolled in FirstEnergy's default
15 service *at zero cost attributable to default service*. That means that although it takes
16 FirstEnergy call center time and FirstEnergy personnel to initiate default generation
17 service for the customer, the default service is charged nothing for that function. Rather,
18 all of those costs are recovered through distribution rates. Conversely, when a customer
19 calls in and chooses to enroll in the CRP program, EGSs are currently charged \$30 for
20 the customer enrollment. Thus, there is already a disparity in how EGS customers are

⁴ *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-2011-2273650, P-2011-2273668, P-2011-2273669, P-2011-2273670, Opinion and Order entered February 15, 2013 at 14.*

1 treated vs. default service customers.⁵ Ms. Alexander now wants to add on *even more*
2 *costs* for customers to enroll with EGSs by requiring even higher fees to participate in the
3 CRP. Increasing the costs for EGSs to participate in CRP will only exacerbate the
4 subsidies already received by default service through distribution rates.

5 **Q. ARE THE “BULK” OF FIRSTENERGY’S COSTS TO ADMINISTER THE CRP**
6 **RECOVERED THROUGH THE EGS CHARGES?**

7 A. Yes. While Ms. Alexander’s claim that the Commission directed that EGSs pay the
8 “bulk of the Customer Referral Program costs” is not stated in the Commission’s order
9 (which actually made clear that EGS fees were to be capped at \$30), I would note that the
10 \$30 fee has resulted in EGSs actually contributing 73.72% of the total costs of the
11 programs. The remaining 30% of the costs are recovered through distribution rates.⁶
12 Thus, EGSs are more than paying for the costs of the CRP. Moreover, this payment of
13 costs is in stark contrast to default service where *100% of the costs to enroll customers in*
14 *default service are recovered through distribution rates.*

15 **Q. WHAT WOULD BE A MORE REASONABLE ALTERNATIVE TO MS.**
16 **ALEXANDER’S PROPOSAL?**

17 A. The fact that EGSs are charged costs to enroll customers in generation service through
18 the CRP is an implicit acknowledgement that FirstEnergy incurs costs to enroll customers

⁵ I do not agree with the conclusion of the Office of Small Business Advocate (“OSBA”) Witness Robert D. Knecht that a “stabilization of shopping rates” suggests that the Companies no longer have an unfair competitive advantage over EGSs. (OSBA St. No. 1 at 4). The discussion here is just one example of the competitive advantage that EDCs continue to enjoy by continuing to bundle the costs of default service with distribution rates. I further addressed this in my direct testimony. (RESA St. No. 2 at 4-11). I also discussed in my direct testimony the competitive advantage EDCs enjoy by virtue of owning the billing relationship with the retail customers. (RESA St. No. 2 at 11-21).

⁶ RESA Exh. MW-7, FirstEnergy Discovery Response to OCA, Set I, No. 3. Adding together the vendor expense, administrative expense and amortization expense for all four EDCs results in total CRP costs of \$8,602,392. The total EGS fees for all four EDCs equals \$6,341,940. Thus, the total EGSs fees for all four EDCs equals 73.72% of the total costs of the CRP.

1 for default generation service. Therefore, a more reasonable alternative to Ms.
2 Alexander's proposal to address the issue she raises would be to assess a \$30 fee to
3 default service each time a customer calls FirstEnergy and is ultimately enrolled in
4 default service. Reflecting this cost in default service would be consistent with the
5 current status quo whereby CRP Suppliers are required to pay a \$30 fee to cover the cost
6 of enrollments.

7 **Q. HOW IS THIS ALTERNATE APPROACH CONSISTENT WITH YOUR**
8 **PROPOSAL IN YOUR DIRECT TESTIMONY TO UNBUNDLE COSTS FROM**
9 **DISTRIBUTION RATES THAT ARE USED TO SUPPORT DEFAULT**
10 **SERVICE?**

11 A. I recommended in my direct testimony that FirstEnergy unbundle costs recovered
12 through distribution rates that are incurred to support default service and charge those
13 costs directly to default service. (RESA St. No. 2 at 4-11). Assessing a \$30 enrollment
14 fee for default service enrollments just as a \$30 enrollment fee is assessed for CRP
15 enrollments would be a step to achieving unbundling of some costs that are incurred to
16 support default service.

