

Legal Department
2301 Market Street / S23-1
P. O. Box 8699
Philadelphia, PA 19101-8699

Direct Dial: 215.841.4220
Email: Michael.swerling@exeloncorp.com

June 8, 2015

VIA Efiling

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

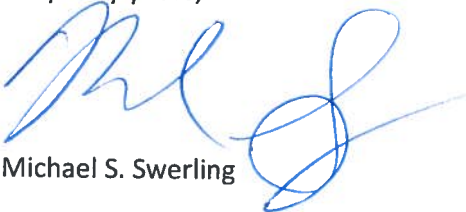
**Re: Investigation of Pennsylvania's Retail Natural Gas Supply Market: Joint Natural Gas Distribution Company – Natural Gas Supplier Bill
Docket No. M-2015-2474802**

Dear Secretary Chiavetta:

Enclosed please find the **Comments of PECO Energy Company on the Commission's Tentative Order** in the above-referenced docket.

Please do not hesitate to contact me if you have any questions at 215-841-4220.

Very truly yours,



Michael S. Swerling

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s Retail : **Docket No. M-2015-2474802**
Natural Gas Supply Market: :
Joint Natural Gas Distribution Company – :
Natural Gas Supplier Bill :

**COMMENTS OF PECO ENERGY COMPANY
ON THE COMMISSION’S TENTATIVE ORDER**

I. INTRODUCTION

On December 18, 2014, the Pennsylvania Public Utility Commission (the “Commission”) issued a Final Order in its natural gas Retail Markets Investigation (“RMI”) at Docket No. I-2013-2381742¹. In the Final Order, the Commission directed the Office of Competitive Market Oversight (“OCMO”) to develop recommendations regarding the inclusion of supplier elements on a utility-consolidated bill. (Final Order at 42). According to the Commission, a joint bill (that includes supplier information) may increase supplier recognition and cultivate customer-supplier relationships. (Id.) To that end, the Final Order directed stakeholders to submit informal comments to OCMO on the supplier-related elements and requirements that would be most appropriate for inclusion on the utility-consolidated bill. (Id.)

On February 28, 2015, PECO Energy Company (“PECO” or the “Company”) submitted informal comments to OCMO. In its comments, PECO explained that it had implemented its “Choice Friendly Bill” for both its electric and natural gas customers in December 2014. (PECO Informal Comments at 1-2). The Choice Friendly Bill complied with the Commission’s May 22,

¹ See *Investigation of Pennsylvania’s Retail Natural Gas Supply Market*, Docket No. I-2013-2381742 (Final Order entered on December 18, 2014).

2014 Electric Joint Bill Final Order², creating a more supplier-oriented consolidated bill. The components utilized in the bill (distinguishable supplier logo, expanded bill messaging space and a Shopping Information Box) were equally applicable to natural gas customers. (PECO Informal Comments at 2).

On April 23, 2015, the Commission entered a Tentative Order³, which proposed to implement a recommendation from OCMO that natural gas distribution company (“NGDC”) consolidated bills include: 1) natural gas supplier (“NGS”) logos; 2) an expanded bill messaging space for NGSs; and 3) a Shopping Information Box. PECO appreciates the opportunity to provide comments regarding supplier-related elements that are appropriate for inclusion on the utility-consolidated bills. PECO supports the Commission’s efforts to develop and implement measures that will increase customer participation in Pennsylvania’s retail natural gas marketplace and provides the following comments.

II. COMMENTS

A. Commission Proposals (Supplier-Related Elements in Utility-Consolidated Bills)

1. Inclusion of the NGS’s Logo

In its Tentative Order, the Commission recommended placement of NGS logos on utility-consolidated bills. (Tentative Order at 5). Supporting its recommendation, the Commission acknowledged that, “PECO, in successfully implementing a new Choice Friendly Bill for both electric and natural gas customers, already has the ability to include supplier logos on its bills.”

² See *Investigation of Pennsylvania’s Retail Electricity Market: Joint Electric Distribution Company – Electric Generation Supplier Bill*, Docket No. M-2014-2401345 (Final Order entered on May 22, 2014).

³ See *Investigation of Pennsylvania’s Retail Natural Gas Supply Market: Joint Natural Gas Distribution Company – Natural Gas Supplier Bill*, Docket No. M-2015-2474802 (Tentative Order entered on April 23, 2015).

(Tentative Order at 5). PECO has been successfully placing NGS and EGS logos on its electric and gas bills since December 2014 and therefore supports this initiative.

