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May 28, 2015

Via Electronic Filing

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

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:

Enclosed for electronic filing please find the Comments of the Retail Energy Supply Association ("RESA") to the Revised Implementation Plan Dated April 20, 2015 with regard to the above-referenced matter.

Sincerely,



Deanne M. O'Dell

DMO/lww
Enclosure

cc: Tori Giesler w/enc. (via email)
ra-ocmo@pa.gov

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Plan of Metropolitan Edison :
Company, Pennsylvania Electric : Docket No. M-2014-2401130; M-2014-
Company, Pennsylvania Power Company : 2401155; M-2014-2401151; M-2014-
and West Penn Power Company for : 2401148
Seamless Moves and Instant Connects :

**COMMENTS OF
THE RETAIL ENERGY SUPPLY ASSOCIATION
TO REVISED IMPLEMENTATION PLAN DATED APRIL 20, 2015**

I. INTRODUCTION

Before the Commission is the Seamless Moves/Instant Connects Revised Implementation Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, “FirstEnergy”) filed on April 20, 2015 (“Revised Implementation Plan”). In accordance with the Commission’s Secretarial Letter dated March 20, 2015 and the April 28, 2015 email from the Office of Competitive Market Oversight, the Retail Energy Supply Association (“RESA”)¹ submits these comments.

RESA has long supported the implementation of seamless moves and instant connects.²

As noted by the Commission, “approximately ten to fifteen percent of the market establishes new

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

² See, e.g., *Advance Notice of Proposed Rulemaking for Revision of Chapter 54 of the Pennsylvania Code Pertaining to Electric Generation Supplier Licensing*, Docket No. L-00020158 and P-00021938, *Comments of Mid-Atlantic Power Supply Association* dated March 5, 2003 at 12 (“The Commission’s regulations should be amended to require EDCs to provide the capability to make transfers of EGSSs’ existing residential customers ‘seamless’ when they move within an EDC’s service territory...The customer’s EGS selection should be honored and maintained.”); and, *Investigation of Pennsylvania’s Retail*

service or service after a move each year.”³ Ensuring that these customers are able to continue to receive competitive service notwithstanding a relocation and to choose competitive service on day one of service initiation is an important part of developing a workably competitive retail market. These processes honor a customer’s desires and they also attempt to level the playing field whereby the electric distribution companies (“EDCs”) have a competitive advantage as the long-standing monopoly provider and provider of default service. As the Commission noted, the status quo is “merely a result of the limitations of the EDC’s current customer account systems – not the result of any sound policy decision.”⁴ Changing these EDC systems is long overdue.

While RESA appreciates and acknowledges the efforts to date by FirstEnergy to implement processes to enable seamless moves and instant connects, one aspect of FirstEnergy’s seamless moves plan is problematic and must be removed. This is the proposed requirement that an electric generation supplier (“EGS”) currently serving a moving customer must submit an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction from FirstEnergy. If the EGS does not submit this 814 Enrollment transaction (which has not yet been developed), then FirstEnergy proposes that the customer be returned to its default service.

FirstEnergy’s proposal to require EGSs to submit this additional enrollment transaction is unique among the EDCs and adds another step to effectuate a seamless move that no other EDCs propose. Moreover, this proposed requirement creates an unreasonable barrier to maintaining

Electric Market, Docket No. I-2011-2237952, Comments of The Retail Energy Supply Association dated December 10, 2012 at 17 (“RESA also fully supports ensuring that consumers have the ability from day one of either moving into a new service territory or changing location within the same service territory to begin service with an EGS.”)(emphasis original).

³ *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company For Approval of Their Default Service Program*, Docket Nos. P-2011-2273650, P-2011-2273668, P-2011-2273669, P-2011-2273670, Opinion and Order entered August 16, 2012 at 152.

⁴ *Id.*

customer choice and supporting the competitive market. Importantly, the customer is already receiving service from the EGS and has made clear to FirstEnergy that he/she wishes to retain service with that EGS after the move. Thus, there is no legitimate purpose served by FirstEnergy's proposal to require the EGS to submit another enrollment transaction as a precondition to effectuating the customer's clear intent. For these reasons, RESA recommends that the requirement be removed from FirstEnergy's seamless moves proposal so that a seamless move will be effectuated once the EDCs submit the 814 Move transaction. This result would be consistent with the process proposed by the other EDCs and more likely to actually result in a seamless move rather than maintaining the status quo.