17 **(C) OCA Recommendation regarding Hourly Fee for CRP Suppliers**

18 **Q. DOES OCA SUPPORT FIRSTENERGY'S PROPOSAL TO IMPOSE AN**
19 **HOURLY FEE ON CRP SUPPLIERS?**

20 A. Yes, Ms. Alexander supports FirstEnergy's proposal. (OCA St. No. 2 at 23-24.) As set
21 forth in my direct testimony, I oppose this recommendation because customers frequently
22 contact FirstEnergy, and by no fault of the EGS, the customer's issue may stem from a
23 misunderstanding about CRP rather than any violation of the rules by an EGS. (RESA
24 St. No. 2 at 22-24.) Thus, it would be unreasonable to charge EGSs hourly fees each
25 time there is a customer complaint even though the EGS may have never violated a
26 Commission rule or be found in violation of the CRP program guidelines.

1 III. RESTRICTING EGS OFFERS TO CAP CUSTOMERS

2 **Q. WHAT RECOMMENDATION DOES CAUSE-PA WITNESS GELLER MAKE**
3 **REGARDING CAP CUSTOMERS?**

4 A. Mr. Geller recommends that any competitive offering of an EGS to CAP customers must:
5 (1) always be priced below the PTC; and, (2) include terms and conditions that prohibit
6 the imposition of early termination and cancellation fees. (CAUSE-PA St. No. 1 at 18.)

7 **Q. DO YOU SUPPORT THIS RECOMMENDATION?**

8 A. No. I do not support restrictions on the type of offers that an EGS may provide to low-
9 income customers based solely on their enrollment in a utility's CAP. There are any
10 number of reasons why a CAP customer may elect an EGS product which may not be
11 clear from a simple comparison of a CAP customer's EGS price to the then-effective
12 PTC.⁷ Moreover, not only is such a restriction an inappropriate regulation of the pricing
13 an EGS can offer a customer, but it would be difficult to implement and enforce and
14 could result in EGSs choosing not to make any competitive offers to CAP customers.
15 Administrative protocols would need to be created to ensure that EGSs know on a real-
16 time basis whether or not a particular customer is enrolled in CAP as requiring an EGS to
17 ask every potential FirstEnergy customer about whether or not he or she is enrolled in
18 CAP in untenable (and would likely be viewed by the customer as intrusive, puzzling and
19 annoying or offensive). Moreover, if such restrictions were to be required, enforcement
20 issues have the potential of placing EDCs in the role of monitoring, tracking, and

⁷ RESA Witness Hudson discusses some of these reasons which could include choosing a value-added product or preferring a longer term fixed price in his rebuttal testimony. (RESA St. No. 1-R at 12-13). Moreover, as discussed by Mr. Hudson, using the EDC's PTC as the sole metric for what constitutes and appropriate or reasonable rate in a competitive marketplace is inappropriate. (RESA St. No. 1-R at 14-15).

1 enforcing compliance. Placing EDCs in this role is inappropriate. Thus, for these
2 reasons, RESA does not support CAUSE-PA's proposals on this issue.

3 **IV. CONCLUSION**

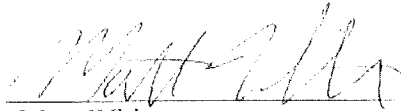
4 **Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?**

5 **A. Yes.**

VERIFICATION

I, Matt White, hereby state that: (1) I am the General Counsel Regulatory and Legislative Affairs for IGS Energy; (2) that I am authorized to submit this testimony on behalf of the Retail Energy Supply Association; (3) the facts set forth in this testimony are true and correct (or are true and correct to the best of my knowledge, information and belief); and (4) that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: February 9, 2016



Matt White
General Counsel Regulatory and
Legislative Affairs
IGS Energy

Exhibit MW-6

Met-Ed

Enrollment period	Savings or Loss compared to PTC, number of quarters			average variance to PTC
	lower	same	higher	
Aug-13	3	1	1	-3.52%
Sept-Nov 2013	3	0	2	-6.16%
Dec 2013-Feb 2014	4	0	1	-5.12%
Mar 2014-May 2014	4	0	1	-8.10%
Jun 2014-Aug 2014	1	0	4	15.30%
Sept 2014-Nov 2014	4	0	0	-8.98%
Dec 2014-Feb 2015	3	0	0	-13.90%
Mar 2015-May 2015	2	0	0	-6.50%
Jun 2015-Aug 2015	1	0	0	-7.00%

