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March 4, 2015

## VIA HAND DELIVERY

Honorable Rosemary Chiavetta  
Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

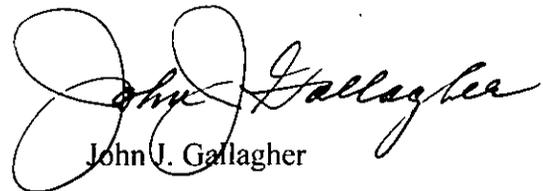
**Re: Re: Petition of Pike County Light & Power Company  
For Waiver of Regulations Regarding Standards  
For Changing a Customer's Generation Supplier  
Docket No.: P-2014-2437967  
(Pike Analysis of Costs and Feasibility of a Manual Process)**

Dear Secretary Chiavetta:

As directed by the Commission's Order entered November 25, 2014, Pike County Light & Power Company ("Pike") submits its analysis of costs and feasibility of a manual process to switch customers in compliance with 52 PA Code §57.174.

Should you have any questions concerning this filing please contact me at your convenience.

Sincerely,



John J. Gallagher

PA PUC  
SECRETARY'S BUREAU

2015 MAR -6 PM 3:09

cc:  
Certificate of Service

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**2015 MAR -6 PM 3:10**  
**SECTION PA PUC**  
**SECRETARY'S BUREAU**

Petition of Pike County Light & Power Company :  
For Waiver of Regulations Regarding Standards : Docket No.: P-2014-2437967  
For Changing a Customer's Generation Supplier :

**PIKE COUNTY LIGHT & POWER COMPANY  
ANALYSIS OF THE COSTS AND FEASIBILITY OF A MANUAL PROCESS TO  
SWITCH CUSTOMERS THAT COMPLIES WITH PENNSYLVANIA CODE  
AND FOR WAIVER OF REGULATIONS REGARDING STANDARDS  
FOR CHANGING A CUSTOMER'S GENERATION SUPPLIER**

**I. INTRODUCTION**

The Pennsylvania Public Utility Commission ("Commission") issued a Final-Omitted Rulemaking Order in its *Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards For Changing a Customer's Electricity Generation Supplier*, L-2014-2409383 (entered April 3, 2014)("Order"), which required jurisdictional electric distribution companies ("EDCs") to be capable of effectuating a three business day, off-cycle switch when a residential or small commercial customer requests a change in electricity supplier. This change was to be implemented by December 15, 2014. By petition dated July 29, 2014, Pike County Light and Power Company ("PCL&P" or the "Company") requested a waiver from this Order asserting that the costs to update PCL&P's computer and billing systems to implement the changes would have a significant impact on the Company's small customer base. (The Company estimated the costs to be \$619,000.) The Commission granted a temporary waiver for six months until June 15, 2015. In addition, the Commission directed PCL&P to file an analysis

of the costs and feasibility of a manual process to switch customers in compliance with 52 Pa. Code Section 57.174 by February 23, 2015.

PCL&P recognizes that implementing three-business day, off-cycle switching across Pennsylvania is both a regulatory requirement and an important Commission goal. In performing the requested analysis, PCL&P has carefully explored how it may satisfy the regulatory requirements while mitigating cost impacts on customers and maintaining the Company's current levels of customer service. PCL&P has analyzed the feasibility of implementing a manual process for switching customers in three business days, off-cycle and has concluded that a fully manual process is not feasible. Even with a manual switching process, computer system changes would be required to maintain current levels of customer service and for financial reporting purposes. Enrollment, drop, rescind, and price change transactions, to name a few, must be reflected in the Company's Retail Access Information System ("RAIS") and billing system in order to properly track an account's history. Without these changes, an account's history in the Company's system will not be accurate. Inaccurate data in PCL&P's system will impair the Company's ability to respond to customer inquiries/issues, which will increase customer frustration and dissatisfaction. Moreover, the employment of manual processes increases the possibility of delays in the provision of customer bills. Finally, inaccurate information in the Company's system risks undermining the integrity of the Company's financial data. For all of these reasons, PCL&P renews its request for a waiver and offers an alternative approach that is consistent with the Commission's goals.

