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April 20, 2015

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: ***Joint Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Seamless Moves and Instant Connects;***
Docket Nos. M-2014-2401130; M-2014-2401155; M-2014-2401151; M-2014-2401148

Dear Secretary Chiavetta:

Pursuant to the Commission's Secretarial Letter dated March 20, 2015 in the above-referenced proceedings, enclosed herewith for filing is the Seamless Moves/Instant Connects Revised Implementation Plan of Pennsylvania Electric Company.

Please contact me if you have any questions regarding this matter.

Very truly yours,

Tori L. Giesler

dlm
Enclosures

SEAMLESS MOVES/INSTANT CONNECTS REVISED IMPLEMENTATION PLAN

METROPOLITAN EDISION COMPANY
PENNSYLVANIA ELECTRIC COMPANY
PENNSYLVANIA POWER COMPANY
WEST PENN POWER COMPANY

April 20, 2015

SEAMLESS MOVES/INSTANT CONNECTS
REVISED IMPLEMENTATION PLAN
METROPOLITAN EDISION COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY AND WEST PENN POWER COMPANY

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BACKGROUND

The Pennsylvania Public Utility Commission's ("Commission") order entered February 15, 2013 at Docket No. I-2011-2237952 ("End State Order") directed electric distribution companies ("EDCs") to develop and submit plans to the Commission by the end of 2013 to implement "seamless moves" and "instant connects" in their respective service territories by June 1, 2015.[1] Consistent with that directive, Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power Company ("West Penn") (each of which may be referred to as "Company" and/or in combination as "Companies") filed a joint plan on December 31, 2013 outlining how seamless moves and instant connects would be implemented throughout their service territories. Via Secretarial Letter issued on August 13, 2014, the Commission postponed the implementation of these plans, in order to allow EDC resources to be focused towards implementing new regulations that accelerated the supplier switching process. On March 20, 2015, the Commission issued a second Secretarial Letter on this topic, extending the timeline by which EDCs must implement seamless moves and instant connects to July 1, 2016 ("March 20 Secretarial Letter"). The March 20 Secretarial Letter directed that, within thirty days, EDCs file revised plans accounting for the extended implementation deadline and adjusting for the three business day switching timeline in place under the new regulations.

The Companies are each EDCs subject to the requirement to submit seamless moves and instant connect implementation plans ("Plan") by July 1, 2016. In developing their Plan, the

[1] As defined in the Commission's End State Order, "seamless moves" are the ability of a customer's choice of supplier, also known as an electric generation supplier ("EGS"), to move with the customer to a new address without interruption, and "instant connect" is the ability of supply service to start on "day one" of new utility service without the customer first having to take default service. *Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered February 15, 2013), pp. 70, 74-75.

Companies sponsored a supplier workshop with EGSs on September 17, 2013. Suppliers and EDCs were invited to participate in person at West Penn's principal office in Greensburg, Pennsylvania, or participate simultaneously on a teleconference with presentation materials available via webcast. In addition, joint EDC-EGS conference calls were held on October 10, October 17, October 24, October 31, and November 7, 2013 to exchange various ideas regarding the implementation of seamless moves and instant connects. The EGS consultation process, along with the Companies' own internal evaluation, were instrumental in developing the Plan contained herein to ensure an implementation that meets the needs of the Companies, EGSs, and customers.

SEAMLESS MOVES IMPLEMENTATION

Eligibility

Customer eligibility shall be based upon a customer meeting each of the following criteria:

1. Customer must have an active account with the Company;
2. Customer must have an existing relationship with an EGS serving at their current premise;
3. Customer does not have a pending change to a new EGS;
4. Customer plans to physically move from their current premise to a new premise within the same Company service territory, and provides the Company at least one day advance notice;
5. The new location must be an active premise, which is a necessary prerequisite for the Company to assign the seamless move customer an account number on a pending active basis;[2]
6. Customer will remain within the same residential or commercial rate class, with compatible metering capabilities to enable billing; and
7. Customer will use the same account name at the new premise.

