**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

 Public Meeting held May 22, 2014

Commissioners Present:

 Robert F. Powelson, Chairman

 John F. Coleman, Jr., Vice Chairman

 James H. Cawley

 Pamela A. Witmer

 Gladys M. Brown

Investigation of Pennsylvania’s M-2014-2401345

Retail Electricity Market:

Joint Electric Distribution Company –

Electric Generation Supplier Bill

**FINAL ORDER**

BY THE COMMISSION:

With this Order, the Pennsylvania Public Utility Commission (Commission) adopts changes to electric distribution company (EDC) bills, based on recommendations from the Commission’s Office of Competitive Market Oversight (OCMO) for developing a more supplier-oriented utility consolidated electric bill. Specifically, OCMO recommends the inclusion of the electric generation supplier’s (EGS) logo on the bill; the expansion of bill messaging space allotted to EGSs; and the inclusion of a Shopping Information Box. The Commission believes that these three initiatives will aid customers in not only developing a stronger recognition of, and relationship with, their EGS, but will also increase customer awareness when participating in the competitive retail electric market.

# BACKGROUND AND HISTORY OF THE PROCEEDING

 In its Order entered April 29, 2011, the Commission initiated an investigation into Pennsylvania’s retail electricity market.[[1]](#footnote-2) The April 29 Order tasked OCMO, with the input of stakeholders, to study how best to address and resolve issues identified by the Commission as being most relevant to improving the current retail electricity market.

 Following a series of stakeholder technical conferences and *en banc* hearings, as well as the formal solicitation of comments, the Commission provided its proposed model for default electric service. On November 8, 2012, the Commission entered a Tentative Order that issued for public comment a proposed end state model for default electric service in Pennsylvania.[[2]](#footnote-3) In its Tentative Order, the Commission proposed, among other things, that, by July 1, 2013, OCMO would provide a recommendation to the Commission as to how to proceed with making supplier consolidated billing (SCB) available as a billing option. At the same time, the Commission emphasized that it was proposing SCB as a billing option only. As such, SCB would not be replacing the other billing options that are currently available (utility consolidated billing and dual billing).[[3]](#footnote-4)

 Following its review of the comments provided by stakeholders on all proposals included in its End State Tentative Order, the Commission adopted its End State Final Order.[[4]](#footnote-5) The Commission recognized the complexities involved in implementing SCB in a competitive retail market. Accordingly, the Commission revised its recommendation regarding SCB. Instead of directing OCMO to provide recommendations on the implementation of SCB by July 1, 2013, the Commission directed OCMO to provide recommendations, by the end of 2013, on how the current utility-consolidated bill can be more supplier-oriented.[[5]](#footnote-6) OCMO’s inquiry could include, but not be limited to, making the EGS’s information more prominent; including the EGS’s logo on the electric distribution company (EDC) bill; providing increased spacing for EGS messaging and potentially allowing EGS bill inserts. The Commission stated that the “expected end-result would look more like a joint EDC-EGS bill.”[[6]](#footnote-7)

 On March 25, 2013, OCMO informally solicited comments from stakeholders regarding ideas and concerns on how to make the current utility-consolidated bill more supplier-oriented. On October 16, 2013, the Emerging Leaders OCMO Subgroup held a stakeholder conference call to discuss certain informal recommendations. Specifically, feedback was solicited regarding the inclusion of an EGS’s logo on the bill; the expansion of the EGS’s bill messaging space; the inclusion of EGS inserts in bills; the inclusion of a shopping box on bills with all the information a customer would need to shop; and the inclusion of multiple billing lines for EGS blocked and/or time of use (TOU) rates.

 Following a review of the informal comments provided, OCMO prepared its recommendations for the Commission’s approval. Specifically, on February 6, 2014, the Commission issued for comment a Tentative Order outlining its proposed changes to create a more supplier-oriented utility consolidated electric bill. The Commission requested comments on the following recommendations: the inclusion of the EGS’s logo on the bill; the expansion of bill messaging space allotted to EGSs; and the inclusion of a Shopping Information Box. We also addressed the issues OCMO identified, including the idea of including EGSs inserts within the bills. The Commission requested specific cost estimates and recovery proposals on its recommendations, as well as any additional proposals provided within comments. Lastly, the Commission proposed that the changes be implemented no later than June 1, 2015, and requested comments on the feasibility of meeting that deadline. Comments on the Commission’s proposals were due March 10, 2014, with reply comments due March 24, 2014.

 The following parties submitted comments: Citizens’ Electric Company of Lewisburg, PA and Wellsboro Electric Company (collectively, Citizens’ and Wellsboro); Citizens for Pennsylvania’s Future (PennFuture); Citizen Power; Constellation NewEnergy, Inc. (Constellation); Duquesne Light Company (Duquesne); Energy Association of Pennsylvania (EAP); Ethical Electric, Inc. (Ethical); FirstEnergy Solutions Corp. (FES); 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 (collectively, Industrials); Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, FirstEnergy); National Energy Marketers Association (NEM); Noble Americas Energy Solutions, LLC (Noble); Office of Consumer Advocate (OCA); Office of Small Business Advocate (OSBA); Park Power, LLC (Park Power); PECO Energy Company (PECO); Pennsylvania Energy Marketers Coalition (PEMC); Pennsylvania Utility Law Project (PULP); Pike County Light and Power Company (PCL&P); PPL Electric Utilities Corporation (PPL); Retail Energy Supply Association (RESA); and UGI Utilities, Inc. – Electric Division (UGI).

 The following parties submitted reply comments: FES; FirstEnergy; Industrials; OCA; PCL&P; PECO; PULP; and RESA.

# DISCUSSION

 Upon review of the comments filed in response to our Tentative Order, the Commission has adopted the following recommendations to create a more supplier-oriented utility consolidated bill: inclusion of the EGS’s logo; expansion of EGS bill messaging space; and inclusion of a Shopping Information Box. We discuss below those changes that will be directed in this Final Order and address certain proposals that we will not implement. Any recommendations not discussed herein should be deemed to be denied and, accordingly, will not be adopted by this Commission.

**A. Recommendations**

 **1. Inclusion of the EGS’s Logo**

 **a. Inclusion of the Logo**

 In its End State Final Order, the Commission directed OCMO to review, among other methodologies, the inclusion of an EGS’s logo on the utility-consolidated bill. After a review of the informal comments provided by stakeholders, the Commission recommended the placement of the EGS logo on the EDC bill. The Commission believed the inclusion of the logo would make the EGS’s information more noticeable and would increase customer awareness of their selected EGS. The Commission also believed that the presence of an EGS logo on the EDC bill would strengthen the relationship between the customer and their selected EGS. In the tentative proposal, the EGS logo could either be in black and white or in color.

 The informal comments did not indicate any major technical obstacles to placing an EGS logo on the EDC bill. However, concerns were raised by stakeholders regarding the cost of logo inclusion. One EDC provided an estimate of 80-120 hours of work at $150 per hour per supplier for getting an EGS logo placed on the bill. Though these estimated costs and the associated recovery are concerns, the Commission believed the benefits to having an EGS logo on the EDC bill may be worth the costs. Therefore, the Commission proposed for comment the inclusion of the EGS logo on utility-consolidated bills.

