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December 31, 2013

**VIA ELECTRONIC FILING**

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

***Re: Investigation of Pennsylvania's Retail Electricity Market;  
End State of Default Service;  
Docket No. I-2011-2237952***

Dear Secretary Chiavetta:

Enclosed for filing in the above-referenced matter is the Seamless Moves/Instant Connects Implementation Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company.

Please contact me if you have questions.

Sincerely,



Tori L. Giesler

dln  
Enclosure

**SEAMLESS MOVES/INSTANT CONNECTS  
IMPLEMENTATION PLAN**

**METROPOLITAN EDISION COMPANY  
PENNSYLVANIA ELECTRIC COMPANY  
PENNSYLVANIA POWER COMPANY  
WEST PENN POWER COMPANY**

December 31, 2013

**SEAMLESS MOVES/INSTANT CONNECTS  
IMPLEMENTATION PLAN  
METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,  
PENNSYLVANIA POWER COMPANY AND WEST PENN POWER COMPANY**

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## BACKGROUND

The Pennsylvania Public Utility Commission's ("Commission") order entered February 15, 2013 at Docket No. I-2011-2237952 ("End State Order") directed electric distribution companies ("EDCs") to develop and submit plans to the Commission by the end of 2013 to implement "seamless moves" and "instant connects" in their respective service territories by June 1, 2015.<sup>1</sup> As defined in the Commission's End State Order, "seamless moves" are the ability of a customer's choice of supplier, also known as an electric generation supplier ("EGS"), to move with the customer to a new address without interruption, and "instant connect" is the ability of supply service to start on "day one" of new utility service without the customer first having to take default service.<sup>2</sup> The Commission further directed EDCs to utilize their existing supplier consultation processes in developing the seamless move/instant connect plans, with such plans addressing the costs and proposals for the recovery of those costs.<sup>3</sup>

Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power Company ("West Penn") (each of which may be referred to as "Company" and/or in combination as "Companies") are each EDCs subject to the requirement to submit seamless moves and instant connect implementation plans ("Plan") by the end of 2013. In developing their Plan, the Companies sponsored a supplier workshop with EGSs on September 17, 2013. Suppliers and EDCs were invited to participate in person at West Penn's principal office in Greensburg, Pennsylvania, or participate simultaneously on a teleconference with presentation materials available via webcast. In addition, joint EDC-EGS conference calls were held October 10, October 17, October 24, October 31, and November 7, 2013 to exchange various ideas regarding the implementation of seamless moves and instant connects. The EGS consultation process, along with the Companies' own internal evaluation, were instrumental in developing the Plan contained herein to ensure an implementation that meets the needs of the Companies, EGSs, and customers.

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<sup>1</sup> *Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (February 15, 2013), pp. 74-75

<sup>2</sup> End State Order at p. 70.

<sup>3</sup> End State Order at pp. 74-75.

## REGULATORY AND LEGAL PARAMETERS

The Companies considered a number of regulatory and legal parameters in developing the Plan which must be incorporated into any plan that is implemented and operated on an ongoing basis. As these parameters change through time, the Plan may need to adjust accordingly, depending upon the scope and breadth of changes, which at this time are unknown. Therefore, the Companies reserve the right to amend the Plan and request commensurate cost recovery in the event such change in parameters necessitates an amendment.

The regulatory and legal parameters accounted for in the Plan include certain obligations on the part of the EGS and the EDC that are triggered with the selection of an EGS by a retail customer, including the provision of disclosure statements and a three business day right of rescission period to residential and small business customers by an EGS as required by 52 Pa. Code § 54.5. The effect of 52 Pa. Code § 54.5 is that when EGS service is initiated or changed, the EGS shall provide the customer written disclosure of the terms of service, with customers provided a three business day right of rescission period following receipt of the disclosure statement. Further, whenever an EGS proposes to change the terms of service in any type of agreement, the customer will receive written notification from the EGS in each of the last three bills (or in a corresponding separate mailing) preceding the date of the change. The regulations provide definitive parameters for the issuance of disclosure statements and when EGSs may change their terms of service for residential and small business customers, which constitute the overwhelming majority of customers served by the Companies.

