**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

Public Meeting held October 1, 2015

Commissioners Present:

Gladys M. Brown, Chairman

John F. Coleman, Jr., Vice Chairman

Pamela A. Witmer

Robert F. Powelson

|  |  |
| --- | --- |
| Joint Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Seamless Moves and Instant Connects | M-2014-2401130  M-2014-2401155  M-2014-2401151  M-2014-2401148 |

**FINAL ORDER**

Before the Pennsylvania Public Utility Commission (Commission) is a recommendation from the Commission’s Office of Competitive Market Oversight (OCMO) approving, with modifications, the joint plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, FirstEnergy) for implementing *seamless moves* and *instant connects* in its service territory. A *seamless move* is the ability of a customer’s choice of supplier to move with the customer to a new address within a single service territory without interruption. *Instant connect* is the ability of supply service to start on “day one” of new utility service – without the customer first having to go on default service.

# BACKGROUND

By order entered on April 29, 2011,[[1]](#footnote-1) the Commission launched its *Investigation of Pennsylvania’s Retail Electricity Market* (Electric RMI), directing OCMO to develop recommendations for improvements to ensure that a properly functioning and workable competitive retail electricity market exists in Pennsylvania. On February 15, 2013, the Commission entered its Electric RMI Final Order[[2]](#footnote-2) (*RMI Final Order*). As part of the *RMI Final Order,* the Commission instructed electric distribution companies (EDCs) to submit plans by the end of 2013 for the implementation of seamless moves and instant connects in their service territories by June 1, 2015.

Pursuant to the Commission's *RMI Final Order,* FirstEnergy submitted a compliance filing on December 31, 2013, which detailed the Company's plan to implement seamless moves and instant connects in its service territory by June 1, 2015. Subsequent events caused the Commission to modify the implementation timelines for these new market enhancements. Specifically, on April 3, 2014, the Commission promulgated new regulations directing the EDCs to develop three-business day supplier switching timeframes.[[3]](#footnote-3) Implementation of the three-business day switch went into effect on December 14, 2014. The Commission acknowledged that the implementation of three-business day supplier switching required significant effort by the EDCs and that the timely development of three-business day switching was a priority over instant connects and seamless moves. As such, by means of an August 13, 2014 Secretarial Letter,[[4]](#footnote-4) we permitted the EDCs to delay the development of instant connects and seamless moves if an EDC determined that developing these processes could hinder or delay the development of three-business day supplier switching. In response, FirstEnergy, consistent with the directive in the Secretarial Letter, informally notified OCMO by email that it was postponing the implementation of seamless moves and instant connects.

On March 20, 2015, the Commission issued a Secretarial Letter[[5]](#footnote-5) directing EDCs, including FirstEnergy, to file revised plans to implement seamless moves and instant connects by July 1, 2016. EDCs, in their plans, were directed to demonstrate how they will achieve seamless moves and instant connects and their timeframes for implementation to meet a July 1, 2016 implementation deadline. Each plan was also expected to include an estimate of the costs to design, test, implement and maintain seamless moves and instant connects, and proposals for the recovery of those costs. This Secretarial Letter also provided a 30-day comment period for responses to the filed plans. The Commission then committed to review the plans and comments and determine appropriate further actions with regard to the filed plans.

On April 20, 2015, FirstEnergy filed, at the above captioned four dockets, a revised plan to implement seamless moves and instant connects by July 1, 2016.

**FIRSTENERGY’S PLAN**

FirstEnergy’s plan includes a work plan and timeline that sets forth project components and includes an estimated timeframe for implementation – while noting that timelines might have to be revised if there is any delay in the Commission approving their plan or if it is approved with significant modifications. Further, FirstEnergy notes that the functionality of this plan is premised on the assumption that FirstEnergy provides default service. FirstEnergy also included estimated costs for implementation and proposals for recovering these costs. Finally, FirstEnergy included an Attachment A listing possible data elements to be included in an 814 Move transaction.

