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March 25, 2014

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**RE: Proposed Rulemaking: Standards For Changing a Customer's Electricity  
Generation Supplier; Docket No. L-2014-2409383**

Dear Secretary Chiavetta:

Enclosed please find the Comments of the Industrial Energy Consumers of Pennsylvania ("IECPA"), Duquesne Industrial Intervenors ("DII"), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Penn Power Users Group ("PPUG"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), PP&L Industrial Customer Alliance ("PPLICA"), and West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups") regarding the above-referenced proceeding.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to be 'Elizabeth P. Trinkle', written over a horizontal line.

Elizabeth P. Trinkle

Counsel to Industrial Customer Groups

/sar  
Enclosure

c: Office of Competitive Market Oversight (Via E-mail)

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Rulemaking: Standards for Changing       :       Docket No. L-2014-2409393  
A Customer's Electric Generation Supplier         :

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**COMMENTS OF  
INDUSTRIAL CUSTOMER GROUPS**

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**I. INTRODUCTION**

On March 18, 2014, the Pennsylvania Public Utility Commission ("PUC" or "Commission") issued a Secretarial Letter informing Electric Distribution Companies ("EDCs") and other stakeholders of the PUC's intent to promulgate a rulemaking to amend Chapter 57 of the Commission's regulations ("Proposed Rulemaking"). The Proposed Rulemaking would require EDCs to "accelerate switching time frames through off-cycle meter reads in a fashion that will permit Pennsylvania retail electric customers to switch suppliers within three (3) days or less."<sup>1</sup> The Secretarial Letter states that "extraordinary measures" must be taken to address the standards for changing a customer's Electric Generation Supplier ("EGS") in light of the recent impact of wholesale electricity market price increases on Pennsylvania consumers. Appendix A to the Secretarial Letter sets forth the Commission's proposed regulatory changes.

The Industrial Energy Consumers of Pennsylvania ("IECPA"), Duquesne Industrial Intervenors ("DII"), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Penn Power Users Group ("PPUG"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), PP&L Industrial Customer Alliance ("PPLICA"), and West Penn

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<sup>1</sup> See Secretarial Letter, Docket No. L-20142409383 (Mar. 18, 2014).

Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups") submit these Comments in response to the Proposed Rulemaking. IECPA is a 20-member trade association of energy-intensive industrial customers of electricity and natural gas. More than 41,000 Pennsylvanians are employed by IECPA member companies alone. DII, MEIUG, PICA, PAIEUG, PPLICA, and WPPII are all *ad hoc* groups of commercial, institutional, and industrial customers of electricity that participate in various proceedings before this Commission.<sup>2</sup>

## II. COMMENTS

The Proposed Rulemaking would eliminate the existing requirements of 52 Pa. Code § 57.175, which allows customers to identify persons authorized to make changes to the customer's account. The Industrial Customer Groups question whether deletion of the authorization requirements of Section 57.175 is necessary or prudent at this time. Many Large Commercial and Industrial ("C&I") customers take advantage of the authorization requirements of Section 57.175 in order to limit the opportunity to engage in transactions on their accounts. These authorization restrictions are necessary given the sensitivity of some Large C&I customers' usage data, and the fact that responsibility for energy strategy is often vested in a limited number of employees within the organization. When a corporation (or other business entity) is the "customer," the customer should be able to designate particular human representatives to act on its behalf. Moreover, the provisions of Section 57.175 are not mandatory; rather, they provide customers with the option to take affirmative steps to limit access to their account if they so choose. Accordingly, the Industrial Customer Groups urge the Commission to retain the authorization provisions of Section 57.175 to provide customers with the opportunity to restrict

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<sup>2</sup> The positions set forth herein reflect the collective views of the intervention groups and do not necessarily reflect the views of each individual member.

access to their accounts and to designate certain people who are authorized to make decisions regarding the account(s).

The Industrial Customer Groups also question whether the Commission's proposal to reduce the timeframe to effectuate switching is necessary and prudent. As set forth in the Proposed Rulemaking, EDCs would be required to make the change to a customer's supplier "within 3 calendar days of the receipt by the EDC of the electronic enrollment transaction." The Commission's regulations currently require a 10-day waiting period, during which time the customer may contact the EDC if the switch is unauthorized, *i.e.*, if slamming occurred.<sup>3</sup> The Commission recently shortened the 10-day confirmation period to 5 days on an interim basis, and expressed its intent to open a full rulemaking to address permanent modifications to the switching regulations.<sup>4</sup> By requiring EDCs to make a switch "within 3 calendar days," customers are unlikely to receive the confirmation letter noting the proposed change of EGS or EGS product before the change actually occurs, thereby missing the opportunity to identify and correct mistakes.

In light of the potential for unauthorized switches under the proposed 3-day switching timeframe, the Industrial Customer Groups urge the Commission to reconsider its approach. At a minimum, the Commission must continue to closely monitor switching activity to determine whether 3 days is sufficient to accommodate customer notice and avoid slamming. The Industrial Customer Groups further urge the Commission to evaluate whether changes to the penalties and enforcement provisions of the Commission's anti-slamming regulations are necessary to protect consumers under a shortened switching timeframe.

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<sup>3</sup> 52 Pa. Code § 57.174.

<sup>4</sup> See *Interim Guidelines Regarding Standards for Changing a Customer's Electric Generation Supplier*, Docket No. M-2011-2270442, Final Order (Oct. 24, 2012). The Industrial Customer Groups respectfully question whether the Final-Omitted Regulation process pursued in this proceeding comports with due process and the Commonwealth Documents Law. 45 P.S. § 1201, *et seq.*

### III. CONCLUSION

**WHEREFORE**, Industrial Energy Consumers of Pennsylvania, Duquesne Industrial Intervenors, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Penn Power Users Group, Philadelphia Area Industrial Energy Users Group, PP&L Industrial Customer Alliance, and West Penn Power Industrial Intervenors respectfully request that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing Comments.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: March 25, 2014