In addition, the Companies must, pursuant to 52 Pa. Code § 57.173, send confirmation letters to customers noting any proposed change of EGS, including a ten-day waiting period that allows for a customer to cancel an order before the change of EGS occurs. However, in the Interim Guidelines Order issued at Docket No. I-2011-2237952, the Commission adopted, on a three-year interim basis, a waiver of 52 Pa. Code § 57.173(2) to the extent necessary to require a five-day waiting period instead of a ten-day period.<sup>4</sup> Therefore, on December 18, 2012, the Companies submitted to the Commission retail tariff and supplier tariff compliance filings to be effective January 23, 2013, which reflected a shortening of the waiting period by five days. The result of the interim reduction was to effectively reduce, from fifteen days to ten days, the period

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<sup>4</sup> Interim Guidelines Order at p. 47.

by which electronic data interchange (“EDI”) customer enrollments from an EGS must be received by the Companies prior to the customer’s next scheduled meter read date. Thus, the retail tariff and supplier tariff of each Company currently reflect the following conditions:

- (a) Upon receipt of an EDI customer enrollment, the affected Company will send the customer a letter to confirm and verify the customer’s EGS selection.
- (b) If the customer does not contact the affected Company within 5 days of the date on the confirmation letter, the enrollment will be processed.
- (c) EDI customer enrollments must be received at least 10 days prior to the customer’s next scheduled meter read date.
- (d) Enrollments received less than 10 days prior to the customer’s next scheduled meter read date will be effective the subsequent meter read date.

The combined effect of the Companies’ retail tariffs, supplier tariffs, and 52 Pa. Code § 54.173, as amended by the Interim Guidelines Order, is that when a contact occurs between a customer and an EGS to request a change of the EGS, the EDC is to send the customer a confirmation letter upon receipt of an EDI customer enrollment from the EGS. Such enrollments are to be received at least ten days prior to the customer’s next scheduled meter read date prior to becoming effective.

## SEAMLESS MOVES IMPLEMENTATION

### Eligibility

The Plan for seamless moves sets forth customer eligibility based upon meeting the following criteria:

1. Customer must have an active account with the Company;
2. Customer must have an existing relationship with an EGS serving at their current premise;
3. Customer does not have a pending change to a new EGS;
4. Customer plans to physically move from their current premise to a new premise within the same Company service territory, and provides the Company at least one day advance notice;
5. The new location must be an active premise, which is a necessary prerequisite for the Company to assign the seamless move customer an account number on a pending active<sup>5</sup> basis;
6. Customer will remain within the same default service rate class of residential or commercial, with compatible metering capabilities to enable billing; and
7. Customer will use the same account name at the new premise.

All of the above criteria must be satisfied in order for customers to be eligible for seamless moves. Although most of the eligibility criteria are self-explanatory, further detail is provided below for items 6 and 7 to clarify the intent and reasoning.

*Criterion 6. Customer will remain within the same default service rate class of residential or commercial, with compatible metering capabilities to enable billing.*

Seamless move customers are permitted to be on a different Company distribution rate schedule at the new premise as long as the rate schedule is within the same residential or commercial default service rate class as the current premise and the metering capabilities are compatible. The residential and commercial rate classes are the combination of rate schedules that constitute the respective rate classes for the provision

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<sup>5</sup> A “pending active” basis means an account number is set to become active at a specified future date.

of default service, as defined in the Company's controlling retail tariff. Since multiple rate schedules may constitute a specific rate class, eligibility based upon the rate class rather than rate schedule provides a greater deal of flexibility for customers. For example, a small commercial customer under 1,500 kWh per month may decide to move into a larger facility with an expected consumption of 10,000 kWh per month. Although the move may necessitate a different rate schedule for the provision of distribution service, the customer would remain within the commercial rate class for the provision of default service, which affords the customer the ability to maintain eligibility for seamless moves. Such situations are less likely for residential customers due to the limited number of rate schedules that constitute the residential rate class. Other situations could occur if the customer is transferring EGS-billed dynamic rates (such as time-of-use rates) from the old premise to the new premise, which necessitates the requirement that metering at the new premise have compatible metering capabilities to enable billing.

