



An Exelon Company

PECO's Experience with Electric Choice Accelerated Switching

**PUC Natural Gas
Technical Conference**

March 29, 2018

**Hearing Room One
Keystone Building
Harrisburg, PA**

Background – BOSS Bill

PECO adopted a “Bill on Supplier Switch” (BOSS) approach to implement accelerated switching per the PUC’s electric switching regulations (52 Pa. Code § 57.174).

On December 12, 2014, PECO was granted a 2-year waiver of the PUC’s requirement that billing periods be no less than 26 days (52 Pa. Code § 56.2 – Definition of Billing Month). The waiver permitted PECO to implement BOSS billing.

What it Does

- ✓ Switches electric customers to/from an EGS in three business days.
 - All electric rate classes are eligible.
 - All meter types are eligible.
- ✓ Accommodates requests for multiple switches within a billing cycle.
 - No limit to the number of switches in a period.
 - Highest number of switches experienced during a billing cycle – 7.

How it Works

- ✓ If a supplier enrolls or drops a customer within a billing period, a short bill (i.e., less than 26 days) issues for electric service up to that point in the cycle.
 - The usage period is from the prior on-cycle bill reading date to the date of the enrollment, switch, or drop.
 - The payment due date for BOSS bills follows the same rules as on-cycle bills.
 - When the switch occurs within the normal billing window, only an on-cycle bill issues. No BOSS bill is needed.

Why We Use It

- ✓ Allows utilization of existing Cancel/Rebill process.
- ✓ Each BOSS Bill has only one electric supplier and provides a clear indication to the customer that a change of supplier has occurred.
- ✓ EGSs still follow the original requirements for enrolling/dropping customers.
- ✓ There were no new EGS requirements for this process.
- ✓ PECO's AMI meters enable mid-cycle billing.

Current BOSS Bill Practice

- ✓ On December 8, 2016, PECO was granted an extension of the 2-year waiver to continue the BOSS Bill approach.

Anticipated Challenges and Outcomes

Anticipated Challenges	Outcomes
Customer confusion	<ul style="list-style-type: none"> ✓ Good Customer Education <ul style="list-style-type: none"> • Upon receiving their first BOSS bill, some customer's have contacted PECO. However our Customer Service Representatives have been able to easily answer questions and explain the bill. ✓ To date, no PUC complaints have been generated.
Increased postage & material costs	<ul style="list-style-type: none"> ✓ To date, increased postage averages slightly over \$10k per month.
Delays in billing serial switch accounts	<ul style="list-style-type: none"> ✓ To date, we have not experienced any delays in billing accounts that switch more than once.