 **i. Comments**

 An overwhelming majority of the parties agree with including the EGS logo on the EDC bill. NEM Comments at 2; FES Comments at 1-2; Constellation Comments at 2; Park Power Comments at 2; Citizen Power Comments at 1; RESA Comments at 2-3. FES requests confirmation that the inclusion of an EGS’s logo is voluntary for EGSs. FES Comments at 1. The EDCs generally are not in disagreement with the inclusion of the EGS logo and provided comments regarding its placement, coloring and cost. EAP Comments at 3; PPL Comments at 2-4; PECO Comments at 2; FirstEnergy Comments at 2; Duquesne Comments at 2-3; PCL&P Comments at 2-3.

PULP questions whether the inclusion of the EGS logo in an attempt at solidifying the relationship between a customer and a particular EGS is a valid goal to be pursued in the context of encouraging customers to switch from one EGS to another. PULP also argues that the inclusion of the EGS logo simply acts as a marketing tool for the EGSs. PULP Reply Comments at 3.

 **ii. Disposition**

 Based on the feedback received, the Commission still believes EGS logo should be provided on the EDC bill. Although placing the EGS logo on a utility-consolidated bill aids the customer in developing a stronger recognition of his or her EGS, the Commission does not view allowing an EGS to include its logo on the EDC bill as a marketing tool to obtain new customers. The affected bills are for those customers who *have already* shopped and *have already* enrolled with an EGS. An EGS cannot randomly place its logo on a bill in a marketing effort to acquire a customer. Placing the EGS logo on the EDC bill reinforces the bond between the *existing* customer and their selected EGS, and will serve as a reminder of the relationship for those customers who may have forgotten about their selected EGS. We would like to clarify that it will be voluntary for an EGS to include its logo on customer bills.

 **b. Placement of the Logo**

 In addition to soliciting comments on the inclusion of the EGS logo on the utility-consolidated bill, the Commission also requested comments on the placement of that logo.

 **i. Comments**

While a vast majority of parties agree with adding the EGS logo to the EDC bill, there is some disagreement regarding where the logo should be placed. EAP, PPL, PECO, FirstEnergy and Duquesne believe that the EGS logo should be placed by the EGS’s generation charges on the bill. For some EDCs, this would require the placement of the EGS logo on the back of the first page of the bill or on the second page of the bill. EAP Comments at 3; PPL Comments at 2-4; PECO Comments at 2; FirstEnergy Comments at 2; Duquesne Comments at 2-3.

RESA disagrees with those EDCs who want to put the logo on the second page of the bill while the EDC logo is on the first page. RESA argues that this would lead to an EGS appearing inferior to the EDC. RESA Reply Comments at 2.

 **ii. Disposition**

The Commission believes it is practical to place the EGS logo near the EGS’s charges. While the Commission suggests putting the EGS logo next to the EGS’s charges, we will allow the individual EDCs to determine the exact location of the logo on the utility-consolidated bill. However, as outlined later in this Order, the Commission is requiring the EDCs to provide draft bills to OCMO for its review and approval before the new bills may be disseminated.

 **c. Inclusion of the Logo on Billing Envelopes**

 While the Commission did not propose the inclusion of the EGS logo on the billing envelopes, we did solicit other recommendations, among which was a proposal suggesting that EGS logos appear on the joint bill envelope. We will address this proposal below.

 **i. Comments**

 As indicated above, RESA suggests that the EGS logo appear not only on the bill but also on the envelope used to send the bill to the customer. RESA Comments at 2.

FirstEnergy argues that they use stock envelopes and to include the EGS logo on the envelope as suggested by RESA would require FirstEnergy to maintain stock envelopes for each EGS utilizing the utility-consolidated bill for the collection of generation charges. Additionally, FirstEnergy argues that its billing equipment does not have the functionality to sort bills by EGS in association with the correct envelopes. This presents limitations similar to those raised by FirstEnergy regarding the ability to include EGS-sponsored inserts. FirstEnergy Reply Comments at 2.

PECO states that including a logo on the bill envelope increases the risk that the customer discards the bills as a marketing piece without realizing that it is, in fact, a bill for services. PECO also explains that it purchases preprinted envelopes in discounted bulk, as all PECO envelopes are identical. If PECO were required to print the EGS logo on the envelopes, it avers that it would need to purchase additional printing equipment at a cost of $2.5 million. PECO Reply Comments at 2.

PULP submits that the inclusion of the EGS logo on the mailing envelope would lead to greater levels of customer confusion regarding which entity is responsible for each respective charge. PULP Reply Comments at 4.

PCL&P agrees with the comments provided by PECO and FirstEnergy and states that requiring EGS logos on envelopes will result in significantly increased costs. PCL&P Reply Comments at 2-3.

 **ii. Disposition**

 The Commission agrees with the comments provided by the EDCs and others that the addition of an EGS logo on EDC billing envelopes may create customer confusion as the customer may believe it is marketing material. We further agree with FirstEnergy that EDC billing equipment may not have the current capability to sort bills by EGS in association with correct envelopes. Therefore, we are not, at this time, recommending the inclusion of the EGS logo on the EDC billing envelopes. RESA was not persuasive in its arguments to justify the potential costs and customer confusion associated with such a directive.

 **d. Coloring of the Logo**

 Lastly, the Commission requested comments regarding whether the EGS logo should appear in color or in black and white.

 **i. Comments**

 FirstEnergy and UGI both state that their systems could accommodate an EGS logo in black and white. FirstEnergy Comments at 2; UGI Comments at 2-3.

PECO recommends integrating a high resolution black and white logo on EDC bills due to the costs associated with a color set up in the middle of black and white bills. PECO Comments at 3-4.

PPL states that the second page of its bill is currently printed in black and white and that, if the back of the first page were printed in color, the estimated net incremental annual cost would be approximately $102,000. PPL Comments at 4.

Duquesne states that its bill print function is in black and white only. Duquesne Light Comments at 3.

RESA and PEMC believe that if the EDC logo is in color, then the EGS logo should also be in color. RESA Comments at 3; PEMC Comments at 2-3. RESA does not agree with EDC proposals that include EGS logos in black and white if the EDC logo is in color; or that an EGS logo be smaller in size compared to the EDC logo located elsewhere on the bill. RESA Reply Comments at 2.

 **ii. Disposition**

 The Commission recognizes the costs to EDCs associated with including EGS logos, the Shopping Information Box and the expanded the EGS bill messaging on existing bills. While we encourage EDCs to seriously explore the feasibility of including EGS logos in color in order to grab the customer’s attention, we also recognize the difficulties of such an endeavor. We also recognize the increased costs of such a billing change when compared to black and white presentation. Accordingly, and in order to minimize costs for EDCs and their ratepayers, the Commission will give EDCs the flexibility to determine whether the EGS logo on the EDC bill should be in black and white or in color based on its own system capabilities and the projected costs of one option versus the other.

 **2. Expansion of EGS Bill Messaging Spacing**

 In its Tentative Order, the Commission recommended expanding EGS bill messaging space to provide residential and small business customers with more information. Specifically, the Commission recommended doubling the amount of available space from two (2) to four (4) lines on each EDC’s bill. In doing so, the Commission encouraged collaboration among EDCs and EGSs to ensure that the additional bill messaging space can be formatted within the framework of current EDC bills, most of which are one or two pages.

