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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

February 1, 2008

Honorable Wendell Holland, Chairman
Pennsylvania Public Utility Commission
Keystone Building, 3rd Floor
400 North Street
Harrisburg, PA 17105

Re: Regulation #57-255 (IRRC #2648)
Pennsylvania Public Utility Commission
Retail Electricity Choice Activity Reports

Dear Chairman Holland:

Enclosed are the Commission's comments for consideration when you prepare the final version of this regulation. These comments are not a formal approval or disapproval of the regulation. However, they specify the regulatory review criteria that have not been met.

The comments will be available on our website at www.irrc.state.pa.us. If you would like to discuss them, please contact me.

Sincerely,

Kim Kaufman
Executive Director
wbg
Enclosure

cc: Honorable Robert M. Tomlinson, Chairman, Senate Consumer Protection and Professional Licensure Committee
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection and Professional Licensure Committee
Honorable Joseph Preston, Jr., Majority Chairman, House Consumer Affairs Committee
Honorable Robert W. Godshall, Minority Chairman, House Consumer Affairs Committee

Comments of the Independent Regulatory Review Commission

on

Pennsylvania Public Utility Commission Regulation #57-255 (IRRC #2648)

Retail Electricity Choice Activity Reports

February 1, 2008

We submit for your consideration the following comments on the proposed rulemaking published in the November 3, 2007 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the Pennsylvania Public Utility Commission (PUC) to respond to all comments received from us or any other source.

1. Section 54.202. Definitions. – Economic impact; Reasonableness.

Large, Medium and Small Commercial and Industrial (C&I) customers

The definitions section separates customers into the following classes:

Term	Definition
<i>Large C & I customers</i>	Commercial and industrial customers with PLCs greater than 500 kW.
<i>Medium C & I customers</i>	Commercial and industrial customers with PLCs ranging from 25 kW up to and including 500 kW.
<i>Small C & I customer</i>	Commercial and industrial customers with PLCs less than 25 kW.
<i>PLC--Peak Load Contributions</i>	The highest level of demand for a particular customer, based on the PJM Interconnection, LLC, peak load contribution standard, or its equivalent for a Pennsylvania EDC outside of PJM.

Several commentators stated that this breakdown is not consistent with their rate schedules and that the cost of converting data to meet the requirements in this regulation would be substantial. To the contrary, the PUC estimates that compliance costs will be minimal because both Electric

Distribution Companies (EDCs) and Electric Generation Suppliers (EGSs) already collect and compile sales information for their own use. The PUC should provide a dollar estimate of the cost to EDCs and EGSs to report data using the customer classifications contained in the proposed regulation. The PUC should also explain why classifying customer classes based on existing rate schedules would not be sufficient.

PLC--Peak Load Contributions

This definition contains the acronyms "LLC" and "PJM." The regulation should define these acronyms.

Definitions and uniform data

The reporting requirements in Section 54.203(a)(4) use the undefined terms "hybrid rate customer accounts" in subparagraph (v) and "green power customer accounts" in subparagraph (vii). Without a specific definition of what accounts would come under these customer accounts, the data filed may not be uniform across EGSs. We recommend defining these terms so that uniform data is reported.

2. Section 54.203. Reporting requirements. – Reasonableness; Need; Clarity

Total sales, total customers and total sales of all EGSs serving the territory

Commentators requested the addition of "total sales," "total customers" and "total sales of all EGSs serving the territory" to the list of reporting requirements in Paragraph (a)(2). In regard to EGS sales, we recognize that confidentiality has to be considered if there is only one EGS or just a few EGSs serving a territory. Nonetheless, the PUC should consider adding these reporting requirements.

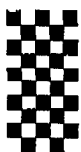
No later than 15 days

Paragraph (a)(5) requires reports "no later than 15 days" after the end of the quarter. Commentators have suggested a longer period such as 30 days so that sales data can be reconciled. The PUC should explain why data is needed "no later than 15 days" after the end of the quarter and how the EDCs can reasonably meet that requirement.

3. Section 54.204. Public information. – Adverse effects on competition.

Confidentiality

While there is general agreement that confidentiality is needed in relation to information provided by EGSs, the PUC has not explained how confidentiality will be accomplished. The handling of confidential information could affect competition and the reporting of data. What protocols and procedures will the PUC use to protect the confidentiality of EGS information in its possession?



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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

To: Sherri A. DelBiondo
Regulatory Review Coordinator
Law Bureau

Agency: Pennsylvania Public Utility Commission

Phone: 2-4597

Fax: 3-3458

Date: February 1, 2008

Pages: 4

Comments: We are submitting the Independent Regulatory Review Commission's comments on the Pennsylvania Public Utility Commission's regulation #57-255 (IRRC #2648). Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by: Sh DelBiondo **Date:** 1-31-08