Switching Experience

Customers Switching After 3-Day Switching Implementation

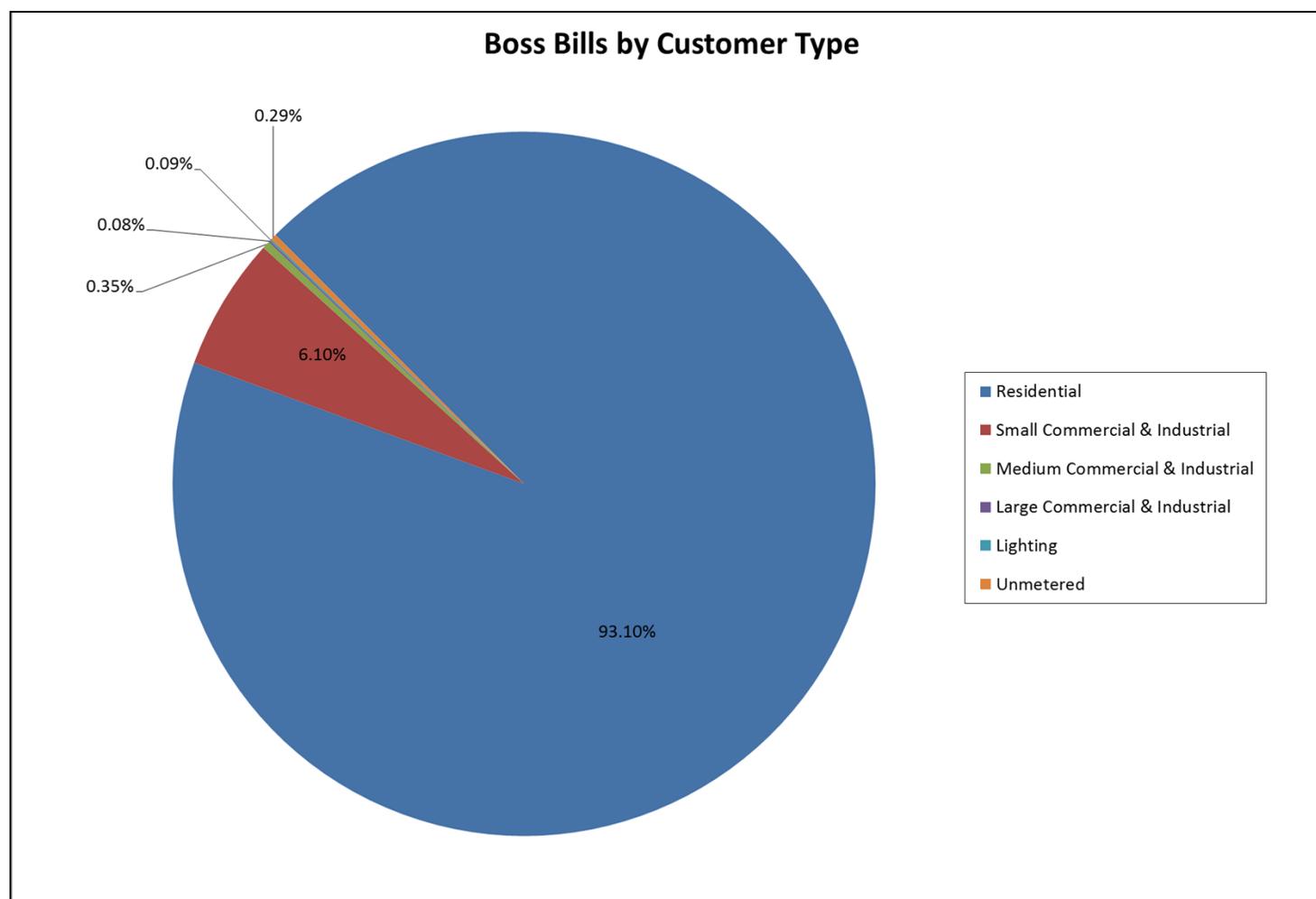
	<u>Residential</u>	<u>Small C&I</u>
Number of Shopping customers (11/25/14)	466,870	75,703
<u>3 day switching begins (12/14/2014)</u>		
Number of Shopping customers (3/24/2015)	470,072	75,597
Number of Shopping customers (6/23/2015)	472,541	75,539
Number of Shopping customers (9/29/2015)	478,120	75,366
Number of Shopping customers (12/23/2015)	481,757	75,872

- ✓ PECO did not experience a significant change in switching as a result of implementing three-day switching.
- ✓ Quarterly variance in shopping totals by customer type remained consistent.

