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February 16, 2006

James McNulty, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: MXenergy Comments
Natural Gas Stakeholders Working Group
Docket No. I-00040103 F0002

Introduction:

MXenergy is a Natural Gas Supplier licensed in the State of Pennsylvania. MXenergy applauds the Commission for its initiation of the Natural Gas Stakeholders groups and its vision of convening the various stakeholders with the explicit goal of developing solutions to various issues that are holding back a competitive natural gas retail market from flourishing in Pennsylvania. Per the Commission's request, MXenergy respectfully submits its comments on the proposed subgroups and issue assignments. MXenergy also submits additional competitive gas market issues for consideration of the Stakeholder Group as well as some procedural suggestions.

Subgroups and Issue Assignment:

MXenergy recommends realigning the subgroups to mirror how Natural Gas Suppliers (NGSs) and Natural Gas Distribution Companies (NGDCs) are functionally organized:

- I. Marketing/Customer Issues
- II. Gas Operational Issues
- III. Financial Issues
- IV. Regulatory Issues

This recommended subgrouping of the issues will allow NGSs and NGDCs to better target their use of specific personnel with expertise in those functional areas. The current organization of issues, presented in the Commission's 1/20/2006 Notice, requires a broad range of expertise within each subgroup making it difficult for some stakeholders to efficiently utilize their resources.

Using the above recommended subgroups, MXenergy proposes the following issue assignments:

- I. Marketing/Customer Issues
 - (i) Market Information
 - (ii) Switching Restrictions
 - (iii) Pricing Information and Consumer Educations
 - (iv) Seamless Moves
 - (v) NGDC Consolidated Billing
 - (vi) NGDC Promotion of Competition

- II. Gas Operational Issues
 - (i) Mandatory Capacity Assignments
 - (ii) Nominations and Delivery Requirements
 - (iii) Penalties for Non-delivery

- III. Financial Issues
 - (i) Security
 - (ii) Receivable for Mass Markets Customers
 - (iii) NGDC Negotiated Supply Contracts
 - (iv) Service to Low Income Consumers
 - (v) Costs of Retail Supply Service
 - (vi) Acquisition Cost for Mass Markets

- IV. Regulatory Issues
 - (i) Supplier Tariff Requirements
 - (ii) Supplier Consolidated Billing
 - (iii) Consumer Protection Rules
 - (iv) Sustained Commission Leadership in Competitive Markets
 - (v) Code of Conduct

Additional Competitive Issues:

Since the goal of the Working Group is to resolve issues in order to increase the competitiveness of the retail natural gas market in Pennsylvania, then MXenergy recommends adding the following issues to the discussions of the Working Group:

1. Change the GCR mechanism to have the GCR better reflect the natural gas market,
2. Pro-rata assignment of all utility assets that are required to serve customers,
3. Eliminate customers' switching fees and minimum stay requirements,
4. Real-time availability of customer usage and billing history,
5. Consistency in all NGDCs' tariffs and
6. Increase NGSs' billing flexibility in Rate-Ready NGDC Consolidated billing models.

Procedural Recommendations:

To increase the effectiveness and maximize shareholder participation MXenergy recommends the following procedural considerations for the Working Group:

1. The Subgroup meetings should not be held in concurrent sessions. Each subgroup contains a number of important issues and MXenergy wishes to contribute to all areas. Many stakeholders, including MXenergy, will generally have only one person who will be able to participate at any given time. Many stakeholders will not be able to fully contribute if the subgroup meetings are held concurrently.
2. Teleconferencing should be used for all meetings to allow maximum participation.
3. Meetings should be focused in a specific functional area, with specific agendas and goals set in advance, so that Stakeholders can dedicate the appropriate resource(s) for each meeting.
4. Meeting notes should be kept and circulated to all stakeholders in order to help prepare a record that will form the basis of recommendations and/or actions to be taken as a result of the meetings.
5. An email list (list serve) of all participants should be established in order to facilitate communication among stakeholders.
6. A chairperson should be assigned to each subgroup to help facilitate discussion and consensus building.

Thank you for the opportunity to submit comments on the subgroups and issue assignments, as well as consideration of the additional issues and procedural recommendations.

Sincerely,



Robert Blake
VP Regulatory Affairs
MXenergy