FirstEnergy

2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001

Tori L. Giesler
(610) 921-6658
(610) 939-8655 (Fax)
tgiesler@firstenergycorp.com

610-929-3601

May 21, 2015

VIA ELECTRONIC FILING

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

Re: ***Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Temporary Waiver of Technical Requirements of 52 Pa. Code § 57.174***
Docket Nos. P-2014-2449010; P-2014-2449015; P-2014-2449017; P-2014-2449027

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company ("Companies") please find a Petition for Additional Temporary Waiver in the above-referenced matter. **The Companies are requesting expedited review of this Petition.**

As indicated on the attached Certificate of Service, copies have been served on the parties in the manner indicated.

Please contact me with any questions regarding this matter.

Very truly yours,

Tori L. Giesler /dlm

Tori L. Giesler

dlm
Enclosures

c: As Per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Temporary Waiver of Technical Requirements of 52 Pa. Code § 57.174	:	**Docket No. P-2014-2449010** **Docket No. P-2014-2449015** **Docket No. P-2014-2449017** **Docket No. P-2014-2449027**

PETITION FOR ADDITIONAL TEMPORARY WAIVER OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY AND WEST PENN POWER COMPANY

Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power") and West Penn Power Company ("West Penn") (each a "Company" and collectively, the "Companies"), in accordance with the provisions of 52 Pa. Code §§ 1.15 and 5.43, hereby petition for an additional temporary waiver of 52 Pa. Code § 57.174. The Companies are respectfully seeking expedited review of this Petition due to the impending compliance deadline associated with this request.

In response to the bill impact many shopping customers sustained as a result of the effects of extreme temperature conditions associated with the polar vortex experienced during January and February 2014, the Pennsylvania Public Utility Commission ("Commission") initiated a final omitted rulemaking via Secretarial Letter on March 18, 2014.[1] The stated intent of the Rulemaking was acceleration of the process by which customers can switch from the electric generation supplier ("EGS") with which they are shopping in order to provide options to customers to mitigate

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[1] *Proposed Rulemaking: Standards For Changing a Customer's Electricity Generation Supplier*, Docket No. L-2014-2409383 (Secretarial Letter entered March 18, 2014 initiating final omitted rulemaking process ("March 18 Secretarial Letter")) ("Rulemaking").

the impact of unexpected variable rate pricing spikes to customer bills.[2] This rulemaking was approved by a Final Omitted Rulemaking Order entered on April 3, 2014, requiring that electric distribution companies ("EDCs") implement process changes to enable customers to switch their EGS on three business days' notice by no later than December 15, 2014.

Immediately following the entry of the March 18 Secretarial Letter, the Companies began dedicating significant time and resources towards developing solutions to meet the letter and spirit of the Rulemaking within the timeframe allotted. Since that time, the Companies have actively worked to implement the Rulemaking. Throughout the planning and programming process, it became clear that the Companies would be unable to implement functionality to fully satisfy the Rulemaking's requirements by December 15, 2014. Therefore, on October 21, 2014, the Companies filed a Joint Petition seeking a limited temporary waiver of Section 57.174, noting that full implementation did not appear at that time to be possible until year-end 2015. On December 4, 2015, the Commission granted in part the Companies' request, limiting its duration over that requested to June 15, 2015 for metered accounts, and approving the full request for unmetered accounts. Since that time, the Companies have dedicated significant resources to implementing system modifications, and have achieved important milestones in the process. Despite these diligent efforts, the Companies have determined that full scale implementation for that functionality subject to the June 15, 2015 deadline will not be concluded by that time, and they instead anticipate a completion date of no later than August 31, 2015 for metered accounts. Nonetheless, the modifications that the Companies have implemented to date have resulted in significant acceleration of the switching process, meeting the stated goal and spirit of the Rulemaking by providing protections to address the Commission's concern that all customers be

[2] *Id.* The switching process traditionally followed a 10-40 day timeline. The Commission's proposal accelerated this to a three-day process.

able to make real time decisions to avoid escalating rates due to the same shopping lags that historically proved challenging. With the modifications the Companies completed to date, all customers are able to request one off-cycle switch per billing cycle, with additional requests being handled as an on-cycle switch. This new process will ultimately be paired with the final phase of modifications to allow multiple shopping decisions, or switches, during the same billing period.

