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May 26, 2015

VIA E-FILING

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

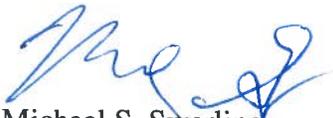
**RE: Natural Gas Distribution Company Customer Account Number
Access Mechanism for Natural Gas Suppliers
Docket No.: M-2015-2468991**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is *PECO Energy Company's Comments on the Tentative Order* with regard to the matter referenced above.

Thank you for your time and attention on this matter.

Very truly yours,



Michael S. Swerling
Counsel for PECO Energy Company

MSS/adz

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Natural Gas Distribution Company
Customer Account Number Access
Mechanism for Natural Gas Suppliers

M-2015-2468991

**PECO ENERGY'S COMMENTS
ON THE COMMISSION'S APRIL 9, 2015 TENTATIVE ORDER**

INTRODUCTION

PECO Energy Company ("PECO" or the "Company") hereby submits its comments on the Pennsylvania Public Utility Commission's (the "Commission's") April 9, 2015 Tentative Order ("Tentative Order") in the above-referenced docket. In the Tentative Order, the Commission proposed to implement a recommendation from the Office of Competitive Market Oversight ("OCMO") that natural gas distribution companies ("NGDCs") implement secure, password protected, account number access mechanisms for natural gas suppliers ("NGSs") by August 31, 2016. (Tentative Order at 17-18). These mechanisms will benefit competition allowing suppliers to enroll customers in public locations and obtain account numbers when they are not available from either the customer or the NDGC's Eligible Customer List ("ECL"). (Tentative Order at 1). The mechanisms cannot be used to enroll customers during door-to-door or telephone transactions. (Tentative Order at 19). PECO appreciates the opportunity to comment on the Tentative Order and is a strong supporter of enhancing sustainable retail competition through account number access mechanisms.

I. COMMENTS

A. PECO's Proposed Account Number Access Mechanism

PECO plans to implement a secure account number access mechanism for NGSs by August 31, 2016. To that end, PECO will enhance its existing City Gate Solutions¹ website portal to provide the same level of access that PECO's Supplier Customer Choice Energy Systems Solution ("SUCCESS") website portal currently provides to EGSs.² Specifically, City Gate Solutions will adopt the following properties that currently apply to SUCCESS:

1. Level of Access Provided

A limited number of individuals within each NGS will be provided authorization to access City Gate Solutions. Each NGS will be responsible to manage the authorizations provided within their organizations to safeguard the integrity of private customer information obtained.

2. Data Exchange

In one submittal to City Gate Solution, NGSs may include up to 500 individual account number requests. Responses to each request will be delivered to the NGS's website within seconds. NGSs must provide the customer's full name, service street address, five-digit postal code, and photo identification. The name and address provided must exactly match the information existing in PECO's database.³ To aid the supplier in entering the exact name and

¹ City Gate Solutions is a passcode-protected, secure website used to coordinate the delivery of competitive natural gas supply with NGSs.

² See *EDC Customer Account Number Access Mechanism for EGSs – PECO Energy Company*, Docket No. M-2013-2355751 (Final Order entered on May 23, 2014), which approved implementation of PECO's SUCCESS portal.

³ All variances (with the exception of upper versus lower case letters) would result in a mismatch. Thus, for example, if the customer's name is "William", using nicknames "Will" or "Bill" would cause a mismatch or rejection. Similarly, the same would occur if the address contains an apartment number, suite number, or other

address, City Gate Solutions includes optional fields where an NGS can provide an additional service street address or customer name. While not required, these fields improve the likelihood of locating a match of the customer's account number. Additionally, NGSs will have the capability to re-submit requests as often as necessary. However, the City Gate Solutions website will not permit submission of an additional request until after the results of a previous request are first delivered.

As proposed in the Tentative Order⁴, PECO will maintain a record of each request, all data provided, PECO's response, the NGS submitting the request, and when the request was received. A record of this information will be retained and recallable for no less than three years in accordance with 52 Pa.Code § 59.99.

3. Attestation of Photo Identification

For each customer request uploaded, the NGS must provide an attestation that it is enrolling the customer in a public location and that it has obtained photo identification and a signed Letter of Authorization ("LOA") from the customer. The NGS also shall indicate the type of photo identification obtained. Without such an attestation, City Gate Solutions cannot process the request.

B. Customer Information Inputs

Based on learnings from the development of electronic customer databases, the Commission recognized that "wildcard" inputs could increase the risk of false returns, jeopardizing customer privacy. (Tentative Order at 12). To address this concern (in the EDC

secondary identifying information connected to the customer's account, which is not included in the NGS's request. Exact matches are necessary to protect against the inadvertent disclosure of private customer information.

