

Standard Offer Webinar 5/30/2013

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Standard Offer Program – Background

- Effective with the Final Order of the PPL Electric Utilities Corporation “PPL Electric” Default Service Program (DSP) and Procurement Plan (Docket No P-2012-2302074) from June 1, 2013 to May 31, 2015. The standard offer program start date is August 1, 2013. PUC approved of PPL’s amended filing May 23, 2013.
- Offered to eligible default service residential and small commercial customers < 25kW contacting PPL Electric’s call center, other than for termination or emergency calls
 - Includes Customer Assistance Program (CAP) customers
 - Shopping customers that actively request participation in the program
- 12-month fixed price that will be set at 7 percent below PPL’s current Price-To-Compare default service rate at the time of enrollment
- August PTC is 8.227 cents for Residential and 7.715 cents for Small C&I

Standard Offer Program – Background

- New and moving customers will be enrolled with default service for the initial month and then will be switched to the Standard Offer Supplier in the second month.
- The customer can request to be removed from this program at anytime without termination charges

Standard Offer Program – Timeline

Standard Offer Program – Initial Program Start (August 2013)

- March 11, 2013 PPL Electric files Standard Offer Program documents with the Commission
- May 22, 2013 June through August 2013 PTC issued by PPL Electric
- May 23, 2013 PUC Approval of the Default Service Procurement Plan (DSP) Docket No. P-2012-2302074
- May 30, 2013 2 p.m. PPL Electric holds conference call with EGSs on SOP Program
- June 14, 2013 Notify PPL of Interest in participation in SOP Program
- June 28 – July 22, 2013 Abbreviated test flight for rate ready billing certification for existing suppliers

Standard Offer Program – Timeline

- July 19, 2013 Request Supplier Portal Access for Referral Report
- July 1 – July 26, 2013 Standard Offer Program Binding Participation Form Submission
- July 26, 2013 Deadline to notify PPL Electric of intent to participate in August 1 program start
- July 29, 2013 PPL Electric compiles list of Participating EGSs and updates systems with this data
- August 1 – August 31 Standard Offer Program Offered to Eligible Customers & customer enrollment for Participating Customers

Standard Offer Program – Timeline

Standard Offer Program – Sept – Nov 2013 (First full quarter)

- August 23, 2013 September through November 2013 PTC issued by PPL Electric
- August 27, 2013 Deadline to submit Standard Offer Program Binding Participation Form, and notifies PPL Electric of intent to participate in each Customer Group in the Sept-Nov Quarterly Period
- Sept. 1 – Nov. 30 SOP Offered to Eligible Customers by PPL Electric & customer enrollment for Participating Customers by EGS

NOTE: A new timeline will be updated one calendar month prior to the commencement of the next Quarterly Period with new dates based upon that upcoming period as applicable.

Standard Offer Program – EGS Qualification Requirements

Certification

- EGS must be licensed by The Commission with authority to provide service to Residential and/or Small C&I customers in PPL Electric's service territory
- EGS must be certified by PPL Electric for EDC Rate Ready Consolidated billing
 - PPL will hold a certification test (June 28 – July 22) prior to the start of the program to ensure that interested EGS have the ability to meet this requirement
 - The abbreviated rate ready certification testing is only for already EDI certified Suppliers.
 - New Suppliers entering the PPL market will be tested during the established PPL market entry testing schedule.
 - All EGSs must meet certification requirements on or before 5 calendar days prior to the start of a PTC quarter to be eligible to participate in the program

Standard Offer Program – EGS Qualification Requirements

Documentation

- EGS must complete and execute the Standard Offer Program Binding Participation Form (Exhibit 1) and
- Standard Offer Program Contact Form (Exhibit 2)
- Hardcopies of both forms must be received by PPL at least 5 calendar days prior to the start of the program quarter, to be eligible to participate

Standard Offer Program – Customer Communication and Allocation Process

Call Types - Start Service, Moving

- All customers will be transferred to 3rd party provider to discuss the standard offer program

For Other Call Types such as High Bill, and Choice Call Process

- EDC – After initial call concern complete, PPL call center representative asks if the customer is interested in hearing about the standard offer program, call is transferred to 3rd party provider:
 - The vendor provides a greeting and introduction.
 - Verification of the name on the account, address and start date.
 - Inform the customer of the standard offer (7% discount off the default service Price to Compare)

Scenario #1) If customer does not have a desired supplier

- Randomly select the supplier through the customer allocation process
- Mailing address is verified

Scenario #2) If customer knows their desired supplier and the supplier is in the participating supplier list

- Supplier is selected
- Mailing address is verified

Scenario #3) If customer knows their desired supplier and the supplier is not on the participating supplier list

