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FEDERAL EXPRESS

July 21, 2014

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

RECEIVED

JUL 21 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is an original of PPL Electric's comments in the above-captioned proceeding. These comments are being filed pursuant to the Tentative Order entered on June 19, 2014 in the above referenced proceeding.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on July 21, 2014, which is the date it was deposited with an overnight delivery service.

Please date and timestamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding these comments, please call me at (610) 774-4254 or B. Kathryn Frazier, Regulatory Affairs Manager at (610) 774-3372.

Very truly yours,

Paul E. Russell

Enclosures

cc: Ms. Megan G. Good
Mr. H. Kirk House, Esq.
Mr. John R. Evans

Ms. Elizabeth R. Marx, Esq.
Tanya J. McCloskey, Esq.
Donna Clark, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interim Guidelines
For Eligible Customer Lists

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Docket No. M-2010-2183412

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JUL 21 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**PPL ELECTRIC UTILITIES CORPORATION
COMMENTS TO TENTATIVE ORDER**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

PPL Electric Utilities Corporation ("PPL Electric or the "Company"), by and through its attorney, in accordance with the Pennsylvania Public Utility Commission's ("PUC" or the "Commission") June 19, 2014 Tentative Order in Interim Guidelines for Eligible Customer Lists ("ECL"), hereby submits these Comments.

I. INTRODUCTION

On June 19, 2014, the Commission issued a Tentative Order seeking public comment regarding the Office of Competitive Market Oversight's ("OCMO's") proposed recommendation to require triennial company-wide solicitations of residential and small commercial customers by Electric Distribution Companies ("EDCs") in order to update the electric ECLs, which are made available to Electric Generation Suppliers ("EGSs").

II. BACKGROUND

In the Final Order on Reconsideration entered on November 10, 2011 in Interim Guidelines for Eligible Customer Lists (Docket No. M-2010-2183412), the Commission determined that annual or semi-annual company-wide solicitations are costly and may be more confusing to customers. The Commission directed EDCs to use the following alternative approach (November 10 Order, p. 23).

In lieu of annual companywide solicitations, EDCs shall actively notify customers of their withholding options through each new customer's welcome package and through periodic announcements in customer bill inserts, e-mail, or a separate announcement included in the customer's paper bill or electronic notification, if available. The welcome package for new customers and periodic announcements for all customers shall also provide guidance on how to make the selection through company-provided forms, e-mails, written letters, toll-free numbers, or the EDC website.

EDCs were directed to make a single company-wide ECL solicitation during the first quarter of 2012, which provided a variety of options for customers to notify the EDC of his or her desire to withhold account and usage information from the ECL. These options included pre-paid post cards, company-provided forms, e-mails, toll-free numbers, and the EDC website. In March of 2012, PPL Electric performed the direct mail solicitation to all customers, from which the Company received approximately 180,000 customer requests to opt-out of the ECL.

On January 17, 2014, OCMO sent an e-mail to all Pennsylvania EDCs requesting opinions and suggestions regarding the issue of routine refreshing of electric ECLs. In that e-mail, OCMO noted that the Commission had recently established a routine,

3-year cycle for refreshing the gas ECL. See, Interim Guidelines for Natural Gas Distribution Company Eligible Customer Lists, Docket No. M-2012-2324075, Order entered September 23, 2013.

III. PPL ELECTRIC'S COMMENTS REGARDING
TRIENNIAL SOLICITATION

In its June 19, 2014 Tentative Order, the Commission proposed a triennial company-wide requirement for the EDCs to refresh their ECLs. The Commission also proposed a consistent methodology for company-wide ECL refreshes. Finally, the Commission proposed that the EDCs perform their next company-wide solicitation by the end of the first quarter of 2015, three years after the previous solicitation.

PPL Electric respectfully requests that the Commission reconsider mandating a triennial company-wide customer solicitation for refreshing the electric ECL. PPL Electric believes that its current ECL approach provides customers with a clear and easily exercised means by which they can choose to withhold all of their customer account and usage information from the ECL, with no obligation to provide any reason or justification. *Importantly, PPL Electric's current approach strikes the appropriate balance between the privacy expectations of customers and the sharing of current customer information between EDCs and EGSs. All new and existing PPL Electric customers currently receive adequate notification of their options regarding the ECL in the initial Welcome Packet, through PPL Electric's semi-annual bill insert Connect Newsletter and through the Company's internet and social media out-reach. With regard to refreshing customer data contained within the ECL,*

PPL Electric updates its ECL on a weekly basis so EGSs have current, complete and accurate customer information.

Specifically, PPL Electric has taken the following steps:

- Added the ECL privacy information to the Residential Customer Welcome Packet.

<https://www.pplelectric.com/~media/PPLElectric/About%20Us/Docs/Residential%20Welcome%20Booklet.pdf> – Page 12

- Added the ECL privacy information to the new Business Customer Welcome Packet.

<https://www.pplelectric.com/at-your-service/~media/PPLElectric/About%20Us/Docs/Business%20Customer%20Booklet> - Page 12 (Note: The ECL Letter and response envelope are included in each Welcome Packet.)

- Published ECL articles in PPL Electric's bill insert Connect Newsletter in September 2012, April 2013, and March 2014, and will continue to include these articles in Connect on a bi-annual basis.