In support of this position, the Companies state as follows:

I. INTRODUCTION AND BACKGROUND

1. The Petitioners are each electric public utilities providing retail electric service to within their franchised service territories throughout Pennsylvania.

2. The name and address of the Petitioners' attorney with respect to this matter is Tori L. Giesler, 2800 Pottsville Pike, P.O. Box 16001, Reading, Pennsylvania 19612-6001.

3. Pursuant to the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801, *et seq.*, the Companies each serve as an "electric distribution company" as defined therein ("EDC"), and also as the electric default service provider to retail customers within their service territories who do not choose an alternate electric generation supplier.

4. As part of their duties as EDCs and default service providers, the Companies maintain and administer meters, customer accounts and billing associated with not only delivery and default service, but also for purposes of facilitating retail electric market activity, including the switching process supporting their customers' various shopping decisions.

5. Under the Rulemaking, EDCs were given six months, or until December 15, 2014, to develop and implement system and process changes to conform to Chapter 57's new requirements as directed by the Final Omitted Rulemaking Order.

6. On October 21, 2014, the Companies filed a Joint Petition at the above-referenced consolidated dockets seeking a waiver of Section 57.174 of the Commission's regulations through December 31, 2015 for both metered and unmetered accounts to operate under a multiple switch environment due to the challenges associated with programming such significant changes to their system, and the impact that these changes would have on existing billing processes.

7. On December 4, 2014, the Commission entered an Order ("December 4 Order") granting the Companies' Petition with modifications. Specifically, the December 4 Order granted the requested waiver until June 15, 2015 for implementation of multiple switches on metered accounts, and until December 31, 2015 for unmetered accounts.

8. The Companies are actively implementing system and process modifications as part of a two-phase process that now offers their customers one off-cycle switch in each billing cycle, to be effective in no more than three business days.

9. However, the Companies have determined that Phase II functionality, which extends these system modifications to the ability to complete multiple off-cycle switches in the same billing period, will not be fully operational by the expiration of the existing waiver on June 15, 2015. For this reason, the Companies submit this petition for additional temporary waiver.

II. PETITION FOR ADDITIONAL TEMPORARY WAIVER

10. Section 5.43 of the Commission's regulations permits that petitions be made to the Commission seeking waiver of regulations, to include the interest of the petitioner in the waiver, the section(s) for which a waiver is sought, and the statutory or other authority involved, as well as the purpose of and facts constituting the grounds requiring the waiver. The Companies' Petition complies with the format required by the Commission in its regulations.

11. Section 57.174 of the revised Commission regulations requires that, where a customer requests a switch to a new EGS or default service provider, an EDC shall make such change within three business days of receipt by the EDC of the enrollment from the EGS.

12. While the regulation does not explicitly state so, the Commission's Final Omitted Rulemaking Order clarified the Commission's intent that multiple off-cycle switches be permitted during a single billing period.

13. Upon issuance of the March 18 Secretarial Letter, the Companies initiated a review process which included a series of workshops to develop detailed process flows to outline the new switching process, identify necessary system changes, and incorporate these process flows and system changes into a work plan enabling the Companies to perform off-cycle switching.

14. The Companies' resulting implementation strategy involved two phases. Phase I was successfully completed on December 12, 2014. The more complicated Phase II was originally projected for completion by December 31, 2015.

15. One of the Companies' primary goals in determining how to accelerate their switching process to meet the new regulations was ensuring that while improving one process for their customers, they were not inadvertently thwarting other system functions, causing increased customer confusion or frustration related to another process. To that end, apart from the significant programming required to accelerate the switching process itself, a large number system changes were identified and executed as necessary to support the new process, as there are many billing functions that are implicated by the accelerated switching timeframe. Collectively, many of these items, as well as the primary functionality of the three-day switch itself, comprised Phase I of the Companies' efforts towards meeting the mandates of the new regulations. These programming changes are outlined in more specific detail in the status report filed by the Companies on April 3, 2015, which is attached hereto as Exhibit A.