 **a. Comments**

Nearly all commenters are supportive or unopposed to the inclusion of additional bill messaging space, including the state’s largest EDCs – Duquesne, FirstEnergy, PECO and PPL. Duquesne Comments at 4-5; FirstEnergy Comments at 3-4; PECO Comments at 4-5; PPL Comments at 5-6. Among smaller EDCs, PCL&P is supportive of this change, pointing out that it already provides EGSs with 460 characters of bill messaging space. Conversely, UGI was the only EDC not supportive of increased bill messaging space, citing concerns with increased pages and costs, as well as its inability to accommodate messages directed toward specific groups. PCL&P Comments at 4; UGI Comments at 3.

While broadly supportive of additional bill messaging space for EGSs, the EDCs raise several issues regarding implementation of this initiative. The EAP emphasizes the need for flexibility and collaboration in order to account for variances across the EDCs. Several EDCs reaffirmed their desire to avoid additional costs by keeping the current bill platform of text and numbers only without graphics. EAP Comments at 4. Duquesne adds that the messaging should be static across rate classes and should only be updated once per billing cycle. Duquesne Comments at 4-5.

 Only PECO comments on the need for EDI/formatting changes in order to effectuate the change, which it believes should be limited to no more than 80 characters. However, PECO does not deem these changes to be cost-prohibitive. PECO Comments at 4-5.

 Among consumer advocacy groups, the OCA supports the Commission’s intent to pursue the initiative without increasing the number of bill pages, though it cautions that increased EGS bill messaging should not detract from EDC messaging and/or any mandated disclosures on the customer’s bill. OCA Comments at 4-5.

Comments from the supplier community support the Commission’s desire to expand bill messaging space for EGSs. RESA supports expansion consistent with EDC messaging in font size, color, etc., and requests that EDCs consider including EGS bill messaging space near the bill line delineating generation charges. NEM and PEMC highlight the benefits of enabling EGSs to communicate information on specific programs, such as energy efficiency and conservation, or value-added products, such as renewable energy products. RESA Comments at 3-4; NEM Comments at 3; PEMC Comments at 3.

Several commenters, including both EDCs and EGSs, support the idea of including the customer’s contract expiration date on the EDC bill; however, opinions vary on the placement of the expiration date. Park Power and Citizen Power recommend including the contract expiration date in the Shopping Information Box. Park Power Comments at 3-4; Citizen Power at 1. Meanwhile, several EDCs, led by FirstEnergy and PECO, support the recommendation of including EGS contract expiration information somewhere on the bill but felt inclusion of this date is more appropriate in the additional bill messaging space. FirstEnergy notes that EDCs do not know EGS contract expiration dates and, therefore, EGSs should include such information in their expanded bill messaging space. FirstEnergy Reply Comments at 4; PECO Reply Comments at 5. PULP also agrees with the inclusion of the expiration date on the bill as it would be helpful to customers participating in the retail market. PULP Reply Comments at 6.

  **b. Disposition**

Pursuant to this Order, the Commission directs EDCs to expand messaging space on their bills for use by EGSs to provide all customers with more information on their electric generation services. The Commission directs EDCs to work with EGSs in implementing any necessary changes to double the amount of available space from two (2) to four (4) lines on each EDC’s bill.

In directing this bill enhancement, the Commission ideally wants the additional bill messaging space formatted within the framework of current EDC bills, most of which are one or two pages. The Commission reaffirms that EDCs will be entitled to cost recovery for funds spent on the development and implementation of this bill modification and we have outlined, later in this Final Order, the methodology for such recovery.

Furthermore, the Commission acknowledges the benefit to including expiration dates for customer contracts on the bill and specifically supports the recommendation of FirstEnergy and PECO to do so in the newly expanded messaging space. We believe the inclusion of such information is most appropriate for the expanded EGS messaging space, as the contract expiration date is known by the EGS, not the EDCs, and is best suited in the area of the bill where EGS charges and other EGS information is already located. Therefore, the Commission strongly encourages EGSs to utilize a portion of this additional space to include contract expiration dates for their customers.

 **3. Inclusion of a Shopping Information Box**

 As indicated in the Tentative Order, in addition to the desire to have information for EGSs summarized in an area separate from generation charges on the bill, and due to the fact that at least four major EDCs currently use supplier identification (ID) numbers instead of account numbers to complete a transfer to EGS service, the Commission sought comment on the creation of a conspicuous “Shopping Information Box” that can be developed and placed anywhere on the EDC bill.

Specifically, the Commission suggested the following inclusion in utility-consolidated bills: a Shopping Information Box that includes a customer’s account/customer supplier ID number (whichever is applicable to effectuate a switch), the customer’s Rate Schedule and an indication that this information is needed when shopping with an EGS. An example of such a box is presented below:

|  |
| --- |
| **Shopping Information Box** |
| When shopping for electricity with an Electric Generation Supplier, please provide the following:Account number/customer supplier ID number: Rate Schedule: |

 While the example above is not the only wording that the Commission would find acceptable, there are a number of inherent characteristics we believe this box must have:

* It must be conspicuous;
* It must be placed on the bill separate and apart from other charges; and,
* It must include necessary information that customers need when shopping (account or customer number, rate schedule and explanation of the “Shopping Information Box” through the use of an introductory sentence).

Consistent with this recommendation, the Commission sought comments on the suggested placement and presentation of the Shopping Information Box, specifically including comments regarding the presentation of information for customers with multiple customer and/or account numbers. Additionally, the Commission requested comments on any costs associated with this proposal, as well as proposals for cost recovery.

1. **Comments**

Most commenters agree with or have no opposition to the Commission’s proposal to include a Shopping Information Box on EDC bills, assuming the costs are reasonable and the inclusion of such a box does not have other intended effects, such as necessitating another page on an EDC’s bill. Noble Comments at 3; EAP Comments at 4; Citizen Power Comments at 1; FES Comments at 2; PEMC Comments at 3; NEM Comments at 3; PPL Comments at 5; OCA Comments at 5-6. Similarly, most EDCs are generally supportive of the addition, as long as the Commission remains flexible in terms of size and location of this information on the EDC bill, or, in the case of specialized billing situations, the Commission allows the ability to depart from certain recommendations. FirstEnergy Comments at 4-5; PCL&P Comments at 3-4; PECO Comments at 5-6; Citizens’ and Wellsboro Comments at 2; FirstEnergy Reply Comments at 3. Duquesne indicates that its bills already contain much of this information; however, use of the Shopping Information Box would require it to reduce the number of definitions on the bill while maintaining all information required by existing regulations. Duquesne Comments at 5.

Other commenters have additional suggestions regarding the presentation of and information contained within the Shopping Information Box. For example, Park Power suggests that the box be highlighted, presented in a prominent place on the bill, and in the same location every month, preferably near the top of the bill. Further, in addition to the customer’s account number (or supplier ID number) and rate schedule, Park Power suggests that the Box contain other information, such as a customer’s contract expiration date. Park Power Comments at 3.

