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April 14, 2016

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VIA OVERNIGHT DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
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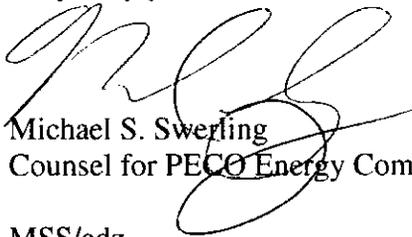
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**RE: Natural Gas Distribution Company Customer Account Number Access
Mechanism for Natural Gas Suppliers
M-2015-2468991**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission are *PECO Energy Company's Reply Comments for Customer Account Number Access Mechanisms* with regard to the matter referenced above.

Very truly yours,



Michael S. Swerling
Counsel for PECO Energy Company

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

APR 14 2016

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
M-2015-2468991

**PECO ENERGY COMPANY'S REPLY COMMENTS REGARDING COMPLIANCE
FILINGS FOR CUSTOMER ACCOUNT NUMBER ACCESS MECHANISMS**

I. INTRODUCTION

On July 8, 2015, the Pennsylvania Public Utility Commission (the "Commission" or the "PUC") issued a Final Order regarding *Natural Gas Distribution Company Customer Account Number Access Mechanisms for Natural Gas Suppliers* at Docket No. M-2015-248991 ("Final Order"). The Final Order required NGDCs to implement secure, password protected, account number access mechanisms for natural gas suppliers ("NGSs") by August 31, 2016. (Final Order at 1). Additionally, the Final Order directed natural gas distribution companies ("NGDCs") to submit compliance plans detailing their proposed mechanisms within six months of the entry date of the Final Order. (Final Order at 33).

PECO Energy Company ("PECO" or the "Company") submitted its *Compliance Filing Regarding Customer Account Number Access Mechanisms For Natural Gas Suppliers* ("Compliance Plan") on January 8, 2016. On February 8, 2016, the Retail Energy Supply Association ("RESA") submitted industry comments, which focused, in part, on PECO's Compliance Plan. On March 15, 2016, the Commission issued a Secretarial Letter allowing interested parties the opportunity to file reply comments. Accordingly, PECO hereby submits its reply comments to RESA's February 8 comments.

II. REPLY COMMENTS

A. The Commission's Proposal for Account Number Access Mechanisms is limited in scope and designed to strike an appropriate balance between protecting customer privacy rights and allowing for a customer-friendly marketplace.

The Commission's objectives regarding NGDC account number access mechanisms are limited in scope. In its Final Order, the Commission stated clearly and unequivocally that NGDC web portals shall:

- 1) Balance the interests of protecting private customer information and allowing for a safe and user-friendly retail marketplace;¹
- 2) Search for a customer's full name, service street address and postal code, which will provide the greatest possibility for a successful account number return, while maintaining consumer protections;²
- 3) Facilitate supplier marketing in public places (e.g., malls, community events, fairs, etc.);³
- 4) Apply to customers whose information was not included on Eligible Customer Lists ("ECLs");⁴
- 5) Not require wildcard and/or drop-down box functionalities.⁵

However, RESA's February 8, 2016 comments recommended: 1) expanding the scope of the Commission's objectives beyond the intent of the Final Order; and 2) providing robust and reliable access to customer information. PECO is concerned that doing so could jeopardize the protections of private customer information contained in 52 Pa. Code § 62.78, which the Commission has recognized are of paramount importance. (Final Order at 12). Specifically, in its

¹ Final Order at 12.

² Final Order at 11.

³ Final Order at 2.

⁴ Final Order at 6.

⁵ Id.

Interim Guidelines for Eligible Customer Lists proceeding at Docket No. M-2010-2183412, the Commission attempted to provide electric generations suppliers (“EGSs”) greater access to private customer information through utility ECLs. After significant concerns were raised by commenters, including an appeal to the Commonwealth Court by the Office of Consumer Advocate (“OCA”) and the Pennsylvania Coalition Against Domestic Violence (“PCADV”), the Commission ultimately decided not to provide greater access to private customer information and allowed customers greater rights to restrict all of their personal account and usage information.⁶

While PECO supports industry efforts to enhance the competitive natural gas supply marketplace with modern technology, an appropriate and lawful balance must be struck between customer privacy rights and the Commission’s obligations under Chapter 28 of the Public Utility Code. PECO believes that the Commission’s Final Order and the compliance plans filed by NGDCs in this proceeding achieve such a balance.

B. The Commission Should Avoid Expanding Access to Customer Data in Ways That Negatively Impact Customer Privacy Rights.

To the extent that RESA’s comments seek greater access to customer information than the Final Order provides, the Commission should be careful not to create situations in which NGSS receive personal information that is restricted in nature. PECO believes that a number of

⁶ In that proceeding, the Commission proposed interim guidelines designed to produce more uniformity in the type of customer information included in ECLs. The guidelines entitled customers to restrict either: 1) none of their information deemed private by 52 Pa. Code § 62.78 (i.e., name, address, telephone number, rate class, rate subclass, account number and billing data); or 2) restrict only telephone number, billing address and usage. According to the proposed guidelines, customers would not be permitted to restrict any private customer information beyond telephone number, address and usage. The OCA and PCADV appealed the proceeding to the Commonwealth Court arguing, in relevant part, that the guidelines prevented customers from restricting all of their personal and private information even if customers objected to such release. The Commonwealth Court issued an Order granting a request to stay the proceeding, stating that the supersedeas “is granted to the extent that the requested supersedeas will maintain the *status quo*.” Subsequently, the PUC requested that the court remand jurisdiction back the Commission, which it did, so that the PUC could issue a new order that struck an appropriate and lawful balance between customer privacy rights and the Commission’s obligations under Chapter 28 of the Public Utility Code.

