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December 8, 2017

VIA ELECTRONIC FILING

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

**Re: Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 Through May 31, 2021
Docket No. P-2016-2526627**

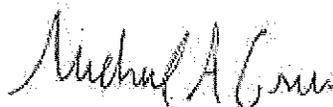
Dear Secretary Chiavetta:

Enclosed for filing are the Comments of WGL Energy Services, Inc. in response to the November 8, 2017 Tentative Order issued in the above-captioned matter.

If you have any questions, please do not hesitate to contact me. Thank you.

Best Regards,

STEVENS & LEE



Michael A. Gruin

Encl.

cc: Dan Mumford, OCMO (via email)
Kriss Brown, Law Bureau (via email)

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A PROFESSIONAL CORPORATION

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation : Docket No. P-2016-2526627
for Approval of a Default Service Program and :
Procurement Plan for the Period June 1, 2017 :
Through May 31, 2021

COMMENTS OF WGL ENERGY SERVICES, INC.

WGL Energy Services, Inc. (“WGL Energy”) hereby files these Comments in response to the Tentative Order issued by the Pennsylvania Public Utility Commission (“Commission”) on November 8, 2017 regarding PPL Electric Utilities’ Consumer Assistance Program Standard Offer Program (“PPL CAP-SOP”).

WGL Energy is a licensed Electric Generation Supplier (EGS) in the Commonwealth of Pennsylvania, and it actively provides electric generation supply service to residential and commercial customers throughout the Commonwealth, including in the service territory of PPL. In WGL Energy’s view, the Commission must require PPL to undertake several important modifications to its processes in order to properly implement the PPL CAP-SOP in its current form. As currently configured, the PPL CAP-SOP requires Electric Generation Suppliers to pre-emptively cancel valid and enforceable contracts with customers who are either currently in PPL’s CAP or who enroll in PPL’s CAP at some point during their EGS contract term. In order to comply with the program’s mandates and the Commission’s general customer notice requirements in 52 Pa. Code § 54.10, EGSs will need more accurate and timely information from PPL regarding customers’ CAP status. Furthermore, additional modifications to the PPL CAP-

SOP need to be made in order to ensure basic fairness for EGSs who are being forced to relinquish customers after investing time, money and effort to enroll and serve those customers.

Timing for EGSs to Relinquish CAP Customers Who Are on Month-to-Month Contracts

The Tentative Order indicated that there was disagreement regarding when customers on month-to-month contracts need to be returned to PPL default service. In WGL Energy's view, the Commission's *October 2016 Order* is very clear on this point. Paragraph (14)(i) of the Order clearly indicates that such customers may remain with their supplier until the customer is re-certified by PPL for the PPL CAP.¹ However, as noted by the Commission in the Tentative Order at p. 6, this mandate is impossible to implement unless EGSs know when a customer is due for CAP recertification. Pursuant to 52 Pa. Code § 54.10, EGSs are required to provide two notices to customers prior to a change in contract terms, with the first being issued at least 45 days in advance of the change in terms. A termination of the contract would be considered a change in terms that would trigger the need to issue these notices. To the extent that CAP recertification is used as a trigger to drop a customer, the obligation to drop a customer should only occur *after* a customer recertifies. Dropping a customer before recertification puts the cart before the horse, because a supplier will not know if a customer must be "dropped" until after they recertify, and the supplier will need adequate time after the recertification to provide the required notices. Therefore, to the extent that the PPL CAP-SOP is permitted to remain in effect, WGL Energy agrees with the Commission's proposal to allow 120 days for an EGS to return a month-to-month customer to PPL default service after that customer enrolls in CAP, or, for existing CAP customers on month-to-month contracts, 120 days after the Order is final.

