

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's)	
Investigation of Ohio's Retail Electric)	Case No. 12-3151-EL-COI
Service Market)	
)	

**INITIAL COMMENTS OF
CONSTELLATION NEWENERGY, INC. AND
EXELON GENERATION COMPANY, LLC**

Pursuant to the Attorney Examiner's Entry of January 24, 2013 in the above style proceeding, Exelon Generation Company, LLC and Constellation NewEnergy, Inc. (collectively "Exelon") submit these Initial Comments in response to the Public Utility Commission of Ohio's ("Commission") December 12, 2012 Order in the above-captioned proceeding to investigate the health, strength, and vitality of Ohio's retail electric service market and actions that may be taken to enhance that market ("Investigation").

INTRODUCTION

Exelon Generation Company, LLC and its subsidiary Constellation NewEnergy, Inc. are part of a family of companies owned by Exelon Corporation that participate in every segment of the energy marketplace in 47 states, the District of Columbia and Canada, including generation, competitive energy sales, and the transmission and delivery of electricity. Exelon Corporation owns three electric distribution companies in Illinois, Maryland and Pennsylvania delivering electricity to approximately 6.6 million, and natural gas to over 1.2 million, residential, commercial and industrial customers. Exelon Generation is one of the nation's largest

competitive power generators, with approximately 35,000 megawatts of owned capacity comprising one of the nation's cleanest and lowest-cost power generation fleets.

Constellation, an Exelon company, is a leading competitive energy supplier, licensed as a competitive retail electric service ("CRES") Provider in the State, and offering electricity, natural gas, solar, renewable energy, efficiency and energy management products and services to homes and businesses across the United States and Canada. Constellation provides integrated energy solutions that help customers buy, manage and use energy. U.S. residents and businesses rely on the Constellation family of companies for their energy supply. These customers include over one million residential customers in states such as Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania and Texas. In addition, more than 90,000 commercial, industrial, public sector and institutional customers – located in Ohio and throughout the U.S. – including two-thirds of the Fortune 100, have selected Constellation to help strategically manage their energy needs. These Initial Comments are based upon Constellation's extensive experience in the State and in other jurisdictions regarding the establishment of rules and policies for retail energy markets and will provide enhanced benefits to consumers by ensuring the further development of Ohio's competitive electric markets.

Exelon applauds the Commission for its commitment to enhance and strengthen Ohio's burgeoning competitive market. Since the passage of Senate Bill 221 in particular, Ohio has made tremendous strides towards reaping the full benefits of competitive wholesale markets and implementing policies to develop and improve electric retail competition. Exelon has been an active participant before the Commission and the General Assembly for a number of years. In fact, Constellation was an ardent advocate for the use of competitive wholesale procurement as a better means for setting rates for Standard Service Offer ("SSO") customers, long before any

other stakeholders supported such measures. The auctions conducted by the FirstEnergy Utilities (“FirstEnergy”) and Duke Energy Ohio (“Duke”) have demonstrated the benefits of setting rates through robust, competitive market forces as these procurements have resulted in generation rate decreases for a large number of FirstEnergy and Duke consumers. In addition, by setting retail rates based upon a competitive procurement process, and eliminating a number of legacy impediments to the development of retail competition, the retail markets in the FirstEnergy and Duke service territories have been developing. This has provided customers with more opportunities to choose electricity supply that meets their individualized needs, while allowing customers to rely on competitively-priced backstop SSO supply.

Recent Commission Orders approving FirstEnergy’s, Duke’s and AEP-Ohio’s electric security plans further encourage the path towards a robust and vibrant competitive market for electric consumers in Ohio. Additionally, when the Commission implemented this Investigation, it confirmed its support for retail competition by stating, “It is the Commission’s responsibility to encourage market access for retail electric service, including both supply and demand-side products, and to protect consumers against market deficiencies and market power. As such, the Commission is seeking comments regarding the extent to which barriers may exist to a consumer’s means to choose a retail electric service that meets their needs.”