- Inform the customer that the supplier is not participating
 - Randomly select the supplier through the customer allocation process
 - Mailing address is verified
- **See Exhibit 3 for example of customer allocation algorithm**

Standard Offer Program – EGS Obligations

- Accept and enroll all referred customers into the standard offer program
- Initiate an EDI 814 enrollment transaction to the EDC, utilizing 11 day rule
- Utilize a PPL-created specific SO rate ready rate for SOP customers (See Exhibit 4), when enrolling customers in this program. The rate is determined when the third party refers the customer to the EGS
- EGSs must maintain the account on the rate for 12 billing periods, unless the customer withdraws from the program
- If an EGS suspends participation, it must continue to serve the customers already signed up
- When the twelve month period expires, the customer account stays with the EGS unless the EGS initiates a drop or a rate code change

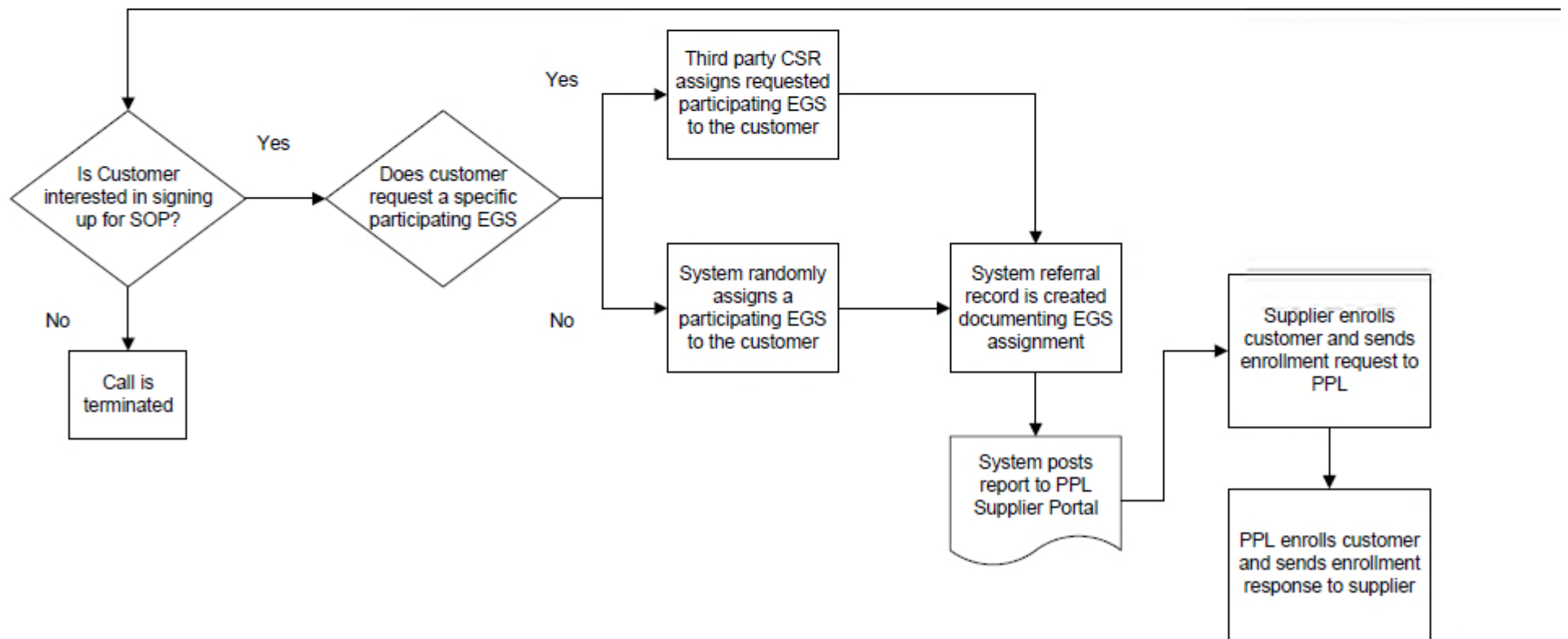
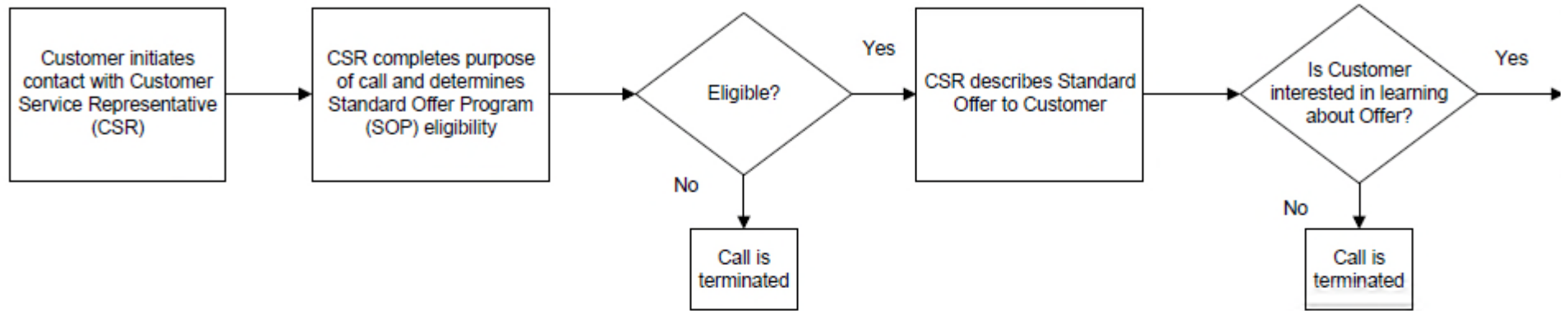
Standard Offer Program – Costs