Penelec

Enrollment period	Savings or Loss compared to PTC, number of quarters			average variance to PTC
	lower	same	higher	
Aug-13	2	0	3	-0.28%
Sept-Nov 2013	3	0	2	-3.60%
Dec 2013-Feb 2014	4	0	1	-9.74%
Mar 2014-May 2014	3	0	2	-3.50%
Jun 2014-Aug 2014	1	0	4	18.52%
Sept 2014-Nov 2014	3	0	1	-5.10%
Dec 2014-Feb 2015	3	0	0	-13.90%
Mar 2015-May 2015	2	0	0	-10.30%
Jun 2015-Aug 2015	1	0	0	-7.00%

Penn Power

Enrollment period	Savings or Loss compared to PTC, number of quarters			average variance to PTC
	lower	same	higher	
Aug-13	2	0	3	0.76%
Sept-Nov 2013	5	0	0	-11.64%
Dec 2013-Feb 2014	5	0	0	-10.22%
Mar 2014-May 2014	5	0	0	-10.38%
Jun 2014-Aug 2014	2	0	3	14.22%
Sept 2014-Nov 2014	2	0	2	-6.58%
Dec 2014-Feb 2015	3	0	0	-19.83%
Mar 2015-May 2015	2	0	0	-10.25%
Jun 2015-Aug 2015	1	0	0	-7.00%

West Penn

Enrollment period	Savings or Loss compared to PTC, number of quarters			average variance to PTC
	lower	same	higher	
Aug-13	3	0	2	-2.68%
Sept-Nov 2013	3	1	1	-5.46%
Dec 2013-Feb 2014	4	0	1	-12.78%
Mar 2014-May 2014	5	0	0	-22.48%
Jun 2014-Aug 2014	2	0	3	8.26%
Sept 2014-Nov 2014	3	0	1	-4.90%
Dec 2014-Feb 2015	2	0	1	-5.67%
Mar 2015-May 2015	2	0	0	-19.80%
Jun 2015-Aug 2015	1	0	0	-7.00%

Total for all 4 companies

Enrollment period	Savings or Loss compared to PTC, number of quarters			average variance to PTC
	lower	same	higher	
Aug-13	10	1	9	-1.43%
Sept-Nov 2013	14	1	5	-6.72%
Dec 2013-Feb 2014	17	0	3	-9.47%
Mar 2014-May 2014	17	0	3	-11.12%
Jun 2014-Aug 2014	6	0	14	14.08%
Sept 2014-Nov 2014	12	0	4	-6.39%
Dec 2014-Feb 2015	11	0	1	-13.33%
Mar 2015-May 2015	8	0	0	-11.71%
Jun 2015-Aug 2015	4	0	0	-7.00%

Exhibit MW-7

ME/PN/PP/WPP Response to OCA Interrogatory Set I, No. 3

Witness: K. L. Bortz

Page 1 of 1

**JOINT PETITION OF METROPOLITAN EDISON COMPANY
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER
COMPANY, WEST PENN POWER COMPANY APPROVAL OF DEFAULT
SERVICE PROGRAMS**

Docket Nos. P-2015-2511333, P-2015-2511351, P-2015-2511355, and P-2015-2511356

OFFICE OF CONSUMER ADVOCATE Set I, No. 3

“Identify the revenues associated with the EGS participant fees for the Customer Referral Program charged by each EDC by month for each customer class of enrollment since June 1, 2013.”

RESPONSE:

See Met-Ed/Penelec/Penn Power/West Penn Response to OCA Interrogatory Set I, No. 3, Attachment A, column 4 for the total revenues associated with EGS participant fees for the Customer Referral Program. The Companies do not allocate the revenues associated with the EGS participant fees by customer class. Instead, the Companies allocate the amount in Met-Ed/Penelec/Penn Power/West Penn Response to OCA Interrogatory Set I, No. 3, Attachment A, column 5 between customer classes based on the number of monthly referrals in each rate class.

ME/PN/PP/WPP Response to OCA Interrogatory Set I, No. 3

Witness: K. L. Bortz

Attachment A

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Metropolitan Edison Company
Customer Referral Program Revenue and Expense

