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March 24, 2014

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Proposed Rulemaking: Standards for Changing a Customer's Electricity Generation
Supplier – Docket No. L-2014-2409383

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Comments of the Retail Energy Supply Association (“RESA”) to Secretarial Letter Dated March 18, 2014 with regard to the above-referenced matter.

Sincerely,

Deanne M. O'Dell

DMO/lww
Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Rulemaking: Standards for :
Changing a Customer's Electricity : Docket No. L-2014-2409383
Generation Supplier :

**COMMENTS OF
THE RETAIL ENERGY SUPPLY ASSOCIATION
TO SECRETARIAL LETTER DATED MARCH 18, 2014**

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I. INTRODUCTION

By Secretarial Order dated March 18, 2014, the Commission sought comment on proposed regulations intended to accelerate switching time frames through off-cycle meter reads in a fashion that will permit customers to switch suppliers within five (5) days or less. Because the Commission is submitting the proposed regulatory changes in the form of a “final-omitted” proceeding, a brief comment period (seven days) was established.

The Retail Energy Supply Association (“RESA”)¹ appreciates this opportunity to provide input regarding how to expedite the timeframe by which a customer can select an alternate electric generation supplier (“EGS”). RESA’s recommendations, however, are focused on the processes between an electric distribution company (“EDC”) and a new EGS as those are the operational processes that have always been subject to regulatory guidance in the current regulations. The technical processes involved when a customer of an existing supplier wishes to change to a different product of the existing supplier (i.e. a “product swap”) are handled very differently from an operational standpoint as there is no customer-facing involvement of the EDC. Rather, product swaps are addressed pursuant to EDC consolidated billing protocols. To accommodate changes to the current process to accelerate these product swaps, new processes (via EDI) to change an existing customer’s product (or rate it a different way) would need to be developed. Complexities arise regarding the type of EDC billing platform (i.e. bill ready or rate ready) and how the billing options will be handled. Because of the completely different

¹ RESA’s members include: AEP Energy, Inc.; Champion Energy Services, LLC; ConEdison Solutions; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; GDF SUEZ Energy Resources NA, Inc.; Homefield Energy; IDT Energy, Inc.; Integrys Energy Services, Inc.; Interstate Gas Supply, Inc. dba IGS Energy; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; NRG Energy, Inc.; PPL EnergyPlus, LLC; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

operational issues implicated for a product swap and the need for stakeholders to work together to find workable resolutions, RESA recommends that the Office of Competitive Market Oversight (“OCMO”) be charged with leading a stakeholder process where these technical issues can be fully addressed by the appropriate stakeholders. Attempting to make changes regarding product swaps in the context of this very expedited rulemaking process is unrealistic and will only lead to unnecessary and complicated operational issues going forward. For this reason, RESA urges the Commission to limit focus in this proceeding on the operational issues involved in switching a customer to a new EGS.

As explained further below, RESA makes recommendation to address the following issues which are currently forestalling the ability of consumers to more quickly be switched to a new EGS:

- Clarify when a disclosure is “received” for purpose of starting the 3 business day rescission period;
- Eliminate the current notice period that EGSs are required to give an EDC before a switch can be effectuated; and,
- Eliminate the requirement to allow switches only on meter read date.

II. COMMENTS ON THE PROPOSED REGULATIONS

A. Section 57.171 Definitions

1. New Recommended Definitions for: Customer Account Transfer Notice and Customer Notice of Account Transfer

To clarify two important parts of the switching process – the EGS notification to the EDC and the EDC notification to the customer, RESA recommends that the Commission include two new definitions. The proposed definition of Customer Account Transfer Notice refers to the notice that an EGS must provide to an EDC to effectuate the change. The EDI transaction currently used by EGSs to notify an EDC about a change in a customer’s enrollment is the 814. The recommended new definition of Customer Notice of Account Transfer refers to the notice

that the EDC provides to the customer about the impending switch. Adding these two new definitions and then incorporating them as appropriate in the regulations will provide more clarity as to the requirements expected for the two processes.

