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March 10, 2014

**VIA HAND DELIVERY**

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

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***Re:*** ***Investigation of Pennsylvania's Retail Electricity Market:***
**Joint Electric Distribution Company - Electric Generation Supplier Bill**
**Docket No. M-2014-2401345**

Dear Secretary Chiavetta:

Enclosed for filing, please find an original and one (1) copy of Pike County Light and Power Company's comments regarding the recommendations of the Commission's Office of Competitive Market Oversight for making a more supplier-oriented utility consolidated electric bill.

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

Sincerely,

John J. Gallagher

Enclosure

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**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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| Investigation of Pennsylvania's<br>Retail Electricity Market:<br>Joint Electric Distribution Company -<br>Electric Generation Supplier Bill | :<br>:<br>:<br>: | Docket No.: M-2014-2401345 |

## COMMENTS OF PIKE COUNTY LIGHT & POWER COMPANY

On February 6, 2014, the Pennsylvania Public Utility Commission ("Commission") issued a Tentative Order ("Order") in the above-captioned matter seeking comments on various recommendations developed by the Commission's Office of Competitive Market Oversight ("OCMO") for making a more supplier-oriented utility consolidated electric bill. The Commission proposes three changes to utility-consolidated bills to make them more supplier-oriented: the inclusion of the electric generation supplier's ("EGS") logo on the electric distribution company ("EDC") bill; an expansion to the bill messaging space provided to EGSs; and the inclusion of a Shopping Information Box. The Commission also seeks comments on the inclusion of EGS bill inserts, though it does not recommend such inserts at this time. Furthermore, the Commission specifically requests cost estimates and recovery proposals associated with the above recommendations. Lastly, the Commission proposes that its recommendations be implemented no later than June 1, 2015, and requests comments on this proposed timeline. The Order directs interested parties to submit comments to the Commission within 30 days of the entry date of the Order.[1] In response to the Commission's Order, Pike County Light & Power Company ("PCL&P" or the "Company") sets forth below its comments on the topics raised in the Order.

**Inclusion of the EGS's Logo**

The Order proposes including EGS logos on EDC bills. PCL&P does not oppose this proposal. For customers taking supply service from an EGS, PCL&P currently dedicates an entire page of its bill to EGS information. PCL&P proposes to include supplier logos on the separate, EGS-dedicated page – rather than on the same page as EDC logos – because including both logos on the same page could result in customer confusion. For example, including both logos on the same page could potentially result in customers calling the EGS for delivery-related issues or calling the EDC for supply-related issues. Such experiences could create negative customer interactions that undermine confidence in retail electric markets. In order to mitigate the potential for customer confusion, PCL&P proposes to continue placing all EGS information (including logos, contact information, etc.) on the EGS-dedicated page, separate from the EDC information.

PCL&P estimates that the costs associated with including all three current EGS logos on its bills will be $4,000 to $6,000. These costs include programming needed to customize the Company's software so that logos are printed only on PCL&P bills, and not those of its affiliates, Orange and Rockland Utilities, Inc. ("O&R") and Rockland Electric Company ("RECO"). In addition, the billing system must be programmed to accept the EGSs' logos, the logos must be integrated into the billing system so they can be included on the appropriate bills, and the

[1] The Order was adopted and entered on February 6, 2014.

changes must be tested and then moved into production. If a new EGS begins service in PCL&P's territory, additional time will be required to incorporate an additional logo into PCL&P's billing system. The additional cost of including new logos is estimated to be at the lower end of the cost range provided for the initial set up.

**Expansion of EGS Bill Messaging Spacing**

The Order proposes expanding the space provided to EGSs for bill messaging. More specifically, the Order recommends doubling the amount of available space from two to four lines on each EDC bill. PCL&P, which currently makes 460 characters of space available to EGSs on its bills and allows for one bill message per EGS per bill cycle, already complies with this recommendation. PCL&P notes that, despite the space it offers on its bills, no EGS has made use of this feature in the last 36 months. There is no electronic data interchange ("EDI") impact for PCL&P associated with this feature since PCL&P's current procedure provides that messaging data be transmitted via email.