Seamless moves, however, will not be available to customers in the industrial default service rate class. During the joint EDC-EGS conference calls held in October and November 2013, participating EGSs indicated a preference to exclude industrial customers since industrial customer operational characteristics tend to dictate EGS-provided service with terms and conditions specific to each individual premise. The Companies support this exclusion due to the reasons provided by the EGSs and because less than 1% of the Companies customers are industrial class customers, which means seamless move situations for industrial customers would be rare or practically non-existent.

*Criterion 7. Customer will use the same account name at the new premise.*

Eliminating a change in legal entity is critical to meet the Commission's directive that the EGS move with the customer to a new address without interruption. The assignment of a new legal entity would: (a) be a new customer, rather than the same customer; (b) trigger the 3-day right of rescission period provided in 52 Pa. Code § 54.5 and the confirmation letter provided in 52 Pa. Code § 57.173; and (c) greatly diminish the probability that an account would qualify for seamless moves (due to the timeframes historically provided by customers when moving, as discussed below), thereby rendering

the Plan ineffective. Customers who use a different account name at a new premise will, instead, be handled as an instant connect, as described later the Plan.

### Notification

Currently, customers can indicate a move to a new premise by either contacting the respective Company directly by telephone or through the Companies' public internet domain. The Plan will likewise permit seamless moves to be processed by telephone or the internet, subject to the eligibility criteria provided above. The customer must provide the Company the requested disconnect date from the current premise and the connect date at the new premise during the same telephone call or internet contact. This is critical in order to connect the customer to the two different premises, establish eligibility, and process a seamless move. Seamless move situations will not be known, and therefore not processed, if the customer notifies the Company of a disconnection of service at one premise, and then at a different period in time contacts the Company about connecting service at a new premise.

### Timing

To effectively price transmission service and generation capacity obligations, each premise has an assigned network service peak load ("NSPL") for transmission capacity and a peak load contribution ("PLC") for generation capacity. The PLC and NSPL are premise-specific, which means customers do not transfer the NSPL and PLC capacity obligations from their current premise to a new premise. Instead, the Companies assign new NSPL and PLC capacity obligations at the new premise, which are calculated as the class average default value until new values are assigned annually on January 1<sup>st</sup> for NSPL and June 1<sup>st</sup> for PLC based upon historical usage.

Although the Companies assign new NSPL and PLC capacity obligations at the customer's new premise, PJM Interconnection L.L.C. ("PJM") rules require NSPL and PLC data to be uploaded at least thirty-six hours prior to the effective date. Inclusion of weekends results in up to five days after receipt (i.e., a "Moratorium Period") for PJM to reflect the new NSPL and PLC obligations at the customer's new premise.<sup>6</sup> This delay is conflicts with the ability of

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<sup>6</sup> The "up to" five-day Moratorium Period excludes the effect of holidays. Holidays can add up to two additional days to the Moratorium Period.

customers to provide as little as one day advance notice prior to initiating electric service at a new premise. Because there is no PJM process for reconciliation of NSPL and PLC values for customer move-ins that occur during the Moratorium Period, an imbalance occurs between what suppliers should have been charged for transmission and generation capacity at the new premise, versus what suppliers are actually charged during the Moratorium Period. Such an imbalance is not new and not attributable solely to the implementation of seamless moves since the imbalance is attributable to the delay inherent in the Moratorium Period. Therefore, until PJM implements a reconciliation process, EGSs and default service suppliers will continue to bear the financial imbalance associated with the difference between the respective NSPLs and PLCs in seamless move situations that require service to begin during the Moratorium Period.<sup>7</sup> Recent statistics indicate that approximately 70% of customers provide one day notice prior to a move-in, 4% provide two days notice, 13% provide four days notice, 3% provide six days notice, and 10% provide more than seven days notice. Therefore, the Companies anticipate that the overwhelming majority of seamless move instances will result in move-in dates that occur within the Moratorium Period and subsequently have a short-term financial imbalance for suppliers that the Companies are without ability to control.