Although most of the eligibility criteria are self-explanatory, further detail is provided below for items 6 and 7 to clarify the Companies' intent and reasoning.

Criterion 6. *Customer will remain within the same residential or commercial rate class, with compatible metering capabilities to enable billing.*

Seamless move customers are permitted to be on a different company distribution rate schedule at the new premise as long as the rate schedule is within the same residential

[2] A "pending active" basis means an account number is set to become active at a specified future date.

or commercial rate class as the current premise and the metering capabilities are compatible. The residential and commercial rate classes may be comprised of multiple rate schedules under each Company's individual retail tariff. Because multiple rate schedules may constitute a specific rate class, eligibility based upon the rate class rather than rate schedule provides a greater deal of flexibility for customers. For example, a small commercial customer under 1,500 kWh per month may decide to move into a larger facility with an expected consumption of 10,000 kWh per month. Although the move may necessitate a different rate schedule for the provision of distribution service, the customer would remain within the commercial rate class, which affords the customer the ability to maintain eligibility for seamless moves. Such situations are less likely for residential customers due to the limited number of rate schedules that constitute the residential rate class. Similarly, a customer that is transferring EGS-billed dynamic rates (such as time-of-use rates) from the old premise to the new premise will only be eligible where the metering at the new premise has compatible metering capabilities in order to enable billing.

Seamless moves, however, will not be available to customers in the Companies' industrial rate classes. During the joint EDC-EGS conference calls held in October and November 2013, participating EGSs indicated a preference to exclude industrial customers given that industrial customer operational characteristics tend to dictate EGS-provided service with terms and conditions specific to each individual premise. The Companies support this exclusion due to the reasons provided by the EGSs, and because less than 1% of the Companies' customers are served under industrial class rate schedules, therefore seamless moves for industrial customers would be rare or practically non-existent.

Criterion 7. *Customer will use the same account name at the new premise.*

Eliminating a change in legal entity is critical to meet the Commission's directive that the EGS move with the customer to a new address without interruption. The assignment of a new legal entity would mean the Companies would be serving a new customer, rather than the same customer. Customers who use a different account name at a new premise will, instead, be handled as an instant connect, as described later the Plan.

Notification

Currently, customers can indicate a move to a new premise by contacting the respective Company they wish to take delivery service from. The Plan will permit seamless moves to be processed by telephone, subject to the eligibility criteria provided above. The customer must provide the Company the requested disconnect date from the current premise and the connect date at the new premise during the same telephone call. This information is critical in order to connect the customer to the two different premises, establish eligibility, and process a seamless move. Seamless move requests will not be known, and therefore not processed, if the customer notifies the Company of a disconnection of service at one premise, and then at a different period in time contacts the Company about connecting service at a new premise. Further, seamless moves have the potential to result in overlapping services or a gap in service when a disconnect at the current premise and a connect at the new premise take place on different dates. Due to existing system parameters, the gap in service between the current premise and the new premise can never be longer than ninety days.

The Plan effectively provides for the customer's choice of EGS to move with the customer to a new address without interruption. Seamless moves implemented in accordance with the Companies' Plan will not send the confirmation letter described in 52 Pa. Code § 57.173 since the

customer is not requesting a change of the EGS. However, the Companies believe that customers should receive written notification of the seamless move to ensure the customer remains educated about the transfer in pricing, billing option and (if applicable) tax exemption status, and to help diffuse misplaced concerns about slamming. Therefore, the Companies will require the EGS to: (a) send the customer a new "move" letter to ensure the customer receives written notification of the transfer of EGS terms and conditions from the current premise to the new premise; or (b) send the customer a letter explaining why the EGS declined to process the seamless move opportunity. Although the EGS is free to tailor the language of each letter, the EGS will be required to retain a copy of the letter for three years.

