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June 20, 2016

Rosemary Chiavetta, Esq., Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

**Re: Investigation of Pennsylvania's Retail Electric Market
Docket Nos. I-2011-2237952; L-2014-2409383
(Tentative Order entered May 19, 2016)**

Dear Secretary Chiavetta:

Enclosed for filing please find the comments of the Energy Association of Pennsylvania to the Commission's above-referenced docket.

Sincerely,

A handwritten signature in blue ink that reads "Donna M.J. Clark".

Donna M.J. Clark
Vice President and General Counsel

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania's	:	I-2011-2237952
Retail Electric Market	:	L-2014-2409383

**Comments of the
Energy Association of Pennsylvania
To the Tentative Order Entered May 19, 2016**

I. Introduction

On May 19, 2016, the Pennsylvania Public Utility Commission (“PUC” or “Commission”) entered a Tentative Order proposing a three-year waiver of Commission regulations at 52 Pa. Code § 57.173(2) for electric distribution companies (“EDCs”) in situations where a customer is requesting an “instant connect.” An “instant connect” has been defined by the Commission as the “initiation of supply service on the first day of new utility service, without the customer first having to go on EDC-provided default service.”¹ The Tentative Order was developed following a recommendation by the Office of Competitive Market Oversight (“OCMO”) and arose from meetings held pursuant to the Commission’s *Investigation of Pennsylvania’s Retail Electricity Market* (“Electric RMI”) Docket No. I-2011-2237952 (April 29, 2011).

Initially in the Electric RMI, the Commission instructed the EDCs to submit plans by the end of 2013 that would implement seamless moves and instant connects in their service territories by June 1, 2015.² The Commission subsequently modified the timeframe for implementation in light of a new regulatory requirement which directed EDCs to develop three-

¹, *Investigation of Pennsylvania’s Retail Electricity Market*, Docket Nos. I-2011-2237952; L-2014-2409383. (Tentative Order entered May 19, 2016) at p.1

² *Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Final Order entered Feb. 15, 2013).

business day supplier switching processes.³ Implementation of the three-day switch rule became a priority for the Commission and the EDCs. Thus, in August 2014, the Commission delayed implementation of seamless moves and instant connects via a Secretarial Letter if an EDC determined that developing these processes would impact the compliance timeframe for the three-day supplier switch rule.⁴ A second Secretarial Letter issued in March 2015 instructed the EDCs to file revised plans regarding seamless moves and instant connects⁵ that would demonstrate EDC capability to perform seamless moves and instant connects by July 1, 2016 and set forth cost estimates. The EDCs submitted their revised plans on April 20, 2015.

The Energy Association of Pennsylvania (EAP) hereby files these comments to the proposal set forth in the Tentative Order on behalf of its EDC members.⁶

II. Comments

Initially, EAP notes that the waiver proposal substitutes the current requirement found under 52 Pa. Code § 57.173(2) with a new requirement for a period of three years in the case of instant connects. The current requirement whereby the EDC is obligated to mail a confirmation letter by the end of the next business day following receipt of notification of a customer's selection of an electric generation supplier ("EGS") under 52 Pa. Code § 57.173(2) is replaced with a new requirement. That new requirement provides that for instant connects "the confirmation letter shall be mailed by the end of the next business day after the start of service at the new account location." Tentative Order at p. 5. The proposal alters the time at which the confirmation letter is mailed but does not eliminate the obligation to mail a confirmation letter.

³ *Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing an Customer's Electricity Generation Supplier*, Docket No. L-2014-2409383 (Final-Omitted Rulemaking Order entered April 3, 2014)

⁴ *See EDC plan filings for Seamless Moves and Instant Connects*, Docket No. M-2014-2401127 (Secretarial Letter served Aug. 13, 2014).

⁵ *See EDC plan filings for Seamless Moves and Instant Connects*, Docket No. M-2014-2401127 (Secretarial Letter served Mar. 20, 2015).

⁶ Citizens' Electric Company; Duquesne Light Company; Metropolitan Edison Company; PECO Energy Company; Pennsylvania Electric Company; Pennsylvania Power Company; Pike County Light & Power Company; PPL Electric Utilities Corporation; UGI Utilities, Inc.(Electric Division); Wellsboro Electric Company; and West Penn Power Company.

The Commission posits that the new timeframe for mailing the confirmation letter provides greater certainty that the customer will receive the letter and that it will not be returned to the utility. It is suggested that the waiver period will provide adequate time to determine whether the new requirement does in fact result in delivery of the confirmation letter to the customer requesting the instant connect. And, the Commission acknowledges that the practical experience of implementing seamless moves and instant connects over the next few years will be instructive prior to establishing any new binding norms through a rulemaking to amend existing regulations found in Chapter 57.

EAP appreciates the flexibility demonstrated by the proposal and the Commission's willingness to allow for a period of time to gain some practical experience with implementing seamless moves and instant connects prior to establishing new binding norms. Rather than substituting one requirement for another in this interim period, however, EAP suggests allowing the EDC to make a choice between adhering to the current regulatory requirement and complying with the new proposal. EAP notes that its member EDCs are in various stages of implementing instant connects and that, at least one EDC, PECO, has already implemented its plan and completed its IT and other processes so that the mailing of the required confirmation letter conforms with 52 Pa. Code § 57.173(2). A change now would equate to a system redesign, additional costs, and a gap in implementation. Other companies may benefit from the alternate requirement as suggested.

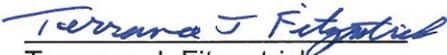
Moreover, allowing for two different compliance paths will provide a broader perspective for the Commission and stakeholders to consider at a future date when amendments to the existing rules are under consideration. It may be that experience will demonstrate that a majority of customers seeking instant connects contract with an EGS shortly before their actual move and that the timing of the notification by the EGS to the EDC results in the confirmation letter arriving at the new service location at the same time or shortly after the customer moves. Only experience will demonstrate whether there is a need to alter the requirement and, if the

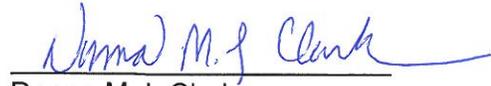
Commission allows for alternative approaches, any amendment to the regulations will be supported by a comparison of actual results.

III. Conclusion

EAP respectfully requests that the Commission consider these comments when it adopts a Final Order in this proceeding and provide, alternatively, that EDCs are compliant by either implementing their instant connect processes as designed with the present 52 Pa. Code § 57.173(2) regulations in mind, or by electing to mail the confirmation letter after the start of service at the new account location.

Respectfully submitted,


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Date: June 20, 2016