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File #: 140056

September 25, 2014

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of PPL Electric Utilities Corporation for Temporary Waivers from Certain
Technical Requirements of 52 Pa. Code §§ 57.174 and 57.179
Docket No. P-2014-**

Dear Secretary Chiavetta:

Enclosed for filing is the Petition of PPL Electric Utilities Corporation for the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Christopher T. Wright

CTW/jl
Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

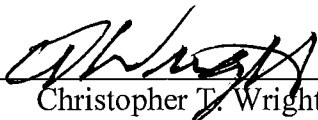
Bureau of Investigation & Enforcement
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Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
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Office of Small Business Advocate
Commerce Building
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H. Kirk House, Director
PA Public Utility Commission
Office of Competitive Market Oversight
Commonwealth Keystone Building
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Harrisburg, PA 17105-3265

Date: September 25, 2014


Christopher T. Wright

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Temporary : Docket No. P-2014-_____
Waivers from Certain Technical :
Requirements of 52 Pa. Code §§ :
57.174 and 57.179 :

**PETITION OF
PPL ELECTRIC UTILITIES CORPORATION**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (“Commission”) and respectfully requests temporary waivers from certain technical requirements of 52 Pa. Code §§ 57.174 and 57.179 pursuant to the Commission’s Final-Omitted Rulemaking Order in *Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards For Changing a Customer’s Electric Generation Supplier*, Docket No. L-2014-2409383 (“*Final-Omitted Rulemaking Order*”). Section 57.174 and the *Final-Omitted Rulemaking Order* require that, by December 15, 2014, electric distribution companies (“EDCs”) are to implement processes to be able to switch metered and unmetered customers to a new electric generation supplier (“EGS”) or to default service within three business days of receipt of the electronic enrollment, and that multiple switches are to be permitted within a single billing period. Section 57.179 further provides that EDCs shall preserve all records regarding unauthorized switches for three years.

As explained below, supporting the new accelerated switching regulations will require significant modification to the logic of the Company's systems. Specifically, PPL Electric has determined that it cannot obtain full compliance with Sections 57.174 and 57.179 by December 15, 2015. Therefore, the Company herein requests the following temporary waivers: (i) a waiver of the requirement for metered account multiple off-cycle switching for the period of December 15, 2014 through July 31, 2015; (ii) a waiver of the requirement for non-metered account multiple off-cycle switching for the period of December 15, 2014 through September 30, 2015; and (iii) a limited waiver of the requirement to preserve all records regarding unauthorized switches for three years for the period of December 15, 2014 through June 30, 2015.

During the interim period of December 15, 2014 through July 2015, PPL Electric proposes to implement an interim metered account switching measure. As explained below, PPL Electric proposes to implement an interim switching measure that will allow every metered shopping customer to: (i) make a single off-cycle three-business day switch within a single billing period to either a new EGS or default service; (ii) after one off-cycle switch has been made for a single billing cycle, make an on-cycle switch to either a new EGS or default service with service to become effective for the next billing period; and (iii) upon verbal request from the customer, make one additional manual off-cycle switch within a single billing period to be returned to default service within three business days. PPL Electric submits that this interim metered account switching measure is consistent with the spirit and stated purposes of the new accelerated switching regulations and the *Final-Omitted Rulemaking Order*.

For the reasons more fully explained below, PPL Electric respectfully requests the temporary, limited waivers identified above and, in support thereof, states as follows:

I. INTRODUCTION

1. This Petition is filed by PPL Electric, a public utility that provides electric distribution and provider of last resort services in Pennsylvania subject to the regulatory jurisdiction of the Commission. PPL Electric furnishes electric distribution, transmission, and provider of last resort electric supply (“POLR” or “default service”) services to approximately 1.4 million customers throughout its certificated service territory, which includes all or portions of twenty-nine counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania.

2. PPL Electric’s address is Two North Ninth Street, Allentown, Pennsylvania 18101.

3. PPL Electric’s attorneys are :

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PPL Electric’s attorneys are authorized to receive all notices and communications regarding this Petition.

4. PPL Electric has been and continues to be a leading proponent of retail electric competition in Pennsylvania. The Company supports the Commission’s efforts to create a robust competitive retail market in Pennsylvania.

