

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**INVESTIGATION OF** :  
**PENNSYLVANIA’S RETAIL** : **DOCKET NO. I-2011-2237952**  
**ELECTRICITY MARKET** :

**TESTIMONY OF RICHARD G. WEBSTER Jr.  
ON BEHALF OF  
PECO ENERGY COMPANY**

**November 10, 2011 *En Banc* HEARING**

Chairman Powelson, Vice Chairman Coleman, Commissioners Cawley, Gardner and Witmer and presiding Administrative Law Judge Barnes: My name is Richard G. Webster Jr, and I am the Director of Rates and Regulatory Affairs of PECO Energy Company. I would like to thank you and express our appreciation for the opportunity to appear today.

Let me start by saying that PECO is in support of exploring options to accelerate the supplier switching timeframe and is committed to working with the Commission and stakeholders to develop and implement changes, where possible. Although PECO believes that the confirmation letter and waiting period should not be eliminated, we do believe that the period could be shortened. As with many of these topics the changes appear simple but are in fact complex, and it is important to understand their operational and customer implications.

As you have heard, the current switching process follows what is often referred to as the “sixteen-day rule”. This rule requires that the customer enrollment be received through an EDI transaction, sixteen days prior to the meter read date. The sixteen days allows for sufficient time to comply with current PUC regulations, which require the EDC to send the customer a

confirmation letter. The confirmation letter explains that there is a ten-day waiting period during which the customer may cancel its selection, which is followed by an additional six-day period, during which the EDC will make the operational changes needed to account for the switch in its systems. The six-day period allows for system interfaces to take place, permits adherence to PJM rules for scheduling capacity and includes time built-in for weekends. This six-day process is where the “locking” in of the enrollment for the EGS occurs.

PECO supports shortening the switching timeline from the current sixteen-days to ten-days. In this scenario, the customer enrollment would have to be received at least ten-days prior to the meter read date. The enrollment is processed on the evening of the day it is received, which triggers sending the confirmation letter that includes a waiting period. PECO believes that the current ten-day waiting period could be shortened to four days. Since the confirmation letter is sent to the customer through the U.S. mail, the customer will receive the letter in one to three days and, therefore, will generally have one to three days to rescind the enrollment. So, although changing the waiting period to four days does make the timing somewhat tight, we believe it can be done without compromising customer protections.

From an implementation standpoint, the change would require some system changes to reprogram the waiting period. We also expect that we would need to do some consumer education and internal training to make folks aware of the new process.

As stated earlier, PECO does not support eliminating the confirmation letter or the waiting period as we believe it provides an important consumer protection and is an integral part of the choice process that should be maintained. In fact, PECO currently is seeing an average of 300 rescinds per week, or about 4% based on current levels of switching. We also note that on average about one-third of these rescinds relate to switches between EGSs. Accordingly, PECO

believes that elimination of the waiting period could lead to customer complaints and billing issues. Providing customer notification and an adequate waiting period enables the customer to make an educated decision as to whether or not to stay with the EGS.

In summary, PECO is in support of shortening the supplier switching timeframe while maintaining customer protections and looks forward to working with the Commission and stakeholders to enable the acceleration of the timeframe.