PPL, RESA, OCA and PULP provide additional suggestions regarding the provision of, and information included in, the Shopping Information Box. PPL suggests that it only be included for non-shopping customers. PPL Comments at 5. RESA believes that the Box should be expanded to include information related to customer participation in EDC programs such as budget billing, CAP (Customer Assistance Programs) or net metering. RESA Comments at 5. OCA recommends that the Shopping Information Box contain the current and future PTCs, as well as a link to its Shopping Guide. OCA Comments at 5-6. OSBA also believes the PTC should be included. OSBA Comments at 2. PULP suggests the inclusion of both the PTC and the current EGS rate, in the same format. PULP Comments at 2.

 Only two commenters oppose the inclusion of the Shopping Information Box. UGI believes that, because it already “prominently” displays customer number and rate information, combined with the fact that customers have access to shopping guides and the lack of current EGS service offerings in its service territory, the incremental benefits of a bill re-design would outweigh the benefits. UGI notes, however, that it would be willing to consider adopting the suggested format in its next general bill update. UGI Comments at 3-4.

Similarly, the Industrials argue that, while residential and small commercial customers arguably need easily accessible EGS information, large C&I customers need more than what would be provided in the Shopping Information Box, such as a customer’s “capacity obligation, transmission obligation and losses” in order to effectuate a switch. As a result, while conceding that the Box could be expanded to include such information, the Industrials argue that the expansion would only complicate utility-consolidated billing for those customers with multiple accounts and is unnecessary in light of large C&I customers’ sophistication, experience and familiarity with their EGS. Industrials Comments at 5.

 **b. Disposition**

 Upon review of the comments and noting that most stakeholders, including a majority of the EDCs, are supportive of the inclusion, the Commission directs that, on or before June 1, 2015, EDCs must include on their bills, separate and apart from other charges, a Shopping Information Box that includes a customer’s account/customer supplier ID number (whichever is applicable to effectuate a switch), the customer’s Rate Schedule and an indication that this information is needed when shopping with an EGS. Additionally, as discussed below, the Shopping Information Box should include language reminding a customer who has already shopped to be aware of whether or not their current generation supply contract has an expiration date and, if so, when the expiration occurs. As noted by FirstEnergy in its comments, relocating such information will make this material more conspicuous to customers and will facilitate easier access to this information. We understand the perspective of the Industrials that large C&I customers need more information than that included in the Box in order to effectuate a switch. However, this reason alone is not enough to dissuade the Commission from requiring that Rate Schedule information and customer account numbers and/or supplier ID numbers be included in the Shopping Information Box for all customers. Similarly, we also deny, at this time, the request from some of the EDCs to allow them to deviate from this requirement in the case of “specialized billing situations.”

 We agree with comments of the EAP and others who indicate that the Commission should remain flexible regarding the size and location of this information on the EDC bill, and, as a result, we will not dictate where this information should be included. However, we do require that the Shopping Information Box be conspicuous and separate and apart from other charges and include the specific language provided below. We also will not dictate the font size or type utilized to present this information. As indicated later in this Order, EDCs must supply to OCMO, for its review and approval, and to OCA and OSBA for informative purposes, samples of revised bills before dissemination. As a result, the Commission will have an advanced opportunity to review and approve the placement of the Box and alert EDCs of any concerns prior to the bills being produced in final form. However, we encourage EDCs to consider the comments of Park Power, who suggests that the Box be presented in a prominent place on the bill and in the same location every month, preferably near the top of the bill.

 Finally, while we appreciate the suggestions from Park Power, OSBA, OCA, RESA and PULP that additional information can or should be included in the Shopping Information Box, we decline to adopt these suggestions at this time. Part of the intent of the Box’s design was to have information included that would not significantly lengthen the bill, would not significantly complicate the bill, and would not have to be continuously updated. Accordingly, we reject the suggestions that information related to a customer’s enrollment in other EDC programs (such as CAP, net metering, etc.) be included in the Box. For the same reason, we also reject the recommendations to include the current and future PTCs, a customer’s specific EGS contract expiration date and/or current EGS rates. Notably, the PTC is already found elsewhere on the bill and information related to a customer’s specific contract expiration date can be included, if an EGS chooses to do so, in the EGS messaging space that will be increased as a result of this Order. However, we do believe it should be reinforced that an existing EGS customer who is shopping should be aware of whether their current generation supply contract has an expiration date and, if so, when that expiration occurs. Therefore, we will include language in the Shopping Information Box reminding such customers to know that information when shopping. An example of the revised Shopping Information Box is provided below.

|  |
| --- |
| **Shopping Information Box** |
| When shopping for electricity with an Electric Generation Supplier, please provide the following:  Account number/customer supplier ID number:  Rate Schedule:If you are already shopping, know your contract expiration date. |

There may be some merit to having either the OCA and/or PaPowerSwitch.com information in the Box and note that at least one EDC (PPL) proposed this in their Comments. As stated above, we have concerns regarding significant lengthening of the utility-consolidated bill. Accordingly, we will not make this a requirement at this time. However, we will entertain reasonable additions, such as this, during the OCMO review and approval process, prior to the dissemination of the updated bills.

Lastly, although not making it a requirement for the Shopping Information Box, we understand and agree with PULP’s concern that PTC and EGS rate information should both be provided in the same format on the utility-consolidated bill. PULP proposes the use of a cents-per-kilowatt-hour (kWh) format: “X.XXX cents per kWh. This format is used in the OCA’s Electric Shopping Guide. However, the Commission’s PAPowerSwitch website provides the PTC and EGS offers in a dollars-per-kWh format: “$X.XXXX per kWh.” While we do not necessarily propose amending the formatting of PAPowerSwitch, nor do we necessarily recommend that OCA amend its Shopping Guide, we do see a benefit in the utility-consolidated bill providing rates in a consistent format. However, we believe this suggestion is outside the scope of this Order. Therefore, we will refer this issue to OCMO for review and potential discussion through the CHARGE process. OCMO is directed to provide to the Commission its recommendations regarding whether or not changes are required to utility-consolidated bills regarding the presentation of EDC and EGS rates and, if so, the manner of presentation. OCMO shall provide its recommendations in a timely enough fashion to allow any potential modifications, should they be approved by the Commission, to be implemented by the June 1, 2015 deadline outlined in this Order.

 **4. Other Proposals**

 In its Tentative Order, the Commission also solicited any other recommendations from stakeholders in order to make the utility-consolidated bill more supplier-oriented.

 **a. Price to Compare on Bills**

 **i. Comments**

 PPL suggests modifications to the wording of the Price to Compare (PTC) information on bills. Specifically, PPL proposes modified wording that provides customers with information on finding the best price for their generation supply, rather than highlighting the EDC’s PTC. PPL Comments at 3.

 RESA agrees with PPL’s comments regarding the use of the PTC. RESA Reply Comments at 4. RESA states that it does not support inclusion of the PTC on the bill. RESA Comments at 8; RESA Reply Comments at 4. However, RESA disagrees with PPL’s proposal to include language focused on finding the best price as it may encourage customers to focus on price, when other value-added opportunities, such as renewable offers or rewards, may be of interest. As such, RESA proposes language that directs customers to the Commission’s PAPowerSwitch website for information regarding alternative generation supply that may save the customer money or provide the customer with other attractive benefits. RESA Reply Comments at 4.