2. Recommended Clarifications for Definitions of Current and New EGS

To the extent the Commission is seeking to enable customers to quickly switch to either: (1) a new EGS; or, (2) a different product from the same EGS (i.e. “product swap”), RESA strongly urges the Commission to reconsider addressing scenario number two in this proceeding. The currently effective regulations focus on the interactions in the marketplace and between the EDC and EGS when a customer selects a new EGS. They were not intended to address the product swap situation. This is because the product swap situation implicates a completely different set of operational interactions that involve an EDC’s consolidated billing and billing platform. For these reasons, RESA urges the Commission to direct OCMO to lead a stakeholder process where these technical issues can be fully addressed by the appropriate stakeholders. Attempting to make these changes in the context of this very expedited rulemaking process is unrealistic and will only lead to unnecessary and complicated operational issues going forward.

For this reason, RESA recommends changes to the proposed new definitions for “Current EGS Product” and “New Selected EGS Product” to focus on the current EGS and the new EGS. Consistent with the revised definitions for these two terms, RESA recommends changes throughout the proposed regulations to accommodate this recommendation.

B. Section 57.172 Customer Contacts With The EDC

RESA recommends language modifications to clarify that it is not intended to address EGS product swaps. RESA also recommends changing the term “terminating service” to “cancelling service” consistent with the Commission’s use of the term “terminate” to mean an

EDC's disconnection of a consumer's service. Finally, RESA recommends the use of the term "valid authorization" with a cross reference to 52 Pa Code § 57.175.

C. Section 51.173 Customer Contacts A New EGS To Provide Service

There are four very discrete steps that need to happen before a customer's switch to a new EGS can be effectuated. RESA recommends that each of these steps be identified in the regulations and requirements, as appropriate, for each step be specified to accelerate the overall switching process.

1. Valid Authorization (Also Section 57.175)

The first step in the process of switching a customer is to obtain a valid authorization. As explained further below in Section II.E, the regulatory meaning of valid authorization should be updated to recognize the various methods by which a customer can authorize a switch including a signed (in writing or electronically) authorization form, an oral authorization that is recorded and/or electronic authorization.

2. Receipt of Customer Disclosure Statement

In its Secretarial Letter, the Commission states its goal as permitting customers to switch suppliers within five (5) days or less. For residential and small business customers, a crucial component of the process that needs to be addressed in order to achieve this goal is clarifying the date of receipt of the customer disclosure letter. According to 52 Pa. Code § 54.5(d), the date the customer receives the customer disclosure statement starts the clock for the 3-business day rescission period. This "receipt" requirement can lengthen the amount of time needed to effectuate a switch of a customer's generation supplier beyond the five day or less goal desired by the Commission.

The rescission period gives a customer who has chosen to enter into a contract with an EGS the right, for any reason, to subsequently change his or her mind and rescind the contract.

The amount of time that must be factored into the switching process to accommodate this rescission period varies depending on when the process is started, how the disclosure statement is provided to the customer and how many weekends and holidays are included in the time period. The below example shows how the “three day” period can easily translate into a nine-day waiting period.

TOTAL NUMBER OF DAYS	DAY OF WEEK	EVENT
Day 1	Monday	Customer authorizes EGS to switch account via telephone
Day 2	Tuesday	EGS mails customer a copy of the disclosure statement
Day 3	Wednesday	Disclosure statement in transit
Day 4	Thursday	
Day 5	Friday	Customer presumed to receive disclosure statement, Day 1 of the 3-day rescission period
Day 6	Saturday	Weekends cannot be counted toward the rescission period
Day 7	Sunday	
Day 8	Monday	Day 2 of the 3-day rescission period
Day 9	Tuesday	Day 3 (final) of the 3-day rescission period

By incorporating RESA’ recommended language for Section 57.172, the Commission would recognize the various ways that a customer may “receive” a written disclosure statement and create a rebuttable presumption as to when the disclosure statement is received based on the manner utilized by the EGS to create certainty regarding the start of the rescission time period. RESA urges the Commission to address this in this proceeding as it is a very real barrier that exists in the market today which can delay the ability of a customer to be quickly switched to a new supplier.

3. Notice from EGS to EDC to Effectuate A Transfer of Service

RESA recommends changes to this section for a number of reasons. First, language changes are offered to clarify that these regulations are not intended to apply to product swaps.