PCL&P submits this Petition for a waiver of regulations regarding standards for changing a customer's generation supplier ("Petition") pursuant to Section 2807(e) of the Public Utility Code and in accordance with Commission Order P-2014-2437967.

## II. ONE MID-CYCLE SWITCH

Today, when an enrollment request is received by RAIS, the request is sent to the Company's billing system to update the customer's account. However, an enrollment can be processed manually, *i.e.*, outside of RAIS, if the Electric Generation Supplier ("EGS") emails the enrollment request to the Company's retail access email address. The estimated cost to process one mid-cycle change per bill cycle for all customers through a manual process is \$158,000 annually. This estimate is based on the need for two additional part-time employees to process these changes. The EGS request via email must be reviewed for completeness; any missing information must be gathered and/or incorrect information must be updated. The request is then manually entered on the customer's account in the billing system. The first customer bill generated after the switch must be reviewed to ensure it is correct, and any necessary corrections must be made. This review process raises the possibility that there will be delays in producing customer bills.

It bears emphasizing that even though an enrollment request submitted by an EGS using a method other than through the automated process of Electronic Data Interchange ("EDI") could be processed manually, that enrollment must still be input manually into RAIS. RAIS validates all EDI transactions between PCL&P and an EGS, including determining whether an enrollment request can be accepted or must be rejected, accepting a price change and accepting a request to change the tax status of an account. Utilizing RAIS is imperative because all future transactions, such as subsequent enrollments, cancels, drops, and price changes, will be received and processed by RAIS when the EGS sends a transaction via EDI. For example, if a manual enrollment is processed without any notification to RAIS of the customer's new supplier, any subsequent price changes submitted via EDI by the new EGS will be rejected.

Without system changes to RAIS, a majority of the retail access processes must be performed manually. Each month, the customer's monthly usage is sent to the customer's EGS; currently usage is generated by the billing system and sent to the EGS via EDI. Without system changes to RAIS, the entire monthly usage will be sent to the EGS that served the customer prior to the off-cycle switch, *i.e.*, the EGS of record in RAIS. Therefore, the EGS that served the customer in the beginning of the month will receive incorrect usage representing the entire month and the second EGS that served the customer after the off-cycle switch will receive no usage. Again, changes to RAIS would be required to implement this change. The cost to update RAIS to recognize manual enrollments is a one-time expense estimated to be \$60,000.

## **VI. MULTIPLE MID-CYCLE SWITCHES**

Many of the challenges of performing multiple mid-cycle switches are similar to those described above, with some additional issues and costs. If more than one off-cycle switch occurs in a billing cycle, the EGS must request an enrollment via email, each request must be reviewed for completeness, and any missing or incorrect information must be updated for each request. A manual customer bill must be created, reviewed and verified for each request. The difference between one mid-cycle switch and multiple mid-cycle switches is that the multiple switches will not be entered on the customer's account in the billing system. Rather, a notation would be placed on the account. Manual bills increase the risk of error, thereby increasing the possibility for inaccurate information in the Company's system and customer frustration. An increased number of manual bills would require additional personnel to manage this process. Moreover, manual bills are not displayed on a customer's My Account section of the Company's web site; currently, only the system-generated bills are displayed.

The Company's overall concern is that manual processing of multiple off-cycle switches per billing cycle affects the long term tracking of customer activity, and the integrity of customer and other critical financial data. Without changes to both RAIS and the billing system, these switches will not be reflected in the customer's account activity and therefore, will produce an inaccurate account history, incorrect bill and inaccurate financial transactions. In addition, there will be no way to know, by viewing these systems, whether an off-cycle switch occurred in the past. Consequently, processing a cancellation and rebilling of a customer bill, if required, will be more difficult. Changes to the billing system would be required in order to accurately track the customer's enrollment history.

