**Pennsylvania Retail Markets Investigation**

**Draft Discussion Document for New/Moving Customer Program and Related Customer Choice Education**

**Objective:** The recommendations discussed in this document are intended to address the current structural barrier resulting from existing protocols that automatically assign customers to EDC-provided default service at the time of new service initiation and when customers transfer service from one location to another. Existing EDC enrollment protocols and related IT/EDI infrastructure have been designed around this assumption. Accordingly, this Draft Discussion Document contemplates Interim Measures and Long Term Measures to address this issue.

1. **Interim Term Measures:** The Interim Measures are programs designed to effectuate selection of an EGS as soon as practicable at the time of service initiation, when transferring service to another location and other appropriate customer contact points. While EDC IT work and changes to existing procedures may be required, the intent is that these proposals could be implemented without an overhaul of the existing enrollment infrastructure. While customers would still be served by default service for the first month, these measures introduce the EGS selection process as part of the process for initiating or transferring EDC service.

* Customer Referral Program and New Service Initiation Call: When a customer contacts the EDC call center to set up a new account…
  + The EDC CSR representative informs customer that they can select their generation service supplier
  + CSR asks if customer already knows who they want as their supplier
  + If customer says yes
    - CSR informs the customer that it can enroll with that supplier through the Customer Referral program. The CSR would explain the Customer Referral program standard offer terms and conditions to the customer and would record the customer’s supplier selection. The EDC would notify the selected EGS who would then initiate enrollment via normal EDI processes.
    - For instances where a customer inquires about an EGS offering other than the standard product or if a customer inquires about a non-participating EGS, the CSR would initiates a transfer to supplier’s call center and the EGS would explain its product offerings to the customer (Note: The EDCs have expressed a concern that the transfer should be a transfer/connect, instead of a warm transfer because a warm transfer would increase EDC call response times.)
  + If customer says no
    - CSR would explain that customers can choose their generation service provider. CSR would explain that the customer can participate in the Customer Referral program where participating suppliers provide a Standard Offer (discussed below). CSR would also explain that if the customer does not choose a supplier, the customer would receive default service from the EDC and would inform customer of the current price to compare and the adjustment frequency for the PTC.
    - If the customer elects to participate in the Customer Referral program the EDC records the customer’s participation and then randomly assigns the customer to a participating EGS. The EDC transmits the list of assigned customers to the EGS who must follow through by initiating an enrollment transaction via normal EDI procedures.
  + If a customer selects a supplier either by name, or through random assignment, the EGS must send the customer the mandatory disclosure statement explaining the terms and conditions of service.

Conceptual Script:

|  |  |
| --- | --- |
| OCA Recommendation | RESA Recommendation |
| Set up distribution service, generate account number, complete service initiation process (Account number may need to be provided to the customer at this stage)  2. Now we have to set up your generation service. This is the portion of the bill relating to the energy you use and your generation charges. In Pennsylvania, you can choose your electric generation supplier. Licensed alternative generation suppliers offer different electricity products, prices, and terms that you can choose from. If you do not choose an alternative supplier, you will receive your generation service through our default service program. The rate for our default service program is (PRICE) until (DATE). Are you interested in choosing an alternative generation supplier at this time?  **No:** OK. I will set up your service for our default service program at a rate of \_\_\_. We will be sending you a Welcome Packet that will contain information about (Typical List). The Welcome Packet will also include information about supplier choice. You can choose an alternative supplier if you wish at any time in the future. (Conversation ends)  **Yes:** Great. If you know which supplier you would like, I can take that information now (OR I can transfer you to that supplier to make the arrangements). If not, I can give you some more information about your choices.  **Knows supplier:** working group develops an enrollment process  **More information:** Let me tell you about some choices.  --describe the standard offer/referral program  --describe other resources and Welcome packet.  --Obtain customer preference    --**if standard offer/referral program selected:** working group develops enrollment process  --**if no decision made:** We will be sending you a Welcome Packet that will contain information about (Typical List). The Welcome Packet will also include more information about supplier choice. You can choose an alternative generation supplier if you wish at any time in the future. | “Did you know that in PA you have the right to select your generation supplier?  Who would you like as your supplier?” (This allows customer to select a supplier by name if they already know who they want.)  If customer does not already know which supplier they want: “No worries, we can help you make your supplier selection decision in just a few moments.  We can refer you to one of several suppliers participating in a Customer Referral program.  The companies participating in the Program are licensed by the Public Utility Commission.  If you choose to participate [EDC] will randomly refer you to one of the participating suppliers.  You will pay a rate of [insert description of standard offer product].  If you do not participate, PECO will provide your generation service at a rate of [insert current PTC] which will change every three months.  Would you like to participate in the Customer Referral program?” |

