

DTE Energy



DTE Energy Supply, Inc.

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December 13, 2011

VIA UPS: (717) 772-7777

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Interim Guidelines Regarding Standards for Changing a Customer's Electricity
Generation Supplier
Docket No. M-2011-2270442

Dear Secretary Chiavetta:

Enclosed for filing on behalf of DTE Energy Supply, Inc. are an original and five (5) copies of its comments to the Tentative Order entered on November 10, 2011, at the above-captioned docket. A copy of these comments also has been submitted to the Office of Competitive Market Oversight Retail Markets Investigation inbox at ra-RMI@state.pa.us.

If you have any questions regarding the enclosed comments, please call me at 734-887-2171.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Cynthia M. Klots'. The signature is fluid and somewhat stylized.

Cynthia M. Klots
Counsel, DTE Energy Supply, Inc.

CMK/sgw
Enclosures

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Interim Guidelines Regarding Standards :
For Changing a Customer's Electricity : Docket No. M-2011-2270442
Generation Supplier. :

COMMENTS OF DTE ENERGY SUPPLY, INC.

INTRODUCTION

On November 10, 2011, the Public Utility Commission ("Commission") adopted a Tentative Order ("Tentative Order") that was developed by the Commission's Office of Competitive Market Oversight ("OCMO") as a result of meetings held with working groups. The Tentative Order is intended to facilitate the timely transfer of a customer's account from an electric distribution company ("EDC") to a competitive electric generation supplier ("EGS") or from one EGS to another EGS while keeping safeguards to prevent the unauthorized switching of a customer's account, also known as "slamming".

COMMENTS

DTE Energy Supply, Inc. ("DTEES") agrees that once a customer makes the decision to switch, the sooner a customer can be switched the better. DTEES also agrees that customers need to be protected from unauthorized slamming. The Commission has stated that switching quickly once a customer has decided to switch and protecting customers from slamming are two concerns that were taken into account when drafting the Tentative Order.

DTEES is concerned that the Tentative Order puts too much of a burden on the EGS to quickly switch a customer. This desire for a quick switch could put an EGS in a difficult position, because (i) the EGS may not have sufficient time to complete its policies and procedures that are in place in order to avoid potential slamming, (ii) it may be impossible to internally process the information quickly enough to get the names of the customers to an EDC before the next switching deadline, (iii) the disclosure statements may need to be so detailed that

the EGS has to update the disclosure statements monthly and for each utility, which would put a big administrative burden on an EGS and (iv) the additional risk and administrative burden that the Tentative Order puts on each EGS may lead to increased costs to potential customers.

RECOMMENDATIONS

These recommendations attempt to remove some of the burden and risk from the EGS while protecting customers from potential slamming and keeping costs as low as possible.

In general, DTEES recommends the following:

- Add a safe harbor that provides an EGS a couple of days to get the customer information to an EDC. This will allow an EGS time to properly process each customer switch when a switch is requested right before the deadline for switching, and it will lessen the risk of an EGS violating the new rules while still shortening the time period for customer switching.
- Clarify that the disclosure statements can provide dates generally (for example “the first day of the month” instead of “January 1”) in order to make the documentation less burdensome for an EGS.
- In order to lessen the documentation burden of an EGS, allow an EGS to create one disclosure statement that lists the switching deadlines for all utilities within Pennsylvania that can be used within the entire commonwealth.
- Allow proof that the customer authorized a switch either on a recorded line or by a written document that does not have to be a separate document.

More specifically, DTEES recommends the following changes to the Tentative Order:

- Guideline E requires that, “An EGS should obtain information about a customer’s meter read cycle and the switching deadline so that the EGS is able to advise a customer about the date that the customer’s account can be transferred to the EGS.”
 - In order for the EGS to be able to meet this requirement, DTEES recommends that the Commission (i) make sure that the EGS can easily obtain the information about the customer’s meter read cycle and switching deadline and (ii) require each EDC to provide to the EGS any changes that the EDC makes with respect to its meter read cycle and switching deadlines.
- Guideline E also requires that, “In marketing generation service to a customer, an EGS should provide information about the customer’s meter read date, the switching deadline and the estimated date that the customer’s account will be transferred to the EGS so that the customer will understand the switching process.”