Payment to the EGSs for the EGS's receivables pursuant to the Company's Consolidated Billing and Assignment Agreement will likewise require manual intervention. The monthly amount due to each EGS is calculated pursuant to an automated process that generates a report based on customer billings residing in the Company's billing system. If the billing system does not contain the correct EGS for a customer, the amount due each month must be calculated manually. In addition, the Company is currently working to more fully automate this process in order to streamline the process, minimize costs, and lessen the risk of error from manual intervention. Processing off-cycle switches manually will translate into additional manual intervention in an automated process. Moreover, because the Company is part of the New York ISO, settlement and balancing of capacity will be impacted. Again, this process relies on the billing and other systems, which if not updated, will produce incorrect results. As with the EGS monthly payment process, the settlement and balance processes are currently undergoing an update to a more comprehensive automated process, which will require manual intervention, if possible, to reflect customers who were switched manually.

For all of the above reasons, PCL&P has concluded that it is not feasible to implement a completely manual process to switch customers in three business days, off-cycle. In order to create an accurate history of the account, both RAIS and the billing system must be updated.

## **VII. REQUEST FOR WAIVER**

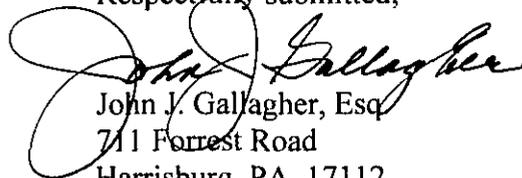
The Commission's Order (p. 11) states that if PCL&P finds that attaining compliance through a manual process continues to prove too costly and infeasible, PCL&P may timely file an additional request for waiver before the expiration of the six month waiver granted in the Order. For the reasons set forth above, PCL&P respectfully requests a permanent waiver from the requirements under 52 Pa. Code, Sections 57.173 and 57.174. As an alternative to three business day, off-cycle switching, PCL&P proposes that it be permitted to implement a three business day, on-cycle switch process. Such a decrease in the switching period would be consistent with the Commission's goals. The cost to implement this change is estimated to be \$40,000.

Orange and Rockland Utilities, Inc., ("O&R") the parent company of PCL&P, recently implemented a five business day, on-cycle switching process for all of its New York electric customers. In addition, the New York Public Service Commission ("NYPSC") has instituted a proceeding to review off-cycle switching and has ordered that a report of the findings be filed with the NYPSC by August 31, 2015. *Order Authorizing Accelerated Switching of Commodity Suppliers*, Case No. 12-M-0476, (issued and effective December 15, 2014). PCL&P further proposes that any changes with respect to off-cycle switching mandated in New York be implemented in PCL&P's service territory at that time. This approach will significantly mitigate the financial impact on PCL&P's customers by spreading the costs of these changes among both O&R's and PCL&P's customers.

## VIII. CONCLUSION

For the reasons set forth above, PCL&P respectfully requests that the Commission waive the requirements of 52 Pa. Code, Sections 57.173 and 57.174, as they would apply to PCL&P. As an alternative, PCL&P would propose implementing a three business day, on-cycle switch process.

Respectfully submitted,



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Counsel for Petitioner  
Pike County Light & Power Company

Date: February 23, 2015

## VERIFICATION

I, Donald E. Kennedy, Director – Customer Energy Services of Pike County Light & Power Company, hereby state that the facts set forth in the foregoing Petition are true and correct to the best of my knowledge, information and belief.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).

  
\_\_\_\_\_  
Donald E. Kennedy  
Director – Customer Energy Services  
Pike County Light & Power Company

Date: February 23, 2015

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in the manner indicated below, and in accordance with the requirements of § 1.54 (relating to service by a party).

**VIA HAND DELIVERY**

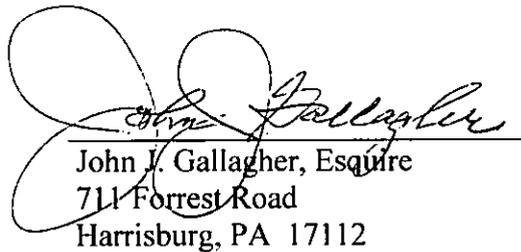
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Dated: February 23, 2015

  
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Counsel for Pike County Light & Power  
Company