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December 1, 2014

VIA ELECTRONIC FILING

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of PPL Electric Utilities Corporation for Temporary Waivers from Certain
Technical Requirements of 52 Pa. Code §§ 57.174 and 57.179
Docket No. P-2014-2445072**

Dear Secretary Chiavetta:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby submits this letter in response to the November 10, 2014 letter submitted by the Retail Energy Supply Association (“RESA”) in the above-referenced matter. In its letter, RESA recommends that the Pennsylvania Public Utility Commission (“Commission”) direct PPL Electric to implement electronic data interchange (“EDI”) protocols that would allow electric generation suppliers (“EGSs”) to specify the enrollment effective date for an accelerated switch to a new EGS or to default service. For the reasons explained below, RESA’s recommendation should be rejected.

On April 3, 2014, the Commission issued Final-Omitted Rulemaking Order in *Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards For Changing a Customer’s Electric Generation Supplier*, Docket No. L-2014-2409383 (Apr. 3, 2014) (“*Final-Omitted Rulemaking Order*”). Pertinent to RESA’s proposal, Section 57.174 and the Final-Omitted Rulemaking Order require that, by December 15, 2014, electric distribution companies (“EDCs”) are to implement processes to be able to switch metered and unmetered customers to a new EGS or to default service within three business days of receipt of the electronic enrollment, and that multiple switches are to be permitted within a single billing period. However, the Commission provided that any EDC unable to comply by December 15, 2014, may file a petition seeking a waiver that explains the inability to comply and any proposed

alternatives, including the estimated timeframe for full compliance. *Final-Omitted Rulemaking Order*, pp. 27, 30.

On September 25, 2014, PPL Electric filed the above-referenced Petition seeking a temporary waiver of certain technical requirements of 52 Pa. Code §§ 57.174 and 57.179 from December 15, 2014 through July 31, 2015. In its Petition, PPL Electric explained that, due to complexities associated with modifying the Company's existing billing system, the Company's independent outside vendor has advised that it is not technically feasible to implement a fully-automated metered account multiple off-cycle, three business day switching within a single billing period by December 15, 2014. Therefore, PPL Electric sought the following temporary waivers: (i) a waiver of the requirement for metered account multiple off-cycle switching for the period of December 15, 2014 through July 31, 2015; (ii) a waiver of the requirement for non-metered account multiple off-cycle switching for the period of December 15, 2014 through September 30, 2015; and (iii) a limited waiver of the requirement to preserve all records regarding unauthorized switches for three years for the period of December 15, 2014 through June 30, 2015.

During the interim period, December 15, 2014 through July 31, 2015, PPL proposed to implement an interim switching measure that will allow every metered shopping customer to: (i) make a single off-cycle three-business day switch within a single billing period to either a new EGS or default service; (ii) after one off-cycle switch has been made for a single billing cycle, make an on cycle switch to either a new EGS or default service with service to become effective for the next billing period; and (iii) upon verbal request from the customer, make one additional manual off-cycle switch within a single billing period to be returned to default service within three business days. For the reasons explained in its Petition, PPL Electric submits that this interim metered account switching measure is consistent with the spirit and stated purposes of the new accelerated switching regulations and the Commission's *Final-Omitted Rulemaking Order*.

By Secretarial Letter dated October 23, 2014, the Commission approved PPL Electric's interim switching measure, and directed the Company to implement this interim switching measure on or before December 15, 2014.¹ The Commission agreed with PPL Electric that this interim switching measure is just, reasonable and consistent with the purpose of the new accelerated switching regulations and the *Final-Omitted Rulemaking Order*. Upon receipt of the October 23, 2014 Secretarial Letter, PPL Electric began working diligently to design, install, and test the processes and programs needed to implement the Commission-approved interim measure by December 15, 2014.

In its letter, RESA states that it is a strong proponent of accelerated switching. However, RESA seeks to add an additional layer of complexity to the implementation of accelerated switching by requiring *all* EDCs to modify the EDI enrollment transaction to permit a new EGS to specify the effective date of the switch. RESA's proposal should be rejected for several reasons.