5. As part of its duties as an EDC and POLR regulated by the Commission, PPL Electric maintains customer accounts, and administers billing and energy settlement systems that perform the “switching” functions that are the subject of this Petition.

6. The Commission has explained that a customer’s ability to change suppliers is often frustrated by the switching timeframes currently in place, as a customer is often exposed to at least one more entire billing cycle beyond the billing cycle in which the customer requested to switch suppliers. *Final-Omitted Rulemaking Order*, pp. 16-17.

7. On April 3, 2014, the Commission issued its *Final-Omitted Rulemaking Order* to amend its existing Regulations at 52 Pa. Code, Chapter 57 to direct EDCs to accelerate switching time frames for retail electric customers to switch suppliers. Specifically, Section 57.174 requires EDCs to implement processes to be able to switch customers to a new EGS or to default service within three business days of receipt of the electronic enrollment. 52 Pa. Code § 57.174. The *Final-Omitted Rulemaking Order* further provides that multiple off-cycle switches are to be permitted within a single billing period. *Id.* pp. 27-28. Finally, Section 57.179 requires EDCs to preserve all records regarding unauthorized switches for three years. 52 Pa. Code § 57.179.

8. The Commission’s new accelerated switching rules became effective on June 14, 2014, upon publication in the *Pennsylvania Bulletin*. 44 Pa.B. 3539. EDCs have until December 15, 2014, to implement the new accelerated switching rules. *See* Secretarial Letter, Docket No. L-2014-2409383 (March 18, 2014); *see also* Secretarial Letter, Docket No. L-2014-2409383 (September 8, 2014).

9. PPL Electric has determined that it cannot obtain full compliance with the new accelerated switching regulations by December 15, 2014. As explained below, PPL Electric

herein seeks temporary limited waivers from Sections 57.147 and 57.179, and approval of a proposed interim switching measure.

II. DISCUSSION

A. LEGAL STANDARDS

10. The three-day switching requirement is set forth in Section 57.174 of the Commission regulations, which provides as follows:

(a) When a customer has provided the selected EGS or current EGS with oral confirmation or written authorization to select the new EGS or default service provider, consistent with the electric data transfer and exchange standards, the EDC shall make the change within 3 business days of the receipt by the EDC of the electronic enrollment transaction.

(b) The EDC shall obtain a meter read to effectuate the switch of service within the time period provided in subsection (a). In instances when the EDC does not have advanced or automated metering capability, the EDC shall obtain an actual meter read, use an estimated meter read, or use a customer-provided meter read. When an estimated meter read is used, the estimated meter shall be updated when an actual meter read is obtained.

52 Pa. Code § 567.174.

11. In its *Final-Omitted Rulemaking Order*, the Commission also stated that multiple off-cycle switches are to be permitted within a single billing period. *Id.* p. 27-28.

12. The new accelerated switching regulations further provide for the following record maintenance:

Each EDC and each EGS shall preserve all records regarding unauthorized change of EGS and default service provider disputes for 3 years from the date the customer filed the dispute. These records shall be made available to the Commission or its staff upon request.

52 Pa. Code § 57.179.

13. EDCs are required to implement the new accelerated switching requirements by December 15, 2014. *See* Secretarial Letter, Docket No. L-2014-2409383 (March 18, 2014); *see also* Secretarial Letter, Docket No. L-2014-2409383 (September 8, 2014).

14. However, in recognition of the comments submitted in response to the proposed new accelerated switching regulations that indicated a considerable amount of time and resources may be needed to obtain full compliance with the new accelerated switching requirements, the Commission provided that any EDC unable to comply by December 15, 2014, may file a petition seeking a waiver that explains the inability to comply and any proposed alternatives, including the estimated timeframe for full compliance. *Final-Omitted Rulemaking Order*, pp. 27, 30.

15. For the reasons explained below, PPL Electric believes that temporary limited waivers from the requirements to provide metered and non-metered account multiple off-cycle, three business day switching within a single billing period is reasonable and in the public interest. PPL Electric also believes that a temporary limited waiver of the requirement to retain all records regarding unauthorized switching for three years is reasonable and in the public interest. Finally, PPL Electric believes that its interim metered account switching measure is consistent with the spirit and stated purpose of the new accelerated switching regulations and the *Final-Omitted Rulemaking Order*.