<https://www.pplelectric.com/about-us/~media/PPLElectric/About%20Us/Docs/connect-newsletter/Connect-201304.pdf>

- Provided privacy information on Social Media (in both response to customer inquiries or complaints and proactively engaging customers).
- Provided a web page online. www.pplelectric.com/ecl

- Directed the PPL Electric E-power Team to discuss the privacy option when customers ask about being harassed by EGSs.
- Made the ECL available to all EGSs via the Company's secure, password protected Supplier Portal. The customer data contained in the ECL is updated weekly to ensure complete and accurate information is available.

Furthermore, PPL Electric currently provides customers with various methodologies to change their account preferences including direct or electronic mail reply, as well as a website process and/or telephone contact with EDC customer service representatives. Additionally, the current package includes the following seven information items: (1) what the ECL is; (2) what information is to be included in the ECL; (3) what the more detailed information represents; (4) how this information is to be used; (5) how the information is safeguarded; (6) how widely the information will be disseminated; (7) the potential benefits to customers of having their information included on the ECL.

PPL Electric believes more frequent solicitations may cause customer confusion. In the November 10 Order, the Commission found that annual company-wide solicitations may be confusing to customers. Specifically, customers who previously made a privacy selection may not understand whether that selection remains valid or whether a new selection is required. The Commission also found in the November 10 Order that annual company-wide solicitations are costly.

PPL Electric has pursued for many years an extensive campaign to educate and inform its customers regarding all aspects of the competitive retail electricity market and options to participate in that market. While PPL Electric would not recommend a triennial company-wide solicitation, the Company is prepared to complete an ECL solicitation during

the first quarter of 2015 for all of its 1.4 million customers. The solicitation package would include shopping information as well as information to ensure that customers are aware of their choices, what their choices mean, how the information on the ECL will be used, and methodologies available to opt-out or exclude all of their account information from the ECL.

IV. PPL ELECTRIC'S COMMENTS REGARDING CONTENT

In its June 19, 2014 Tentative Order, the Commission proposed that the EDCs include seven specific information elements in their triennial solicitations to customers: (1) what the ECL is; (2) what information is to be included on the ECL; (3) what the more detailed information represents; (4) how this information is to be used by EGSs; (5) how the information is to be safeguarded by EDCs; (6) how widely the information will be disseminated; and (7) the potential benefits to the customers of having their information included on the ECL.

As discussed above, PPL Electric does not agree that triennial ECL solicitations are necessary and recommends that the Commission not require EDCs to conduct such solicitations. However, if the Commission decides to proceed with its proposed approach, the Company has no objections to the content of the solicitations as set forth in the June 19, 2014 Tentative Order. The Company believes the information to be provided to customers is appropriate and, in fact, is very similar to the information that PPL Electric currently provides to its customers regarding these issues.

V. PPL ELECTRIC'S COMMENTS
REGARDING COST RECOVERY

In its June 19, 2014 Tentative Order, the Commission did not propose a specific ratemaking mechanism for EDCs to recover their costs of implementing the triennial ECL solicitation. Rather, the Commission specifically requested comments from the EDCs regarding the costs of performing triennial company-wide solicitations. Additionally, the Commission requested comments from all interested stakeholders regarding how EDCs should recover the costs associated with this triennial solicitation.

PPL Electric has obtained estimates for the cost of the outsourced fulfillment, which includes the personalized letter (with remit perforation), educational brochure, generic instructional letter, return envelope and all postage associated with the mailing (including postage paid return mail), remit processing, and telephone and email contacts.

PPL Electric estimates that, at a minimum, total charges would approximate \$1 million for the 2015 ECL solicitation, with the actual amount based upon the actual volume of calls, emails and return mail. This estimate is based upon the historical response volumes. PPL Electric currently has approximately 172,000 customers that have opted out of the ECL. If the Commission were to order EDCs to conduct triennial ECL solicitations, PPL Electric estimates that each such solicitation would cost approximately \$1 million.

PPL Electric proposes to recover these costs through its Commission-approved Competitive Enhancement Rider ("CER") mechanism. As stated in PPL Electric's tariff, "the CER provides for the recovery of the annual costs associated with the Company's competitive retail electricity market enhancement initiatives and related consumer education

programs.” The Company believes that any costs that it incurs to update the ECL clearly meet this definition and qualify for inclusion in the CER.

VI. CONCLUSION

For all of the reasons discussed above, PPL Electric does not agree that triennial ECL solicitations are necessary and recommends that the Commission not require EDCs to conduct such solicitations. The Company is prepared to complete an ECL solicitation during the first quarter of 2015 for all of its 1.4 million customers. PPL Electric estimates that such a solicitation would cost approximately \$1 million which it proposes to recover through the CER.

Dated: July 21, 2014
at Allentown, Pennsylvania



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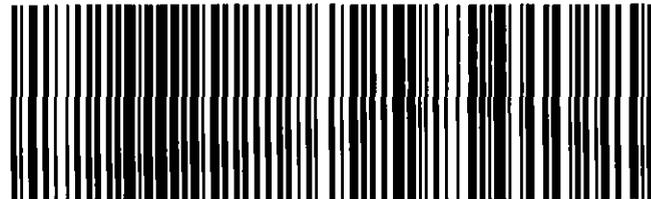
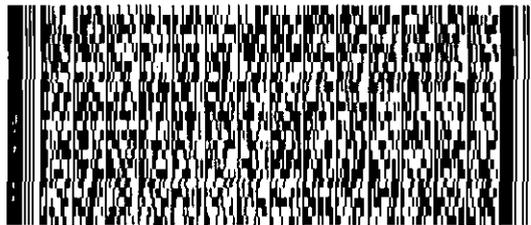
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