	Vendor Expense (1)	Administrative Expense (2)	Amortization Expense (3)	Revenue Recovered from EGS (4)	Amount Collected In DSS Rider (5) = (1) + (2) + (3) - (4)
April-13 Start-Up Costs	\$	490			
May-13 Start-Up Costs	\$	22,821			
June-13 Start-Up Costs	\$	11,637	\$ 2,012		\$ 2,012
July-13 Start-Up Costs	\$	9,202	\$ 3,104		\$ 3,104
Total Start-Up Costs	\$	44,150			
August-13 \$	122,040	\$ 13,668	\$ 4,052	\$ 102,420	\$ 37,340
September-13 \$	104,912	\$ 4,326	\$ 4,052	\$ 55,020	\$ 58,270
October-13 \$	7,524	\$ 2,571	\$ 4,052	\$ 101,910	\$ (87,763)
November-13 \$	104,675	\$ 4,234	\$ 4,052	\$ 96,810	\$ 16,151
December-13 \$	222,045	\$ 6,078	\$ 4,052	\$ 97,590	\$ 134,585
January-14 \$	55,182	\$ 8,988	\$ 4,052	\$ 105,393	\$ (37,171)
February-14 \$	92,785	\$ 3,905	\$ 4,052	\$ 29,245	\$ 71,498
March-14 \$	126,114	\$ 4,179	\$ 4,052	\$ 14,192	\$ 120,152
April-14 \$	102,546	\$ 4,068	\$ 4,052	\$ 88,800	\$ 21,866
May-14 \$	118,704	\$ 2,103	\$ 4,052	\$ 88,440	\$ 36,419
June-14 \$	110,448	\$ 2,155	\$	\$ 96,150	\$ 16,453
July-14 \$	111,132	\$ 1,393	\$	\$ 101,901	\$ 10,624
August-14 \$	105,048	\$ 2,524	\$	\$ 84,129	\$ 23,443
September-14 \$	101,088	\$ 1,186	\$	\$ 22,320	\$ 79,954
October-14 \$	102,708	\$ 1,283	\$	\$ 134,730	\$ (30,739)
November-14 \$	103,644	\$ 1,186	\$	\$ 84,840	\$ 19,990
December-14 \$	7,848	\$ 1,240	\$	\$ 24,090	\$ (15,002)
January-15 \$	72	\$ 2,448	\$	\$ 270	\$ 2,250
February-15 \$	-	\$ 1,379	\$	\$ 90	\$ 1,289
March-15 \$	80,712	\$ 1,385	\$	\$ 43,380	\$ 38,717
April-15 \$	77,364	\$ 1,253	\$	\$ 58,290	\$ 20,327
May-15 \$	75,240	\$ 751	\$	\$ 64,890	\$ 11,101
June-15 \$	87,840	\$ 996	\$	\$ 53,100	\$ 35,736
July-15 \$	99,828	\$ 4,097	\$	\$ 58,770	\$ 45,155
August-15 \$	101,700	\$ 2,499	\$	\$ 63,780	\$ 40,419
September-15 \$	95,760	\$ 1,396	\$	\$ 127,710	\$ (30,554)
October-15 \$	104,688	\$ 1,659	\$	\$ 84,450	\$ 21,897
November-15 \$	88,092	\$ 1,590	\$	\$ 75,000	\$ 14,682
Total	\$ 2,509,739	\$ 84,538	\$ 45,636	\$ 1,957,710	\$ 682,203

ME/PN/PP/WPP Response to OCA Interrogatory Set I, No. 3

Witness: K. L. Bortz

Attachment A

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Pennsylvania Electric Company
Customer Referral Program Revenue and Expense

