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March 25, 2014

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Enclosed for filing with the Commission on behalf of NRG Retail Northeast is an electronic copy of its Comments in the above-referenced proceeding.

Sincerely,

A handwritten signature in blue ink that reads "Daniel Clearfield". The signature is fluid and cursive.

Daniel Clearfield

DC/lww  
Enclosure

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Rulemaking: Standards For Changing	:	
a Customer's Electricity Generation Supplier	:	Docket No. L-2014-2409383
	:	
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**COMMENTS OF NRG RETAIL NORTHEAST**

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Date: March 25, 2014

## Introduction

The NRG Retail Northeast Companies (“NRG”)<sup>1</sup> appreciate the opportunity to respond to the Commission’s Secretarial Letter issued on March 18, 2014 seeking comments on draft proposed revisions to its regulations at 52 Pa. Code, Chapter 57 governing the Standards for Changing a Customer’s Electric Generation Supplier. With the draft revisions, the Commission is proposing to direct the 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 five (5) days or less.<sup>2</sup> NRG strongly supports the Commission’s efforts to enable consumers to more quickly realize the benefits of the choices they make when they exercise their right to shop. The current switching process, which requires a customer to wait up to two billing cycles to see their shopping election appear on their electricity bill, contributes significantly to customer frustration and severely diminishes the shopping experience. In an era where customer expectations for product delivery are in “Amazon-time,” waiting four to six weeks to receive a product is simply unacceptable. Speeding the product delivery process to five days or less will undoubtedly lead to more satisfied customers who will have a much better impression of electricity choice.

Perhaps equally importantly, enabling customers to leave their current supplier much more quickly will also positively impact how Electric Generation Suppliers (EGSs) behave in the market place resulting in a secondary benefit to consumers. With the knowledge that a customer can leave their service within five days or less, all EGSs will have a strong incentive to work even harder to meet their customers’ needs and listen to their demands or see their customers leave almost immediately. In short, EGSs will have to work harder to keep their customers and will offer better products and services – and pricing – that is attractive to consumers. Expediting the switching process is a win-win for consumers.

The draft proposed rules appear to address two shortcomings of the current regulations. First, they require an EDC to process a customer’s request to switch suppliers more quickly. And second, they establish a new requirement that EGSs process a customer’s request to switch from one product to another within a specified time period. Each process represents a change to a customer’s electricity

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<sup>1</sup> The NRG Retail Northeast companies include NRG Residential Solutions, Green Mountain Energy Company and Energy Plus Holdings Company, three licensed electric generation suppliers serving customers throughout Pennsylvania.

<sup>2</sup> PA PUC Secretarial Letter, *Proposed Rulemaking: Standards For Changing a Customer’s Electricity Generation Supplier*, Docket No. L-2014-2409383, March 18, 2014.

service, but each change is unique, involves a separate and distinct operational process, and requires its own clearly defined rules to govern that process. As such, and as explained further below, NRG recommends that the Commission modify the proposed rules to more clearly distinguish between these two processes so as to provide clear direction to both EGSs and EDCs as they work to implement the electricity service changes that customers request and ensure customers are served by the supplier and product of their choice as expeditiously as possible.

### **More Clearly Defining the “Switch” Processes**

The Commission has proposed two new definitions in an effort to delineate a “Current EGS Product” and a “Selected EGS Product.” In addition, the proposed revised rules provide instructions on how the EDCs and EGSs are to process these electricity service change requests from customers. In reviewing the definitions and use of these two new terms throughout the proposed new rules, NRG is concerned that, in attempting to rely on a single operational process to handle both transactions, the draft proposed rules create confusion and operational challenges that will make processing these customer requests unnecessarily difficult. NRG recommends that the rules be revised to create two separate processes to simplify and clarify the process.

As a first step, NRG recommends the proposed definitions be deleted and replaced with the following definitions:

- “Switch” – the process of changing a customer’s electricity service from a Default Service Provider to an EGS, from one EGS to a different EGS, or from an EGS to a Default Service Provider.
- “Switch Request” – A request from a customer to change their electricity service from a Default Service Provider to an EGS, from one EGS to a different EGS, or from an EGS to a Default Service Provider.
- “Product Change Request” – a request from a customer to change their product selection directed to the EGS of record that is servicing the customer’s electricity account.

