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March 25, 2014

*VIA ELECTRONIC FILING*

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

Enclosed for filing are the Comments of PPL Electric Utilities Corporation for the above-referenced proceeding.

Respectfully submitted,

Andrew S. Tubbs

AST/jl

cc: Office of Competitive Market Oversight (*RA-OCMO@pa.gov*)

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

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

**Comments of**
**PPL Electric Utilities Corporation**

## I. Introduction

On March 18, 2014, the Pennsylvania Public Utility Commission ("PUC" or the "Commission") issued a Secretarial Letter stating that it intends to amend its existing Regulations at 52 Pa. Code, Chapter 57 to direct Electric Distribution Companies ("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 calendar days or less. The Commission attached a draft of the proposed regulations to the Secretarial Letter and requested that parties provide comments in seven days. Further, the Commission indicated that EDCs will be required to implement the rulemaking within six months of publication in the *Pennsylvania Bulletin,* absent good cause shown. The Commission also stated that the rulemaking will take the form of a "final-omitted" proceeding due to the recent impact of wholesale electricity market prices increases on Pennsylvania consumers, and concerns that similar events could occur again in the immediate future.

The Commission requests that all comments address the proposed changes, the practicality of implementing the proposed changes within six-months of becoming effective and the costs of doing so.

PPL Electric Utilities Corporation ("PPL Electric" or the "Company") is a "public utility" and an "EDC" as those terms are defined under the Public Utility Code, 66 Pa. C.S. §§ 102 and 2803, and is subject to the regulatory jurisdiction of the Commission. PPL Electric furnishes electric distribution, transmission, and default service to approximately 1.4 million customers throughout its certificated service territory, which includes all or portions of twenty-nine counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania. As part of those duties, PPL Electric maintains customer accounts, and administers billing and energy settlement systems that perform the "switching" functions that are the subject of this Proposed Rulemaking.

PPL Electric has been and continues to be a leading proponent of retail electric competition in Pennsylvania. The Company supports the Commission's efforts to create a robust competitive retail market in Pennsylvania. PPL Electric recognizes that, during the extremely cold weather earlier this year, some shopping customers were adversely impacted by the significant price increases permitted by variable-priced contracts. It is the Company's position that the Commission should directly address issues raised by variable rate pricing and their impact on customers. However, these issues should not drive proposals to require EDCs to implement new customer switching requirements without adequate time to analyze and comment on such proposals, particularly where there are other steps which will more directly address these issues and where accelerating switching is unlikely to address these issues.

Moreover, several competing legislative proposals are pending in the General Assembly which address an accelerated supplier switch time. These legislative proposals include differing supplier switch times varying from 14 business days to 5 business days. PPL Electric believes it is important for the Commission to consider the potential impacts of future legislation prior to requiring EDCs to implement a 3-calendar day switch. The potential for legislative mandated switch times presents the Commission and the EDCs with a moving target. If the Commission implements amended switching rules, and, subsequently, legislation is enacted which adopts different switching rules, EDCs could be required to incur additional expense to comply with the new legislative requirements. Before promulgating amendments to its existing customer switching regulations, the Commission should determine whether or not those proposed amendments are likely to be supplanted by legislation.

## II. General Comments and Proposed Approach

In January 2013, pursuant to Commission directive, the Company implemented a shortened confirmation period of 5 days.[1] The 3-calendar day switch time included in the proposed amendments to the Commission's customer switching regulations would eliminate the current confirmation period provided to customers. The customer confirmation period provides customers time to contact the EDC to cancel the switch of a supplier in cases where the customer did not authorize such a switch. It also provides an opportunity for the EDC to rescind a customer enrollment at the request of a customer and/or an EGS. With the proposed elimination of a confirmation period, the Company believes that the critical path of switching activities will preclude it from rescinding an enrollment before service begins.