**Seamless Moves**

For seamless moves, FirstEnergy proposes to allow eligible shopping customers to retain their current electric generation supplier (EGS) when moving within the same operating company service territory provided that the customer meets each of the following criteria:

1. Customer must have an active account with the Company;

2. Customer must have an existing relationship with an EGS serving at their current premise;

3. Customer does not have a pending change to a new EGS;

4. Customer plans to physically move from their current premise to a new premise within the same operating company service territory, and provides the company at least one day advance notice;

5. The new location must be an active premise, which is a necessary prerequisite for FirstEnergy to assign the seamless move customer an account number on a pending active basis;

6. Customer will remain within the same residential or commercial rate class, with compatible metering capabilities to enable billing; and

7. Customer will use the same account name at the new premise.

FirstEnergy elaborates on criteria number six as follows:

* Seamless move customers are permitted to be on a different company distribution rate schedule at the new premise as long as the rate schedule is within the same residential or commercial rate class as the current premise and the metering capabilities are compatible. The residential and commercial rate classes may be comprised of multiple rate schedules under each Company's individual retail tariff.
* Seamless moves will not be available to customers in the Companies' industrial rate classes. FirstEnergy notes that less than 1% of the Companies' customers are served under industrial class rate schedules, therefore seamless moves for industrial customers would be rare or practically non-existent.

FirstEnergy elaborates further on the process that they propose to perform seamless moves:

* The Plan will permit seamless moves to be processed by telephone, subject to the eligibility criteria provided above. The customer must provide FirstEnergy the requested disconnect date from the current premise and the connect date at the new premise during the same telephone call.
* Due to existing system parameters, the gap in service between the current premise and the new premise can never be longer than ninety days.
* The EGS will be required to: (a) send the customer a new "move" letter to ensure the customer receives written notification of the transfer of EGS terms and conditions from the current premise to the new premise; or (b) send the customer a letter explaining why the EGS declined to process the seamless move opportunity. Although the EGS is free to tailor the language of each letter, the EGS will be required to retain a copy of the letter for three years.
* Where a customer requests a move and meets the eligibility criteria for seamless moves, the company will query the customer as to whether they would like to take advantage of the opportunity to retain their existing EGS at the new premise, using the same pricing, billing option, and (if applicable) tax exemption status as their current premise.
* If the customer indicates a preference to retain their existing EGS at the new premise, FirstEnergy will submit an EDI 814 Move transaction that same day to notify the EGS of a pending seamless move awaiting processing by the EGS. The 814 Move transaction does not currently exist and must still be developed and approved by the Electronic Data Exchange Working Group ("EDEWG").
* Where an EGS wishes to retain a customer requesting a seamless move, the EGS will be required to submit an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction. The 814 Enrollment must include an indicator to show that the enrollment is associated with a seamless move, which indicator must also be developed and approved by EDEWG. A decision by the EGS to not submit an 814 Enrollment transaction within three business days (or a failure of the EGS to timely submit an 814 Enrollment transaction) will result in the customer receiving default service at the new premise until an 814 Enrollment transaction is received by the Company.
* The EGS implicated by a seamless move will not be permitted to change the pricing, billing option, and (if applicable) tax exemption status of either the current premise or the new premise until the seamless move is completed.
* Requests to backdate the connection date will not be permitted.
* If the customer never moves into the new premise, FirstEnergy will send the EGS an EDI drop transaction for the pending account at the new premise.
* Although the Companies assign new Network Service Peak Load (NSPL) and Peak Load Contribution (PLC) capacity obligations at the customer's new premise, PJM Interconnection L.L.C. ("PJM") rules allow the Companies to report the previous day's PLC and NSPL values by generation supplier. Because the EGS has three business days to submit an enrollment to take effect as of the move-in, an imbalance may occur between what an EGS should have been charged for transmission and generation capacity at the new premise, versus what the EGS is actually charged. Such an imbalance is not new and not attributable solely to the implementation of seamless moves. Therefore, EGSs and default service suppliers will continue to bear the financial imbalance associated with the difference between the respective NSPLs and PLCs in seamless move situations.
* Recent statistics provided by FirstEnergy in their plan indicate that approximately 70% of customers provide one day's notice prior to a move-in; 4% provide two days' notice; 13% provide four days' notice; 3% provide six days' notice; and 10% provide more than seven days' notice. Therefore, FirstEnergy anticipates that the overwhelming majority of seamless moves will result in move-in dates that occur within one day and result in a short-term financial imbalance for EGSs and wholesale suppliers that FirstEnergy cannot control.