A Switch Request refers to a situation where a customer elects to switch suppliers – either from their EDC to an EGS, from one EGS to different EGS, or from an EGS to the EDC. The processing of a Switch

Request requires action by the EGS to notify the EDC of the customer's election, and it requires action by the EDC to confirm the enrollment and switch the customer's service to the EGS.

In contrast, the Product Change Request refers to a situation where a customer has no desire to change suppliers, but simply wants to choose a different product offer from their current EGS. The processing of such a request requires action by the customer's EGS only, and requires no action or involvement of the EDC.

It is critical that the revised rules recognize the distinctions between these two processes so as not to 1) cause confusion in how they are implemented, 2) create the need for significant changes to current operational structures, and 3) unnecessarily insert the EDC into the middle of a transaction between an EGS and its customer when there is no EDC action required to process the customer's request. To that end, NRG offers several proposed revisions to the draft proposed rules to add clarity.

NRG recommends that § 57.172 be revised as follows:

**(1) When a customer or a person authorized to act on the customer's behalf orally contacts the EDC to make a Switch Request or a Product Change Request, the EDC shall notify the customer that the customer's chosen EGS shall be contacted directly by the customer to initiate the change. This requirement does not apply in the context of a Commission-approved program that requires the EDC to initiate a change in EGS service.**

**(2) When a customer or person authorized to act on the customer's behalf orally contacts the default service supplier to make a Switch Request or a Product Change Request, the default service supplier shall notify the customer that there may be a financial penalty associated with a Switch Request or a Product Change Request. Subsequent to this notice and given express oral consent from the customer, the default service supplier shall enroll the customer onto default service.**

In addition, concerning the last new sentence in (2) above, NRG strongly urges the Commission to prohibit the EDCs from encouraging or advising a customer to return to utility provided Default Service as such advice is counter to fostering a relationship between the EGS and its customer and could cause the customer financial harm.

NRG recommends that § 57.173. be revised as follows:

**§ 57.173. Customer contacts with an EGS for a Switch Request.**

When [a contact occurs between] a customer or a person authorized to act on the customer's behalf [and] **contacts** an EGS to make a Switch Request, **the following actions shall be taken by the EGS:**

(1) **The EGS shall** [N]otify the EDC of the customer's EGS selection by the end of the next business day following the customer contact, unless the customer provides affirmative consent for the Switch Request to be held until:

**(a) the expiration of the 3-business day rescission period provided in § 54.5(d) (relating to disclosure statement for residential and small business customers) , or**

**(b) a future date specified by the customer to initiate supply service with the EGS .**

In addition to recommending revisions to clarify that the above process should apply only to Switch Requests, the revisions also attempt to eliminate some confusion around whether or not an EGS is required to hold a Switch Request until the 3 business day rescission period has expired by default, or whether an EGS is required to seek a customer's affirmative consent to hold the Switch Request until the rescission period has expired.

(2) Upon receipt of a Switch Request, the EDC shall send the customer a confirmation letter confirming the Switch Request. [This letter shall include notice of a 10-day waiting period in which the order may be canceled before the change of the EGS takes place. ]The notice shall include the date service with the new EGS **or Default Service Provider** will begin [unless the customer contacts the EDC to cancel the change. The 10-day waiting period shall begin on the day the letter is mailed]. The letter shall be mailed by the end of the next business day following the receipt of the Switch Request.

NRG recommends that § 57.174. be revised as follows:

**§ 57.174. Switch Request Time[]frame requirement.**

**(1)** When a customer or authorized party has provided the EGS with oral confirmation, written, or electronic authorization of a Switch Request, consistent with electric data transfer and exchange standards, the EDC shall make the switch either:

**(a)[at the beginning of the first feasible billing period] within 3 calendar days [10-day waiting period] of the receipt by the EDC of the electronic enrollment transaction, or**

**(b) on the future date requested by the customer, which cannot be less than 3 calendar days of the receipt of the electronic enrollment transaction by the EDC.**

These revisions are intended to clarify that the above process should apply only to Switch Requests. In addition, the revisions also attempt to capture what NRG assumes may be a drafting oversight in that, the draft revised rule at § 57.173. (1) allows a customer to request to be switched at a future specified date.

