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**Gary A. Jack**  
Assistant General Counsel

December 14, 2011

**VIA OVERNIGHT MAIL**

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

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DEC 14 2011

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

**Re: Interim Guidelines Regarding Standards for  
Changing a Customer's Electricity Generation Supplier  
Docket No. M-2011-2270442**

Dear Secretary Chiavetta:

Enclosed for filing are an original and five (5) copies of the Comments of Duquesne Light Company to the Tentative Order entered November 14, 2011 in the above-referenced case.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'G. Jack', written over a horizontal line.

Gary A. Jack  
Assistant General Counsel

Enclosure

c: Office of Competitive Market Oversight

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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SECRETARY'S BUREAU

Interim Guidelines Regarding )  
Standards for Changing a )  
Customer's Electricity )  
Generation Supplier )

Docket No. M-2011-2270442

**COMMENTS OF DUQUESNE LIGHT COMPANY**

Duquesne Light Company ("DLC") submits the following comments in response to the Pennsylvania Public Utility Commission's ("Commission") Tentative Order issued on November 14, 2011 in this proceeding relating to accelerated switching and the retail market investigation proceeding. DLC appreciates this opportunity to comment on this matter.

**I. COMMENTS**

**A. Accelerated Switching Timeframes**

DLC is willing to support process improvements for accelerating the supplier switching timeframe but believes that the customer confirmation letter and rescind process should not be eliminated as proposed by the Commission. We believe the confirmation letter is an important consumer protection. Currently, 11% of the customers selecting an EGS in DLC's service territory rescind their enrollment within that 10-day confirmation period. With DLC's high level of residential shopping activity, almost 100 customers every week this year utilized the opportunity to rescind their enrollment within the 10-day confirmation period. Customers made this decision for a variety of reasons. Our experience is that many of the transfers are a result of telemarketing or door-to-door

sales for which customers later reconsider their decisions, were misunderstood as to their intentions to switch, or may have alleged that they were being switched to an EGS without their authorization. Customers should have the right and opportunity to prevent a switch prior to the transfer of service, and that customer protection should be preserved. It is reasonable to expect higher levels of customer dissatisfaction if 11% of customers electing an EGS in DLC's service area, who currently are notified by a confirmation letter and then choose to rescind their enrollment for whatever reason, are unable to do so as a result of the proposed total elimination of the 10-day confirmation period. At the very least, it is clear that customers are utilizing the time period to rescind or change their minds and that is serving a legitimate purpose to effectuate customer wishes. We believe elimination of this alternative could actually hinder long-term acceptance of customer choice options. Even if the Commission were to shorten the 10-day confirmation period, which DLC can agree to, DLC is concerned that due to the mailing time of the confirmation letter, customers will have little time to act and will need to act very quickly to prevent an unwanted switch from occurring.

DLC believes that the current timeframe to switch customers is not hurting competition in its service area. Residential shopping has increased from 20% of load as of December 2010 to over 33% of load as of October 2011, with almost 50,000 additional residential customers choosing an alternative supplier this year. Once customers are informed that a switch will occur at the next meter reading, they generally understand that the meter read date is an appropriate time to make a switch from one supplier to another. Customers generally do not expect switching to occur "off-cycle" at the present time. DLC agrees that the timeframe should be as short as possible, but it should not be

at the expense of depriving customers of an option to prevent undesired switches from occurring, as would happen if the Commission's proposal is adopted. If the Commission still believes that reducing the switching timeframe is needed or beneficial after review of the submitted Comments from interested parties, DLC can accept a reduction in the 10-day confirmation period to 4 or 5 days.

**B. Integration with Advanced Metering and EDI**

The Commission specifically asked for comment on whether supplier switching should be fully integrated into all smart meter deployment plans, with the expectation that, once smart meters are in use, supplier switching will be able to occur at any given point in time. [Tentative Order at page 25]. While DLC has not previously evaluated this as part of its smart meter plan development, it has begun to review the possibility. *It would appear that the timeframe for customer switching to another supplier could be dramatically reduced by using smart meter technology and implementing daily/hourly meter reads.* DLC also agrees that supplier switching should be fully integrated into smart meter deployment, including the infrastructure needed to operate the smart meter system.