**Instant Connects**

FirstEnergy’s plan for instant connects is primarily designed for customers establishing electric service for the first time. However, FirstEnergy notes that there are other less common situations where instant connects may occur. Below is a list of situations where FirstEnergy envisions instant connects may take place; this list is not necessarily exhaustive, but is meant to represent the most common situations in which instant connects would be applicable:

* Customer is moving into the company service territory and establishing an account with the company for the first time;
* Customer is re-establishing a company account after a set number of days expire since the closure of the same company account;
* Service is upgraded or reconfigured, necessitating that an additional account for the same customer be established;
* There is a change in the party responsible for service, meaning that a new legal entity will receive service from the company; or
* A new customer account is established based upon an investigation (i.e., revenue protection/theft of service).

In each of the above situations, instant connects will only be available at locations that are active premises, which is a necessary prerequisite for FirstEnergy to assign the new customer an account number on a pending active basis. An active premise is key in programming development in order to associate a customer with a specific premise. This means that new building construction would not be eligible for instant connects where the developer/builder is establishing service for the first time with no meter present, but would be available for the end-use customer that is transferring electric service responsibility from the developer/builder to the customer.

Under FirstEnergy’s proposed plan, instant connects will be available to customers of all rate classes. FirstEnergy’s rationale for excluding industrial rate class customers from seamless moves is that industrial customer operational characteristics tend to dictate EGS-provided service with terms and conditions specific to each individual premise, making the transference of pricing from premise to premise under a seamless move impractical for industrial customers. However, FirstEnergy notes that the same restrictions are not necessarily applicable for an instant connect because EGSs are afforded an opportunity to establish EGS service with terms and conditions specific to each individual premise in that instance.

FirstEnergy’s plan for processing instant connects includes the following:

* The plan will permit instant connects to be processed by telephone, subject to the eligibility criteria discussed above.
* The customer must provide FirstEnergy the requested move-in date and satisfaction of any required security deposit.
* An EGS will continue to submit to FirstEnergy an EDI 814 Enrollment transaction. The 814 Enrollment will require an indicator to show the enrollment is due to an instant connect, which indicator must be developed and approved by EDEWG.
* The customer's move-in date, fulfillment of any required security deposit, and FirstEnergy’s receipt of the 814 Enrollment transaction must all be received into the EDC's billing system prior to the move-in date in order to be effective as of the move-in date.
* Enrollments received on or after the move-in date will follow standard enrollment rules and time periods in accordance with the tariff.
* If the customer changes their move-in date, FirstEnergy will notify the EGS of the new move-in date via an EDI 814 Change transaction.
* Requests to backdate the connection date will not be permitted.
* If the customer never moves into the new premise, FirstEnergy will send the EGS an EDI Drop transaction for the pending account at the new premise.
* When a customer calls to initiate electric service, FirstEnergy assigns new NSPL and PLC obligations at the new premise, which are calculated as the class average default value until new values are assigned annually on January 15 for NSPL and June 1 for PLC based upon historical usage. Unlike seamless moves (see above), FirstEnergy does not anticipate an imbalance between what an EGS should have been charged for transmission and generation capacity at the new premise versus what an EGS is actually charged.
* Instant connects will occur in any eligible/applicable situation - there will be no EGS opt-out provision.

**Cost and Cost Recovery**

FirstEnergy notes that the design and implementation of seamless moves and instant connects will cause them to incur costs in a variety of areas, such as EDI programming, billing system changes, letter generation changes, website changes, development of tracking statistics, and workflow changes. Further, a new contact center process and training will be needed, including changes to call center scripts. FirstEnergy estimates a total cost of approximately $2.5 million to design and implement seamless moves and instant connects based upon the criteria set forth in their proposed plan.

FirstEnergy proposes that costs for both seamless moves and instant connects will be collected on a non-bypassable basis through the competitively neutral Default Service Support Rider ("DSSR") contained in each of the Companies' retail tariffs. Specifically, costs will be collected through the Retail Enhancements component of the DSSR on a per-kWh consumption basis for residential and commercial rate class customers, and on a per-kW NSPL demand basis for industrial rate class customers. FirstEnergy notes that this Rider is specifically set up to cover programming expenses and implementation costs associated with competitive market enhancements. Further, since the Retail Enhancements component is part of existing Commission-approved tariff riders, FirstEnergy will not need to submit a tariff modification to implement seamless move and instant connect cost collection through the DSSR.

