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November 4, 2014

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

Re: Petition of PECO Energy Company For Temporary Waiver of Regulations Related to the  
Required Dates in a Billing Period – Docket No. P-2014-2446292

Dear Secretary Chiavetta:

The purpose of this letter is to respond to the October 30, 2014 letter of PECO Energy Company (“PECO”) objecting to the conditions offered by the Retail Energy Supply Association (“RESA”)<sup>1</sup> regarding PECO’s Petition for Temporary Waiver of Billing Regulations. Unfortunately, PECO’s letter makes clear that – without further direction from the Commission – PECO has no intention of seriously considering any future operational refinements of its accelerated switching process (referred to as the “Bill On Supplier Switch” or “BOSS” approach) that could result from an interactive and cooperative process involving electric generation suppliers (“EGSS”) (many of whom have real world experience with accelerated switching based on their operations in Texas.) For this reason, RESA reiterates its recommendation that any approval of PECO’s Petition be conditioned on the following three requirements:

- (1) that the BOSS bill be “informational” rather than require a customer payment;
- (2) that PECO be directed to schedule regular meetings with suppliers to discuss and coordinate general issues related to PECO’s BOSS implementation; and,
- (3) no later than January 31, 2016, PECO should be directed to convene a stakeholder collaborative to evaluate its implementation of accelerated switching and 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.

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<sup>1</sup> RESA’s members include: AEP Energy, Inc.; Champion Energy Services, LLC; Consolidated Edison Solutions, Inc.; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; GDF SUEZ Energy Resources NA, Inc.; Homefield Energy; IDT Energy, Inc.; Integrys Energy Services, Inc.; Interstate Gas Supply, Inc. dba IGS Energy; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; NRG Energy, Inc.; PPL EnergyPlus, LLC; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P. The comments expressed in this filing represent only those of RESA as an organization and not necessarily the views of each particular RESA member.

In its letter, PECO rejects all three of these recommendations from RESA. PECO makes clear that its BOSS approach “is designed to be PECO’s final off-cycle switching solution” and “PECO is confident that it has devised an off-cycle solution that effectively balances the Commission’s mandate . . . against the cost to ratepayers.” PECO Letter at 3-4. PECO does confirm that EGSs had no opportunity to offer input regarding the design of this solution as PECO only first revealed this permanent solution to EGSs on September 25, 2014. PECO Letter at 3. Finally, while PECO makes commitments (based on the answer of the Office of Consumer Advocate) to monitor the BOSS implementation to determine if customers are confused and to explore whether there is a need for reflecting multiple switches on a single monthly bill, PECO only offers to submit an annual report to the Commission reporting PECO’s findings. PECO Letter at 4. PECO makes no commitment to work together with any interested stakeholders to evaluate whether changes may be appropriate or to better understand how its chosen approach is operating from a technical standpoint or from a consumer’s perspective.

As RESA noted in its Answer, it is a strong proponent of accelerated switching and appreciates the efforts of PECO (and other EDCs) to implement internal processes to comply with the implementation deadline required by 52 Pa. Code § 57.180. However, the lack of any real opportunity provided to EGSs to offer any input during the development phase of all of the EDC’s accelerated switching plans is unfortunate given the fact accelerated switching has significant operational, business process, contractual and hedging practice implications for EGSs and customers. Moreover, many EGSs have practical experience with accelerated switching based on their operations in Texas. RESA is concerned that the failure to provide EGSs a meaningful opportunity to participate and provide input during the development stage may lead to future negative and unintended consequences as accelerated switching is implemented. Specifically for PECO, its chosen solution (which is different from the ones offered by the other major EDCs) could create such a negative impression about shopping that it may not be easily reversed. At the very least, approving RESA’s recommendations may lessen the negative impact of one of the more problematic aspects of the proposal (the multiple bills). In addition, both the short-term and long-term collaborative processes would: (1) provide a real-time forum prior to and immediately after implementation to optimize coordination; and, (2) establish a process to seriously evaluate the approach after one year to assess how the accelerated switching process could be improved.

For these reasons RESA recommends that any approval of PECO’s Petition include the conditions set forth in RESA’s October 22, 2014 Answer.

Sincerely,



Deanne M. O’Dell

cc: Per Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of RESA's Letter upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**Via E-mail and/or First Class Mail**

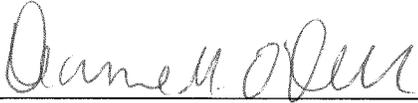
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Date: November 4, 2014

  
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