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May 12, 2017

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of PPL Electric Utilities Corporation for Leave to Withdraw Its Petition to Amend the Implementation Date of the Customer Assistance Program Standard Offer Referral Program ("CAP-SOP") Docket No. P-2016-2526627

Dear Secretary Chiavetta:

On May 8, 2017 PPL Electric Utilities Corporation ("PPL") filed the above referenced petition ("PPL Withdraw Petition") requesting approval to withdraw its March 10, 2017 petition which sought to amend the implementation date for the CAP-SOP from June 1, 2017 to September 1, 2017 ("PPL Delay Petition"). According to the PPL Withdraw Petition, it: (1) has taken the steps necessary to design, complete, and test the information technology ("IT") and programmatic changes necessary to implement the CAP-SOP and has now determined "that it can fully complete and implement the CAP-SOP by . . . June 1, 2017"; (2) "plans to immediately begin communication and education efforts with applicable customers" by June 1, 2017; and, (3) held a conference call with suppliers on April 25, 2017 to address implementation of CAP-SOP and will "continue to work with suppliers to address future concerns and questions."¹ For these reasons, PPL submits that "significant customer confusion regarding the CAP-SOP and its effective date would be caused if the Petition to Amend was not withdrawn at this time."

The Retail Energy Supply Association ("RESA")² does not support PPL's request that the Commission approve withdrawal of the PPL Delay Petition without further Commission action. As explained more fully below, direction from the Commission with an appropriate period of time for suppliers to operationalize such direction is needed to address the substantial market change that is being undertaken here. These changes involve: (1) returning (or "dropping")

¹ PPL Withdraw Petition at 5.

² The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

existing electric generation supplier (“EGS”) customers who are PPL CAP participants to PPL; and, (2) developing the operational protocols for enabling EGSs to participate in the CAP-SOP.

For the most part, PPL appears to have focused its attention on the operational protocols for the CAP-SOP and has provided no meaningful opportunity to receive and consider constructive input from suppliers about the development of these protocols. Notwithstanding the fact that the Commission’s final order authorizing the CAP-SOP was entered January 26, 2017, PPL only communicated with suppliers – for the first time – during a April 25, 2017 supplier conference.³ At that time, PPL announced to suppliers its unilateral determination that EGSs will be required to “drop” their current PPL CAP customers. The decision of PPL to force this requirement on EGSs means that EGSs need to determine how to honor existing customer contracts (particularly any cancellation provisions), how to maintain compliance with the Commissions regulations (particularly the contract renewal provisions), and how to operationalize all of these processes for existing PPL CAP participants who are EGS customers.⁴ PPL, however, has still not provided to EGSs the names of their specific customers who are participants in PPL’s CAP. PPL indicated this morning that this information will be provided on May 22, 2017 and has refused requests from some RESA members to provide this information sooner. PPL also announced earlier today that it will communicate with suppliers when their then-existing customers enter PPL’s CAP program via a list updated on a quarterly basis. PPL has made it clear that there is no opportunity for further dialogue and supplier input on these issues.

By waiting until April 25, 2017, to announce these determinations and then taking no responsibility for managing the transition of existing EGS customers who participate in PPL’s CAP (beyond processing EGS drop notices) and not providing EGSs the names of their current customers participating in PPL’s CAP program until a few days before implementation of the CAP-SOP, unnecessary confusion and lack of direction has been created. Each supplier will need to make an individual determination about how to cancel existing contracts and the communication that is provided to existing customers who will no longer be eligible to receive

³ The primary focus of the April 25, 2017 supplier conference call was for PPL to explain the already implemented operational protocols for the CAP-SOP. As just one example, PPL made the unilateral business decision to limit the new CAP-SOP to rate ready billing – an operational requirement that was not directed by the Commission. This decision is significant and supports delaying implementation because there may be suppliers that are interested in participating in the CAP-SOP who only utility bill ready billing. There is no way for such suppliers to become operationally ready by June 1 as new billing options require more extensive EDI testing and utility coordination. However, PPL is only allowing expedited EDI testing for the CAP-SOP for suppliers currently set up for rate ready billing. Unfortunately, it appears that because PPL has already determined and implemented its processes, it is unwilling to make any modifications to what it had already developed to implement the CAP-SOP – notwithstanding suggestions from suppliers during the conference call.

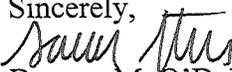
⁴ See page 2 of RESA’s April 25, 2017 Letter filed in this proceeding. One concern is coordination and form of notice to customers who are being dropped as a result of this CAP shopping restriction. Commission guidance regarding this issue is necessary, in light of the unique circumstances and the fact that it is too late for suppliers to provide a 45 to 60 day notice to CAP customers with a renewal date from June 1st through June 30th if they are to be dropped by June 1, 2017.

service from the EGS. A lack of direction from the Commission about its expectations and PPL's removal of responsibility for transitioning these existing EGS customers has the potential to lead to unnecessary customer confusion and dissatisfaction with the competitive retail market.

RESA is also concerned about the communications that will be provided to CAP participants. PPL conducted a collaborative session on April 7, 2017 limited to revising initial drafts of customer-facing messages/scripts and receiving input from interested parties. However – as became apparent during that collaborative session – operational issues (the resolution of which PPL still had not communicated with anyone at the time of the April 7, 2017 meeting) necessarily impact the messaging that is provided to customers. At that time, issues that would affect scripting were raised not only by suppliers but also by the advocates in attendance at that meeting. These questions included whether customers would be able to select a supplier upon enrolling in the CAP-SOP and whether customers could elect to continue with their current supplier at the end of the initial contract term. In addition, questions were raised about how the program would be explained to the customer, specifically if the script would explain how the discount would affect CAP credits and the total bill. PPL did not provide revised scripts based on the April 7, 2017 collaborative discussion until today, leaving no time available to accept/consider additional input from stakeholders. Given that the implementation of the CAP-SOP will restrict PPL's CAP participants for the first time from freely shopping, it is extremely important for the Commission to ensure that the customer communications adequately explain this program and do not unnecessarily create confusion about the competitive retail electricity market. Again, while PPL invited any interested stakeholder to attend the April 7, 2017 collaborative (and many Commission staff members were present), the follow-up from PPL provided today does not offer any further opportunity for stakeholder input before it begins communicating with customers.

While RESA continues to believe that the path being taken in this proceeding is misguided and legally unsound, RESA is extremely concerned about the manner in which PPL is moving forward with implementation and urges the Commission to take action to provide clarity to the market and delay implementation for a period of time sufficient for suppliers (and other stakeholders) to accommodate the Commission's direction. One potential way to resolve the conflicting viewpoints that have arisen here may be to delegate implementation issues – to include the effective date – to the Commission's Office of Competitive Market Oversight ("OCMO"). Through the coordination and leadership of OCMO, a reasoned implementation approach can be devised to balance all interests and, most importantly, manage the transition to first time shopping restrictions for PPL CAP participants. Carefully working through these implementation details is essential for managing customer expectations and containing any resulting damage to Pennsylvania's competitive retail electricity market.

Sincerely,

pp: 
Deanne M. O'Dell

DMO/lww
Enclosure

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Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of RESA's foregoing Letter upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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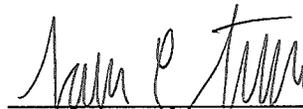
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