

**Response of NRG Energy, Inc.
to the Interrogatories of PECO Energy Company, Set II in
Docket No. R-2018-3000164**

Request: PECO-NRG-II-12 Refer to NRG Statement No. 1, page 18, lines 1-3 and p. 20, lines 9-11. Please identify all U.S. electric utilities known to Mr. Peterson that provide residential default service through a separate default service division or “functionally separate division.”

Response: Mr. Peterson is not aware of any other U.S. electric utilities that provide residential default service through a separate default service division or functionally separate division. However, it is his understanding that Pennsylvania is viewed as a national leader in the development of a retail competitive market for electricity. Further, from an accounting perspective, it is appropriate to allocate indirect costs across all segments or divisions of a business’ operations.

**Response
Provided by:** Chris Peterson

Dated: 07/09/2018

**Response of NRG Energy, Inc.
to the Interrogatories of PECO Energy Company, Set II in
Docket No. R-2018-3000164**

Request: PECO-NRG-II-14 Refer to NRG Statement No. 1, page 24, lines 9-16. Please identify all U.S. electric utilities known to Mr. Peterson that allocate indirect expenses associated with residential default service under any of the three allocation methods considered by Mr. Peterson. For each such utility, identify the methodology and provide all supporting documentation for Mr. Peterson's understanding that the methodology is used (or required to be used) by that utility.

Response: Mr. Peterson is not aware of any U.S. electric utility that allocates indirect expenses associated with residential default service in the manner he has recommended here. However, it is illogical for a business to allocate all indirect expenses to one portion of its operations while allocating no indirect expenses to another segment or division of its operations.

See Response to PECO-NRG-II-18.

**Response
Provided by:** Chris Peterson

Dated: 07/09/2018