# EMBARGOED MATERIAL

3054.

Greg Dudkin President



**PPL Electric Utilities** 

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May 19, 2014

The Honorable John F. Mizner, Chairman Independent Regulatory Review Commission 333 Market Street, 14<sup>th</sup> Floor Harrisburg, PA 17101 2014 MAY 20 PM 2: 06

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Re: Amending Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, PUC Docket No. L-2014-2409383, IRRC No. 3054, Regulation 57-306

Dear Chairman Mizner:

In response to the above referenced regulations proposed by the Public Utility Commission ("PUC" or the "Commission"), I am writing to express PPL Electric Utilities Corporation's ("PPL Electric" or the "Company") support for accelerating the switching process in a fashion that will ultimately permit Pennsylvania retail electric customers to change suppliers within three business days. This position is consistent with PPL Electric's long-standing role as a leading proponent of retail electricity competition in Pennsylvania. PPL Electric is a regulated electric distribution company ("EDC") and subsidiary of PPL Corporation headquartered in Allentown, PA. 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 its responsibilities, the Company maintains customer accounts, and administers billing and energy settlement systems that perform the "switching" functions that are the subject of this rulemaking.

PPL Electric currently is working to implement a three business day switch for customers as required by the proposed regulations. PPL Electric places a high-priority on implementing a shortened supplier switch timeframe recognizing the benefits to customers and the retail electricity market. However, implementing such a significant change to the Company's systems and processes presents significant risks and challenges. In this regard, PPL Electric would like to identify two implementation issues resulting from the proposed regulations. First, while the rulemaking order recognizes the possibility of waivers of the implementation schedule, the proposed regulations are silent on this issue. PPL Electric believes that flexibility around the required

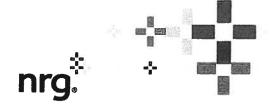
implementation deadline of six months is needed to avoid potential issues associated with a rushed implementation such as customer confusion or inaccurate billing.

Second, while the rulemaking order addresses the potential for future cost recovery, EDCs are not provided assurance of cost recovery, but simply the right to seek such recovery. The proposed regulations are silent on this issue. PPL Electric is committed to implementing a three business day supplier switch in the most cost-effective manner possible. However, the Company anticipates that the sweeping modifications it must make to its systems and processes will result in significant costs. PPL Electric believes that it is necessary to provide more certainty around full recovery of all reasonable costs associated with implementing a three business day switch.

PPL Electric thanks the Independent Regulatory Review Commission for its consideration of the Company's comments in this matter.

Sincerely,

Greg Dudkin



NRG Retail Northeast 3711 Market Street Philadelphia, PA 19104

May 22, 2014

# **EMBARGOED MATERIAL**

The Honorable John F. Mizner, Chairman Independent Regulatory Review Commission 333 Market St., t1h4 Floor Harrisburg, PA 17101 RECEIVED MAY 2 2 2014

Re:

Regulation #57-305 (IRRC #3053) L-2014-2409385 (Disclosure Statement); Regulation #57-306 (IRRC #3 054) L-2014-2409383 (Standards for Changing a Customer's EGS)

#### Dear Chairman Mizner:

The NRG Retail Northeast Companies ("NRG Retail") – NRG Residential Solutions, Green Mountain Energy Company, and Energy Plus Holdings – are writing to express our support of the above regulations issued by the Public Utility Commission ("PUC" or "Commission") by orders entered on April 3, 2014.

The companies that comprise NRG Retail Northeast are all licensed by the Commission to serve customers across the Commonwealth. These companies are all wholly-owned subsidiaries of NRG Energy, Inc., a Fortune 500 and S&P 500 Company. NRG is one of the country's largest power generation and retail electricity supply businesses. NRG owns and operates more than 50,000 MW of generating capacity, including approximately 14,000 MW located here in the Commonwealth, and it employs more than 1,700 people across Pennsylvania. Our retail businesses will soon serve almost 3 million customers across 16 states. And, our Northeast retail business is headquartered in Philadelphia.

### **Proposed Disclosure Statement Rules**

The proposed disclosure statement rules will make contract documents more understandable and useful to consumers, especially as they relate to variable-priced products. Customer education about their shopping options must happen at every step of the shopping process and nowhere is it more important than when a customer is actually agreeing to specific contract terms and conditions for the products they are choosing. A consumer-friendly contract that fully explains the product and is easy to understand is a critical element of that education process.

NRG Retail agrees with the PUC that contracts should include variable pricing statements that explain how the price may vary, describe any limits on the price variability from month to month, or conversely, make clear to customers if there are no limits. NRG

Residential Solutions, NRG Retail's flagship brand, currently operates in a manner which already establishes limits for its variable pricing so that customers always know their highest possible price at any time.<sup>1</sup>

## **Standards for Changing Suppliers**

The Commission's proposed rules to accelerate the switching timeline to allow customers to switch suppliers within three business days will enable consumers to more quickly realize the benefits of the choices they make when they exercise their right to shop. Customers have an expectation that the products they buy will be delivered in "Amazontime." But what they find out very quickly when they shop today is that it takes four to six weeks to get the price plan and supplier they chose. Speeding the product delivery process will lead to more satisfied customers who will have a much better impression of electricity choice, and it will force suppliers to work harder to keep their customers. Simply put, the proposed switching rules will ensure that customers' expectations are met and that they have access to the best product and service options.

For these reasons, NRG Retail supports the Commission's request that these rulemakings be approved in order to provide appropriate guidance to all parties and to implement these important reforms as soon as possible.

Please feel free to contact me at 301.509.1508 or via Email at <a href="mailto:leah.qibbons@nrqenergy.com">leah.qibbons@nrqenergy.com</a> if you have any questions.

Sincerely,

Leah Gibbons

Director Regulatory Affairs

NRG Retail Northeast

cc: George D. Bedwick, Vice Chairman W. Russell Faber, Commissioner

Lawrence J. Tabas, Esq., Commissioner

Dennis A. Watson, Esq., Commissioner

<sup>&</sup>lt;sup>1</sup> NRG Retail's other brands, Green Mountain Energy and Energy Plus, are in the process of implementing similar limits on their variable pricing.