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July 21, 2014

**VIA ELECTRONIC FILING**

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

**Re: *Interim Guidelines for Eligible Customer Lists***  
***Docket No. M-2010-2183412***

Dear Secretary Chiavetta:

Pursuant to the Commission's Order entered June 19, 2014 in the above-captioned 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: As Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Interim Guidelines For Eligible Customer Lists** : **Docket No. M-2010-2183412**  
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**COMMENTS OF METROPOLITAN EDISON COMPANY,  
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER  
COMPANY AND WEST PENN POWER COMPANY**

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**I. INTRODUCTION**

By Opinion and Order entered June 19, 2014 (“June 19 Order”) in the above-captioned matter, the Pennsylvania Public Utility Commission (“Commission”) seeks comment on its proposal to require triennial company-wide solicitations of residential and small commercial customers by electric distribution companies (“EDCs”) of their Eligible Customer Lists (“ECLs”), as well as discusses proposals related to content and cost recovery for these initiatives. The Commission directed that comments be submitted on these topics within thirty (30) days of entry of the June 19 Order, and that reply comments be submitted within forty-five (45) days of entry of the June 19 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”) respectfully submit the following comments for the Commission’s consideration relative to ECL refresh initiatives as set forth in the June 19 Order.

**II. COMMENTS**

The June 19 Order proposes a number of items. Primarily, it seeks comments with respect to implementation of a three-year cycle for refreshing EDCs’ ECLs. Additionally, it considers the

alignment of solicitations for dual-service utilities in order to reduce the number of mailings and selections customers must make. The third proposal raised outlines seven proposed elements to be included in any refresh solicitation in an effort to further educate customers. Finally, comments are sought with respect to the costs of providing triennial company-wide solicitations, as well as with respect to what mechanism is most appropriate to allow for cost recovery. The Companies generally support the proposals outlined in the June 19 Order, subject to those comments outlined below. However, because the Companies do not provide dual service to their customers, they do not take a position with respect to the alignment of solicitations for both gas and electric customers.

**A. Frequency of Company-Wide Solicitations**

While a move towards standardization of content included on ECLs, as well as content that can be excluded, has been initiated, there has not previously been a standard for periodic refreshes of ECLs. The Commission's proposal would require EDCs to refresh their ECL on a three-year cycle, beginning with the next refresh to be completed by the end of the first quarter of 2015 and continuing forward. The Companies already actively provide information to customers regarding the ECL through new mover mailings and semi-annual bill inserts, which provides customers the opportunity to consider this decision on a regular basis. In addition, the Companies provide various information to their customers about retail choice at periodic intervals through additional scripting programs, mailers, etc. However, the Companies are not opposed to an official refresh of their ECLs, provided that the frequency is not such that it creates customer frustration, confusion or irritation with either the Companies or the retail markets. A three year cycle for refreshing this information strikes an appropriate balance between these considerations and that of making sure that the ECL content is as accurate and current as possible, which also will serve to maintain a positive experience for customers while shopping for their electric supplier.

## **B. Content of Company-Wide Solicitations**

The content of periodic solicitations to refresh ECLs for natural gas utilities has been standardized to include the following information in an effort to further educate customers being solicited: 1) an explanation of what the ECL is; 2) an outline of the information to be included on the ECL; 3) an explanation of what the more detailed information represents; 4) how the information is to be used by the retail suppliers; 5) how the information is safeguarded by the utility; 6) how widely the information is disseminated; and 7) the potential benefits to the customers of having their information included on the ECL. In the June 19 Order, the Commission proposes to impose these content requirements on all EDC solicitations associated with the ECL as well. The Commission specifically seeks cooperation between EDCs and the Commission's Office of Communications in developing these solicitations to ensure the tone of the solicitation does not create a negative impression of customer choice. Additionally, the Commission recommends that EDCs be required to offer options to respond to ECL solicitations via direct mail, web, electronic mail, and/or telephone contact with the EDC. It is further proposed that an outline of these methods available for response be provided in the solicitation.

In general, the Companies provide this same information today in their materials regarding a customer's choice to remain on or opt-off of the ECL. In addition, the Companies currently offer numerous methods for customers to opt-off of the ECL, which include direct mail, web and telephone options. Therefore, the Companies agree that the content and avenues for response associated with the proposal are reasonable and can be readily implemented. However, to the extent that a full refresh of the ECL is required on a recurring basis, the Companies recommend that a statement be included in materials clearly explaining to customers that despite the fact that they may previously have requested to opt-off, they will need to affirmatively make that choice

again in order to remain off of the ECL. Making this point clear to customers would reduce what could be potentially significant customer confusion and irritation with not only EDCs but also the EGSs soliciting them.

**C. Costs and Cost Recovery**

The Commission specifically seeks comments with respect to the projected costs to implement the proposals outlined in the June 19 Order. In addition, recommendations with respect to recovery of those costs by EDCs are sought.

The projected costs to implement the Commission's proposal would vary depending on the method used to solicit customers. In the event that a direct mailer was required for all customers, it is estimated that implementation costs associated with the proposed changes to the content of the Companies' ECL solicitations and to execute one cycle of refresher solicitations would cost approximately \$400,000. On the other hand, the Companies believe that significant costs could be reduced, leading to an overall projection of a cost of \$70,000 per cycle if EDCs are permitted to inform and educate their customers about the ECL through bill inserts, with electronic requests provided to customers who currently receive their bills electronically. In either instance, the projection would be a recurring cost each time the ECLs are refreshed. In addition, neither of these figures account for incremental contact center costs that will likely occur as a result of increased volume at the time of the solicitations. Like other similar initiatives, such as the Customer Account Lookup Mechanism, the Companies must be able to recover of all their costs to implement the Commission's proposals on a full and current basis through a non-bypassable rider such as the Companies' Default Service Support Riders.

### III. CONCLUSION

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company appreciate the opportunity to provide comments regarding the frequency and content of EDCs' efforts to refresh their Eligible Customer Lists and look forward to working with the Commission and interested parties on this topic.

Respectfully submitted,



Dated: July 21, 2014

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West Penn Power Company

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Interim Guidelines for Eligible Customer Lists** : **Docket No. M-2010-2183412**  
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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, as follows:

John R. Evans  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
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Harrisburg, PA 17101

Tanya J. McCloskey  
Office of Consumer Advocate  
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Dated: July 21, 2014



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