¹ The Commission, in approving the interim switching measure, reserved for subsequent Commission action any other aspect of PPL Electric's Petition, including the length of the waiver, when full implementation will be required, and any specific terms and conditions of the waivers.

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First, it appears that RESA's proposal is directed at all EDCs and not just PPL Electric. It would be inappropriate, prejudicial, and a denial of due process for the Commission to make such a statewide and novel determination without providing all potentially affected EDCs the opportunity to fully participate and/or comment in a formal rulemaking or other appropriate proceeding that has statewide affect.

Second, the Commission previously declined to adopt a substantially similar proposal in the *Final-Omitted Rulemaking Order*. Indeed, in its comments to the proposed accelerated switching regulations, RESA proposed that the Commission adopt a provision that would essentially modify the EDI enrollment transaction to permit a new EGS to specify the effective date of the switch. See RESA Comments to Secretarial Letter Dated March 18, 2014, Attachment A, p. 3. Clearly, the Commission declined to adopt this proposal in the statewide rulemaking proceeding. Therefore, it is entirely inappropriate for RESA to resurrect this very same proposal here.

Third, the Electronic Data Exchange Working Group guidelines for 814 enrollment requests don't currently support the ability to allow EGSs to specify a start date. Consequently, these guidelines would first need to be updated before RESA's proposal could be implemented.

Fourth, RESA's proposal could shift the management of the recession period from the EGSs to EDCs. Under 52 Pa. Code § 54.4(d), EGSs must provide customers with three-day rescission period following receipt of the disclosure statement of the terms and conditions of the service. Section 57.173 requires that the selected EGS hold the enrollment request until the three business day rescission period has expired or a future date specified by the customer. 52 Pa. Code § 57.173. Under RESA's proposal, however, an EGS could immediately transmit customer enrollments to be effective for a future date specified by the customer, which would require the EDC to manage the three-day rescission day period rather than the EGS as required by Section 54.4(d).

Fifth, EGSs already have a remedy to address the concerns and reasons raised by RESA in support of its proposal. 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 three business days of the receipt by the EDC of the electronic enrollment transaction. If, however, suppliers want a specific start date, they can hold the enrollment request until three business days before the requested date and then submit the electronic enrollment transaction.

Sixth, PPL Electric is concerned that under RESA's proposal, if adopted, there could be challenges from multiple EGSs trying to enroll the same customer. For example, if Supplier A sends an enrollment on January 15 requesting a start date of February 1, and Supplier B sends enrollment on January 20 requesting a start date of January 30, it is entirely unclear which supplier takes precedence. Does the last EDI submitted trump the first EDI, or does Supplier B serve from January 30 to February 1 and Supplier A serve after February 1? Clearly, additional

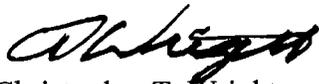
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rules and guidance need to be developed to resolve these issues before RESA's proposal could be adopted.

Finally, PPL Electric's existing billing system simply cannot accommodate the new EDI protocols required to allow EGSs to specify the enrollment effective date for an accelerated switch. RESA's proposal would add an additional layer of technical difficulty and cost on an already complex, costly, and time consuming redesign of PPL Electric's billing system. The modifications necessary to implement RESA's proposal are not part of the system changes already underway to implement the interim measure and the fully-compliant automated multiple off-cycle, three business day switching. Thus, RESA's proposal would require additional changes to PPL Electric's billing system that would further delay the implementation of both the interim measure and the fully compliant accelerated switching measure.

As found by the Commission in its October 23, 2014 Secretarial Letter, PPL Electric's interim switching measure is a significant improvement over the current switching timeframes and, importantly, will help reduce the financial burdens of shopping customers by allowing them to avoid high-priced products with EGSs and to minimize impacts due to EGS slamming. RESA's proposal, if adopted, would significantly delay this improvement in the switching timeframes and the customer benefits therefrom. Further, additional rules and guidance need to be developed before RESA's proposal could be adopted. For these reasons, PPL Electric respectfully requests that the Commission reject RESA's proposal.

Respectfully submitted,



Christopher T. Wright

CTW/jl

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: December 1, 2014



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