RESA's requests could create such a scenario. According to RESA, a high margin for error⁷ exists between inputs entered into and results generated from NGDC mechanisms. (RESA Comments at 7). To remedy this concern, RESA recommends that the Commission adopt a set of best practices addressing scenarios in which an exact match does not occur. PECO is concerned that the following recommended best practices could lead to the disclosure of restricted private customer information, a result that should be avoided.

1) Wildcards

RESA requests that the Commission reject concerns raised by NGDCs that wildcards could lead to incorrect or multiple account numbers. According to RESA, it is acceptable if a wildcard produces incorrect or multiple account numbers because NGSs are required to safeguard the privacy of the information received. (RESA Comments at 9-10). However, 52 Pa. Code § 62.78 indicates that NGDCs cannot release any restricted customer information.

According to Section 62.78(a):

An NGDC or NGS may not release private customer information to a third party unless the customer has been notified of this intent and has been given a convenient method, consistent with subsection (b), of notifying the entity of the customer's desire to restrict the release of the private information.

This regulation does not hold that NGDCs can freely release restricted customer information to NGSs as long as the NGS does not disclose it to another party. The regulation holds that if customers choose to restrict their information, it will not be disclosed. The expectation is that the customer's information will not leave the holder of that information (for purposes of marketing or any other reason) if the customer chooses to restrict it. Therefore,

⁷ In its comments, RESA referred to concerns previously raised by NRG Retail Affiliates ("NRG") in this proceeding. Specifically, NRG was concerned that PECO's portal requires inputs (i.e., customer's full name, address and postal code) that exactly match the information contained in PECO's database. PECO notes that in its Final Order, the Commission referred NRG's concerns to the Office of Competitive Market Oversight ("OCMO") for review. Accordingly, PECO reserves its rights to respond to NRG's concerns in that forum.

RESA's claim that restricted private information can be freely provided to suppliers, as long as the suppliers prevent that information from being disclosed to third parties, contradicts the regulation and impinges the customer's expectation of privacy. As such, this request should be denied.

2) *Multiple Hits*

RESA requests that NGDCs be required to provide a list of account numbers when multiple hits occur. Per RESA's comments, NGSs will carefully review the results and protect any switching without authorization. (RESA Comments at 12). Similar to the concerns raised above regarding wildcards, 52 Pa. Code § 62.78 does not permit the release of any restricted customer information, including account numbers. Therefore, RESA's request that NGDCs freely provide account number lists (including restricted account numbers), when multiple hits occur, should be denied because it contradicts the regulation and impinges the customer's expectation of privacy.

3) *New Set of Inputs*

Regarding RESA's request to utilize inputs such as telephone numbers or social security numbers, PECO agrees with the Commission's findings in its Final Order for *EDC Customer Account Number Access Mechanism for EGSs*, Docket No. M-2013-2355751 (Final Order entered July 17, 2013), which stated:

We also have concerns with asking for or requiring social security numbers as part of the data needed. Social security numbers are very sensitive and customers may be reluctant to divulge them — especially in a public venue. We also disagree with PPL when they ask that phone numbers be provided — again customers may be reluctant to provide this data. Also customers may have multiple phone numbers (wireless, landline, spouses, etc.) and may not know which one the EDC has documented in their records.

(July 17, 2013 Final Order at 13).

PECO believes these findings reinforce the need to achieve an appropriate and lawful balance between customer privacy rights and the Commission's obligations under Chapter 28 of the Public Utility Code. Telephone numbers and social security numbers are some of the most private pieces of customer information collected and therefore should be afforded the strongest protections. PECO also notes that 53 Pa. Code § 62.78(d) does not permit the release of customer telephone numbers. The Company believes that confirming the accuracy of a telephone number amounts to a release of information, which by regulation, cannot be disclosed. Accordingly, PECO cannot provide such optionality through its mechanism.

C. A Cost Sharing Mechanism Between NGDCs and NGSs is Reasonable and Warranted Based on the Purpose of the Web Portal.

In its comments, RESA recommended that implementation (and continuing operations and maintenance) costs be recovered from all customers through an NGDC rider or surcharge. (RESA Comments at 14). RESA believes this is appropriate because the mechanisms support the development of the retail natural gas supply market. However, PECO questions the appropriateness of this approach. Specifically, PECO questions whether it is appropriate for customers who are on the ECL to pay for a mechanism that is not designed to benefit them.⁸ NGSs can market to customers on the ECL at any time without the web portal because the information that an NGS would seek through the portal already appears on the ECL.