PPL Electric suggests the Commission consider implementing regulations that would significantly improve consumer protections regarding variable-priced contracts and delay implementation of the proposed changes to its switching regulations. Such an approach would permit the EDCs to perform a more in-depth analysis of the many issues involved in implementing of a 3-calendar day switch. During the Retail Market Investigation ("RMI"), there

[1] *Interim Guidelines Regarding Standards for Changing a Customer's Electricity Generation Supplier,* Docket No. M-2011-2270442 (October 25, 2012).

was discussion about potentially implementing a switch between a customer's regularly scheduled meter read dates ("mid-cycle switch"), but a 3-calendar day switch was never considered. Having only seven days to provide comments on the proposed amendments to the Commission's customer switching regulations, PPL Electric was unable to perform an in-depth analysis of the technical and business requirements needed to support making such a significant change from current practice. For this reason, PPL Electric is able to provide only high-level comments based on available information.

At the outset, PPL Electric notes that its currently deployed smart meters will support an accelerated switch time. However, the Company's billing system currently will not. Specifically, the Company's billing system is not currently able to perform flexible off-cycle billing switches. As explained further below, the Company is able to make certain changes to accelerate customer switching. However, based upon the expedited analysis completed to prepare these comments, the Company has initially determined that supporting 3-calendar day and off-cycle switches will require: (1) significant modifications to the logic of the Company's billing system; (2) a substantial capital investment; and (3) an in-depth analysis to determine the most efficient means to implement the proposed changes.

Although PPL Electric can make the changes necessary to support a 3-calendar day switch window and off-cycle switches, the Company will need to undertake a more thorough analysis of the requirements necessary to achieve the Commission's accelerated switch. Regardless, the Company will not be able to complete the work necessary within the Commission's desired six month implementation window.

Despite the existing limitations posed by the Company's billing system, PPL Electric proposes to undertake interim steps in the short term to accelerate customer switching on the

Company's system. Specifically, PPL Electric proposes to: (a) shorten the Company's current 11-calendar day switch window to a 3-business day switch window; and (b) implement a mid-cycle switch. These interim proposals are described below.

**(a) <u>Implement a 3-business Day Switch Window</u>**

Currently, a switch on PPL Electric's system takes between 11 and 40 calendar days. To achieve an 11-calendar day switch, the customer's change from his or her current supplier (default service or EGS) to another supply option, must be initiated by the supplier 11 calendar days prior to the customer's next regularly scheduled meter read date. However, if the customer's switch is initiated less than 11 calendar days before the customer's next regularly scheduled meter read date, the customer's switch will not occur until the customer's meter read date the following month. For example, a supplier serving a customer with an April 1st meter read date is currently required to initiate a switch on or before March 21st in order to have the switch become effective on April 1st. If the customer's switch is initiated after March 21st, it will not be implemented until the customer's next meter read date or May 1st.

As an interim measure, PPL Electric proposes to reduce the minimum 11-calendar day switch window to 3-business days. This proposal will require that PPL Electric make modifications to its billing system and will take six to eight weeks to complete. However, it will provide customers with more opportunities to initiate switches on PPL Electric's system. Following implementation of the necessary changes to the Company's billing system, a supplier or default service provider will be able to initiate a switch up until 3-business days prior to customer's next regularly scheduled meter read date. Using the example provided above, for a customer with a meter read date of April 1, 2014, a supplier or default service provider which initiates a switch 3-business days prior to that date or March 27th, the customer will be switched to either to a new EGS or back to default service on April 1st. Currently, if the switch is initiated by the supplier or default service provider on March 27th, the Company would not be able to make the switch until May 1st. This proposed enhancement will broaden the window of time in which customers will have to initiate switches, and will minimize the number of customers that will need to wait until their next regularly scheduled meter read date in order to switch.

