

Retail Markets Investigation - En Banc Hearing
November 10, 2011
FirstEnergy Solutions Corp. Comments

Customer Referral Programs --- Key Issues and Recommendations

FirstEnergy Solutions Corp. (FES) proposes that customer referral program pricing be based on a long-term fixed price product with first power flow starting June 1, 2013 to coincide with the recommended 2-year default service procurements for power flow also starting June 1, 2013.

- New/Moving Customers/Account Changes Should be Seamless
 - Customer referral programs should incorporate seamless moves/processes so that residential and small commercial customers can move to EGS service immediately without first going to utility default service.

- No Short-term Introductory Price
 - Short term teaser prices are unnecessary and can create customer concerns with a low promotional price that increases later, leaving customers with a bad taste for shopping.
 - With short-term introductory prices, customers will again have to deal with a supplier selection decision just months after the short-term introductory price period ends.
 - Referral product should be a standard fixed price or percent-off product with a 24 month contract length.

- Referral by EDC to an EGS
 - Currently shopping customers who move should be referred to their current EGS.
 - Customers on utility default service would be referred by the EDC to the supplier offering the best price.
 - EGSs should be able to frequently make and update offers,
 - As long as there are prices offered by EGS that are lower than the default service price at the time the offer is made, customers will be referred to the lowest price EGS.

- Customer Enrollment
 - Since EGSs carry out the responsibility today, EGSs should continue to be responsible for customer enrollment after receiving a referral notification from the EDC.
 - If EDCs were required to handle enrollments, it would likely place an additional burden on their call centers and unnecessarily require cost recovery.