



800 North Third Street, Suite 301, Harrisburg, Pennsylvania 17102
Telephone (717) 901-0600 • Fax (717) 901-0611 • www.energypa.org

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INDEPENDENT REGULATORY
REVIEW COMMISSION

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The Honorable Arthur Coccodrilli, Chairman
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Dear Chairman Coccodrilli:

I am writing on behalf of the Energy Association of Pennsylvania ("Association") to request your support of the Public Utility Commission's Default Service Regulations (IRRC Docket Number 57-237).

The Commission's efforts, which resulted in these regulations, were driven by their desire to avoid major rate disruptions as have occurred in Maryland, and elsewhere. The Commission's effort resulted in an overwhelming level of input and therefore their conclusions have arisen after significant deliberation.

The Association commends the Public Utility Commission for its attempt to minimize the rate impact on customers and for its desire to provide the industry with rules, thereby allowing the industry the opportunity to make significant energy purchases in the limited time frame prior to the expiration of rate caps.

The Association believes that the rules represent a balanced approach to helping customers manage the transition from capped rates to market-based pricing in 2011. The final rules provide:

- The option for customers to defer some portion of a rate increase.
- The ability for utilities to purchase energy on behalf of customers in ways that are best for each individual service territory -- for example, securing energy through staggered purchases and competitive auctions.

The Association believes that the PUC promulgated the regulations within its statutory authority and that the rulemaking is consistent with legislative intent. Therefore, we urge the Commission to adopt the regulations.

The Association thanks you for your thoughtful consideration and I invite you to contact me if you have any questions or if you would like additional information on this matter.

Sincerely,

J. Michael Love
President & CEO