Additionally, PECO places supplier logos to the left of the NGS charges in accordance with the Commission's suggestion that the logos be placed near supplier charges. (Tentative Order at 6). Per the Commission's request, PECO is providing a sample Choice Friendly Bill to OCMO (attached hereto as Exhibit A) and requests a determination that the location of the logo meets the intent of this initiative to reinforce the connection between the supplier and its charges. (Id).

2. Expansion of NGS Bill Messaging Spacing

The Commission's Tentative Order recommended expanding the bill messaging space for suppliers on the utility-consolidated bill. (Tentative Order at 6). Similar to the message spacing allotted to suppliers in the electric RMI proceeding, the Commission proposed that NGDCs apportion four lines on each bill for NGS messages. (Id.) PECO's Choice Friendly Bill provides four lines for NGS messaging in accordance with the Commission's proposal. As such, PECO believes this proposal is a feasible and appropriate means to enhance supplier recognition on NGDC bills.

3. Inclusion of a Shopping Information Box

The Tentative Order proposed the creation of a conspicuous "Shopping Information Box" for inclusion in the utility-consolidated bill. (Tentative Order at 7). Additionally, the Commission proposed that the information box contain the customer's account number, rate schedule and reminders to: 1) have this information available when shopping; and 2) know when the contract expires. (Tentative Order at 7-8). In furtherance of this request, PECO's Choice

Friendly Bill includes all of these elements and a sample of PECO's Shopping Information Box is provided below.

Shopping Information Box	
When shopping for a competitive electric/natural gas supplier, please provide the following:	Account number: [REDACTED]
Electric Rate: Electric Residential Service	Gas Rate: Gas Residential Heating Service
If you are purchasing the energy you use from a competitive supplier, it is important to understand the terms of your contract and expiration date.	

B. Inclusion of NGS Inserts

The Tentative Order raised concerns that NGS bill inserts may have the potential to increase costs and complexities. (Tentative Order at 10). The Commission also indicated that it did not have enough information to determine whether the benefits of an NGS bill insert outweigh the potential costs and complexities thereof. (Id.) Therefore, the Tentative Order requested information regarding the adoption of such a practice. (Id.)

PECO agrees with the Commission's concern that NGS inserts could increase costs and complexities. Difficulties exist with implementing such a practice. Specifically, PECO's bill printing vendor could not include bill inserts from every supplier operating in PECO's service territory. PECO's vendor has a bill inserter which utilizes six pockets to facilitate the distribution of up to six inserts. To expand the insert capacity and retain the ability to sort customer bills according to the customer's actual supplier, PECO's vendor would need new machinery to commit a bill insert pocket for each supplier. PECO estimates that it would need to purchase more than fifteen pieces of equipment, to be maintained at PECO's expense, for the vendor to complete the task of adding individualized inserts for each NGS. The vendor has confirmed that they cannot accommodate that additional equipment, making the task impossible for them.

Finally, there is great complexity in placing the correct NGS bill insert only in the bill envelope of those NGS customers. This complexity would require substantial IT programming to maintain accurate NGS customer lists in the billing process, and then sort individual NGS inserts to the correct customer. Again, PECO does not currently have this capability. Furthermore, multiple supplier inserts could result in an increase in postage costs. For these reasons, PECO recommends against including EGS bill inserts in the EDC bill.

C. Inclusion of Value Added Services

Regarding the inclusion of value-added services (products and services in addition to the supply of natural gas) in utility-consolidated bills, PECO agrees with the Commission's concerns regarding the application of customer bill payments and the effect of non-payment for such value-added services. (Tentative Order at 10). PECO also agrees with the Commission's determination that NGDCs should not be made responsible for the collection of NGS value-added services. (Id.) Therefore, PECO supports the Commission's proposal that NGDCs not be required to include additional line items for NGS value-added services charges. (Id.)

D. Dual and Summary Bills

The Tentative Order requested comments on the Commission's suggestion to include the Shopping Information Box on dual bills. The Commission also requested comments on including supplier logos, expanded messaging and the Supplier Information Box on summary bills. (Tentative Order at 11). PECO currently includes the Shopping Information Box on its dual bills and agrees with the Commission that its inclusion provides value to customers.

However, including supplier logos, expanded messaging and the Shopping Information Box on summary bills is a much more difficult task. Summary bills do not include bill inserts or

bill messages; that is not their purpose. Instead, summary bills are designed to facilitate and manage the payment of multiple accounts. Therefore, these types of bills only provide the basic information needed for customers to know the entire amount due for all of the individual account charges summed together. These bills are manually provided to customers by Federal Express each month and PECO assumes the postage costs.

