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|  | **PENNSYLVANIA**  **PUBLIC UTILITY COMMISSION**  **Harrisburg, PA 17105-3265** |  |

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|  | Public Meeting held May 10, 2012 |
| Commissioners Present: |  |

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| Robert F. Powelson, Chairman | |  | |
| John F. Coleman, Jr., Vice Chairman | |  | |
| Wayne E. Gardner | |  | |
| James H. Cawley | |  | |
| Pamela A. Witmer |  | |
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| Standards for Electronic Data Transfer and Exchange Between Electric Distribution Companies And Electric Generation Suppliers | Docket No. M-00960890F0015 | |

**FINAL ORDER**

**BY THE COMMISSION:**

Before us are comments filed to our January 13, 2012, Tentative Order. In this tentative order, we approved two requests for statewide implementation of data change controls from the Electronic Data Exchange Working Group (EDEWG) and established a 30-day comment period for interested parties to submit views on the change control requests. We have reviewed the submitted comments, and by this order, will finalize the Tentative Order and direct the implementation of the requested data change controls consistent with the instruction provided herein.

**DISCUSSION**

**I. Procedural History**

The Tentative Order was issued for comment on January 13, 2012. <http://www.puc.state.pa.us//pcdocs/1161690.doc>. The thirty day comment period ended on February 13, 2012. Comments were filed by the following interested parties: Office of Consumer Advocate (OCA); Pennsylvania’s Future (PennFuture); Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (First Energy or the Companies); PECO Energy Company (PECO); Duquesne Light Company (Duquesne); and the Energy Association of Pennsylvania (EAP).

**II. Tentative Order**

EDEWG, working through the Committee Handling Activities for Retail Growth in Electricity (CHARGE), has requested that two Electronic Data Interexchange (EDI) change controls be approved for statewide implementation. EDEWG noted that its members could not reach a consensus and referred these matters to CHARGE. CHARGE is a working group comprised of representatives of the Commission’s Office of Competitive Market Oversight (OCMO), electric distribution companies (EDCs), electric generation suppliers (EGSs) and consumers and other interested parties. The purpose of the working group is to resolve, on an informal basis, issues that arise in the retail electric market. CHARGE meets on an as-needed basis and holds its meetings telephonically. OCMO referred EDEWG’s change control requests to the Commission.

EDEWG’s first request was to add a segment of code to certain data transactions that would identify customers who have net metering arrangements with the EDC. This request is identified as Change Control #085. The second request was to include Peak Load Contribution (PLC) data and the Network Service Peak Load (NSPL) value with the customer’s Historical Usage and Historical Interval Usage data when that information is provided to the customer. This request is identified as Change Control #087.

The Tentative Order approved the change control requests and directed their implementation within 12 months of the date that the Commission’s approval becomes final. Additionally, the Tentative Order contained a proposal to address a concern about cost recovery raised by one EDC. Specifically, the order proposed that EDC cost issues related to these EDI changes be addressed in the company’s next base rate case. Tentative Order, p. 8. The Tentative Order also established a thirty-day comment period to provide for due process for all interested parties.

**III. Change Control Requests**

The majority of the EDCs supported the implementation of EDEWG’s change control requests, asking only for clarification or modification to address an individual situation. We have addressed these comments under the applicable change control below. Recovery of costs associated with implementation of the change controls was raised in regard to both change controls. To simplify matters, cost recovery, a common concern, is discussed in a separate section below.

**A. EDI Change Control Request #085 (Identification of Net-Metering Customers)**

EDEWG’s first request was to add a segment of code to certain data transactions that would identify customers who have net metering arrangements with the EDC. This request is identified as Change Control #085. According to EDEWG, concerns had been raised by customers who have had net metering arrangements with EDCs and subsequently switch to EGSs without entering into net metering contracts with the EGSs. This causes customers to lose benefits of their net metering arrangement.

To eliminate this problem prospectively, EDEWG sought approval to provide a marker identifying a customer as a net metering customer in an EDI segment on enrollment response and in historical usage transactions. To be more specific, EDI Control Change #085 would add a special meter configuration segment to the EDI 814 Enrollment, Change, Reinstatement, and EDI 867 Historical Usage and Historical Interval Usage (867 HU/HIU) transaction sets. This would require the EDCs to notify the EGS if customer generation is present on a customer’s account both prior to and during enrollment.

In the Tentative Order, we approved the request and directed that EDCs implement this change no later than 12 months after the entry date of the Commission’s final order unless an EDC already has plans to make system‐wide modifications that would incorporate these changes at a later time. Tentative Order, p. 6.

