

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 6, 2013

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

RE: Petition of PPL Electric Utilities
Corporation for Approval of Default Service
Program and Procurement Plan for the
Period June 1, 2013 through May 31, 2015
Docket No. P-2012-2302074

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Comments on the Amendment to Revised Default Service Program and Procurement Plan in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Erin L. Gannon".

Erin L. Gannon
Assistant Consumer Advocate
PA Attorney I.D. # 83487

Enclosures

cc: Honorable Susan D. Colwell, ALJ
Certificate of Service

156348

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :
for Approval of a Default Service Program : Docket No. P-2012-2302074
and Procurement Plan for the Period June 1, :
2013 through May 31, 2015 :

COMMENTS
OF THE OFFICE OF CONSUMER ADVOCATE
ON THE AMENDMENT TO REVISED DEFAULT SERVICE
PROGRAM AND PROCUREMENT PLAN

I. INTRODUCTION

On April 26, 2013, PPL Electric Utilities Corporation (PPL or Company) filed an Amendment to its Revised Default Service Program and Procurement Plan. The purpose of the Amendment was to: 1) eliminate the Retail Opt-In Program in accordance with the Commission's Order of April 4, 2013 which postponed indefinitely the implementation of this program; 2) provide updated details about the implementation of the Standard Offer Program including a request for approval of an affiliated interest contract regarding the offering of the program; 3) modify procedures in the Standard Offer Program for new and moving customers; and 4) amend the Standard Offer Program timeline. Petition at 1-2. The OCA has no objection to the amendments proposed by PPL and does not object to the approval of the affiliated interest contract. The OCA is particularly supportive of PPL's efforts to mitigate the cost of the Standard Offer Program and implement the program within the EGS charge of \$30 per enrolled customer.

II. COMMENTS

A. Removal of Retail Opt-In Program

The Amendment to the Revised DSP Plan includes the suspension of the ROI Program as the Commission directed in its April 4 Final Order. Petition at 4. The OCA supported the Commission's Tentative Order and shared the Commission's concern that the implementation of the ROI Program close in time to the Standard Offer Program would cause customer confusion and may compromise the success of both programs. Both of the programs had similar intent and terms that were similar. The OCA agrees with the Company's proposal to suspend the ROI Program as directed by the Commission's April 4 Final Order.

B. Approval of Affiliated Interest Contract To Implement The Standard Offer Program.

In its Revised DSP Plan filed on March 11, 2013, PPL proposed a modification to its Standard Offer Program. Under the revised program, PPL will have its customer service representatives provide an overview of the program to default service customers who contact the PPL Electric Call Center for calls other than emergency calls and termination calls. The customer service representative will provide an overview of the program to eligible customers and will then transfer interested customers to a separate, dedicated team to provide further detail about the program. At the time of the filing of its Revised DSP Plan, PPL had not selected a vendor for the dedicated team and did not have the final costs for the Program. In its Comments to the Revised DSP Plan, the OCA expressed its continuing concern about the cost of this program and whether PPL's program design will minimize the overall costs of the program. OCA Comments of March 21, 2013 at 4-6.

Subsequent to its Revised DSP Plan filing, the Company undertook a Request for Proposal process to select a third party vendor. Under that process, two bids were received and PPL selected the lowest bidder. Under the bid, the winning bidder will be paid \$28 per referred customer who agrees to be enrolled in the Standard Offer Program. Petition at 5-6. PPL will charge participating EGSs the \$28 per referred customer, which is below the cap of \$30 per referred customer established by the Commission. Petition at 6.

The OCA commends PPL on its efforts to mitigate the costs of the Standard Offer Program. Given that PPL was able to proceed with its proposed program and dedicated team within the participating EGS capped charge of \$30 per enrolled customer, the OCA does not object to PPL's proposed program design. The OCA also has no objection to approval of the affiliated interest contract so that PPL Solutions, Inc. can serve as the vendor for the dedicated team at the specified price.

C. Amendment To Standard Offer Program Concerning Effective Date Of Service To New And Moving Customers.

PPL's Revised Standard Offer Program filed on March 11, 2013 included a proposal to accommodate Day 1 Enrollment for new and moving customers. In working toward implementation of the Day 1 Enrollment, PPL identified several problems that require additional analysis and potentially additional costs. Petition at 6-7. Among the issues identified by PPL were: 1) the need to collect accurate data for submission to PJM so that wholesale energy expenses can be appropriately charged to the supplier serving the new customer, 2) EDI system configuration issues, and 3) billing system issues related to matching start dates with an EGS to actual meter connection dates. PPL determined that system modifications would result in an

increase in capital costs from \$522,500 to \$1.025 million. Petition at 7. PPL also determined that it will take about nine months to make any system changes. Petition at 7-8.

In light of these newly identified issues, PPL proposed to further investigate the issue of Day 1 Enrollment and work with other EDCs to identify less expensive solutions, particularly with respect to interfacing with PJM. In the interim, PPL proposes that it will hold the enrollment for new and moving customers until the customer's connect date and then automatically enroll the customer with the EGS at the first available bill cycle. Petition at 8. The OCA supports PPL's proposal to delay the implementation of Day 1 Enrollment and to utilize its alternative approach in the interim.

The OCA agrees with PPL that given the problems identified with Day 1 Enrollment and the potential for increased costs, additional time is needed to fully evaluate the issues and develop reasonable solutions. As to PPL's proposal to hold enrollments for processing for new and moving customers until the customer's connect date, PPL will need to ensure that this procedure is properly communicated to customers who have selected the Standard Offer Program. PPL should ensure that its scripting for the dedicated team fully informs customers of this procedure so that there is no confusion.

D. Timeline For Implementation Of Standard Offer Program

In the Revised DSP, PPL proposed to implement the Standard Offer Program by August 2013. This timeline was contingent upon Commission approval of the program in sufficient time to undertake critical path steps. Petition at 9. In the Amendment to the Revised Plan, PPL proposes a timeline for implementation, rather than a specific date, so that the schedule can adjust to final Commission approval. The timeline contemplates that the program

will be implemented approximately 13 weeks after Commission approval. The OCA agrees with PPL's approach and has no objection to the revised timeline.

III. CONCLUSION

The OCA has no objection to approval of PPL's Amendment to the Revised Default Service Program and Procurement Plan.

Respectfully Submitted,



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May 6, 2013
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CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities :
Corporation for Approval of a Default : Docket No. P-2012-2302074
Service Program and Procurement Plan for :
the Period June 1, 2013 through May 31, 2015 :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Comments on the Amendment to Revised Default Service Program and Procurement Plan, 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 6th day of May 2013.

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