Including a supplier logo, bill messaging space and Supplier Information Box for each account is not feasible due to spacing constraints and shipping costs. If these types of customers want to receive supplier logos, messages and information, they can remove themselves from the summary bill option. Additionally, summary bill customers can sign up on PECO's website to view Choice Friendly Bills for each individual account listed in the summary bill. Therefore, if summary bill customers wish to view all of the NGS elements under consideration in this Tentative Order, they can do so online and still receive summary bills. Accordingly, PECO recommends that the Commission exclude supplier-oriented elements from summary bills.

E. Cost Recovery

The Commission requested that NGDCs provide cost estimates for the changes proposed in this Tentative Order. (Tentative Order at 12). PECO's costs for including these supplier-oriented elements into its Choice Friendly Bill for natural gas customers is approximately \$100,000. PECO requests that the Commission permit recovery of these implementation costs for the Choice Friendly Bill (applicable to gas customers) in a manner similar to the recovery methodology allowed in the Electric RMI proceeding. Specifically, in the Electric RMI, the Commission permitted electric distribution companies to recover costs associated with the "inclusion of the EGS logo, the expansion of bill messaging space and the inclusion of a

Shopping Information Box...” from all customers.⁴ [Citation omitted]. The Commission believed that because these market enhancements benefitted all customers, they could be recovered from all customers. The Commission further stated:

We direct the EDCs to recover, on a full and current basis, the costs of implementation through a non-bypassable mechanism. Many of the EDCs referenced existing surcharges or riders through which recovery could occur. Other EDCs proposed the creation of surcharges meant for the recovery of retail enhancements. We agree with those proposals and direct the EDCs to submit revised tariffs or tariffs for new riders/surcharges, as applicable, for the recovery of the changes included in this Order.

(Final Order at 34-35).

Accordingly, PECO should be permitted to recover all reasonable costs incurred to implement the *Choice Friendly Bill* for natural gas customers pursuant to existing tariff riders/surcharges or new tariff riders/surcharges (such as the Consumer Education surcharge), as applicable.

F. Existing NGDC Joint Bill Initiatives

Based on its comments set forth above, PECO does not believe that any potential changes would be required to its Choice Friendly Bill in order to comply with the proposals contained herein.

⁴ See *Investigation of Pennsylvania's Retail Electricity Market: Joint Electric Distribution Company – Electric Generation Supplier Bill*, Docket No. M-2014-2401345 (Final Order at 34-35).

III. CONCLUSION

PECO appreciates the opportunity to comment on the Tentative Order and asks that the Commission favorably consider its comments. PECO looks forward to working with the Commission, OCMO and other stakeholders as the Investigation progresses.

Respectfully Submitted,



Michael S. Swerling (Pa. No. 94748)
PECO Energy Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
Phone: 215.841.4635
Fax: 215.568.3389
michael.swerling@exeloncorp.com

June 8, 2015

For PECO Energy Company

Name: [Redacted]
Account Number: [Redacted]
Phone Number: [Redacted]
Service Address: [Redacted]

Billing Summary

Bill Date 09/29/2014
Thank you for your payment of \$57.59

Current Period Charges

Gas	\$16.20
Electric	\$45.17
Total New Charges	\$61.37
Total Amount Due on 10/21/2014	\$61.37

General Information

Next scheduled meter reading: **October 27, 2014**
PECO, 2301 Market Street, Philadelphia, PA 19103-1380. If you have any questions or concerns, please call **1-800-494-4000** before the due date. Si tiene alguna pregunta, favor de llamar al numero **1-800-494-4000** antes de la fecha de vencimiento.

Customer Self Service - Manage Your Account 24/7
- www.peco.com/ebill - Go paperless: receive and pay your bill
- www.peco.com/service - Start, stop and transfer your service
- www.peco.com/SmartIdeas - Save energy and money

Contact Your Gas Supplier:
Shibley Energy, 550 E King Street, Dublin, OH 43016, 717-848-4100

Contact Your Electric Supplier:
UGI Energy Services, 1 Meridian Boulevard, Suite 2C01, Norwalk, CT 06851, 800-427-8545, www.ugienergyservices.com

Message Center

From PECO:
New charges contain estimated total state taxes of \$1.56, including \$1.12 for State Gross Receipts Tax.
Your estimated electric price to compare is \$0.0825 per kWh. This may change in March, June, September and December. For more information and supplier offers visit www.PAPowerSwitch.com and www.oca.state.pa.us.

