

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, Pennsylvania 17101-1923  
(717) 783-5048  
800-684-6560 (in PA only)

IRWINA. POPOWSKY  
Consumer Advocate

FAX (717) 783-7152  
consumer@paoca.org

September 22, 2010

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

RE: Reports on Rate Ready Billing Platforms  
Docket No. M-2010-2189433

Dear Secretary Chiavetta:

Enclosed for filing are an original and three (3) copies of the Comments of the Office of Consumer Advocate, in the above-referenced proceeding.

Should you have any questions, please contact me at the number above.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Tanya J. McCloskey".

Tanya J. McCloskey  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50044

Enclosures

cc: [ra-RMWG@state.pa.us](mailto:ra-RMWG@state.pa.us)

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Reports on Rate Ready Billing Platforms : Docket No. M-2010-2189433

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COMMENTS OF THE  
OFFICE OF CONSUMER ADVOCATE

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On August 23, 2010, the Commission issued the Report of the Retail Market Working Group Regarding Rate Ready Billing Platforms (RMWG Rate Ready Report) and the Staff Report Rate Ready Billing Platform Report with Recommendations (Staff Rate Ready Report). These Reports address the use of a rate ready billing platform by electric distribution companies (EDCs) for handling the charges of electric generation suppliers (EGSs). The RMWG Report was to consider (1) EGS business needs for a uniform approach to rate ready billing and (2) EDC billing system capabilities to respond to such an approach. The Staff Rate Ready Report addresses whether such a platform should be made uniform across the Commonwealth and whether a rate ready billing platform should be required of EDCs that do not have one.<sup>1</sup>

In the Staff Rate Ready Report, the Staff finds that it is unnecessary for the Commission to further consider an Order regarding the implementation of a rate ready platform by each EDC and that it is unnecessary to achieve full uniformity in the rate ready billing

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<sup>1</sup> Under a rate ready billing platform, the EDC has the EGSs rates and calculates the customer's charges using the EGS rates and the customer's usage. In the bill ready platform, the EGS calculates its own bill charges for each customer and provides the bill amount to the EDC for placement on the bill.

platforms. Staff Rate Ready Report at 3-4, 13-14. As the Staff notes in its Report, only one EDC does not currently have an operating Rate Ready platform and there are significant concerns, including cost concerns, with directing this EDC to accomplish a full build-out at this time. Staff Rate Ready Report at 13-14. The Staff also finds that a uniform Rate Ready platform is unnecessary, but makes recommendations regarding some uniform elements that could be accomplished without substantial expense. Staff Rate Ready Report at 3-4.

The Office of Consumer Advocate (OCA) is in general agreement with the recommendations contained in the Staff Rate Ready Report. The OCA first extends its appreciation to the Electronic Date Exchange Working Group (EDEWG) for the work undertaken to address the many technical issues regarding rate ready billing platforms. The OCA also extends its appreciation to the Retail Markets Working Group for further developing information and facilitating discussion on these issues. The work of these groups greatly facilitated understanding of the needs of EDCs, EGSs, and customers as these issues were considered.

As the Staff properly notes in its Report, throughout this process, the OCA expressed concerns about the need for a cost/benefit analysis before large scale and expensive changes were undertaken to fundamental billing systems operated by the EDCs. As the Staff Report notes, the build out of a uniform rate ready billing platform (where even existing rate ready systems must be changed) would require substantial expense and effort as both the rate ready platforms and the underlying billing systems would require modification. Staff Rate Ready Report at 3-4. The OCA has been concerned that a move toward a uniform rate ready billing platforms for all EDCs not be undertaken unless there was a clear benefit that could be established.

The Staff Report finds that the discussions in the working group have not shown that such large expenditures to develop a uniform, state wide rate ready platform while EDCs are also attempting to transition to a more vibrant market when rate caps expire, will produce a concomitant benefit to customers, the markets or the EGSs. Staff Rate Ready Report at 4. This point is further highlighted as the Staff Report notes that the most commonly desired end-state for EGSs is bill ready platforms and not the rate ready billing platforms. Staff Rate Ready Report at 3. Given this information, the Staff concludes that there is no compelling reason for the Commission to direct all EDCs to use a rate ready platform nor is there a compelling reason to require absolute uniformity across the Rate Ready platforms in Pennsylvania. The OCA agrees with these conclusions.

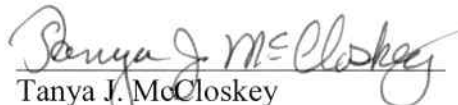
The Staff has made some recommendations for EDCs to adopt uniform elements of a rate ready billing platform when such changes can be accomplished without substantial expense. Staff Rate Ready Report at 3. For the most part, the OCA has no objection to these recommendations, assuming that the cost estimates provided by the EDCs for implementing the changes bear out Staff's assumption that there are no substantial costs involved. One recommendation, however, appears to have been directed by Staff even though it may require an incremental expenditure by the FirstEnergy Companies that could be more substantial. Staff Rate Ready Report at 8.

Staff recommends that the Commission direct FirstEnergy to implement a process supporting a 14 calendar day maximum rate code creation turnaround time. Staff recognizes that this recommendation may impose incremental costs on FirstEnergy and also recommends that FirstEnergy be directed to file a project estimate and timeline. Staff Rate Ready Report at 8. The OCA submits that FirstEnergy should first file its project cost estimate and timeline before a

determination is made as to whether to direct this change. Once the costs of this change are known, the Commission and Staff can better assess whether there is a benefit to reducing the turnaround time.

The OCA again thanks the OCMO Staff for their work on these issues. The OCA generally agrees with the conclusions and recommendations in the Staff Rate Ready Report. The OCA supports Commission adoption of the Staff recommendations with the modification recommended above by the OCA.

Respectfully submitted,



Tanya J. McCloskey  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50044  
E-Mail: TMcCloskey@paoca.org

Counsel for:  
Irwin A. Popowsky  
Consumer Advocate

Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152

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