	Vendor Expense (1)	Administrative Expense (2)	Amortization Expense (3)	Revenue Recovered from EGS (4)	Amount Collected In DSS Rider (5) = (1) + (2) + (3) - (4)
April-13 Start-Up Costs		\$ 883			
May-13 Start-Up Costs		\$ 12,412			
June-13 Start-Up Costs		\$ 8,388	\$ 1,147		\$ 1,147
July-13 Start-Up Costs		\$ 5,562	\$ 1,935		\$ 1,935
Total Start-Up Costs		\$ 27,245			
August-13	\$ 160,848	\$ 10,291	\$ 2,508	\$ 135,000	\$ 38,647
September-13	\$ 113,671	\$ 3,475	\$ 2,508	\$ 28,707	\$ 90,947
October-13	\$ 4,572	\$ 2,675	\$ 2,508	\$ 72,483	\$ (62,729)
November-13	\$ 104,713	\$ 2,661	\$ 2,508	\$ 83,220	\$ 26,663
December-13	\$ 218,958	\$ 3,416	\$ 2,508	\$ 98,010	\$ 126,871
January-14	\$ 47,898	\$ 3,034	\$ 2,508	\$ 97,600	\$ (44,160)
February-14	\$ 86,550	\$ 1,722	\$ 2,508	\$ 51,538	\$ 39,242
March-14	\$ 124,056	\$ 1,820	\$ 2,508	\$ 14,812	\$ 113,572
April-14	\$ 87,916	\$ 1,820	\$ 2,508	\$ 84,473	\$ 7,770
May-14	\$ 121,425	\$ 1,487	\$ 2,508	\$ 83,234	\$ 42,186
June-14	\$ 115,308	\$ 1,765		\$ 107,003	\$ 10,070
July-14	\$ 122,544	\$ 1,308		\$ 107,130	\$ 16,722
August-14	\$ 135,864	\$ 1,957		\$ 94,260	\$ 43,561
September-14	\$ 116,892	\$ 684		\$ 84,900	\$ 32,676
October-14	\$ 106,488	\$ 586		\$ 113,250	\$ (6,176)
November-14	\$ 111,168	\$ 1,130		\$ 78,150	\$ 34,148
December-14	\$ 13,284	\$ 1,560		\$ 15,090	\$ (246)
January-15	\$ 1,764	\$ 2,877		\$ 240	\$ 4,401
February-15	\$ -	\$ 2,347		\$ 120	\$ 2,227
March-15	\$ -	\$ 3,065		\$ 60	\$ 3,005
April-15	\$ -	\$ 2,821		\$ 30	\$ 2,791
May-15	\$ -	\$ 1,408		\$ -	\$ 1,408
June-15	\$ 92,340	\$ 1,305		\$ 37,350	\$ 56,295
July-15	\$ 113,544	\$ 1,724		\$ 62,190	\$ 53,078
August-15	\$ 133,740	\$ 1,020		\$ 94,020	\$ 40,740
September-15	\$ 101,376	\$ 1,099		\$ 128,100	\$ (25,625)
October-15	\$ 109,908	\$ 1,250		\$ 90,840	\$ 20,318
November-15	\$ 81,648	\$ 1,060		\$ 71,580	\$ 11,128
Total	\$ 2,426,475	\$ 61,365	\$ 28,162	\$ 1,833,390	\$ 682,611

ME/PN/PP/WPP Response to OCA Interrogatory Set I, No. 3

Witness: K. L. Bortz

Attachment A

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Pennsylvania Power Company
Customer Referral Program Revenue and Expense

	Vendor Expense (1)	Administrative Expense (2)	Amortization Expense (3)	Revenue Recovered from EGS (4)	Amount Collected In DSS Rider (5) = (1) + (2) + (3) - (4)
April-13 Start-Up Costs		\$ 1,079			
May-13 Start-Up Costs		\$ 9,530			
June-13 Start-Up Costs		\$ 9,280	\$ 916		\$ 916
July-13 Start-Up Costs		\$ 5,070	\$ 1,787		\$ 1,787
Total Start-Up Costs		\$ 24,959			
August-13 \$	35,100	\$ 12,365	\$ 2,309	\$ 28,920	\$ 20,854
September-13 \$	27,412	\$ 3,790	\$ 2,309	\$ 16,530	\$ 16,981
October-13 \$	(216)	\$ 2,778	\$ 2,309	\$ 27,180	\$ (22,309)
November-13 \$	25,743	\$ 2,869	\$ 2,309	\$ 21,870	\$ 9,051
December-13 \$	51,665	\$ 3,727	\$ 2,309	\$ 20,700	\$ 37,001
January-14 \$	17,999	\$ 3,131	\$ 2,309	\$ 21,522	\$ 1,918
February-14 \$	22,932	\$ 1,722	\$ 2,309	\$ 4,626	\$ 22,337
March-14 \$	24,438	\$ 2,308	\$ 2,309	\$ 9,732	\$ 19,323
April-14 \$	27,822	\$ 2,015	\$ 2,309	\$ 23,100	\$ 9,046
May-14 \$	32,213	\$ 1,487	\$ 2,309	\$ 27,510	\$ 8,499
June-14 \$	28,584	\$ 1,972		\$ 25,440	\$ 5,116
July-14 \$	31,176	\$ 1,570		\$ 25,890	\$ 6,856
August-14 \$	28,116	\$ 2,773		\$ 24,630	\$ 6,259
September-14 \$	10,080	\$ 848		\$ 4,830	\$ 6,098
October-14 \$	252	\$ 684		\$ 60	\$ 876
November-14 \$	864	\$ 1,130		\$ -	\$ 1,994
December-14 \$	2,268	\$ 1,435		\$ 30	\$ 3,673
January-15 \$	-	\$ 2,324		\$ -	\$ 2,324
February-15 \$	-	\$ 1,824		\$ 30	\$ 1,794
March-15 \$	-	\$ 2,516		\$ -	\$ 2,516
April-15 \$	-	\$ 2,174		\$ -	\$ 2,174
May-15 \$	-	\$ 1,511		\$ -	\$ 1,511
June-15 \$	26,316	\$ 1,305		\$ 7,800	\$ 19,821
July-15 \$	33,480	\$ 1,827		\$ 15,720	\$ 19,587
August-15 \$	33,192	\$ 1,123		\$ 22,290	\$ 12,025
September-15 \$	29,700	\$ 1,099		\$ 39,360	\$ (8,561)
October-15 \$	32,724	\$ 1,250		\$ 25,920	\$ 8,054
November-15 \$	24,264	\$ 1,297		\$ 22,350	\$ 3,211
Total	\$ 546,123	\$ 64,854	\$ 25,793	\$ 416,040	\$ 220,730