**(b) <u>Implement Mid-Cycle Switches</u>**

The Company also proposes to provide customers with the ability to make one mid-cycle switch between the customer's regularly scheduled meter read dates. Although PPL Electric's billing system, absent significant upgrades, is unable to support multiple off-cycle customer switches, the system is able to support one switch in addition to the customer's scheduled meter read date. This switch would be an "inflexible" switch in the middle of the customer's monthly billing cycle. Using the same scenario provided above, a customer with a meter read date of April 1st, who requests a switch on March 28th would not be switched until May 1st. However, following further modifications to its billing system, PPL Electric will be able to complete a mid-cycle switch, permitting the customer to switch on April 15th (assuming a 30-day billing cycle) rather than waiting until May 1st. PPL Electric proposes to implement this modification over a period of 9-12 months. PPL Electric estimates that it will cost approximately $1.5 million to implement both the 3-business day switch window and a mid-cycle switch. Although these proposals will not enable customers to make multiple switches within a billing cycle, the enhancements will provide greater opportunities for customers to switch, and in certain instances will result in substantially accelerated switching.

In addition to and separate from implementing the modifications discussed above, the Company requests six months to complete an evaluation of options available to implement the

Commission's proposed a 3-calendar day switch. Specifically, PPL Electric requests the opportunity to evaluate options including outsourcing the billing function, purchasing a new billing system, modifying the current billing system, and transitioning off the current billing system to a more strategic technology platform. PPL Electric believes that customers would be better served if the Company spent the proposed time and resources modernizing its customer systems and completing projects currently in progress that will increase customer service and cost efficiencies, instead of diverting scarce computer programming resources to make extensive changes to an application that is functionally and, to some extent, technically obsolete. The Company will provide the results of this evaluation along with the Company's recommended approach to implementing a 3-calendar day switch to the Commission within six-months, i.e., by September 25, 2014.

In support of this evaluation, PPL Electric also requests the Commission provide clarity regarding the future role of EDCs in terms of billing. PPL Electric recognizes that Section 2807(c) of the *Electricity Generation Customer Choice and Competition Act* permits consolidated EDC billing and separate EDC/EGS billing. Although EDCs are currently responsible for billing, during the RMI there was discussion about supplier-consolidated billing, and the use of a third-party provider for billing. PPL Electric respectfully requests that the Commission clarify that those options are no longer under consideration. Any option for implementing a 3-calendar day switch time frame will undoubtedly result in a significant capital investment and ongoing operating and maintenance expenses. Having clarity around the EDC's future role in billing will help the Company recommend a solution that reflects an appropriate level of investment.

PPL Electric's specific comments and suggestions appear below.

## III. Specific Comments

§ 57.172. Customer Contacts with the EDC.

(1) When a customer or a person authorized to act on the customer's behalf orally contacts the EDC to request a **switch from the current** EGS **product or default service provider to a new selected EGS product**, the EDC shall notify the customer that the EGS **offering the selected EGS product** 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 request a switch from the current EGS product to default service, the default service supplier shall notify the customer that there may be a financial penalty associated with terminating service with the current EGS product. Subsequent to this notice and given express oral consent from the customer, the default service supplier shall enroll the customer onto default service.**

Response:

PPL Electric requests the Commission clarify in subparagraph (1), what is meant by a "Commission-approved program that requires the EDC to initiate a change in EGS service". The Company currently does not have any Commission-approved program that requires the Company to initiate a change in EGS service. For example, the Company's current Standard Offer Program provides that the EGS, not PPL Electric, is responsible for initiating an enrollment EDI transaction to the Company. PPL Electric also notes that the Commission uses the terms "default service supplier" and "default service provider" in its proposed amendments to the customer switching regulations. For consistency purposes, the Company recommends that the Commission only use the term "default service provider."

In addition, PPL Electric notes, relative to subparagraph (2), that its current practice is to direct a customer who requests to switch from an EGS back to default service to contact his or her EGS to initiate the switch. This process properly provides an opportunity for the EGS to inform the customer of any potential fees or penalties associated with the customer's request to return to default service. This process also provides the EGS with the responsibility to initiate an electronic customer drop transaction to the EDC. Further, PPL Electric notes that subparagraph (2) states: "Subsequent to this notice and given express oral consent from the customer, the default service supplier shall enroll the customer onto default service." This requirement, if approved, would result in a change in the Company's practice. Currently PPL Electric only initiates a drop for "slamming" complaints. Under the proposed regulations, PPL Electric would be required to initiate the electronic customer drop notice to the customer's current EGS, for any customer request, including if the customer simply changed their mind. PPL Electric believes that, outside of "slamming" complaints, all customer switches back to default service should be initiated by the customer through its EGS. This avoids placing the EDC in between the customer and the customer's current EGS.

