

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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September 21, 2016

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

RE: Petition of PECO Energy Company for Temporary Waiver  
of Regulations Related to the Required Days in a Billing  
Period  
Docket No. P-2014-2446292

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Kristine E. Marsilio  
Kristine E Marsilio  
Assistant Consumer Advocate  
PA Attorney I.D. #316479

Enclosures

cc: Certificate of Service  
225985

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company	:	
for Temporary Waiver of Regulations	:	Docket No. P-2014-2446292
Related to the Required Days	:	
in a Billing Period	:	

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ANSWER OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 5.61 of the Regulations of the Pennsylvania Public Utility Commission (Commission), 52 Pa. Code § 5.61, the Office of Consumer Advocate (OCA) hereby files this Answer to the Petition of PECO Energy Company (PECO or Company) for Temporary Waiver of Regulations Related to the Required Days in a Billing Period (Petition), wherein PECO requests an indefinite extension of its temporary waiver granted by the Commission on December 4, 2014 in the above-captioned docket. The OCA submits the following in support of its Answer:

**I. Introduction**

By Order dated April 3, 2014, the Commission promulgated new regulations directing electric distribution companies (EDCs) to develop three business day supplier switching timeframes. See Chapter 57 Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, Final-Omitted Rulemaking Order, Docket No. L-2014-2409383 (April 3, 2014) (Final-Omitted Rulemaking Order). Specifically, the new regulations included, *inter alia*, the following requirement:

Time frame requirement.

(a) When a customer has provided the selected EGS [electric generation supplier] or current EGS with oral confirmation or written authorization to select the new EGS or default service provider, consistent with 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.

52 Pa. Code § 57.174(a). Pursuant to the Final-Omitted Rulemaking Order, EDCs were required to implement the switching regulations by December 15, 2014 (or within six months of their effective date), absent good cause shown. In its Final-Omitted Rulemaking Order, the Commission also specifically acknowledged that multiple off cycle switches are permitted within a single billing period. Final-Omitted Rulemaking Order at 27-28.

In an effort to comply with the Commission's three business day switching regulations, on October 1, 2014, PECO filed its initial Petition for Temporary Waiver of Regulations Related to the Required Days in a Billing Period (Initial Petition) in the above-captioned proceeding, requesting the Commission to temporarily waive the definitions of "billing month" and "billing period" as defined in 52 Pa. Code Section 56.2 and the billing frequency requirement at 52 Pa. Code Section 56.11 as applied to the Company.<sup>1</sup> Initial Petition at ¶¶ 10-11. PECO requested a four-year waiver of the regulations related to the required days in a billing period in order utilize a short-period Bill on Supplier Switch (BOSS) approach to switch customers to and from suppliers within three days as required by 52 Pa. Code Section 57.174.

In its Initial Petition, PECO proposed to generate a short-period BOSS bill for electric service when a default service customer enrolls with an EGS during the billing cycle; when an EGS customer switches to another EGS during the billing cycle; or when an EGS customer returns to default service during the billing cycle. Initial Petition at ¶ 5. Then, in order to return

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<sup>1</sup> Section 56.2 of the Commission's regulations defines "billing month" as "[a] period of not less than 26 and not more than 35 days" and provides that a "billing period" for an electric utility "must conform to the definition of billing month." 52 Pa. Code § 56.2. Section 56.11 provides that "[a] public utility shall render a bill once every billing period to every residential customer in accordance with approved rate schedules." 52 Pa. Code § 56.11.

the customer to his/her normal billing cycle, PECO would generate a short on-cycle bill for the remainder of the billing cycle (on-cycle bill).<sup>2</sup> Id. In its Initial Petition, PECO outlined what would be included in both the BOSS and on-cycle bills. Initial Petition at ¶¶ 6-8. Consistent with the temporary waiver, PECO also requested the Commission to approve certain tariff changes related to the periodicity of billing. See Initial Petition at ¶ 23 and Appendix A.