### Process

Where a customer requests a move and meets the eligibility criteria for seamless moves, the respective Company will prompt the customer with a question as to whether they would like an opportunity to retain their existing EGS at the new premise, using the same pricing, billing option, and (if applicable) tax exemption status as their current premise. The same pricing, billing option, and tax exemption status must be maintained between the old premise and the new premise due to the requirements of 52 Pa. Code § 54.5(g), which dictates that whenever an EGS proposes to change the terms of service in any type of agreement, the customer will receive written notification from the EGS in each of the last three bills (or in a corresponding separate mailing) preceding the date of the change – a process that effectively prevents an EGS from changing the terms of service without three months advance notice.

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<sup>7</sup> The financial imbalance only occurs during the Moratorium Period and only affects NSPL and PLC capacity obligations. After the Moratorium Period, NSPL and PLC capacity obligations are accurately reflected for a supplier. Energy obligations are unaffected since a PJM process exists to reconcile the energy imbalance.

If the customer indicates a preference to retain their existing EGS at the new premise, the Company will submit an EDI 814 Move transaction that same day to notify the EGS of a pending seamless move awaiting processing by the EGS. The 814 Move transaction does not currently exist and must still be developed and approved by the Electronic Data Exchange Working Group (“EDEWG”). However, the Companies anticipate that the 814 Move transaction will generally have the same information as an EDI enrollment transaction, except the primary purpose of the 814 Move transaction will be to simply notify an EGS of an eligible seamless move customer and provide relevant information regarding the move. Attachment A includes information the Companies anticipate could be included in the new 814 Move transaction.

Where the EGS wishes to retain the customer under a seamless move situation, the EGS will be required to submit an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction. A decision by the EGS to not submit an 814 Enrollment transaction within three business days (or a failure of the EGS to timely submit an 814 Enrollment transaction) will result in the customer receiving default service at the new premise until an 814 Enrollment transaction is received by the Companies and processed using standard enrollment rules and time periods, including the three business day right of rescission in accordance 52 Pa. Code § 54.5, the customer confirmation letter in accordance with 52 Pa. Code § 57.173, and the required enrollment period prior to the customer’s scheduled meter read date in accordance with the Companies retail and supplier tariffs. During the three business day period in which an EGS is notified of a seamless move opportunity, the Companies will reject EDI enrollments received from different EGSs for the seamless move customer. Further, the EGS involved in a seamless move will not be permitted to change the pricing, billing option, and (if applicable) tax exemption status of either the current premise or the new premise until after the seamless move is completed.

Successful seamless move situations will result in the EGS becoming the EGS of record as of the customer’s move-in date at the new premise, even if the move-in date is not a scheduled meter read date. If the customer changes their move-in date, the Company will notify the EGS of the different move-in date via an EDI 814 Change transaction. However, requests to backdate the connection date will not be permitted. Additionally, EGS dollars will be settled at the current premise and will not be transferred to the new premise. If the customer never moves into the

new premise, the Company will send the EGS an EDI drop transaction for the pending account at the new premise.