 PULP believes the proposals from both PPL and RESA should be rejected. PULP avers that the PTC is an essential part of a customer’s bill and should be clearly communicated to that customer. Additionally, PULP believes that the PTC is a valuable benchmark against which customers may compare competitive offers. PULP Reply Comments at 4 and 5.

  **ii. Disposition**

 The Commission declines, at this time, to make modifications to the language regarding the PTC on the utility-consolidated bill. While we acknowledge the comments of PPL and RESA, we believe we have already adequately addressed the manner in which the PTC should be presented to customers through our RMI Intermediate Work Plan.[[7]](#footnote-8) Specifically, the Commission stated that, based on the current default service model, customers need to know the EDC’s PTC when they shop. The Commission recognized that this direction may need to be reconsidered in the future, especially in a scenario in which the default service model changes; however, we do not believe that time is now. Accordingly, while we appreciate the comments provided by PPL and RESA suggesting that the language may need modification, we believe Pennsylvania’s retail electricity market is not yet at a stage where the removal of the PTC from the utility-consolidated bill is warranted. The utility-consolidated bill still provides a source of education for consumers regarding the retail market and, with the changes included herein, we believe the bill will more accurately differentiate an EGS and its charges from the EDC and its charges. We encourage PPL, RESA and other interested stakeholders to continue providing feedback regarding the PTC in future proceedings and through the CHARGE process to aid the Commission in determining an appropriate time, if any, to reconsider the PTC mechanism and its presentation to customers.

 **b. Inclusion of Value-Added Charges**

 **i. Comments**

 RESA, NEM and PEMC propose the inclusion of additional line items via which EGSs could include charges for value-added services. Value-added services include, but are not limited to, rebates, discounts and energy efficiency products. RESA recommends that such charges should appear on the bill and be paid to the EGS, using a partial payment methodology, once collected by the EDC. PEMC recognizes that policy and technical issues may arise based on this proposal and recommends a working group be established, including EDCs, EGSs, Commission Staff and other stakeholders, to develop a proposal for the Commission’s consideration. PEMC also notes that other jurisdictions provide access for EGSs to use the utility bill for non-commodity charges and that those programs should be reviewed and potentially adapted for Pennsylvania. RESA Comments at 9; NEM Comments at 4; PEMC Comments at 4.

 PECO, FirstEnergy and PCL&P disagree with the proposals of RESA, NEM and PEMC to include line items for value-added services charges. They argue that the EDCs should not have the obligation to bill for EGS charges other than those for the provision of electric generation service. The EDCs also state that current Purchase of Receivables (POR) programs may not be equipped to handle a partial payment methodology as recommended by RESA and that the charges are outside the scope of appropriate POR, provision-of-electric-service charges. For example, PCL&P’s Customer Information System would require significant changes in order to implement such a mechanism. Lastly, FirstEnergy believes the inclusion of such charges would create the likelihood that EDC call centers and customer service groups will be forced to respond to additional customer inquiries and complaints associated with non-service related charges for which the EDC has no responsibility. PECO Reply Comments at 6; FirstEnergy Reply Comments at 7; PCL&P Reply Comments at 3.

 PULP also disagrees with the inclusion of value-added service charges on EDC bills. It believes that such charges will unduly complicate the bill and lead to customer confusion. Additionally, the bill would require extensive information boxes to explain the differences among value-added, distribution, transmission and generation charges and the effect of non-payment or partial payment of those charges. PULP Reply Comments at 6.

 **ii. Disposition**

 The Commission will not, at this time, direct the EDCs to include additional line items for EGS value-added services charges. We recognize the benefit of such services and commend the EGSs for providing a variety of offerings to customers in Pennsylvania’s competitive retail market. However, based on the feedback provided by the EDCs and PULP, we do not believe we have enough information, at this time, to require EDCs to include the charges and to bear the responsibility of recovering the payments for such services. Additionally, if this proposal were adopted, the Commission has concerns that would need to be resolved regarding the application of customer bill payments, such as to what portions of the bill a customer’s payment would first be applied, and the effect of non-payment of such charges. While these concerns are not insurmountable, we have not been provided with enough information to warrant the pursuit of such a mechanism through this proceeding. The Commission may, at some point in the future, reconsider this request as customers become more adept at navigating the competitive retail electric marketplace. As always, we suggest that any recommended improvements to our retail market from stakeholders be provided to OCMO for review and for potential discussion during CHARGE meetings.

 **c. Addition of Energy Efficiency and Conservation Information**

 **i. Comments**

 PennFuture requests that the Commission consider the inclusion of information on utility bills regarding energy efficiency and conservation (EE&C) measures. Specifically, PennFuture suggests that bills include or provide a link to a peer-based comparison of electricity usage. PennFuture avers that this information would contextualize energy usage and provide consumers with reasonable targets they could voluntarily achieve. PennFuture also proposes the inclusion of a box showing a limited number of strategies the customer could adopt and the average reduction in power and costs associated with each. The costs of such information would be limited as it could be drawn from EDC Act 129 EE&C data. PennFuture opines that inclusion of this information will encourage customers to reduce consumption and, as a result, costs. PennFuture Comments at pages 2 – 4.

 FirstEnergy believes that this is not the appropriate proceeding to pursue PennFuture’s proposed changes. It believes that the information is not consistent with the topics discussed in the Commission’s Tentative Order and would be better suited for discussions regarding the EDCs’ EE&C programs. Additionally, FirstEnergy believes that it is likely that the inclusion of PennFuture’s proposals would require the addition of another page to the operating companies’ bills. FirstEnergy avers that PennFuture makes no showing that the usage information currently presented in bills and in periodic bill inserts and mailers is insufficient to meet the same goals they envision. FirstEnergy Reply Comments at 8-9.

 **ii. Disposition**

 The Commission will not adopt PennFuture’s proposal to include EE&C information in the utility-consolidated bills. We agree with FirstEnergy that this is not the appropriate proceeding in which to discuss such options. The intent of this proceeding is to determine ways to make the utility-consolidated bill more supplier-oriented. PennFuture’s recommendations are not related to the competitive electricity market and instead focus on electricity consumption. While we recognize the importance of EE&C programs and their subsequent positive effects on customers’ bills, we agree with FirstEnergy that these recommendations would be more appropriate in relation to the EDCs’ EE&C programs. Many of the EDCs already provide peer-based usage comparisons and other similar information to customers through their Act 129 EE&C programs. Additionally, as mentioned by FirstEnergy, the EDCs frequently include bill inserts and provide mailings propounding upon the benefits of reducing a customer’s electricity consumption through any number of mechanisms. We encourage PennFuture to work with the EDCs, through the EE&C program proceedings and associated stakeholder meetings, to determine further ways to educate customers on reducing consumption in their homes and businesses.

**B. Inclusion of EGS Inserts**

 In its End State Final Order, the Commission recommended that OCMO review, among other things, the inclusion of EGS billing inserts.[[8]](#footnote-9) This insert could be a letter, a notice or other marketing material provided by the customer’s current EGS. While the Commission recognized, in its Tentative Order, that additional EGS inserts may provide a customer with more information regarding the product he or she is currently receiving or regarding other options that may be available, we expressed concern with the increased costs and complexities of such an insert. Additionally, because such inserts would need to be provided at some point in time before the bill is mailed, we believed it reasonable to assume that some of the inserts would be outdated by the time they are received by customers. As such, the Commission did not recommend the inclusion of an insert at this time, because we did not believe we had enough information to show that the benefits of allowing an insert would outweigh its costs and complexities. Regardless, we requested that parties provide comments regarding the inclusion of EGS inserts.

