

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s)	
Retail Electricity Market:)	M-2014-2401345
Joint Electric Distribution Company –)	
Electric Generation Supplier Bill)	

COMMENTS OF ETHICAL ELECTRIC, INC.

I. Introduction

Ethical Electric, Inc. (“Ethical Electric”) submits these comments in response to the Pennsylvania Public Utility Commission’s (“Commission’s”) Tentative Order dated February 6, 2014, in the above captioned case (the “Tentative Order”). In the Tentative Order, the Commission requested comments on recommendations from the Commission’s Office of Competitive Market Oversight (“OCMO”) to create a more supplier-oriented utility consolidated bill. Specifically, the OCMO proposed (1) including the applicable electric generation supplier’s (“EGS”) logo on the bill, (2) expanding the bill messaging space allotted to EGSs, and (3) adding a “Shopping Information Box” to the bill.¹ The Commission believes, and Ethical Electric agrees, that the proposed changes will both enhance the relationship between customers and their suppliers, and benefit customers and Pennsylvania’s growing retail electricity market by increasing customers’ overall awareness when participating in the market.²

While Ethical Electric believes that all three recommendations will help the Commission achieve its stated goals, the comments below focus on the third recommendation – adding a Shopping Information Box – and related issues. Specifically, Ethical Electric urges the

¹ *Investigation of Pennsylvania’s Retail Electricity Market: Joint Electric Distribution Company-Electric Generation Supplier Bill*, Docket No. M-2014-2401345 (Order Entered February 6, 2014) (“Tentative Order”).

² *Id.* at 10.

Commission to require the FirstEnergy electric distribution companies (the “FirstEnergy Companies”)³ to eliminate the use of the duplicitous and burdensome “customer number” and instead use only the customer’s account number for EGS enrollment. If the Commission decides to allow the continued use of customer numbers, then, at a minimum, Ethical Electric requests that the Commission require the FirstEnergy Companies to modify their Electronic Data Interchange (“EDI”) protocols to accept both the customer number and the account number for EGS enrollment transactions.

II. Discussion

Inconsistencies among electric distribution company (“EDC”) bills in the presentation of information a customer needs to enroll with an EGS create unnecessary and anti-competitive EGS enrollment challenges.⁴ The customer numbers used by the FirstEnergy Companies are particularly problematic, as the Commission noted in the Tentative Order.⁵ These customer numbers are duplicative and anti-competitive, causing customer confusion and frustration, and should be eliminated rather than merely presented in a more conspicuous place on the customer bill.

The FirstEnergy Companies’ use of the customer number instead of the account number convolutes the enrollment process in three ways: (1) customers confuse the customer number with the account number; (2) the customer number is hard for the customer to find - it is located in the middle of the bill in small font, as opposed to the account number, which is bolded and located at the top of the bill; and (3) the customer number is much longer than the account number, increasing the likelihood of human error in communicating the customer number to an

³ The FirstEnergy Companies comprise four of the seven major Pennsylvania electric utilities: Penelec, Penn Power, MetEd, and West Penn. The other three are PPL, Duquesne Light, and PECO.

⁴ Tentative Order at 6.

⁵ *Id.*

EGS for enrollment.⁶ These three issues are consistent with those identified by the Commission in the Tentative Order.⁷ If the customer numbers are not eliminated, they will continue frustrating Pennsylvania customers' efforts to access the benefits of competitive retail supply.

a. The duplicative and anti-competitive "customer numbers" used by the FirstEnergy Companies should be eliminated.

Ethical Electric's marketing experiences in Pennsylvania support the conclusion that the FirstEnergy Companies' use of "customer numbers" convolutes the EGS enrollment process, and should be eliminated. Ethical Electric has seen significantly lower enrollment levels from FirstEnergy customers relative to other Pennsylvania EDCs over the last seven months that Ethical Electric has been marketing to Pennsylvania's seven major utilities.⁸ Despite consistent direct marketing campaigns across all the EDCs, Ethical Electric's enrollment levels for FirstEnergy customers have been significantly lower than for Pennsylvania Power and Light Co., Duquesne Light Co., and PECO. In fact, while Ethical Electric has comparable response rates across all seven EDCs, the enrollment rate for FirstEnergy responders averages a staggering 50% lower than responders from other EDCs. There are two primary reasons for this enrollment rate disparity. First, many customers fill in their account number on their enrollment form and not their customer number.⁹ Second, many customers incorrectly transpose one of the digits in the unnecessarily lengthy customer number.

⁶ Ethical Electric's efforts to alleviate these problems have proven unsuccessful. For example, Ethical Electric specifically asks for the customer number and includes twenty boxes on its enrollment form - the exact number of characters in the customer number - for the customer to insert his or her own customer number. The lower enrollment numbers referenced above remain despite these efforts, underscoring the need for the Commission to simplify enrollment by eliminating the use of the customer number.