**Timeline**

Due to the extensive programming and testing of seamless moves and instant connects that must be performed prior to July 1, 2016, and the time needed to develop new 814 Move transaction and 814 Enrollment indicators by EDEWG, FirstEnergy advises that a delay in approval beyond July 1, 2015 places in jeopardy a July 1, 2016 implementation date, with implementation likely delayed by the amount of time that has transpired after July 1, 2015.

**COMMENTS**

Five parties, FirstEnergy Solutions (FES), the Office of Consumer Advocate (OCA), Retail Energy Supply Association (RESA), Pennsylvania Energy Marketers Coalition (PEMC), and the Electronic Data Exchange Working Group Leadership (EDEWG) filed comments in response to FirstEnergy’s April 20, 2015 plan filing.

EDEWG notes that it facilitated multiple joint informal EDC-EGS conference calls with voluntary representation from the EDC-EGS community in October and November 2013 to aide in formulating a uniform baseline for all EDCs to use for their specific implementation plans of seamless moves and instant connects. As a result, the group documented various business rules for qualifying a seamless move and instant connect as well as the development of' the draft EDI 814 *Move transaction* to be used by the EDCs to finalize the seamless move. EDEWG reviewed all EDC plan filings for seamless moves and instant connects and found that the plan proposed by FirstEnergy does not operationally align with the other EDC plan filings. EDEWG at 1.

Specifically, EDEWG is concerned that the FirstEnergy plan requires the EGS to submit an 814 Enrollment transaction within three-business days of receipt of the 814 Move transaction to complete the seamless move process. EDEWG disagrees with this requirement for the following reasons:

* It creates a different business process and technical implementation resulting in a lack of uniformity across Pennsylvania EDCs. This places additional costs on EGSs to support a separate implementation instead of a consistent, uniform model for the entire marketplace to follow.
* The additional requirement for the EDI 814 Enrollment was not previously put forth as the preferred model for finalizing the seamless move in the EDCs’ systems. The model, as put forth in plan filings from the other EDCs, ends the process with the 814 Move being sent to the EGS. The EGS retains the opportunity to submit an EDI 814 Drop at any time.
* Under the FirstEnergy plan, in the event the EGS does not submit the 814 Enrollment the customer's new service location will receive default service. This model is not a true seamless move and presents a significant risk for negative customer impact.  
  EDEWG at 2.

RESA notes that it has long supported the implementation of seamless moves and instant connects - ensuring that customers are able to continue to receive competitive service notwithstanding relocation and to choose competitive service on day one of service initiation is an important part of developing a competitive retail market. RESA opines that these processes honor a customer's desire and also helps to level the playing field where EDCs have a competitive advantage as the long-standing monopoly provider and provider of default service. RESA states that these changes are long overdue. RESA at 1 – 2.

While RESA appreciates the efforts of FirstEnergy to implement processes to enable seamless moves and instant connects, RESA agrees with EDEWG that there is one aspect of FirstEnergy's seamless moves plan that is problematic and must be removed. Specifically, the requirement that an EGS currently serving a moving customer submit an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction from FirstEnergy. RESA, like EDEWG, notes that this requirement is unique among the EDCs and adds another step to effectuate a seamless move. RESA at 2. RESA further opines that this proposed requirement creates an unreasonable barrier to maintaining customer choice, noting that the customer is already receiving service from the EGS and has made clear his or her wishes to retain service with that EGS after the move. Thus, RESA believes that there is no legitimate purpose for this requirement as a precondition to effectuating the customer's clear intent. RESA at 3. Requiring the EGS to do something further after the EDC has already received clear affirmation from the customer is illogical, unnecessary and will only complicate and delay the process. RESA at 5. Because FirstEnergy's proposal would result in a lack of uniformity among EDCs and would require the development of a new enrollment process, RESA believes that the likelihood of errors is increased. RESA at 6. RESA also notes that the new 814 Enrollment transaction that would have to be developed by EDEWG – whose use would only be required by FirstEnergy - is not an efficient use of resources. RESA at 6.

