

**W. Craig Williams**  
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Direct Dial: 215-841-5974

September 7, 2018

**VIA eFILING**

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

**Re: Petition of PECO Energy Company for Temporary Waiver of Regulations  
Related to the Required Days in a Billing Period, Docket No. P-2014-2446292**

Dear Secretary Chiavetta:

Enclosed for filing is the **Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period** in regard to the above-referenced matter.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



W. Craig Williams

Enclosures

cc: Per Certificate of Service (w/encls.)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY : DOCKET NO. P-2014-2446292**  
**FOR TEMPORARY WAIVER OF :**  
**REGULATIONS RELATED TO THE :**  
**REQUIRED DAYS IN A BILLING PERIOD :**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period** on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC MAIL AND FIRST CLASS MAIL**

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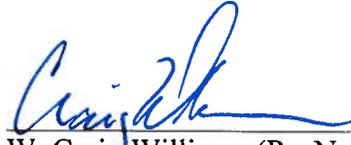
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*Counsel for RESA and Direct Energy  
Services, LLC*

Date: September 7, 2018

Respectfully Submitted,



---

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*Counsel for PECO Energy Company*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY        :**  
**FOR TEMPORARY WAIVER OF                    :**       **DOCKET NO. P-2014-2446292**  
**REGULATIONS RELATED TO THE                :**  
**REQUIRED DAYS IN A BILLING PERIOD        :**

**PETITION OF PECO ENERGY COMPANY FOR TEMPORARY WAIVER OF  
REGULATIONS RELATED TO THE REQUIRED DAYS IN A BILLING PERIOD**

This Petition relates to the issuance of short-term (less than 26 day) off-cycle bills that are necessary when a customer switches generation suppliers during a billing cycle. In 2014, the Commission initially granted PECO a temporary waiver of the regulations that require bills to be based on a 26-35 day billing cycle, through December 31, 2016. On July 21, 2016, the Commission issued a Notice of Proposed Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Amended Provisions of 66 Pa. C.S. Chapter 14 (Docket No. L-2015-2508421) (“Proposed Rulemaking”). The Proposed Rulemaking would, *inter alia*, change the definition of “billing month” such that future waiver requests from PECO would be unnecessary.

In 2016, while the Proposed Rulemaking was still pending, PECO requested a further extension of its temporary waiver until the earlier of December 31, 2018 or approval of the modified definition of “billing month” in the Proposed Rulemaking. At present, the Proposed Rulemaking remains pending, and PECO again requests that the Commission extend this temporary waiver for either two additional years, through December 31, 2020, or until such earlier time as the Commission approves the “billing month” definition modification.

PECO also proposes to discontinue the semi-annual Bill-On-Supplier-Switch (“BOSS”) Bill Stakeholder Meetings. The meetings have been sparsely attended and generate little to no discussion, including any issues around PECO’s implementation of BOSS Billing (the purpose of the stakeholder meetings). Instead, PECO proposes to convene an *ad hoc* BOSS Bill Stakeholder Meeting when there is new information to communicate about the BOSS Billing practice.

In support of PECO’s request for an extension to the aforementioned waiver, PECO states as follows:

1. On October 1, 2014, PECO filed a Petition in this docket requesting a temporary waiver of the Commission’s regulations to allow PECO to issue short-term, off-cycle bills in defined situations. On December 4, 2014, the Commission issued an Order granting PECO’s Petition through December 31, 2016. A copy of the Petition and the Commission’s Order are attached as Exhibit A and are incorporated as if set forth fully herein.

2. On July 21, 2016, the Commission issued the Proposed Rulemaking, which included a change to the definition of “billing month” that would obviate the need for future waivers from PECO for short-cycle billing upon supplier switching. The Commission solicited comments from stakeholders on the Proposed Rulemaking, including the change of definition for “billing month”.

3. The current definition of “billing month,” found at 52 Pa. Code § 56.2, defines billing month as:

*Billing month*—A period of not less than 26 days and not more than 35 days except in the following circumstances: [then listing four factual circumstances unrelated to changing generation suppliers].

4. The proposed revised definition of “billing month,” set forth in the Rulemaking Annex A, p. 2, will include a fifth exception that addresses changes to generation suppliers:

(v) Bills for less than 26 days shall be permitted when there is a change of the customer’s electric generation supplier.

5. In the Proposed Rulemaking, the Commission specifically states that this change is intended to permanently implement the temporary waiver that was granted in the current docket, stating (Attachment One, p. 2) that:

We propose revising the definition of *billing month* to allow short-period bills in instances where a customer’s change of commodity supplier necessitates the issuance of a short-period bill in order to effectuate a timely switch of supplier. Recent regulatory changes intended to accelerate the switching of electric generation service now make it possible to switch commodity service in as little as three business days. *See* 52 Pa. Code §§ 57.173, 57.174 and 57.180 (relating to customer contacts the EGS to request a change in electric supply service; time frame requirement; and implementation). Some utilities, as part of the switching process, will issue a short-period bill to conclude the customer’s connection with his or her current supplier, so that billing with the new supplier can start within the three business day timeframe. The Commission has already issued temporary waivers of the current Section 56.1 definition of *billing month* to facilitate this process, FN, and we believe it is necessary to codify this change in billing procedures to eliminate the need for repeated waivers in the future.

FN: *See Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days In a Billing Period*, Docket P-2014-2446292 (Public Meeting December 4, 2014).

6. On September 1, 2016, PECO filed a Petition in this docket requesting an extension to its temporary waiver of the Commission’s regulations to allow PECO to issue short-term off-cycle bills in defined situations. On December 8, 2016, the Commission issued an Order granting PECO’s Petition through December 31, 2018. A copy of the September 1, 2016 Petition and the subsequent Order are attached to the instant Petition as Exhibit B and are incorporated as if set forth fully herein.

7. On July 12, 2017, the Commission issued an Order seeking additional comments on the Proposed Rulemaking. The Order did not address the proposed definitional change of “billing month” as an area requiring additional comment. PECO filed additional comments, but again, not on the issue of the “billing month” definition, since it was not raised by the Commission.

8. The rulemaking process in Docket No. L-2015-2508421 is still active and may not be finalized prior to December 31, 2018, when PECO’s temporary waiver expires.

9. It is in the public interest to avoid a gap between the existing temporary waiver and the permanent change to the Commission’s regulations.

PECO is proposing to discontinue the semi-annual BOSS Bill Stakeholder Meetings, because the meetings have been sparsely attended (less than 15 suppliers attended each stakeholder meeting on average from 2015 to present) and generate little to no discussion from those who attend. PECO proposes to continue the concept of the BOSS Bill Stakeholder Meetings, but only convene those meetings when there is a material change of process or there is an issue with BOSS Billing to discuss with suppliers. PECO would continue its semi-annual reporting of BOSS Billing statistics.

**WHEREFORE**, PECO respectfully requests that the Commission grant the following:

1. PECO's requested extension of its temporary waiver until either December 31, 2020, or such earlier date as the rulemaking in Docket No. L-2015-2508421 is finalized.
2. PECO's request to discontinue the periodic BOSS Bill Stakeholder Meetings in favor of *ad hoc* meetings when there are material changes of process or an issue with BOSS Billing. PECO will continue the associated semi-annual reporting.

Respectfully submitted,



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Ward L. Smith (Pa. No. 0476760)  
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Dated: September 7, 2018

*Counsel for PECO Energy Company*

# **EXHIBIT A**



Exelon Business Services Company  
Legal Department

PECO Energy Company  
1500 Locust Street, Philadelphia, PA 19102

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www.exeloncorp.com

Direct Dial: 215.841.6863

October 1, 2014

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

**RE: Petition of PECO Energy Company For Temporary Waiver of Regulations  
Related to the Required Days In A Billing Period  
Docket No.: P-\_\_\_\_\_**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is **PECO Energy Company's Petition For  
Temporary Waiver of Regulations Related to the Required Days In A Billing Period.**

I have enclosed a Certificate of Service showing that a copy of the above document was served on the interested parties. Thank you for your time and attention on this matter.

Very truly yours,

A handwritten signature in black ink that reads "Ward L. Smith".

Ward L. Smith  
Counsel for PECO Energy Company

cc: Certificate of Service

WS/lo



**PENNSYLVANIA**  
PUBLIC UTILITY COMMISSION

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*If your filing exceeds 250 pages, you are required to submit one paper copy of the filing within 3 business days of submitting the electronic filing. This paper copy can be mailed to: Secretary, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Harrisburg, PA 17120. Please print a copy of this page and attach it to the paper copy of your filing as the first page.*

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File Name	Document Class	Document Type
Petition - Temporary Waiver of Regulations Related to Days in Billing Period.pdf	Petition	Petition (New Case)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY COMPANY :  
FOR TEMPORARY WAIVER OF : DOCKET NO. P-\_\_\_\_\_  
REGULATIONS RELATED TO THE :  
REQUIRED DAYS IN A BILLING PERIOD :

**PETITION OF PECO ENERGY COMPANY FOR TEMPORARY WAIVER OF  
REGULATIONS RELATED TO THE REQUIRED DAYS IN A BILLING PERIOD**

On April 3, 2014, the Commission ordered jurisdictional electric distribution companies (“EDCs”) to implement procedures so that a customer may quickly transfer their electric service account between electric generation suppliers (“EGSs”) or between an EGS and the EDC’s default service.<sup>1</sup> The Commission ordered that these new procedures be implemented by December 15, 2014.

As described in more detail below, PECO Energy Company (“PECO”) plans to meet this requirement by issuing a new bill whenever a customer switches to a new supplier, whether the new supplier is an EGS or PECO. (PECO calls this approach “Bill on Supplier Switch,” or “BOSS.”) If a customer switches between meter read dates, the BOSS approach could result in bills covering only a few days of service within the overall monthly billing period. The Commission’s regulations, however, require that bills be issued for a period of not less than 26

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<sup>1</sup> *Final-Omitted Rulemaking Order: 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 (entered April 3, 2013) ( hereinafter “Final-Omitted Rulemaking Order”).

days. In this Petition<sup>2</sup>, PECO therefore requests a temporary waiver<sup>3</sup> of the Commission's regulations so that it can implement the accelerated switching procedures by issuing "BOSS" bills for a period of service less than 26 days, as well as "on-cycle" bills of less than 26 days on the customer's normal billing date.