⁷ Tentative Order at 6.

⁸ These results are observed after normalization of the data to control for any geo-demographic differences that exist between utility customer bases.

⁹ Ethical Electric provides a model bill image on its website, highlighting the customer number, for customers to reference when enrolling. Even with this reference, customers *still* have difficulty distinguishing the customer number from the account number. Ethical Electric frequently receives complaints from potential customers frustrated with the enrollment challenges use of the customer number causes them.

Compounding the lower enrollment rate problem, Ethical Electric's cost per enrollment for FirstEnergy customers is well over twice that of other EDCs. This is significantly outside of the range of a normal variance. Ethical Electric attributes this immense disparity to the requirement that FirstEnergy customers enroll using their customer number instead of their account number, the norm for other EDCs. Further, many of the responders who fail to successfully enroll are providing their account number and not their customer number, either online or in direct mail. This is a clear indicator of customer confusion. Because other Pennsylvania EDCs currently use only the account number for enrollment, Ethical Electric anticipates minimal costs for FirstEnergy companies to eliminate the customer number and use the account number. Certainly, the benefits to customers outweigh such costs.

b. The Commission has recognized that the FirstEnergy customer numbers are problematic.

In the Tentative Order, the Commission addressed both the customer confusion caused by use of the customer number and the difficulty of finding the customer number on the bill.¹⁰ Specifically, the Commission noted that "because the FirstEnergy Companies use a customer number, rather than an account number, for EGS enrollments, this fact alone necessitates a more conspicuous presentation of the information needed to help assist customers when enrolling with an EGS."¹¹ Ethical Electric agrees that the customer number is a major problem, but suggests an alternative solution. Instead of presenting the customer number more conspicuously, which is unlikely to cure the problem, Ethical Electric recommends that the Commission order the FirstEnergy Companies to use the account number instead of the customer number, eliminating the problem altogether.

¹⁰ Tentative Order at 6.

¹¹ *Id.*

As to the problematic placement of the customer number on the bill, the Commission noted that information customers need to enroll with an EGS “is currently embedded among a laundry list of charges” on some bills.¹² A copy of a sample bill for one of the FirstEnergy Companies is attached as Exhibit 1,¹³ and shows the prominent placement of the Account Number (on the top right in bold letters) relative to the Customer Number (in normal font, sandwiched in the middle of the bill). The information is “easily overlooked,” rendering it ineffective.¹⁴ Further, the customer number is lengthy and does not seem to serve a clear public purpose.¹⁵ By eliminating the burdensome and ineffective customer number, and instead using the account number for EGS enrollment, the Commission will help customers take advantage of the benefits of competitive supply in Pennsylvania.

c. Merely including the customer number in a Shopping Information Box is insufficient.

Ethical Electric supports inclusion of a Shopping Information Box on the customer bill and believes this information will assist customers with EGS enrollment. Nevertheless, including the customer number in a Shopping Information Box will not adequately address the enrollment problems caused by use of the customer number. Customers are generally not accustomed to having more than account-identifiable number in other commercial transactions that they encounter daily. Customers have one credit card number per account, one bank account number per account and one driver’s license number. Logically, customers assume that their

¹² *Id.*

¹³ This sample Penelec bill can also be found at: https://www.firstenergycorp.com/content/customer/customer_choice/pennsylvania/met-ed_penelec/understanding_yourbill/penelec.html.

¹⁴ Tentative Order at 6.

¹⁵ The factorial of a 20-digit number is 2,432,902,008,176,640,000. There have not been that many human beings who have ever lived or are likely to ever live in the entire Commonwealth of Pennsylvania. The FirstEnergy Companies do not need that many digits to identify an account.

account number should be sufficient for a switch because that is their experience in other commercial transactions.

The ultimate anti-competitive impact of use of the customer number is difficulty enrolling customers without intervention by a sales person through either telemarketing or door-to-door methods. Use of the customer number makes direct mail and Internet sales more difficult. Telemarketing and door-to-door sales methods are consistently the biggest drivers of customer complaints about marketing and increase costs for competitive suppliers. Enhancing the viability of less intrusive and less expensive marketing channels will benefit customers by enabling competitive suppliers to focus on such channels, thereby discouraging alternate channels with higher costs and customer complaint rates. In order to do that, it is important to anticipate human errors like using the wrong account-identifiable number or incorrectly transposing an unnecessarily long number. Standardizing use of the account number, rather than FirstEnergy Companies' customer numbers, will help reduce unnecessary customer enrollment frustration, including human error. However, until use of the customer number is eliminated, customer confusion and human error will continue to undermine customer access to competitive supply in Pennsylvania, to the detriment of both Pennsylvania customers and competitive suppliers.