16. The Companies were successful in meeting the timeline on Phase I of their plan, with full functionality having been implemented over the weekend of December 12, 2014. Effective December 15, 2014, initial customer or supplier enrollments or drops in a single billing period are processed within three business days, and allows for the following functionality:

- One off-cycle supplier switch per billing period.
- Customers will receive only one invoice for the billing period, to include the full period's EDC charges and all EGS charges and consumption for the period; and
- Added bill messaging to remind the customer that a mid-cycle switch occurred during that billing period.

17. The Companies' continued efforts towards ensuring that the customer experience is as positive and transparent as possible demanded that the Companies complete a stabilization and monitoring period following Phase I implementation to proactively identify needed corrections during the transition from Phase I to Phase II functionality. This has involved:

- Monitoring enrollments and drops to ensure that the correct switching dates were provided under the new set of rules.
- Reviewing affected billing functions from multiple perspectives, including assuring that calculations are accurate, that information on the invoices is printing as expected, and tracking error counts and types in nightly batch billing processing.
- Maintaining a strong focus on contact center support, which has been critical to making sure that any customer concerns associated with this implementation are appropriately handled; and
- Reviewing data collected from the use of Phase I functionality from December 15, 2014 to date in order to inform the final design of Phase II programming.

18. Throughout this process, software defects were identified that required manual intervention to avoid customer impact. These defects have not only required the efforts of the Companies' analysts, but also required the Companies to engage SAP Public Services Incorporated for assistance in completing necessary high-level system programming changes that the Companies do not have access within the software to make themselves. Without repairs to these defects prior to Phase II implementation, the Companies could not expect to successfully support the volumes anticipated to be generated by Phase II.

19. Because of the number of interactive processes that the Companies have had to address in ensuring that the accelerated switching process seamlessly interacts with other day-to-day activities on customer accounts, Phase II implementation has been an arduous process. Specifically, the added complexities that multiple off-cycle switches present to the meter read order process, bill print display, the possibility for conflicting switch requests on the same account, and the potential for multiple switches to occur near the billing window, require additional time for development of effective solutions to those scenarios. Because these are critical daily account functions, it is of paramount importance that these matters be resolved before multiple switches are offered in an off-cycle period so as to avoid serious complications to the billing process that will undoubtedly confuse and frustrate the customer shopping experience.

20. Given the progress the Companies have made in moving through implementation to date, the Companies will be in a position to achieve Phase II implementation on all metered accounts sooner than their original target date of December 31, 2015; however, the Companies do not see any possibility of meeting the June 15, 2015 date set by the Commission given the multiple other developments happening in SAP at the same time. Instead, the Companies project that they will be capable of finalizing Phase II functionality by August 31, 2015. These timelines are driven by the complexity of the changes required to facilitate this functionality and their impact on other business processes, the many other programming changes simultaneously taking place (e.g., smart meter deployment, etc.), required blackout periods in SAP, and the extensive testing necessary to ensure that the programming changes not only work as expected but also do not adversely affect any other customer service functionality.

21. Between June 15, 2015 and the completion of Phase II programming, the Companies will continue to offer a second manually-processed additional off-cycle switch to customers in the same billing period.

22. Despite the fact that full Phase II functionality is not presently available, the progress that the Companies have made to this point has yielded positive impacts to customers. Data indicates that the bulk of the Companies' customers have been able to accomplish switching requests without delay, even without the ability to make multiple off-cycle switches. For instance, two or more switches within the same thirty day period were requested for only 0.3% of meters on the Companies' systems in aggregate during the first quarter of 2015.

23. Meanwhile, the Companies' informal and formal Commission complaints related to shopping were a mere 10% of the level they were during the first quarter 2014 over the first quarter 2015. As of the date of this filing, the Companies have not received a single complaint associated with the new process itself. Call volume related to issues surrounding switching is similarly very low. These figures demonstrate that the careful attention the Companies have paid to changes in bill presentation and programming has helped to minimize customer confusion and maximize satisfaction surrounding this new process. By addressing these items proactively, the Companies have ensured that their transition to the accelerated switching process timeline produces benefits to customers in as seamless a way as possible by avoiding the potential conflicts that could arise with other billing and shopping functions.

24. As relief is now available to customers in the form of reduced switching timeframes at least once per billing cycle (or more, should exigent circumstances demand a manual switch), the Companies' current process meets the spirit and stated intent of this Rulemaking.