¹ Paragraph 14(i) states "PPL Electric will revise its CAP recertification scripts/process so that all existing CAP shopping customers receiving generation supply on a month-to-month basis after June 1, 2017 will be required **at the time of CAP recertification** to enroll in the CAP-SOP or return to default service, but in any event will only be permitted to shop through the CAP-SOP." (Emphasis added)

PPL Should Be Required to Notify EGSs When Their Customers Enroll in CAP

The Commission asked interested parties to comment on the sufficiency of PPL's process for notifying EGSs of customers' CAP status. PPL's current process requires EGSs to log into the PPL web portal on a recurring basis to check on customers' CAP status and recertification timing. Simply put, this process is not workable. It requires dozens of suppliers to task individual employees to log into the PPL web-portal, and cross-check the EGS's customer lists against PPL's list, to determine if an existing customer has enrolled in CAP. As the entities who have the obligation under the PPL CAP-SOP to take the initiative to "drop" their own customers, suppliers will spend many hours checking and re-checking PPL's portal to make sure no change in CAP status is missed. Much of this time and effort will come to nothing, and when CAP status is confirmed, the supplier's "reward" for identifying a change in CAP status will be losing that customer.

A much more reasonable and workable process would involve placing the obligation on PPL to proactively notify EGSs when an existing EGS customer enrolls in CAP. This could be accomplished with a once a week email from PPL to each EGS, identifying which existing customers of the EGS has enrolled in CAP during the preceding week. PPL has all of the information needed to automatically generate EGS-specific reports about customer enrollments in CAP. PPL knows its customers' CAP status and PPL knows its customers' choice of EGS. As the only party with the direct access to that information, PPL is in the best position to assume the obligation of identifying the appropriate customers who must be "dropped" and notifying the EGSs accordingly. A weekly email will provide EGSs with sufficient time to double check the enrollment status of each identified customer, communicate with PPL regarding any issues or

concerns, and generate the required notice letters in the timeframe required by 52 Pa. Code § 54.10.

PPL Should Be Required to Notify EGSs When Their “Dropped” Customers Exit CAP

In addition to notifying EGSs when their enrolled customers enter CAP, basic fairness justifies requiring PPL to notify the EGSs when their customers who were “dropped” upon entry to CAP subsequently leave CAP. It is important to remember that PPL’s CAP-SOP gives EGSs no choice but to “drop” their customers who happen to enroll in CAP – even if the customer is completely satisfied with their EGS service offering and even if the customer is receiving added value from that service offering. As a result of the CAP-SOP rules, EGSs who have invested time and money in acquiring a customer and procuring electricity to service that customer are forced to relinquish a customer, in some cases before fully recouping the costs of customer acquisition. WGL Energy therefore proposes the following modification to the PPL CAP-SOP to mitigate this problem:

If a customer who is enrolled with an EGS on either a fixed term or month-to-month contract subsequently enrolls in CAP and is dropped by the EGS as a result, PPL should proactively notify that EGS when the customer exits CAP. This will give the affected EGS the first opportunity to re-engage with the customer to seek re-enrollment. The customer would not be forced to re-enroll with the EGS. But at least the EGS who was forced to “drop” the customer would have the opportunity to make the first contact with the customer to discuss re-enrollment options with the customer. PPL would have no other obligation except notifying the EGS who dropped the customer of their change in CAP status.

PPL Has No Need to Know Information Regarding Customer Contracts With EGSs

The Tentative Order asked parties to comment on whether suppliers should be required to inform PPL about that the suppliers' contractual arrangements with customers (i.e. whether they are on month-to-month or fixed contracts, and when their fixed term ends). There is absolutely no basis or need to require suppliers to provide this information to PPL. Suppliers – not PPL – are the entities that have the obligation to “drop” customers who enroll in PPL’s CAP. Because PPL has no involvement in initiating the “drop” process, there is no need for PPL to know the length or end-date of a customer’s EGS contract. To the contrary, as discussed above, PPL is the entity that needs to pro-actively provide EGSs with customer-specific information regarding their CAP status so that the EGSs can fulfill their obligations to “drop” customers upon entering CAP. Therefore, the Commission should place no obligation on EGSs to provide PPL with information regarding the type or end-date of their customer contracts.

Conclusion

WGL Energy believes that the modifications discuss herein are crucial to make PPL’s CAP-SOP workable and fair to suppliers. WGL Energy looks forward to continued engagement with the Commission and other stakeholders on this matter.

Respectfully submitted,

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