

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interim Guidelines Regarding : Docket No. M-00001437  
Advance Notification by an :  
Electric Generation Supplier of :  
Impending Changes Affecting :  
Customer Service :

January 19, 2001

**Amended Filing**

Amended Comments of the Energy Association of Pennsylvania on behalf of the following member companies – Allegheny Power, Duquesne Light Company, Metropolitan Edison Company and Pennsylvania Electric Company d/b/a GPU Energy, PECO Energy Company, Pennsylvania Power Company, PPL Utilities Corporation, and UGI Utilities Inc. – Electric Division

The Energy Association of Pennsylvania (Energy Association), on behalf of the member companies listed above, submits the following amended comments in response to the Commission's December 7, 2000 Tentative Order outlining proposed Interim Guidelines Regarding Advance Notification by an Electric Generation Supplier of Impending Changes Affecting Customer Service. (PUC Docket No. M-00001437).

**I. INTRODUCTION**

The Energy Association supports the Commission's continued effort to review its regulations and procedures to ensure that the purpose behind the customer notification requirements is adequately addressed. The Energy Association agrees that the purpose of the customer notification should be to ensure adequate and accurate dissemination of information to allow customers to

make informed choices. (Tentative Order, p. 3). The notification should also provide customers with sufficient time to make a choice before there is a change to their existing agreement with an electric generation supplier (EGS). The Energy Association does not, however, believe that extensive changes to the Commission's existing regulations are required or that shortening the notice period will provide customers adequate time to respond to changes to their agreement with an EGS.

## **II. COMMISSION'S EXISTING REQUIREMENTS**

The Commission's existing regulations require EGSs to notify customers for three billing periods, at least 90 days, of impending price changes to the customers' existing contract or of the impending expiration of a fixed term contract. The purpose of the notice is to provide customers "with adequate and accurate information in an understandable format that enables customers to make informed choices regarding the purchase of electricity." (Tentative Order, p. 3). Although many EGSs have been granted waivers of the three billing period notification requirement, the Energy Association submits that the Commission's current notification procedures provide customers with the proper notification of changes to the terms and conditions of their service and no revisions to the notice requirements are necessary.

In order for customers to change their EGS, or to return to the EDC, the EDC must be given notice at least 15 days prior to the customer's next meter reading for the change to become effective during the next billing cycle. If a customer misses

the 15-day window, it will be another whole billing cycle before any change will be effective. The Energy Association submits that the three billing period notification provides customers with the appropriate amount of time to research their options and make a change, if they choose, before a change is imposed upon them by their current EGS.

### III. **COMMISSION'S PROPOSED INTERIM GUIDELINES**

#### A. The Number and Timing of Notices

The Commission's Tentative Order proposes to modify the notification requirements by reducing the number of notices to two and by altering the time period when the notices will be sent. The Tentative Order requires a Warning Notice to be sent ninety to forty-five days before the effective date of the change. The second notice would be an Options Notice and sent at least forty-five days prior to the effective date of the change. EGSs would be given flexibility as to the timing and coordination of the two notices but they must be at least seven days apart.

The Energy Association submits that the proposed change to the timing of the notices would not allow customers adequate time to respond to the impending change in their service. Under the proposed scenario an EGS could send a customer the Warning Notice 52 days prior to the effective date and the Options Notice 45 days prior to the effective date. This would give customers less than 60 days to gather information to determine whether they should exercise their option to change EGSs. In another Commission docket on a related topic, Guidelines Addressing Return of Customers to Provider of Last Resort Service (PUC Docket

M-00968980F0017), some EGSs and customers claimed that a 60-day shopping period was insufficient for customers to make a choice. (Guidelines Addressing Return of Customers to Provider of Last Resort Service, June 22, 2000 Final Order, p. 13-15.) Any change to the customer notification process should not restrict the period of time customers have to contemplate their options before making a choice. The Energy Association believes that any proposed change to the customer notification rules must take into account the time period associated with the notification of the change to the electric distribution company (EDC) and the date that the new EGS service actually begins. Under the current Commission regulations, a change must conform to the rolling switching rules and must be received by the EDC at least 16 days prior to the customer's meter reading date for the change to be effective for the next billing period. The mechanics of the rolling switching rules require that customers be given adequate time to accommodate the limited time period that a switch request can be sent to have the change occur prior to the next billing cycle. The notification period must also include time for customers to shop and evaluate the options available to them. As such, the 90-day notification period is appropriate and should not be modified. One member company supports the position that all customer classes should receive this information rather than just residential and small commercial classes.<sup>1</sup>

<sup>1</sup> This represents the position of GPU Energy, it is not necessarily shared by all the listed member companies

The Energy Association does support, however, decreasing the number of notices sent to customers. The Energy Association submits that two notices, the Warning Notice sent at 90 days and the Options Notice sent at 45 days, would be appropriate.

B. Standardizing Notice Requirements and Notice to EDCs

The Commission's Tentative Order also proposed to standardize the various notice requirements relating to the expiration date of fixed term agreement and contract termination. The Energy Association supports standardizing the notice requirements and believes that the two notices, at 90 and 45 days, would be appropriate. One member company supports the position that all customer classes should receive this information, rather than just residential and small commercial classes.<sup>2</sup> The only exception to the customer notification of 90 and 45 days for contract termination should be when there is a failure to pay on the part of the customer.

The Commission is also proposing that EGSs notify the EDC when a change in the EGS contract may result in a customer returning to the EDC. The circumstances for each EDC may vary and member companies may be submitting separate comments on the benefit of receiving notice for each customer that may return to provider of last resort service. The Energy Association does believe that if an EGS is planning to stop providing services to a particular class of customers that

---

<sup>2</sup> This represents the position of GPU Energy, it is not necessary shared by all the listed member companies

the EGS continue to abide by the current regulations and provide the EDC, as well as the Commission, with the requisite 90 days notice. Further, to avoid problems with interpretation of the term 'abandonment', the Energy Association proposes that when an EGS plans to drop at least 50% of the load for a particular customer class within a 90-day period, that the requirement to notify the EDC and the Commission apply.

## **II. CONCLUSION**

The Energy Association of Pennsylvania, on behalf of its member companies, respectfully requests that the Commission adopt the above recommendations to its Tentative Order at this docket.

Respectfully submitted,

David O. Epple, CAE  
Vice President, Regulatory Affairs