COMMONWEALTH OF PENNSYLVANIA

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560

FAX (717) 783-7152
consumer@paoca.org

October 1, 2014

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

RE: Petition of Pike County Light & Power Company for Waiver of Regulations Regarding Standards for Changing Customer's Generation Supplier
Docket No. P-2014-2437967

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

Kristine E. Robinson

Kristine E. Robinson
Assistant Consumer Advocate
PA Attorney I.D. # 316479

Enclosures
cc: Office of Administrative Law Judge
Office of Special Assistants
Certificate of Service

192656

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Pike County Light & Power Company for Waiver of Regulations Regarding Standards for Changing a Customer's Generation Supplier	:	Docket No. P-2014-2437967

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 5.61 of the Regulations of the Pennsylvania Public Utility Commission (Commission), the Office of Consumer Advocate (OCA) hereby files this Answer to the Petition of Pike County Light & Power Company (Pike or Company) for Waiver of Regulations Regarding Standards for Changing a Customer's Generation Supplier (Petition). The OCA submits the following in support of its Answer:

I. Introduction

On September 11, 2014, Pike filed its Petition requesting the Commission to waive the requirements of 52 Pa. Code Sections 57.173 and 57.174 as applied to the Company pursuant to 66 Pa.C.S. Section 2807(e); 52 Pa. Code Section 5.43; and the Commission's Rulemaking to Amend the Provisions at 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, Final-Omitted Rulemaking Order, Docket No. L-2014-2409383, (entered April 3, 2014).

The Commission's Order at Docket No. L-2014-2409383 amended Section 57.173 to provide as follows:

> When a customer contacts an EGS to request a change from the current EGS or default service provider to a new selected EGS, the following actions shall be taken by the selected EGS and the customer's EDC:
>
> (1) The selected EGS shall notify the EDC of the customer's EGS selection at the end of the 3-business day rescission period under § 54.5(d) (relating to disclosure statement for residential and small business customers) or a future date specified by the customer. The selected EGS may notify the EDC by the end of the next business day following the customer contact upon customer consent.
>
> (2) Upon receipt of this notification, or notification that the customer has authorized a switch to default service, the EDC shall send the customer a confirmation letter noting the proposed change of EGS or change to default service. The notice must include the date service with the new selected EGS or default service provider will begin. The letter shall be mailed by the end of the next business day following the receipt of the notification of the customer's selection of an EGS or default service provider.

52 Pa. Code §§ 57.173.

The Commission's Order at docket L-2014-2409383 amended Section 57.174 to provide as follows:

> Time frame requirement.
>
> (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 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 for 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 read shall be updated when an actual meter read is obtained.

52 Pa. Code §§ 57.174. Pursuant to the Commission's Order, EDCs are required to implement the amended regulations within six months of their effective date, absent good cause shown.

In its Petition, Pike stated that the Commission has consistently recognized the Company as unique among Pennsylvania utilities. Pike has approximately 4,700 customers and operates in the New York Control Area that is administered by the New York Independent System Operator. In contrast, the other Pennsylvania electric utilities are members of the PJM Interconnection, LLC. Pike; Orange and Rockland Utilities, Inc. (O&R); and Rockland Electric Company (RECO) together operate a fully integrated electric system serving parts of Pennsylvania, New York, and New Jersey, and they share an integrated computer system to manage their operations. All three companies largely follow the same retail access rules, including the process for customer switching, albeit with slightly different time frames.

Pike submits that in order to comply with the Commission's 2014 changes to Sections 57.173 and 57.174, it would have to conduct extensive testing and implement changes to its system at an estimated cost of $619,000. Changes to its billing system could take an estimated 18 months. Pike further submits that it is a small part of a larger system. Because the changes would only be necessary in Pike's service territory, Pike customers would have to bear all the associated costs.

Additionally, Pike submits that these changes cannot be implemented for any unmetered accounts. Bills for such accounts are based upon a flat rate rather than actual usage, so it is not possible to implement rate changes for these customers unless changes are performed on an on-cycle bill date.

As an alternative to reducing customer switching to three business days off-cycle, Pike proposes to reduce its eleven-day switching process to nine days prior to the meter read date with the effective date of switch on the meter read date.

The OCA submits the following in response to Pike's Petition.

II. Answer

In general, the OCA supports Pike's efforts to reduce customer costs. While the OCA acknowledges that lengthy switching delays can result in some customer frustration and a reduction in attained savings, the OCA submits that consumers should not be burdened with a significant level of costs without thorough analysis. The Company claims that it would cost $619,000 to meet the switching regulations. The OCA agrees that such an expense, at an average cost of $131 per customer, is not cost justified and would not be prudent. The Company further notes that of its 4,700 customers, only 74 switches took place in 2013. The OCA submits that Pike has justified its request for a waiver at this time. The Commission may wish to reassess the situation periodically to determine if changes in cost or the retail market would support implementation of the 3 business day switching Regulation.

The OCA is concerned with Pike's alternative proposal of reducing the 11-day switching process to nine days as Pike has provided no cost information for this alternative. The Commission should investigate the potential impacts, if any, on Pike's customers under Pike's alternative proposal. If it is to be considered without knowing the costs of the proposal, it is not possible to determine if any benefit to customers would justify such a cost.

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Commission grant Pike's request for a waiver at this time and re-examine the issue periodically to determine if compliance is in the best interests of consumers.

Respectfully Submitted,

Kristine E. Robinson

Kristine E. Robinson
PA Attorney I.D. # 316479
E-Mail: KRobinson@paoca.org
Aron J. Beatty
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org
Assistant Consumer Advocates

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: September 30, 2014

192047

CERTIFICATE OF SERVICE

Re: Petition of Pike County Light & Power Company for Waiver of Regulations Regarding Standards for Changing Customer's Generation Supplier
Docket No. P-2014-2437967

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Answer upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 1st day of October 2014.

SERVICE BY E-MAIL & FIRST CLASS MAIL

John J. Gallagher, Esq.
Light & Power Company
711 Forrest Road
Harrisburg, PA 17112

John R. Evans
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Kristine E. Robinson

Kristine E. Robinson
Assistant Consumer Advocate
PA Attorney I.D. #316479
E-Mail: KRobinson@paoca.org
Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
172652