§ 57.173. Customer contacts an EGS to request a change in electric supply service [with EGSs].

When [a contact occurs between] a customer or a person authorized to act on the customer's behalf [and] **contacts** an EGS to request a **switch from** [a change of] the **current** EGS **product or default service provider to a new selected EGS product**, [upon receiving direct oral confirmation or written authorization from the customer to change the EGS, the contacted EGS shall] **the following actions shall be taken by the EGS offering the selected EGS product and the customer's EDC:**

(1) **The EGS offering the selected EGS product shall** [N]**n**otify the EDC of the customer's EGS selection **at the end of the 3-business day rescission period provided in § 54.5(d) (relating to disclosure statement for residential and small business customers) with customer consent or a future date that will initiate supply service with the selected EGS product on the date specified by the customer. If no consent for the 3-business day hold or other delay is given by the customer, then the EGS offering the selected EGS product shall notify the EDC** by the end of the next business day following the customer contact.

(2) Upon receipt of this notification, **or notification that the customer has authorized a switch to default service,** the EDC shall send the customer a confirmation letter noting the proposed change of EGS **or EGS product, or the switch to default service**. [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 **selected** EGS **product or default service** 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 notification of the customer's selection of an EGS.

Response:

If the Commission amends the customer switching regulations to permit customers to switch EGSs within 3-calendar days, it is likely that a customer would receive the confirmation letter provided for in Section 57.173 from the EDC confirming the switch of suppliers after the switch occurs. This effectively eliminates the opportunity for the customer to "confirm" his or her selection of an EGS, as the customer will not have time to react. As such, there could be an increased risk of slamming complaints, which would result in more customer calls to the EDC's Contact Center and back-office work for the EDC in the form of cancel/rebills. In addition, an increase in slamming complaints would be counter-productive to the Company's and the Commission's efforts to promote shopping, because slamming complaints can negatively impact customers' experience with Pennsylvania's retail electricity market. Moreover, eliminating the customer's confirmation period could lead to an increase in slamming complaints filed with the Commission.

PPL Electric notes that subparagraph (2) provides that a notice must be sent by the EDC to inform the customer of the date of service with the newly selected EGS product. This is not feasible because EDCs are not aware of EGS product changes, unless there is a change in bill options. Therefore, EDCs will not be able to provide the required letter to those customers that elect a new EGS product.

§ 57.174. Time frame requirement.

(1) When a customer or authorized party has provided the EGS **offering the selected EGS product** with oral confirmation or written authorization to [change] **select the new** EGS[s] **product or move from default service, or a customer or authorized party has provided the current EGS with oral confirmation or written authorization to return the customer to default service,** consistent with electric data transfer and exchange standards, the EDC shall make the change [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**.

(2) **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.**

Response:

The seven day comment period provided by the Commission to evaluate the proposed amendments to the Commission's customer switching regulations is insufficient for PPL Electric to properly evaluate implementing a 3-calendar day switch. Indeed, the Commission's proposed amendments to the existing customer switching regulations represent a significant change to the current customer switching process and will require substantial modifications to the Company's billing system. These modifications will take a considerable amount of time to implement and, in the seven days provided, the Company cannot estimate the costs to implement off-cycle customer switches but anticipate the cost will be significant. Therefore, PPL Electric requests that the Commission provide EDCs with adequate time to analyze options for implementing a 3-calendar day switch. PPL Electric acknowledges that during the RMI process, there were discussions regarding implementing mid-cycle switches. However, until the release of the Commission's March 18th Secretarial Letter, there have been no discussions relative to implementing a 3-calendar-day switch. Additional time would allow the Company to confirm computer programming requirements, and help to ensure the Company is able to formulate a cost-effective implementation plan. For these reasons, it is PPL Electric's position that the Commission, EDCs and customers would benefit from a more thorough analysis of implementing such a change.

