EDCs Must Post LSE PLC 36 Hours Prior to Operating Day

- Current State customer choice rules only allow supplier switches to occur on the customer’s meter read date.
- State rules provide a window of several days prior to the customer meter read date when supplier registrations must be processed in order for a customer switch to occur on its next meter read date.
- These current state rules allow the LSE’s PLC obligation to be calculated 36 hours in advance of each operating day.
Current impacts to a LSE’s capacity obligation during the 36 hours window

- Customer bankruptcy
  - Supplier drop effective immediately
- Customer moves – final billed
  - Supplier drop effective immediately
- Supplier drop transaction not properly processed
  - Supplier doesn’t drop on correct date
  - Back date switch
- Rescission of Supplier drop
  - Supplier is reinstated due to incorrect drop
  - Correction made retroactively
Impacts of future market changes

- **State implementation of seamless moves**
  - All PA utilities have recently filed implementation plans.
  - Allows existing supplier to be effective on customer move-in day at new premise.
  - 70% of customers provide company one day notice of move.

- **Smart meter installations**
  - Could allow supplier switches to occur on non-meter read dates.
  - The supplier enrollment window could be reduced to a few days.
Example – Supplier Rescission Failure

1. Customer switch from Supplier A to Supplier B on 10/30
2. The switch was rescinded on 10/1 but did not process.
3. Customer switched on 10/30 to Supplier B.
4. A new supplier change was processed on 11/8 – triggered manual review of account.
5. From 10/30 - 11/7 load the customer PLC was assigned to Supplier B.

<table>
<thead>
<tr>
<th>DATE</th>
<th>29-Oct PLC</th>
<th>30-Oct PLC</th>
<th>7-Nov PLC</th>
<th>8-Nov PLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPLIER B</td>
<td></td>
<td>4.88</td>
<td>4.88</td>
<td></td>
</tr>
<tr>
<td>SUPPLIER A</td>
<td>81.66</td>
<td>76.79</td>
<td>76.81</td>
<td>81.72</td>
</tr>
</tbody>
</table>

Supplier B is inappropriately charged for PLC for 9 days.
Example - Customer move out

- Customer shopping with Supplier A. PLC = 3.8 MW.
- Customer contacts Company on 10/31 - moving today.
- Process move out and supplier drop overnight.
- 11/1 - Settlement receives Supplier change.
- 11/1 - Next day’s capacity run in afternoon.
- 11/2 - PLC posting for 11/4 depicts customer drop from 10/31

<table>
<thead>
<tr>
<th>DATE</th>
<th>31-Oct PLC</th>
<th>1-Nov PLC</th>
<th>2-Nov PLC</th>
<th>3-Nov PLC</th>
<th>4-Nov PLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPLIER A</td>
<td>24.2</td>
<td>24.2</td>
<td>24.2</td>
<td>24.2</td>
<td>20.4</td>
</tr>
</tbody>
</table>

Reduced PLC is reflected 4 days later
Questions?