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File #: 160599

April 20, 2015

***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 a Temporary Waiver from  
Certain Technical Requirements of 52 Pa. Code §§ 57.174 and 57.179  
Docket No. P-2014-2445072**

Dear Secretary Chiavetta:

Enclosed for filing is the Petition of PPL Electric Utilities Corporation for an Additional Waiver of Non-Metered Account Multiple Off-Cycle Switching for the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Christopher T. Wright

CTW/jl  
Enclosures

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).

### VIA E-MAIL and FIRST CLASS MAIL

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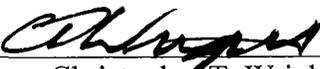
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Date: April 20, 2015

  
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Christopher T. Wright

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation for a Temporary Waiver from Certain Technical Requirements of 52 Pa. Code § 57.174	:	Docket No. P-2014-2445072
	:	
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**PETITION OF  
PPL ELECTRIC UTILITIES CORPORATION FOR  
AN ADDITIONAL WAIVER OF NON-METERED ACCOUNT  
MULTIPLE OFF-CYCLE SWITCHING**

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TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (“Commission”) and respectfully requests a further temporary waiver from certain technical requirements of 52 Pa. Code § 57.174 pursuant to the Commission’s 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 (“*Final-Omitted Rulemaking Order*”). 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 electric generation supplier (“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.

By Secretarial Letter dated October 23, 2014, the Commission granted PPL Electric the following waivers from certain technical requirements of 52 Pa. Code §§ 57.174 and 57.179: (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. PPL Electric currently is on track to attain full compliance with Section 57.174 and the *Final-Omitted Rulemaking Order* for all metered accounts as modified by the Commission-approved waivers. However, as explained below, PPL Electric has determined that it cannot attain full compliance for non-metered account multiple off-cycle switching for non-metered accounts by September 30, 2015. Therefore, the Company herein requests a further waiver of the requirement for non-metered account multiple off-cycle switching for the period of September 30, 2015 through December 31, 2016.

For the reasons more fully explained below, PPL Electric respectfully requests the temporary, additional waiver for non-metered accounts identified above and, in support thereof, states as follows:

## **I. INTRODUCTION**

1. This Petition is filed by PPL Electric, a public utility that provides electric distribution and provider of last resort services in Pennsylvania subject to the regulatory jurisdiction of the Commission. PPL Electric furnishes electric distribution, transmission, and provider of last resort electric supply (“POLR” or “default service”) services to approximately

1.4 million customers throughout its certificated service territory, which includes all or portions of twenty-nine counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania.

2. PPL Electric's address is Two North Ninth Street, Allentown, Pennsylvania 18101.

3. PPL Electric's attorneys are :

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PPL Electric's attorneys are authorized to receive all notices and communications regarding this Petition.

4. PPL Electric has been and continues to be a leading proponent of retail electric competition in Pennsylvania. The Company supports the Commission's efforts to create a robust competitive retail market in Pennsylvania.

5. As part of its duties as an EDC and POLR regulated by the Commission, PPL Electric maintains customer accounts, and administers billing and energy settlement systems that perform the "switching" functions that are the subject of this Petition.

6. The Commission has explained that a customer's ability to change suppliers is often frustrated by the switching timeframes currently in place, as a customer is often exposed to at least one more entire billing cycle beyond the billing cycle in which the customer requested to switch suppliers. *Final-Omitted Rulemaking Order*, pp. 16-17.

7. On April 3, 2014, the Commission issued the *Final-Omitted Rulemaking Order* to amend its existing Regulations at 52 Pa. Code, Chapter 57 to direct EDCs to accelerate the time frames for retail electric customers to switch suppliers. Specifically, Section 57.174 requires EDCs to implement processes to be able to switch metered and non-metered customers to a new EGS or to default service within three business days of receipt of the electronic enrollment. 52 Pa. Code § 57.174. The *Final-Omitted Rulemaking Order* further provides that multiple off-cycle switches for metered and non-metered accounts are to be permitted within a single billing period. *Id.* pp. 27-28.

8. The Commission's accelerated switching rules became effective on June 14, 2014, upon publication in the *Pennsylvania Bulletin*. 44 Pa.B. 3539. EDCs initially had until December 15, 2014, to implement the new accelerated switching rules. *See* Secretarial Letter, Docket No. L-2014-2409383 (March 18, 2014); *see also* Secretarial Letter, Docket No. L-2014-2409383 (September 8, 2014).

9. PPL Electric determined that it could not attain full compliance with the new accelerated switching regulations by December 15, 2014. Consequently, on September 25, 2014, PPL Electric filed a Petition at Docket No. P-2014-2445072 seeking the following temporary waivers from certain technical requirements of 52 Pa. Code §§ 57.174 and 57.179: (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.

10. By Secretarial Letter dated October 23, 2014, the Commission granted the requested waivers, including the requirement for non-metered account multiple off-cycle switching for the period of December 15, 2014 through September 30, 2015. As a result, PPL Electric currently is required to implement non-metered account multiple off-cycle switching by September 30, 2015.