Indeed, in the short time allowed to respond to this Secretarial Letter, PPL Electric has confirmed that the Company's current billing system would require significant modification to the system's logic because the logic has a limit of one supplier of record per bill. According to the vendor of the Company's specific billing system, such an overhaul to the logic of the system to accommodate off-cycle switches has not been completed by any other company. For this reason, PPL Electric was unable to obtain a reliable estimate of the cost and time frame required to implement a 3-calendar day switch time using its current billing system. In consultation with the Company's billing system vendor the Company believes a modification of this magnitude would require a substantial capital investment and more than six months to implement.

Given the significant estimated cost and extensive time frame required to implement a 3-calendar day switch in its billing system, PPL Electric instead proposes to implement the changes outlined in Section II (a) and (b) of these comments. By broadening the time period by which customers can initiate switches and enabling customers to make a switch between scheduled monthly meter reads, these changes will accelerate the customer switch time on PPL Electric's system.

PPL Electric estimates that it will cost approximately $1.5 million to implement the changes required to provide customers with the ability to switch once between their regularly scheduled monthly meter reads. Included in the $1.5 million, the Company estimates that it could also implement a reduction of the current 11-calendar day switch window down to 3-business days. That change will require 6-8 weeks to implement. The Company estimates that it will take between 9-and 12-months to implement mid-cycle switches in its current billing system. The Company evaluated whether it could implement mid-cycle switches in 6 months but determined, given the risks and uncertainties associated with implementing a mid-cycle switch, the Company could not commit to a 6 month time frame for implementing its proposed mid-cycle switch. Specifically, PPL Electric has identified the following risks/concern areas associated with modifying its billing system for a mid-cycle switch:

- Given limited technical resources, it would result in lost opportunities for developing and implementing other required regulatory IT capital project work, such as seamless move/instant connects, as well as discretionary IT capital work aimed at improving customer service.
- The use of demand rates and fixed monthly charges in the generation or transmission portions of the bill (i.e., those portions of the bill that would be split between two different suppliers) is likely to be problematic because the customer

could be billed two demand charges and/or two monthly charges in the same month. This may conflict with the Commission's regulations on billing standards.

- Assuming a 3-calendar day switch time, PPL Electric requests Commission clarification around the priorities of handling switch requests and assignment of suppliers.
- Unmetered accounts such as street lighting would not be implemented in the 9-12 month initial implementation phase, but instead be delayed until a second phase.

The Company also requests that the Commission change the proposed requirement of 3-calendar days to 3-business days. Without this change, the Company would be required to provide additional resources in order to perform PJM scheduling on weekends. In addition, the Company would need to ensure EDI processing on the weekends.

As discussed above, the proposed amendments to the Commission's customer switching regulations would result in eliminating the current customer confirmation period. The elimination of the confirmation period will result in the Company no longer being able to rescind a customer's enrollment before service begins. The Company's inability to rescind customer enrollments, prior to the customer's scheduled meter read date is driven by PJM requirements relative to timely submittal of installed capacity ("ICAP") and network integration transmission service ("NITS") tag values to PJM on behalf of suppliers. PJM uses ICAP and NITS information to invoice suppliers. PJM requires EDCs to submit ICAP and NITS tag values two days in advance of the effective date. PJM does not allow ICAP and NITS information to be reconciled at a future date. In the event that PPL Electric would rescind a customer enrollment transaction after submitting ICAP and NITS tag values on behalf of a supplier, the supplier could be required to pay for capacity and transmission costs associated with a customer they will not be serving. PPL Electric does have the ability to reschedule and correct eSchedules through PJM's Settlement A and Settlement B reconciliation process. However, these settlements relate to energy and not to ICAP and NITS values. PPL Electric believes having an EDC retain the ability to process customer rescissions is important to maintaining a smoothly functioning retail competitive market.