Exelon appreciates the opportunity to respond to the Commission’s specific Market Design questions and to provide suggestions for policies that will support the Commission’s goals. As both a competitive retail electric service provider (“CRES Provider”) to customers located throughout Ohio and a wholesale power provider to Ohio electric distribution companies (“EDCs”), Exelon has a substantial interest in this Investigation. The decisions that the Commission makes in this proceeding will determine the health, strength, and vitality of both the

retail and wholesale markets in Ohio, and whether CRES Providers like Constellation and wholesale power providers like Exelon Generation have an opportunity to provide customers the benefits of those competitive markets.

These Initial Comments stem directly from Exelon's practical day-to-day experience in jurisdictions across the nation in which retail and wholesale customers are actively considering and pursuing competitive shopping opportunities with suppliers. Based on this experience, Exelon has found that, to a large degree, the adoption of certain tariff and business practices will lead to more robust development of the competitive retail market which will inure to the benefit of all consumers. Exelon's Comments are designed to set forth a series of common principles or criteria that should inform the policy direction the Commission determines in this proceeding.

COMMENTS

As an initial matter, Exelon believes that it is helpful to establish a clear set of characteristics defining a "fully functional competitive retail electric service market" which include the following:

- **Price Transparency between CRES Provider and EDC Offerings** – There must be a true apples-to-apples Price to Compare ("PTC") with which consumers can evaluate CRES Provider offers with the EDC SSO supply option. The PTC should include all EDC costs that are avoided when a customer takes generation supply from a CRES Provider, including, but not limited to any reconciliation charges. Providing customers with full and accurate information provides complete price transparency and enables customers to make informed decisions.
- **Market Contestability, with Low Barriers to Supplier Entry and Exit** – Stable and transparent regulatory frameworks should be developed to enable CRES Providers to enter and exit the market easily and offer products to customers, without costly or overly complex restrictions.
- **Market Sustainability** – The price of any available SSO product must be sufficiently reflective of market prices to enable stability of the competitive market.
- **Plain Vanilla SSO Product** – The EDC should only be allowed to offer a single product to customers that do not switch to a CRES Provider. The competitive market can offer green

products, demand response products, time-of-use products, and other more sophisticated offerings. If EDCs are allowed to offer multiple products, it will perpetuate the existence of a number of customers remaining on the SSO.

- **Informed Customers** – Customers should be aware of their ability to choose competitive supply, informed of their choices and able to easily compare options, prices, terms and conditions.
- **Ease of switching** – Customers should be able to switch easily from SSO supply to a CRES Provider, and also to switch between CRES Providers to pursue different opportunities and offerings.
- **Non-discriminatory Access to Billing and Usage Information and Effective Affiliate Rules** – CRES Providers should have access to a robust, complete, and accurate set of customer data and billing information consistent with customer authorization, and without discrimination in favor of particular suppliers. Effective codes of conduct and other mechanisms should be in place so that there is no discrimination in favor of CRES Providers affiliated with EDCs.
- **Non-recourse purchase of receivables (“POR”)** – Non-recourse POR tariff offerings should be required in order to allow CRES Providers to offer all customers – regardless of income or credit – with a full array of supply options, at a more competitive cost. Such offerings will place CRES Provider offers on more equal footing with the EDC’s SSO.

Exelon recommends the Commission adopt a set of guiding principles as it grapples with resolution of the various questions posed in this Investigation. By doing so, the Commission will provide the policy direction and overarching vision for the continued development and sustainability of the competitive electric market in Ohio.

I. Market Design

- 1. Does the existing retail electric service market design present barriers that prevent customers from obtaining, and suppliers from offering, benefits of a fully functional competitive retail electric service market? To the extent barriers exist, do they vary by customer class?**

While Exelon believes that Commission Orders in the most recent ESP proceedings have resulted in significant progress towards the major elements of a well-functioning competitive retail market, there are still some fundamental barriers that exist for customers to receive its full

benefits. Most especially is the absence of a non-recourse POR tariff for CRES Providers to organically service residential and smaller commercial electric customers. Such a tariff is available in Ohio's highly successful competitive natural gas market. However, only Duke offers a functioning POR program for electric service. Constellation, the Retail Energy Supply Association and other parties have been proposing the adoption of such programs in each of the EDC ESP proceedings for a number of years to no avail. Nevertheless, we are hopeful that the Commission can provide some overarching policy direction on this critical issue in the instant investigation or one of the other pending proceedings before the Commission.

