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By Electronic Filing

Ms. Brinda Westbrook
Secretary
Public Service Commission of the District of Columbia
1325 G Street N.W., Suite 800
Washington, D.C. 20005

**Re: *Pepco Purchase of Receivables*
PEPPOR-2025-01**

***In the Matter of the Investigation into the Establishment of a Purchase of
Receivables Program for Natural Gas Customers in the District of
Columbia*
WGPOR-2025-01-G**

Dear Ms. Westbrook:

The Retail Energy Supply Association (“RESA”),¹ by counsel, submits this letter with reply comments in response to the Commission’s Notice of Inquiry (“NOI”) regarding the Purchase of Receivables (“POR”) program for suppliers serving customers in the Potomac Electric Power Company (“Pepco”) and Washington Gas Light Company (“WGL”) service territories in the District of Columbia.²

RESA filed initial comments in these proceedings on September 2, 2025, responding to the questions raised by the Commission in the NOI. RESA continues to recommend that the Commission maintain POR as a critical market program that contributes to a more level playing field between utilities and competitive suppliers, expands customer choice, and supports resilient, competitive markets in the District. Like the other commenters, RESA is concerned about the significant rise in utility uncollectibles under the POR program in recent years and the resulting increase in the POR discount rates. However, the Commission should ensure that any potential changes to the POR program are informed by appropriate data and analysis, with solutions-based stakeholder input.

¹ The comments expressed in this filing represent the position of 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 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 The reply comment deadline was extended September 29, 2025, by Order Under Delegated Authority issued on September 10, 2025.



RESA continues to recommend maintaining the non-residential POR program in its current form, while convening a stakeholder process to develop solutions for residential POR to promote robust and durable competitive energy markets in the District for the benefit of all energy consumers.

I. Reply Comments

Neither WGL nor Pepco propose eliminating the POR program in the District. Pepco stressed the importance of clear rules and oversight to ensure that the POR program “operates effectively and continues to serve its intended purposes.”³ Both Pepco and WGL recommend consideration of the drivers of increase in the POR discount rates and stakeholder dialogue to develop solutions that improve POR going forward, while ensuring that utilities are able to recover their costs for the program.

OPC, on the other hand, continues to oppose POR and seeks to eliminate POR for residential customers and limit POR for commercial customers.⁴ OPC makes a series of allegations about supplier marketing practices to support its arguments against POR. OPC points to Maryland’s recent legislative changes to residential POR, which have significantly reduced the options that customers have to shop for retail electricity in Maryland. The POR program enables all customers – regardless of credit history – to participate in the competitive market and choose their retail supply option without needing to post a deposit. Consolidated billing with POR also streamlines billing by allowing customers to receive a single bill with their distribution and supply charges. Rather than abrupt cancellation of residential POR, the District should proactively address the issues driving up the discount rate, but take an informed and thoughtful approach with reforms to ensure the best possible outcome for all stakeholders, while avoiding unintended consequences.

A. Potential Modification to the POR discount rate:

Pepco and WGL recommended modifying the POR discount rate structure to exclude late payment revenues. Instead of applying those late payment revenues to offset the expenses in the POR discount rate formula, Pepco and WGL recommend that the late payment revenues be retained by them to be used towards past-due and uncollectible balances.⁵ Absent a change to the late payment revenue allocation, Pepco asks the Commission for an administrative adder to recover further costs for POR program administration and collections.⁶ RESA does not support these utility proposals because they would increase the POR discount rate, undermining retail competition by making it more expensive to serve customers in the District and more difficult to participate in the competitive retail energy markets in the District.

³ Pepco Comments at 1.

⁴ OPC Comments at 2.

⁵ Pepco Comments at 2.; WGL Comments at 3-4.

⁶ Pepco Comments at 2.



Pepco stresses the importance of transparency and flexibility to account for over-collections (reducing the POR discount rate) and under collections (to be recovered via the discount rate)⁷ WGL notes that approximately 45% of its discount rate is based on prior period under-recoveries, so extending the recovery period could mitigate the impact of the uncollectibles balance on the POR discount rate.⁸ RESA supports exploring options to improve the POR discount rate as part of a collaborative stakeholder process.

Neither Pepco, nor WGL, nor OPC recommends changing the POR discount rate when there is a change in the utility commodity cost.⁹ RESA agrees. The costs that utilities incur for commodity procurement are independent of the POR program.

B. Benefits of POR:

Pepco and WGL note the expansion of the electricity supply and natural gas supply markets in the District following implementation of POR, but raise concerns about significant increases in the discount rate due to the recent rise in uncollectibles and write-offs.¹⁰ Pepco points to “limited screening of customers’ ability to pay by some third-party suppliers” and certain supplier marketing practices (e.g., low introductory rates that later increase) as potential drivers of the increase in POR undercollections. WGL does not theorize on the potential drivers of increased POR discount rates.