PECO's Electric Service Tariff, its Electric Generation Supplier Coordination Tariff, and its Natural Gas Supplier Coordination Tariff each contain provisions related to the periodicity of billing. PECO has therefore prepared revisions to the relevant tariff pages to and attached them to this filing as Attachment A. In addition to the requested waiver of Chapter 56, PECO also requests approval for these tariff changes.

Given the December 15, 2014 deadline set by the Commission for implementing the off-cycle requirements of its Final-Omitted Rulemaking Order, PECO requests that the Commission approve this Petition and associated tariff changes as soon as is reasonable, but in any event by the December 4, 2014 Public Meeting, if possible.<sup>4</sup> PECO will make a compliance tariff filing,

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<sup>2</sup> This Petition is filed pursuant to 52 Pa. Code §5.43 (Petitions for issuance, amendment, repeal, or waiver of Commission regulations), which states in relevant part that:

(a) A petition to the Commission for the . . . waiver . . . of a regulation must set forth clearly and concisely the interest of the petitioner in the subject matter, the specific regulation, amendment, waiver or repeal requested, and cite by appropriate reference the statutory provision or other authority involved. The petition must set forth the purpose of, and the facts claimed to constitute the grounds requiring the . . . waiver.

<sup>3</sup> PECO initially intended to seek a permanent waiver of the Commission's regulations in this Petition. However, during pre-filing review of this Petition, the Office of Consumer Advocate stated that it would oppose a permanent waiver of the Commission's regulations, and requested that PECO pose its request as temporary waiver.

<sup>4</sup> Pursuant to 52 Pa. Code § 53.31, changes to public utility tariffs require 60 days' notice to the public. The span between this filing and the December 4 public meeting is more than 80 days, allowing full completion of the 60-day notice period.

with final tariff language based on that Order, within 10 days of the Order (that is, by December 14 at the latest). This will allow PECO to implement its new procedure by the Commission's December 15 deadline. In support of this Petition, PECO states as follows:

**A. Background/Interest of the Petitioner in the Subject Matter/Purpose of Waiver and Facts Constituting the Grounds for the Waiver<sup>5</sup>**

1. On April 3, 2014, the Commission entered the Final-Omitted Rulemaking Order wherein it amended and added to regulations at 52 Pa. Code §§ 57.171 – 57.179, addressing the process for transferring a customer's account from a default service provider to a competitive electric generation supplier ("EGS" or "supplier"), from one supplier to another supplier and from a supplier to default service. Of particular relevance here, the Commission revised its regulations to facilitate accelerated switching.

2. In the Final-Omitted Rulemaking Order, the Commission reduced the time in which an electric distribution company ("EDC") must switch a customer to a supplier (or from a supplier to another supplier or from a supplier to default service) to within three business days.<sup>6</sup> This shortened switching period by the EDC, along with the elimination of an anti-slamming waiting period before a switch could be performed, permits the intended "off-cycle" switching. The Commission ordered that EDCs should have this capability implemented by December 15, 2014 (which is also six months after the effective date of the regulations, which were published

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<sup>5</sup> 52 Pa. Code §5.43(a) states that a Petition seeking waiver of a Commission regulation must state "the interest of the petitioner in the subject matter" and the "the purpose of, and the facts claimed to constitute the grounds requiring the . . . waiver."

<sup>6</sup> See Final-Omitted Rulemaking Order, at 24 and amendments to 52 Pa. Code § 57.174.

in the *Pennsylvania Bulletin* on June 14, 2014).<sup>7</sup> As the Commission noted, PECO is committed to meeting this deadline: “*See e.g.*, PECO Comments at 3 (stating that PECO “is fully committed to complying with the proposed regulations with the [six-month] timeframe stated in the [March 18, 2014] Secretarial Letter”).<sup>8</sup>

3. The Commission specifically contemplated that there could be several off-cycle switches in one billing period. “We acknowledge that multiple switches could occur within a single billing period. This may even be necessary in some instances – such as returning [ ] a customer to the appropriate supplier to reverse a ‘slam.’”<sup>9</sup>

4. To meet the Commission’s requirements for EDC’s to switch customers to and from suppliers within three days, PECO intends to make use of a short-period bill to mark the transition to or from a supplier. The Bill On Supplier Switch (“BOSS”) approach is designed to leverage PECO’s current billing system’s capabilities with minimal impact to those systems, which in turn enables PECO to meet the Commission’s December 15, 2014 implementation deadline.

5. PECO will generate a short-period BOSS bill for electric service when a default service customer enrolls with an EGS during the billing cycle; when an EGS customer switches to another EGS during the billing cycle; or when an EGS customer returns to EDC default service during the billing cycle. In order to return the customer to their normal billing cycle, the

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<sup>7</sup> *See* Pa. Code § 57.180.

<sup>8</sup> Final-Omitted Rulemaking Order, at 29.

<sup>9</sup> Final-Omitted Rulemaking Order, at 27.

natural consequence of PECO issuing a BOSS bill on customer EGS enrollment or switch or a return to default service is that PECO must also generate a short on-cycle bill for the remainder of the billing cycle (“on-cycle bill”).

6. The BOSS bill will include electric service charges; prorated non-usage-based electric service charges including the customer charge; and demand charges. The BOSS bill will not include gas service charges; budget billing (assessment or settlement); deposits; or payment-agreement installment amounts. The BOSS bill will display prior payments not shown on a prior bill; excess credits not shown on a prior bill; new miscellaneous debits/credits not shown on a prior bill; late payment charges (“LPCs”) not shown on a prior bill; and the previous outstanding balance from prior bills. The usage period for the BOSS bill will be from the prior billed reading date to the date of enrollment, switch or drop from an EGS, and the calculation of the due date for the BOSS bills will follow the same rules as regular bill due date calculations.<sup>10</sup> Electronic Funds Transfer (“EFT”) will draft only the current charges associated with the BOSS bill, and the EFT will schedule its draft using the same number of days as on-cycle billing. Finally, the BOSS bill will include a message explaining the BOSS bill to differentiate it from the normal, on-cycle bill.

7. The on-cycle bill will have all the information normally associated with PECO’s current on-cycle bills for a complete billing period. The usage period for the on-cycle bill will be from the prior BOSS bill to the date of the on-cycle bill (with the exceptions that, for customers on budget billing, the on-cycle bill will include the entire month’s budget charges and for

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<sup>10</sup> The method of determining pro rata amounts for these charges, if applicable, is further explained in paragraph 14.

customers on a payment agreement, the on-cycle bill will include the entire month's payment agreement installment amount). Electronic Funds Transfer ("EFT") will draft only the current charges associated with the on-cycle bill.

8. The information on the two types of bills may be summarized as follows:

Feature	BOSS	On-Cycle
Electric Service Charges	√	√
Gas Service Charges		√
Budget Billing		√
Payment Agreements		√
Excess Credits	√	√
Deposits		√
Late Payment Charges	√	√
Previous Unpaid Charges	√	√
EFT Draft	√	√
BOSS Bill Message	√	

9. The general overall effect of this approach is that, when a customer switches mid-cycle (one or more times), the customer will receive a separate bill covering their service while with each EGS or EDC. As an illustration, for a customer who begins the month with EGS 1 and stays with it for six days, then switches to EGS 2 mid-month and stays with it for nine days, then switches to EDC default service and stays with it for 15 days, would receive a BOSS bill for

EGS 1 covering six days; a second BOSS bill for EGS 2 covering nine days, and an on-cycle bill covering EDC service for 15 days.

## **B. The Specific Waiver Requested<sup>11</sup>**

10. 52 Pa. Code § 56.2 defines a “billing month.” A billing month is defined as “[a] period of not less than 26 and not more than 35 days.”<sup>12</sup>

11. 52 Pa. Code § 56.2 also defines a “billing period,” and states that, for an electric utility, the billing period “must conform to the definition of ‘billing month.’” This regulation thus requires utilities to use a billing period of not less than 26 days. PECO requests a waiver of both of these definitions so that it may issue bills covering any period for which a customer has a separate EGS or EDC service, regardless of the length of the period, even if it is less than 26 days.

12. 52 Pa. Code § 56.11 addresses the frequency with which bills are to be issued, and states that: “(a) A public utility shall render a bill once every billing period to every residential customer in accordance with approved rate schedules.” PECO requests a waiver of this

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<sup>11</sup> 52 Pa. Code §5.43(a) states that a Petition seeking waiver of a Commission regulation must state “the specific waiver requested.”

<sup>12</sup> There are limited exceptions to this rule, which are not applicable to this petition.

regulation so that it may issue more than one bill in a billing period if the customer has switched suppliers during the billing period.<sup>13</sup>

**C. Granting the Waiver and Approving the Associated Tariff Changes is in the Public Interest**

13. The issuance of one or more BOSS bills in a month is PECO's method of implementing the Commission-ordered policy of accelerated switching. Granting the waiver is thus in the public interest because it allows PECO to implement a policy that the Commission has already determined, in the Final-Omitted Rulemaking Order, to be in the public interest.

14. BOSS bills, and the subsequent on-cycle bills that follow, will not result in any long-period bills and will not result in the higher charges that can sometimes be associated with long-period bills. By definition, the BOSS bill(s) and the subsequent on-cycle bill, when combined, equate to what has historically been a single billing period. It is therefore not mathematically possible for the BOSS bill/on-cycle bill sequence to result in a higher long-period bill.

15. For any charge that is based on usage, the short BOSS bill or subsequent on-cycle bill will only contain charges for the kWh used during that short cycle billing period. For charges that are monthly based, such as a service charge, or which are based on a single monthly

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<sup>13</sup> Each of the regulations described in text is a part of Chapter 56, which applies only to service to residential customers. However, PECO and the Commission both generally utilize the same billing periodicity for commercial and industrial customers as they do for residential customers, and PECO will implement the BOSS bill procedure for residential, commercial, and industrial customers. If any additional waiver of Commission regulations or policy is needed, beyond the identified sections of Chapter 56, to implement the BOSS bill procedure comprehensively for all of PECO's customers, PECO requests that such additional waiver(s) be granted.

event, such as the maximum demand (kW) charge, PECO will pro-rate the charge among the various bills according to the number of days associated with that given BOSS bill or on-cycle bill. The use of multiple bills within a single billing period will thus not result in any double-charging for usage, demand, or other monthly charges.

16. For customers who are on budget billing, the short-period BOSS bill will be informational, and will not request a payment. The entire budget payment will be requested at the regular time, when the on-cycle bill is issued.

17. Electronic funds transfers will occur only after the customer receives prior notice, via their bill, of the amount of fund transference that will occur.