Your estimated gas price to compare for your rate class is \$0.5464 per Ccf. This may change in March, June, September and December. For more information on how to shop for natural gas visit http://www.puc.pa.gov/consumer_info/natural_gas/natural_gas_shopping/gas_shopping_tool.aspx.

The amount of this bill will be automatically deducted from your bank account on Oct 21, 2014.

From Shibley Energy:
Gas supplier message text. This data is expanded to cover the full 80 char area.

From UGI Energy Services:
Electric supplier message text record 1. This data is expanded to cover 80 char on record 1, and then 52 characters on record 2. EOM

When paying in person, please bring the entire bill.

(continued on next page)

Return only this portion with your check made payable to PECO. Please write your account number on your check.



- Check here to enroll in Power Pay automatic account debit and complete form on reverse side.
- Check here to pledge a donation to MEAF and complete form on reverse side.

[Redacted]

6 1 SP 0.480 0006/000006/000014 001 01 GYGHHC 12032014

[Redacted]

Account Number [Redacted] Payment Receipt Stamp
Payment Amount

Automatic payment deducted on 10/21/2014 \$61.37

00000061370000000000

PECO - PAYMENT PROCESSING
PO BOX 37629
PHILADELPHIA PA 19101-0629
[Barcode]



[Redacted]

Name: [REDACTED]
 Account Number: [REDACTED]

Meter Information

Read Date	Meter Number	Load Type	Reading Type	Meter Reading		Difference	Multiplier X	Usage
				Previous	Present			
09/25	[REDACTED]	General Service	Total Ccf	2760 Actual	2764 Actual	4	1	4
09/02	[REDACTED]	General Service	Tot kWh	57496 Actual	57555 Actual	59	1	59
09/25	[REDACTED]	General Service	Tot kWh	0 Actual	138 Actual	138	1	138

Total Ccf Used 4
 Total kWh Used 197

Gas Residential Heating Service - Current Period Detail

Service 08/26/2014 to 09/25/2014 - 30 days

Customer charge					\$11.75
Distribution Charges	4 Ccf	X	\$0.34816		1.39
Balancing Service Charges	4 Ccf	X	0.02543		0.10
State Tax Adjustment					-0.04



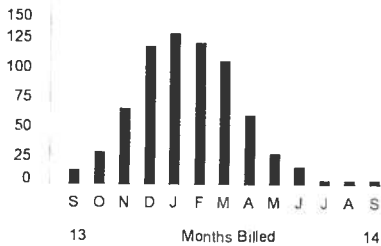
Shibley Energy Charges / 717-848-4100
 4 CCF @ \$0.74900 per CCF

Total Current Charges

3.00

\$16.20

13-Month Usage (Total Ccf)



Your Usage Profile

Period	Usage	Avg Daily Usage	Days	Avg Daily Temp
Current Month	4	0.1	30	72
Last Month	4	0.1	29	74
Last Year	12	0.4	30	70
Avg Ccf per Month				55
Total Annual Ccf Usage				668

Electric Residential Service - Current Period Detail

Service 08/26/2014 to 09/25/2014 - 30 days

Customer charge				\$7.13
Distribution Charges	197 kWh	X	\$0.06040	11.90
State Tax Adjustment				-0.04



UGI Energy Services Charges / 800-427-8545
 GENERATION AND TRANSMISSION CHARGES 59KH@0.139831
 GENERATION AND TRANSMISSION CHARGES 138KH@0.129900

Total Current Charges

8.25

17.93

\$45.17

(continued on next page)



DO NOT MAIL THIS PORTION WITH YOUR PAYMENT

Name: [REDACTED]
 Account Number: [REDACTED]

13-Month Usage (Total kWh)



Your Usage Profile

Period	Usage	Avg Daily Usage	Days	Avg Daily Temp
Current Month	197	6.5	30	72
Last Month	171	5.8	29	74
Last Year	398	13.2	30	70
Avg kWh per Month				386
Total Annual kWh Usage				4,632

Shopping Information Box	
When shopping for a competitive electric/natural gas supplier, please provide the following.	Account number: [REDACTED]
Electric Rate: Electric Residential Service	Gas Rate: Gas Residential Heating Service
If you are purchasing the energy you use from a competitive supplier, it is important to understand the terms of your contract and expiration date.	

DO NOT MAIL THIS PORTION WITH YOUR PAYMENT