Process

Where a customer requests a move and meets the eligibility criteria for seamless moves, the respective Company will query the customer as to whether they would like to take advantage of the opportunity to retain their existing EGS at the new premise, using the same pricing, billing option, and (if applicable) tax exemption status as their current premise. By requiring the same pricing, billing option, and tax exemption status to be maintained between the old premise and the new premise in order to effectuate a seamless move, the Companies will not inadvertently take action that would trigger the requirements of 52 Pa. Code § 54.5(g).

If the customer indicates a preference to retain their existing EGS at the new premise, the Company will submit an EDI 814 Move transaction that same day to notify the EGS of a pending seamless move awaiting processing by the EGS. The 814 Move transaction does not currently exist and must still be developed and approved by the Electronic Data Exchange Working Group ("EDEWG"). However, the Companies anticipate that the 814 Move transaction will generally

include the same information as the existing EDI Enrollment transaction, with the primary purpose of the 814 Move transaction being to simply notify an EGS of an eligible seamless move customer and provide relevant information regarding the move. Attachment A includes information the Companies suggest be included in the new 814 Move transaction.

Where an EGS wishes to retain a customer requesting a seamless move, the EGS will be required to submit an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction. The 814 Enrollment must include an indicator[3] to show that the enrollment is associated with a seamless move, which indicator must also be developed and approved by EDEWG. A decision by the EGS to not submit an 814 Enrollment transaction within three business days (or a failure of the EGS to timely submit an 814 Enrollment transaction) will result in the customer receiving default service at the new premise until an 814 Enrollment transaction is received by the Company and processed using standard enrollment rules and time periods in accordance with Commission regulations and the Companies' applicable tariffs. During the three business day period in which an EGS is notified of a seamless move opportunity, the Companies will reject EDI enrollments received from different EGSs for the seamless move customer. Further, the EGS implicated by a seamless move will not be permitted to change the pricing, billing option, and (if applicable) tax exemption status of either the current premise or the new premise until the seamless move is completed.

Successful seamless moves will result in the EGS becoming the EGS of record as of the customer's move-in date at the new premise, even if the move-in date is not a scheduled meter read date. If the customer changes their move-in date, the Company will notify the EGS of the different move-in date via an EDI 814 Change transaction. However, requests to backdate the

[3] The "indicator" will allow the companies to differentiate standard, seamless, and instant connect enrollments to process them accordingly.

connection date will not be permitted. If the customer never moves into the new premise, the Company will send the EGS an EDI drop transaction for the pending account at the new premise.

Timing

To effectively price transmission service and generation capacity obligations, each premise has an assigned network service peak load ("NSPL") for transmission capacity and a peak load contribution ("PLC") for generation capacity. The PLC and NSPL are premise-specific, which means customers do not transfer the NSPL and PLC capacity obligations from their current premise to a new premise. Instead, the Companies assign new NSPL and PLC capacity obligations at the new premise, which are calculated as the class average default value until new values are assigned annually on January 1st for NSPL and June 1st for PLC based upon historical usage at the new premise.

Although the Companies assign new NSPL and PLC capacity obligations at the customer's new premise, PJM Interconnection L.L.C. ("PJM") rules, effective January 1, 2015, allow the Companies to report the previous day's PLC and NSPL values by generation supplier. Because the EGS has three business days to submit an enrollment to take effect as of the move-in, an imbalance may occur between what an EGS should have been charged for transmission and generation capacity at the new premise, versus what the EGS is actually charged. Such an imbalance is not new and not attributable solely to the implementation of seamless moves. Therefore, EGSs and default service suppliers will continue to bear the financial imbalance associated with the difference between the respective NSPLs and PLCs in seamless move situations. Recent statistics indicate that approximately 70% of customers provide one day's notice prior to a move-in; 4% provide two days' notice; 13% provide four days' notice; 3%

provide six days' notice; and 10% provide more than seven days' notice. Therefore, the Companies anticipate that the overwhelming majority of seamless moves will result in move-in dates that occur within one day and result in a short-term financial imbalance for EGSs and wholesale suppliers that the Companies are without ability to control.