 **1. Comments**

 The EDCs, Noble and OCA agree with the Commission’s concerns regarding the inclusion of EGS inserts and its recommendation to decline their inclusion at this time. The EDCs agree that such inserts would be costly and burdensome and may not be feasible with the current vendors and machinery utilized for billing. Additionally, the EDCs state that the inserts may increase weight limits and result in increased postage costs. FirstEnergy notes that it could potentially do one or two inserts per month with EGSs scheduled across the year; however, the information would need to be provided approximately 12 to 18 months in advance of their provision to customers. Lastly, the EDCs generally request that, if the Commission would require the provision of EGS inserts, they be provided with the discretion to review those inserts before mailing. Noble takes no position on the merits of including EGS bill inserts but agrees with the Commission’s recommendation to forego their inclusion at this time. OCA also supports the Commission’s position. PPL Comments at 6; PECO Comments at 7- 8; FirstEnergy Comments at 5-6; Duquesne Comments at 7; UGI Comments at 4; PCL&P Comments at 4-5; Noble Comments at 3; OCA Comments at 6.

 RESA appreciates FirstEnergy’s effort in proposing a process that could be utilized to provide bill inserts and urges the Commission to reconsider its tentative decision not to pursue the possibility of inserts at this time. RESA Reply Comments at 3.

 RESA, NEM and Constellation disagree with the Commission and believe that EGS bill inserts provide another way for EGSs to communicate directly with customers. RESA proposes that the electronic delivery of such inserts, to the extent the EDCs are already using that mode of delivery for customers for similar communications of their own, would help decrease potential costs. RESA does not support the EDCs’ request to approve EGS insert content as it is inappropriate and serves to place the EDC more firmly between the EGS and the customer. However, RESA would support a requirement that EDCs provide EGSs an insert schedule so that EGSs have advance knowledge of the messaging the EDCs will be providing to customers. NEM avers that the inserts would be used to convey messages that were fixed for extended periods, thus alleviating the concerns about outdated information. RESA Comments at 5-6; NEM Comments at 4; Constellation Comments at 3.

 FirstEnergy disagrees with RESA’s suggestion that the EDCs have no opportunity to review inserts prior to mailing. It states that such an argument disregards the fact that the EDC’s name is associated with information distributed in its bills. Therefore, FirstEnergy argues, the EDCs’ call centers would be handling questions and complaints resulting from information potentially in the EGS inserts. FirstEnergy Reply Comments at 6.

 **2. Disposition**

 The Commission maintains its position to not include EGS bill inserts with EDC bills at this time. We understand the desire of EGSs to strengthen their relationships with customers and to provide various messaging in conjunction with the bills. However, we are not persuaded that these benefits outweigh the potentially significant costs and difficulties associated with implementing this proposal. Additionally, we believe the increased EGS messaging space, as outlined previously, provides EGSs with the opportunity to provide more messages directly to customers on the *actual* bill. We encourage EGSs to communicate directly with their customers, via call centers, telephonic messaging, mail and/or electronic mail contact mechanisms, as appropriate, regarding potential offers, issues, changes, etc. that they feel are important. While this proceeding is focused to develop a more supplier-oriented utility-consolidated bill, the Commission encourages EGSs to do their own outreach to customers to develop stronger relationships. Additionally, we encourage any interested party to bring recommendations for improvements to the competitive retail electricity market to OCMO for potential CHARGE discussion.

**C. Costs and Timeline**

 **1. Cost Estimates and Recovery Mechanisms**

 In its Tentative Order, the Commission requested that the EDCs, and any other parties, if applicable, provide cost estimates for the changes required in order to implement the three recommendations. Additionally, should a party provide other recommendations for making the bill more supplier-oriented, the Commission asked that cost estimates be included in those comments.

 The Commission recognized that the changes proposed in its Tentative Order may necessitate billing system, EDI and/or information technology changes. With regard to cost recovery, because the collective proposal will apply to all customer classes, the Commission proposed that the costs associated with its tentative recommendations be recovered from all distribution customers on a non-bypassable basis through the EDCs’ Retail Market Enhancements surcharge or other similar mechanism. If parties believed other cost recovery mechanisms are more appropriate, we asked that such mechanisms be addressed in comments.

 **a. Comments**

 Citizens’ and Wellsboro estimate that the Commission’s three proposals will cost each company approximately $7,500 to $10,000. They note that these estimates assume that the customer will be served by a single EGS for each billing period and express concern regarding possible cost increases and bill complexity that could occur if a customer is permitted to have two or more suppliers during a single billing period. Citizens’ and Wellsboro Comments at 2.

 Citizens’ and Wellsboro question whether all, or a portion, of the logo costs should be paid by the EGS requesting their inclusion. For the remainder of the costs, they anticipate submitting a proposal to implement a non-bypassable surcharge to recover retail market enhancement and other appropriate costs. Citizens’ and Wellsboro Comments at 3.

 Duquesne estimates a level of effort of approximately 600 hours and a total cost of $120,000 to implement the Commission’s proposals. Duquesne Comments at 6.

 Duquesne proposes the establishment and use of a non-bypassable Retail Markets Enhancements Surcharge (RMES) to recover its costs of Commission-mandated retail market enhancement initiatives. It anticipates filing for such a mechanism to become effective June 1, 2015. Duquesne states that any capital costs would be included in a future base rate case. Duquesne Comments at 6.

 EAP recommends flexibility regarding cost recovery mechanisms and offers for the Commission’s consideration the option of a discount or deduction on the amount paid by the EDC to the EGS in connection with the POR programs. EAP believes the costs should be shared, at least in part, with the EGSs, who, EAP avers, will receive marketing benefits from the implementation of these recommendations. EAP Comments at 4- 5.

 FirstEnergy provides an estimate that the placement of the EGS logo on the bill will cost approximately $18,000; the expansion of the bill messaging space will cost around $12,000; and the inclusion of the Shopping Information Box will cost approximately $25,000. Additionally, FirstEnergy states that there will be costs associated with the inclusion of EGS logos of $1,000 per EGS for a total estimate of $86,000, based on the current number of registered EGSs. FirstEnergy Comments at 7.

 FirstEnergy agrees with the Commission’s proposal for EDCs to recover costs from all distribution customers on a non-bypassable basis through a surcharge or other mechanism. It anticipates that the costs associated with the implementation of the EGS logo inclusion will be tracked separately, in order to be recovered through the Retail Enhancements component of each Company’s Default Service Support (DSS) Rider to be filed on May 1, 2015, for rates effective June 1, 2015 through May 31, 2016. FirstEnergy states that ongoing costs relating specifically to EGS logos will also be reflected in the May 1, 2015 filing of the DSS Rider and will be included in the calculation of such rates each year thereafter. FirstEnergy Comments at 7-8.