25. Meanwhile, the impact of an extension of the waiver is expected to be minimal. For instance, only 0.3% of all switching requests during the first quarter of 2015 were associated with attempted multiple off-cycle switches.

26. An additional waiver of Section 57.174 to the narrow and temporary degree sought by this Petition will benefit the Companies' customers by continuing to ensure that, while protections to escape ongoing volatile price spikes will be available, the customer shopping experience will remain positive and will not be thwarted with confusing and frustrating bill impacts as a result of hasty and incomplete programming. While the Companies remain dedicated to full implementation of the accelerated switching functionality, pushing the required programming through to production by June 15, 2015 without full testing would cause unnecessary risk to the Companies' billing and shopping process, potentially impairing the customer shopping experience.

III. CONCLUSION

While the Companies have not faltered in driving towards full implementation of multiple off-cycle switching, Phase II has presented many significant and unexpected challenges to be overcome, including the need for several broad system changes made by the software developer itself. The Companies are confident that, with a brief extension to their existing waiver, multiple off-cycle switching will be available to metered accounts by August 31, 2015 without compromising the customer experience.

WHEREFORE, in view of the foregoing, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company respectfully request that the Pennsylvania Public Utility Commission grant this Petition for Additional Temporary Waiver of 52 Pa. Code § 57.174 such that full compliance be required for all metered

accounts by August 31, 2015. **Given the impending deadlines associated with compliance, the Companies are respectfully seeking expedited review of this request.**

Respectfully submitted,

Dated: May 21, 2015

Tori L. Giesler
Attorney No. 207742
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001
(610) 921-6203
tgiesler@firstenergycorp.com

Counsel for Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company

Exhibit A

FirstEnergy

2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001

610-929-3601

Tori L. Giesler, Esq.
(610) 921-6658
(610) 939-8655 (Fax)

April 3, 2015

VIA ELECTRONIC FILING

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

Re: ***Joint Petition off Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Temporary Waiver of Technical Requirements of 52 Pa. Code § 57.174;*** **Docket Nos. P-2014-2449010, P-2014-2449015, P-2014-2449017 and P-2014-2449027**

Dear Secretary Chiavetta:

On December 4, 2014, the Pennsylvania Public Utility Commission ("Commission") entered an Order ("December 4 Order") granting, with modifications, waivers of certain provisions of Chapter 57 of the Commission's regulations to Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power Company ("West Penn") (collectively, the "Companies") at the above-referenced consolidated dockets. In their Petitions, the Companies sought a waiver of Section 57.174 of the Commission's regulations through December 31, 2015 for both metered and unmetered accounts to operate under a multiple switch environment. The Commission's December 4 Order granted the requested waiver until June 15, 2015 for implementation of multiple switches on all metered accounts, and until December 31, 2015 for implementation of multiple switches on all unmetered accounts. In granting the Companies' waiver requests, the Commission required that a status report be filed within 120 days of the entry of the December 4 Order detailing the Companies' progress towards full compliance with 52 Pa. Code § 57.174 for all metered accounts. This letter is being filed in compliance with that provision, outlined in ordering paragraph 2 of the December 4 Order.

The Companies' implementation strategy involves two phases, Phase I having been projected for completion for roll out in advance of December 15, 2014, followed by the more complicated Phase II projected for completion no later than year-end 2015. The Companies were successful in meeting the timeline on Phase I of their plan, with full functionality having

been implemented over the weekend of December 12, 2014.[1] Effective December 15, 2014, initial customer or supplier enrollments or drops in a single billing period are processed within three business days.

In designing this new functionality, the Companies' paramount priority has always been to ensure that the customer experience is as positive and transparent as possible. Following roll out of Phase I, the Companies have actively monitored the new process in an effort to proactively identify for improvement any unanticipated issues and to ensure that Phase II implementation can progress as planned. This has included:

- Monitoring enrollments and drops to ensure that the correct switching dates were provided under the new set of rules.
- Reviewing affected billing functions from multiple perspectives, including assuring that calculations are accurate, that information on the invoices is printing as expected, and tracking error counts and types in nightly batch billing processing.
- Maintaining a strong focus on contact center support, which has been critical to making sure that any customer concerns associated with this implementation are appropriately handled.