* Standardized Product
  + In order to conveniently facilitate EGS selection on the service initiation call with an EDC’s call center, it may be necessary to require EGSs to develop a standardized product that EDC CSRs could easily describe to customers. Several approaches to the standardized product are under discussion. This program would allow customers to choose a new supplier by name or elect to be randomly assigned to a new supplier. All participating suppliers would agree to provide service for this Standard Product at the same rate, terms and conditions. EGSs would provide notice to the customer of the price, terms and conditions for renewal service.
  + Standard offer pricing options include:
    - Introductory discount rate of X% off of the Price to Compare based on NY model
    - Fixed price for 6 or 12 month term coupled with an enrollment incentive (e.g., $50 gift card)

Sub-group Discussion and Identification of Issues:

* + EDCs have expressed the general concern about increased call response times if they are engaging in lengthy discussions with customers. This may impact EDCs’ ability to meet required customer service metrics.
  + EDCs have recommended that any transfer of customers to an EGS call center should not be handled as a warm transfer because that would increase call response times.
  + EDCs have suggested the use of outsourced call center (either EDC-specific or a statewide call center) to handle the discussion of the customer referral program with the customer. The use of an outsourced call center may minimize impact to EDC call response times, but may also lead to significant dropped calls during the transfer.
  + Whether or not an outsourced call center is used, sub-group participants agree that the supplier selection process should happen at the end of the call after EDC service has been initiated.
  + Need to identify when the EDCs generate the account number for a new service initiation as this will determine whether the EDC can transmit this info to participating EGSs for enrollment processing. EDCs will gather information on when account numbers are generated for each type of service initiation scenario. Some scenarios may need to be treated differently because new construction situations follow a different process.
  + EDC websites and other materials discussing service initiation should be updated to explain the customer referral program so customers are already knowledgeable about their options when they call to set up service. (Example: <http://www.coned.com/customercentral/becomingacustomer.asp>)
  + EDCs concerned about cost recovery and need sufficient implementation time. OCA expressed concern for cost/benefit and whether benefitting EGSs should share in the costs
  + The above processes for a customer referral program could also be utilized at other appropriate points of customer contact such as bill inquiries and other customer service calls. Calls related to termination, initiating payment arrangements, reporting service interruptions or downed power lines would not include customer choice or EGS selection.
* Welcome Packet: Customers initiating new EDC service would receive a list of EGS offers in the welcome packet along with instructions and an enrollment card to select their EGS
  + Welcome packet would inform customers that they can select a supplier from the list provided
  + The list of EGS offers would be taken from [www.papowerswitch](http://www.papowerswitch). EGSs would need to manage their offers through PA Power Switch
  + Packet would also include a pre-paid enrollment return card (The EDC could collect and process the cards or this could be contracted to a third party clearinghouse).
* Moving Customers: When a customer contacts the EDC in order to transfer service to a new location, the process would vary depending on the customer’s current EGS selection (This assumes that current EDC systems do not allow for seamless moves.)
  + If the customer is currently receiving default service, the EDC would follow the process outlined above for new service initiations.
  + For customers receiving service from an EGS, the EDC would notify the customer that by transferring service to a new location they will receive default service for first month at new location and will instruct customer to contact their EGS about re-enrollment options. EDC would compile reports of moving customers for each EGS and transmit this to the EGS to allow the EGS to follow up with customers. Opportunities to ensure seamless moves to be addressed as part of long-term objectives.
* Customer Account Attribute Changes (i.e. changes that yield creation of new account number and automatic drop back to default service)
  + Consider the following (based on ComEd process):
  + EDC CSR scripts updated to inform customers requesting a tax ID or other attribute change that such change will result in a reversion to default service and that customer should contact their EGS
  + EDI transaction developed to include reason code explaining that pending drop is due to attribute change (tax id change, etc.)
  + Supplier notified via this transaction and then has specified period of time to submit a special authorization form to EDC to maintain uninterrupted service (supplier identifies the existing account number on this form)
  + EDC processes form and back-dates enrollment to effectively assign customer’s new account numbers to customer’s chosen EGS

1. **Long Term Measures**

* As a long term objective, as EDC enrollment protocols and EDI infrastructure can be updated, the processes discussed above would be modified to allow EGS enrollment to become effective immediately upon service initiation without a one month lag on default service.
* Categories of Issues to be addressed by New/Mover Workgroup (including, but not limited to):
  + Defining types of enrollments; defining processes for different types of enrollments
  + Defining new enrollment process and confirmation process for new/moving customers, how should the process differ between new/moving enrollments and standard switches from one EGS to another

Identifying new construction/permitting requirements and associated timelines

* Defining a process for verifying accuracy of customer information/processing requests
* Seamless moves
* Proposed Process Timeline
  + February 2012: Establish work group to develop proposal for new/mover enrollment with supplier on day 1 of service
  + August 2012: Report/Recommendations/transition Plan of the Work Group due
  + October 2012: Order from PUC
  + December 2012: Begin implementation phase – reprogramming of utility/supplier systems to accommodate new/mover day 1 supplier service selection
  + July 2013: New/Movers able to select supplier service on day 1 of service.