Second, changes are offered to utilize the RESA recommended new term “Customer Account Transfer Notice.” Use of this defined term clarifies the meaning of this section. Finally, RESA recommends that the requirement to submit the Customer Account Transfer Notice to the EDC by the end of the next business day following the customer contact be qualified by the EGS’s verification of the account number. There are situations where an account number provided by the customer is invalid and the EGS needs to verify that it is correct prior to sending the Customer Account Transfer Notice.

4. Notice from EDC to Customer of Transfer of Service

RESA’s recommended changes for this section are consistent in reasoning with the changes offered for the prior section. RESA also inserts the “if applicable” language to accommodate current processes whereby the Customer Account Transfer Notice is not provided to large commercial and industrial customers.

RESA fully supports the Commission elimination of the prior 10-day waiting period before a customer switch could be implemented. This practical effect of this waiting period in the market today is that an EGS must submit the Notice of Customer Account Transfer Notice at least 11 days prior to the customer’s meter read date. To address concerns that the elimination of the waiting period could result in more disputed switches, RESA recommends a new expedited procedure for resolving customer complaints involving switching disputes. Customers would be able to initiate an informal complaint with the Bureau of Consumer Services (“BCS”) if they believe that the switch was in error. EGSs would be allowed 10 business days to supply documentation verifying a switch to BCS in addition to any other information requested. BCS would make a preliminary ruling within an additional 10 business days finding whether the switch was: (i) a valid switch; (ii) an invalid, but unintentional mistaken switch; or, (iii) an actual slamming occurrence. Parties would maintain existing procedural rights to appeal this

preliminary ruling by BCS. Repeated instances of slamming could be referred to the Bureau of Investigations and Enforcement for investigation or the initiation of a formal proceeding to impose punitive sanctions.

D. Section 57.174 Timeframe Requirement

In its Secretarial Letter, the Commission directs EDCs to accelerate switching time frames through off-cycle meter reads. RESA applauds the Commission's efforts to move in this direction which would be a significant improvement over the processes in place today where the effective date for a customer's EGS selection is dependent on the customer's meter read date. Limiting switches to meter read dates necessarily delays the enrollment process until the customer's next meter read date.

From RESA's perspective, off-cycle switches should be operationally feasible and permitting this would be a fundamental way to significantly improve the switching process. RESA does not believe that full smart meter deployment is necessary to allow switches to take effect on a date other than a regularly scheduled meter read date and recommends that the Commission's regulations incorporate the concept of permitting an EDC to pro-rate the usage. Consumption data can be pro-rated for a particular billing period in order to effectuate an off-cycle switch. EDCs can pro-rate metered usage for a particular service period between two suppliers based on the number of days the customer is served by each EGS. Similarly EDCs can apply pro rata rationing to load profile usage for PJM settlement purposes. While RESA acknowledges that EDC and EGS billing, meter data management, RTO/ISO settlement and other back office systems would require modification to permit such a change,² permitting EDCs

² For example, EGSs retail contracts and hedging practices currently assume that switches can only take place on a meter read date. EGS hedging practices and retail contracts may need to be

the ability to pro-rate usage is a viable way to address the issue of permitting off-cycle switches to shorten the overall switching timeframe.

Regarding cost recovery, the Commission noted in its Secretarial Letter that it would be addressed in each EDC's next base rate proceeding. RESA supports this approach and cautions that supplier charges that EDCs may seek to impose on suppliers to accommodate off-cycle switching could offset the benefits to customers which the Commission is seeking to achieve in this proceeding.

E. Section 57.176 Valid Authorization

RESA recommends that the Commission add language to this section to make clear that valid authorizations include a signed (in writing or electronically) authorization form, an oral authorization that is recorded, or an electronic authorization. The form of authorization upon which an EGS can rely upon to effectuate a switch is another part in the process that can lead to delaying the ultimate switch if there are too many processes or requirements that must be met. RESA's recommended language makes clear the channels through which an EGS can acquire valid authorization from a customer and is consistent with Pennsylvania's Electronic Transactions Act.³

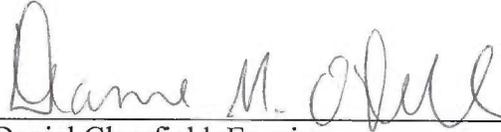
modified to address off-cycle switches and an appropriate transition period would be warranted to allow for the evolution in these practices.

³ 73 P.S. § 2260.303(d).