11. As explained below, PPL Electric herein seeks a further waiver of the requirement for non-metered account multiple off-cycle switching for the period of September 30, 2015 through December 31, 2016.

## **II. DISCUSSION**

### **A. LEGAL STANDARDS**

12. The three-day switching requirement is set forth in Section 57.174 of the Commission regulations, which provides as follows:

(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 the 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 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 shall be updated when an actual meter read is obtained.

52 Pa. Code § 57.174.

13. In its *Final-Omitted Rulemaking Order*, the Commission also stated that multiple off-cycle switches are to be permitted within a single billing period. *Id.* p. 27-28.

14. EDCs initially were required to implement the new accelerated switching requirements by December 15, 2014. See Secretarial Letter, Docket No. L-2014-2409383 (March 18, 2014); see also Secretarial Letter, Docket No. L-2014-2409383 (September 8, 2014).

15. However, in recognition of the comments submitted in response to the proposed new accelerated switching regulations that indicated a considerable amount of time and resources may be needed to attain full compliance with the new accelerated switching requirements, 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.

16. The Commission also explained that an “EDC can seek a waiver for off-cycle switching for non-metered accounts by demonstrating the need for such a waiver in its request.” *Final-Omitted Rulemaking Order*, p. 27.

17. For the reasons explained below, PPL Electric believes that a further waiver of the requirement for non-metered account multiple off-cycle switching for the period of September 30, 2015 through December 31, 2016 is reasonable and in the public interest. PPL Electric also believes that its interim non-metered account switching measure is consistent with the spirit and stated purpose of the new accelerated switching regulations and the *Final-Omitted Rulemaking Order*.

## **B. REASONS FOR WAIVER**

18. PPL Electric has been diligently analyzing the system changes needed to fully implement and comply with the new non-metered account accelerated switching requirements.

19. Currently, flexible off-cycle switching is technically not feasible for non-metered accounts. Unlike metered accounts with smart meters that can support an accelerated switching timeframe, the Company does not receive meter readings for non-metered accounts. Rather, non-metered accounts on PPL Electric's system are designed to bill only once a month on the cutoff date of the account's bill window without the need for a meter read.

20. As of February 28, 2015, there were approximately 8,800 non-metered accounts eligible for shopping on PPL Electric's system. These accounts are primarily associated with street lighting accounts generally managed by municipalities, billboards generally managed by private companies, and area-lighting accounts owned by either residents or private companies.

21. These types of non-metered accounts generally are owned by entities that also have metered electric service accounts, such as municipalities that manage a variety of public service buildings as well as the street lighting. Contracts with suppliers for electricity generally encompass all of the accounts associated with the customer.

22. Of the approximately 8,800 non-metered accounts on PPL Electric's system, 2,050 accounts currently are served by a competitive electric generation supplier (23% shopping rate). The Company analyzed the shopping volatility of these non-metered accounts, and found that these types of accounts do not generally switch suppliers multiple times within a calendar year. Specifically, of the non-metered accounts that were shopping, fewer than half switched suppliers since January 2014. Of the accounts that switched, the vast majority switched only one time. Of the 80,000 enrollment requests received between December 15, 2014 and February 28, 2015, only 141 (approximately 0.2%) were for non-metered accounts.

23. Based on the shopping and switching statistics for the non-metered accounts on PPL Electric's system, the Company submits that there does not appear to be a significant need to implement multiple switches within one bill period for non-metered accounts.

24. PPL Electric evaluated the possibility of modifying the Company's existing billing system to accommodate and fully implement non-metered account multiple off-cycle, three business day switching. PPL Electric determined that supporting non-metered account multiple off-cycle switching within a single billing period would require significant modification to the logic of the Company's existing billing system. PPL Electric also concluded that it must rely on outside information technology vendors to design, install, and test the processes and programs needed to fully implement non-metered account multiple off-cycle switching within a single billing period.

25. PPL Electric retained the services of Accenture plc ("Accenture") to evaluate PPL Electric's current billing system and to determine the changes necessary to implement non-metered account multiple off-cycle, three business day switching within a single billing period.

26. Based upon its analysis of PPL Electric's existing billing system, Accenture determined that it can design, install, program, and test all the modifications necessary to fully implement non-metered account multiple off-cycle, three business day switching within a single billing period. Accenture initially estimated that it could design, install, program, and test all the modifications necessary to fully implement automated non-metered account multiple off-cycle, three business day switching within a single billing period by September 30, 2015. PPL Electric therefore requested a waiver of the requirement for non-metered account multiple off-cycle switching for the period of December 15, 2014 through September 30, 2015, which was granted by Secretarial Letter dated October 23, 2014.

27. Since the initial waiver was granted in October 23, 2014, Accenture and PPL Electric have continued to evaluate the modifications necessary to the billing system to fully implement non-metered account multiple off-cycle switching. Accenture and PPL Electric have determined that there are significant technical challenges to processing multiple suppliers on one bill for non-metered accounts. Unlike metered accounts, non-metered accounts are billed upon component based pricing rather than usage based pricing, and PPL Electric will need to modify its billing system to pro-rate these component charges for multiple suppliers during a single billing cycle.

