



Todd S. Stewart
Office: 717 236-1300 x242
Direct: 717 703-0806
tsstewart@hmslegal.com

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

September 20, 2021

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

RE: Investigation of Pennsylvania's Retail Natural Gas Supply Market – Interim Guidelines Regarding Standards For Changing a Customer's Natural Gas Supplier; Docket No. I-2013-2381742; **COMMENTS OF THE RETAIL ENERGY SUPPLY ASSOCIATION TO TENTATIVE ORDER ISSUED AUGUST 26, 2021**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the Comments of the Retail Energy Supply Association to Tentative Order Issued August 26, 2021 in the above-captioned matter.

If you should have any questions, please do not hesitate to contact me.

Very truly yours,

Todd S. Stewart
*Counsel for
the Retail Energy Supply Association*

TSS/jld
Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s Retail Natural Gas Supply Market - Interim Guidelines : Docket No. I-2013-2381742
Regarding Standards For Changing a Customer’s Natural Gas Supplier :

**COMMENTS OF
THE RETAIL ENERGY SUPPLY ASSOCIATION
TO TENTATIVE ORDER
ISSUED AUGUST 26, 2021**

NOW COMES, the Retail Energy Supply Association (“RESA”) and hereby offers its comments to the Tentative Order in the above-captioned matter, dated August 26, 2021 (“Tentative Order”). The Tentative Order addresses the extension of an existing Commission waiver of the 10-day waiting period for customer switching set forth in the Commission’s Regulations at 52 Pa. Code § 59.93(2).

The 10-day waiting period is the time that a Natural Gas Distribution Company (“NGDC”) must wait to allow a customer the opportunity to cancel a switch transaction initiated by a Natural Gas Supplier (“NGS”), after the NGDC sends the customer notice of the pending change in NGS. This waiver was initially granted in 2012, to shorten the 10-day period to 5-days, in order to shorten the total amount of time it takes to change a customer’s NGS by at least 5 days. The record showed that the long switch times were contributing substantially to customer dissatisfaction. The Commission also noted that it is important in avoiding customer frustration and confusion to maintain similarity in the rules as between the electricity and natural gas markets, recognizing that there are statutory and market structure differences. The Commission has continued the waiver

ever since, extending it again in 2015 and once more in 2018, which expires in October of this year.

The successive temporary waivers of the 10-day waiting period were, at least in part, a product of the Commission having issued an Advanced Notice of Proposed Rulemaking (“ANOPR”) on December 22, 2016. The ANOPR solicited comments on how best to permanently modify the Commission’s natural gas switching regulations, including § 59.93. On April 20, 2017, the Commission entered an order seeking additional comments, and the Commission held a Technical Conference on March 29, 2018. Apart from extending the waiver in 2018, however, the proposed permanent modifications to the switching regulations and the companion regulations that would address capacity assignment issues -- a subject that is integral to the switching process -- have not been addressed by the Commission.

While RESA does not object to granting another extension of the waiver in order to preserve the *status quo*, RESA believes, and therefore suggests, that Pennsylvania’s natural gas market needs a permanent fix that addresses accelerated switching and also addresses the issue of capacity assignment, in a wholistic manner. In the context of an accelerated switching process, the primary concern needs to be a consistently attainable result in terms of the time it takes to switch a customer. Stated differently, NGDCs must be able to manage the switch within the required timeframe – whatever it is. The determination of what that timeframe should be is crucial to the discussion. If consensus cannot be obtained among the NGDCs on the exact methodology for how to effectuate the change, and the manner of accounting for capacity requirements particularly for off-cycle switches, perhaps the Commission could focus on the primacy of the necessary result – faster switching - which may allow the Commission to complete the accelerated switching rulemaking process. Stated differently, if the Commission is willing to allow NGDCs

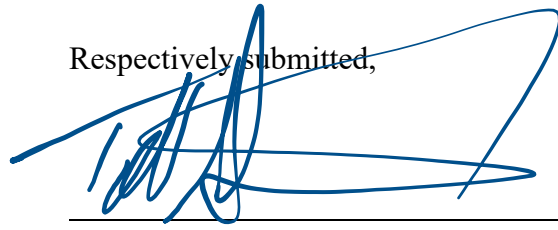
some flexibility in how they assign capacity, in order to effectuate faster switching, it may be that NGDCs will be able to accomplish the task within whatever timeframe is eventually mandated.

RESA continues to believe that more equitable and effective methods of capacity assignment are attainable, for example, by creating a monthly or yearly true-up mechanism for capacity assets that are displaced due to mid-cycle switching. However, while RESA is loath to concede any further delay in addressing all of the capacity assignment issues, doing so may be the only practical approach to obtaining a result other than more years of inaction.

RESA is amenable to considering other potential solutions and suggests that a technical conference, where practical solutions and a path forward are the main topics of discussion, may be a reasonable manner of re-starting the accelerated switching discussion. RESA suggests, as it has in the past, that the goal of this process should be a better customer experience, and to that end that parties need to exhibit as much flexibility as possible to reach the best solutions for customers.

RESA is not wed to any particular solution but rather, is driven by a desire to see progress in making the natural gas market as customer friendly as the electric market. RESA submits that it would be in the best interest of all parties to re-engage this process to serve the needs of customers.

Respectively submitted,



Todd S. Stewart
PA Attorney I.D. # 75556
Hawke McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
Email: tsstewart@hmslegal.com
Telephone: 717.236.1300
Facsimile: 717.236.4841

*Counsel for
the Retail Energy Supply Association*

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