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March 10, 2014

VIA ELECTRONIC FILING

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

**Re: Investigation of Pennsylvania's Retail Electricity Market:
Joint Electric Distribution Company – Electric Generation
Supplier Bill
Docket No. M-2014-2401345**

Dear Secretary Chiavetta:

Pursuant to the Commission's Tentative Order entered February 6, 2014 in the above-referenced proceeding, enclosed herewith for filing are the Comments of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company.

Please contact me if you have any questions regarding this matter.

Very truly yours,



Tori L. Giesler

dln
Enclosures

c: Matthew Hrivnak, Bureau of Consumer Services
Kirk House, Office of Special Assistants

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s Retail	:	
Electricity Market: Joint Electric	:	Docket No. M-2014-2401345
Distribution Company – Electric	:	
Generation Supplier Bill	:	

**COMMENTS OF METROPOLITAN EDISON COMPANY,
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER
COMPANY AND WEST PENN POWER COMPANY**

I. INTRODUCTION AND BACKGROUND

On February 6, 2014, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Order (“Tentative Order”) in the above-captioned docket requesting that interested parties submit written comments addressing several proposals aimed toward the development of more supplier-oriented utility consolidated electric bills, to be submitted no later than thirty days from the entrance date of this Tentative Order.

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (collectively “the Companies”) respectively submit the following comments in response to the Tentative Order.

II. COMMENTS

The Commission’s Tentative Order specifically proposes three primary modifications to electric distribution company (“EDC”) consolidated bills, including the placement of the electric generation supplier (“EGS”) logo on the bill, expansion of the bill messaging space available to EGSs, and inclusion of a “shopping information box.” The Commission declined to propose that EDCs be required to permit EGSs to place bill inserts in their bill mailings due to the costs and

complexities associated with such a modification. Finally, the Tentative Order seeks additional information with regard to the costs and timelines associated with implementation of the Commission's three proposed modifications, as well as any other recommendations that may have not been considered. In general, the Companies wholly support the Tentative Order's proposals, subject to certain operational limitations, discussed further within these comments.

A. Inclusion of the EGS Logo

The Tentative Order seeks to include EGS logos on EDC consolidated bills in order to make EGS information more noticeable and to increase customer awareness of their selected EGS. The Commission has proposed that the logo be styled in either a black and white or a full color version. The Companies fully support the inclusion of the EGS logo on the EDC bill. However, the Tentative Order does not supply a recommendation as to the size or location of the EGS logo. To avoid customer confusion and to accommodate multiple suppliers on a single bill due to space limitations, the Companies propose that only the EDC logo be placed in the header of a customer's bill. Each EGS logo would then be included in black and white above their respective charges, so that it is clear to the customer which company's logo corresponds to which charges. This specific placement would also be critical in the instance that a particular bill included more than one supplier's charges, such as during a billing period where a switch occurred. An example of this proposal as it would appear on the Companies' bills is provided below:

Billing Information for Direct Energy Business LLC	
 1001 Liberty Center, Pittsburgh, PA 15222 Customer Service: 1-800-825-2115	
Account Number: [REDACTED]	Rate: BILL-READY
Billing Period: Nov 21, 2013 to Dec 19, 2013	
Fixed Price	1,051.62
Gross Receipts Tax	85.94
State Sales Tax	86.83
Total Direct Energy Business LLC Current Charges	1,184.39

The Companies estimate initial costs related to programming of 80-120 hours of labor at a rate of \$150 per hour, or an estimated implementation cost of approximately \$18,000. In addition, the Companies will incur incremental costs of roughly \$1,000 for each EGS logo submitted for inclusion on the bill. To put this in context, there are currently eighty-six EGSs registered to serve within the Companies' territories in Pennsylvania. Therefore, if every EGS registered today were to seek this service, the Companies would incur approximately an additional \$86,000.

B. Expansion of EGS Bill Messaging Space

The Commission's proposal with regard to EGS use of bill messaging space is that EDCs double their allotted space for EGS bill messaging from two to four lines on each EDC bill. The Companies generally support this proposal. Their bills as currently structured can accommodate four lines of bill messaging space with eighty characters per line for a message that is 320 characters in length, which means that the implementation of this proposal would not require an electronic data interface ("EDI") change. The current EDI contains enough space for four lines of messaging, although anything currently provided by an EGS on the third or fourth line is omitted from the bill print once received because there is no additional space provided for those characters.

Due to the fact that the functionality for this modification is largely in place, there will be minimal costs related to the Companies updating the current EDI Implementation Guide. The estimated bill print costs associated with implementing the additional messaging space is a total of \$12,000 across the four Companies.

However, the Commission's request to comment on disparity of message length capabilities between EDCs does present concerns given that numerous EDCs, including the Companies, recently realized bill print cost savings by reducing their bills to one page. In the event the bills were to revert to two pages as a result of the inclusion of additional messaging space, the EDCs will lose those realized savings. The estimated annual increase in costs for the Companies if all customers were to revert to a two page bill is \$80,000. Therefore, the number of available characters per line on an EDC's bill should be at the discretion of the individual EDC due to their individual system and printing limitations. The Companies also urge the Commission to recognize that some customer's bills may revert to two pages, on a case by case basis, based on the current proposal, which is expected to lead to increased costs.