INSTANT CONNECTS IMPLEMENTATION

Eligibility

The Companies' Plan for instant connects is primarily designed for customers establishing electric service with one of the Companies for the first time. However, there are other less common situations where instant connects may occur. Below is a list of situations where the Companies envision instant connects may take place:

1. Customer is moving into the Company service territory and establishing an account with the Company for the first time;
2. Customer is re-establishing a Company account after a set number of days expire since the closure of the same Company account;
3. Service is upgraded or reconfigured, necessitating that an additional Company account for the same customer be established;
4. There is a change in the party responsible for service, meaning that a new legal entity will receive service from the Company; or
5. A new customer account is established based upon an investigation (i.e., revenue protection/theft of service).

The above list is not necessarily exhaustive, but is meant to represent the most common situations in which instant connects would be applicable. In each situation, instant connects will only be available at locations that are active premises, a necessary prerequisite for the Companies to assign the new customer an account number on a pending active basis. An active premise is key in programming development in order to associate a customer with a specific premise. This effectively means that new building construction would not be eligible for instant connects where the developer/builder is establishing service for the first time with no meter present, but would be

eligible for the end-use customer that is transferring electric service responsibility from the developer/builder to the customer.

Also, although seamless moves are available to the Companies' residential and commercial rate classes (but not the industrial rate class), instant connects will be available to customers of all rate classes. The basis for excluding industrial rate class customers from seamless moves is that industrial customer operational characteristics tend to dictate EGS-provided service with terms and conditions specific to each individual premise, making the transference of pricing from premise to premise under a seamless move impractical for industrial customers. However, the same restrictions are not necessarily applicable fo an instant connect because EGSs are afforded an opportunity to establish EGS-provided service with terms and conditions specific to each individual premise in that instance. Therefore, instant connects are available to customers from the residential, commercial and industrial rate classes.

Notification

Currently, customers may indicate a move to a new premise by contacting the respective Company they wish to take delivery service from. The Plan will permit instant connects to be processed by telephone, subject to the eligibility criteria provided above. The customer must provide the Company the requested move-in date and satisfaction of any required security deposit.

Process

As discussed above, instant connects will be processed by the same means that new service is currently processed. An EGS will continue to submit to the Company an EDI 814 Enrollment transaction for customers that elect EGS-provided service. The 814 Enrollment will require an

indicator to show the enrollment is due to an instant connect, which indicator must be developed and approved by EDEWG. The customer's move-in date, fulfillment of any required security deposit, and the Company's receipt of the 814 Enrollment transaction must all be received into the EDC's billing system prior to the move-in date in order to be effective as of the move-in date. Enrollments received on or after the move-in date will follow standard enrollment rules and time periods in accordance with the Companies' retail and supplier tariffs. If the customer changes their move-in date, the Company will notify the EGS of the new move-in date via an EDI 814 Change transaction. However, requests to backdate the connection date will not be permitted. If the customer never moves into the new premise, the Company will send the EGS an EDI Drop transaction for the pending account at the new premise.

The primary differences between the current process and the new instant connect process are in that the Companies will:

1. Accept and hold a pending enrollment from an EGS for a pending active account; and
2. The EGS will become the EGS of record as of the customer's move-in date at the new premise, even if the move-in date is not a scheduled meter read date.

As previously noted, an instant connect is the ability of supply service to start on "day one" of new utility service without the customer first having to go on default service. It should be clarified, though, that "day one" is not the same as being effective on one-day notification to the Company.