II. COMMENTS

In 2011, the Commission directed FirstEnergy to work with EGSs to develop the necessary processes to implement seamless moves and instant connects.⁵ Subsequently, during the Retail Markets Investigation, the Commission directed all EDCs to file plans by the end of 2013 for implementing seamless moves and instant connects in their service territories by June 2015.⁶ Although EDCs filed their plans consistent with this directive, the Commission subsequently issued a Secretarial Letter on August 13, 2014 permitting EDCs to delay the continued development of seamless moves and instant connects if an EDC determined that

⁵ *Joint Application of West Penn Power Company d/b/a Allegheny Power, Trans-Allegheny Interstate Line Company and FirstEnergy Corp. for Certificate of Public Convenience under Section 1102(a)(3) of the Public Utility Code Approving a change of control of West Penn Power Company and Trans-Allegheny Interstate Line Company*, Docket Nos. A-2010-2176520 and A-2010-2176732, Opinion and Order entered March 8, 2011 at 50-51.

⁶ *Investigation of Pennsylvania's Retail Electricity market: End State of Default Service*, Docket No. I-2011-2237952, Order entered February 15, 2013 at 69-75, 112.

developing these processes would hinder or delay the development of accelerated switching. Thereafter, all EDCs sought a delay.

By Secretarial Letter dated March 20, 2015, the Commission restated its commitment to seamless moves and instant connects and concluded that such plans should be in place by July 1, 2016. Consequently, all EDCs were directed to file revised implementation plans demonstrating how they would achieve seamless moves and instant connects. Consistent with this directive, on April 20, 2105, FirstEnergy filed its Revised Implementation Plan.

RESA appreciates the efforts of FirstEnergy to devise its implementation plan for seamless moves and instant connects and supports many aspects of the overall Revised Implementation Plan. However, FirstEnergy's seamless moves proposal contains a very significant flaw that would likely more often maintain the status quo rather than effectuate a seamless move. This flaw is FirstEnergy's proposal to require that an EGS currently serving a moving customer submit an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction from FirstEnergy.⁷ This proposed requirement creates another layer of processes that would need to occur after the customer already made clear his/her desire to remain with the EGS that is currently providing the customer service. If the 814 Enrollment transaction is not submitted within three business days or there is some other error in the process, then the shopping customer would no longer receive competitive service and would be placed on default service. Thus, the end result would be to maintain the status quo rather than effectuate a seamless move.

⁷ Revised Implementation Plan at 7.

According to FirstEnergy's proposal, the following must occur to effectuate a seamless move:

- the customer must have an existing relationship with the EGS⁸;
- the customer must notify the EDC about the move⁹;
- the EDC will query the customer during that contact if he/she would like to retain his/her EGS;
- the EDC will submit an 814 Move transaction to the EGS if the customer wishes to remain with the EGS;¹⁰ and,
- the EGS will be required to submit a new 814 Enrollment transaction within three business days after receipt of the 814 Move transaction.¹¹

Placed in context, FirstEnergy's proposed requirement that EGSs submit a new 814 Enrollment transaction would follow after the customer has already made clear to the EDC that he/she wishes to retain his/her EGS. Before the EDC notifies the EGS about the seamless move, the customer has been specifically asked whether he/she wishes to maintain service with the existing EGS. Only if the customer affirmatively states that he/she wishes to remain with the existing EGS will FirstEnergy move forward to submit the 814 Move transaction to the EGS. Requiring the EGS to do something further after the EDC has already received this clear affirmation from the customer is illogical, unnecessary and will only complicate and delay the process.

Other technical reasons support rejection of FirstEnergy's proposal. First, none of the other EDCs are proposing to require EGSs to utilize this FirstEnergy proposed new 814

⁸ Revised Implementation Plan at 3.

⁹ Revised Implementation Plan at 5.

¹⁰ Revised Implementation Plan at 6.

¹¹ Revised Implementation Plan at 7.