In contrast, FES, in their comments, insists that the EDCs’ plans should recognize an EGS's right to reject a seamless move request. FES notes that contract portability implicates the legal terms and conditions of an EGS's contract with its customer, as well as business and logistical issues. Accordingly, the EDCs’ plans should recognize that both the customer and EGS must agree to a seamless move. FES recommends that if an EGS does not respond to an EDI request within three days, the seamless move is to be deemed rejected and the EGS's service will not follow the customer. FES at 3.

FES states that EGSs should not be required to serve a customer for any period of time at a new service location. To require otherwise might require the EGS to deal with complications like gaps or overlaps in EGS service caused by a customer move where service is not smoothly transferred from one location to another. FES at 3-4. FES further notes that changes in a customer's load profile at the new location may make an EGS contract uneconomic. FES at 5. Accordingly, FES believes that only an EGS contract that provides for portability should be eligible for seamless moves and further, that each EDC plan should apply only to EGS contracts that become effective on or after the EDC's plan implementation date. FES at 4.

PEMC believes the implementation of seamless moves will not only benefit the customer by allowing them to move to a new location within their utility’s service territory without interruption of their energy supply, but will also further strengthen the attractiveness of the competitive market for customers who seek to shop for their energy. PEMC at 2. However, PEMC seeks clarification on the customer notification requirement. PEMC agrees with FirstEnergy that notifying the customer that the seamless move will result in the transfer of the EGS’s existing terms and conditions to the new location. PEMC seeks clarification on the proposed notification plan, referred to as the “move” letter by FirstEnergy. PEMC wants to ensure that EGSs are expected to provide this written notification to the customer solely as an informational notice as opposed to requiring any sort of positive action by the customer. PEMC opines that adding friction to the seamless move process in the form of additional action by the customer would undermine the entire purpose of the enhancement. PEMC at 2-3.

The OCA is in general agreement with the Commission's proposals related to instant connects and seamless moves and that, while it finds these processes to be reasonable, it asserts that certain issues should be addressed. OCA at 2-3. The OCA submits that every EGS customer who contacts the EDC to arrange a move should be informed of the seamless move process so that the customer is aware that they will retain the EGS at their new location unless the EGS determines that it will not continue to provide service at the new location. The OCA further submits that EGSs should be required to send a confirmation letter to a customer informing the customer that the EGS will or will not continue service at the new location. The OCA acknowledges that this may increase costs for EGSs but believes that customers should be aware of how their service will be provided as their circumstances change. OCA at 3-4.

Regarding EDC cost recovery, OCA notes that FirstEnergy proposes to recover all capital costs through its Default Service Support Rider. OCA submits that these costs should instead be recovered from the EGSs that benefit through maintaining the customer relationship and by establishing a contractual relationship at the time service is established. To the extent these costs are recovered from ratepayers, however, the OCA submits that the costs should be recovered in a base rate case and that the Commission must carefully review these costs in the base rate case to ensure that they are just and reasonable. OCA at 5-6.

**RESOLUTION**

Upon review of FirstEnergy’s plan and the comments, we remain convinced that seamless moves and instant connects are important enhancements to the competitive electric market landscape. These two items are, from a customer’s perspective, ordinary and expected capabilities that have been hindered by current EDC account handling processes and information systems. A customer should not have to obtain new supplier service simply because they moved locations within an EDC’s service territory. It is reasonable for customers to expect that their supplier choice and contract be simply “ported” to their new location. Likewise, customers should be able to start new service with a supplier without first going onto default service. The current system inappropriately elevates default service to a favored, primary service role. Instant connects will help end this undesirable practice.

While we find many elements of FirstEnergy’s plans for implementing seamless moves and instant connects reasonable and in conformity with our expectations, we share many of the concerns raised by the parties. We also note that several elements of FirstEnergy’s plans, if approved as proposed, would result in a program inconsistent in many ways with what the Commission has already directed in the case of Duquesne Light Company’s seamless moves and instant connects.[[6]](#footnote-6) We agree with EDEWG and RESA about the importance of making the seamless moves and instant connects procedures as consistent as possible among the EDCs. Needless inconsistency increases the likelihood of confusion and errors, in addition to complicating EGS operations and increasing related costs.

