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June 20, 2016

VIA ELECTRONIC FILING

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

Re: *Investigation of Pennsylvania's Retail Electric Market (Seamless Moves and Instant Connects Plans); Docket Nos. I-2011-2237952; L-2014-2409383*

Dear Secretary Chiavetta:

Pursuant to the Commission's Tentative Order entered May 19, 2016, in the above-referenced 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,



Teresa K. Schmittberger

djm
Enclosures

c: As Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s Retail Electric Market : **Docket Nos. I-2011-2237952**
: **L-2014-2409383**

**COMMENTS OF METROPOLITAN EDISON COMPANY,
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER
COMPANY AND WEST PENN POWER COMPANY**

I. INTRODUCTION AND BACKGROUND

On May 19, 2016, the Pennsylvania Public Utility Commission (“PUC” or “Commission”) issued a Tentative Order at the above-referenced docket seeking comments regarding a recommendation by the Commission’s Office of Competitive Market Oversight (“OCMO”) to provide electric distribution companies (“EDC”) with a three-year waiver of 52 Pa. Code § 57.173(2) in situations where a customer is requesting an instant connect. EDCs in the Commonwealth were directed by the PUC to adopt instant connects and seamless moves¹ plans by either July 1, 2016 or September 30, 2016.² An “instant connect” permits a customer to begin generation service with an electric generation supplier (“EGS”) on the first day of new utility service without requiring the customer to first receive default service. Metropolitan Edison

¹ A “seamless move” permits a customer to move to a new address without interrupting the customer’s generation service.

² The instant connects and seamless moves plans for Duquesne Light Company and PECO Energy Company require implementation by July 1, 2016, while the instant connects and seamless moves plans for Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, and PPL Electric Utilities Corporation require implementation by September 30, 2016. *Duquesne Light Company Plan for Seamless Moves and Instant Connects*, Docket No. M-2014-2401127 (Order entered Sept. 3, 2015); *PECO Energy Company’s Plan for Seamless Moves and Instant Connects*, Docket No. M-2014-2401085 (Order entered Oct. 22, 2015); *Joint Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Seamless Moves and Instant Connects*, Docket Nos. M-2014-2401130, *et seq.* (Order entered Oct. 1, 2015); *PPL Electric Utilities Corporation Plan for Seamless Moves and Instant Connects*, Docket No. M-2014-2401103 (Order entered Oct. 1, 2015).

Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), and West Penn Power Company (“West Penn”) (each of which may be referred to as “Company” and/or in combination as “Companies”) are currently working towards achieving full functionality for instant connects and seamless moves by September 30, 2016.

By way of background, the Commission first directed EDCs to adopt instant connects and seamless moves plans as part of its Final Order in the Retail Markets Investigation issued February 15, 2013.³ Implementation of these plans was postponed on August 13, 2014 by Commission Secretarial Letter, in which the Commission requested that EDCs implement new three-day switching regulations before focusing on development of their instant connects and seamless moves procedures.⁴ On March 20, 2015, the Commission issued another Secretarial Letter requesting that EDCs submit revised instant connects and seamless moves plans.⁵

On April 20, 2015, the Companies filed their Revised Joint Seamless Moves/Instant Connects Implementation Plan (“Revised Plan”). Stakeholders submitted comments to the Commission regarding the Companies’ Revised Plan on May 28, 2015. On October 1, 2015, the Commission entered its Final Order approving the Companies’ Revised Plan with certain modifications.⁶ The Companies submitted their Second Revised Joint Seamless Moves/Instant Connects Implementation Plan reflecting these modifications to the Commission on October 13, 2015 (“Second Revised Plan”).

³ *Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered Feb. 15, 2013), pp. 70, 74-75.

⁴ Secretarial Letter re: *EDC plan filings for Seamless Moves and Instant Connects*, Docket No. M-2014-2401127, *et seq.* (August 13, 2014).

⁵ Secretarial Letter re: *EDC plan filings for Seamless Moves and Instant Connects*, Docket No. M-2014-2401127, *et seq.* (March 20, 2015).

⁶ *Joint Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Seamless Moves and Instant Connects*, Docket Nos. M-2014-2401130, *et seq.* (Order entered Oct. 1, 2015).

Since the Companies' Second Revised Plan was approved, OCMO has been holding regular calls with EDCs to monitor the development of EDCs' seamless moves and instant connects procedures. During these calls, an issue was raised regarding whether EDCs' instant connects procedures are compatible with the Commission's regulation at 52 Pa. Code § 57.173(2), which requires EDCs to send a confirmation letter to customers within one business day of notification by the customer's new EGS. To address this concern, in its Tentative Order, the Commission proposes to provide EDCs with a three-year waiver of the regulation at 52 Pa. Code § 57.173(2) in instant connects scenarios. Instead, the Commission proposes that EDCs mail the confirmation letter by the end of the next business day following the instant connect customer's service start date. The Companies support the Commission's Tentative Order and respectfully submit the following Comments.