In addition to uniform POR programs, Exelon recommends greater uniformity in general for retail market design programs and rules across all the Ohio EDCs. It is extremely difficult for a CRES Provider to provide competitive service in some or all parts of Ohio when the rules across the EDCs are completely different. It is significantly more time consuming, resource intensive and costly to comply with multiple, different sets of rules in a state. Overall, the complexity of a market's regulatory environment impacts a CRES Provider's decision whether or not to invest in entering a specific market.

2. Does default service provide an unfair advantage to the incumbent provider and/or its generation affiliate(s)?

Fundamentally, default or SSO service should accurately and comprehensively represent the full and current cost of providing the requisite electric service. CRES Providers have no choice but to reflect the full and current cost of providing competitive retail electric service in their pricing. EDCs, on the other hand, provide both distribution and SSO service and do so using many of the same personnel, office space, systems, and other shared services. The overlap inherent in the EDC model creates questions as to whether SSO pricing truly reflects the full and current cost of providing that service. To address these questions, the Commission could direct

the EDCs to conduct a study of cost allocation practices to better reflect default service costs in SSO pricing. Leveling the playing field in this manner would be an important step in removing any advantage the EDC might have in providing default service.

Generally, there are no unfair advantages inherent in the existence of wholesale generation or CRES Provider affiliates that are properly separated from the EDC/SSO provider. This is especially true when effective Code of Conduct regulations govern communications, personnel and other interactions between the EDC and its affiliates. Unfair advantages may arise, however, if a wholesale generation affiliate is not properly separated from the EDC but is still allowed to participate in the procurement for SSO service. This improper advantage would be even more deleterious to the market if the generation affiliate was allowed to offer into the wholesale auction while remaining integrated with an EDC that received a retail stability rider or other “make whole payment” authorized through the SSO plan itself.

3. Should default service continue in its current form?

The SSO model is in the midst of a fairly major transition throughout a good portion of Ohio. Of the major EDCs in the state, only FirstEnergy has any kind of established history of providing SSO service via a competitive bidding process (“CBP”). Duke has held only a limited number of auctions under its most recent ESP. The AEP companies are at the beginning of a proceeding to set the rules of an energy-only CBP for a very small portion of its SSO load. The DP&L ESP proceeding is still pending before the Commission and the ultimate resolution is far from certain. With that said, this Commission has shown a clear willingness to support competitive wholesale procurements, an increasing confidence in the ability of the competitive markets to provide the best possible outcomes for SSO customers, and an increasing awareness

of customers' ability to shop with a CRES Provider. Exelon believes that confidence is well placed and supports the continued transition to CBP-based SSOs across the state.

Competitively procured default service can act as a safety net during transitional periods into enhanced retail competition. With the appropriate structures for each customer class, clear and transparent pricing, strong affiliate rules, enhanced customer education efforts, and the timely provision of necessary data and information, default service can act as a backstop as customers increasingly choose electricity products and services that are tailored to their individual needs.

As the Commission contemplates the default service structure in the state, Exelon recommends that the Commission adhere to the following set of principles:

- a) **Default service shall include only essential, plain-vanilla service.** There should only be a single default service product for SSO customers. In other words, there should not be multiple product offerings such as Time-of-Use ("TOU") rates, energy efficiency offerings, demand response products and optional fixed-price products for SSO customers as those products are best served by CRES Providers in the competitive retail market.
- b) **Existing wholesale default service supply contracts shall not be compromised or negatively affected in any way.** Great care must be taken to ensure that existing wholesale supply contracts are not compromised, put at risk or, worse yet, abrogated.
- c) **A reasonable transition shall be developed to a desired end state.** A reasonable transition period should be adopted before any major changes to ensure adequate time to accommodate any necessary market, structural and operational reforms that are going to be put in place as a result of any changes to the current default service structure.
- d) **Market structures and any transition shall continue to rely upon competitive procurements.** Default service should always rely upon a direct, transparent, and competitively procured supply.
- e) **CRES Providers shall not be subject to non-market based charges that are best served by distribution or default service providers.** All cost of service, non-market based charges assessed by PJM Interconnection, LLC on load serving entities (e.g.: network integration transmission services charges; regional

transmission expansion planning and other transmission expansion charges; and generation deactivation charges) should be the responsibility of the EDCs with full cost recovery from all load in their service territories.

- f) **CRES Providers shall not be required to bear the burden of others' uneconomic investments.** No provisions shall be made for requiring CRES Providers (or their customers) to support the recovery of uneconomic investments, subsidized generation projects, or similar investments.
 - g) **Some form of default service shall be retained.** We applaud the Commission on its strides to supply default service from the competitive wholesale market, and we think that this structure should continue as a general principal in future proceedings.
 - h) **Explicit market progress metrics shall be developed and utilized.** Explicit criteria and metrics shall be developed to evaluate the continuing development of the competitive retail market by customer class (e.g., switching statistics, number of suppliers, types of products and services, etc.).
 - i) **The needs of low income customers shall be explicitly considered.** All customers should be eligible to select a CRES Provider, including low income customers. As a result, all low-income electric customer benefits should be portable if such customers select a CRES Provider.
4. **Does Ohio's current default service model impede competition, raise barriers, or otherwise prevent customers from choosing electricity products and services tailored to their individual needs?**

As previously stated, Ohio's current default service model does present some barriers to a fully functional competitive electric services market. Chief among these barriers is the regulatory uncertainty engendered by provisions in SB 221 and within the various ESPs that allow for a backward step away from reliance upon competitive market principles to the failed monopoly-style cost-of-service rate making of the past. The fact that, despite several proposals, no market rate offer ("MRO") has been approved by the Commission since the enactment of SB 221, signals to competitive wholesale and retail suppliers alike that Ohio has yet to fully embrace competition as the best mechanism to provide energy savings, efficiency, innovation, product differentiation, and individualized value to customers. The overhanging potential for this Commission or a future Commission to back away from the competitive market may cause

suppliers to allocate resources and investment to markets that show a more explicit statutory commitment to competition.

5. Should Ohio continue a hybrid model that includes an ESP and MRO option?

No. As stated in the reply to the previous question, the regulatory uncertainty that results from the ESP component of the hybrid model is a primary impediment to the development of a healthier, stronger, more vital competitive market – both in the conduct of the competitive bidding for establishment of the SSO and the vitality of the competitive retail market. The Commission should be commended for its leadership in moving Ohio forward and building upon the momentum of the FirstEnergy ESP. The Commission’s vision and evolving views on electric competition are further evidenced by the commencement of this Investigation. The momentum, courage, and growing conviction of the Commission should be used to take the next important step in firmly ensconcing competition and the many documented benefits it brings to customers as not simply the construct for today but also the policy for Ohio in the years to come. This of course would entail amendments to the existing statutory framework and Exelon would support such measures being taken. The history of electric restructuring in Ohio has somewhat of a checkered past that included regulatory intervention in direct conflict with the statute. If the Commission and Ohioans want to see long-term investments by CRES Providers in the Ohio market, it should take the steps necessary to very clearly articulate in statute that Ohio is a fully-competitive market; not a hybrid marketplace.

6. How can Ohio’s electric default service model be improved to remove barriers to achieve a properly functioning and robust competitive retail electric service electricity market?