⁴ Tentative Order at 15.

account number access Final Order⁵), the Commission directed EDCs to attempt to remedy these problems. In this Tentative Order, the Commission encouraged use of wildcard inputs for gas mechanisms, where possible, but did not require their inclusion. (Tentative Order at 13).

PECO believes that wildcards inputs increase the risk of inadvertently releasing customer information for incorrect accounts. For example, since PECO cannot separate a customer's street address elements (e.g. house number, street, etc.) in the mechanism used to query the account numbers, a wildcard input in the service address field can increase the risk of disclosing an incorrect account number if a variant of the service address precisely matches another account with the same customer name and zip code. Permitting wildcards, by definition, also allows the entry of the wildcard character by itself in a given field, thereby matching every possible single customer service address in PECO's system and effectively eliminating the service address field as a required data input considered in the lookup. PECO does not believe that this is appropriate to protect the integrity of private customer information and has been unable to mitigate these risks. Therefore, to protect the integrity of private customer information, PECO will not allow the use of wildcards in its account number lookup mechanism.

C. Mechanism Outputs

The Tentative Order proposed that NGDC inquiry responses be one of the following:

1. NO HIT;
2. MULTIPLE HITS; or
3. Customer's account number.

As with its existing and approved EGS mechanism, City Gate Solutions will include the following three additional inquiry responses:

⁵ See *Final Order on EDC Customer Account Number Access Mechanism for EGSs*, Docket No. M-2013-2355751 (Order entered on July 17, 2013).

1. INVALID REQUEST – This occurs if the EGS incorrectly formats a request record within the file (e.g., using an incorrect delimiter or no delimiter at all).
2. MISSING DATA – This occurs if the EGS does not enter any information for a field requiring information, such as the customer’s full name, Line 1 of the service street address, the five-digit postal code, or the form of customer identification received.
3. ON ECL – This occurs if PECO finds a precise match that already is available on its ECL. PECO only provides the account number when it locates a precise match and the account number is not available on PECO’s ECL.

D. Costs Estimates and Cost Recovery

PECO currently estimates the total implementation cost of this project to be approximately \$260,000 with additional software maintenance fees of approximately \$10,000 annually. Nearly all the costs relate to information technology (“IT”) changes to the Company’s information system. However, leveraging the EGS mechanism minimizes the degree of change required.

Regarding PECO’s proposed mechanism for the potential allocation and recovery of the costs associated with enhancing City Gate Solutions, PECO requests that the Commission allow the same recovery method that was allowed for PECO’s electric SUCCESS portal.⁶ Consistent with the approved recovery method for its EGS account number access mechanism and other market enhancement costs, PECO proposes to recover 50% of its costs for the NGS account number access mechanism through a Purchase of Receivables (“POR”) discount and 50% through the Purchased Gas Cost (“PGC”).⁷ In order to achieve this cost recovery, PECO will

⁶ See *EDC Customer Account Number Access Mechanism for EGSs – PECO Energy Company*, Docket No. M-2013-2355751 (Final Order entered on May 23, 2014).

⁷ *Id.* at 9.

make adjustments to its PGC tariff rate to include 50% of the total costs amortized over a one-year period with the remaining 50% of project costs recovered through the POR discount.

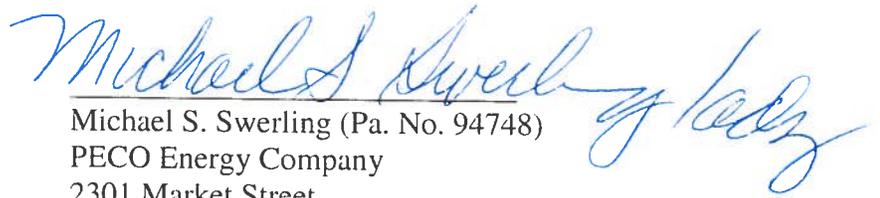
The Commission approved this recovery method for PECO's EGS account number access mechanism, stating that it was "the only method currently demonstrated to allow PECO to fully recover its costs for the account lookup mechanism and assign a portion of the costs to EGSs who will benefit from it."⁸

CONCLUSION

PECO appreciates the opportunity to comment on the Tentative Order and requests that the Commission favorably consider these comments. PECO also looks forward to working with the Commission, OCMO and other stakeholders in providing a mechanism for NGSs to safely and securely obtain customer account numbers when marketing in public venues. PECO also continues to applaud the Commission for its zero tolerance policy with regard to violations of customer privacy and customer information confidentiality requirements and strongly agrees that the protection of customer information is essential, both for customer safety as well as a robust natural gas supply market.

⁸ Id. at 12-13.

Respectfully Submitted,



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