PECO's Findings

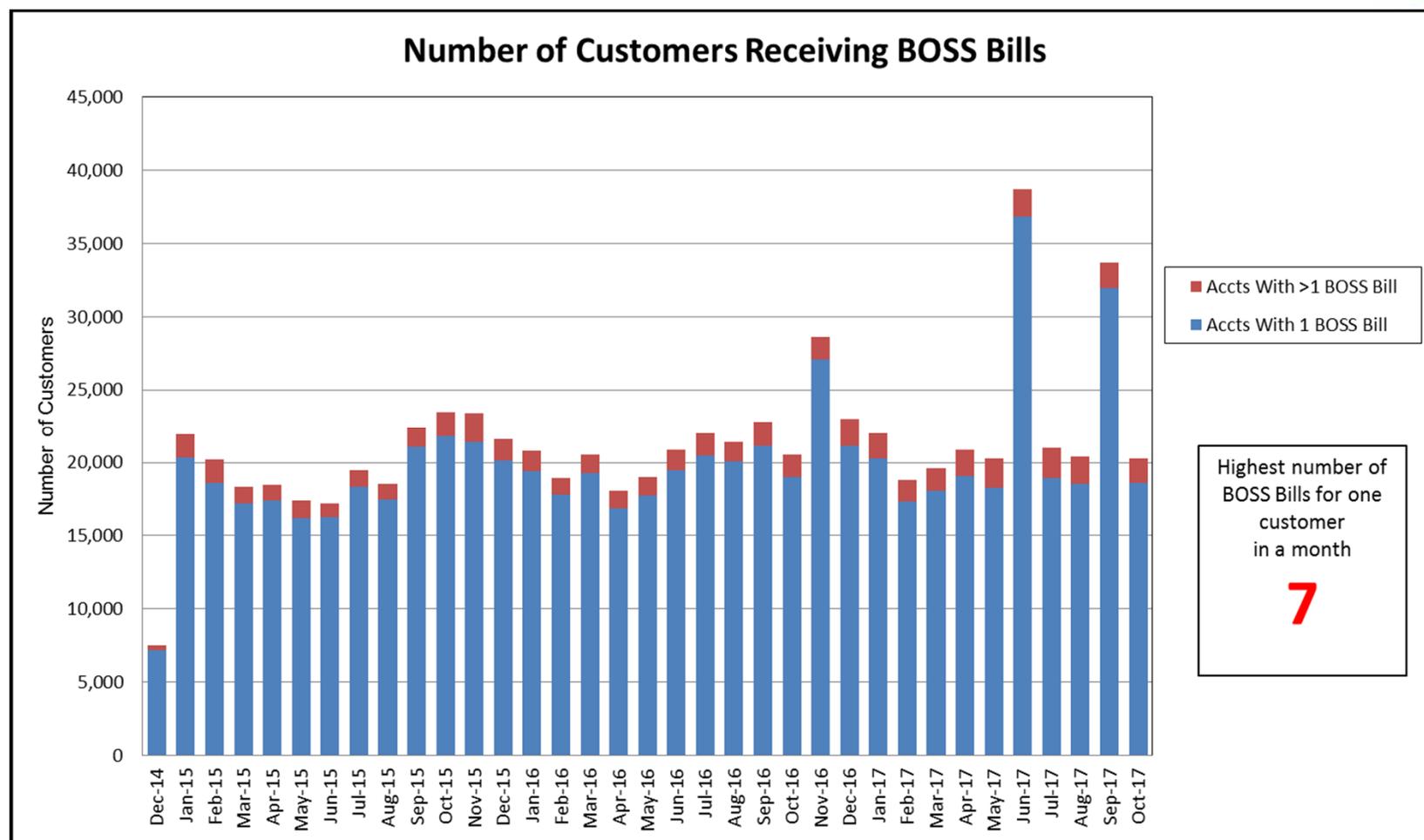
- ✓ Three-day switching improved the customer experience because customers no longer wait extended periods to be switched.
- ✓ Three-day switching enables faster transfer of customers when one supplier sells its book of business to another supplier.
- ✓ There was no discernable cause and effect relationship between three-day switching and increased shopping activity.