- EGSs will be charged \$28 per referred customer
- Invoices will be issued by PPL, within 10 business days following the conclusion of the quarter
- EGS is required to pay the invoice within 20 business days to PPL Electric. Payment must be made via Electronic Funds Transfer (EFT)

Standard Offer Program – Reporting Requirements

- EGSs are required to independently maintain their own data and information for all customers enrolled in the program
- PPL Electric will not be responsible for tracking or reporting on the Program for the benefit of the EGS. Any actions taken by PPL Electric to monitor the program will be completed on its own behalf
- Each day, the Company will post to their Supplier Portal EGS customer-specific data and information for those customers which have been assigned to the EGS. This data will be provided via PPL's supplier portal. The file data content is shown in exhibit 5
- Suppliers must request access to the Supplier Portal via the PPLUtilitiesSupplier@pplweb.com mailbox distribution list

Standard Offer Program Process



Standard Offer Program – Exhibit 1 Binding Participation Form

To be included in PPL Electric Utilities Corporation’s (“PPL Electric”) Standard Offer Program, _____ (“Standard Offer EGS Participant”) agrees to be bound by the terms set forth below.

The Standard Offer EGS Participant hereby agrees that:

- It acknowledges, understands and will abide by the rules set forth in the Standard Offer Program (SOP) Process and Rules document;
- it is obligated to pay a fee of \$28 per referred customer or PPL Electric’s actual costs per referred customer, within 20 business days of being invoiced;
- the EGS will issue an EDI 814 enrollment upon notification from PPL Electric of customer being assigned to it. The EDI enrollment will be processed by the EGS no later than 3 business days after notification of the assignment;
- it must accept all Standard Offer Customers who elect to participate and are assigned to it under the Standard Offer Program;
- once notification is received that a Standard Offer Customer is enrolled, the EGS will send notification to such Standard Offer Customer and include the following terms as part of its disclaimer:
 - the terms and conditions of the program;
 - the Standard Offer price, herein described below, to all its designated Standard Offer Customers for a term of twelve (12) billing cycles;
 - notification that there is no early termination penalty to any Standard Offer Customer who leaves the Program at any time during the twelve (12) billing cycles;
 - any additional terms or conditions as set forth in Chapter 54 of the Pennsylvania State Code;

Standard Offer Program – Exhibit 1 Binding Participation Form

- The Standard Offer Customer's price must reflect a 7% discount to PPL Electric's Price to Compare (PTC) in effect at the time the Standard Offer Customer elects service under the Program. This price will be maintained for all 12 billing cycles the for which the Standard Offer Customer participates in the program; and,
- In accordance with the provisions of 52 Pennsylvania Code Chapter 54, prior to the termination of the contract with a customer under this program, the EGS will notify the customer regarding the conclusion of the contract, and its offer concerning the terms and conditions for continuation of service

The Standard Offer EGS Participant warrants and agrees that it hereby undertakes all responsibilities and service delineated herein as to Standard Offer Customers, and expressly absolves PPL Electric from any and all liability for Standard Offer EGS Participant's failure to perform and/ or its default with respect to such responsibilities and service

The PPL Electric warrants and agrees that it hereby undertakes all responsibilities and service delineated herein as to Standard Offer Customers, and expressly absolves Standard Offer EGS Participant from any and all liability for PPL Electric's failure to perform and/ or its default with respect to such responsibilities and service

Standard Offer Program – Exhibit 1 Binding Participation Form

Participation in this Program shall constitute an Agreement by EGS to abide by the terms and conditions of the Program as set forth herein. In the event of a material default by an EGS in any of its obligations under this Program, PPL Electric shall have the right to provide written notice of the default to the EGS, directed to the Contact listed in Exhibit 2. If the EGS does not cure the default within 10 business days from the date of the written notice, PPL Electric shall have the right to terminate the EGS from further participation in the Program. PPL Electric also may seek whatever remedies to which it may be entitled before the Commission, in a court of law or otherwise, including reasonable attorneys' fees. Any court action shall be litigated in the Court of Common Pleas for Lehigh County or in the District Court for the Eastern District of Pennsylvania in Allentown.