18. When a customer makes a mid-cycle switch, the customer will receive a letter confirming the switch and explaining why the customer will receive a mid-cycle BOSS bill. Thus, each switching customer will receive informational materials about the BOSS bill contemporaneously with receiving a BOSS bill.

19. The Commission has granted waivers of these regulations on prior occasions in order to facilitate the implementation of utility initiatives or Commission policy. See *Petition of PECO Energy Company for Temporary Waiver of Certain Standards and Billing Practices of 52 Pa. Code § 56.1, et seq.*, Docket No. P-00072272 (June 1, 2007); *Petition of PECO Energy Company for an Additional Temporary Waiver of Certain Standards and Billing Practices of 52 Pa. Code § 56.1, et. seq.*, Docket No. P-2008-2051263 (August 26, 2008); *Joint Petition of [First*

*Energy Companies] for Temporary Waiver of Certain Standards and Billing Practices of 52 Pa. Code § 56.1 et. seq.*, Docket No. P-00042122 (October 1, 2004); *Joint Petition [of First Energy Companies] for Continuation of Waiver of Certain Standards and Billing Practices of 52 Pa. Code § 56.1 et. seq.* Docket No. P-00062243 (January 29, 2007).

20. The tariff changes that are included in Attachment A are limited in scope and, with one exception, tailored so that they affect only the limited elements necessary to implement BOSS billing and short-period on-cycle billing as needed when a customer switches suppliers mid-cycle.<sup>14</sup>

21. In order to meet the Commission's December 15, 2014 deadline for accelerated switching, PECO must be able to issue short-cycle BOSS bills and on-cycle bills on that date. In order to accommodate that schedule, PECO requests that the Commission address this matter at or prior to the December 4, 2014 public meeting, if possible. PECO notes that this time frame is consistent with the evaluation period given to the four petitions cited earlier in this Petition. The 2004 First Energy Petition was filed on August 3, 2004 and granted on September 30, 2004 (58 days); the 2007 First Energy Petition was filed on November 22, 2006 and granted on January 26, 2007 (65 days, including both winter holiday periods); the 2007 PECO Petition was filed on April 12, 2007 and granted on May 30, 2007 (48 days); the 2008 PECO Petition was filed on July 14, 2008 filing and granted on August 26, 2008 (43 days). For the requested approval date of December 4, 2008, the evaluation period in this docket would be approximately 60 days.

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<sup>14</sup> The proposed changes to the EGS Tariff also include a change in the number of lines provided for the EGSs bill message. PECO is making this additional change to comply with the Commission's May 23, 2014 "customer-friendly bill" order in Docket No. M-2014-2301345.

22. PECO requests that this waiver be in force for a period of four years from the date the Commission's Order is entered. Near the end of that four-year period, PECO will confer with other stakeholders to determine whether an additional waiver of the Commission's regulations is still required and, if so, make an additional filing with the Commission seeking a further waiver of its regulations.<sup>15</sup>

23. PECO requests that the Commission also approve the tariff changes outlined in Appendix A. Within 10 days of issuance of the Commission's order, PECO will make a compliance tariff filing to immediately implement the approved changes. As long as the Commission acts at or before its December 4 public meeting, this will allow PECO to meet the December 15, 2014 deadline to go live with BOSS bills:

December 4: Commission Order

December 14: Compliance filing

December 15: Begin implementation of BOSS bills.

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<sup>15</sup> As noted in footnote 3, PECO initially intended to seek a permanent waiver of the Commission's regulations in this Petition. However, during pre-filing review of this Petition, the Office of Consumer Advocate stated that it would oppose a permanent waiver of the Commission's regulations, and requested that PECO seek a temporary waiver.

**WHEREFORE**, PECO respectfully requests that the Commission grant the requested temporary waiver for a term of four years, effective no later than December 15, 2014. PECO therefore requests that the Commission address this matter at or prior to the December 4, 2014 public meeting, if possible, by granting the requested waiver and approving PECO's attached tariff changes, and further ordering that the tariff changes will be effective upon PECO making a compliance filing within 10 days of issuance of the Commission's order.

Respectfully submitted,



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Dated: October 1, 2014

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY COMPANY :  
FOR TEMPORARY WAIVER OF : DOCKET NO. P-\_\_\_\_\_  
REGULATIONS RELATED TO THE :  
REQUIRED DAYS IN A BILLING PERIOD :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of PECO Energy Company's Petition in the above matter upon all interested parties a copy thereof by:

**VIA US MAIL**

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Bureau of Investigation and Enforcement  
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Dated at Philadelphia, Pennsylvania, October 1, 2014.

Respectfully submitted,



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

Public Meeting held December 4, 2014

Commissioners Present:

Robert F. Powelson, Chairman  
John F. Coleman, Jr., Vice Chairman  
James H. Cawley  
Pamela A. Witmer  
Gladys M. Brown

Petition of PECO Energy Company for Temporary  
Waiver of Regulations Related to the Required Days In  
a Billing Period

P-2014-2446292

**ORDER**

**BY THE COMMISSION:**

Before the Commission is a Petition from PECO Energy Company (PECO) for Temporary Waiver of regulations related to the required days on a billing period at 52 Pa. Code §§ 56.2 and 56.11. The Commission's regulations require jurisdictional electric distribution companies (EDCs) to be capable of effectuating a three-business day, off-cycle switch by December 15, 2014 when a residential or small commercial customer requests a change in electric supplier. *See* 52 Pa. Code §§ 57.173, 57.174 and 57.180. To meet the requirements of these regulations, PECO intends to bill customers on a supplier switch, which involves a short period bill of less than 26 days and an on-cycle bill resulting in more than one bill during a billing period. Accordingly, PECO seeks a temporary waiver to the definitions for "billing month" and "billing period" in 52 Pa. Code § 56.2, as well as the rule limiting residential customers to one bill during a billing

period found in 52 Pa. Code § 56.11(a). In light of the facts asserted in PECO's Petition and the Answers submitted by the Office of Consumer Advocate (OCA) and the Retail Energy Supply Association (RESA), and PECO's response, we will grant the Petition under the terms of this Order.

## BACKGROUND

### A. The Polar Vortex of 2014

During January of 2014, the Commonwealth and surrounding Northeastern and Mid-Atlantic States experienced unusually bitter cold weather in what became known as the Polar Vortex.<sup>1</sup> The extreme cold weather events caused increases in energy use and extraordinarily high demand in the PJM Interconnection, L.L.C.<sup>2</sup> (PJM) regional energy market for electric supply, wherein average wholesale day-ahead LMP<sup>3</sup> prices for Pennsylvania in January 2014 were estimated at \$148/MWh, as opposed to \$44/MWh in December 2013. The total net billings to PJM members during January 2014 were one-third of the entire year's total net billings in 2013.<sup>4</sup>

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<sup>1</sup> The Polar Vortex occurred from January 6<sup>th</sup>-9<sup>th</sup>. Cold winter storms, which affected demand and market prices, occurred from January 17<sup>th</sup>-29<sup>th</sup>. See Analysis of Operational Events and Market Impacts During the January 2014 Cold Weather Events. PJM Interconnection (May 8, 2014) (hereinafter PJM Market Report).

<sup>2</sup> PJM Interconnection, L.L.C. is a regional transmission organization that oversees and manages the electricity grid for fifty million consumers in thirteen states and the District of Columbia. *New Jersey Bd. of Public Utilities v. FERC*, 744 F.3d 74, at 82-83 (3d Cir. 2014).

<sup>3</sup> Under LMP (Locational Marginal Price), "the price any given buyer pays for electricity reflects a collection of costs attendant to moving a megawatt of electricity through the system to a buyer's specific location on the grid." *Id.* (Citing *Bluck Oak Energy v. FERC*, 725 F.3d 230, 233-4 (D.C. Circuit 2013)).

<sup>4</sup> See PJM Market Report. For more information about PJM wholesale prices, see historical pricing information posted on PJM's website at: <http://www.pjm.com/markets-and-operations/energy/real-time/monthlylmp.aspx>. For general information about PJM and the wholesale market, see PJM's "Learning Center," available at <http://www.pjm.com/about-pjm/learning-center.aspx>.

As a result of these high energy wholesale market prices, many EGSs serving Pennsylvania customers with variable-price retail supply contracts needed to increase their retail prices to customers in order to recover the higher wholesale electric energy costs they incurred in January 2014. Some variable retail prices rose to a high of 28 cents per kWh. These dramatic and sudden price increases, coupled with higher than normal usage caused by the cold weather, resulted in a number of retail electric customers realizing very high electric bills in amounts two to three times (and even higher) than what they would normally be billed during the wintertime. Many variable-rate customers who were hit hard by price spikes this past winter voiced adamant support to significantly reduce the time it takes to switch to another competitive supplier or return to default service, as the current switching process could take anywhere from 16 to 45 days. Many customers expressed frustration with having to wait an additional billing cycle in order to switch out of their current contract, exposing them to greater market volatility and higher prices from their current supplier for up to 30 additional days, costing some customers several hundred dollars while waiting to exercise their ability to switch to a lower priced product from another electric supplier.

## **B. The Commission's Accelerated Switching Regulations**

The unprecedented number of complaints and wave of media reports regarding the increase in wholesale electric prices in January 2014 necessitated a thorough and expeditious response from the Commission.<sup>5</sup> Accordingly, through a swift final-omitted rulemaking process, the Commission promulgated accelerated switching regulations on June 14, 2014 to enable customers to switch their electric supplier in three business days.<sup>6</sup>

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<sup>5</sup> Between January 1, 2014 and March 28, 2014, 500 formal complaints were filed with the Commission's Secretary's Bureau. The Commission's Bureau of Consumer Services (BCS) received 5,626 informal complaints between February 1, 2014 and March 28, 2014. *See Final-Omitted Rulemaking Order to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer's Electric Generation Supplier*, Docket No. L-2014-2409383, at 13-15 (entered Apr. 3, 2014).

<sup>6</sup> *See id.*; also available at 44 Pa.B. 3539 (published June 14, 2014).

Due to concern from EDCs about updating their billing systems and internal processes to accommodate a three-business day switch, the Commission provided for a six month implementation period with an effective date of December 15, 2014, thereby providing switching protections for customers, should we experience another polar vortex this coming winter.<sup>7</sup> *See* 52 Pa. Code § 57.180.