The Commission is sure to receive a wide spectrum of recommendations and proposals on how best to structure the default service model in Ohio. Exelon shares several of its experiences and ideas throughout these comments. Regardless of whether the

Commission ultimately decides to alter the current default service model or not, the final operating rules that govern SSO service must be non-discriminatory and must not unduly favor the incumbent EDC. Otherwise, the efficiencies, innovations and potential cost savings of a fully competitive retail market will not be realized. Similarly, investments in wholesale market infrastructure may be negatively affected by discriminatory interventions in the market. Exelon believes there are certain standards, rules and operational protocols which will make the retail market more viable for those CRES Providers that wish to offer retail generation service to Ohio customers, while upholding robust wholesale markets to support the transition and expansion of such retail development.

Data and Information

A constant struggle with providing supply to customers is the acquisition of data. While EDCs are always going to be the provider of this data, regardless of the default service structure, improving on the delivery mechanism and the timeliness of the data would enhance suppliers' ability to provide superior service to customers. Moreover, standardization of transfer processes across the state, where feasible, would provide additional benefits. For instance, a website that would allow a supplier to acquire this data at any time would make the acquisition of this data not only timely but also inexpensive by allowing for automation rather than varied and inconsistent manual processes.

Additionally, communication remains a cornerstone of an effective competitive market place. If buyers and sellers cannot reach each other to make offers and acceptances, and speak in the same "language," commerce will be impeded and, even if it can take place, additional and unnecessary costs will be incurred. Therefore, it is of utmost importance that EDCs and CRES Providers seeking to sell electricity to end-users exchange information in an accurate and

consistent manner. In order to do this, authorized CRES Providers must have the data necessary to identify and market to eligible customers as well as structure and price innovative and valuable products that meet their individual needs.

To assist in improving communications and data, the Commission should adopt a uniform system/set of data and information that EDCs are required to provide to CRES Providers. Such system/set should, at a minimum, include:

- A list of customers that is refreshed and updated each quarter;
- Web-based, electronic access to key customer usage and account data that can be accessed via a supplier website that presents data and information in a format that can be automatically scraped;
- Data access including access to the following types of data:
 - Billing & settlement quality usage via Electronic Data Interchange (“EDI”) that has processed through the EDU’s Validation, Error Detection, and Editing (“VEE”) process;
 - 867 Historical Usage (“HU”) and Historical Interval Usage (“HIU”) data;
 - 867 Monthly Usage (“MU”) and Interval Usage (“IU”) data;
 - Transmission and capacity Peak Load Contributions (“PLCs”) in 867s;
 - Meter read cycle information;
 - Accounts requested together should come back together, unless there would be an unnecessary delay for a particular subset of accounts; and
 - A quarterly updated sync-list should be provided to EGSs on a confidential basis showing the accounts that are enrolled with the EGS. The list would contain information such as service start date, bill method, PLC values.

The key customer usage and account data and information on the web-based system should include the following, at a minimum:

- Account Numbers;
- Meter Numbers;
- Names;

- Service Addresses, including Zip Codes;
- Billing Addresses, including Zip Codes;
- Email Addresses;
- Meter Read Cycle Dates;
- Meter Types;
- Interval Meter Flags;
- Rate Code Indicators;
- Load Profile Group Indicators;
- PLC Values (capacity obligations);
- 24 months of consumption data (in kWh) by billing period, including On- and Off-Peak data;
- 24 months of demand data (in kW) by billing period;
- 24 months of interval data;
- Effective dates for current and pending rate class and/or procurement class;
- Default Service indicators (if on Default Service);
- Minimum Stay Dates (if applicable);
- Identifiers of whether customers are participating in Rate Mitigation/Deferral plans; and
- Identifiers of whether customers are participating in Pre-payment plans or Low-Income Programs.

While many of the EDCs have begun to provide some of this data and information, the extreme lack of uniformity is an impediment to the development of a sustainable competitive market in Ohio.

Further, unnecessary delays in the provision of this data and information can have an effect on CRES Providers' ability to contract with customers, render invoices and provide other services to consumers. Ultimately, given the fact that pricing may change during the intervening time, a customer and/or its intended CRES Provider may be economically harmed. If CRES Providers do not receive timely and accurate delivery of interval data, this not only impacts suppliers' ability to provide price quotations to customers, but also frustrates CRES Providers' ability to issue invoices to customers on a timely basis, which inconveniences customers and increases suppliers' costs.

