

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: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Temporary Waiver of Technical Requirements of 52 Pa. Code § 57.174
Docket Nos. P-2014-2449010;
P-2014-2449015; P-2014-2449017;
P-2014-2449027

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

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Temporary Waiver of Technical Requirements of 52 Pa. Code § 57.174	:	:	Docket Nos. P-2014-2449010 P-2014-2449015 P-2014-2449017 P-2014-2449027
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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 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Temporary Waiver of Technical Requirements of 52 Pa. Code Section 57.174 (Petition). The OCA submits the following in support of its Answer:

I. Introduction

On October 21, 2014, Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), and West Penn Power Company (West Penn) (collectively, the Companies) filed a Joint Petition requesting the Commission to temporarily waive the three business day switching requirement at 52 Pa. Code Section 57.174 as applied to the Companies.

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.

The Joint Petition provides that the Companies initiated a review process to outline the new switching process, identify necessary system changes, and incorporate these modifications into a work plan to enable the Companies to perform off-cycle switching in time to meet the December 15, 2014 deadline. Petition at ¶ 11. The Companies have stated that one of their primary goals in determining how to meet the Commission's switching regulations was to ensure that while improving one process for their customers, they were not inadvertently thwarting other existing processes that could lead to increased customer confusion or frustration. Petition at ¶ 12. Thus, the Companies concluded that a large number of system changes were necessary to support the new process. Id.

In the Joint Petition, the Companies propose a two-phase approach to implement the Commission's three business day switching regulations. Petition at ¶ 6. The Companies propose that they can implement the necessary system and process modifications for Phase 1 by the December 15, 2014 deadline. Id. Phase 1 will permit one off-cycle switch per billing month that will occur within three business days of receiving the customer's request.¹ Id. In order to achieve off-cycle switching, the Companies will be required to carry out a number of manual processes in certain scenarios. Petition at ¶ 15.

Phase 2 will enable the Companies to perform multiple off-cycle billing switches in the same billing period in full compliance with the Commission's Regulations. Petition at ¶ 7. The Joint Petition provides that multiple off-cycle switches will present added complexities in terms of the meter read order process, bill print displays, the possibility of conflicting switch requests on the same account, and the potential for multiple switches to occur near the billing window. Petition at ¶ 17. Thus, the Companies anticipate that they will not be able to complete the programming required for Phase 2 until December 31, 2015. Petition at ¶ 18.

In the interim period between December 15, 2014 and December 31, 2015, the Companies propose that they will offer a manually-processed second switch per month to customers who have already sought an off-cycle switch in the same billing period under limited, exigent circumstances. Petition at ¶ 19. The Companies would maintain discretion in identifying the situations that would permit such a second a second switch. Id. The Companies note that such limited situations "might" include slamming and weather related price spikes. Id.

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

¹ The Companies have stated that they cannot be certain that unmetered accounts seeking a switch at or near the billing window will be carried out within three business days. Petition at ¶ 16. While these accounts will still see their switch take place on an accelerated basis, the switch could take as long as ten business days. Id.

II. Answer

In general, the OCA supports the Company'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. The Companies have proposed a two-phase approach to implement the Commission's three business day switching regulations. The Companies expect that they will be able to implement the Phase 2 Solution by December 31, 2015, at which time they 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 Companies propose an interim solution containing one switch, with a "backup" plan that will allow customers to switch service under "exigent circumstances." Petition at ¶ 19. The OCA notes that the Companies propose to exercise discretion when implementing this option. The Companies state that they "might," in limited circumstances, allow this second "switch" in cases where a customer can demonstrate they were the victims of slamming. *Id.* The Company would apply this discretion to instances of wholesale market volatility, similar to the price spikes seen in the winter of 2014 during the "polar vortex." *Id.* The OCA submits that the Commission should remove this discretion and allow a second "switch" in all circumstances, but particularly, such a switch should be required for slamming and market price spikes. The OCA notes that other EDCs have offered this backup option in their similar petitions for waiver, and none have argued for EDC discretion in affording customers this protection during the waiver period.

In addition, the OCA is concerned with the costs associated with the Company's proposal to carry out off-cycle switching through the use of a number of manual processes. The

Companies have provided no cost information for this proposal. 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. The Companies should be required to demonstrate that the costs are reasonable and justified if they seek recovery of such costs.

WHEREFORE, the Office of Consumer Advocate respectfully submits that the Companies' 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

Joint Petition of Metropolitan Edison :
Company, Pennsylvania Electric Company, : Docket Nos. P-2014-2449010
Pennsylvania Power Company, and West : P-2014-2449015
Penn Power Company for Temporary : P-2014-2449017
Waiver of Technical Requirements : P-2014-2449027
Of 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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