Enrollment transaction.¹² Rather, for all the other EDCs, once the 814 Move enrollment is transmitted by the EDC to the EGS, the seamless move will occur. Thus, if FirstEnergy's proposal is adopted, FirstEnergy would be the only EDC using this process. The lack of uniformity – particularly for a new process – serves no legitimate purpose and creates the potential for unnecessary operational complications for EGSs.

Second, the new 814 Enrollment transaction proposed by FirstEnergy would have to be developed and approved by the Electronic Data Exchange Working Group (“EDEWG”). This would be a second new transaction that would need to be developed and approved. All EDCs are proposing to utilize a new 814 Move transaction for seamless moves, which still needs to be developed and approved. Directing the development of a second transaction process – which would only be required by FirstEnergy – is not an efficient use of resources.

Because FirstEnergy's proposal would result in a lack of uniformity among EDCs and would require the development of a new enrollment process, the likelihood of errors using FirstEnergy's proposed process is increased. If there is an error in the 814 Enrollment an EGS sends to FirstEnergy, there would not be sufficient time for the EGS to correct the error and resubmit the 814 Enrollment to effectuate the intent of the customer to remain with his/her EGS. This is because once the 814 Enrollment is sent to the EDC, the EDC needs to determine if there is an error and, if so, to send back a response to the EGS. This process would not likely be

¹² See, e.g., *EDC Plan Filings for Seamless Moves and Instant Connects*, Docket No. M-2014-2401085, PECO Energy Company's Revised PLAN FOR Accomplishing Seamless Moves and Instant Connects dated April 20, 2015 at 9 (“Once the move transaction has been sent to the EGS, the EGS will begin to serve the new account seamlessly as of the service start date.”); and, *EDC Plan Filings for Seamless Moves and Instant Connects*, Docket No. M-2014-2401103, PPL Electric Utilities Corporation Compliance Filing Plan for Implementing Seamless Moves and Instant Connects for Metered Accounts dated April 20, 2015 at 7 (“EGSs cannot reject a Seamless Move transaction. Therefore, no response to the EDI 814 Move transaction will be required.”)

completed within the three business day window proposed by FirstEnergy for the EGS to submit the 814 Enrollment. Thus, as a direct result of this unique process proposed by FirstEnergy, that customer would be returned to the EDC's default service even though he/she made clear his/her desire to remain with the existing EGS.

This result is not consistent with the Commission's stated purpose for requiring the EDCs to implement seamless moves. Specifically, the Commission stated that a "customer should not have to obtain new supplier service simply because they moved locations" and "it is reasonable for customers to expect that their supplier choice and contract be simply 'ported' to their new location."¹³

In sum, implementing a unique process that would require the EGS to submit a new 814 Enrollment when the EGS is already serving the customer and the customer has already reiterated his/her desire to maintain continuity of service is not consistent with the Commission's stated goals nor with the purpose of implementing seamless moves. Thus, RESA recommends that the Commission reject FirstEnergy's proposal to require EGSs to use a new 814 Enrollment transaction as a prerequisite to allowing a shopping customer to maintain service with his/her existing EGS upon moving.

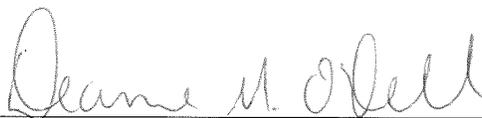
III. CONCLUSION

As a strong supporter of seamless moves and instant connects, RESA commends the Commission's efforts to make these processes a reality in the Commonwealth. Unfortunately, as proposed, FirstEnergy's seamless moves plan would likely more often maintain the status quo rather than effectuate a seamless move. To correct this, RESA recommends that the Commission

¹³ Secretarial Letter dated March 20, 2015 at 3.

reject FirstEnergy's proposal that an EGS currently serving a moving customer submit an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction from FirstEnergy. FirstEnergy's proposal is unnecessary as the customer is already a customer of the EGS and has affirmatively stated to the EDC his/her desire to maintain service with the EGS upon moving. Moreover, FirstEnergy's proposal would be unique among the EDCs and would require the development and approval of a new 814 Enrollment process that would be utilized just for FirstEnergy. As such, the likelihood of errors in the process would be increased and most likely shopping customers would be returned to default service notwithstanding their expressed desire to remain with their EGS. Such an outcome is contrary to the purpose of implementing a seamless move process and would not be in the best interests of the public.

Respectfully submitted,



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