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Witness: K. L. Bortz

Attachment A

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West Penn Power Company
Customer Referral Program Revenue and Expense

	Vendor Expense (1)	Administrative Expense (2)	Amortization Expense (3)	Revenue Recovered from EGS (4)	Amount Collected In DSS Rider (5) = (1) + (2) + (3) - (4)
April Start-Up Costs		\$ 392			
May Start-Up Costs		\$ 9,599			
June Start-Up Costs		\$ 8,089	\$ 862		\$ 862
July Start-Up Costs		\$ 5,338	\$ 1,622		\$ 1,622
Total Start-Up Costs		\$ 23,418			
August-13	\$ 205,668	\$ 13,087	\$ 2,172	\$ 176,070	\$ 44,857
September-13	\$ 123,576	\$ 3,785	\$ 2,172	\$ 60,240	\$ 69,293
October-13	\$ 2,448	\$ 2,473	\$ 2,172	\$ 121,770	\$ (114,677)
November-13	\$ 122,152	\$ 2,869	\$ 2,172	\$ 102,840	\$ 24,353
December-13	\$ 243,127	\$ 3,087	\$ 2,172	\$ 131,460	\$ 116,926
January-14	\$ 50,330	\$ 3,522	\$ 2,172	\$ 105,189	\$ (49,165)
February-14	\$ 85,870	\$ 1,429	\$ 2,172	\$ 16,557	\$ 72,914
March-14	\$ 116,969	\$ 1,722	\$ 2,172	\$ (5,017)	\$ 125,880
April-14	\$ 115,179	\$ 1,820	\$ 2,172	\$ 100,230	\$ 18,941
May-14	\$ 129,184	\$ 1,585	\$ 2,172	\$ 109,890	\$ 23,050
June-14	\$ 116,429	\$ 2,082	\$	\$ 107,820	\$ 10,691
July-14	\$ 143,784	\$ 1,598	\$	\$ 105,480	\$ 39,902
August-14	\$ 162,036	\$ 2,744	\$	\$ 160,650	\$ 4,130
September-14	\$ 122,616	\$ 967	\$	\$ 38,790	\$ 84,793
October-14	\$ 117,072	\$ 1,208	\$	\$ 144,300	\$ (26,020)
November-14	\$ 116,784	\$ 1,443	\$	\$ 92,670	\$ 25,557
December-14	\$ 13,392	\$ 1,144	\$	\$ 25,620	\$ (11,084)
January-15	\$ -	\$ 1,265	\$	\$ 390	\$ 875
February-15	\$ -	\$ 1,131	\$	\$ 90	\$ 1,041
March-15	\$ -	\$ 1,518	\$	\$ 90	\$ 1,428
April-15	\$ -	\$ 1,613	\$	\$ 180	\$ 1,433
May-15	\$ -	\$ 1,408	\$	\$ 120	\$ 1,288
June-15	\$ 109,440	\$ 1,226	\$	\$ 41,310	\$ 69,356
July-15	\$ 145,116	\$ 1,787	\$	\$ 81,150	\$ 65,753
August-15	\$ 168,444	\$ 1,020	\$	\$ 109,110	\$ 60,354
September-15	\$ 107,856	\$ 902	\$	\$ 152,340	\$ (43,582)
October-15	\$ 113,544	\$ 1,265	\$	\$ 75,240	\$ 39,569
November-15	\$ 93,384	\$ 1,400	\$	\$ 80,220	\$ 14,564
Total	\$ 2,724,401	\$ 61,102	\$ 24,204	\$ 2,134,800	\$ 674,907