## DISCUSSION

### A. Legal Standard

The Electricity Generation Customer Choice and Competition Act (the Competition Act), effective January 1, 1997, 66 Pa. C.S. §§ 2801 *et seq.*, requires the Commission to establish standards for changing a customer's electric generation supplier. *See* 66 Pa. C.S. § 2807(d)(1). Under the Commission's regulations, EDCs must implement 3-business day, off-cycle switching by December 15, 2014. 52 Pa. Code §§ 57.173, 57.174, and 57.180. Under the Public Utility Code, the Commission may require a public utility to file periodic special reports, as prescribed by the Commission in form and content, on any matter that the Commission is authorized to inquire or required to enforce. 66 Pa. C.S. § 504.

52 Pa. Code § 56.2 defines a "billing month" as follows:

A period of not less than 26 days and not more than 35 days except in the following circumstances:

- (i) An initial bill for a new customer may be less than 26 days or greater

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<sup>7</sup> In our rulemaking, we emphasized the importance of off-cycle switching, wherein the EDC must be capable of effectuating a switch at a time other than the midpoint or end of a billing cycle when a meter read typically occurs. Understanding that not all EDCs have fully deployed smart meters with automated metering capability, our regulations allow an EDC to obtain an actual meter read at the dwelling, use an estimated meter read, or use a customer-provided meter read, subject to reconciliation with an actual meter read. *See* 52 Pa. Code § 57.174; *see also* 44 Pa.B. 3539.

than 35 days. However, if an initial bill exceeds 60 days, the customer shall be given the opportunity to amortize the amount over a period equal to the period covered by the initial bill without penalty.

(ii) A final bill due to discontinuance may be less than 26 days or greater than 35 days but may never exceed 42 days. In cases involving termination, a final bill may be less than 26 days.

(iii) Bills for less than 26 days or more than 35 days shall be permitted if they result from a rebilling initiated by the company or customer dispute to correct a billing problem.

(iv) Bills for less than 26 days or more than 35 days shall be permitted if they result from a meter reading route change initiated by the public utility.

A “billing period” for an EDC is defined as follows: “[i]n the case of public utilities supplying gas, electric and steam heating service, the billing period must conform to the definition of ‘billing month.’” 52 Pa. Code § 56.11(a) states that “[a] public utility shall render a bill once every billing period to every residential customer in accordance with approved rate schedules.”

A petition for waiver of a Commission regulation must set forth clearly and concisely the petitioner’s interest, the relevant legal authority, the purpose of the petition, and the facts claimed to constitute the grounds requiring waiver of the regulation. 52 Pa. Code § 5.43(a); *see also* 1 Pa. Code § 35.18. The petitioner must serve copies of the petition on persons or parties the petitioner believes will be affected by the petition, the Commission, the Bureau of Investigation & Enforcement (I&E), the OCA, and the Office of Small Business Advocate (OSBA). 52 Pa. Code § 5.43(b). Answers to petitions for waiver must be filed within 20 days of the date of service of the petition. 52 Pa. Code § 5.61(a)(1). The Commission may grant a petition for waiver that is in the public interest under the Commission’s statutory authority to rescind or modify regulations or orders. *See* 66 Pa. C.S. § 501(a).

## **B. PECO's Petition For Waiver**

On October 1, 2014, PECO filed a Petition for Temporary Waiver of Regulations Related to the Required Days in a Billing Period (Petition or Petition for Waiver). PECO served its Petition on I&E, the OCA, and the OSBA. On October 21, 2014, OCA filed an Answer to PECO's Petition. On October 22, 2014, RESA filed an Answer to PECO's Petition. On October 30, 2014, PECO filed a letter response to the Answers filed by OCA and RESA. On November 4, 2014, RESA filed a letter response to PECO's October 30, 2014 response. Having reviewed the Petition and all responses, the Petition is now ripe for disposition.

Through its Petition, PECO seeks a four year temporary limited waiver from the definitions of "billing month" and "billing period" found in 52 Pa. Code § 56.2 and from the limitation on the number of bills a residential customer may receive in a billing period contained in 52 Pa. Code § 56.11. Petition at 7. In addition, PECO seeks approval of certain tariff changes appended to its Petition. PECO requests that the Commission rule on its Petition on or before December 4, 2014 so that it may implement its accelerated switching program by December 15, 2014. *Id.* at 11.

### **1. Bill On Supplier Switch**

In its Petition, PECO states that in order to meet the Commission's accelerated switching requirements it intends to make use of a short-period bill to mark the transition to or from a supplier. PECO refers to this as the Bill On Supplier Switch (BOSS) approach. The BOSS approach is designed to leverage PECO's current billing system's capabilities with minimal impact to those systems, which will enable PECO to meet the December 15, 2014, accelerated switching implementation deadline. *Id.* at 4.

Under the BOSS approach, PECO will generate a short-period BOSS bill for electric service (1) when a default service customer enrolls with an EGS during the billing cycle; (2) when an EGS customer switches to another EGS during the billing cycle; or (3) when an EGS customer returns to default service during the billing cycle. In order to return such customers to their normal billing cycle, PECO must also generate a short-period on-cycle bill for the remainder of the billing cycle, or what PECO refers to as the “on-cycle bill.” The BOSS bill will include electric service charges; prorated non-usage-based electric service charges, including the customer charge; and demand charges. The BOSS bill, however, will not include gas service charges; budget billing charges; deposits; or payment-agreement installment amounts. The BOSS bill will display prior payments not shown on a prior bill; excess credits not shown on a prior bill; new miscellaneous debits/credits not shown on a prior bill; late payment charges not shown on a prior bill; and the previous outstanding balances. *Id.* at 4 and 5.

The usage period for a BOSS bill will be from the prior billed reading date to the date of enrollment, switch or drop from an EGS. The calculation of the due date for the BOSS bills will follow the same rules as regular bill due date calculations. Electronic funds transfers (EFTs) will draft only the current charges associated with the BOSS bill, and the EFT will schedule its draft using the same number of days as on-cycle billing. The BOSS bill will also include a message explaining the BOSS bill to differentiate it from the normal, on-cycle bill. *Id.* at 5. EFTs will occur only after the customer receives prior notice, via their bill (BOSS bill and on-cycle bill), of the amount of funds to be transferred. *Id.* at 9.

The on-cycle bill will have all the information normally associated with PECO’s current on-cycle bills for a complete billing period. The usage period for this bill will be from the prior BOSS bill to the date of the on-cycle bill, with the exception that, for customers on budget billing the on-cycle bill will include the entire month’s budget

charges and for customers on a payment agreement, the bill will include the entire month's payment agreement installment amount. EFTs for the on-cycle bill will draft only the current charges associated with that on-cycle bill. *Id.* at 5 and 6.

PECO states that the issuance of one or more BOSS bills in a month is PECO's method for implementing accelerated switching. Thus, granting the waiver is in the public interest because it allows PECO to implement a policy that the Commission has already determined to be in the public interest. The BOSS bills and subsequent on-cycle bills will not result in any long-period bills and will not result in the higher charges that can sometimes be associated with long-period bills. PECO asserts that, by definition, the BOSS bills and the subsequent on-cycle bill, when combined, equate to what has historically been a single billing period. As such, for any charge that is usage based, the short-period BOSS bill and subsequent short-period on-cycle bill will only contain charges for the kWh used during those short cycle billing periods. For charges that are monthly based, such as a service charge, or which are based on a single monthly event, such as the maximum demand (kW) charge, PECO will pro-rate the charge among the various bills according to the number of days associated with that given bill. As such, the use of multiple bills within a single billing period will not result in any double-charging for usage, demand, or other monthly charges. *Id.* at 8 and 9.

For customers on budget billing, the short-period BOSS bill will be informational, and will not request a payment. The entire budget payment will be requested at the regular time, when the on-cycle bill is issued. *Id.* at 9.

PECO recognizes that if a customer switches to or from an EGS between meter read dates, the BOSS approach could result in bills covering only a few days of service within the overall monthly billing period. PECO therefore, requests a temporary waiver of the Commission's regulations at 52 Pa. Code §§ 56.2 and 56.11, so that it can

implement the BOSS and subsequent on-cycle bills for periods of service of less than 26 days and render more than one bill to residential customers during a billing period. *Id.* at 1 and 2. PECO further requests that this waiver be in effect for a period of four years from the date this Order is entered. PECO proposes that near the end of the four-year period, it will confer with other stakeholders to determine whether an additional waiver of these regulations is still required and make an additional filing if necessary. *Id.* at 11.

**a. OCA's Answer to PECO's Petition**

In its Answer, the OCA acknowledges that lengthy switching delays can result in some customer frustration and a reduction in attained savings. To that end, the OCA supports efforts to shorten the switching timeframe as soon as reasonably possible. The OCA, however, has concerns with PECO's BOSS approach. The OCA asserts that the use of multiple bills may be confusing to customers and could result in payment problems for customers who may have multiple due dates that are unanticipated. The OCA also notes that PECO has not detailed the additional expense of multiple billings and their associated mailing costs. Regardless, the OCA submits that PECO's request is appropriate as experience is gained with this approach. OCA Answer at 3.

While not objecting outright to PECO's request, the OCA requests that PECO should be required to monitor its operation to determine if customer confusion or payment difficulty results from the BOSS approach. The OCA also requests that PECO be required to continue to explore the potential for reflecting multiple switches on a single monthly bill during this waiver period. Finally, the OCA requests that PECO be required to report to the Commission and the interested parties about understanding and satisfaction with the multiple bill approach and its exploration of a single bill approach throughout the waiver period. *Id.*

**b. RESA's Answer to PECO's Petition**

In its Answer, RESA states that it is a strong proponent of accelerated switching and appreciates PECO's efforts to implement internal processes to comply with the accelerated switching deadline. RESA, however, expresses concern regarding the lack of any real opportunity provided to EGSs to offer any input during the development phase of all of the EDCs' accelerated switching plans. In particular, RESA is concerned about the EDCs' decision to not retain the on-cycle switching process or to allow use of the electronic data interchange (EDI) enrollment request to include an effective date for the enrollment. While eager for and supportive of accelerated switching, RESA notes that accelerated switching has significant operational, business process, contractual and hedging practice impacts for EGSs. RESA is concerned about the potential negative and unintended consequences that may flow from all of the EDCs' chosen implementation methods. RESA Answer at 2.