**Comments**

OCA states that it understands that the exchange of data through the EDI transactions identified in the Tentative Order occurs only if the customers have previously consented to the release of their customer information either by entering into an agreement to receive electric supply or by allowing their customer information to be included on the Eligible Customer List (ECL). OCA Comments, p. 2. With this understanding, OCA does not object to either data change control request. Additionally, OCA supports the Commission’s encouragement of the EDC to educate the customer of the consequences of switching to an EGS that does not offer a net metering product at the time of signing a net metering agreement with the EDC. OCA Comments, pp. 2-3.

PennFuture did not comment on either of the two change controls except to state its support for Change Control #085 as a step in the right direction in providing information to EGSs to help to better serve customer-generators. Penn Future states that more needs to be done to give customers the proper tools and information. Penn Future recommends maintaining a listing of suppliers that offer net metering on the PAPowerSwitch website; requiring EGSs to disclose net metering benefits before a customer enrolls; and requiring EDCs to inform the customer-generator of the potential loss of benefits when switching to an EGS that does not provide net metering at the time a net metering contract is signed. PennFuture Comments, p. 2. Additionally, PennFuture requests that Commission staff conduct a survey of EGSs that offer net metering and that the list be made available to customers. PennFuture Comments, p. 3. Penn Future also opines that there should be an example showing the monetary difference between receiving net metering credit at the full retail rate (which includes distribution, transmission and generation) offered by the EDC compared to receiving only the credit at the distribution rate if the customer switches to an EGS that does not offer net metering. PennFuture Comments, p. 3.

PECO supports the proposed changes to EDEWG Change Control #085 with one minor reservation. PECO Comments, p. 1. PECO inquires as to whether the marker indicating net metering on a customer’s account is intended only to identify whether the customer is a net metering customer or whether the marker also is intended to specify the particular fuel source (Special Meter configuration) on the account. PECO Comments, p. 2. As currently configured, Change Control #085 includes fuel source codes. PECO customer accounts are currently not marked with a specific fuel type, and it would be burdensome and costly for PECO to identify the specific fuel source. PECO Comments, pp. 2-3. PECO suggests revising Change Control #085 to enable a yes/no response indicating whether net metering is present on the account without specifying the particular fuel source. PECO argues that notification of the specific fuel type is not necessary for the EGSs to effectively address customers’ concerns about net metering, and that the use of code enabling a yes/no response would provide a cost efficient method of ensuring that EGSs receive timely notice that a customer has net metering. PECO Comments, pp. 2-3.

Duquesne agrees that its net metering customers who have switched to an alternate supplier from default service have encountered difficulties when they later learn that the supplier they selected does not offer net metering as part of its competitive offer. Duquesne agrees that placing a marker on an account indicating that the account is a net metering account should be helpful to alert an EGS prior to entering into a contract with that customer. Duquesne Comments, pp. 1-2. Duquesne states that it is making changes to its ECL to indicate whether individual customers are net metering customers. Duquesne has already notified net metering customers at the time of their enrollment of the consequences of changing to a supplier that does not offer net metering. Duquesne Comments, p. 2.

First Energy generally supports the proposed change controls and intends to implement the change controls. First Energy Comments, p. 2. First Energy states that the Tentative Order recognized that the Companies have been researching and developing an implementation plan to incorporate an automated process to provide such information as would be available under both change controls. For this reason the Companies intend to finalize the implementation of these change controls by June 2013, or twelve months following final approval of such changes, whichever is later. First Energy Comments, p. 2.

EAP supports the proposed changes to both control processes, but expresses concerns about the implementation schedule and cost recovery. EAP complains that the Staff recommendations do not necessarily account for common procedural considerations that are integral to an EDC’s determination process and timeline for making IT system changes. EAP Comments, p. 4. EAP comments that an EDC’s decision to make a change to its customer information system (CIS) involves a great deal of advance scheduling for time on the system, coordination with other jobs and staffing resources. Job prioritization and coordination are vital to ensure that changes are completed in an efficient and cost-effective manner to minimize associated expense and reduce possible functionality interruptions. EAP Comments, p. 4. Accordingly, the EDCs seek flexibility to implement the change controls according to individualized schedules that accommodate the CIS of each EDC. EAP Comments, p. 5. EAP suggests that any final order that approves the change control processes leave the precise implementation schedule to the discretion of each EDC, but should direct that the EDC’s implementation schedule be reasonable and that the schedule be communicated to the EGS community through OCMO. EAP Comments, p. 5.