Uniformity in Setting Default Service Rates

Furthermore, making sure that all default service rates are set within similar time frames and under similar pricing structures, and implementing other commonalities will help consumers better understand the market and make educated shopping choices. For customers with accounts in several utility service territories in Ohio, one consistent approach or program across the state would make it easier for them to understand and make more comprehensive and coordinated purchasing decisions. Moreover, a single, uniform schedule and approach would better enable CRES Providers to prepare and advertise offers across the state, rather than only in limited EDC territories.

7. Are there additional market design changes that should be implemented to eliminate any status quo bias benefit for default service?

Effective customer education can be used to help offset the effects of “status quo bias” as it applies to SSO service. Transitioning customers from their historical monopoly provider of electric commodity service to the competitive market represents a very significant paradigm shift in the way customers think about their electric service. Educating customers on the direct benefits of competition, reassuring them that the quality of their electricity service will not diminish, and explaining that CRES Providers are legitimate companies that are licensed and regulated by the Commission can facilitate that paradigm shift and cast it in a positive light.

CRES Providers invest significant money and effort in educating customers but those messages can be met with some skepticism given the vested interest of the company delivering the message. The most effective approaches to consumer education build on the efforts of the CRES Provider by engaging the EDC and the Commission to deliver integrated education and messaging directly to the consumer. Education from the Commission lends credibility to the competitive marketplace and its participants and lets customers know that there are rules in place

to protect their interests. Exelon applauds the efforts of the Commission's Office of Retail Competition in traveling across the State of Ohio in an effort to help educate Rotary clubs, Chambers of Commerce, and the like.

EDC support for and education on the competitive market reassures customers that service quality will be maintained and that the EDC will not be "mad at them" for choosing a CRES Provider. Adding complimentary and supportive education, as has been done for years, by the Ohio Consumers Counsel would further create a highly informed customer. The key is to synchronize the messaging so as to optimize the impact each educator has on the customer base without overwhelming them.

Another way to address "status quo bias" is to prevent it from occurring in the first place. Programs like "instant connect" that allow a customer moving into an EDC territory to select a CRES Provider from the outset without requiring the customer to be served by the EDC helps to change the perception of CRES Providers.

8. What modifications are needed to the existing default service model to remove any inherent procurement (or other cost) advantages for the utility?

As stated above, ensuring that default service is a "plain vanilla" and ensuring proper unbundling, cost allocation, and reconciliation of charges is critical to remove inherent and unintended advantage for the EDCs. This includes ensuring adjustments are properly accounted for and costs are not simply shifted to Riders.

Similarly, the Commission should require non-recourse POR structures for all EDCs, as the lack of non-recourse POR structures serves to increase market costs and risks, and will be detrimental to end use consumers in all customer classes. With appropriate non-recourse POR structures, CRES Providers are better able to approach all customers – regardless of income or credit profile – with a full array of competitive supply options, at a more competitive cost for any

and all customers, which cost does not need to take into account the risk of payment default by consumers, thereby placing CRES Provider offers on more equal footing against the SSO.

A *non-recourse* POR program, including a reasonable discount rate, will provide the benefits of POR while appropriately compensating the EDCs for the billing and collection services they are better equipped to render. Customers benefit from a non-recourse POR program by avoiding confusion stemming from dual billing and increasing access to choices in their energy products. EDCs benefit by being made whole through the discount rate and by the reduction of administrative oversight required for initiating and monitoring customer drops associated with recourse term triggers. CRES Provider benefit by not having to price substantial risk into their products to account for interference due to recourse term triggers and the expense of uncollectibles, and by eliminating the need for CRES Providers to screen customers for credit eligibility.

9. What changes can the Commission implement on its own under the existing default service model to improve the current state of retail electric service competition in Ohio?

The Commission has broad and explicit authority to implement virtually all of the recommendations discussed in these Comments. Whether it's the various retail market enhancements, access to data and information, the implementation of non-recourse POR, or aspects of the default service structure, the Commission has explicit statutory authority to enact such measures.

