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OFFICE OF SMALL BUSINESS ADVOCATE
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INDEPENDENT REGULATORY
REVIEW COMMISSION

William R. Lloyd, Jr.
Small Business Advocate

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December 28, 2007

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Retail Electricity Choice Activity Reports
Docket No. L-00070184**

Dear Secretary McNulty:

I am delivering for filing the original plus fifteen copies of the comments on behalf of the Office of Small Business Advocate in the above captioned matter.

Copies of the comments have been served on Charles Covage, Patricia Krise Burket, and Cyndi Page via electronic mail. If you have any questions, please contact me.

Sincerely,

William R. Lloyd, Jr.
Small Business Advocate

Enclosures

cc: Charles Covage
Patricia Krise Burket
Cyndi Page

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Retail Electricity :
Choice Activity Reports : Docket No. L-00070184

**COMMENTS OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

By Order entered April 12, 2006, the Pennsylvania Public Utility Commission (“Commission”) requested comments on the appropriate reporting requirements to track the development of competitive retail electric markets. *See Development and Production of Retail Electricity Choice Activity Reports*, Docket No. M-00061939. By its Order, the Commission indicated its interest in developing reporting requirements for electric distribution companies (“EDCs”) and electric generation suppliers (“EGSs”) to assist the Commission in carrying out its duties under Sections 2811(a), 2802(7), and 2804(12) of the Public Utility Code, 66 Pa. C.S. §§2811(a), 2802(7), and 2804(12).

On June 8, 2006, the Office of Small Business Advocate (“OSBA”) submitted comments at Docket No. M-00061939.

By Proposed Rulemaking Order entered April 17, 2007, the Commission opened a rulemaking at Docket No. L-00070184 and requested comments on proposed regulations to require EDCs and EGSs to report shopping data. Those proposed regulations were published in the *Pennsylvania Bulletin* on November 3, 2007. The OSBA files these comments in response to that publication.

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§54.203(a). Reporting requirements.

Reporting by Customer Grouping

The retail choice reports maintained by the Office of Consumer Advocate (“OCA”) provide helpful information regarding shopping by the three major customer groupings: Residential, Commercial, and Industrial. However, those reports do not break down the Commercial and Industrial groupings by specific rate class or load profile. Having such a breakdown would be helpful to the Commission and interested parties in the continuing debate over issues such as “smart” meters, real-time pricing, and switching restrictions.

Therefore, the OSBA strongly endorses the Commission’s proposal to require reporting of shopping data by customer class and by type of product sold.

The OSBA also endorses the Commission’s proposal to align those customer classes with the customer groupings established by the default service regulations, *i.e.*, Residential, Small Commercial and Industrial (peak demand less than 25 kW), Medium Commercial and Industrial (peak demand of 25 kW through 500 kW), and Large Commercial and Industrial (peak demand of more than 500 kW). It would be easier for the Commission and interested parties to evaluate issues in future proceedings if shopping statistics were reported along the same lines as default service electricity is acquired and default service rates are set. In addition, because EGSs will be reporting on a statewide basis rather than on an EDC-by-EDC basis, the use of uniform groupings by all EDCs would allow more meaningful analysis of the data reported by EGSs.

The default service regulations allow individual EDCs to propose alternative customer groupings, including, but not limited to, groupings which are aligned with

current rate classes. The OSBA recognizes that, if an EDC is permitted to utilize its own rate classes (or groupings) and to report shopping data on the basis of those rate classes (or groupings), the resulting data might provide an opportunity for the Commission to determine the extent, if any, to which differences in the configuration of rate classes and rate design affect the amount of shopping from one EDC service territory to another. However, in order to facilitate comparisons among the EDCs, the OSBA recommends that an EDC which utilizes its own rate classes (or groupings) for the purposes of reporting shopping data be required to report that data by the Commission's groupings as well.

Reporting Number of Customers

Proposed Section 54.203(a)(2) requires an EDC to report the system total number of customer accounts but does not require the EDC to break that total down into the total number of customer accounts served by the EDC and the total number of customer accounts served by EGSs (in the aggregate). The absence of a requirement to report the total number of customer accounts served by EGSs (in the aggregate) may be an oversight, in that the EDC would be required to report the MWh non-shopping and shopping load and the number of non-shopping and shopping customers in the time of use and hourly/real time categories. Accordingly, the OSBA recommends that Section 54.203(a)(2) be amended to require the EDC to report the total number of non-shopping and the total number of shopping customer accounts.

Furthermore, in order to facilitate comparison, the OSBA also recommends that Section 54.203(a)(2) and (4) be amended to make clear how the phrase "number of customer accounts" is to be calculated. As Section 54.203(a)(2) and (4) are presently

drafted, it is unclear whether the “number of customer accounts” means the number of customers as of a date certain (*e.g.*, at the beginning or the end of the year) or an average across the year.

Finally, proposed Section 54.203(a)(2) and (4) require reporting of data regarding “time of use” customers. To assure that this data is reported on a consistent basis, the OSBA recommends that proposed Section 54.202 be amended to include a definition of “time of use.”

Reporting Load Profile

Proposed Section 54.203(a)(2), (3), and (4) require reporting of the number of customer accounts in various groupings and the sales by MWh to customers in those various groupings. The OSBA welcomes the reporting requirements proposed by the Commission. However, more detailed reporting would be helpful in assessing the extent of shopping within the significantly heterogeneous Medium Commercial and Industrial (“Medium C&I”) customer grouping. For example, without more detailed reporting, it will be difficult to determine whether shopping is concentrated principally among the larger customers and the higher load factor customers in the Medium C&I grouping or whether shopping is spread relatively evenly across the entire grouping.

Accordingly, the OSBA recommends that Section 54.203(a)(2), (3), and (4) be amended to require the reporting of the average Peak Load Contributions of the Medium C&I non-shopping and shopping customers.

Reporting by EGSs

According to the Commission’s Order, at 17, an EGS is required to report its total sales in MWhs by customer groupings, but it is permitted to mark the information as

“confidential.” However, the actual language of proposed Section 52.203(a)(4) does not require the EGS to report such load data, even with a “confidential” marking.

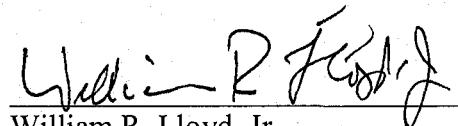
Therefore, the OSBA recommends that Section 54.203(a)(4) be amended to be consistent with the Commission’s Order, at 17.

§54.204. Public information.

The proposed regulations are silent regarding the method by which the Commission will disclose reported shopping data to the public and regarding the frequency with which that disclosure will occur. The OSBA acknowledges that it may not be necessary to spell out the Commission’s intentions in the regulations. However, the OSBA strongly encourages the Commission to post the shopping data on the Commission’s web site and to update that posting on a quarterly basis.

WHEREFORE, the OSBA respectfully requests that the Commission promulgate its proposed regulations in final form with the changes recommended herein.

Respectfully submitted,



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Dated: December 28, 2007