**Resolution**

Based on the comments received, we will approve EDEWG’s request for the statewide implementation of Change Control #085 relating to net metering. The implementation of EDI Change Control #085 will provide EGSs with the ability to know prior to, and during enrollment, if customer generation is present on an account. It will also permit the EDC to inform the EGS in the event an existing customer installs his or her own generation after enrolling with an EGS.

In its comments, PECO requests clarification of the need to identify specific fuel type. We understand PECO’s cost concern about identifying each customer account with fuel type information, and agree that this information is not necessary for the EGSs to effectively address customers’ concerns about net metering. Accordingly, we will accept PECO’s suggestion that the Change Control #085 be revised to enable a yes/no response indicating whether net metering is present on the account without specifying the particular fuel source.

In regard to the implementation schedule, we will direct EDCs to implement this change within 12 months of the entry date of this final order, or within 12 months of the date that the change control is revised to remove the requirement for fuel source type from the change control, whichever is later, unless an EDC already has plans to make system‐wide modifications that would incorporate this change at a later time. When the EDC has implemented Change Control #085, it shall provide formal notice of its implementation to the Commission’s Secretary and informal notice to OCMO and CHARGE participants.

In its comments, PennFuture has offered a number of proposals for providing customers with additional information about net metering, and urges us to adopt them. While implementation of these suggestions may have value, they fall outside the scope of the Tentative Order. For this reason, we will not address these proposals here but will instead suggest that PennFuture refer them to OCMO as CHARGE agenda items for further discussion.

**B. Change Control #087 (Peak Load Contribution Data& Network Service Peak Load Values)**

The second request from EDEWG was to include Peak Load Contribution data and the Network Service Peak Load value with the customer’s Historical Usage and Historical Interval Usage data when that information is provided to the customer. This request is identified as Change Control #087. EGSs support the addition of future PLC/NSPL values and an effective date range for both current and future values to the EDI 867 HU/HIU transaction sets. EGSs believe that this change will ensure their capacity-related costs can be minimized and will enable customers to benefit from movements in the market.

In the Tentative Order, we approved the request and directed that EDCs implement this change no later than 12 months after the entry date of the Commission’s final order unless an EDC already has plans to make system‐wide modifications that would incorporate these changes at a later time. Tentative Order, p. 8.

**Comments**

With respect to the addition of future PLC and NSPL values and their associated ranges to the EDI # 867 transaction, the OCA agrees that, with the prior consent of the customer, providing this information to suppliers could assist EGSs in tailoring products that they have available to customers. OCA Comments, p. 3.

Duquesne comments that it is presently making changes to the ECL to add customer PLC and NSPL values. As to including future values for PLC and NSPL as part of the 867 HU/HIU transaction sets, Duquesne is agreeable to adding the future value for PLC. The PLC is calculated at the end of December to become effective the following June 1st. Duquesne Comments, p. 3. As for the NSPL, it is Duquesne’s experience that the value is issued annually by PJM two business days before January 1. So there is not a future NSPL issued; it is a current value. Duquesne Comments, p. 3.

In regard to the specific proposal to add a special meter configuration segment to the EDI 814 Enrollment Change, reinstatement and EDI 867 HU/HIU transaction sets, Duquesne supports that proposed change. However, at the present time, Duquesne cannot support automatic 867 HIU transactions. This historical interval usage data is handled manually, but Duquesne plans to implement an automatic 867 HIU transaction arrangement by late 2013. Duquesne Comments, p. 2. Duquesne states that its new Customer Information and Billing System should eventually be able to handle the automated interval data, but it will be several years before it is operational. For this reason, Duquesne asks for some flexibility on the actual implementation date while the Customer Information and Billing System is being installed. Duquesne Comments, p. 3.

In summary, Duquesne can provide current and future PLCs and current NSPL values, but has no objection with providing whatever data is available and would plan on implementing this as part of the new Customer Information and Billing System. It will be several years before the system becomes operational. This deadline would seem to align with the Commission’s one year deadline, but requests flexibility as to the implementation schedules. Duquesne Comments, pp. 3-4.

EAP supports the proposed changes to both control processes, but expresses concerns about the implementation schedule and cost recovery.

**Resolution**

EGSs support the addition of future PLC/NSPL values and an effective date range for both current and future values to the EDI 867 HU/HIU transaction sets. EGSs believe that this change will ensure their capacity-related costs can be minimized and will enable customers to benefit from movements in the market.