C. Inclusion of a Shopping Information Box

The Tentative Order proposes the creation of a conspicuous "Shopping Information Box" to be placed anywhere on the EDC bill, which would include a customer's account and/or customer number, a customer's specific rate schedule, and a note that this information will be needed when working with an EGS. As the Commission notes, the Companies already use a version of this on each of their bills, in different formats. Therefore, the Companies fully support the continued inclusion of a Shopping Information Box. The Companies agree that relocating the information already provided on a customer's bill in the "Charges From (EDC)" section to a Shopping Information Box separate and apart from other charges would make this

material more conspicuous to customers and facilitate easier access to identifying this information. Therefore, the Companies anticipate moving the Shopping Information Box to the right side of the customer's bill below the "Account Summary" section on each of their bill designs. The Companies will use a two column approach within the box to accommodate multiple accounts on multiple rate schedules that may be included a single bill.

The cost of changing the bill layout to include the Shopping Information Box as described above is estimated to cost a total of approximately \$25,000 across the four Companies.

D. Inclusion of EGS Inserts

The Commission declined to propose in the Tentative Order that EGSs be permitted to include bill inserts within EDC consolidated bills at this time, citing the fact that the benefits of including EGS inserts do not outweigh the additional costs and complexities associated with their inclusion.

The Companies agree with the Commission's recommendation to not include EGS inserts as part of its proposal at this time. Options for monthly supplier bill inserts are still being explored by the Companies. Generally, EDCs' own regulatory and business requirements should be given first priority in mailing schedules. For the Companies, there is very limited availability to allow for inserts beyond those mailed under existing requirements. An example of alternatives include the Companies' previous inclusion of EGS marketing material in shopping information letters. For those mailings, the EGSs were instructed to have all material to the Companies' designated mail house to be included in the mailing. The EGSs were able to piggyback their marketing material on a stand-alone piece of mail not tied to any specific customer's bill, which made the mailing more feasible from a logistical standpoint than bill inserts.

The inserting equipment used by the Companies today was purchased and designed to support the Companies' regulatory requirements for communications, with some additional availability for newsletters, etc. The Companies do not have an existing business process to sort bills in such a way that a specific EGSs customers' bills are printed together. Rather, the current billing process at the Companies is fully automated, whereas the inclusion of EGS bill inserts would require a great deal of manual intervention. The entire billing process would need to be redesigned in order to have an EGS bill insert included with only that EGSs specific customers' bills. Additional sorting and inserting equipment would need to be purchased to meet the demands of sorting bills, including different inserts in customer's bills while providing customers' their bills in a timely manner. The additional equipment and batching of bills will need to be monitored, and the Companies would be required to increase staffing levels to support this manual bill process.

However, the Companies believe that their mailing schedule and systems could support one to two supplier inserts during most months of the year, in which the applicable (scheduled) supplier would be able to include an insert to all EDC customers, subject to further details. The Companies feel strongly that, should such an approach be adopted, EDCs should retain the ability to review and approve any insert mailed on a supplier's behalf, and that suppliers should pay market prices for utilizing this service. This price will vary based upon the paper type, artwork, and printing. Each EDC would need to develop specific insert specifications and deadlines to be given to each supplier for submission of their inserts. The Companies also believe that the schedule for supplier inserts will likely need to be set up to twelve to eighteen months in advance. As with any bill modifications, significant work would be required to develop a method to allocate the limited availability that might exist for suppliers to request the

issuance of an insert, as well as to develop a system for notice of intent to move ahead with such an insert.

E. Costs and Timeline

The Commission's proposal for implementation is that all recommendations outlined in the Tentative Order be fully operational no later than June 1, 2015. The Companies generally support the proposed implementation date, contingent upon the timing of the Commission's Final Order on this matter. The Companies require six months from the date of the Final Order, or from the conclusion of any requested stakeholder process to implement the proposed recommendations. In order to meet the June 1, 2015 implementation date, the Companies request a Final Order be issued prior to December 31, 2014 which requires immediate implementation absent a stakeholder process.

The Commission has further proposed that the costs associated with the modifications called for by the Tentative Order be fully recoverable from all distribution customers on a non-bypassable basis through a surcharge or other similar mechanism. The Companies agree with the Commission's proposed method of cost recovery. As discussed above, the Companies estimate the total cost of implementation of the Commission's proposals to be roughly \$55,000, including: (1) placement of EGS logos at a cost of approximately \$18,000; (2) expansion of EGS bill messaging space at a cost of approximately \$12,000; and (3) inclusion of Shopping Information Box of approximately \$25,000. In addition to those costs, there will be cost associated with the inclusion of EGS logos of \$1,000 per supplier for a total estimate of \$86,000, based on the current number of registered EGSs. The Companies anticipate that the costs associated with this implementation will be tracked separately, to be recovered through the Retail Enhancements component of each Company's Default Service Support Rider to be filed on May

1, 2015 for rates effective June 1, 2015 through May 31, 2016. Under this scheme, ongoing costs relating specifically to EGS logos will also be reflected in the May 1, 2015 filing of the Default Service Support Rider, and will be included in the calculation of such rates each year thereafter.

III. CONCLUSION

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company appreciate the opportunity to provide comments regarding the establishment of more supplier-oriented consolidated utility bills, as well as the timelines and cost recovery mechanism associated therewith.

Respectfully submitted,



Dated: March 10, 2014

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by first class mail and electronic mail, as follows:

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Dated: March 10, 2014



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