The Company's Compliance Plan proposed an NGDC-NGS cost sharing mechanism in accordance with the Commission's Final Order, which stated:

However, we do see merit in PECO's proposal, which allocates 50% of the costs to suppliers. We encourage the NGDCs to consider, in providing proposed

⁸ The Final Order was the result of a recommendation from OCMO to provide for procedures facilitating NGS access to NGDC customer account numbers when the account number was not available from either the customer or from the ECL. Furthermore, the Commission maintained its position in the Final Order that a mechanism must be created that allows NGSs to securely access NGDC customer account numbers when a customer whose information is not on the ECL has demonstrated the desire to shop for retail natural gas supply. (Final Order at 1. 6).

mechanisms within their compliance plans, the possible sharing of the costs with the supplier community. (Final Order at 29).

PECO continues to believe that it is appropriate for suppliers to partake in the allocation of costs for the account number access mechanisms because, as previously stated, the web portals are not designed to benefit all customers. PECO also believes that its recommended cost recovery proposal complies with the Commission's Final Order.

D. Additional Comments

1) Error Codes

According to RESA, NGDCs should provide an error code to identify the field causing an unsuccessful match. (RESA Comments at 12). When PECO's portal produces a "No Hit" response, it is impossible to identify the field causing the error without knowing exactly which customer is being queried. That cannot be known when the error stems from the data entered into the system by the NGS. As stated in its Compliance Plan, PECO addresses this concern by providing optional fields that allow NGSs to enter more information to obtain a successful result. Furthermore, PECO is working to incorporate two additional responses to supplier inquiries (aimed at RESA's concern):

1. Invalid Request – This response will be provided if PECO cannot interpret the information received (i.e., if the NGS incorrectly formats a record in the file uploaded into the mechanism).
2. Missing Data – This response will be provided if the NGS fails to enter any information into a required field.

Accordingly, PECO's Compliance Plan adequately addresses this concern.

2) ECL and Account Number Access Mechanisms

RESA recommended eliminating the requirement that suppliers first review the ECL before using a web portal. (RESA Comments at 3). PECO believes that the ECL is a valuable

tool for suppliers to enhance the competitive marketplace in Pennsylvania. PECO also believes that the Commission's proposal, that NGDCs design web portals for customers who do not partake in the ECL, strikes the appropriate and lawful balance between customer privacy rights and the Commission's obligations under Chapter 28 of the Public Utility Code. ECLs contain a wealth of customer information for purposes of marketing NGS deals. It would be repetitive and cost-prohibitive to develop a web portal that performs the same function as the ECL. Accordingly, PECO believes that NGSs should continue to utilize all the benefits provided by NGDC ECLs.

3) Changes to NGDC Customer Databases

RESA requested that NGDCs be required to remove all extraneous information from their customer databases (on a moving forward basis). RESA believes this will increase the success of initial customer inquiries. However, PECO does not believe that this is a necessary or appropriate course of action. Such an endeavor would require lengthy and careful analyses of IT capabilities to determine what could be done. Also, this kind of undertaking is likely to involve significant costs and the level or value of potential benefits is unknown. Because: 1) there are too many unknowns to justify making any changes; 2) PECO provides reasonable methods to obtain successful results (e.g., Invalid Request and Missing Data error responses and optional fields); and 3) there is not enough time available to make substantive evaluations regarding this topic before the August 31 compliance deadline, this request should be denied.

4) Scheduling Difficulties if Changes Are Adopted

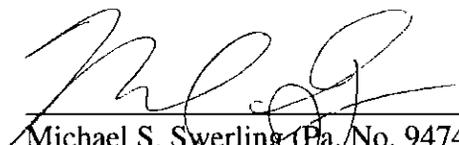
If the Commission adopts any of the recommendations set forth in RESA's comments, PECO is concerned that it will be unable to meet the Commission's August 31, 2016 deadline to implement its web portal. A significant amount of IT work has already been performed to meet

August 31 deadline according to the mechanism proposed in the Company's Compliance Plan. If PECO had to undertake further IT revisions to its proposed web portal, it would need additional time to develop and test programming enhancements. It would also increase the costs of the program. Based on the Company's reply comments above, PECO believes that further IT enhancements are not required to implement a reasonable and balanced mechanism by the August 31 deadline. Accordingly, PECO requests that the Commission approve PECO's Compliance Plan and allow the Company to implement its proposed mechanism by August 31.

III. CONCLUSION

PECO looks forward to continue working with the Commission 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 maintaining adequate protections for private customer information. Accordingly, PECO respectfully requests that the Commission favorably consider its reply comments and approve its Compliance Plan.

Respectfully Submitted,



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April 14, 2016

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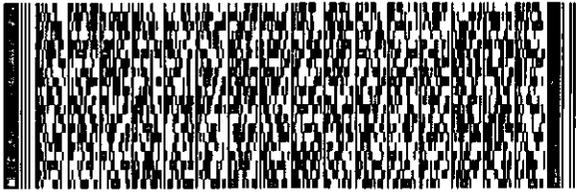
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