The Standard Offer EGS Participant acknowledges that if PPL Electric Utilities is not able to confirm that the Standard Offer EGS Participant is a licensed EGS in Pennsylvania, is registered as an EGS at PJM and has passed EDI "Rate Ready Billing" certification for the PPL Electric service territory as of the Submission Due Date, the Standard Offer EGS Participant will not be qualified to participate in the Standard Offer Program and will be excluded from the Program until such time as all deficiencies have been rectified. Furthermore, it is of the responsibility of the Standard Offer EGS Participant to cure such deficiencies.

The Standard Offer EGS Participant need only execute and submit this Form to PPL Electric once. However, in order to be a participant during each PTC Quarter, it must utilize distinct Rate Codes for each PTC Quarter through the PPL Electric System and notify the Company via e-mail of its intent to participate per Article 4 of the SOP Rules. Any EGS failing to notify the Company of its intent to participate in the Program will be excluded from that quarter's SOP offering.

Standard Offer Program – Exhibit 1 Binding Participation Form

The submission of this Form to PPL Electric shall constitute the Standard Offer EGS Participant's acknowledgment and acceptance of all the terms, conditions and requirements of this Standard Offer Program.

The undersigned represents and warrants that he/she has the authority to act on behalf of, and to bind, the Standard Offer EGS Participant to perform the terms and conditions and otherwise comply with all obligations stated herein.

Signature of Authorized Individual: _____

Name of Authorized Individual (*print*): _____

Title of Authorized Individual (*print*): _____

Date Signed: _____

As part of your submission to participate in the Standard Offer Program, please send one (1) original of this Form to:

PPL Electric Utilities Corporation
Standard Offer Program
Two North Ninth Street, GENN5
Allentown, PA 18101
Attn: Supplier Coordination

Standard Offer Program – Exhibit 2 Standard Offer Program Contact Form

Please provide contact information for purposes of the SOP (*items with an * are required*):

Company:*

Contact Name:*

Contact Title:*

Address:

Street 1*

Street 2

City*

State*

Zip Code*

Phone Number:*

E-mail Address:*

Fax (Optional):

Standard Offer Program – Exhibit 3 Customer Allocation Process

Supplier Selection – Customer Allocation Process

- On a quarterly basis, lists of participating suppliers will be created according to the customer group (residential & small C&I)
- When the allocation process is initiated:
 - The proper list of available suppliers is obtained for the appropriate customer group.
 - The system will select the next supplier from the list to be offered & mark as offered
 - If offered supplier is accepted by customer – tracking table will be updated as selected
 - If offered supplier is not accepted by customer – update tracking table with not selected
- The next time the customer allocation function for the same customer class is called, the next supplier in that specific list will be offered. Once the process reaches the bottom of the list, the process will start over

Rate Ready Rates for Enrollment -Exhibit 4

Quarter	Customer Type	Rate
3Q – 2013	Residential	SOR3Q3
3Q – 2013	Small C&I < 25kW	SOS3Q3
4Q – 2013	Residential	SOR4Q3
4Q – 2013	Small C&I < 25kW	SOS4Q3
1Q – 2014	Residential	SOR1Q4
1Q – 2014	Small C&I < 25kW	SOS1Q4
2Q – 2014	Residential	SOR2Q4
2Q – 2014	Small C&I < 25kW	SOS2Q4
3Q – 2014	Residential	SOR3Q4
3Q – 2014	Small C&I < 25kW	SOS3Q4
4Q – 2014	Residential	SOR4Q4
4Q – 2014	Small C&I < 25kW	SOS4Q4
1Q – 2015	Residential	SOR1Q5
1Q – 2015	Small C&I < 25kW	SOS1Q5
2Q – 2015	Residential	SOR2Q5
2Q – 2015	Small C&I < 25kW	SOS2Q5

Standard Offer Program – Exhibit 5 Report Fields made available to Suppliers via Supplier Portal

Report 1 – Fields Needed for supplier to enroll and contact the customer

Bill Account Number

Customer Name

Customer Service Address

Customer Mailing Address

Customer Rate Class

Date/time/time zone customer agreed to obtain service from the Service Provider

Customer Tax Exemption

Customer Rate Code (SO rate per Exhibit 4)

Report 2 – Fields Needed (for pending active accounts)

Bill Account Number

Original Transaction Reference Number

Accept/Reject

Bill Cycle

Rate Class

Rate Subclass

Contract Effective Date

Questions?