Pepco’s comments raise potential theories for the driver for the increase the POR discount rates, but RESA recommends that the Commission investigate further through a stakeholder working group process to gather data necessary to determine the key drivers. As RESA discussed in its initial comments, it appears that the collections and termination moratoria during the COVID-19 era may have contributed to significant uncollectible balances and associated write-offs that caused the POR discount rates to spike. If, for example, Pepco’s SOS uncollectibles increased at a similar rate in recent years, that data may indicate that the COVID-19 impacts are a key driver. Alternatively, if Pepco’s SOS uncollectibles did not increase as a result of the moratoria, then there may be other potential causes to explore.

C. The future of POR in the District.

WGL stresses the importance of “careful consideration of the potential impacts of the discontinuation of a POR program on DC customers.” Similarly, Pepco flags that a potential change to eliminate POR in the District would require operational changes for suppliers and utilities, including changes to utility processes and IT systems for which the utilities would incur costs and seek cost recovery.¹¹ Pepco raises timing considerations about a potential transition, recommending enhanced transparency regarding supplier pricing structures and, ultimately, “continued dialogue among stakeholders to address the root causes of rising uncollectibles and

⁷ Pepco Comments at 3.

⁸ WGL Comments at 4.

⁹ Pepco Comments at 3; WGL Comments at 4; OPC Comments at 6.

¹⁰ Pepco Comments at 4; WGL Comments at 2-3, 5.

¹¹ Pepco Comments at 5.



to explore solutions that strengthen supplier accountability and customer protections.”¹² RESA strongly supports continuing POR in the District for all customer classes and agrees with Pepco that stakeholder dialogue and collaboration are critical to “help ensure that any changes to the POR framework are both equitable and sustainable.”¹³

OPC’s concerns about individual supplier marketing practices and rates, particularly for low-income customers, are important to address.¹⁴ However, elimination of POR is not the solution. RESA supports robust enforcement to root out and address any marketing practices that do not comply with Commission rules and regulations. RESA supports enforcement as a key mechanism to ensure a fair competitive environment under uniform rules.

Customer education about available supply options is another critical component of a well-functioning retail choice market. If, as OPC alleges, there are low-income customers signing up for variable price products with prices that far exceed the SOS rate, those customers should be encouraged and enabled to switch to a product that better fits their needs. OPC has resources on its website to educate customers about reading and understanding their utility bills.¹⁵ Retail suppliers provide similar information to educate customers about their energy supply options, understand the risks and benefits of fixed and variable pricing options, and make informed decisions about selecting a supply option that best suits their needs and preferences.

If OPC or the Commission receive complaints about suppliers that are not providing accurate information to customers, RESA encourages outreach to those suppliers to make them aware of the issues so that they can be promptly addressed. If suppliers are not responsive and continue to provide inaccurate, deceptive, or misleading information to consumers, then the Commission should consider taking enforcement action.

Rather than eliminate POR, as OPC suggests, RESA maintains that the Commission should address the issues raised by Pepco, WGL, OPC, and RESA by establishing a stakeholder working group to:

- (1) diagnose the cause of the spike in discount rates for the residential POR program in the District,
- (2) develop options to resolve the present issues facing the POR program, and
- (3) recommend durable fixes to ensure a well-functioning POR program to enable robust competition and a bright future of energy choice for District consumers.

II. Conclusion

For the reasons discussed above and in RESA’s initial comments in response to the NOI, RESA respectfully urges the Commission to:

¹² Pepco Comments at 6.

¹³ Pepco Comments at 6.

¹⁴ See, e.g., OPC Comments at 7-8.

¹⁵ OPC-DC, Consumer Assistance, Third Party Suppliers, available at <https://opc-dc.gov/consumer-assistance/third-party-suppliers/> (last visited Sept. 24, 2025).



- 1. Preserve POR as a cornerstone of retail energy competition that and promotes choice.**
- 2. Reject OPC's proposal to eliminate residential POR, which would harm District customers by reducing competitive supply options.**
- 3. Convene a stakeholder working group to identify the drivers of increased discount rates and propose durable, data-driven solutions.**
- 4. Maintain the non-residential POR program in its current form to ensure continued stability and access to competitive energy supply options for District businesses.**

Thank you for the opportunity to submit these reply comments. Should you have any questions about this filing, please do not hesitate to contact me.

Sincerely,

/s/ Brian R. Greene

Brian R. Greene



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Retail Energy Supply Association's Reply Comments in Response to the Commission's Notice of Inquiry was emailed to the following individuals on the 29th day of September, 2025:

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