An alternative scenario was discussed during the joint EDC-EGS conference calls occurring during October and November 2013. In general terms, the alternative scenario involved the seamless move customer automatically having their EGS move to the new address, without any affirmation ability from the customer or any rejection ability from the EGS. Additionally, all EGSs would be required to participate in seamless moves, even if the EGS did not wish to participate or did not wish for the pricing to remain identical from the old premise to the new premise. The EGS would then be left with two primary choices: (1) maintain the pricing at the new premise until the EGS has provided at least 3 months advance notice of the change in the terms of service, in accordance with 52 Pa. Code § 54.5(g); or (2) drop the customer and re-enroll the customer under new terms of service, in accordance with the requirements of 52 Pa. Code § 54.5 and 52 Pa. Code § 57.173, as well as the Companies' retail and supplier tariffs – a process that presumably would not be considered a seamless move. This could be a barrier to market entry for EGSs and, as such, would run contrary to fostering a robust competitive retail electric market. Further, the specific terms and conditions of service between EGSs and their customers are not known by the EDC. Requiring EGSs to automatically transfer the same pricing from one premise to another would be under the assumption that the EGSs' written terms and conditions of service provided to the customer permit such action, or that such customer agreements are portable. Such decisions are best left to the customer and their EGS since the Companies do not police the contractual relationship between the EGS and their customers. Therefore, the Companies' Plan includes an approach that provides choice and flexibility to both customers and EGSs to the extent possible. Customers have a choice to continue the relationship with their EGS at their new premise; whereas EGSs have the choice as to whether to continue the same pricing at the customer's new premise, based upon the terms and conditions of the agreement with the customer and whether such opportunity still fits within the EGS business model. This effectively permits a customer and EGS to exercise choice and participate in seamless moves on a case-by-case basis rather than requiring participation on a mandatory basis.

### Additional Considerations

The Plan effectively provides for the customer's choice of EGS to move with the customer to a new address without interruption. As detailed above, seamless moves implemented in accordance with the Companies' Plan will not trigger the three-day right of rescission period provided in 52 Pa. Code § 54.5 since the contract terms are transferring unaltered from the current premise to the new premise. Further, the Companies will not send the confirmation letter described in 52 Pa. Code § 57.173 since the customer is not requesting a change of the EGS. However, the Companies believe that customers should receive written notification of the seamless move to ensure the customer remains educated about the transfer in pricing, billing option and (if applicable) tax exemption status, and to help diffuse misplaced concerns about slamming. Therefore, the Companies will require the EGS to: (a) send the customer a new "move" letter to ensure the customer receives written notification of the transfer of EGS terms and conditions from the current premise to the new premise; or (b) send the customer a letter explaining why the EGS declined to process the seamless move opportunity. Although the EGS is free to tailor the language of each letter, the EGS will be required to retain a copy of the letter for three years.

Also, seamless moves can result in overlapping services or a gap in service when a disconnect at the current premise and a connect at the new premise are on different dates. However, due to existing system parameters, the gap in service between the current premise and the new premise can never be longer than ninety days.

Finally, functionality of this Plan is premised on the assumption that the Companies are the providers of default service. In the event that the default service model changes such that another entity becomes responsible for providing default service, the interaction between the Company and customer is, at this point in time, unknown and undefined. Therefore, in the absence of such clarity, the Companies may need to amend or withdraw this Plan, depending upon the scope and breadth of such unknown changes and the effect they may have on the interaction between the Companies and their customers.

## INSTANT CONNECTS IMPLEMENTATION

### Eligibility

The Plan for instant connects is primarily designed for customers establishing electric service with the Company for the first time. However, there are other less common situations where instant connects would apply. Listed below is a list of situations where the Companies envision instant connects would be applicable:

1. Customer is moving into the Company service territory and establishing an account with the Company for the first time;
2. Customer is re-establishing a Company account after a set number of days expire since the closure of the same Company account;
3. Service is upgraded and/or reconfigured, necessitating that an additional Company account for the same customer be established;
4. There is a change in the party responsible for service, meaning that a new legal entity will receive service from the Company; or
5. A new customer account is established based upon an investigation (i.e., revenue protection/theft of service).