While implementation has proceeded as planned, the Companies completed a stabilization and monitoring period that identified needed corrections during the transition from Phase I to Phase II. These corrections centered on software defects that required manual intervention to avoid customer impact. A number of the defects were coded, tested, and deployed to production by February 20, 2015. Meanwhile, one particular substantial defect required the vendor to propose technical solutions that need significant end user testing. Therefore, this defect along with several others identified still need to be coded, tested and deployed to production. Without these defects being repaired prior to Phase II implementation, the Companies cannot support the volumes anticipated to be generated by Phase II.

Other work in progressing onward through Phase II implementation has the Companies now in the process of completing a number of critical steps before programming on the advanced functionality can begin:

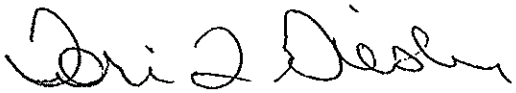
- Reviewing data collected from the use of Phase I functionality from December 15, 2014 to date in order to inform the final design of Phase II programming.
- Completing corrections to any remaining defects identified following Phase I implementation (as described above).
- Coordinating with SAP Public Services Incorporated for assistance in completing necessary high-level system programming changes that the Companies do not have access within the software to make themselves.

[1] As part of their Phase I implementation, the Companies addressed all of the items listed on pp. 5-6 of their Joint Petition, among other activities.

The Companies continue to work towards a Phase II implementation date of June 15, 2015 – the date set by the Commission in its December 4 Order. However, there are many challenges the Companies must overcome and work to be accomplished between today and June 15, including several broad system changes that must be made by the software developer itself. Furthermore, as referenced in the Companies' Petitions, an SAP freeze is taking place between the end of February and the end of May as the result of a technical maintenance release.[2]

Despite the significant volume of work remaining, the progress that the Companies have made in implementing the new switching process to this point has yielded positive impacts to customers. Data indicates that the bulk of the Companies' customers have been able to accomplish switching requests without delay, even without the ability to make multiple off-cycle switches. For instance, two or more switches within the same thirty day period were requested for only 0.3% of meters on the Companies' systems in aggregate during the first quarter of 2015.[3] Meanwhile, the Companies' informal and formal Commission complaints related to shopping are a mere 10% of the level they were during the winter of 2013-2014 over the same timeframe for the winter of 2014-2015, none of which have been related to the new process itself. Call volume related to issues surrounding switching is similarly very low. The Companies believe that the careful attention they have paid to changes in bill presentation and programming has helped to minimize customer confusion and maximize satisfaction surrounding this new process.

Very truly yours,



Tori L. Giesler

dlm

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[2] Technical maintenance releases, performed every other year, provide strategically planned upgrades at staged intervals. These planned upgrades are required under the Companies' SAP license contract with the software creator. The system freeze on transports during this time is required to allow the Companies' functional and technical teams time to test the system before implementation of the maintenance release into the production systems to ensure the integrity of the production systems is not compromised.

[3] The percentage that would actually constitute a "multiple switch" within the same billing cycle is projected to be even lower, given that the thirty days represented here may span two separate billing cycles.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company,	:	**Docket No. P-2014-2449010**
Pennsylvania Power Company and West	:	**Docket No. P-2014-2449015**
Penn Power Company for Temporary	:	**Docket No. P-2014-2449017**
Waiver of Technical Requirements of 52	:	**Docket No. P-2014-2449027**
Pa. Code § 57.174	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by first class mail, as follows:

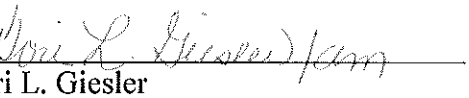
John R. Evans
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Kristine E. Robinson
Aron J. Beatty
Office of Consumer Advocate
555 Walnut Street – 5th Floor
Harrisburg, PA 17101-1923

Johnnie E. Simms
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Deanne M. O'Dell
Daniel Clearfield
Eckert Seamans Cherin & Mellott, LLC
213 Market Street – 8th Floor
Harrisburg, PA 17101

Dated: May 21, 2015



Tori L. Giesler
Attorney No. 207742
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, Pennsylvania 19612-6001
(610) 921-6658
tgiesler@firstenergycorp.com