II. COMMENTS

The Companies support the Commission's proposed three-year waiver of the regulation at 52 Pa. Code § 57.173(2) for instant connects. This waiver is necessary to alleviate EDCs' responsibility in instant connect situations to send confirmation letters to customers within one business day of notification from an EGS. As discussed further below, unlike in a traditional switching scenario, requiring EDCs to send confirmation letters for an instant connect based on the EGS's notification date may prevent confirmation letters from reaching customers.

52 Pa. Code § 57.173 states as follows:

When a customer contacts an EGS to request a change from the current EGS or default service provider to a new selected EGS, the following actions shall be taken by the selected EGS and the customer's EDC:

- (1) The selected EGS shall notify the EDC of the customer's EGS selection at the end of the 3-business day rescission period under § 54.5(d) (relating to disclosure statement for residential and small

business customers) or a future date specified by the customer. The selected EGS may notify the EDC by the end of the next business day following the customer contact upon customer consent.

(2) Upon receipt of this notification, or notification that the customer has authorized a switch to default service, the EDC shall send the customer a confirmation letter noting the proposed change of EGS or change to default service. The notice must include the date service with the new selected EGS or default service provider will begin. The letter shall be mailed by the end of the next business day following the receipt of the notification of the customer's selection of an EGS or default service provider.

In relevant part, this regulation requires that EDCs send a confirmation letter to customers by the end of the next business day following EGS notification to the EDC.

As a result, under circumstances in which a current customer is switching to an EGS, it is reasonable to require the Companies to send a confirmation letter to customers within one business day of EGS notification, particularly in light of the Commission's accelerated switching requirements. Once a customer contracts with an EGS for service, the EGS submits an Electronic Data Interchange ("EDI") 814 enrollment transaction to the Company to inform the Company of the switch. After receiving this enrollment transaction, the Company will send a confirmation letter to the customer's current mailing address by the end of the next business day, permitting customers to quickly confirm that the switch is appropriate.

By contrast, in an instant connect situation, customers are contacting the Companies and EGSs to start new service, which may occur well in advance of their move-in date. Under the Companies' Second Revised Plan, customers may schedule an instant connect up to ninety days before they move to the new service location. First, a customer will contact both the Company and an EGS to set up future service. After the customer signs up with the EGS, the EGS will follow normal switching procedures and submit an EDI 814 enrollment transaction to notify the Company that the customer will be receiving EGS service.

Unlike within a traditional switching situation, in an instant connect, this EDI 814 enrollment transaction could occur up to ninety days in advance of the move-in date. At this point, pursuant to 52 Pa. Code § 57.173(2), the Companies would be required to send confirmation letters to customers within one business day of receipt of the EDI 814 enrollment transaction. If the Companies are bound by this regulation in an instant connect situation, the Companies frequently would be sending confirmation letters to addresses where customers are yet to reside. As stated by the Commission, “the letter would either be delivered to someone other than the customer of record or be returned to the utility.” Under the unique circumstances of an instant connect, requiring EDCs to follow 52 Pa. Code § 57.173(2) would have the unintended consequence of preventing customers from receiving notification of their EGS service by the EDC. Accordingly, the Companies agree with the Commission that a three-year waiver of the regulation at 52 Pa. Code § 57.173(2) is necessary for instant connects.

To address this problem, the Commission also proposes an alternative timeline for confirmation letter mailings in instant connects situations. Specifically, for all instant connects, EDCs would be required to mail the confirmation letter by the end of the next business day following the customer’s service start date. The Companies support the Commission’s modified timeline for EDCs’ confirmation letter mailings for instant connect customers. Requiring EDCs to send confirmation letters by the end of the next business day following the customer’s service start date is reasonable in instant connects situations. Once the instant connect customer begins service, the Companies will be sending the confirmation letter to a correct address for the customer.

Finally, the Companies support the Commission’s proposal for a waiver of the regulation at 52 Pa. Code § 57.173(2) that is three years in length. A three-year period provides sufficient time to the Commission and affected parties to evaluate whether the instant connects and seamless

moves procedures are working as anticipated and determine whether the Commission's regulations should be formally amended to reflect, among other things, modified confirmation letter timing in instant connects scenarios.

III. CONCLUSION

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company appreciate the opportunity to provide Comments and support adoption of the Tentative Order by the Pennsylvania Public Utility Commission without modification.

Respectfully submitted,

Dated: June 20, 2016



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania's Retail : Docket No. I-2011-2237952
Electric Market :

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:

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Dated: June 20, 2016



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