The above list is not necessarily exhaustive, but is meant to represent the most common situations in which instant connects would be applicable. In each situation, though, instant connects are only available at locations that are active premises, a necessary prerequisite for the Company to assign the new customer an account number on a pending active basis. An active premise is key in programming development in order to associate a customer with a specific premise. This effectively means that new building construction would not be eligible for instant connects where the developer/builder is establishing service for the first time with no meter present, but would be eligible for the end-use customer that is transferring electric service responsibility from the developer/builder to the customer.

Also, although seamless moves are available to the Companies' residential and commercial rate classes (but not the industrial rate class), instant connects are available for customers from all rate classes. The basis for excluding industrial rate class customers from seamless moves is that industrial customer operational characteristics tend to dictate EGS-

provided service with terms and conditions specific to each individual premise, which makes the transference of pricing from premise to premise under seamless moves impractical for industrial customers. However, the same restrictions are not necessarily applicable under an instant connect situation since EGSs are afforded an opportunity to establish EGS-provided service with terms and conditions specific to each individual premise. Therefore, instant connects are available to customers from the residential, commercial and industrial rate classes.

### Notification

Currently, customers can initiate electric service by contacting the respective Company directly by telephone or through the Companies public internet domain. Since those are the current points of contact between the Companies and their customers, the Plan will likewise permit instant connects to be processed by telephone or the internet.

### Timing

To effectively price transmission service and generation capacity obligations, each premise has an assigned NSPL for transmission capacity and a PLC for generation capacity, which are both premise-specific. When a customer calls to initiate electric service, the Companies assign new NSPL and PLC capacity obligations at the new premise, which are calculated as the class average default value until new values are assigned annually on January 1<sup>st</sup> for NSPL and June 1<sup>st</sup> for PLC based upon historical usage.

Similar to the description provided for seamless moves, there is a Moratorium Period for PJM to reflect the new NPSL and PLC obligations at the customer's new premise. However, unlike seamless moves, instant connects are applicable to the establishment of a new legal entity for receipt of electric service. As such, instant connects will trigger the requirements of providing a disclosure statement and three business day right of rescission in accordance with 52 Pa. Code § 54.5, the customer confirmation letter in accordance with 52 Pa. Code § 57.173, and the required enrollment period in accordance with the Companies' retail and supplier tariffs, which is currently ten days. Since fulfillment of the requirements of 52 Pa. Code § 54.5, 52 Pa. Code § 57.173, and the ten-day enrollment period extends past the Moratorium Period, the Companies do not anticipate an imbalance between what an EGS should have been charged for transmission and generation capacity at the new premise versus what an EGS is actually charged.

## Process

As discussed above, instant connects will be processed by the same means that new service is currently processed, which is directly by telephone or through the Companies' public internet domain. An EGS will continue to submit to the Company an EDI 814 Enrollment transaction for customers that elect EGS-provided service. The customer's move-in date, satisfaction of any required security deposit, and the Company's receipt of the 814 Enrollment transaction must all be outside the ten-day enrollment period to comply with 52 Pa. Code § 57.173 and the Company's retail and supplier tariffs, and to ensure accurate assignment of PJM load obligations for NSPL and PLC. The EGS must also fully abide by the disclosure statement provisions and the customer's three business day right of recession requirements in 52 Pa. Code § 54.5. Enrollments received within the ten-day enrollment period will not be processed, and the EGS will not become the EGS of record, until the first meter reading date after the ten-day enrollment period.

If the customer changes their move-in date, the Company will notify the EGS of the different move-in date via an EDI 814 Change transaction. However, requests to backdate the connection date will not be permitted. If the customer never moves into the new premise, the Company will send the EGS an EDI drop transaction for the pending account at the new premise.

The main differences between the current process and the new instant connect process is the Companies will:

1. Accept and hold a pending enrollment from an EGS for a pending active account; and
2. The EGS will become the EGS of record as of the customer's move-in date at the new premise, even if the move-in date is not a scheduled meter read date<sup>8</sup> subject to the previously discussed ten-day enrollment period.