10. What legislative changes, if any, including changes to the current default service model, are necessary to better support a fully workable and competitive retail electric service market?

As noted above in the answer to Question #5, the Commission should consider amendments to the existing law to very clearly articulate that Ohio will no longer be a hybrid market, but one that is based upon competitive market principles. Amending the law to make a

clear and explicit statement about the market model for the electric industry will send a signal to market participants, and in particular non-affiliated CRES Providers, that Ohio's electric market is a market where companies should make longer term investments in resources.

11. What potential barriers, if any, are being created by the implementation of a provider's smart meter plans? Should CRES suppliers be permitted to deploy smart meters to customers? Should the Commission consider standardizing installations to promote data availability and access?

Exelon believes that smart meter infrastructure can create new opportunities for suppliers by providing more informative, granular, and comprehensive data to customers and CRES Providers. Knowing more about their own energy usage will enable customers to make better informed decisions about new energy products, while CRES Providers can develop new products based on evolving and enhanced customer needs.

To ensure that these opportunities develop to the benefit of the customer, it is imperative that authorized suppliers have access to the customer data provided by smart meters. Ideally, EDCs should provide suppliers with validated, bill quality consumption data within 48 hours of the meter read, written detailed disclosure of data definitions and characteristics and written update notices of changes in data characteristics as the changes become effective. EDCs should also adhere to common industry and communications standards for providing consumers direct access to smart meters and data.

It is not necessary for the Commission to require smart meter installations to use the same meter type or vendor across the state. The Commission can ensure that smart meters provide optimal support for the competitive market by standardizing data formats, protocols, and provision using industry best practices regardless of the hardware used. Most importantly, the Commission should always maintain that the customer owns the smart meter data and can

authorize any licensed CRES Provider to access and utilize the data to provide innovative products and services to that customer.

12. Should the Commission consider standardized billing for electric utilities?

The Commission should strive to provide CRES Providers, and in turn customers, with a choice of the type of billing arrangements that best meets the business model of the CRES Provider or the desires of the customer. There should be basically three (3) standard billing options offered. First, as discussed above, the Commission should direct all of the EDCs to implement a Non-Recourse POR tariff for CRES Providers wishing to choose consolidated utility billing. Second, each EDC should be required to implement a fully functional supplier consolidated billing (“SCB”) option. Finally, customers and CRES Providers should be allowed to elect a dual billing option where they continue to get a distribution bill from the EDC and a generation services bill from their CRES Provider.

13. Do third party providers of energy efficiency products, renewables, demand response or other alternative energy products have adequate market access? If not, how could this be enhanced?

CRES Providers can and do offer energy efficiency, renewables, demand response and other alternative energy products. The fact that Ohio EDCs, however, are legislatively mandated to offer these products and have regulated cost recovery makes it more difficult for CRES Providers to compete on a level playing field. If and until the legislative mandate is removed, CRES Providers are prevented from differentiating themselves from the regulated provider which further impedes the development of the competitive marketplace.

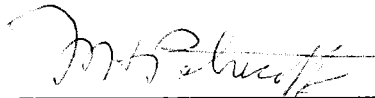
CONCLUSION

Exelon appreciates this opportunity to submit its Initial Comments to the Commission and looks forward to continued discussions on these and any new issues raised in the context of

the Commission's investigation of Ohio's competitive electric market. Constellation is confident that its recommendations will promote robust continued development of the State's competitive retail markets, for the ultimate benefit of Ohio's consumers and the Ohio economy.

Dated: March 1, 2013

Respectfully submitted,

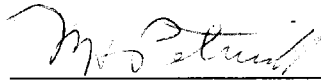


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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing document was served by electronic mail this 1st day of March, 2013 upon the persons listed below.



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Summary: Comments Initial Comments electronically filed by M HOWARD PETRICOFF on behalf of Constellation NewEnergy, Inc. and Exelon Generation Company, LLC