



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166  
Tel: 717.232.8000 • Fax: 717.237.5300

Pamela C. Polacek  
Direct Dial: 717.237.5368  
Direct Fax: 717.260.1736  
ppolacek@mwn.com

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 Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company regarding the above-referenced proceeding.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Pamela C. Polacek', is written over the typed name. The signature is fluid and cursive.

Pamela C. Polacek

Counsel to Citizens' Electric Company of  
Lewisburg, PA and Wellsboro Electric Company

/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  
CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA, AND  
WELLSBORO ELECTRIC COMPANY**

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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.

Citizens' Electric Company of Lewisburg, PA ("Citizens"), and Wellsboro Electric Company ("Wellsboro") (collectively, "Companies") submit these Comments in response to the Proposed Rulemaking. As small jurisdictional EDCs, any modifications to the Commission's

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

standards for changing a customer's EGS will impose significant compliance obligations on Citizens' and Wellsboro.

## II. COMMENTS

The Commission proposes to modify 52 Pa. Code § 57.174 to accommodate mid-cycle switching. As set forth in the Proposed Rulemaking Order, when a customer has authorized an EGS to provide a selected EGS product, the EDC must make the change within 3 calendar days of receipt of the electronic enrollment transaction "consistent with electric data transfer and exchange standards." The 3-day, mid-cycle switching timeframe contemplated in the Proposed Rulemaking marks a significant departure from the Commission's current requirements, which require a 5-day waiting period prior to implementing the switch "at the beginning of the first feasible billing period."<sup>2</sup> Pursuant to the Secretarial Letter accompanying the Proposed Rulemaking, EDCs will be required to implement these changes within six months of publication in the *Pennsylvania Bulletin*, absent good cause shown.

### A. The Companies Should Be Exempted from Mid-Cycle Switching At This Time

If the Commission adopts the mid-cycle switching requirements set forth in the Proposed Rulemaking, Citizens' and Wellsboro request that the Commission exempt the Companies from the six-month compliance period referenced in the Secretarial Order to allow for completion of their ongoing Electronic Data Interchange ("EDI") project and for further exploration of the PJM Interconnection L.L.C. ("PJM") coordination process that will be needed to accommodate the

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<sup>2</sup> The current regulations establish a 10-day confirmation period. 52 Pa. Code § 57.174. The Commission recently shortened the confirmation period from 10 days to 5 days on an interim basis, and expressed its intent to open a full rulemaking to address permanent modifications to the switching regulations. *See Interim Guidelines Regarding Standards for Changing a Customer's Electric Generation Supplier*, Docket No. M-2011-2270442, Final Order (Oct. 24, 2012).

proposal.<sup>3</sup> At a later date, once EDI has been implemented, Citizens' and Wellsboro will be better positioned to evaluate the potential burdens and costs of potentially being required to monitor and update PJM on a daily basis of the assignment of each account to either an EGS or default service.

Citizens' and Wellsboro currently are working with their billing and information services vendor to implement EDI, which will greatly enhance the ability of EGSs to enter the Companies' service territories. Citizens' and Wellsboro anticipate that their EDI systems will be fully functional during the 2<sup>nd</sup> Quarter of 2015. The current operational plans include mid-cycle switches in the EDI functionality, and the Companies have been informed by their vendor that mid-cycle switches can be accommodated upon implementation. Accordingly, Citizens' and Wellsboro request that the Commission exempt the Companies from compliance with the proposed mid-cycle switching regulations until EDI is operational.

Mid-cycle switching for Wellsboro will be further complicated by proposed Section 57.174(2), which requires that "[t]he EDC shall obtain a meter read to effectuate the switch of EGS service within the [3-day] time period." Facilitating mid-cycle meter readings for EGS switching will be burdensome for Wellsboro in light of its ongoing rollout of smart meters to all customers, which will not be completed for 3-5 years.<sup>4</sup> In the interim, Wellsboro submits that it will endeavor to comply with the Commission's regulations once EDI becomes operational using the provisions for EDCs lacking advanced or automated metering capability set forth in proposed Section 57.174(2).

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<sup>3</sup> Pursuant to Commission waiver, Citizens' and Wellsboro are exempt from the Commission's EDI compliance requirements until such time as 25% of the Companies' customers are being served by an EGS. *See In re Citizens' Elec. Co.*, 1999 WL 1331308 (Nov. 19, 1999).

<sup>4</sup> Citizens' deployed smart meters in its entire service territory.