B. REASONS FOR WAIVER

16. PPL Electric has been diligently analyzing the system changes needed to fully implement and comply with the new accelerated switching requirements.

17. PPL Electric notes that its currently deployed smart meters will support an accelerated switching timeframe. However, the Company's existing billing system will not fully accommodate the accelerated switching requirements. Specifically, the Company's billing

system currently lacks the technical capability to perform flexible off-cycle billing switches, and the Company's system currently cannot retain recorded phone calls regarding unauthorized switching for three years.

1. Temporary Waiver of Metered Account Multiple Switching

18. PPL Electric initially evaluated the possibility of outsourcing its billing system to an outside vendor that could perform multiple off-cycle billing switches. However, PPL Electric was unable to identify any third-party providers that currently offer consolidated utility billing as an outsourced option for a company as large as PPL Electric.

19. PPL Electric's current billing system was designed by and continues to be serviced and maintained by the Company's outside vendor, Accenture plc ("Accenture"). Accenture is one of the world's leading providers of management consulting, technology, and outsourcing services. Through its various platforms, Accenture provides, among other things, a full spectrum of integrated digital business and technology services.

20. PPL Electric engaged Accenture to evaluate options for replacing the Company's existing billing system with a new billing system. Accenture provided the Company with several options for a billing system replacement. Accenture, together with PPL Electric, explored and evaluated these options in the context of how the replacement billing system would support (or could be designed to support) multiple three-business day switching. Regardless of the option selected, Accenture and PPL Electric estimated that it would take between 22 to 36 months to implement a new replacement billing system, and would require a significant capital investment.

21. PPL Electric also evaluated the possibility of modifying the Company's existing billing system to accommodate and fully implement multiple off-cycle, three business day switching. PPL Electric determined that supporting multiple off-cycle switching within a single

billing period would require significant modification to the logic of the Company's existing billing system. PPL Electric also concluded that it must rely on outside information technology vendors to design, install, and test the processes and programs needed to fully implement multiple off-cycle switching within a single billing period.

22. PPL Electric retained the services of Accenture to evaluate PPL Electric's current billing system and to determine the changes necessary to implement multiple off-cycle, three business day switching within a single billing period.

23. Based upon its analysis of PPL Electric's existing billing system, Accenture determined that it can design, install, program, and test all the modifications necessary to fully implement metered account multiple off-cycle, three business day switching within a single billing period. However, due to complexities associated with modifying the Company's existing billing system, Accenture has advised that it is not technically feasible to implement a fully-automated metered account solution by December 15, 2014.

24. Accenture has determined that it can design, install, program, and test all the modifications necessary to fully implement automated metered account multiple off-cycle, three business day switching within a single billing period by July 31, 2015.

25. PPL Electric, along with Accenture, will endeavor to complete the necessary metered account modifications as soon as practical. However, because PPL Electric's outside vendor currently believes it cannot fully implement these changes until July 31, 2015, PPL Electric respectfully requests a temporary waiver of the metered account multiple off-cycle, three business day switching requirement for the period of December 15, 2014 through July 31, 2015.

26. To the extent that PPL Electric and Accenture are able to fully implement and test all the necessary modifications sooner than July 31, 2015, PPL Electric will implement metered account multiple off-cycle, three business day switching at that time.

27. As a temporary alternative, PPL Electric proposes to implement an interim metered account switching measure during the period of December 15, 2014 through July 31, 2015, as described below in Section II.C.

2. Temporary Waiver of Non-Metered Account Multiple Switching

28. PPL Electric incorporates Paragraphs 18 through 22, *supra*, as though fully set forth herein.

29. In its *Final-Omitted Rulemaking Order*, the Commission explained that an “EDC can seek a waiver for off-cycle switching for non-metered accounts by demonstrating the need for such a waiver in its request.” *Final-Omitted Rulemaking Order*, p. 27.

30. Currently, flexible off-cycle switching is technically not feasible for non-metered accounts. Unlike metered accounts with smart meters that can support an accelerated switching timeframe, the Company does not receive meter readings for non-metered accounts accounts. Rather, non-metered accounts on PPL Electric’s system are designed to bill only once a month on the cutoff date of the account’s bill window without the need for a meter read.