Regarding PECO's proposal, RESA is concerned that issuing customers a short-period bill each time a customer switches will result in more technical and operational complexity and confusion for customers as customers begin receiving multiple bills each time they switch suppliers. RESA finds the requirement that customers make a payment each time they receive a BOSS bill troubling, asserting that it will create the misimpression that customers who want to shop are required to pay for the ability to do so. As such, RESA requests that PECO be directed to modify its proposal so that customers are not required to make a payment with each BOSS bill, but rather have the BOSS bill service as informational in a manner similar to how PECO's proposal treats budget billing customers. RESA also urges the Commission to require PECO to schedule regular weekly meetings with suppliers through the December 15, 2014 implementation date and monthly meetings thereafter until June 15, 2015, to discuss and coordinate general issues related to accelerated switching implementation, corresponding EGS

requirements, and messaging that will be provided to customers about the process. RESA asserts that successful and optimal accelerated switching for customers involves technical and operational cooperation between EDCs and EGSs. *Id.* at 3.

Furthermore, RESA states that it does not prefer PECO's approach to accelerated switching and requests that the Commission require an evaluation of PECO's process one year after implementation. Specifically, RESA requests that PECO be directed to convene a stakeholder collaborative no later than January 31, 2016 to evaluate the BOSS bill approach, based on the experiences of all the stakeholders, as well as customers. RESA requests that this approach be adopted for all EDCs. RESA asserts that its proposals will: (1) lessen the negative impact of one of the more problematic aspects of PECO's proposal; (2) provide a real-time forum for collaboration among the stakeholders prior to and immediately after implementation to optimize coordination and discuss problems; and (3) establish a process to seriously evaluate the BOSS approach after one year. *Id.* at 4 and 5.<sup>8</sup>

RESA further raises concerns that immediately moving to an accelerated switching model where all switches are processed as off-cycle switches presents issues that may be problematic for EGSs and customers. RESA asserts that if all enrollment transactions are processed as off-cycle switches, some customers will likely be exposed to more frequent early termination fees. In addition, large commercial customers could be more frequently exposed to liquidated damage provisions. RESA states that such fees are more likely because under the off-cycle switching model, customers are more likely to switch before the end of their current EGS contract, which for most customers is currently defined as the regularly scheduled meter read date. RESA proposes that customers who wish to avoid such fees be permitted to define their switch effective date. RESA asserts that this

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<sup>8</sup> In its November 4, 2014, letter response, RESA reiterates many of these same concerns and arguments.

can be accomplished in one of two ways. RESA asserts that the existing on-cycle switch could be retained as an option that the new EGS can select based on instructions from the customer. Alternatively, the EDI enrollment transaction could be modified to permit the new EGS to specify the switch effective date. Without these options, RESA asserts that EGSs will have little ability to control the switch effective date. *Id.* at 14 and 15.

**c. PECO's Responses**

In its October 30, 2014, letter response to OCA's Answer, PECO suggests that annual reporting of customer understanding and satisfaction with the multiple bill approach and PECO's exploration of a single bill approach, as requested by OCA, is sufficient. PECO notes that it expects relatively few instances in which a single customer has multiple switches within the same billing period and asserts that if multiple switching does occur it is likely to be the work of sophisticated consumers. PECO proposes to also monitor the need for any improvements in this area. PECO states that if its expectations prove correct, then it is unlikely to spend substantial IT or other company resources to explore the potential for reflecting multiple switches on a single monthly bill. PECO Response at 1 and 2.

In response to RESA's suggestion to change the BOSS bill into an informational notice, PECO states that the BOSS bill is designed to be its final off-cycle switching solution, driven predominantly by the need to accommodate multiple off-cycle switches during a single billing period and its commitment to meet the December 2014 deadline. PECO further states that it worked within existing systems and business processes to limit the scope of programmatic changes. PECO asserts that these efforts limited the costs and time necessary to implement off-cycle switching. PECO further asserts that removing the billing aspect from PECO's solution seriously jeopardizes PECO's ability to meet both the multiple-switch and deadline requirements. Regarding RESA's concerns with

customer confusion and potential negative impressions about shopping, PECO asserts that its agreement with OCA to monitor customer confusion or payment difficulties and report those findings annually adequately addresses RESA's concerns. *Id.* at 3.

Regarding RESA's assertions about EGS interaction with PECO during the development of PECO's accelerated switching proposal, PECO asserts that RESA is misinformed. In support of this assertion, PECO states that on September 25, 2014, PECO conducted a webinar with suppliers, during which it discussed the BOSS bill approach in detail, including PECO's intention to seek the present waiver. PECO also states that on October 20, 2014, it issued an Electric & Gas Choice Communication Bulletin, which was addressed to all electric generation and natural gas suppliers to alert suppliers that PECO would be hosting another off-cycle switching webinar in early November. PECO notes that it received numerous responses from suppliers for webinar topics, asserting that this demonstrates that there is sufficient communication between suppliers and PECO about the BOSS bill solution and that RESA's request for weekly or monthly meetings is not warranted. *Id.*

Regarding RESA's request that the waiver be granted for only a year, PECO states that it is confident that it has devised an off-cycle solution that effectively balances the Commission's mandate to accommodate multiple mid-cycle switches by the deadline against the costs to ratepayers for such a solution. Finally, PECO states that it will not object to ordering paragraphs that reflect the OCA's suggestions. *Id.* at 3 and 4.

**d. Disposition**

As required by 52 Pa. Code § 5.43, PECO set forth the purpose of its petition, cited the relevant legal authority, and properly served the petition on I&E and the statutory advocates. Upon review of PECO's Petition, the Answers submitted by the OCA and

RESA, as well as the responses submitted by PECO and RESA, we agree that a temporary waiver of the regulations relating to the required days in a billing period and the number of bills in a billing period at 52 Pa. Code §§ 56.2 and 56.11, is appropriate and in the public interest. The Commission finds that this waiver is appropriate and in the public interest due to the fact that PECO will implement an accelerated switching measure by December 15, 2014, in conformance with 52 Pa. Code §§ 57.174 and 57.180. In addition, the Commission agrees with PECO that its BOSS billing process will help reduce any financial burdens a shopping customer may experience as a result of unexpected high usage and prices, as experienced by customers earlier this year, by allowing them to quickly move from an unsatisfactory product, as well as minimizing the adverse impacts caused by slamming. Beyond that however, PECO's BOSS billing process will improve the retail market climate by allowing customers to more expeditiously realize the benefits of products with lower prices or that offer additional service benefits. Furthermore, the Commission agrees with PECO that this process appropriately balances the need to accommodate multiple off-cycle switches by the December 15, 2014 deadline, against the costs to ratepayers for such a solution, as it does not involve substantial spending on IT resources.

The Commission shares the concerns of OCA and RESA that having multiple bills and payment due dates during a billing period has the potential to cause some customer confusion and could result in payment problems for customers. With that said, any impact on customers arising from the BOSS billing process is mere conjecture at this time. Therefore, we direct PECO to monitor the results of its BOSS bill operations to determine if significant customer confusion or payment difficulties result, as the OCA suggested and PECO agreed to do.

We decline to direct PECO to modify its BOSS billing to have the BOSS bill serve as an informational switching notice as RESA requests. We will, however, direct PECO

to continue to investigate the potential for reflecting multiple switches on a single monthly bill. Such an investigation shall take into account the data obtained as a result of PECO's monitoring of the BOSS bill program and reports to the Commission, and the costs associated with continuing BOSS billing and converting to a single monthly bill. Specifically, we direct PECO to provide a report of its monitoring efforts and results to the Commission's Bureau of Consumer Services and Office of Competitive Market Oversight, the statutory advocates and RESA three months from the date this Order is entered, and every three months thereafter. At a minimum, this report shall include the following information:

- (1) Total number of customers receiving BOSS bills and the subsequent short-period on-cycle bill for each month.
- (2) Average number of BOSS bills per-customer during a normal billing cycle.
- (3) Number of customers receiving more than one BOSS bill during a normal billing cycle.
- (4) The highest number of BOSS bills provided to one customer during each month.
- (5) Number of late payments associated with a BOSS bill and the average number of days late during the reporting period and since implementation of BOSS billing.
- (6) Number of late payments associated with a short-period on-cycle bill and the average number of days late during reporting period and since implementation of BOSS billing.
- (7) Number of customer contacts related to PECO's BOSS billing during each month.
- (8) Total cost of providing BOSS bills and subsequent short-period on-cycle bills since implementation of BOSS billing.
- (9) Efforts to investigate the potential for reflecting multiple switches on a single monthly bill and analysis of the results of such an investigation, including

cost estimates.

(10) Any changes made to improve the implementation of BOSS billing over the prior three months.

Regarding RESA's request that the Commission require an evaluation of PECO's process and a new waiver request one year after implementation of the BOSS billing process, we decline to adopt this proposal as the period for monitoring and analyzing the impact and effectiveness of BOSS billing would be inadequate. We recognize that there will be a period of learning and education on the part of all participants, including PECO personnel, customers and EGSs. Any valid assessment of the BOSS bill process must occur after the initial learning and education period has had an opportunity to take effect. While it is currently unknown how long this initial learning and education period will take, we find that a one year period is inadequate to get a valid assessment. We also find that four years is too long a period to let a potentially confusing process continue. Therefore, we will grant PECO's waiver request for the period from December 15, 2014 through December 31, 2016. We find that this period will be adequate to identify any adverse effects BOSS billing may have and to assess potential improvements to BOSS billing or a single bill approach.

Regarding RESA's request that PECO schedule regular weekly and monthly meetings with suppliers, we decline to adopt this request. We find the weekly and monthly meetings requested by RESA to be onerous, time consuming and unwarranted. We will, however, direct PECO to hold stakeholder meetings soon after the release of each six-month report. These meetings should be held after stakeholders have had an opportunity to review and analyze the reports, but not more than 30 days after release of the reports. These meetings shall allow for the free flow of information and discussions on the implementation of BOSS billing, any corresponding EGS requirements, and customer messaging, as well as analysis of the program.

Finally, regarding RESA's concerns about immediately moving to an accelerated switching model where all switches are processed as off-cycle switches and its request to allow for on-cycle switching, we view this as an attempt to re-open the regulation proceeding, which we cannot entertain in this proceeding. We remind RESA that suppliers also have responsibilities under the switching regulations. We note that it is incumbent upon EGSs to submit enrollment requests to EDCs in a timely manner subsequent to the three-business day rescission period or on a future date as requested by the customer. In addition, while we recognize that current EGS contract language may set a contractual end date as the regularly scheduled meter read date, we note that such language was consistent with the previous switching rule paradigm that allowed for switching at the next feasible meter read date. That paradigm no longer exists, and it is incumbent on suppliers to adapt to the new accelerated switching paradigm.