 PCL&P estimates that it will cost between $4,000 and $6,000 to incorporate the logos of the three EGSs currently serving in its territory. PCL&P’s bills already include 460 characters of space for EGS bill messaging and, as such, would need to make no modifications to its billing or EDC mechanism to implement this proposal. Therefore, it has no cost impact for PCL&P. It estimates that the inclusion of a Shopping Information Box will cost approximately $3,500 to $5,500. PCL&P Comments at 2 – 4.

 PCL&P believes that EGSs should compensate the EDCs for the costs of the three Commission proposals as they are, in effect, marketing costs that EGSs should bear. It avers that ratepayers, especially those who have not chosen an EGS, should not subsidize EGS marketing costs. PCL&P at 5.

 PECO estimates its implementation costs to be approximately $770,000 for all three Commission-proposed bill changes. PECO Comments at 8-9.

 PECO proposes that its costs be recovered through a 50/50 split between its POR discount and its Generation Supply Adjustment (GSA). It believes that some of the enhancements benefit EGSs and some benefit all customers, therefore, sharing the costs avoids the need to evaluate each market-enhancement program, while providing a reasonable allocation of the costs for recovery. PECO Comments at 9.

 PPL states that it will have a fixed, one-time charge of $100,400 to provide for EGS logos on its bills. For any EGS logos that would need to be added after initial implementation, the incremental setup fee would be $4,480 per EGS logo. It estimates that the net incremental cost to include a Shopping Information Box would be approximately $325,000 annually, including processing and assuming black and white only. If a color option is selected, the annual cost would be $785,000. PPL avers that it will not require any EDI or bill formatting changes for the expansion of the bill messaging space. PPL Comments at 4-5.

 PPL agrees with the Commission’s proposed cost recovery mechanism and suggests recovery of all the actual incremental costs of implementation through its Competitive Enhancement Rider, which is a Commission-approved, non-bypassable surcharge. PPL Comments at 7.

 UGI estimates that its current systems could incorporate black and white versions of the EGS logos for an initial set-up cost of about $4,000 per logo, but that the space required for the logo would most likely increase the size of the bills to two pages. It also believes that the inclusion of expanded bill messaging space will increase the bill to a second page, the cost of which is approximately $0.047 per bill. UGI does not provide a cost estimate for the inclusion of a Shopping Information Box. UGI Comments at 2 – 4.

 FES and NEM support the Commission’s proposal that costs be recovered through a non-bypassable mechanism since the changes will benefit all current and future shopping customers. FES Comments at 2; NEM Comments at 4.

 PEMC proposes that costs be recovered in the EDCs’ next base rate case proceedings. PEMC Comments at 3-4.

 FirstEnergy disagrees with PEMC’s suggestion as no reasonable argument can be made that EDC shareholders share in the benefits to be derived from the recommended modifications. Additionally, FirstEnergy avers that base rate case proceedings do not guarantee recovery of the costs submitted and waiting for such proceedings is counter to cost-causation principles, placing an inappropriate burden on the EDCs. FirstEnergy Reply Comments at 9 and 10.

 Noble, OCA and OSBA believe that the costs of the recommended changes should be recovered from EGSs as they are the entities benefiting from the proposals. Noble opines that it is unfair and unreasonable, and in violation of competitive neutrality, to require distribution customers to pay the costs when it is the individual EGS that benefits from these changes. OCA provides similar arguments and avers that EGSs benefit from the convenience and cost-effectiveness of including their charges on EDC bills and benefit from the POR programs that allow the EDC to collect and even to disconnect service for nonpayment of EGS charges. OSBA states that there is no reason why ratepayers should pay EGS marketing costs and avers that the inclusion of the logo constitutes marketing. Noble Comments at 3 – 5; OCA Comments at 6-7; OSBA Comments at 1.

 FES and RESA disagree with Noble, OCA and OSBA that EGSs should bear the burden of the costs. FES believes that OCA’s arguments ignore the fact that all customers currently pay costs associated with EDC billing. Additionally, it states that EGS information has been included on the utility-consolidated bills for years and EGSs were not required to pay for the EDCs’ building such capabilities into their systems. FES also disagrees with OSBA that these changes constitute EGS marketing as it avers that these changes are being decided upon by the Commission, not the EGSs. Regarding Noble’s comments, FES states that Noble ignores the Commission’s intent to benefit the Pennsylvania retail market in general and that the EGSs are not “causing” the costs at issue any more than are Noble and its customers. RESA makes similar arguments and believes that the benefit of regular communication included with bills that already are being received by consumers substantially benefits the customer. RESA also avers that a certain amount of EDC money is already set aside for billing modifications and the costs of these changes should only be incremental. Lastly, RESA believes that attempting to allocate costs to EGSs will be fraught with difficulty. FES Reply Comments at 2 – 5; RESA Reply Comments at 4 – 7.

 The Industrials strongly oppose the recovery of costs from all customers via a non-bypassable surcharge as it believes large C&I customers will receive no measurable benefit from the recommendations. They opine that the majority of large C&I customers in Pennsylvania already purchase generation supply from an EGS and are well aware of the necessity of developing commercial relationships with EGSs. Additionally, Industrials state that those large C&I customers with dual billing would be paying for a modification to the EDC billing system from which they do not benefit because their EGS’s charges are not on the EDC’s bill. Industrials Comments at 2 – 4.

 FES disagrees that industrial customers should be exempted as it avers that the Industrials’ comments overlook the fact that not all large C&I customers shop. The Commission’s initiatives benefit all customers – both shopping and non-shopping. FES Reply Comments at 4-5.

 **b. Disposition**

 The Commission will maintain its position that the costs of the inclusion of the EGS logo, the expansion of bill messaging space and the inclusion of a Shopping Information Box be recovered from all distribution customers. We continue to believe that these changes benefit customers from *all* rate classes. We are not persuaded by comments from the Industrials that large C&I customers will not realize the benefits of these changes. As noted by FES, there remain a subset of large C&I customers who have not chosen to receive their generation supply from an EGS. Additionally, not all large C&I customers have chosen the option of dual billing. The information provided in the Shopping Information Box may aid customers, both shopping and non-shopping when participating in the competitive marketplace. The inclusion of the EGS logo and expanded bill messaging space will also provide the opportunity for the customer and the EGS to strengthen their relationship. Accordingly, the Commission will not exempt large C&I customers from sharing in the recovery of the costs of the mechanisms included herein.

 We disagree with those arguments that the changes directed herein solely constitute EGS marketing and that implementation costs should be recovered from EGSs. With regard to the inclusion of the EGS logo and the expanded bill messaging space, this information would only be applicable on the bill of a customer who *has already* shopped and *has already* enrolled with an EGS. The inclusion of the logo simply fortifies that relationship and reiterates to the customer that they made an affirmative choice. The expansion of the bill messaging space allows the EGS to convey important messaging, such as an upcoming contract expiration date, which benefits their existing customer. The Commission’s direction to include a Shopping Information Box in no way can be construed as EGS marketing. The information to be included in the Box is standard, consistent information *from the EDC* to aid the customer when shopping, regardless of supplier. For these reasons, we reject those arguments that costs should be recovered from EGSs for “EGS marketing mechanisms.” Likewise, we will reject PECO’s proposal to recover 50% of its costs through its POR discount.

