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May 17, 2013

Honorable Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

Re: EDC Customer Account Number Access Mechanism for EGSs Docket Number M-2013-2355751

Dear Secretary Chiavetta:

Enclosed please find an original copy of Pike County Light and Power Company's Comments in the above-captioned matter.

Should you have any questions concerning this filing, please contact me at your convenience.

Sincerely,

John J. Gallagher

Counsel for Pike County Light and Power Company

Enclosure

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

EDC Customer Account Number Access Mechanism for EGSs	: : :	Docket No. M-2013-2355751

COMMENTS OF PIKE COUNTY LIGHT & POWER COMPANY

On April 18, 2013, the Pennsylvania Public Utility Commission ("Commission") issued a Tentative Order ("Order") in the above-captioned matter seeking comments on questions posed regarding development of processes and procedures for Electric Generation Supplier ("EGS") access to Electric Distribution Company ("EDC") customer account numbers. This issue has been discussed in meetings held by the Commission's Office of Competitive Market Oversight through the Committee Handling Activities for Retail Growth in Electricity, during which various processes and mechanisms were proposed. The primary purpose of the Order is to gather information from which to establish procedures that will facilitate EGS access to the EDC account numbers of newly enrolled customers when the account number is not available from either the customer or the Eligible Customer List ("ECL").[1] The Commission invites public comment on the processes and mechanisms discussed in the Order as well as specific enumerated questions. In response to the Commission's Order, Pike County Light & Power Company

[1] See *Interim Guidelines For Eligible Customer Lists*, at Docket No. M-2010-2183412.

("PCL&P" or the "Company") sets forth below its general comments, as well as specifically addresses certain of the questions posed in the Order.

General Comments

Due to its unique characteristics and circumstances, PCL&P has demonstrated that certain rules, such as the default service rules, that apply to EDCs generally should not apply to PCL&P. The Commission has recognized PCL&P's distinctive features, as evidenced by the Commission's order approving PCL&P's current default service plan which granted waivers of certain Commission regulations (see Attachment A).[2] These differences, discussed below, include a robust retail electricity market, small size, location and participation in a different regional transmission organization than all other Pennsylvania EDCs.

First, a majority of PCL&P's customers are already participating in the retail electricity market. Currently, approximately 59% of the customers in PCL&P's service territory take generation services from an EGS. This is by far the highest penetration rate in the state. The majority of customers who take EGS service are served by Direct Energy Services, LLC ("Direct Energy"). Most of these customers took service from Direct Energy pursuant to an aggregation program ("Aggregation Program") initially approved by the Commission at Docket No. P-00062205[3] and remained customers of Direct Energy upon the Aggregation Program's expiration on May 31, 2011.[4] The high penetration rate by EGSs in PCL&P's service territory testifies to

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[2] *Petition of Pike County Light & Power Company for Approval of Its Default Service Implementation Plan*, Docket No. P-2011-2252042 (Order entered May 24, 2012).

[3] *Petition of Direct Energy Services, LLC for Emergency Order Approving a Retail Aggregation Bidding Program for Customers in Pike County Light & Power Company's Service Territory*, Docket No. P-00062205 (Order entered April 20, 2006).

[4] *Petition of Pike County Light & Power Company for Expedited Approval of its Default Service Implementation Plan*, Docket No. P-2008-2044561. The Commission determined that customers in Direct Energy's Aggregation Program at the conclusion of the second renewal term should remain customers of Direct Energy unless they affirmatively choose either another supplier or PCL&P's default service program.

the existence of a robust competitive market. Given the robust competitive marketplace in the PCL&P service territory, coupled with the low number of default service customers who opted out of the ECL, indicate that the EGSs are successful and already have access to a majority of the default service customers' account numbers.

Second, PCL&P is a small EDC serving approximately 4,700 residential and commercial customers in Pike County, Pennsylvania. For the twelve months ending December 2012, the electric requirements of PCL&P's customers were 74,000 MWH, with a peak demand of approximately 18 MW.

Finally, PCL&P participates in a different regional transmission organization than all other Pennsylvania EDCs. PCL&P is a wholly-owned subsidiary of Orange and Rockland Utilities, Inc. ("O&R"). O&R provides electric service to approximately 226,000 customers in Orange, Rockland and Sullivan counties in the State of New York. Another subsidiary of O&R, Rockland Electric Company ("RECO"), serves approximately 73,000 customers in the State of New Jersey. PCL&P, O&R, and RECO operate a fully integrated electric system serving parts of Pennsylvania, New York and New Jersey (collectively referred to as the "System"). PCL&P receives all of its electricity through two 34.5 kV radial circuits that cross the Delaware River from Port Jervis, New York. Unlike the other utilities in the Commonwealth, PCL&P, by virtue of being a part of the System, operates in the New York Control Area that is administered by the New York Independent System Operator ("NYISO"). In contrast, the other Pennsylvania EDCs are members of the PJM Interconnection, LLC ("PJM").

Plainly, PCL&P is a one-of-a-kind electric provider among Pennsylvania EDCs. Because of these fundamental differences, PCL&P has not and should not be viewed in the same light as other Pennsylvania utilities on issues regarding retail access protocols, procedures and requirements. Consequently, any proposals in the Order that the Commission adopts on a permanent basis should not affect any currently existing waivers for PCL&P relating to default service. Additionally, the Commission should exempt small EDCs such as PCL&P and/or EDCs with significant levels of EGS penetration from having to make the same changes required of large EDCs with a much lower level of EGS penetration.