In addition, and to capture the separate and distinct process needed to process a Product Change Request, NRG recommends that a new rule be created as follows:

**§ 57.175. Customer contacts with an EGS for a Product Change Request.**

(1) When a customer contacts an EGS to make a Product Change Request, the EGS shall process that request by the end of the next business day following customer contact and begin supplying that customer on the new terms associated with that new product no more than 3 calendar days after the date of the request from the customer, unless the customer provides affirmative consent to the new product terms being implemented on a future date as specified by the customer.

Whether or not the Commission chooses to adopt the specific suggestions offered here, NRG strongly urges the Commission to modify the draft proposed rules to clarify and better define the roles of EDCs and EGSs in processing these two very different customer requests to ensure a smooth switch process for customers.

**EDC Processing of Off-Cycle Switches**

The draft proposed rules includes a new provision that directs the EDCs to conduct off-cycle switches for customers with and without advanced meters installed at the customers' premise.

§ 57.174. (2) requires that:

“The EDC shall obtain a meter read to effectuate the switch of EGS service within the time period provided for in paragraph (1). In instances where the EDC does not have advanced or automated metering capability, the EDC shall obtain an actual meter read, use an estimated meter read or use a customer-provided meter read. In instances where estimates are used, the estimated meter read shall be updated when an actual meter read is obtained to reflect the customer's actual usage through the customer's normal meter read cycle.”

While NRG supports the new rule and is not proposing any specific revisions to the draft proposed rule, NRG offers the following suggestions for the Commission's consideration.

First, the proposed rule is silent on setting any service level requirements for the EDCs processing Switches within three calendar days. In an effort to ensure that the utilities are making best efforts to obtain actual meter reads, NRG recommends that the utilities be required to use actual meter reads at

least 80% of the time. As more smart meters are deployed across the EDCs' service territories, the performance level should be increased as it becomes easier to obtain those meter reads electronically. Using actual meter reads is clearly preferable for processing a Switch Request as it reduces the need to update and reconcile a customer's account and minimizes errors in processing the Switch.

Second, NRG recommends that the EDCs be required to file annual performance reports with the Commission. These reports should demonstrate by month the number and percentages of actual and estimated meter reads for the purpose of processing Switches, and whether that month's performance was in compliance with the performance standard that NRG recommends be established by the Commission.

Third, NRG recommends that the Commission consider adding a rule to require that, when an EDC receives a Switch Request from an EGS, the EDCs must do three-day look back on a customer's account to determine if a meter read has been conducted in the last three days. If a meter read was conducted within the last three days, the EDC should be directed to make the date of that most recent meter read the effective date for the Switch. To the extent such backdating is problematic for a utility's billing system, the utility could date the Switch with the current date so that the Switch does not appear to be backdated. In either case, using the three day old meter read to effectuate the Switch streamlines the transition for the customer, eliminates additional meter reads, minimizes estimated bills and results in fewer bills for the customer.

Finally, given the other changes included in the draft proposed rule, NRG recommends that 57.174. (2) be further clarified to account for the new provisions of § 57.173. (1). As drafted, 57.174. (2) requires the EDCs to implement the switch within three calendar days of receiving the switch request from the EGS. This requirement appears inconsistent with § 57.173. (1) which allows a customer to specify a date for the switch. Requiring the EDC to process the Switch within 3 days potentially ignores the specific date requested by the customer for the switch. NRG recommends that the rule be revised to accommodate requests for a specific Switch date which may be longer than 3 calendar days out.

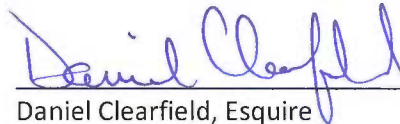
## **Conclusion**

NRG commends the Commission for its efforts to better protect consumers by enabling them to more quickly benefit from their choice of supplier and product. Without doubt, expediting the switching



process is a win-win for consumers who will have a greater ability to demand products that meet their needs from EGSs who will have to work harder than ever to retain their customers through improved products and services at prices that are attractive to consumers.

Respectfully submitted,



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Date: March 25, 2014

On Behalf of:  
NRG Retail Northeast