- The Commission should clarify whether or not exact dates or general dates are required regarding the number of days before a switch will occur. If the Commission requires exact dates, it is very burdensome to the EGS to change the dates in documents every month. It also makes documentation difficult, because a different document needs to be used for each utility in the commonwealth. DTEES recommends allowing general dates such as the first day of next month.
- Guideline F requires that, “An EGS shall submit an account transfer notice to an EDC or DSP before the switching deadline to ensure that the customer’s account is transferred to the EGS at the customer’s next immediate meter read date.”
 - It takes time to process a new customer and complete the process to ensure that slamming will not occur. This rule requires an EGS to submit the account transfer notice to an EDC before the next immediate meter read date, which creates problems for an EGS if a customer signs up close to the next immediate meter read date. The rules need to provide a safe harbor to the EGS that allows a minimum amount of days to get the information to the EDC. It cannot be done in 24 hours. If you do not provide a minimum safe harbor, EGSs may have to avoid marketing to potential customers a couple days before the deadline for the next immediate meter read date.
- Guideline F states that, “An EGS may delay the submission of an account transfer notice when the customer has agreed that the EGS would not begin to provide service until after the customer’s next immediate meter read date.”
 - Please clarify that a specific date does not need to be stated by the customer, and that the customer may state “...until after the customer’s next immediate meter read date” in order for the EGS to fulfill this requirement.
- Guideline F also states that, “The requirement in 52 Pa. Code § 57.173(1) (relating to customer contacts with EGSs) that an EGS notify an EDC of a customer account transfer by the end of the next business day is waived to the extent it is inconsistent with this provision. *See* Guideline D (1) (a)(relating to waiver of regulation).”
 - Please explain in more detail what this waiver means. For instance, when is it not inconsistent with this provision and when is it inconsistent with this provision?
- Guideline G states that, “The 3 day contract rescission period begins when the customer receives a written disclosure statement that conforms in content with 52 Pa. Code § 54.5 (c) and applicable provisions of these interim guidelines.”
 - Please clarify if you want the EGS to wait until the rescission period ends before the EGS notifies the EDC of a switch. If not, and you want a

notification to the EDC immediately, please explain what happens if the customer rescinds within the 3 day period. For example, who pays the fees, if any, to switch a customer back.

- Guideline H requires that, “The EGS shall include in its disclosure statement the information listed at 52 Pa. Code § 54.5(c)(relating to disclosure statement for residential and small business customers).”
 - Please clarify if this expands the requirements of 52 Pa. Code § 54.5(c) to all classes of customers and not just residential and small business customers.
- Guideline H also requires that, “Consistent with 52 Pa. Code § 54.5 (c)(4)(i), the disclosure statement shall include information about the length of the agreement, including the starting date for the service with the EGS. The EGS shall include a good faith estimate of the starting date of service for the customer’s service based on the customer’s next immediate meter read date and the switching deadline for that date.”
 - Please clarify if the start date needs to list the specific month and day or just a more general statement regarding the beginning of the next month. If it requires a specific date, it creates a big burden on the EGS to continually update the documents.
- Guideline H states that, “When a disclosure statement is at issue in a complaint proceeding, and the disclosure statement contains unclear or ambiguous language that is relevant to the complaint, the Commission will interpret the language against the EGS.”
 - In order to protect an EGS from a customer complaint regarding unclear or ambiguous language in a disclosure statement, it would be helpful to have a disclosure statement preapproved by the Commission. DTEES requests that the Commission set up a process to allow an EGS to submit a disclosure statement to the Commission and, if it is acceptable, receive a letter from the Commission stating that nothing in the disclosure statement is unclear or ambiguous. The process would state that if a customer files a complaint alleging that the disclosure statement is unclear or ambiguous and an EGS has already received the approval letter mentioned above, the Commission will automatically close the complaint in favor of the EGS.
- Guideline I states that, “A document signed by the customer of record whose sole purpose is to obtain customer consent to change EGSs shall constitute valid written evidence that the customer authorized an EGS to transfer the customer’s service account. This guideline is consistent with 52 Pa. Code § 57.176 (relating to valid written authorization).”

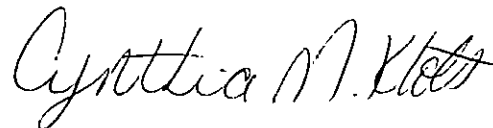
- Please explain if this means that the signed document must be a separate document with the sole purpose of authorizing the switch. The current language does not state that the authorization to switch must be a separate document, but instead states that a separate document clearly indicates the desire to switch. DTEES recommends not requiring a separate document indicating a desire to switch, but keeping the language as previously drafted. DTEES also recommends that the Commission make clear that 52 Pa. Code § 57.173 has not changed and that direct oral confirmation is also allowed to show customer consent to change EGSs.
- Guideline M requires that, “The EGS should reimburse an EDC or DSP for reasonable costs related directly to the rescission of a customer account transfer by the EDC or DSP.”
 - Please specify how a reasonable cost will be determined and whether or not the costs will be fixed and known to the EGS.
- Guideline M also requires that, “An EGS may not rescind the transfer of a customer’s account to another EGS without written evidence of the customer’s authorization to rescind the transfer.”
 - Instead of just written evidence, DTEES recommends also allowing a recorded oral statement to make the rescission process quicker.

CONCLUSION

DTEES appreciates the opportunity to submit these comments and looks forward to further participation in this proceeding.

Dated: December 13, 2011

Respectfully submitted,



Cynthia M. Klots

Counsel

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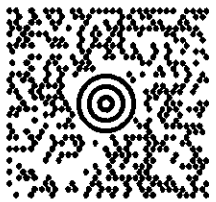
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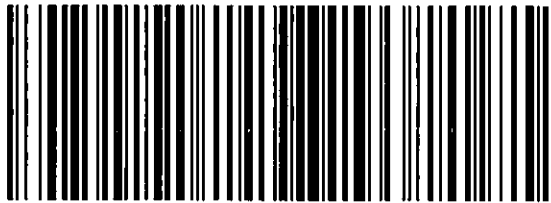
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