

LEGAL SERVICES



800 Cabin Hill Drive
Greensburg, PA 15601-1689
PH: (724) 838-6210
FAX: (724) 830-7737
jmunsch@alleghenyenergy.com

VIA FEDEX NEXT DAY

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 please find an original and three copies of Comments of West Penn Power Company d/b/a Allegheny Power concerning Rate Ready Billing Platforms at the above-captioned docket.

A copy of the Comments will be sent electronically to the Retail Markets Working Group at ra-RMWG@state.pa.us.

Very truly yours,


John L. Munsch
Attorney

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Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**ALLEGHENY POWER COMMENTS ON THE
COMMISSION STAFF RATE READY BILLING
REPORT AND RECOMMENDATIONS**

West Penn Power Company d/b/a Allegheny Power ("Allegheny" or "Company") offers the following comments on the Commission Staff Reports on Rate Ready Billing Platforms that were issued under Secretarial Letter dated August 23, 2010, at the above-captioned Docket.

Uniformity for Existing Rate Ready Platforms

Allegheny supports the Commission Staff's recommendation that a uniform, statewide rate-ready platform not be adopted. A uniform, consensus platform on a statewide basis would require substantial expense and effort by Allegheny to modify its existing rate ready platform and billing system. It has not been demonstrated that modifying the Company's existing rate ready platform will increase shopping or lower costs to customers. Furthermore, these changes would also require changes to the EGS platforms built to communicate with the EDCs at a time when critical activity related to shopping is anticipated to begin, thus adding risk to market transition for Allegheny.

Rate Code vs. Price Driven Model Requirements

Allegheny agrees with Staff and the RMWG viewpoint that applying charges by rate code is the best model for existing rate ready platforms. It has not been demonstrated that migrating to a price-driven model will increase shopping or lower costs to customers.

Design Requirements for Rate Code-driven Model

Allegheny does not agree with the Staff recommendation that a percent discount should be offered to the default service rate (Percent of Default Service Rate) under the rate-ready platform. As explained by Duquesne, implementation would require significant modifications to existing systems. Further, as Staff has suggested, the discount would merely automate a calculation that could be made relatively easily by an EGS and submitted as a rate program. The rate ready platform was designed to accept a supplier rate (similar to the types of rates already billed by the EDC), calculate the supplier charges and insert them on customers' bills, mirroring the process that the EDCs use to compute bills for their customers. More complicated structures should be considered under the Bill Ready Billing platform.

Enrolling Accounts on Rate Ready Billing

Allegheny agrees with the Staff to support the consensus reached by the RMWG that the existing EDI 814 enrollment and change transactions and existing switching rules should apply when enrolling accounts on rate-ready billing.

Creating New EGS Rates

Allegheny has no comment on the Staff's recommendations about creating new EGS rate programs in the EDC systems. Allegheny currently requires rate codes to be submitted at least seven calendar days prior to enrolling customers on that rate.

Changing EGS Rate Codes on Accounts

Allegheny agrees with the Staff on the issue of changing EGS Rate Codes. Allegheny currently will process rate code changes within seven calendar days, which is limited by EDI processing and validation.

Changing Prices Associated with Existing EGS Rate Codes

Allegheny's system currently enables EGSs to add or remove pricing components of an established rate code. Allegheny agrees with the Staff that the issue of pricing changes be returned to the EDEWG for development of response times for existing rate ready platforms.

Billing and Associated EDI Impacts

Allegheny agrees with the Staff recommendation that EDI 810 transaction elements be used to communicate price, quantity, unit of measure, and total amount for each pricing component of EGS customers' rate-ready bill. Allegheny currently provides suppliers with the recommended information via EDI.

Cancel-Rebill Process

Allegheny agrees with the Staff recommendations. The Company currently provides the EDI transactions as recommended and uses the EDEWG model for the Cancel-Rebill Process in its existing rate-ready platform.

Bill Print

Allegheny Power agrees with the Staff recommendations. Allegheny provides the customer with the charge per standard pricing unit in actual dollars or cents per kWh as required by billing information regulations.

Taxes

Allegheny does not agree with the Staff recommendations to use the EGS tax exemption for bill calculations. Allegheny currently relies on its tax exemption records to determine a customer's tax exempt status. The Company's bill calculation system does not have the ability to bill different tax exemptions for the Company's charges and the EGS charges, and modifications would be required to accommodate a change. It benefits both the Company and the supplier to maintain the correct tax exemptions for customers. Therefore, where there are discrepancies, Allegheny asks the supplier to contact the customer and request that the customer also submit the correct exemption notification to the Company, should a change be required.

As an alternative approach to the Staff recommendation, Allegheny suggests that the EDC's records should reflect the most recent Tax Exemption Certificate, executed by the customer and in the possession of the EDC. In the event of a discrepancy between the EDC's tax exempt status for the customer and that submitted by the EGS,

the EGSs will provide an executed Tax Exemption Certificate to the EDC, should the Customer wish to request a change in the customer tax exempt status. The Tax Exemption Certificate shall be the PA Sales Tax Exemption Form # Rev-1220.

Proration

Allegheny agrees with the Staff recommendations and RMWG consensus not to prorate EGS rate changes within a billing cycle. Currently an EGS rate change becomes effective with the next meter reading cycle.

Budget Billing

Allegheny has no comment on the Staff's recommendations regarding budget billing for rate-ready platforms. Allegheny will calculate a budget bill for both Allegheny and EGS under its rate-ready platform. The customer must contact Allegheny directly to enroll in the budget bill program, and the EGS receives budgeted amount as payment.

Build-out of Rate Ready Platform/Cost Benefit Analysis

Allegheny has no comment on the Staff's recommendations. Allegheny already makes available a rate-ready platform for suppliers. Therefore, any benefits to Allegheny customers would likely be diminished in any cost benefit analysis. Allegheny believes that statewide uniformity should be a long-term goal that is accomplished through attrition of exiting utility IT systems.

CONCLUSION

Allegheny understands the Commission's ultimate goal of commonality of choice rules for Pennsylvania; however, the Company cautions that the expense to achieve commonality quickly, as opposed to allowing attrition to accomplish the objective, may not be cost beneficial for customers.

Respectfully submitted,



Date: September 22, 2010

John L. Munsch
800 Cabin Hill Drive
Greensburg, Pennsylvania 15601
(724) 838-6210
jmunsch@alleghenyenergy.com
Attorney I.D. No. 31489