On October 21, 2014, the OCA filed an Answer to PECO's Initial Petition, wherein the OCA generally supported PECO's efforts to comply with the Commission's switching regulations and provide customers with the opportunity to move off of potentially expensive EGS service on an off-cycle basis. The OCA, however, expressed concern with PECO's proposed BOSS approach. Specifically, the OCA submitted that the use of multiple bills may be confusing to customers and could result in payment problems for customers who may have multiple "due dates" that are unanticipated. Additionally, the OCA expressed concern that the Company had not detailed the additional expense of multiple billings and their associated mailing costs. The OCA also maintained that PECO should be required to monitor its operation to determine if customer confusion or payment difficulty results, explore the potential for reflecting multiple switches on a single monthly bill during this waiver period, and report to the Commission and interested parties the understanding and satisfaction with the multiple bill approach and the Company's exploration of a single bill approach throughout the waiver period. The Retail Energy Supply Association (RESA) also filed an Answer to PECO's Petition.

On December 4, 2014, the Commission issued an Order granting PECO's Initial Petition through December 31, 2016 and ordering PECO to monitor the results of its BOSS bill approach to determine if significant customer confusion or payment difficulty result, investigate the

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<sup>2</sup> PECO provided that for customers who are on budget billing, the short-period BOSS bill will be informational and not a request for payment. Initial Petition at ¶ 16. Rather, the entire budget payment will be requested when the on-cycle bill is issued. Id.

potential for reflecting multiple switches on a single monthly bill, provide reports of its monitoring efforts, and hold semi-annual stakeholder meetings.

On July 21, 2016, the Commission issued a Notice of Proposed Rulemaking to Amend the Provision of 52 Pa. Code, Chapter 56 to Comply with the Amended Provision of 66 Pa. C. S. Chapter 14, Docket L-2015-2508421 (Notice of Proposed Rulemaking). The Commission's Notice of Proposed Rulemaking includes the proposed revision to the definition of "billing month" "to allow short-period bills in instances where a customer's change in commodity supplier necessitates the issuance of a short-period bill in order to effectuate a timely switch of supplier." Notice of Proposed Rulemaking, Attachment One at 2.

On September 1, 2016, PECO filed this Petition. In anticipation that the rulemaking process at Docket No. L-2015-2508421 would be approved as filed and that the rulemaking may not be finalized until after the expiration of PECO's temporary waiver of the regulations related to the required days in a billing period, PECO seeks for the Commission to grant an indefinite extension of its temporary waiver until such future date as the rulemaking at Docket No. L-2015-2508421 is finalized.

The OCA submits the following Answer in response to PECO's Petition.

## **II. Answer**

In general, the OCA supports PECO's efforts to avoid a gap between the existing temporary waiver and a potential permanent change in the Commission's regulations, which could render PECO's waiver moot. The OCA submits that it would be in the public interest for PECO to continue to utilize its BOSS bill approach in the interim should the Commission implement regulations which would allow for EDCs to issue short-period bills in order to effectuate a timely switch.

The OCA further submits that pursuant to the Commission's December 4, 2014 Order in this proceeding, PECO has conducted semi-annual stakeholder meetings to discuss the BOSS Bill approach and has provided reports of the implementation of the BOSS Bill. The OCA, however, continues to evaluate the impact of the issuance of multiple bills within a billing period.

Additionally, there is no certainty that the proposed regulations will go into effect as written or when such regulations may go into effect. Thus, PECO's request could have the effect of a long-term waiver. The OCA notes that PECO's Initial Petition resulted in a two-year waiver. As such, the OCA supports an additional two-year extension of PECO's waiver subject to the same reporting conditions and stakeholder process as the first waiver. The OCA continues to review the impact of the BOSS Bill approach on residential customers, and the continuation of PECO's reporting and stakeholder meeting requirements during the extended waiver period will provide valuable information about the impacts of this approach.

### III. Conclusion

WHEREFORE, the Office of Consumer Advocate respectfully submits that PECO's request for a waiver extension of the Commission's regulations should be granted at this time for a two-year period, subject to the above-stated condition.

Respectfully Submitted,

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Dated: September 21, 2016  
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CERTIFICATE OF SERVICE

Petition of PECO Energy Company for :  
Temporary Waiver of Regulations Related to the : Docket Nos. P-2014-2446292  
Required Days In A Billing Period :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Answer, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 21st day of September 2016.

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