31. As explained above, PPL Electric retained the services of Accenture to evaluate PPL Electric’s current billing system and to determine the changes necessary to implement multiple off-cycle, three business day switching within a single billing period. *See* Paragraphs 18 through 22, *supra*.

32. Based upon its analysis of PPL Electric’s existing billing system, Accenture determined that it can design, install, program, and test all the modifications necessary to fully

implement non-metered account multiple off-cycle, three business day switching within a single billing period. However, due to complexities associated with modifying the Company's existing billing system, Accenture has advised that it is not technically feasible to implement a fully-automated non-metered account solution by December 15, 2014.

33. Accenture has determined that it can design, install, program, and test all the modifications necessary to fully implement automated non-metered account multiple off-cycle, three business day switching within a single billing period by September 30, 2015.

34. PPL Electric, along with Accenture, will endeavor to complete the necessary non-metered account modifications as soon as practical. However, because PPL Electric's outside vendor currently believes it cannot fully implement these changes until the end of September 2015, PPL Electric respectfully requests a temporary waiver of the non-metered account multiple off-cycle, three business day switching requirement for the period of December 15, 2014 through September 30, 2015.

35. To the extent that PPL Electric and Accenture are able to fully implement and test all the necessary modifications sooner than September 30, 2015, PPL Electric will implement non-metered account multiple off-cycle, three business day switching at that time.

3. Temporary Waiver of Record Maintenance

36. Section 57.179 of the new accelerated switching regulations requires EDCs to maintain all records regarding unauthorized switching disputes for a period of three years from the date the customer initiated the dispute. 52 Pa. Code § 57.179.

37. To accommodate customers' needs to communicate with PPL Electric in a timely manner, PPL Electric offers a variety of communication avenues, such as telephone, e-mail, website, Interactive Voice Response ("IVR") system, and written correspondence.

38. PPL Electric currently retains notes all contacts with and by a customer, which are maintained in an Account Contact History. In the Account Contact History, the Company's Customer Service Representatives and automated systems provide summaries of any communications to or from a customer.

39. For all disputes and/or complaints, the Account Contact History is maintained for a minimum of four years consistent with the requirements of Section 56.202. *See* 52 Pa. Code § 56.202. For any disputes regarding unauthorized switching, PPL Electric will continue to maintain the Account Contact History for a period of four years from the date the customer initiated the dispute, which exceeds the three-year retention period required by Section 57.179.

40. In addition to the Account Contact History, PPL Electric's IVR system automatically records all calls with customers. However, due to technical size limitations on the IVR system storage, the Company currently is only able to store a recorded call for a period of 120 days, after which time the recording is automatically and permanently purged from the IVR system storage. As a result, PPL Electric currently is not technically capable of storing all recorded calls regarding unauthorized switching disputes for a period of three years as required by Section 57.179.

41. PPL Electric has determined that it can design, install, program, and test all the modifications necessary to its IVR system to retain all recorded calls regarding unauthorized switching disputes for a period of three years. However, due to complexities associated with modifying the Company's IVR system, PPL Electric has determined that it is not technically feasible to implement these changes by December 15, 2014.

42. PPL Electric has determined that it can design, install, program, and test all the modifications necessary to its IVR system to fully implement a three-year retention of all calls regarding unauthorized switching disputes by June 30, 2015.

43. To the extent that PPL Electric is able to fully implement and test all the necessary modifications to the IVR system sooner than June 30, 2015, PPL Electric will implement a three-year retention of all calls regarding unauthorized switching disputes at that time.

C. INTERIM METERED ACCOUNT SWITCHING PROPOSAL

44. As explained above, PPL Electric is requesting a temporary waiver of the requirement for metered account multiple off-cycle three business day switching for the period of December 15, 2014 through July 31, 2015. As an alternative, PPL Electric herein proposes to implement an interim switching measure that will allow metered shopping customers to quickly switch from a high-priced EGS product during the waiver period.

45. Accenture has determined that by December 15, 2014, it can implement the modifications to PPL Electric's billing system necessary to accommodate a single off-cycle three business day switch of a metered account within a single billing period to a new EGS or default service. Thus, during the interim period of December 15, 2014 through July 31, 2015, a metered shopping customer that requests a single off-cycle switch within a billing period will be switched to a new EGS or to default service within three business days.