III. Conclusion

Ethical Electric supports the OCMO recommendations, but urges the Commission to correct the problems created by FirstEnergy Companies' use of a customer number for EGS enrollment, rather than the customer's account number. As discussed above, this customer number is duplicitous and anti-competitive, impeding customers' ability to access competitive electricity rates. Ethical Electric recommends that the Commission take this opportunity to

eliminate the customer number, helping standardize the enrollment process across EDCs for the benefit of retail competition, and ultimately, Pennsylvania customers.

Respectfully submitted,

ETHICAL ELECTRIC, INC.



Thomas Matzzie
President & CEO
Ethical Electric, Inc.
1055 Thomas Jefferson St NW; Suite 650
Washington, DC 20007
Tel: 202.248.9900
ceo@EthicalElectric.com

Date: March 7, 2014

CERTIFICATE OF SERVICE

I certify that true copies of the foregoing Comments of Ethical Electric, Inc., were mailed this 7th day of March, 2014, to all those identified on the service list for Docket No. M-2014-2401345.



Thomas Matzzie

Messages (Continued)



Explanation of Terms

Consumer Education Charge - Charge for the costs of state-mandated energy education programs
Customer Charge - Monthly charge that offsets costs for billing meter reading equipment and service line maintenance
Default Service Support Charge - Charge to recover new and deferred costs associated with serving customers in a competitive market
Distribution Charge - Charges for Universal Service Program costs and for the use of local wires, transformers, substations and other equipment used to deliver electricity to consumers from high-voltage transmission lines
Energy Efficiency Charge - Charge to fund the utility's programs designed to reduce customer's actual electric use and peak demand for electricity mandated by Act 129 of 2008
Estimated Reading - On the months we do not read a meter we calculate the bill based on past electrical usage
KWH (Kilowatt Hour) - A unit of measure for electricity usage equal to 1,000 watts used for one hour
Late Payment Charge - A charge added to the bill on balances owed after the Due Date

Non-Utility Generation Charge - Charges to cover an electric utility's costs associated with contracts with non-utility-owned generation
Price to Compare (PTC) - Price per kilowatt hour to be used when comparing to the price of a generation supplier
Price to Compare Default Service - Charges for costs to provide energy capacity, compliance with Alternative Energy Portfolio Standards transmission and ancillary services for customers receiving Default Service
Prorated Bill - If this is on the bill the contract billing period is less than 26 days or more than 36 days or a rate change occurred during the current billing period
Service Charge - Charge for opening an account
Smart Meter Charge - Charge for assessing and deploying state-mandated smart meter technology
Solar Requirements Charge - Charge to acquire Solar Photovoltaic Alternative Energy Credits to comply with the Alternative Energy Portfolio Standards Act
State Tax Surcharge - An adjustment to the state taxes recovered through Penlec's basic charges

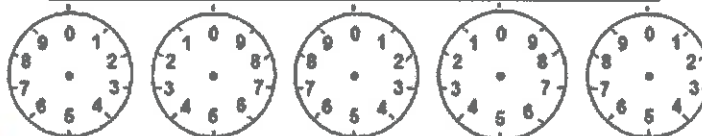
General Information

If you have billing questions or complaints about your Penlec account, please contact us before the due date.
Call Customer Service at 1-800-545-7741 from Monday - Friday 6:00 a.m. - 6:00 p.m. Our representatives can answer your questions, describe the charges on your bill, explain how to make sure your bill is correct, and provide information on rate schedules and energy efficiency.
Call Payment Options at 1-800-962-4848 from Monday - Friday 8:00 a.m. - 6:00 p.m.
 Visit our web site at www.firstenergycorp.com
 Write to us at Penlec 76 S. Main St., A-RPC, Akron, OH 44308-1890
 For customers who have a hearing or speech impairment and use a text telephone, call the TTY (Teletype) at 1-800-522-2376
Information about FirstEnergy Solutions Corp.: 341 White Pond Drive Bldg B3 Akron, OH 44320-1119 1-888-254-6369



For your protection, all of our employees wear Photo ID badges.
Electronic Check Conversion - Your check authorizes us either to make a one-time electronic funds transfer (EFT) from your account or process as a check. If you have questions about this program, or do not wish to participate, call 1-866-285-6081.
 To provide a customer meter reading, use the dials provided and enter the reading on-line at www.firstenergycorp.com/aboutyou/bill or by calling 1-800-545-7741. Have the date you took the reading available. If this is to avoid a scheduled estimate, please check the front of the bill for entry dates.

Provide reading by telephone or on-line only: DO NOT MAIL



Draw hands on the dials exactly as they appear on your electric meter. When reading your meter, if the hand falls between two numbers, always report the lower number.

If you have a DIGITAL METER write the numbers here