III. CONCLUSION

RESA appreciates this opportunity to provide its viewpoint regarding this important proceeding and looks forward to continuing to assist the Commission with this very important process.

Respectfully submitted,



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Date: March 25, 2014

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ATTACHMENT A – RESA’S PROPOSED REVISIONS TO REGULATIONS

ANNEX A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION

Subpart C. FIXED UTILITY SERVICE

CHAPTER 57. ELECTRIC SERVICE

Subchapter M. STANDARDS FOR CHANGING A CUSTOMER’S ELECTRICITY
GENERATION SUPPLIER

§ 57.171. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Act—The Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § § 2801—2812.

Customer—A purchaser of electric power in whose name a service account exists with either an EDC or an EGS. In addition, the term includes all persons authorized to act on a customer’s behalf.

Customer Account Transfer Notice - a request submitted by an EGS to an EDC or Default Service Provider via an EDI transaction, currently 814, to request that a customer’s current generation supplier provider be changed.

Customer Notice of Account Transfer - written notice from the EDC or Default Service Provider to a customer that his or her generation supplier will be changed on the date provided in the notice.

Default service provider –As defined by 66 Pa. C.S. § 2803.

EDC—*Electric distribution company*—An electric distribution company as defined in section 2803 (relating to definitions).

EGS—*Electric generation supplier*—A supplier as defined in section 2803 of the act.

Current EGS Product – the EGS ~~product at the time of~~ providing current generation service to the customer contact.

~~Selected~~*New EGS Product*— the EGS ~~product~~ from which the customer seeks to receive new electric supply service.

ATTACHMENT A – RESA’S PROPOSED REVISIONS TO REGULATIONS

§ 57.172. Customer contacts with the EDC.

(1) When a customer or a person authorized to act on the customer’s behalf orally contacts the EDC to request a switch from the ~~current~~Current EGS ~~product~~ or default service provider to a ~~new selected~~New EGS ~~product~~, the EDC shall notify the customer that the New EGS ~~offering the selected EGS product~~ shall be contacted directly by the customer to initiate the change. This requirement does not apply in the context of a Commission-approved program that requires the EDC to initiate a change in EGS service.

(2) When a customer or person authorized to act on the customer’s behalf orally contacts the default service supplier to request a switch from the ~~current~~Current EGS ~~product~~ to default service, the default service supplier shall notify the customer that there may be a financial penalty associated with ~~terminating~~cancelling service with the ~~current~~Current EGS ~~product~~. Subsequent to this notice and ~~given express oral consent from the customer~~upon receipt of a valid authorization consistent with § 57.175, the default service supplier shall enroll the customer onto default service.

§ 57.173. Customer contacts ~~an~~with a New EGS to request a change in electric supply service~~[with EGSs]~~.

When ~~{~~a contact occurs between ~~}~~a customer or a person authorized to act on the customer’s behalf ~~{~~and ~~}~~contacts a New EGS to request a switch from [a change of]the current EGS product or default service provider to a new selectedthe New EGS product, [upon receiving direct oral confirmation or written authorization from the customer to change the EGS, the contacted EGS shall]the following actions shall be taken~~by the EGS offering the selected EGS product and the customer’s EDC:~~

(1) The New EGS shall obtain valid authorization consistent with § 57.175.

(2) The New EGS shall send the customer a disclosure statement, if required by § 54.5 (relating to disclosure statement for residential and small business customers).

(a) There shall be a rebuttable presumption that a disclosure statement correctly addressed to a customer with sufficient first class postage attached shall be received by the customer 3 days after it has been properly deposited in the United States mail.

(b) There shall be a rebuttal presumption that a customer who enrolls on-line and is presented with the disclosure statement as part of the enrollment process has received the disclosure statement when the customer affirmatively acknowledges the terms of the disclosure statement.

ATTACHMENT A – RESA’S PROPOSED REVISIONS TO REGULATIONS

(c) There shall be a rebuttal presumption that a customer who agrees to receive a disclosure statement by electronic mail receives the disclosure statement on the day it is sent to the customer-provided email address.

