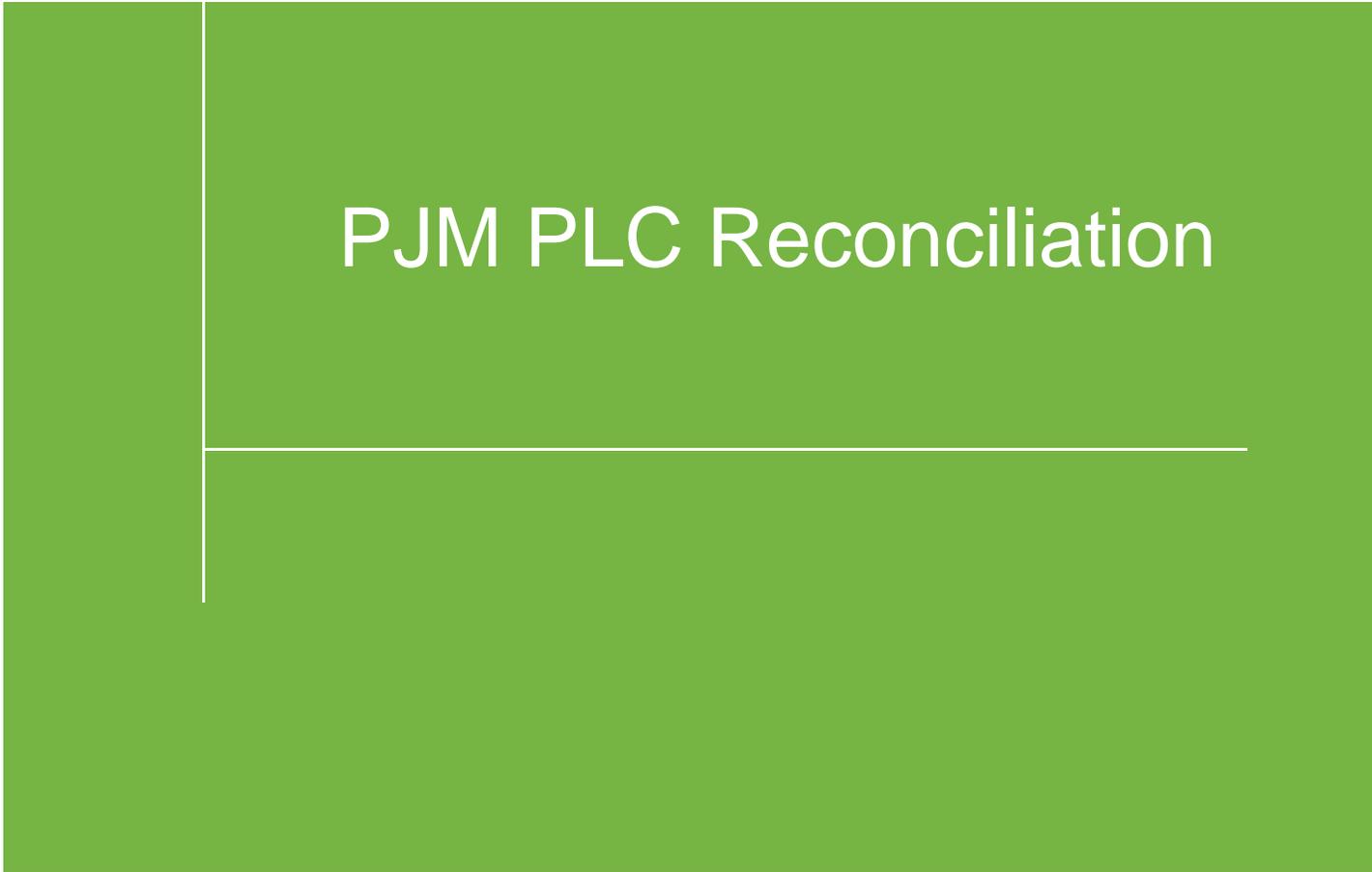


# PJM PLC Reconciliation

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# 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 **The switch was rescinded on 10/1 but did not process.**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.**

DATE	29-Oct	30-Oct		7-Nov	8-Nov
	PLC	PLC		PLC	PLC
SUPPLIER B		4.88		4.88	0
SUPPLIER A	81.66	76.79	.....	76.81	81.72

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**

DATE	31-Oct PLC	1-Nov PLC	2-Nov PLC	3-Nov PLC	4-Nov PLC
SUPPLIER A	24.2	24.2	24.2	24.2	20.4

Reduced PLC is reflected 4 days later



Questions?