 We direct the EDCs to recover, on a full and current basis, the costs of implementation through a non-bypassable mechanism. Many of the EDCs referenced existing surcharges or riders through which recovery could occur. Other EDCs proposed the creation of surcharges meant for the recovery of retail enhancements. We agree with those proposals and direct the EDCs to submit revised tariffs or tariffs for new riders/surcharges, as applicable, for the recovery of the changes included in this Order.

 **2. Implementation Timeline**

 The Commission proposed that these recommendations be implemented no later than June 1, 2015, in order to coincide with the expiration of the existing EDC Default Service Plans. The Commission requested that parties provide comments on this proposed deadline.

 **a. Comments**

 Citizens’ and Wellsboro believe it will take approximately four to five months to implement the billing format changes proposed by the Commission. They also state that they will have EDI systems fully functional during the second quarter of 2015. The companies respectfully suggest that the EDI project should take precedence if the implementation activities for the billing changes conflict with EDI implementation activities. Citizens’ and Wellsboro Comments at 1-2.

 Duquesne can implement the proposed changes for most bills by the June 1, 2015 proposed deadline. However, more extensive bill redesigns, such as bills for billboards, municipalities and streetlights, could be incorporated by January of 2016. Duquesne estimates that it will take six months to implement the changes proposed by the Commission. Duquesne Comments at 6.

 EAP requests that the recommendations regarding changes to EDC bills be finalized no later than the fourth quarter of 2014 in order to be implemented by June 1, 2015. EAP Comments at 5.

 FirstEnergy and PCL&P require six months from the approval of any billing changes in order to implement. They request a decision on the Commission’s recommended changes no later than December 31, 2014. FirstEnergy Comments at 7. PCL&P Comments at 5-6.

 PECO approximates that it will take ten months to fully implement the system changes required to accomplish the Commission’s proposals. It requests Commission approval by the second quarter of 2014. PECO Comments at 9.

 PPL states that it will implement the bill enhancements by June 1, 2015. PPL Comments at 6.

 UGI requests that, if the Commission seeks to implement billing changes focused on the residential market, it be exempted until one year after at least two EGSs are participating in its consolidated billing program for service to UGI residential customers.

 OCA believes there is no compelling relationship between the EDC’s next default service plans and the effective date of the proposed bill modifications. Therefore, OCA submits that modifications should be implemented on a timely basis once they are shown to be cost justified. OCA avers that costs should not be incurred simply to meet the proposed June 1, 2015 deadline. OCA Comments at 7 and 8.

 **b. Disposition**

 Based on the feedback provided by the EDCs, the Commission believes its proposed implementation deadline date of June 1, 2015, is reasonable. We encourage the EDCs, if possible, to implement these changes before the June 1, 2015 deadline so long as doing so does not unreasonably increase costs.

 We reject UGI’s request for exemption from the June 1, 2015 deadline, as the billing changes outlined herein are not focused solely on residential customers. As previously stated, the inclusion of the EGS’s logo, the expansion of EGS bill messaging space and the inclusion of a Shopping Information Box are changes this Commission believes will benefit all customer classes.

 While we are allowing the EDCs to determine the appropriate placement of the EGS logo and the Shopping Information Box on their bills, we direct the EDCs to, at least 45 days in advance of the active dissemination of the new bills, provide to OCMO for its review drafts of the revised bills for the residential, small business and large C&I customer classes. Following OCMO’s review and approval, the EDC will use the draft bill templates based upon which it will create new sample bills for the residential, small business and large C&I classes, which it will provide to OCMO. The EDCs must also provide a residential sample bill to the OCA and a small business sample bill to the OSBA.

# CONCLUSION

 With this Final Order, the Commission adopts recommendations from OCMO for creating a more supplier-oriented utility-consolidated bill. Specifically, the Commission adopts the following changes: the inclusion of the EGS’s logo on the EDC bill; the expansion of EGS bill messaging space from two (2) to four (4) lines with up to 80 characters each; and the inclusion of a Shopping Information Box. We believe these three mechanisms will aid customers in not only developing a stronger recognition of, and relationship with, their EGS, but also will increase customer awareness when participating in the competitive retail electric market.

**THEREFORE,**

 **IT IS ORDERED:**

1. That all jurisdictional electric distribution companies implement these changes on or before June 1, 2015.

2. That the Commission’s Office of Competitive Market Oversight review and provide recommendations to the Commission concerning the necessity of changes to utility-consolidated bills regarding the presentation of EDC and EGS rates and, if so, the manner of presentation. The Office of Competitive Market Oversight shall provide its recommendations in a timely enough fashion to allow any potential modifications, should they be approved by the Commission, to be implemented by the June 1, 2015 deadline outlined in this Order.

3. That all jurisdictional electric distribution companies provide a draft of their revised bills, at least 45 days in advance of the active dissemination of the new bills, to the Commission’s Office of Competitive Market Oversight for its review and approval.

4. That, upon approval from the Commission’s Office of Competitive Market Oversight of the draft bills, electric distribution companies will provide to the Office of Competitive Market Oversight sample bills for the residential, small business and large commercial and industrial customer classes.

5. That, upon approval from the Commission’s Office of Competitive Market Oversight of the draft bill, electric distribution companies will provide to the Office of Consumer Advocate a sample of the bill to be provided to residential customers.

6. That, upon approval from the Commission’s Office of Competitive Market Oversight of the draft bill, electric distribution companies will provide to the Office of Small Business Advocate a sample of the bill to be provided to small business customers.

7. That this Final Order shall be served on all jurisdictional Electric Distribution Companies, all licensed Electric Generation Suppliers, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Energy Association of Pennsylvania, and all other parties who filed comments at this docket and in Phases I and/or II of the Retail Market Investigation under Docket I-2011-2237952.

8. That a copy of this Final Order shall be posted on the Commission’s website at the Retail Markets Investigation web page: <http://www.puc.state.pa.us/utility_industry/electricity/retail_markets_investigation.aspx>.

9. That the Office of Competitive Market Oversight shall electronically send a copy of this Final Order to all persons on the contact list for the Committee Handling Activities for Retail Growth in Electricity (CHARGE), and to all

 persons on its contact list for the *Investigation of Pennsylvania’s Retail Electricity Market.*

 **BY THE COMMISSION,**

 Rosemary Chiavetta

 Secretary

(SEAL)

ORDER ADOPTED: May 22, 2014

ORDER ENTERED: May 23, 2014

1. *See Investigation of Pennsylvania’s Retail Electricity Market*, Docket No. I-2011-2237952 (Order entered April 29, 2011) (April 29 Order). [↑](#footnote-ref-2)
2. *See Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered November 8, 2012) (End State Tentative Order). [↑](#footnote-ref-3)
3. *Id.* at 27 and 28. [↑](#footnote-ref-4)
4. *See Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered February 15, 2013) (End State Final Order). [↑](#footnote-ref-5)
5. *Id.* at 67. [↑](#footnote-ref-6)
6. *Id.* [↑](#footnote-ref-7)
7. *See Investigation of Pennsylvania Retail Electricity Market – Intermediate Work Plan* Final Order, (RMI Intermediate Work Plan) at Docket No. I-2011-2237952, entered March 2, 2012, at pages 91 – 94. [↑](#footnote-ref-8)
8. *See* End State Final Order at 67. [↑](#footnote-ref-9)