As previously noted, an instant connect is the ability of supply service to start on "day one" of new utility service without the customer first having to go on default service. It should be clarified, though, that "day one" is not the same as being effective on one-day notification to the Company. Instead, "day one" is the ability of supply service to start effective on the first day of service subject to confirmation of enrollment following the ten-day enrollment period.

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<sup>8</sup> Upon approval of the Plan, the Companies will submit, as necessary, compliance filings with the Commission to update the retail and supplier tariffs to clarify that the effective date of an instant connect may be the move-in date instead of a scheduled meter read date.

Residential and small commercial customers will continue to use the Companies' Customer Referral Program (for as long as that program remains active), with 814 Enrollments received from participating EGSs to be processed as an instant connect, subject to the above eligibility/applicability. The Companies will not contact the EGS on behalf of the customer, which means customers wishing to select an EGS (and are not part of the Customer Referral Program) should directly contact their selected EGS after receiving their pending active account number from the Company. The EGS (notified either by the Customer Referral Program or directly by the customer) will then submit an EDI enrollment to the Company for a pending account number.

#### Additional Considerations

The Plan effectively provides for the establishment of supply service provided by an EGS without the customer first having to go on default service. However, EGSs must continue to fulfill all obligations associated with 52 Pa. Code § 54.5, and EGSs and the Companies must continue to fulfill all obligations associated with 52 Pa. Code § 57.173 and the Companies' retail and supplier tariffs. The Companies will not police the contractual relationship between the EGS and customer, and will not police EGS compliance with statutory requirements and Commission regulations.

When implemented by the Companies, instant connects will apply to all EGSs for any eligible/applicable situation. In other words, instant connects will be triggered by any eligible enrollment and there will be no EGS opt-out provision.

Like the caveat noted with regard to seamless moves, functionality of this Plan is premised on the assumption that the Companies are default service providers. In the event that the default service model changes such that another entity becomes responsible for providing default service, the interaction between the Company and customer is, at this point in time, unknown and undefined. Therefore, in the absence of such clarity, the Companies may need to amend or withdraw this Plan, depending upon the scope and breadth of such unknown changes and the effect they may have on the interaction between the Companies and their customers.

## **COST AND COST RECOVERY**

The design and implementation of seamless moves and instant connects will cause the Companies to incur costs in a variety of areas, such as EDI programming, billing system changes, letter generation changes, website changes, development of tracking statistics, and workflow changes. Further, a new call center process and training will be needed, including changes to call center scripts. The Companies estimate a total cost of approximately \$2.5 million to design and implement seamless moves and instant connects based upon the criteria set forth in the Companies' Plan. Such costs are subject to change in the event the Commission orders changes to the Plan as contained herein.

Costs for both seamless moves and instant connects will be collected on a non-bypassable basis through the competitively neutral Default Service Support Rider ("DSSR") contained in each of the Companies' retail tariffs. Specifically, costs will be collected through the Retail Enhancements component of the DSSR on a per-kWh consumption basis for residential and commercial rate class customers, and on a per-kW NSPL demand basis for industrial rate class customers. The Retail Enhancements component is specifically set up to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. Further, since the Retail Enhancements component is part of existing Commission-approved tariff riders, the Companies will not need to submit a tariff modification to implement seamless move and instant connect cost collection through the DSSR.

To the extent costs can be associated solely with either seamless moves or instant connects, such costs will be directly assigned to the respective implementation process. However, since both seamless moves and instant connects will be implemented simultaneously, costs may also be interrelated. To the extent interrelated costs cannot be associated solely with either seamless moves or instant connects, the Companies will allocate 50% of such costs to the seamless move implementation process and 50% to the instant connect implementation process. Costs allocated to seamless moves will be collected from the residential and commercial rate classes, but not from the industrial rate class since industrial customers are not eligible for seamless moves. Costs allocated to instant connects will be collected from the residential, commercial, and industrial rate classes since instant connects is triggered off any eligible enrollment, regardless of customer class.