Our primary concern, as is EDEWG’s and RESA’s, is FirstEnergy’s proposal to require an EGS to submit to FirstEnergy an 814 Enrollment transaction within three business days of receipt of the 814 Move transaction from FirstEnergy. We agree with EDEWG that requiring this does in effect remove “seamless” from “seamless move.” We agree with RESA that this is unnecessary and will only complicate and delay the process. Accordingly, we reject requiring the EGS to send an 814 Enrollment as part of this process.

For these same reasons, we reject FES’s position that an EGS should have the right and opportunity to reject a seamless move which otherwise meets the requirements set forth in FirstEnergy’s plan. Once seamless moves become available – they should be used to the benefit of consumers.

We acknowledge that FES raises legitimate concerns about how a customer relocation can result in significant changes to the character of the service being used and thus possibly impacting existing contracts. However, we do not think the way to address these concerns is to allow EGSs to unilaterally terminate contracts simply because a customer relocates. The preferable course is to do as we did in the previously mentioned Duquesne Light Order[[7]](#footnote-7): carefully restrict the customer eligibility requirements for seamless moves. Unfortunately, we find FirstEnergy’s proposed eligibility requirements in this regard somewhat lacking. We agree with FirstEnergy’s proposal to require customers that relocate to maintain the same rate class (residential and commercial) to remain eligible for a seamless move, and that industrial customers will be subject to their own EGS agreements regarding service initiation or relocation circumstances. However, in order to address the concerns expressed by FES, we find that the eligibility requirements need to be tightened further. Seamless moves should be restricted to residential and low-demand business customers and the customer’s existing rate class must be maintained. Accordingly, we direct FirstEnergy to incorporate into their revised plan eligibility restrictions that will serve to limit seamless moves to residential and low-demand business customers. FirstEnergy should designate the eligible rate classes and for the commercial/general service classes, the applicable load limits. For guidance in this regard, FirstEnergy should refer to the restrictions that have been directed in the plan for Duquesne Light Company.[[8]](#footnote-8)

Further, we find FirstEnergy’s proposal to allow for concurrent service periods as long as 90 days is inappropriate in that it would require a supplier to serve two locations for an extended period of time. Again, this could go too far in impermissibly altering the character of the customer’s service and the EGS’s obligation to serve. As we approved in the Duquesne Light Company Order,[[9]](#footnote-9) we think limiting any gap or overlap in service to three days is appropriate – noting again as we did in the Duquesne Light Company Order that this timeframe can be revisited if experience proves it to be problematic.

With these additional safeguards, FirstEnergy’s eligibility requirements are sufficient to prevent customers from materially changing their contracts with EGSs simply by moving to a new location. We reiterate that these safeguards include limiting seamless moves to residential and low-demand commercial accounts; requiring that the rate class remains unchanged; that the customer maintains the same supplier billing rate, billing option and tax exemption percentage; and that any gaps or overlap of service will be limited to three days. We are convinced that these robust safeguards will prevent a customer from significantly changing the characteristics of their service with an EGS as a result of a move to a new location.

In addition to the above safeguards, as EDEWG noted, a supplier is always able to submit a drop if they do not wish to serve the customer at a new location. We emphasize that any EGS which processes a customer drop in a seamless move environment should be doing so per the terms and conditions of their existing agreement with the customer. Ideally, this should be addressed under the *cancellation* provisions of the disclosure or contract the EGS has with the customer. Existing supply agreements should not be adversely impacted by implementation of seamless moves with all of the foregoing protections in place.

We also note that seamless moves will not be available until the second half of 2016. This should provide EGSs with time to consider these matters when entering into new contracts with new customers. To the extent that an EGS desires to expressly recognize the possibility of seamless moves in future contracts, they are free to do so. In addition, EGSs may pursue modification of existing contracts, with customer agreement. Regardless of the foregoing, it is the desire of the customer to retain the current supply terms and conditions that should control, subject to the EGS’s ability to drop that customer consistent with the terms of the existing contract as mutually agreed to by both parties.