Because PCL&P currently complies with this recommendation and there is no EDI impact, there is no cost impact for PCL&P associated with this recommendation.

**Inclusion of a Shopping Information Box**

The Order recommends including a Shopping Information Box on EDC bills. PCL&P does not oppose this recommendation. Current PCL&P bills have a section titled "Pricing Information for your Electric Supply Option," which contains information for customers interested in EGS service. PCL&P proposes to add the Shopping Information Box under this section so customers can find all related EGS and shopping information in the same place.

PCL&P estimates that the costs associated with the inclusion of a Shopping Information Box on the back of all customer bills will be $3,500 to $5,500. These costs include programming needed to customize the Company's software so that the Shopping Information Box is printed only on PCL&P bills, and not those of its affiliates, O&R and RECO. The Shopping Information Box must be developed and integrated into the Company's billing system so it can be included on every PCL&P customer bill, and the upgrades must be tested and then moved into production.

**Bill Inserts**

Although the Order does not recommend including EGS inserts, the Order does seek comments on the costs and complexities such an effort would entail. PCL&P opposes the inclusion of EGS inserts due to the logistical issues and costs involved. Including EGS inserts would require a significant amount of coordination between PCL&P and each of the EGSs operating in its service territory. Current mailing equipment does not have the capacity to sort customer bills by EGS so that bill inserts are provided to the appropriate customers. This equipment would need to be upgraded and/or additional machines would need to be acquired. Increasing the number of bill inserts may require a larger, non-standard envelope, which may also require adjusting the mailing equipment, in addition to added postage costs. These changes may also require additional time to assemble the bill package. If equipment limitations are overcome and EGS bill inserts are feasible, the EGS must provide a copy of the bill insert to PCL&P with sufficient lead time to allow PCL&P to review and print the material. Lastly, PCL&P notes that EGSs have their customers' address information and can mail information to these customers themselves.

Should the Commission at some point decide to require EDCs to include EGS inserts, PCL&P would propose that all EGS material be clearly and conspicuously labeled as coming from the EGS. Moreover, EDCs should be given editorial rights over all insert material, as well as a reasonable opportunity to review all materials before they are included in bills. To the extent that there are limitations on the number of inserts provided in a particular month, it should be noted that any Commission or statutorily- required insert take precedence over an EGS bill insert.

PCL&P has not estimated the costs associated with including EGS inserts; however, the types of costs that may be incurred include the cost to upgrade mailing equipment, printing costs, additional postage and the cost for larger envelopes.

**Cost Recovery and Timeline**

With respect to cost recovery, EGSs should compensate the EDCs for the costs identified above. These are, in effect, marketing costs that EGSs, as participants in a competitive market, should appropriately bear. Requiring all ratepayers, particularly those who choose not to take their supply service from an EGS, to subsidize EGS marketing costs would not be an equitable result.

Regarding the implementation timeline, PCL&P would require a minimum of six months to put the above-described changes into place. The Company must receive the logos from each EGS and verify that each logo meets PCL&P's standards for inclusion on the bill. PCL&P's billing system software must be customized so that the changes are implemented only on PCL&P customer bills. Programming changes must be developed, integrated into the billing system, tested and moved into production. Thus, in order to implement these changes by June 1, 2015, PCL&P respectfully requests that any final Commission order be issued on or before December 1, 2014.

## Conclusion

PCL&P respectfully requests that the Commission: adopt the recommendations in the Order, subject to the parameters discussed above; not recommend the inclusion of EGS inserts in EDC bills; order EGSs to pay the costs associated with the Order's recommendations; and issue any final order on or before December 1, 2014.

Respectfully submitted,

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