The Order was issued to address the concern that an EGS in the process of enrolling a new customer cannot complete the transaction if the customer does not have its EDC account number readily available. The EGS will have the customer's account number if the customer has not opted out of the ECL. Thus, only customers who have opted out of the ECL will benefit by the Order. To put PCL&P's situation in perspective, currently, approximately 420 PCL&P customers have opted out of the ECL. Of those customers, over 60 percent receive their electricity supply from an EGS.

PCL&P's Voice Response Unit ("VRU") currently provides a PCL&P account number to any customer who enters his or her social security number into the VRU, as long as that customer has previously provided his or her social security number to PCL&P. As a result, customers that have opted out of the ECL and have provided PCL&P with their social security numbers can call PCL&P's toll-free, dedicated telephone number, input their social security number into the VRU and receive their account number. In this instance, a customer will have immediate access to his or her PCL&P account number and will be able to "complete the application process at the point of sale," [5] thereby accomplishing one of the goals of the Order. PCL&P currently provides this service to its customers. Accordingly, there is no wait time for implementation of a new mechanism.

[5] Order at 3.

This VRU-based solution is in line with the EDCs' preference for an automated process, as modifying the Interactive Voice Response system was one of the suggested methods identified in the Order.[6] Customer use of the VRU eliminates the need for an exact "match" of customer name or address, which is another concern voiced by the EDCs.[7] In addition, because the account number is provided directly to the customer, the concern over safeguarding of information is minimized.

Another benefit of the VRU-based method of account retrieval is the elimination of the need for a signed letter of authorization ("LOA"). The EGS benefits in this instance because there is no need to obtain a signature, maintain a record of the LOA, or provide the LOA to regulators in case of a subsequent dispute.[8] Rather, licensed EGSs in PCL&P's service territory would only need to maintain PCL&P's dedicated toll-free telephone number to provide to the customer. This in turn eliminates the "controversy" connected with LOAs, including issues of personal privacy and security, as expressed by advocates representing residential customers.[9]

Given the small number of customers that have opted out of the ECL, any method of providing account numbers to EGSs other than via PCL&P's VRU would be performed manually, since implementing any automated system would be cost prohibitive. Such manual performance would not provide the immediate result that a customer can currently obtain under PCL&P's VRU system. Due to PCL&P's unique characteristics discussed above, PCL&P should not be required to implement a mechanism that is structured for a large EDC. Because the VRU-based process would be utilized by the customer, there is no need for the EGS to reprogram its systems to obtain data from PCL&P. To the extent each EDC's system varies

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[6] Order at 5.
[7] Order at 5.
[8] Order at 4.
[9] Order at 4.

from other EDC's systems, PCL&P's customer-based approach lessens the burden on EGSs' need to develop and maintain different processes and protocols. Therefore, with respect to PCL&P, the Commission's stated objective has been met and there is no need to alter the Company's existing systems and processes.

Use of Different Technologies

The use of a specific, or one-size-fits-all, technology solution to provide account numbers to EGSs should not be uniformly imposed on all EDCs. Instead, the Commission should recognize the unique characteristics and circumstances of EDCs, particularly small EDCs such as PCL&P. The Order seeks comments regarding how much variation among utilities would be too confusing or burdensome to EGSs. However, as previously discussed, use of PCL&P's VRU to obtain an account number requires no programming or additional work by the EGS. Rather, it requires a minimal amount of effort by the EGS to provide the PCL&P dedicated toll-free telephone number to interested customers.

Given PCL&P's VRU capability to provide account numbers, any changes required by a subsequent order are not only unnecessary but, for reasons discussed in more detail above, would delay implementation of the Order's goal to complete enrollments at the point of sale in PCL&P's service territory. Consequently, any changes that may be proposed should not apply to small EDCs such as PCL&P and/or EDCs with current procedures in place that currently achieve the Order's stated goal.

Finally, to the extent that the Commission does require EDCs to implement changes, the costs of implementing such measures should be borne by the EGSs operating in the EDC's service territory so that current PCL&P customers are not forced to subsidize these costs with little to no benefit in return.

Conclusion

For the reasons provided above, PCL&P respectfully requests that the Commission allow PCL&P to use its existing VRU capability as the means to provide account numbers to EGSs in instances when the customer who has opted out of the ECL does not have his or her PCL&P account number readily available at the time of application with an EGS. Requiring PCL&P to implement procedures applicable to large EDCs is neither necessary nor cost effective.

Respectfully submitted,

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Counsel for Pike County Light & Power Company

Date: May 17, 2013

ATTACHMENT A

The following is a list of provisions relating to default service that have been waived for PCL&P under its current default service plan:

- Sections 57.173 and 57.174, relating to switching rules;
- Section 54.4, relating to bill format for residential and small commercial customers;
- Waiver from the Exchange of Information – EDI Rules established at Docket No. M-00960890F0015, in order to follow the New York rules for exchange of customer information;
- Sections 54.185(d)(2) and 54.185(d)(6), relating to schedules and technical requirements of competitive bid solicitations and spot market energy purchases and relating to copies of agreements or forms used in the procurement of electric generation supply; and
- Sections 69.1805, 69.1805(1), 69.1805(2) and 69.1805(3), relating to procurement plans developed for particular rate classes and Section 69.1807(3), relating to bid solicitations along customer class lines.