In response to customer notice issues raised by OCA and PEMC, we will adopt the same process as we did in the Duquesne Light Company Order and not require EGSs to send a confirmation letter to the customer stating that it will/will not continue to serve the customer at the new address. EGSs are of course free to send such a notice to their customers, but requiring such a notice is unnecessary. We prefer the approach adopted in the Duquesne Light Company Order[[10]](#footnote-10) where the EDC will inform the customer that their EGS supply service will seamlessly move to their new location (assuming eligibility requirements are met). The customer does not have to authorize or take any additional actions for this to happen. Accordingly, FirstEnergy should include in their call center procedure that it will advise the customer that his or her EGS supply service will seamlessly move to their new location.

As for cost recovery, we disagree with the OCA’s primary position that costs should be borne by the EGSs. While EGSs will obtain some benefit from these processes, customers will also benefit. The seamless move and instant connect functionality will not only benefit current shopping customers, it will be available for all eligible customers. These enhancements are permanent improvements that, to a large extent, are simply correcting an unacceptable status quo due to existing limitations in utility customer information systems. For these reasons, we disagree with FirstEnergy that these costs should be recovered via the Default Service Support Rider (DSSR). We agree with the OCA’s secondary position that these costs be included in base rates. The scrutiny of a base rate proceeding is the appropriate mechanism to ensure that utilities will recover only prudent and reasonably-incurred costs. As the OCA points out, this is consistent with recent Commission decisions on the costs associated with accelerated switching. It is also consistent with our decision in the Duquesne Light seamless move proceeding.[[11]](#footnote-11)

# CONCLUSION

The Commission approves FirstEnergy’s plan filed on April 20, 2015, as modified by this Order, for implementing seamless moves and instant connects in its service territory by September 30, 2016. FirstEnergy shall file a revised plan within 10 days reflecting the modifications discussed in this Order.

**THEREFORE,**

**IT IS ORDERED:**

1. That within ten days of the entry date of this Order, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company shall file revised plans, as modified by this Final Order, with the Commission to implement seamless moves and instant connects in their service territories by September 30, 2016.

2. That Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company shall file with the Commission for its review and approval revised tariff supplements consistent with the terms of this Order at least 30 days prior to the availability of seamless move and instant connect functions within their service territories.

3. That this Final Order be served on all jurisdictional Electric Distribution Companies, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate and the parties who filed comments at Docket Nos. M-2014-2401130, M-2014-2401155, M-2014-2401151 and M-2014-2401148.

4. That the Secretary shall deposit a notice of this Final Order with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin*.

5. That a copy of this Order be posted on the Commission’s website at the Office of Competitive Market Oversight’s web page - <http://www.puc.pa.gov/utility_industry/electricity/electric_competitive_market_oversight.aspx>

6. That the Office of Competitive Market Oversight shall electronically serve a copy of this Final Order on all persons on the contact list for the Committee Handling Activities for Retail Growth in Electricity.

**BY THE COMMISSION,**

 Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: October 1, 2015

ORDER ENTERED: October 1, 2015

1. *Investigation of Pennsylvania’s Retail Electricity Market* Order, Docket No. I-2011-2237952 (Order entered April 29, 2011).

   [↑](#footnote-ref-1)
2. *Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service* Final Order, Docket No. I-2011-2237952 (Order entered Feb. 15, 2013). [↑](#footnote-ref-2)
3. *Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer’s Electricity Generation Supplier,* Docket L-2014-2409383 *(*Order Entered April 3, 2014).  
    [↑](#footnote-ref-3)
4. Secretarial Letter re: *EDC plan filings for Seamless Moves and Instant Connects*. Docket No. M-2014-2401127 (August 13, 2014).   
    [↑](#footnote-ref-4)
5. Secretarial Letter re: *EDC plan filings for Seamless Moves and Instant Connects*. Docket No. M-2014-2401127 (March 20, 2015). [↑](#footnote-ref-5)
6. *Final Order Duquesne Light Company Plan for Seamless Moves and Instant Connects.* Docket No. M-2014-2401127 (Order Entered September 3, 2015). [↑](#footnote-ref-6)
7. *Id*. pages 10 - 11. [↑](#footnote-ref-7)
8. *Id*. pages 10 – 11. [↑](#footnote-ref-8)
9. *Id*. page 12. [↑](#footnote-ref-9)
10. *Id*. Page 5. [↑](#footnote-ref-10)
11. Id. Page 12. [↑](#footnote-ref-11)