The purpose of 3-business day, off-cycle switching is to allow customers to more easily and quickly change electric suppliers in preparation for any unforeseen future events, such as extreme weather, customer frustration, misunderstanding of an existing supplier contract, or the desire to quickly realize a different rate or service. Ensuring a customer's ability to expeditiously switch to and from an EGS product is in harmony with the Competition Act and our duties under the Public Utility Code. *See* 66 Pa. C.S. § 2807(d)(1).

For these reasons, we will grant PECO's request for a temporary waiver of the Commission's regulations at 52 Pa. Code §§ 56.2 and 56.11, so that it can implement the BOSS and subsequent on-cycle bills for periods of service of less than 26 days and render more than one bill to residential customers during a billing period. This waiver is granted as modified by this Order for the period from December 15, 2014 through December 31, 2016.

We acknowledge PECO's efforts to seek relief through this timely-filed Petition and we recognize the costs and complexities attendant to implementation of three-business day, off-cycle switching for all EDCs. Like the OCA, we are concerned about the financial impact of immediate implementation of accelerated switching on PECO's customers. Thus, while we are granting PECO's Petition for a temporary waiver, we are not issuing a determination as to whether the associated costs or expenses of PECO's accelerated switching proposal are reasonable or prudent for purposes of cost recovery with this Order. As we observed in our rulemaking, EDCs are expected to implement accelerated switching in the most cost-effective manner possible and may recover reasonable implementation costs incurred in implementing accelerated switching in a future base rate filing. *See* 44 Pa.B. 3539.

## **2. Tariff Changes**

In its Petition, PECO states that its Electric Service Tariff, Electric Generation Supplier Coordination Tariff, and Natural Gas Supplier Coordination Tariff each contain provisions related to the periodicity of billing. As such, PECO prepared revisions to the relevant tariff pages and attached them to its filing. PECO requests that the Commission approve these tariff changes. PECO proposes to make a compliance tariff filing, with final tariff language based on this Order, within 10 days of the Order. PECO asserts that this will allow it to implement its new procedure by the December 15, 2014, deadline. Petition at 2 and 3.

### **a. Answers to PECO's Petition**

No party objected to the proposed tariff changes.

**b. Disposition**

After review of the tariff changes and due to the fact that we are granting PECO's petition for a temporary waiver as modified by this Order, we will approve the proposed tariff changes.

**CONCLUSION**

After review of the Petition, Answer from OCA and RESA, and all responses we find that granting the Petition for temporary waiver of regulations related to the required days in a billing period and number of bills in a billing period as described and modified in this Order is in the public interest. While we are granting PECO's Petition for Temporary Waiver, we are not issuing a determination as to whether the associated costs or expenses of PECO's proposal to fully meet the requirements of 52 Pa. Code §§ 57.174 and 57.180 are reasonable or prudent for purposes of cost recovery.

**THEREFORE,**

**IT IS ORDERED:**

1. That PECO Energy Company's Petition for Temporary Waiver of regulations at 52 Pa. Code §§ 56.2 and 56.11 relating to the required number of days and the number of bills in a billing period is granted under the terms of this Order for the period from December 15, 2014 through December 31, 2016.
2. That PECO Energy Company shall monitor the results of its BOSS bill operations to determine if significant customer confusion or payment difficulties result from the implementation of the BOSS bill operations.

3. That PECO Energy Company shall continue to investigate the potential for reflecting multiple switches on a single monthly bill during the period of this waiver.

4. That PECO Energy Company shall provide a report of its monitoring efforts and results as described in this Order to the Commission's Bureau of Consumer Services, the Office of Competitive Market Oversight, the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Retail Energy Supply Association every three months from the date this Order is entered through the end of the waiver period.

5. That PECO Energy Company shall hold BOSS bill stakeholder meetings within 30 days following the release of each six-month BOSS bill report.

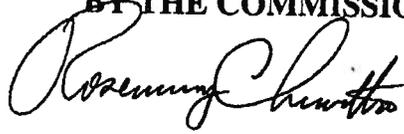
6. That the changes to the PECO Energy Company Electric Service Tariff, Electric Generation Supplier Coordination Tariff, and Natural Gas Supplier Coordination Tariff filed with this Petition are approved.

7. That PECO Energy Company is directed to make a compliance tariff filing, with final tariff language based on this Order, within 10 days of the Order entry.

8. That a copy of this Order be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, The Commission's Bureau of Consumer Services, the Retail Energy Supply Association and the Office of Competitive Market Oversight.

9. That this Docket be marked closed.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive style with a large initial "R".

Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: December 4, 2014

ORDER ENTERED: December 4, 2014

# **EXHIBIT B**

# **EXHIBIT B**

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

Public Meeting held December 8, 2016

Commissioners Present:

Gladys M. Brown, Chairman  
Andrew G. Place, Vice Chairman  
John F. Coleman, Jr.  
Robert F. Powelson  
David W. Sweet

Petition of PECO Energy Company for Temporary  
Waiver of Regulations Related to the Required  
Days In a Billing Period

P-2014-2446292

**ORDER**

**BY THE COMMISSION:**

Before the Commission is a Petition from PECO Energy Company (PECO) for Temporary Waiver of Regulations related to the required days in a billing period at 52 Pa. Code §§ 56.2 and 56.11. The Commission's regulations require jurisdictional electric distribution companies (EDCs) to be capable of effectuating a three-business day, off-cycle switch when a residential or small commercial customer requests a change in electric supplier. See 52 Pa. Code §§ 57.173, 57.174 and 57.180. To meet the requirements of these regulations, PECO bills customers on a supplier switch that involves a short period bill of less than 26 days and an on-cycle bill, resulting in more than one bill during a billing period. In an Order entered on December 4, 2014, at this Docket, the Commission granted PECO a temporary waiver of these regulations through December 31, 2016. In its current Petition, PECO seeks an additional extension to its temporary waiver. For the reasons expressed in this Order, we will extend the temporary waiver through December 31, 2018.

## BACKGROUND

The Commission promulgated accelerated switching regulations on June 14, 2014 to enable customers to switch their electric supplier in three business days.<sup>1</sup> Due to concern from EDCs about updating their billing systems and internal processes to accommodate a three-business day switch, the Commission provided for a six month implementation period with an effective date of December 15, 2014. *See* 52 Pa. Code §§ 57.174 and 57.180.

On October 1, 2014, PECO filed a Petition for Temporary Waiver of Regulations Related to the Required Days in a Billing Period. Through the October 2014 Petition, PECO sought a four year temporary limited waiver from the definitions of “billing month” and “billing period” found in 52 Pa. Code § 56.2 and from the limitation on the number of bills a residential customer may receive in a billing period contained in 52 Pa. Code § 56.11.

In addition, PECO sought approval of certain tariff changes. Specifically, in order to meet the Commission’s accelerated switching requirements PECO used a short-period bill to mark the transition to or from a supplier. PECO referred to this as the Bill On Supplier Switch (BOSS) approach. The BOSS approach is designed to leverage PECO’s current billing system’s capabilities with minimal impact to those systems, which enabled PECO to meet the December 15, 2014, accelerated switching implementation deadline.

Under the BOSS approach, PECO generates a short-period BOSS bill for electric service (1) when a default service customer enrolls with an EGS during the billing cycle; (2) when an EGS customer switches to another EGS during the billing cycle; or (3) when

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<sup>1</sup> *See Final-Omitted Rulemaking Order to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer’s Electric Generation Supplier*, Docket No. L-2014-2409383, (entered Apr. 3, 2014); *also available at* 44 Pa.B. 3539 (published June 14, 2014).

an EGS customer returns to default service during the billing cycle. In order to return such customers to their normal billing cycle, PECO generates a short-period on-cycle bill for the remainder of the billing cycle, or what PECO refers to as the “on-cycle bill.” The BOSS bill includes electric service charges; prorated non-usage-based electric service charges, including the customer charge; and demand charges. The BOSS bill, however, does not include gas service charges; budget billing charges; deposits; or payment-agreement installment amounts. The BOSS bill displays prior payments not shown on a prior bill; excess credits not shown on a prior bill; new miscellaneous debits/credits not shown on a prior bill; late payment charges not shown on a prior bill; and the previous outstanding balances.

The usage period for a BOSS bill is from the prior billed reading date to the date of enrollment, switch or drop from an EGS. The calculation of the due date for the BOSS bills follows the same rules as regular bill due date calculations. Electronic funds transfers (EFTs) draft only the current charges associated with the BOSS bill, and the EFT will schedule its draft using the same number of days as on-cycle billing. The BOSS bill also includes a message explaining the BOSS bill to differentiate it from the normal, on-cycle bill. EFTs occur only after the customer receives prior notice, via their bill (BOSS bill and on-cycle bill), of the amount of funds to be transferred.

The on-cycle has all the information normally associated with PECO’s previous on-cycle bills for a complete billing period. The usage period for this bill is from the prior BOSS bill to the date of the on-cycle bill, with the exception that, for customers on budget billing the on-cycle bill includes the entire month’s budget charges and for customers on a payment agreement, the bill includes the entire month’s payment agreement installment amount. EFTs for the on-cycle bill drafts only the current charges associated with that on-cycle bill.

The BOSS bills and subsequent on-cycle bills do not result in any long-period bills and do not result in the higher charges that can sometimes be associated with long-period bills. As such, for any charge that is usage based, the short-period BOSS bill and subsequent short-period on-cycle bill only contain charges for the kWh used during those short cycle billing periods. For charges that are monthly based, such as a service charge, or which are based on a single monthly event, such as the maximum demand (kW) charge, PECO pro-rates the charge among the various bills according to the number of days associated with that given bill. As such, the use of multiple bills within a single billing period does not result in any double-charging for usage, demand, or other monthly charges.

For customers on budget billing, the short-period BOSS bill is informational, and does not request a payment. The entire budget payment is requested at the regular time, when the on-cycle bill is issued.

This BOSS approach could result in bills covering only a few days of service within the overall monthly billing period. PECO therefore, requested a temporary waiver of the Commission's regulations at 52 Pa. Code §§ 56.2 and 56.11, so that it can implement the BOSS and subsequent on-cycle bills for periods of service of less than 26 days and render more than one bill to residential customers during a billing period.