Residential and small commercial customers will continue to use the Companies' Customer Referral Program (for as long as that program remains active), with 814 Enrollments received from participating EGSs to be processed as an instant connect, subject to the above eligibility. The

Companies will not contact the EGS on behalf of the customer, which means that customers wishing to select an EGS (and who are not participating in the Customer Referral Program) should directly contact their selected EGS after receiving their pending active account number from the Company. The EGS (notified either by the Customer Referral Program or directly by the customer) will then submit an EDI Enrollment to the Company for the pending account number.

Timing

As discussed with respect to seamless moves, in order to effectively price transmission service and generation capacity obligations, each premise has an assigned NSPL for transmission service and a PLC for generation capacity, which are both premise-specific. When a customer calls to initiate electric service, the Companies assign new NSPL and PLC obligations at the new premise, which are calculated as the class average default value until new values are assigned annually on January 1st for NSPL and June 1st for PLC based upon historical usage.

However, unlike seamless moves, instant connects are applicable to the establishment of a new legal entity for receipt of electric service. New PJM rules, effective January 1, 2015, allow the Companies to report yesterday's PLC and NSPL values by supplier, therefore, the Companies do not anticipate an imbalance between what an EGS should have been charged for transmission and generation capacity at the new premise versus what an EGS is actually charged.

ADDITIONAL CONSIDERATIONS

The Companies explored several process proposals to accommodate both seamless moves and instant connects. Ultimately, the Companies' Plan as proposed was chosen because it includes an approach that provides choice and flexibility to both customers and EGSs to the extent possible. For seamless moves, customers have a choice to continue the relationship with their EGS at their new premise; whereas EGSs have the choice as to whether to continue the same pricing at the customer's new premise, based upon the terms and conditions of the agreement with the customer and whether such opportunity still fits within the EGS's business model. This effectively permits both the customer and EGS to exercise choice and participate in seamless moves, which can be a very complicated process, on a case-by-case basis rather than requiring mandatory participation. However, instant connects will occur in any eligible/applicable situation. In other words, instant connects will be triggered by any eligible enrollment and there will be no EGS opt-out provision. This distinction is not expected to have the impact that a mandatory seamless move would, as a result of the differences in the opportunity for pricing changes between the two processes, as described earlier in the Plan.

Furthermore, functionality of this Plan is premised on the assumption that the Companies are the providers of default service. In the event that the default service model changes such that another entity becomes responsible for providing default service, the interaction between the Company and customer is, at this point in time, unknown and undefined. Therefore, in the absence of such clarity, the Companies may need to amend or withdraw this Plan, depending upon the scope and breadth of such unknown changes and the effect they may have on the interaction between the Companies and their customers.

COST AND COST RECOVERY

The design and implementation of seamless moves and instant connects will cause the Companies to incur costs in a variety of areas, such as EDI programming, billing system changes, letter generation changes, website changes, development of tracking statistics, and workflow changes. Further, a new contact center process and training will be needed, including changes to call center scripts. The Companies estimate a total cost of approximately $2.5 million to design and implement seamless moves and instant connects based upon the criteria set forth in the Companies' Plan. Such costs are subject to change in the event the Commission orders changes to the Plan as contained herein.

Costs for both seamless moves and instant connects will be collected on a non-bypassable basis through the competitively neutral Default Service Support Rider ("DSSR") contained in each of the Companies' retail tariffs. Specifically, costs will be collected through the Retail Enhancements component of the DSSR on a per-kWh consumption basis for residential and commercial rate class customers, and on a per-kW NSPL demand basis for industrial rate class customers. The Retail Enhancements component is specifically set up to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. Further, since the Retail Enhancements component is part of existing Commission-approved tariff riders, the Companies will not need to submit a tariff modification to implement seamless move and instant connect cost collection through the DSSR.

