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October 30, 2014

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

**RE: Petition of PECO Energy Company for Temporary Waiver of Regulations
Related to the Required Days in a Billing Period
Docket No.: P-2014-2446292**

Dear Ms. Chiavetta:

On October 21, 2014, PECO received the Answer of the Office of Consumer Advocate (“OCA”) in this matter, in which the OCA proposed three requirements that it states should be imposed on PECO as part of the requested temporary waiver. Similarly, on October 22, 2014, PECO received the Answer of the Retail Energy Supply Association (“RESA”), in which RESA proposed three additional requirements that likewise should be imposed on PECO as preconditions of the requested waiver. The purpose of this letter is to inform the Commission that PECO does not object to the requirements proposed by the OCA and that PECO objects entirely to the requirements proposed by RESA.

The OCA sets out its proposed requirements in the following way:

PECO should be required to monitor its operations to determine if customer confusion or payment difficulty results. PECO should also be required to continue to explore the potential for reflecting multiple switches on a single monthly bill during this waiver period. PECO should be required to report to the Commission and the interested parties about understanding and satisfaction with the multiple bill approach and its exploration of a single bill approach throughout the waiver period.

Answer of the Office of Consumer Advocate, Docket No. P-2014-2446292, at 3.

PECO respectfully suggests that annual reporting of these issues should be sufficient. PECO also notes that it currently expects that there will be relatively few instances in which a single customer has multiple switches within the same billing period, and that any

multiple switching that does occur is likely to be the work of sophisticated consumers. PECO will therefore also monitor the *need* for any improvements in this area because, if PECO's expectations prove correct, then PECO is unlikely to spend substantial IT or other company resources "to explore the potential for reflecting multiple switches on a single monthly bill."

RESA sets out its proposed requirements in the following way:

- Rather than require a customer payment with each short-period BOSS bill, the BOSS bill should be informational for all switches as PECO suggests for budget billing customers;
- PECO should be directed to schedule regular meetings with suppliers (at least weekly from the date of the Commission's order through the December 15, 2014 implementation date and monthly thereafter until June 15, 2015) to discuss and coordinate general issues related to PECO's implementation of accelerated switching, the corresponding requirements of EGSs, and the messaging that will be provided to customers; and,
- No later than January 31, 2016, PECO should be directed to convene a stakeholder collaborative to evaluate its implementation of accelerated switching based on its own experiences as well as feedback from EGSs and customers. The goal of this collaborative would be to identify potential operational changes going forward to improve the accelerated switching process with the goal of providing a more optimal switching experience for customers, including, for example, retaining on-cycle switching as an option or allowing the new EGSs to define the switch effective date in the EDI transaction. Following the collaborative, PECO should be directed to file a plan for Commission approval (after a comment period) addressing any changes or modifications resulting from the collaborative. (Note that RESA would also support the Commission adopting this approach for all the EDCs based on RESA's concerns about the apparent decisions of all the EDCs to rely on accelerated switching as the only enrollment option.)

Answer of Retail Energy Supply Association to PECO Petition for Temporary Waiver of Billing Regulations, Docket No. P-2014-2446292 ("RESA Answer"), at 15.

Together, RESA's three conditions effectively claim that PECO's solution is wrong, that it should only be allowed to exist for a very short period, and that the stakeholders should immediately convene to begin crafting the "true" solution, which RESA suggests can be determined about a year from now. Since RESA also objects to the off-cycle switching solutions of all the other Pennsylvania EDCs, RESA would like to conduct a stakeholder review and modification of those plans as well. RESA Answer, at 13.

RESA's first proposed requirement is to change the essence of PECO's solution. RESA wants to convert PECO's BOSS bill into an informational notice of supplier change, rather than have customers pay the short-cycle bill. The BOSS bill is designed to be PECO's final off-cycle switching solution, driven predominantly by the need to accommodate multiple off-cycle switches during a single billing period and PECO's commitment to meet the Commission's implementation deadline. To accomplish those objectives, PECO worked within existing systems and business processes to limit the scope of programmatic changes. This in turn limits the time necessary to implement off-cycle switching and limits costs, so that funds are not spent to solve the same problem twice. Removing the billing aspect from PECO's solution seriously jeopardizes PECO's ability to meet both the multiple-switch and deadline requirements of the Commission's order, and PECO objects to this change.

In any event, RESA's primary concerns that customers may be confused and perhaps have a negative impression about shopping are adequately addressed by PECO's general agreement with the OCA to monitor customer confusion or payment difficulties and report those findings annually.

RESA also proposes that PECO meet at least weekly with suppliers until the December 15, 2014 implementation deadline and at least monthly thereafter until June 15, 2015, to discuss issues related to PECO's implementation, supplier requirements and customer messaging. RESA complains that it has received only "very high level updates" through occasional CHARGE and EDEWG calls. RESA Answer, at 2. RESA is misinformed.

On September 25, 2014, PECO conducted a webinar with suppliers, which discussed the BOSS bill approach in detail, including PECO's intention to seek this Chapter 56 waiver. In addition, on October 20, 2014 (before the RESA Answer), PECO issued an Electric & Gas Choice Communication Bulletin, which was addressed to "All Electric Generation & Natural Gas Suppliers" and alerted suppliers that PECO will be hosting another Off-Cycle Switching Webinar in early November. Suppliers were invited to submit topics for the webinar. PECO has received numerous responses for webinar topics, demonstrating that there is sufficient communication between suppliers and PECO about the BOSS solution. RESA's call for weekly or monthly meetings is not warranted.

Finally, because RESA believes that PECO's solution is wrong and should be allowed to exist for only one year, RESA wants to convene a stakeholder effort to create the actual solution for PECO's off-cycle switching. PECO would then be required to petition for approval of the new plan. RESA Answer, at 12. Further, RESA is not pleased with the solution of any Pennsylvania EDC and wants all of the EDC plans revisited in the same manner in one year's time. *Id.* at 2, 13 and 15.

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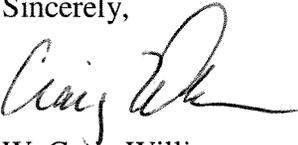
PECO is confident that it has devised an off-cycle solution that effectively balances the Commission's mandate to accommodate multiple mid-cycle switches by a six-month implementation deadline against the cost to ratepayers for such a solution. Further and as stated previously, PECO generally agrees with OCA's suggestion for annual reports on the BOSS solution, which adequately addresses any concerns about program effectiveness.

PECO therefore respectfully submits that it will not object to the following ordering paragraphs being added to the Commission's approval of its waiver, which reflect the requirements proposed by the OCA:

It is Ordered that:

- PECO shall monitor the results of its BOSS bill operations to determine if customer confusion or payment difficulty results.
- PECO shall continue to explore whether there is a need for, and the potential for, reflecting multiple switches on a single monthly bill.
- Each year of this waiver on the anniversary of the entry date for this order, PECO shall submit a report to the Commission and interveners in this docket, reporting the results of its examination of the prior two issues.

Sincerely,



W. Craig Williams
Ward L. Smith
Counsel for PECO Energy Company

cc: Kristin E. Robinson, Office of the Consumer Advocate
Deanne M. O'Dell, Counsel for RESA
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