28. PPL Electric's resources currently are fully deployed to design, implement, and test higher priority initiatives, including, but not limited to: development of metered account multiple off-cycle switching that must be implemented by July 31, 2015; and development of Seamless Moves and Instant Connects that must be implemented by July 1, 2016.<sup>1</sup>

29. Given the significant technical challenges for implementing multiple switching for non-metered accounts and the current demands placed on PPL Electric's resources for other billing initiatives, PPL Electric and Accenture have determined that it is not technically feasible to implement multiple off-cycle switches for non-metered accounts by September 30, 2015.

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<sup>1</sup> On February 15, 2013, the Commission entered a Final Order directing EDCs to develop and submit plans by the end of 2013 to implement Seamless Moves and Instant Connects by June 1, 2015. *See Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, at Docket No I-2011-2237952 ("RMI Final Order"). By Secretarial Letter dated August 13, 2014, the Commission provided EDCs with the option of delaying the development of Instant Connects and Seamless Moves if the EDC determines that developing these processes could hinder or delay the development of 3-business day supplier switching. On August 19, 2014, PPL Electric notified the Commission of its election to postpone its implementation of its Seamless Moves and Instant Connects. By Secretarial Letter dated March 20, 2015, EDCs were directed to file a revised plan to implement Seamless Moves and Instant Connects in their service territories by July 1, 2016. Contemporaneously with this Petition, PPL Electric is filing a Compliance Filing Plan for Implementing Seamless Moves and Instant Connects for Metered Accounts, at Docket No. M-2014-2401103. As explained therein, PPL Electric will be able to fully implement Seamless Moves and Instant Connects for all metered accounts by July 1, 2016.

30. Due to the low volume of non-metered accounts that are affected by frequent switching, the technical challenges identified by the Company's independent outside vendor for implementing multiple off-cycle switching for non-metered accounts, and the current demands placed on PPL Electric's resources for other billing initiatives, PPL Electric respectfully requests permission to delay implementation of multiple off-cycle switching for non-metered accounts until December 31, 2016.

31. PPL Electric, along with Accenture, will endeavor to complete the necessary non-metered account modifications as soon as practical. However, because PPL Electric's outside vendor currently believes it cannot fully implement these changes until the end of December 2016, PPL Electric respectfully requests an additional temporary waiver of the non-metered account multiple off-cycle, three business day switching requirement for the period of September 30, 2015 through December 31, 2016.

32. To the extent that PPL Electric and Accenture are able to fully implement and test all the necessary modifications sooner than December 31, 2016, PPL Electric will implement non-metered account multiple off-cycle, three business day switching at that time.

**C. INTERIM NON-METERED ACCOUNT SWITCHING PROPOSAL**

33. As explained above, PPL Electric is requesting an additional temporary waiver of the requirement for non-metered account multiple off-cycle three business day switching for the period of September 30, 2015 through December 31, 2016. During the waiver period, PPL Electric herein proposes to implement an interim switching measure that will allow non-metered shopping customers to quickly switch from a high-priced EGS product during the waiver period ending December 31, 2016.

34. During the waiver period, PPL Electric proposes to allow non-metered customers to continue to automatically make an on-cycle three business day switch to a new EGS or to default service.

35. During the waiver period, for non-metered customers who call to request an off-cycle switch within three business days, PPL Electric proposes to process a “connect” and “disconnect,” which will allow those non-metered customers to switch EGSs or drop to default service within a three business day period.

36. PPL Electric will continue to monitor the number of switches for non-metered accounts and track the number of multiple switches per billing period for non-metered accounts.

37. In summary, under the proposed interim switching measure, every non-metered shopping customer will be permitted to avoid high-priced EGS products by: (i) making on-cycle three business day switches; and (ii) making an off-cycle three business day switch within a single billing period to either a new EGS or default service.

38. Although the interim non-metered switching measure does not achieve full automated compliance by the initial September 30, 2015 waiver date previously granted by the Commission, it is a significant improvement over the current switching timeframes and, importantly, will help reduce the financial burdens of non-metered shopping customers by allowing them to avoid high-priced products with EGSs and to minimize impacts due to EGS slamming. *See Final-Omitted Rulemaking Order*, pp. 16-17.

39. Finally, PPL Electric notes that the proposed interim non-metered switching measure is a temporary measure that will be terminated and replaced with a fully compliant multiple, off-cycle three business day switching program in a single billing period, which is

anticipated to become effective on or before the end of December 31, 2016 for all non-metered accounts as explained above.

### III. CONCLUSION

WHEREFORE, PPL Electric Utilities Corporation respectfully requests that the Pennsylvania Public Utility Commission approve:

- (a) An additional waiver of the requirement for non-metered account multiple off-cycle switching for the period of September 30, 2015 through December 31, 2016; and
- (b) Implementation of the interim non-metered account switching measure during the period of September 30, 2015 through December 31, 2016, as described in this Petition.

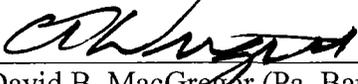
Respectfully submitted,

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Post & Schell, P.C.

Dated: April 20, 2015

  
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