Since the EDCs do not object to providing the requested information to EGSs, we will approve EDWG’s requested change for statewide implementation and will direct jurisdictional EDCs to implement Change Control #087 within 12 months of the date of the entry date of this order, unless an EDC already has plans to make system‐wide modifications that would incorporate this change at a later time. When the EDC has implemented Change Control #087, it shall provide formal notice of its implementation to the Commission’s Secretary and informal notice to OCMO and CHARGE participants.

**IV. Cost Recovery**

The Tentative Order proposed that EDC cost related to these EDI changes be addressed in the company’s next base rate case. Tentative Order, p. 8. A number of parties submitted comments pertaining to this directive on cost recovery.

**Comments**

In its comments to the Tentative Order, PECO requests clarification about the cost recovery issue. PECO Comments, p. 2. PECO states that while a base rate case is one mechanism for addressing the costs of such changes, it is not the only mechanism through which an EDC may appropriately seek to recover the costs of such changes. PECO states that Change Controls #085 and #087 are related to the generation portion of the customer’s bill, and other mechanisms including the incorporation of costs into the discount to the Purchase of Receivables (“POR”) or the incorporation of the costs into the Generation Supply Adjustment may be appropriate for cost recovery in this same context. PECO Comments, p. 2. PECO notes that a number of operational changes are being proposed by EDEWG and through the Commission Retail Market Investigation (Docket No. I-2011-2237952), and on a cumulative basis, will likely present significant implementation costs. Accordingly, PECO asks that the Commission provide flexibility for the EDCs to seek cost recovery for this, and other operational changes through a mechanism that best suits the circumstances. PECO Comments, p. 2.

Duquesne also requests that the Commission remain flexible at this time to permit cost recovery on an individual basis rather than in a base rate case. Duquesne Comments, pp. 2-3. Duquesne states that the cost to implement Change Control #085 is estimated to be $350,000. The cost of the proposed change #087 would be about $150,000. When Duquesne will recover the cost is uncertain. Duquesne recommends flexibility to permit the EDC to recover cost through the possible use of surcharges, deferral or Purchase of Receivables. Duquesne Comments, p. 4.

First Energy’s also expresses its concern about cost recovery. First Energy objects to the use of base rate cases because this method may not provide for full and timely recovery of the implementation costs, thus requiring EDCs to carry such costs for a longer period than necessary. First Energy Comments, p. 2. First Energy states that it should be permitted to recover the costs of implementation through a reconcilable rider. First Energy states that the Companies’ respective Default Service Support Riders are designed such that the recovery of the costs for implementing these controls should occur on a full and current basis, thus alleviating the need to carry such cost until such time as a company may file its next base rate case. First Energy Comments, pp. 2-3.

With respect to cost recovery, EAP respectfully asks that the Commission refrain from determining that the only avenue available for cost recovery is via the next base rate case. EAP suggests that such a generic determination in a tentative order process is not lawful and cannot meet due process considerations even where, as here, public comment is invited. EAP Comments, p. 5. Clearly, implementing these change controls will result in costs which that are a factor in determining a timetable for implementation. While a base rate case provides an avenue for cost recovery, EDCs should not be precluded from seeking alternative means for cost recovery in a manner and at a time initially proposed by the EDC and considered by the Commission after notice and a hearing on the individual request. EAP Comments, pp. 4-5.

OCA agrees that cost recovery for implementation of these change controls should be undertaken in the EDC’s next base rate case. OCA Comments, p. 3.

**Resolution**

In light of the comments received, the Commission has reconsidered its position and will refrain from directing the method that EDCs may use for recovering costs for implementing these change controls.

**CONCLUSION**

In this order we grant EDEWG’s requests for two change controls for statewide implementation – one, Change Control # 085, would be useful in identifying customers who have net metering arrangements with their EDC and the other, Change Control #087, would be useful in minimizing capacity-related costs that would benefit customers. All EDCs are directed to implement these data control changes as specified in this order; **THEREFORE,**

**IT IS ORDERED:**

1. That a copy of this Final Order shall be served on all jurisdictional electric distribution companies, the Office of Consumer Advocate, the Office of Small Business Advocate and the Bureau of Investigation and Enforcement.

2. That all jurisdictional electric distribution companies are directed to implement the EDI Change Controls #085 and #087 as set forth in this Final Order.

3. That the Office of Competitive Market Oversight shall electronically send a copy of this Final Order to all persons on the contact list for the Committee Handling Activities for Retail Growth in Electricity (CHARGE).

4. That a copy of this Final Order shall be posted on the Commission’s website at the Office of Competitive Market Oversight’s web page.



BY THE COMMISSION,

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 10, 2012

ORDER ENTERED: May 10, 2012