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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSIONP.O. BOX 3265, HARRISBURG, PA 17105-3265**March 20, 2015** | **IN REPLY PLEASE REFER TO OUR FILE**M-2014-2401127M-2014-2401085M-2014-2401103M-2014-2401119M-2014-2401130M-2014-2401155M-2014-2401151M-2014-2401148M-2014-2401126 |

To: All Jurisdictional Electric Distribution Companies

 Electric Retail Markets Investigation Participants

 Committee Handling Activities for Growth in Electricity

Re: EDC plan filings for Seamless Moves and Instant Connects.

Docket Nos.: M-2014-2401127 Duquesne Light Company

 M-2014-2401085 PECO Energy Company

M-2014-2401103 PPL Electric Utilities

 M-2014-2401119 Pike County Light and Power

 M-2014-2401130 Metropolitan Edison Company

 M-2014-2401155 Pennsylvania Electric Company

M-2014-2401151 Pennsylvania Power Company

M-2014-2401148 West Penn Power Company

M-2014-2401126 UGI Utilities – Electric Division

 The purpose of this Secretarial Letter is to inform all interested parties of the modification of the implementation timelines for Electric Distribution Companies (EDCs) and the plans for *seamless moves* and *instant connects*.

*Seamless moves* and *instant connects* arose from the RMI *End State Final Order*.[[1]](#footnote-1) In this Order, the Commission directed the EDCs to file, by the end of 2013, plans for implementing *seamless moves* and *instant connects* in their service territories by June 2015. A “*seamless move”* is the ability of a customer to move to a new address and retain its current electric generation supplier (EGS) without interruption. “*Instant connect*” is the ability of competitive generation supply service to start on “day one” of new utility service – without the customer first having to go on default service.

The filings submitted by the EDCs in response to the Commission’s directives concerning these processes are available for review on the Commission’s website by using the “Search For Documents” webpage (link: <http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true>) and inputting the appropriate docket number (the docket numbers for each EDC are listed above).

Subsequent events caused the Commission to modify the implementation timelines for these new market enhancements. Specifically, on April 3, 2014, the Commission promulgated new regulations directing the EDCs to develop 3-business day supplier switching timeframes.[[2]](#footnote-2) Implementation of the 3-business day switch went into effect on December 14, 2014. The Commission acknowledged that the implementation of 3-day supplier switching required significant effort by the EDCs and that the timely development of 3-business day switching was a priority over *instant* *connects* and *seamless moves*. As such, by means of an August 13, 2014 Secretarial Letter served at the above-referenced dockets, we permitted the EDCs to delay the development of *instant connects* and *seamless moves* if an EDC determined that developing these processes could hinder or delay the development of 3-business day supplier switching (the previous June 2015 deadline is no longer in effect). All of the EDCs subsequently notified the Commission’s Office of Competitive Market Oversight (OCMO) that they were postponing implementation of *seamless moves* and *instant connects*.

In that same August 13, 2014 Secretarial Letter, we voiced our continuing support of these two market enhancements and directed OCMO to submit a recommendation to the Commission with a proposed implementation timeframe for *seamless moves* and *instant connects*. OCMO was directed to first consult with the EDCs in the preparation of the new implementation timeframe. OCMO has submitted a recommendation and the Commission is now announcing, via this Secretarial Letter, a revised plan for implementation.

**INSTANT CONNECTS:**

After carefully considering the issue, while 3-business day supplier switching is a reality across most of the Commonwealth – and with full implementation expected in the summer of 2015 – we believe that *instant connects* are still needed. Even with a customer able to switch to a supplier within days of initiating utility service, this delay can still have serious negative impacts, especially for large commercial and industrial customers. However, our primary reason for wanting to pursue *instant connects* continues to be based on the concern expressed throughout this proceeding that the lack of *instant connects* – making all consumers first go on default service – inappropriately elevates default service to a favored, primary service role.

**SEAMLESS MOVES:**

Some have also questioned the need for *seamless moves* in a 3-business day switching environment - arguing that a customer that has moved can enroll with a supplier at their new location within 3 business days. However, after carefully considering the matter, we do not believe that the need for *seamless moves* has been obviated by 3-business day switching. Although a moving customer can obtain new supplier service at their new address within days, this misses the point that the customer should not have to obtain new supplier service simply because they moved locations within the EDC’s service territory. The customer should not have their previous supplier contract voided, and then have to enter into a new contract (possibly at less-advantageous terms and conditions) at their new address. It is reasonable for customers to expect that their supplier choice and contract be simply “ported” to their new location. The fact that it does not is merely a result of the limitations of the EDC’s current customer account systems – not the result of any sound policy decision.

**PROCESS:**

We acknowledge that the EDCs currently have numerous demands on their resources. This includes full 3-business day supplier switching implementation by the summer of 2015, joint EDC/EGS bills by the summer of 2015,[[3]](#footnote-3) eligible customer list (ECL) refreshing in early 2015,[[4]](#footnote-4) and other, individual projects that they may have committed to do in their recent default service plan proceedings. We want to provide a realistic timeframe for implementing *seamless moves* and *instant connects* – one that will not conflict with current more urgent projects. We believe that it is reasonable to expect the EDCs to have *seamless moves* and *instant connects* in place by July 1, 2016.

We expect the EDCs to file under the docket numbers listed above, within 30 days of the date of this Secretarial Letter, a revised plan to implement *seamless moves* and *instant connects* in their service territories by July 1, 2016. Each EDC’s plan should demonstrate how the EDC will achieve *seamless moves* and *instant connects* and the timeframes for implementation to meet the July 1, 2016 implementation deadline. Each plan should also provide an estimate of the costs to design, test, implement and maintain seamless moves and instant connects, and proposals for the recovery of those costs.

We are providing a 30-day comment period on the plans filed by the EDCs. Interested parties are to file comments with the Secretary under the dockets listed above, within 30 days of each plan filing date. The Commission will then review the comments and determine appropriate further actions with regard to the filed plans.

Any questions about this Secretarial Letter should be directed to the Office of Competitive Market Oversight by email at ra-OCMO@pa.gov.

Sincerely,

Rosemary Chiavetta

Secretary

cc: Office of Competitive Market Oversight

 Office of Consumer Advocate

 Office of Small Business Advocate

1. *See, Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered February 15, 2013), pages 69-75 and 112. [↑](#footnote-ref-1)
2. *See Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer’s Electricity Generation Supplier*, Docket L-2014-2409383 (entered April 3, 2014). [↑](#footnote-ref-2)
3. *See Retail Electricity Market: Joint Electric Distribution Company –Electric Generation Supplier Bill*, Docket No. M-2014-2401345 (Final Order entered May 23, 2014). [↑](#footnote-ref-3)
4. *See Interim Guidelines for Eligible Customer Lists*, Docket No. M-2010-2183412 (Final Order entered October 23, 2014). [↑](#footnote-ref-4)