As currently described in the DSSR, each Company shall recalculate its DSSR rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised rates to become effective on June 1st of the same year unless the Commission orders otherwise. The DSSR rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Therefore, on or before May 1, 2015 (and by each May 1<sup>st</sup> thereafter), each Company will include in its DSSR filing the seamless move and instant connect costs incurred (but not yet collected) and projected to be incurred, as well as rates to be charged to customers for the upcoming twelve-month period beginning June 1. Costs will be allocated pro rata to each of the Companies' residential, commercial, and (if applicable) industrial rate classes, based upon the average number of customers in each Company's applicable rate classes for the most recent twelve-month period. For example, if Penelec's residential customers represent 25% of the total residential, commercial, and (if applicable) industrial rate class customers across the Companies, then Penelec's residential rate class will be allocated 25% of the respective costs. Further, the DSSR includes a reconciliation "E-factor" mechanism to return any over-collections to customers or to recoup any under-collections from customers.

## REQUESTED APPROVAL TIMELINE

The Companies' current software platform is SAP, which is comprised of a number of modules that integrate together, affecting almost every part of managing the Companies' business. To implement new functionality such as seamless moves and instant connects, SAP transports are used since a production system cannot be used for development. An SAP transport involves a complex and detailed process, which includes development, testing, quality assurance, and implementation.

SAP also has technical maintenance releases for strategically planned upgrades performed on a periodic basis. SAP technical maintenance is currently scheduled March 2015 through July 2015, during which a system freeze is required to allow the functional and technical teams time to test the system before implementation of the maintenance release into the production systems. To ensure the integrity of the production systems are not compromised, a freeze is placed on SAP transports during a technical maintenance period until the technical maintenance release has been moved into the production systems.

The extensive programming and testing of seamless moves and instant connects must be completed prior to the March 2015 technical maintenance release to ensure proper operation of seamless moves and instant connects by June 1, 2015. Therefore, the Companies respectfully request Commission approval of the Plan by June 1, 2014 to accommodate programming, testing, and the scheduled SAP technical maintenance release.<sup>9</sup> Additionally, the new 814 Move transaction needs approved by EDEWG by June 1, 2014 to accommodate programming of the new EDI transaction. A delay in approvals beyond June 1, 2014 places in jeopardy a June 1, 2015 implementation date, with implementation likely delayed by the amount of time that has transpired after June 1, 2014.

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<sup>9</sup> The Companies reserve the right to increase the amount of time needed for implementation should the Commission order changes to the Plan as contained herein.

## ATTACHMENT A

### Possible Data Elements in an 814 Move Transaction

- Beginning segment indicating transaction number and date
- EDC name and Data Universal Numbering System (“DUNS”) information
- EGS name and DUNS information
- Customer name as it appears on the customer’s bill
- Customer’s new service address
- City/state/zip and county for customer’s new service address
- Customer contact name and communication number – if available
- Bill to party – if applicable
- Customer billing address – if applicable
- Customer billing city/state/zip – if applicable
- Bill to contact name and communication number – if applicable/available
- Third party name, contact information, address, and city/state/zip to receive a copy of notices – if applicable
- Third party name, contact information, address, and city/state/zip to receive a copy of bills – if applicable
- Transaction reference number and enrollment request for generation services
- Customer Move status indicator
- EGS account number – if available
- EDC account number at new location
- EDC account number at old location
- EDC billing cycle
- Consolidated billing or dual billing indicator
- Party responsible to calculate the charges on the bill
- PJM LMP bus number – if applicable
- Summary interval data at account level – if applicable
- Special meter configuration – if applicable
- Estimated start date
- Tax exemption percent (rate ready only)
- PLC
- NSPL
- EDC meter number
- Loss factor
- EDC load profile, rate class, and rate subclass – if applicable
- EGS rate code (rate ready only)
- Service voltage
- EDC meter reading cycle, meter type, meter multiplier, and number of dials/digits
- Metering information sent on the 867 transaction