On December 4, 2014, the Commission issued an Order at this Docket granting PECO's initial temporary waiver request from December 15, 2014 through December 31, 2016. Along with the temporary waiver, the Commission required PECO to monitor the results of its BOSS bill operations to determine if significant customer confusion or payment difficulties result from the implementation of the BOSS bill operations. PECO was also required to continue to investigate the potential for reflecting multiple switches on a single monthly bill during the period of the waiver. PECO was to provide a report of

its monitoring efforts and results to the Commission's Bureau of Consumer services, the Office of Competitive Market Oversight, the Commission's Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), The Office of Small Business Advocate (OSBA), and the Retail Energy Supply Association (RESA) every three months through the end of the waiver period. Finally, PECO was to hold BOSS bill stakeholder meetings within 30 days following the release of each six-month BOSS bill report.

## **DISCUSSION**

On September 1, 2016, PECO filed another Petition seeking to extend temporary limited waiver from the definitions of "billing month" and "billing period" found in 52 Pa. Code § 56.2 and from the limitation on the number of bills a residential customer may receive in a billing period contained in 52 Pa. Code § 56.11 until such future date as the rulemaking at Docket No. L-2015-2508421 is finalized. PECO served its Petition on I&E, the OCA, the OSBA and RESA. On September 21, 2016, OCA filed an Answer to PECO's Petition. No other answers or responses were filed.

### **A. Petition for Waiver**

In support of its Petition, PECO notes that the Commission, on July 21, 2016, issued a Notice of Proposed Rulemaking at Docket No. L-2015-2508421, to amend the provisions of 52 Pa. Code, Chapter 56, to comply with the amended provisions of 66 Pa. C.S. Chapter 14. PECO states that this proposed rulemaking includes a proposed change to the definition of "billing month" that will, when implemented, render PECO's waiver moot. Specifically, as PECO observes, the proposed rulemaking includes a fifth exception to the definition of a "billing month" that permits bills for less than 26 days when there is a change of the customer's electric generation supplier. Petition at 2. Furthermore, PECO notes that the Commission, in the Notice of Proposed Rulemaking Order, specifically stated that this change is intended to permanently implement the

temporary waiver that was previously granted to PECO. *Id.* (citing the *Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Amended Provisions of 66 Pa. C.S. Chapter 14*, Notice of Proposed Rulemaking Order, Docket No. L-2015-2508421 (entered July 21, 2016), Attachment One, p. 2). Finally, PECO asserts that it is in the public interest to avoid a gap between the existing temporary waiver and the permanent change to the Commission's regulations. Petition at 3.

**B. OCA Answer**

The OCA supports PECO's efforts to avoid a gap between the existing temporary waiver and a potential permanent change to the Commission's regulations. The OCA also states that it would be in the public interest for PECO to continue to utilize the BOSS bill approach in the interim should the Commission implement regulations which would allow for EDCs to issue short-period bills in order to effectuate a timely switch. OCA Answer at 4. The OCA, however, continues to evaluate the impact of the issuance of multiple bills within a billing period. The OCA also notes that there is no certainty that the proposed regulations will go into effect as written or when such regulations may go into effect, possibly resulting in a long-term waiver. As such, the OCA supports an additional two-year extension of PECO's current waiver subject to the same reporting conditions and stakeholder processes as with the first waiver. The OCA posits that the reporting conditions and stakeholder processes will provide the OCA with valuable information about the impacts of the BOSS approach, assisting the OCA in the review of such impacts. OCA Answer at 5.

**C. Disposition**

A petition for waiver of a Commission regulation must set forth clearly and concisely the petitioner's interest, the relevant legal authority, the purpose of the petition, and the facts claimed to constitute the grounds requiring waiver of the regulation. 52 Pa. Code § 5.43(a); *see also* 1 Pa. Code § 35.18. The petitioner must serve copies of the

petition on persons or parties the petitioner believes will be affected by the petition, the Commission, the Bureau of Investigation & Enforcement (I&E), the OCA, and the Office of Small Business Advocate (OSBA). 52 Pa. Code § 5.43(b). Answers to petitions for waiver must be filed within 20 days of the date of service of the petition. 52 Pa. Code § 5.61(a)(1). The Commission may grant a petition for waiver that is in the public interest under the Commission's statutory authority to rescind or modify regulations or orders. *See* 66 Pa. C.S. § 501(a).

As required by 52 Pa. Code § 5.43, PECO set forth the purpose of its petition, cited the relevant legal authority, and properly served the petition on I&E and the statutory advocates. Upon review of PECO's Petition, and the Answer submitted by the OCA, we agree that an extension of the existing PECO temporary waiver of the regulations relating to the required days in a billing period and the number of bills in a billing period at 52 Pa. Code §§ 56.2 and 56.11, is appropriate and in the public interest. The Commission finds that this waiver is appropriate and in the public interest due to the fact that PECO will continue to implement accelerated switching measures in conformance with 52 Pa. Code §§ 57.174 and 57.180.

The Commission, however, shares the OCA's concerns that as the rulemaking at Docket No. L-2015-2508421 may not result in an adequate permanent change in the regulations in the near future, resulting in a potential long-term waiver. While the Commission has proposed an additional exemption to the billing month regulation that would permit bills for less than 26 days when a customer changes an electric generation supplier, in the proposed rulemaking, that proposal is at its initial stage. As of the date of this Order, the proposed rulemaking at issue has yet to be published in the Pennsylvania Bulletin and the Commission has yet to receive any comments on its proposal. Accordingly, the Commission finds that tying the length of the temporary waiver to this rulemaking is inappropriate at this time as the outcome of the rulemaking is far from

certain. As such, the Commission agrees with the OCA and will extend the current temporary waiver only for an additional two years, through December 31, 2018. If the rulemaking is completed as written prior to December 31, 2018, then the waiver will be moot as of the effective date of the regulation. If, however, the regulation is not complete as of December 31, 2018, PECO could again seek an additional extension.

The Commission also agrees with the OCA that the BOSS bill operation requires continued monitoring and evaluation. Therefore, we again direct PECO to monitor the results of its BOSS bill operations to determine if significant customer confusion or payment difficulties result. We also direct PECO to continue to investigate the potential for reflecting multiple switches on a single monthly bill. Such an investigation shall take into account the data obtained as a result of PECO's monitoring of the BOSS bill program, reports to the Commission, and the costs associated with continuing BOSS billing and converting to a single monthly bill. Specifically, we direct PECO to continue to provide a report of its monitoring efforts and results to the Commission's Bureau of Consumer Services and Office of Competitive Market Oversight, the statutory advocates and RESA twice a year. At a minimum, this report shall continue to include the following information:

- (1) Total number of customers receiving BOSS bills and the subsequent short-period on-cycle bill for each month.
- (2) Average number of BOSS bills per-customer during a normal billing cycle.
- (3) Number of customers receiving more than one BOSS bill during a normal billing cycle.
- (4) The highest number of BOSS bills provided to one customer during each month.
- (5) Number of late payments associated with a BOSS bill and the average number of days late during the reporting period and since implementation of BOSS billing.
- (6) Number of late payments associated with a short-period on-cycle bill and the average number of days late during reporting period and since implementation of BOSS billing.

- (7) Number of customer contacts related to PECO's BOSS billing during each month.
- (8) Total cost of providing BOSS bills and subsequent short-period on-cycle bills since implementation of BOSS billing.
- (9) Efforts to investigate the potential for reflecting multiple switches on a single monthly bill and analysis of the results of such an investigation, including cost estimates.
- (10) Any changes made to improve the implementation of BOSS billing over the prior three months.

We will also direct PECO to continue to hold stakeholder meetings soon after the release of each six-month report. These meetings should continue to be held after stakeholders have had an opportunity to review and analyze the reports, but not more than 30 days after release of the reports. These meetings shall allow for the free flow of information and discussions on the implementation of BOSS billing, any corresponding EGS requirements, and customer messaging, as well as analysis of the program.

For these reasons, we will grant PECO's request for an extension of the existing temporary waiver of the Commission's regulations at 52 Pa. Code §§ 56.2 and 56.11, so that it can continue to implement the BOSS and subsequent on-cycle bills for periods of service of less than 26 days and render more than one bill to residential customers during a billing period. PECO's Petition for a waiver extension is granted as modified by this Order through December 31, 2018.

### **CONCLUSION**

After review of the Petition and the OCA Answer, we find that granting the Petition for an extension to the temporary waiver of regulations related to the required days in a billing period and number of bills in a billing period as described and modified in this Order is in the public interest. While we are granting PECO's Petition for Temporary Waiver, we are not issuing a determination as to whether the associated costs

or expenses of PECO's proposal to fully meet the requirements of 52 Pa. Code §§ 57.174 and 57.180 are reasonable or prudent for purposes of cost recovery.

**THEREFORE,**

**IT IS ORDERED:**

1. That PECO Energy Company's Petition for Temporary Waiver of regulations at 52 Pa. Code §§ 56.2 and 56.11 relating to the required number of days and the number of bills in a billing period is granted under the terms of this Order through December 31, 2018.

2. That PECO Energy Company shall monitor the results of its BOSS bill operations to determine if significant customer confusion or payment difficulties result from the implementation of the BOSS bill operations.

3. That PECO Energy Company shall continue to investigate the potential for reflecting multiple switches on a single monthly bill during the period of this waiver.

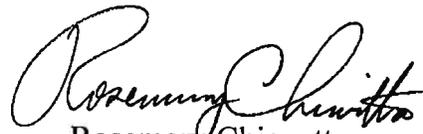
4. That PECO Energy Company shall provide a report of its monitoring efforts and results as described in this Order to the Commission's Bureau of Consumer Services, the Office of Competitive Market Oversight, the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Retail Energy Supply Association every six months from the date this Order is entered through the end of the waiver period.

5. That PECO Energy Company shall hold BOSS bill stakeholder meetings within 30 days following the release of each six-month BOSS bill report.

6. That a copy of this Order be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, The Commission's Bureau of Consumer Services, the Retail Energy Supply Association and the Office of Competitive Market Oversight.

7. That this Docket be marked closed.

**BY THE COMMISSION**

  
Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: December 8, 2016

ORDER ENTERED: December 8, 2016



An Exelon Company

W. Craig Williams  
Assistant General Counsel  
2301 Market Street / S23-1  
Philadelphia, PA 19103

Direct Dial: 215-841-5974

September 1, 2016

**VIA e-FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**Re: Petition of PECO Energy Company for Temporary Waiver of Regulations  
Related to the Required Days in a Billing Period, Docket No. P-2014-2446292**

Dear Secretary Chiavetta:

Enclosed for filing is the **Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period** in regard to the above-referenced matter.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Craig Williams", written over a horizontal line.

