

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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November 10, 2014

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

RE: Petition of Duquesne Light Company for  
A Waiver of the Three Business Day  
Switching Requirements Under 52 Pa. Code.  
Docket No. P-2014-2448863

Dear Secretary Chiavetta:

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

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Respectfully Submitted,

*Kristine E. Robinson*

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

Enclosures

cc: Certificate of Service  
196429

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company	:	
for a Waiver of the Three Business Day	:	Docket No. P-2014-2448863
Switching Requirements	:	
Under 52 Pa. Code § 57.174	:	

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ANSWER OF THE  
OFFICE OF CONSUMER ADVOCATE

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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 Duquesne Light Company for a Waiver of the Three Business Day Switching Requirements Under 52 Pa. Code Section 57.174 (Petition). The OCA submits the following in support of its Answer:

**I. Introduction**

On October 21, 2014, Duquesne Light Company (Duquesne or Company) filed its Petition requesting the Commission to temporarily waive the three business day switching requirement at 52 Pa. Code Section 57.174 as applied to the Company and allow the Company to utilize a two-phase approach to implement the Commission's regulations by July 31, 2015.

Section 57.174 provides:

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. The Commission has stated that multiple off cycle switches are permitted within a single billing period. Chapter 57 Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, Final-Omitted Rulemaking Order, Docket No. L-2014-2409383, 27-28 (entered April 3, 2014). Pursuant to the Commission's Order, EDCs are required to implement the switching regulations within six months of their effective date, absent good cause shown.

In its Petition, Duquesne states that it is unique among EDCs in Pennsylvania, because it is currently in the process of replacing and implementing a new Customer Care & Billing (CC&B) System to enable smart meter technology. Petition at 2, ¶ 10. The CC&B replacement is part of the Company's FOCUS Project. Id. The FOCUS Project includes the upgrade, implementation, and integration of several of the Company's major technology systems and is anticipated to go live on November 28, 2014. Id. Duquesne states that in order to implement the three business day switching requirements, it must make substantial Information Technology (IT) modifications to its new FOCUS System after the go-live date. Id. Duquesne states that it is, therefore, not able to fully comply with the switching regulations by December 15, 2014. Petition at ¶ 9. Instead, Duquesne proposes a two-phase approach to implement the Commission's three business day switching regulations. Petition at 3.

The Phase 1 Solution will initially provide for one off-cycle and one on-cycle switch per bill period for approximately 91% of Duquesne's customer base.<sup>1</sup> Id. While Duquesne will make every attempt to implement its Phase 1 Solution by December 15, 2014, the Company does not know whether this will be feasible, and, therefore, requests a waiver to implement its Phase 1 Solution by January 16, 2015. Petition at ¶ 11.

Duquesne has developed a Customer Protections Back-Up Solution in the event it is not able to implement its Phase 1 Solution by December 15, 2015, which will allow customers to return to default service within three business days. Petition at ¶ 23. A customer making an off-cycle switch to default service may receive two bills for the billing period. Petition at ¶ 25. Additionally, under the Customer Protections Back-Up Solution, shopping customers can make a switch to a new EGS on the next billing cycle if the EGS provides four days advance notice. Petition at ¶ 23. Duquesne requests a waiver of any and all regulations to allow the Company to implement its proposed Customer Protections Back-Up Solution if it is not able to implement the Phase 1 Solution by December 15, 2014.

Duquesne anticipates that it will be able to implement the Phase 2 Solution by July 31, 2015. Petition at ¶ 35. Duquesne anticipates that the Phase 2 solution will be fully compliant with 52 Pa. Code Section 57.174 and will allow for multiple off-cycle switches. Id.

The OCA submits the following in response to Duquesne's Petition:

## **II. Answer**

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<sup>1</sup> During the Phase 1 Solution, Duquesne will not be able to accommodate off-cycle switching for CAP customers, certain Hourly Priced Service customers, unmetered customers, net-metering customers, space heating customers on Rider No. 13, and customers that receive summary bills. Petition at ¶ 16. As noted in its Petition, Duquesne's CAP program benefits are not portable, and there is currently no switching by CAP customers. Petition at ¶ 17.

In general, the OCA supports Duquesne's efforts to comply with the Commission's switching regulations and provide customers with the opportunity to move off of potentially expensive EGS service on an off-cycle basis. The OCA acknowledges that lengthy switching delays can result in some customer frustration and a reduction in attained savings. Duquesne has proposed a two-phase approach to implement the Commission's three business day switching regulations. Duquesne expects that it will be able to implement the Phase 2 Solution by July 31, 2015, at which time the Company anticipates that it will be fully compliant with 52 Pa. Code Section 57.174. To that end, the OCA supports efforts to shorten the switching timeframe as soon as reasonably possible.

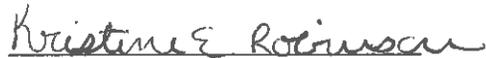
The OCA submits that both the Phase 1 Solution and the Customer Protections Back-Up Solution provide important protections for customers and should be adopted. Phase 1 will allow customers to change suppliers, or return to default service, one time between billing cycles. The Back-Up Solution allows customers to return to default service if they so choose. As the Company states in its Petition, these options will help customers to avoid potential price spikes associated with variable rate contracts offered by EGSs. Petition at ¶ 3. To help ensure that customers maintain these protections throughout the waiver period, the OCA submits that the Company should maintain the Customer Protection Back-Up Solution until full compliance with the Commission's regulations is achieved in the summer of 2015. The Company has outlined a reasonable process for educating customers about this important protection in its Petition. Petition at ¶ 28.

The OCA is concerned, though, with certain aspects of Duquesne's proposed Customer Protections Back-Up Solution plan. In particular, the use of multiple bills under the Company's proposal may be confusing to customers and could result in payment problems for customers

who may have multiple “due dates” that are unanticipated. The Company notes that only a portion of customers under the Back-Up plan “may” receive two bills for the billing period. Petition at ¶ 25. Duquesne should continue to explore ways to eliminate a potential second bill during the waiver period. Moreover, the Company has not detailed the additional expense of multiple billings and their associated mailing costs. The OCA supports approval of this plan, however, insofar as it provides customers with an avenue to move off of potentially expensive EGS service within three business days. Duquesne should be required to demonstrate that the costs are reasonable and justified if it seeks recovery of such costs.

WHEREFORE, the Office of Consumer Advocate respectfully submits that Duquesne’s request for a waiver of the Commission’s regulations should be granted at this time, subject to the above-stated condition.

Respectfully Submitted,



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Dated: November 10, 2014

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CERTIFICATE OF SERVICE

Petition of Duquesne Light Company :  
For a Waiver of the Three Business Day : Docket No. P-2014-2448863  
Switching Requirements Under 52 Pa. Code :  
§57.174 :

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

Dated this 10th day of November 2014.

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