~~(13) The New EGS offering the selected EGS product shall [N]otify the EDC of the customer’s EGS selection at the end of the 3 shall~~ submit the Customer Account Transfer Notice to the EDC within one business day upon expiration of the rescission period ~~provided~~ ~~if a rescission period is required by § 54.5(d) (relating to disclosure statement for residential and small business customers) with customer consent or. The EGS may also~~ submit the Customer Account Transfer Notice on a future date that ~~will~~ ~~initiate~~ ~~accommodates a customer-specified start date for the new supply service with the selected EGS product on the date specified by the customer. If no consent for the 3-~~ ~~business-day hold or other delay~~ timing of the Customer Account Transfer Notice is given by the customer, then the ~~New EGS offering the selected EGS product shall notify~~ ~~shall~~ submit the Customer Account Transfer Notice to the EDC by the end of the next business day following the customer contact ~~after the customer’s account number has been verified.~~

~~(24) Upon receipt of this notification, or notification that the customer has authorized a switch to default service~~ the Customer Account Transfer Notice, the EDC shall send the customer a ~~confirmation letter~~ Customer Notice of Account Transfer, if applicable, noting the proposed change ~~to the New EGS or EGS product, or the switch to default service.~~ [This letter shall include notice of a 10-day waiting period in which the order may be canceled before the change of the EGS takes place.] The ~~notice~~ Customer Notice of Account Transfer shall include the date service with the ~~new selected~~ New EGS ~~product or default service~~ will begin unless the customer contacts the EDC to cancel the change. The 10-day waiting period shall begin on the day the letter is mailed]. The ~~letter~~ Customer Notice of Account Transfer shall be mailed by the end of the next business day following the receipt of the ~~notification of the customer’s selection of an EGS~~ Customer Account Transfer Notice.

§57.174. Time[]frame requirement.

~~(1) When a customer or authorized party has provided the EGS offering the selected EGS product with oral confirmation or written authorization to [change] a Valid Authorization to select the new New EGS[s] product or move from default service, or a customer or authorized party has provided the current EGS with oral confirmation or written authorization to return the customer to default service,~~ consistent with electric data transfer and exchange standards, the EDC shall make the change [at the beginning of the first feasible billing period] within 3 calendar days [10-day waiting period] of the receipt by the EDC of the electronic enrollment transaction.

(2) The EDC shall obtain a meter read to effectuate the switch of EGS service within the time period provided for in paragraph (1). In instances where the EDC does not have advanced or automated metering capability, the EDC shall obtain an actual meter read, use an estimated meter read or use a customer-provided meter read. In instances where

ATTACHMENT A – RESA’S PROPOSED REVISIONS TO REGULATIONS

estimates are used, the estimated meter read shall be updated when an actual meter read is obtained to reflect the customer’s actual usage through the customer’s normal meter read cycle. In the alternative the EDC may pro-rate consumption data for a particular billing period in order to effectuate an off-cycle switch.

* * * * *

§ 57.175. [Persons authorized to act on behalf of a customer.

A customer may identify persons authorized to make changes to the customer’s account. To accomplish this, the customer shall provide the EDC with a signed document identifying by name those persons who have the authority to initiate a change of the customer’s EGS.]

§ 57.176.]Valid ~~written~~-authorization.

A document signed by the customer of record whose sole purpose is to obtain the customer’s consent to change EGSs shall be accepted as valid and result in the initiation of the customer’s request. Documents not considered as valid include, but are not limited to, canceled checks, signed entries into contests and documents used to claim prizes won in contests. Valid authorizations include a signed (in writing or electronically) authorization form, an oral authorization that is recorded, or an electronic authorization.

* * * * *

§ 57.17[7]6. Customer dispute procedures.

* * * * *

§ 57.17[8]7. Default service provider.

(1) This subchapter does not apply when the customer’s service is discontinued by the EGS and subsequently provided by the default service provider because no other EGS is willing to provide service to the customer.

(2): This subchapter does apply when the customer elects to receive service from the default service provider.

ATTACHMENT A – RESA’S PROPOSED REVISIONS TO REGULATIONS

§ 57.17[9]8. Record maintenance.

(1) Each EDC and each EGS shall preserve all records relating to unauthorized change of EGS disputes for 3 years from the date the customers filed the dispute. These records shall be made available to the Commission or its staff upon request.

(2) The default service provider shall retain all records relating to situations as described in § 57.172 for 3 years from the date of the customer contact with the default service provider. These records shall be made available to the Commission or its staff upon request.

* * * * *