The Commission asked for comment on implementing off-cycle customer switches prior to full implementation of smart meter deployment by our using estimated reads or off-cycle reads. [Tentative Order at p. 26]. DLC is willing to consider the costs and processes necessary to implement an "off-cycle" switch that would allow customers to switch suppliers independent of the meter read date. With smart meter deployment scheduled for DLC beginning in 2013, however, DLC does not recommend

implementing any interim approach prior to 2013. Rather than design an interim approach that would fairly quickly be replaced by full implementation of smart meters, it would appear more productive and efficient to study one plan for customer switching as part of smart meter deployment. Additionally, we would have some initial concerns with the prospect of having two systems in place at one time – i.e., one system for those customers who have received a smart meter and another switching system for those customers who have not. It could be difficult to develop and maintain at the same time two distinct processes and bill formats. DLC intends to report on its further evaluation and findings on this matter in future smart meter filings or other proceedings should the Commission so desire.

Moreover, DLC is willing to study the feasibility and evaluate the costs and processes necessary to implement a “switch on connect” --- when a customer initiates new service (i.e., a new customer account) with DLC. As discussed above, DLC is willing to consider integrating supplier switching with smart meters and evaluate the costs and processes necessary to implement an “off-cycle” switch that would allow customers to switch suppliers independent of the meter read date. DLC believes these actions are likely to be more effective in accelerating the customer switching process than the elimination of the 10 day confirmation period and letter.

The Commission also requested comments from EDEWG members on changes to EDI procedures and technical feasibility of changes and their effect on other critical EDI processes with altering the confirmation period. [Tentative Order at page 23] From an initial review, Duquesne does not believe that a new EDI transaction would be necessary. Duquesne believes this should be able to be accomplished through existing transactions,

such as an 814 drop transaction. Additionally, as Duquesne works to install and upgrade a new Customer Care and Billing system as part of smart meter installation, we believe the new system will be able to accommodate all existing EDI transaction and that the new system will not affect EDI transactions. Duquesne will continue to review the EDI processes.

### **C. Concluding Remarks**

DLC supports the evaluation of the state of retail markets in Pennsylvania. Since the completion of its transition period for most customers in 2002, DLC has been able, with the assistance of the Commission, many market participants, consumer advocates, and other interested parties, to make significant improvements in customer access to the retail market while at the same time maintaining fair and reasonable rates for default service customers. DLC has continued to modify its default service model over time and found ways to advance competition as the service requirements and markets for the different customer classes have evolved. As a result, DLC has achieved the 9<sup>th</sup> highest shopping level in the United States with 73% of its load shopping, and DLC expects continued expansion of shopping in its service area over time. The Company looks forward to working with stakeholders to continue its efforts to promote retail competition in a manner that balances the interests of customers, EGSs, and EDC stakeholders. Since the 10-day confirmation period has proven to be a valuable customer protection process that is used frequently by customers in DLC's service area, DLC does not recommend completely eliminating this confirmation period or the confirmation letter. However, if after review of all the comments filed in this matter, the Commission still feels change is

necessary, DLC would not object to a shortening of the confirmation period from 10 days to 4 or 5 days.

Respectfully Submitted,

Duquesne Light Company

December 14, 2011

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SECRETARY'S BUREAU

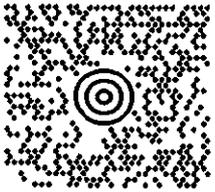
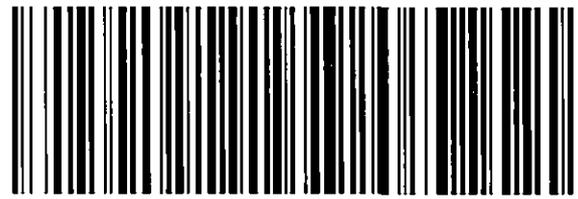
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