To the extent costs can be associated solely with either seamless moves or instant connects, such costs will be directly assigned to the respective implementation process. However, because both seamless moves and instant connects will be implemented simultaneously, costs may also be interrelated. To the extent interrelated costs cannot be associated solely with either seamless

moves or instant connects, the Companies will allocate 50% of such costs to the seamless move implementation process and 50% to the instant connect implementation process. Costs allocated to seamless moves will be collected from the residential and commercial rate classes, but not from the industrial rate class given that industrial customers are not eligible for seamless moves. Accordingly, costs allocated to instant connects will be collected from the residential, commercial, and industrial rate classes because instant connects are triggered by any eligible enrollment, regardless of customer class.

Consistent with the terms of the DSSR, on or before May 1, 2015 (and by each May 1st thereafter), each Company will include in its DSSR filing the seamless move and instant connect costs incurred (but not yet collected) and projected to be incurred, as well as rates to be charged to customers for the upcoming twelve-month period beginning June 1. Costs will be allocated pro rata to each of the Companies' residential, commercial, and (if applicable) industrial rate classes, based upon the average number of customers in each Company's applicable rate classes for the most recent twelve-month period. For example, if Penelec's residential customers represent 25% of the total residential, commercial, and (if applicable) industrial rate class customers across the Companies, then Penelec's residential rate class will be allocated 25% of the respective costs. Further, the DSSR includes a reconciliation "E-factor" mechanism to return any over-collections to customers or to recoup any under-collections from customers.

REQUESTED APPROVAL TIMELINE

The Companies continue to work towards Phase II Accelerated Switching along with technical activities already in scope to support smart meter billing enablement. The Companies' current software platform, SAP, is comprised of a number of modules that integrate together, affecting almost every part of managing the Companies' business. To implement new functionality such as seamless moves and instant connects, SAP transports are used because a production system cannot be used for development. An SAP transport involves a complex and detailed process, which includes development, testing, quality assurance, and implementation.

The extensive programming and testing of seamless moves and instant connects must be completed with a quarterly technical maintenance release prior to July 1, 2016 in order to ensure proper operation of seamless moves and instant connects. Additionally, the Companies' Plan requires that new 814 Move transaction and 814 Enrollment indicators be approved by EDEWG within six months of Plan approval. Therefore, the Companies respectfully request Commission approval of the Plan by no later than July 1, 2015 in order to accommodate programming, testing, and the scheduled SAP technical maintenance release.[4] A delay in approvals beyond July 1, 2015 places in jeopardy a July 1, 2016 implementation date, with implementation likely delayed by the amount of time that has transpired after July 1, 2015.

[4] The Companies reserve the right to increase the amount of time needed for implementation should the Commission order changes to the Plan as contained herein.

ATTACHMENT A

Possible Data Elements in an 814 Move Transaction

- Beginning segment indicating transaction number and date
- EDC name and Data Universal Numbering System ("DUNS") information
- EGS name and DUNS information
- Customer name as it appears on the customer's bill
- Customer's new service address
- City/state/zip and county for customer's new service address
- Customer contact name and communication number – if available
- Bill to party – if applicable
- Customer billing address – if applicable
- Customer billing city/state/zip – if applicable
- Bill to contact name and communication number – if applicable/available
- Third party name, contact information, address, and city/state/zip to receive a copy of notices – if applicable
- Third party name, contact information, address, and city/state/zip to receive a copy of bills – if applicable
- Transaction reference number and enrollment request for generation services
- Customer Move status indicator
- EGS account number – if available
- EDC account number at new location
- EDC account number at old location

- EDC billing cycle
- Consolidated billing or dual billing indicator
- Party responsible to calculate the charges on the bill
- PJM LMP bus number – if applicable
- Summary interval data at account level – if applicable
- Special meter configuration – if applicable
- Estimated start date
- Tax exemption percent (rate ready only)
- PLC
- NSPL
- EDC meter number
- Loss factor
- EDC load profile, rate class, and rate subclass – if applicable
- EGS rate code (rate ready only)
- Service voltage
- EDC meter reading cycle, meter type, meter multiplier, and number of dials/digits
- Metering information sent on the 867 transaction