The proposed regulation also addresses the potential use of estimated bills by EDCs. PPL Electric's meters support an accelerated switch time. PPL Electric currently bills on actual meter read data for over 99.8% of its customer bills. In 2013, there were only 41,220 estimated bills out of a total of 16,927,195 customer bills. Subparagraph (2) states: "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." Given the Company's ability to use actual meter read data for billing on the majority of customer bills, the Company requests clarification as to whether it is the Commission's intention to require updates for all estimated bills. Even with a relatively low percentage of estimated bills, this would result in the need for significant back-office work in the form of cancel/rebills.

As stated earlier in its comments, the Company requests six months to complete an evaluation of options for implementing a 3-calendar day switch. This would enable PPL Electric to properly evaluate options, including outsourcing the billing function, modifying its current billing system, purchasing a new billing system, and transitioning off its current billing system to a more strategic technology platform. The Company will provide this evaluation along with the results of the Company's evaluation for a recommended approach around implementing a 3-calendar day switch to the Commission within six-months, *i.e.*, by September 25, 2014.

§ 57.178. Record maintenance.

(1) Each EDC and each EGS shall preserve all records relating to unauthorized change of EGS disputes for 3 years from the date the customers filed the dispute. These records shall be made available to the Commission or its staff upon request.

**(2) The default service provider shall retain all records relating to situations as described in § 57.172 for 3 years from the date of the customer contact with the default service provider. These records shall be made available to the Commission or its staff upon request.**

Response:

PPL Electric currently retains "contacts" recorded in its billing system for a period of 6 years. However, PPL Electric only retains customer recordings for 120 days (or 1 year in the case of a dispute). Under this provision, PPL Electric would be required to retain customer recordings for three years from the date of the customer contact as evidence of the Company receiving "oral consent" from the customer for the switch to default service. It would also require the Company to track and maintain documentation of oral consent, as well as re-training Customer Service Representatives and developing new scripts for Customer Service Representatives.

## IV. Cost Recovery

In proposing the amendments to the existing customer switching regulations, the Commission states in its March 18th Secretarial Letter that, "[c]ost recovery for implementation is anticipated to be addressed in each EDC's next base rate proceeding." As discussed above, PPL Electric at this time cannot estimate what it will cost the Company to implement off-cycle customer switches but the cost will be significant. For EDCs to undertake significant investments to implement the Commission directed modifications to enable off-cycle customer switches, requires firm assurance that they will be permitted to fully recover all reasonable costs associated with implementing the proposed modifications. Absent such a determination by the Commission, a party to an EDC's next base rate case could propose disallowance of some or all of the EDC's costs to implement the proposed modifications to the Commission's customer switching regulations. Such a result would be patently unfair because the EDC simply is complying with the Commission's revised regulations. Therefore, PPL Electric requests that the Commission affirmatively state, should the Commission proceed with the proposed revisions to its regulations, that EDCs will be permitted to fully recover all reasonable costs associated with implementing the proposed modifications to the Commission's customer switching regulations.

## V. Conclusion

PPL Electric appreciates the opportunity to comment on this Proposed Rulemaking. As stated above, the Company supports the Commission's efforts to accelerate the switching window. Although PPL Electric understands and shares the Commission's concern regarding the impact wholesale electricity market prices have on retail electric customers that are subject to variable price contracts, PPL Electric does not believe that EGS variable priced contracts should result in the Commission requiring significant changes to its existing customer switching regulations. Indeed, as addressed in these comments, PPL Electric was unable to perform a thorough analysis of the proposed amendments to the Commission's customer switching regulations in the seven day comment period provided. The limited comment period is insufficient for EDCs and the Commission to thoroughly assess what changes will be required to implement the proposed 3-calendar day switch and to determine the costs associated with implementing the reduced switching time. The Company's smart meter functionality supports a shortened switch time. However, the logic and capabilities of the Company's current billing system do not readily support such a change. Due to the significant modifications that would be required to the Company's billing system to support a 3-calendar day switch time frame, the Company is committed to implementing in a period of six to eight weeks, a shortening of the current 11-calendar day switching window to 3-business days and, in a period of 9-12 months, a one-time switch in addition to the customer's scheduled meter read date. In addition, the Company intends to perform an in-depth analysis of options for a more flexible billing system that would better position the Company in the future.

Respectfully submitted,


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