W. Craig Williams

Enclosure

cc: Certificate of Service



# PENNSYLVANIA

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eFiling Confirmation	
Docket Number:	P-2014-2446292
Description:	Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period
Transmission Date:	9/1/2016 2:46:41 PM
Filed On:	9/1/2016 2:46:41 PM
eFiling Confirmation Number:	1648775

### Uploaded File List

File Name	Document Class	Document Type
Petition for Temporary Waiver of Regulations.pdf	Other Filing	Petition (Generic) for Existing Case

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY :  
FOR TEMPORARY WAIVER OF : DOCKET NO. P-2014-2446292  
REGULATIONS RELATED TO THE :  
REQUIRED DAYS IN A BILLING PERIOD :**

**PETITION OF PECO ENERGY COMPANY FOR TEMPORARY WAIVER OF  
REGULATIONS RELATED TO THE REQUIRED DAYS IN A BILLING PERIOD**

This Petition relates to the issuance of short-term (less than 26 day) off-cycle bills that are necessary when a customer switches generation suppliers during a billing cycle. In 2014, the Commission granted PECO a temporary waiver of the regulations that require bills to be based on a 26-35 day billing cycle, through December 31, 2016. On July 21, 2016, the Commission issued a notice of proposed rulemaking order that, if adopted, will change the regulations so that a further waiver is not needed. However, that rulemaking may not be effective by December 31, 2016, the expiration of PECO's current temporary waiver. PECO therefore requests that its temporary waiver be extended until such date as the permanent change to the Commission's regulations becomes effective. In support thereof, PECO states as follows:

1. On October 1, 2014, PECO filed a Petition in this docket requesting a temporary waiver of the Commission's regulations to allow it to issue short-term off-cycle bills in defined situations. A copy of the October 1, 2014 Petition is attached to the instant Petition as Exhibit A and is incorporated as if set forth fully herein.

2. On December 4, 2014, the Commission issued an Order granting PECO's Petition through December 31, 2016. A copy of the Commission's December 4, 2014 Order is attached as Exhibit B.

3. On July 21, 2016, the Commission issued a Notice of Proposed Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Amended Provisions of 66 Pa. C.S. Chapter 14 (Docket No. L-2015-2508421). That rulemaking includes a proposed change to the definition of “billing month” that will, when implemented, render PECO’s waiver moot.

4. The current definition of “billing month,” found at 52 Pa. Code §56.2, defines billing month as:

*Billing month*—A period of not less than 26 days and not more than 35 days except in the following circumstances: [then listing four factual circumstances unrelated to changing generation suppliers].

5. The proposed revised definition of “billing month,” set forth in the Rulemaking Annex A, p. 2, will include a fifth exception that addresses changes to generation suppliers:

(v) Bills for less than 26 days shall be permitted when there is a change of the customer’s electric generation supplier.

6. In the Notice of Proposed Rulemaking, the Commission specifically states that this change is intended to permanently implement the temporary waiver that was granted in the current docket, stating (Attachment One, p. 2) that:

We propose revising the definition of *billing month* to allow short-period bills in instances where a customer’s change of commodity supplier necessitates the issuance of a short-period bill in order to effectuate a timely switch of supplier. Recent regulatory changes intended to accelerate the switching of electric generation service now make it possible to switch commodity service in as little as three business days. *See* 52 Pa. Code §§ 57.173, 57.174 and 57.180 (relating to customer contacts the EGS to request a change in electric supply service; time frame requirement; and implementation). Some utilities, as part of the switching process, will issue a short-period bill to conclude the customer’s connection with his or her current supplier, so that billing with the new supplier can start within the three business day timeframe. The Commission has already issued temporary waivers of the current Section 56.1 definition of *billing month* to facilitate this process, FN, and we believe it is necessary to codify this change in billing procedures to eliminate the need for repeated waivers in the future.

FN: *See Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days In a Billing Period, Docket P-2014-2446292 (Public Meeting December 4, 2014).*

7. The rulemaking process in Docket No. L-2015-2508421 may not be finalized prior to December 31, 2016, when the temporary PECO waiver expires.

8. It is in the public interest to avoid a gap between the existing temporary waiver and the permanent change to the Commission's regulations.

**WHEREFORE**, PECO respectfully requests that the Commission grant the requested extension of its temporary waiver until such future date as the rulemaking in Docket No. L-2015-2508421 is finalized.

Respectfully submitted,



W. Craig Williams (Pa. No. 306405)

Ward L. Smith (Pa. No. 0476760)

PECO Energy Company

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Dated: September 1, 2016

*Counsel for PECO Energy Company*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY : DOCKET NO. P-2014-2446292**  
**FOR TEMPORARY WAIVER OF :**  
**REGULATIONS RELATED TO THE :**  
**REQUIRED DAYS IN A BILLING PERIOD :**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period** on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC MAIL AND FIRST CLASS MAIL**

Christy M. Appleby  
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Date: September 1, 2016

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Craig Williams", written over a horizontal line.

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September 1, 2016

**VIA e-FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**Re: Petition of PECO Energy Company for Temporary Waiver of Regulations  
Related to the Required Days in a Billing Period, Docket No. P-2014-2446292**

Dear Secretary Chiavetta:

Enclosed for filing is the **Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period** in regard to the above-referenced matter.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Craig Williams", written over a horizontal line.

W. Craig Williams

Enclosure

cc: Certificate of Service



# PENNSYLVANIA

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***If your filing exceeds 250 pages, you are required to submit one paper copy of the filing within 3 business days of submitting the electronic filing. This paper copy can be mailed to: Secretary, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Harrisburg, PA 17120 . Please print a copy of this page and attach it to the paper copy of your filing as the first page.***

eFiling Confirmation	
Docket Number:	P-2014-2446292
Description:	Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period
Transmission Date:	9/1/2016 2:46:41 PM
Filed On:	9/1/2016 2:46:41 PM
eFiling Confirmation Number:	1648775

### Uploaded File List

File Name	Document Class	Document Type
Petition for Temporary Waiver of Regulations.pdf	Other Filing	Petition (Generic) for Existing Case

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY :  
FOR TEMPORARY WAIVER OF : DOCKET NO. P-2014-2446292  
REGULATIONS RELATED TO THE :  
REQUIRED DAYS IN A BILLING PERIOD :**

**PETITION OF PECO ENERGY COMPANY FOR TEMPORARY WAIVER OF  
REGULATIONS RELATED TO THE REQUIRED DAYS IN A BILLING PERIOD**

This Petition relates to the issuance of short-term (less than 26 day) off-cycle bills that are necessary when a customer switches generation suppliers during a billing cycle. In 2014, the Commission granted PECO a temporary waiver of the regulations that require bills to be based on a 26-35 day billing cycle, through December 31, 2016. On July 21, 2016, the Commission issued a notice of proposed rulemaking order that, if adopted, will change the regulations so that a further waiver is not needed. However, that rulemaking may not be effective by December 31, 2016, the expiration of PECO's current temporary waiver. PECO therefore requests that its temporary waiver be extended until such date as the permanent change to the Commission's regulations becomes effective. In support thereof, PECO states as follows:

1. On October 1, 2014, PECO filed a Petition in this docket requesting a temporary waiver of the Commission's regulations to allow it to issue short-term off-cycle bills in defined situations. A copy of the October 1, 2014 Petition is attached to the instant Petition as Exhibit A and is incorporated as if set forth fully herein.

2. On December 4, 2014, the Commission issued an Order granting PECO's Petition through December 31, 2016. A copy of the Commission's December 4, 2014 Order is attached as Exhibit B.

3. On July 21, 2016, the Commission issued a Notice of Proposed Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Amended Provisions of 66 Pa. C.S. Chapter 14 (Docket No. L-2015-2508421). That rulemaking includes a proposed change to the definition of “billing month” that will, when implemented, render PECO’s waiver moot.

4. The current definition of “billing month,” found at 52 Pa. Code §56.2, defines billing month as:

*Billing month*—A period of not less than 26 days and not more than 35 days except in the following circumstances: [then listing four factual circumstances unrelated to changing generation suppliers].

5. The proposed revised definition of “billing month,” set forth in the Rulemaking Annex A, p. 2, will include a fifth exception that addresses changes to generation suppliers:

(v) Bills for less than 26 days shall be permitted when there is a change of the customer’s electric generation supplier.

6. In the Notice of Proposed Rulemaking, the Commission specifically states that this change is intended to permanently implement the temporary waiver that was granted in the current docket, stating (Attachment One, p. 2) that:

We propose revising the definition of *billing month* to allow short-period bills in instances where a customer’s change of commodity supplier necessitates the issuance of a short-period bill in order to effectuate a timely switch of supplier. Recent regulatory changes intended to accelerate the switching of electric generation service now make it possible to switch commodity service in as little as three business days. *See* 52 Pa. Code §§ 57.173, 57.174 and 57.180 (relating to customer contacts the EGS to request a change in electric supply service; time frame requirement; and implementation). Some utilities, as part of the switching process, will issue a short-period bill to conclude the customer’s connection with his or her current supplier, so that billing with the new supplier can start within the three business day timeframe. The Commission has already issued temporary waivers of the current Section 56.1 definition of *billing month* to facilitate this process, FN, and we believe it is necessary to codify this change in billing procedures to eliminate the need for repeated waivers in the future.

FN: *See Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days In a Billing Period, Docket P-2014-2446292 (Public Meeting December 4, 2014).*

7. The rulemaking process in Docket No. L-2015-2508421 may not be finalized prior to December 31, 2016, when the temporary PECO waiver expires.

8. It is in the public interest to avoid a gap between the existing temporary waiver and the permanent change to the Commission's regulations.

**WHEREFORE**, PECO respectfully requests that the Commission grant the requested extension of its temporary waiver until such future date as the rulemaking in Docket No. L-2015-2508421 is finalized.

Respectfully submitted,



W. Craig Williams (Pa. No. 306405)

Ward L. Smith (Pa. No. 0476760)

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Dated: September 1, 2016

*Counsel for PECO Energy Company*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY : DOCKET NO. P-2014-2446292**  
**FOR TEMPORARY WAIVER OF :**  
**REGULATIONS RELATED TO THE :**  
**REQUIRED DAYS IN A BILLING PERIOD :**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period** on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC MAIL AND FIRST CLASS MAIL**

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