Utilization by Customer Type



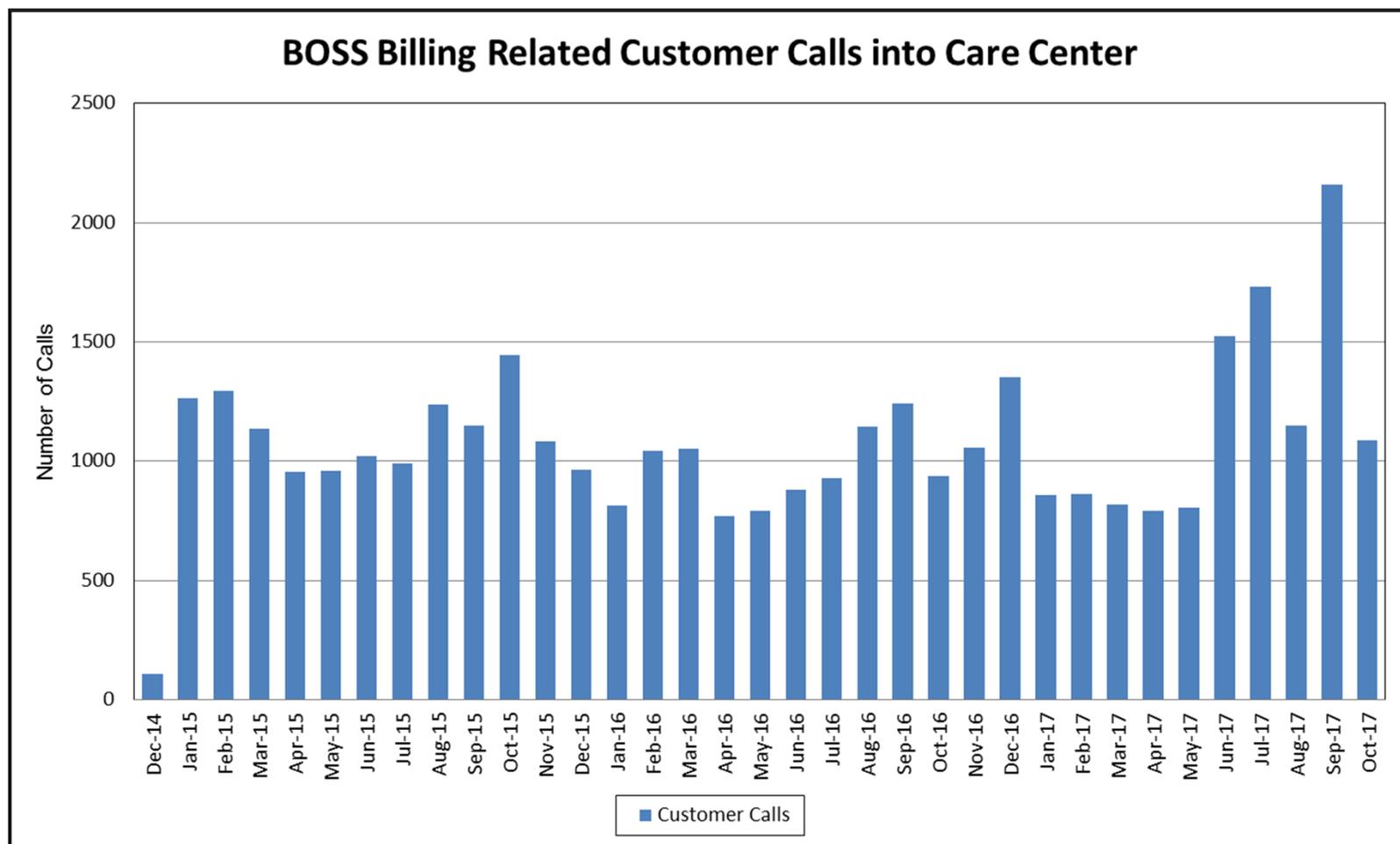
Note: There is a high correlation between the number of BOSS Bills by customer type and the population of that customer type.