Even with EDI and smart meters, the Companies must evaluate the procedures for and potential administrative burden of monitoring each account's status as an EGS or default service account. The Companies must also evaluate the administrative challenges associated with a daily update process to communicate changes to PJM for capacity and transmission obligation assignment, as well as forecasting, scheduling and reconciliation. With customer shopping non-existent, but on the near horizon, the Companies have started the process to confirm their coordinating obligations for these activities based on the assumption that changes will occur up to four times per month (*i.e.*, on the meter read dates that correspond with the bill cycles in each territory). The potential implementation of changes on every day of the month if customers can freely change mid-cycle adds a layer of complexity that the Companies have not fully assessed at this time.<sup>5</sup> For all of these reasons, Citizens' and Wellsboro request that the Commission exempt the Companies from any adopted mid-cycle switching requirements resulting from this proceeding.

In order to ensure that the Commission remains apprised of Companies' progress in addressing the administrative challenges posed by mid-cycle switching, Citizens' and Wellsboro propose to file a report with the PUC with respect to these issues on or before June 1, 2015. The Companies' report will offer an updated assessment of their ability to perform mid-cycle switching and, if feasible, will identify how mid-cycle switching can most efficiently be accommodated.

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<sup>5</sup> The Companies also urge the Commission to carefully consider whether the "3 calendar day" switching period sufficiently accommodates the time needed to modify the EDC's PJM transmission and capacity obligations. As set forth in proposed Sections 57.173-174, the timeline for completing a request to change a customer's EGS is as follows: (1) the EDC receives a request to return to default service or an EGS transmission to enroll/change customer; (2) the EDC issues a confirmation letter by the end of the next business day, including the date that the service will begin; (3) the EDC makes the change within 3 calendar days of the receipt of the electronic enrollment transaction. While 3 calendar days may be sufficient to effectuate the switch in service for the customer, it may not be sufficient to reflect the necessary corresponding changes to the EDC's generation and capacity obligations.

**B. Each Customer Should Be Allowed Only One Mid-Cycle Switch Per Month**

Upon implementation of the proposed mid-cycle switching regulations, Citizens' and Wellsboro suggest that the Commission limit the customer to one mid-cycle switch per billing cycle. Permitting customers and EGSs to engage in multiple mid-cycle switching will create complications for EDCs' billing systems and will result in confusion on the ultimate customer bill. Additionally, the Companies note that if a second product for a billing cycle is not supported by the Companies' consolidated billing system, then the customer will need to obtain an EGS bill for that product. For example, an EGS bill will be required if the customer is switching from a fixed price product (which can be billed through rate ready consolidated billing) to an hourly or block/index product.

**C. The Commission Should Revise the Recordkeeping Requirements in Proposed Section 57.198(2)**

In addition to the mid-cycle switching provisions, the Proposed Rulemaking would amend Section 57.198(2) to require EDCs, as default service providers, to "maintain all records relating to situations as described in § 57.172 [regarding customer contacts with the EDC] for 3 years from the date of the customer contact." Records of customer interactions under proposed Section 57.172(2) (regarding changes back to default service) can easily be maintained by EDC customer service representatives, given that those interactions will involve an EDI transaction. Conversely, customer interactions under proposed Section 57.172(1) (requiring EDCs to inform customers requesting a new or different EGS product to directly contact the EGS) do not involve an EDI transaction, and the Companies' do not currently maintain records of such customer interactions. Given the burdensome nature of such recordkeeping and the lengthy retention period proposed, the Companies request that the Commission eliminate the proposed

requirement to track and retain for 3 years all customer interactions under proposed Section 57.172(1).

**D. The Commission Should Clarify the Impact of the Proposed Deletion of Current Section 57.175 (Persons Authorized to Act on Behalf of a Customer)**

The Proposed Rulemaking would also 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. This section appears to be useful to allow the customer of record to designate people who are authorized to enter into transactions for the account. In the absence of this provision, Citizens' and Wellsboro request that the Commission clarify whether EDCs should revert to allowing only the customer of record to make changes to an account.

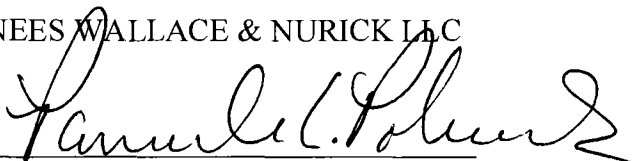
**III. CONCLUSION**

**WHEREFORE**, Citizens' Electric Company of Lewisburg, PA, and Wellsboro Electric Company respectfully request that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing Comments.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By



Pamela C. Polacek (Attorney I.D. #78276)

Elizabeth P. Trinkle (Attorney I.D. # 313763)

McNees Wallace & Nurick LLC

100 Pine Street

Harrisburg, PA 17108-1166

Phone: 717.232.8000

Fax: 717.237.5300

[ppolacek@mwn.com](mailto:ppolacek@mwn.com)

[etrinkle@mwn.com](mailto:etrinkle@mwn.com)

Counsel to Citizens' Electric Company of  
Lewisburg, PA, and Wellsboro Electric Company

Dated: March 25, 2014