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By Electronic Filing

Donna Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904

**Re: Comments of the Retail Energy Supply Association
Docket No. 15-1693**

Dear Ms. Nickerson:

Please accept this letter in response to the Findings and Recommendations of the Hearing Examiner in PSC Docket No. 15-1693. The Retail Energy Supply Association (“RESA”)¹ is a party to this proceeding and participated in the recent evidentiary hearing. RESA does not object to the Findings and Recommendations but, as explained below, RESA submits this letter to clarify the record and to explain its disagreement and concern with one element of the Findings and Recommendations regarding the purchase of receivables (“POR”) program.

RESA appreciates the Hearing Examiner’s recommendation that Delmarva Power implement a POR program. RESA also appreciates Delmarva Power’s position at the hearing that it did not oppose a POR program. The only difference between Delmarva Power and RESA regarding a POR program centered around the treatment of late payment revenues (“LPRs”) in the annual POR discount rate calculation imposed upon suppliers by Delmarva Power. RESA requested that the LPRs be included in the discount rate calculation as an offset, while Delmarva Power requested that the LPRs be excluded.

In this regard, RESA in this case requested that the Commission require Delmarva Power to implement the same POR program that its affiliates currently operate successfully in Maryland and in the District of Columbia. The Maryland and D.C. Commissions have rejected on multiple occasions² the same substantive arguments that Delmarva Power has advanced in this proceeding regarding the treatment of LPRs. Moreover, it appears that the Hearing Examiner based his decision on this issue, in part, on Delmarva Power’s affiliates’ POR

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 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.

² See, e.g., Exhibit 10 at pp. 11-12 and fn. 20-21; see also Exhibit 23.

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programs in Illinois and Pennsylvania. While the Hearing Examiner is correct that those affiliate utilities do not include LPRs in their discount rates,³ the question of whether to include LPRs in the discount rate was never raised in those jurisdictions. In this regard it appears that the Hearing Examiner may have based his decision, in part, on incorrect or incomplete information.

The POR programs in Maryland and D.C. are working well. The evidence showed increased customer enrollments and increased supplier participation after POR programs were implemented. The inclusion of LPRs helps to reduce the discount rate for participating suppliers, and RESA is concerned that if the discount rates in Delaware are too high, then suppliers will not participate in the POR program and could leave Delaware altogether. This would be a bad result for customers and electric competition and also for Delmarva Power, which will have incurred costs to implement the POR program but will be unable to recover them through the discount rate if suppliers opt not to participate in the program.

In sum, RESA appreciates that the treatment of LPRs is a sensitive issue for stakeholders and is not objecting to the Hearing Examiner's recommendation. RESA would, however, prefer that Delmarva Power not deviate from its affiliates' successful, proven POR programs in Maryland and D.C.

Please contact me should you have any questions regarding this matter.

Sincerely,



Brian R. Greene

c: Service List (by e-mail only)

³ See Findings and Recommendations at ¶ 100.