Number of Customers

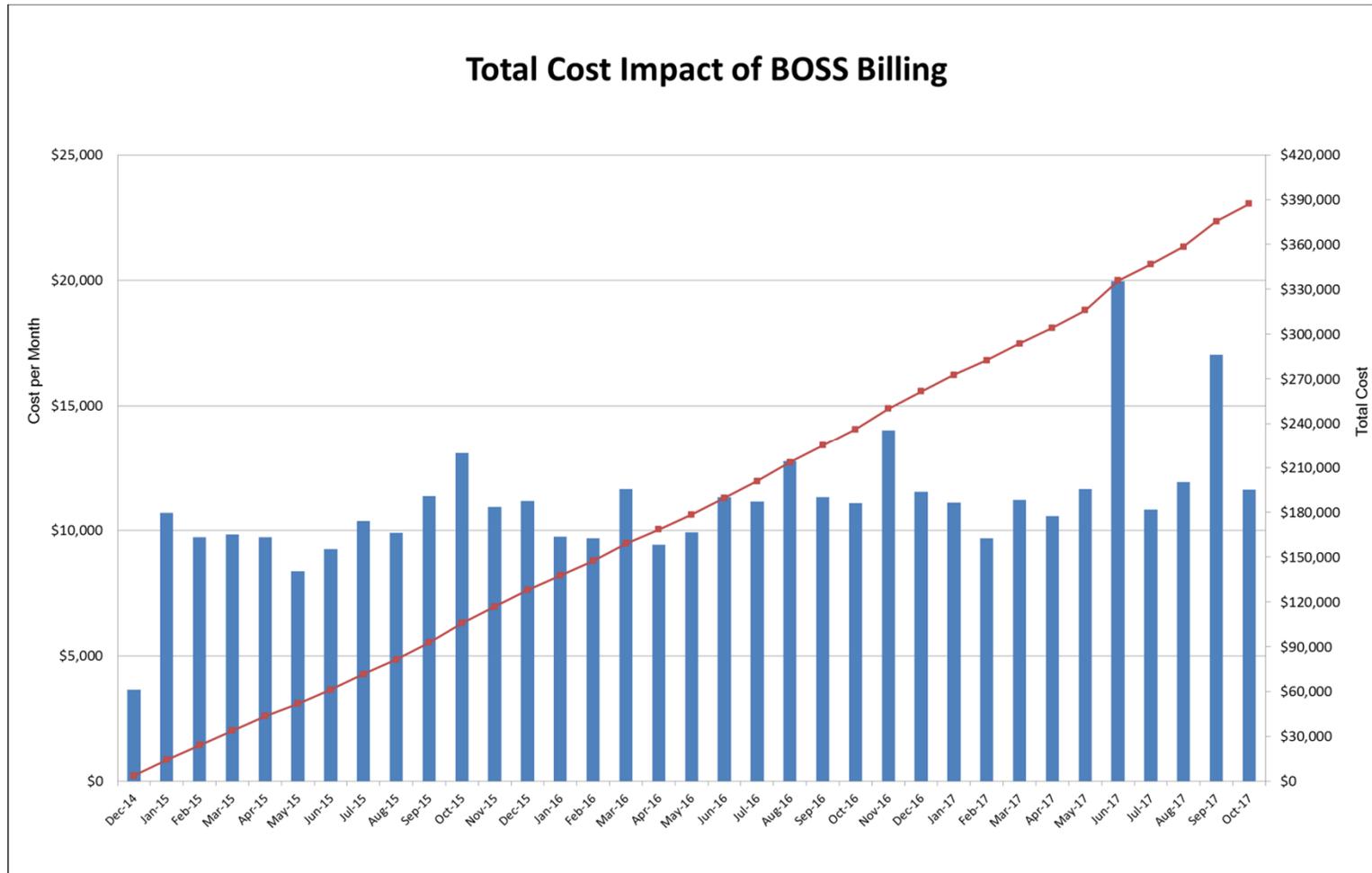


Note: Reflects the customers that received BOSS bills and highlights those customers that received more than 1 BOSS bill.

Number of Customer Inquiries



Implementation Costs



Note: The cost of an E-Bill is between \$0.00/bill for web bills and \$0.20/bill for CheckFree (\$0.20/bill is assumed in the above chart). The cost of a paper bill is \$0.51/bill (Paper bill costs increased from \$0.50 as of May 31, 2015 due to an increase in postage).

Questions