46. Metered customers that have made a first off-cycle switch to either an EGS or default service within a single billing period will continue to have the ability to freely evaluate all available EGS competitive offers, including any offers that may be available through PPL Electric's Standard Offer Program. However, as explained above, PPL Electric's billing system

currently cannot accommodate multiple off-cycle switches within a single billing period. As a result, after the first off-cycle switch has been made for a single billing period, a metered customer will not be able to make a subsequent switch to a new EGS during the same billing period. Rather, these customers will only be able to make an on-cycle switch to either a new EGS or default service with service to become effective for the next billing period.

47. Although metered shopping customers will not be able to make multiple off-cycle three-business day switches within a single billing period until July 31, 2015, PPL Electric also proposes to implement, upon verbal request from a customer, one additional off-cycle switch within a single billing period that will allow metered shopping customers to return to default service within three business days. Under this proposal, any metered shopping customer that has previously made an off-cycle switch within a billing period will be able to contact PPL Electric in the same billing period and verbally request to be removed from competitive supply and returned to default service within three business days from the date of the request. This additional off-cycle switching proposal will be done manually and can be implemented on December 15, 2014.

48. In summary, under the proposed interim switching measure, every metered shopping customer will be permitted to avoid high-priced EGS products by: (i) making one off-cycle three business day switch within a single billing period to either a new EGS or default service; (ii) after one off-cycle switch has been made for a single billing cycle, make an on-cycle switch to either a new EGS or default service with service to become effective for the next billing period; and (iii) upon verbal request from the customer, make one additional manual off-cycle switch within a single billing period to be returned to default service within three business

days. This will allow shopping customers to quickly switch from high-priced EGS products, which will reduce the customer's exposure to financial harm.

49. PPL Electric has determined that it can design, install, program, and test all the modifications necessary to implement the interim metered account switching measure during the period of December 15, 2014 through July 31, 2015.

50. Although the interim switching measure does not achieve full compliance by December 15, 2014, it is a significant improvement over the current switching timeframes and, importantly, will help reduce the financial burdens of shopping customers by allowing them to avoid high-priced products with EGSs and to minimize impacts due to EGS slamming. *See Final-Omitted Rulemaking Order*, pp. 16-17.

51. Finally, PPL Electric notes that the proposed interim switching measure is a temporary measure that will be terminated and replaced with a fully compliant multiple, off-cycle three business day switching program in a single billing period, which is anticipated to become effective on or before the end of July 31, 2015 for metered accounts and on or before September 30, 2015 for non-metered accounts as explained above.

52. PPL Electric submits that, given the time required for the Company to obtain full compliance with the multiple, off-cycle three business day switching within a single billing period as explained above, the proposed interim switching measure for metered customers is just, reasonable, and consistent with the purpose of the new accelerated switching regulations and the *Final-Omitted Rulemaking Order*.

III. CONCLUSION

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that the Pennsylvania Public Utility Commission approve the following:

- (a) A waiver of the requirement for metered account multiple off-cycle switching for the period of December 15, 2014 through July 31, 2015;
- (b) A waiver of the requirement for non-metered account multiple off-cycle switching for the period of December 15, 2014 through September 30, 2015;
- (c) A waiver of the requirement to preserve recorded calls regarding unauthorized switches for three years for the period of December 15, 2014 through by June 30, 2015; and
- (d) Implementation of the interim metered account switching measure during the period of December 15, 2014 through July 31, 2015 as described in this Petition.

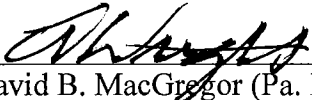
Respectfully submitted,

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Of Counsel

Post & Schell, P.C.

Dated: September 25, 2014



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Counsel for PPL Electric Utilities Corporation

VERIFICATION

I, Dennis A. Urban, Jr., being the Finance and Regulatory Affairs-Vice President at PPL Electric Utilities Corporation, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect PPL Electric Utilities Corporation to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: 9/24/14

Dennis A. Urban, Jr.
Dennis A. Urban, Jr.