

CHARGE Conference Call

March 24, 2011 – 9:30 a.m.

Call-in number: 1-866-618-6746 and Access Code: 6060145

Recap of Discussion

17. EGS Marketing Activities

- PUC adopted guidelines on November 4, 2010, which is available at the following link:
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2185981>
- Proposed rulemaking order adopted by PUC at February 10, 2011 Public Meeting; copy of entered order is attached; can be accessed on OCMO page and at the following link:
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=L-2010-2208332>
 - Comments will be due 60 days after publication in Pa. Bulletin, which will be at least a couple of months due to requirements of regulatory review process
- Staff is closely monitoring EGS marketing activities to: 1) immediately resolve serious concerns; 2) refer matters as necessary to prosecutory staff for appropriate handling; and 3) prepare report for PUC due in April 2011 about the use of unlicensed independent contractors by licensed EGSs

30. Estimated State Tax Amount on Bills

- Question has arisen about whether the presentation of “estimated total state taxes” on residential bills is required for generation charges of EGS as there is no standard treatment among EGSs; more recently, EDEWG asked CHARGE to resolve issue so that requirement for tax field on EDI 810 Bill Ready Invoice can be eliminated
 - Components of EDC’s “estimated total state taxes” components are Capital Stock, Property Tax-Local and PURTA, State Unemployment Compensation, PA State Income Tax, and Gross Receipts Tax
 - Resolution of this issue will not affect presentation of GRT by EGSs
 - Staff is reviewing statute and regulations to offer guidance to EGSs on issue of whether their state taxes (other than GRT) must be displayed
- EGSs are either not populating the state tax field or are populating it with zero; EGS prices are computed using different methods, raising questions about whether requirement is practical; no party expressed desire to require EGSs to show “estimated total state taxes”

- Staff has gathered information and will seek guidance from Commission

31. Eligible Customer List

- PUC adopted final order on November 12, 2010, which is available at the following link:
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2183412>
- OCA and PA Coalition Against Domestic Violence filed Petitions for Review with Commonwealth Court, which has granted stay of November 12, 2010 order
- Commission issued Secretarial Letter on February 15, 2011 clarifying effect of stay (Docket No. M-2010-2183412) and has filed an Application for Remand with Commonwealth Court

33. Last-In Enrollments

- Spreadsheet was previously circulated to show how EDCs handle multiple enrollments for the same customer before the 16-day cut-off date
- Issue was discussed during calls on April 29, May 13, May 27 and June 10, 2010; summary of discussion appears in recaps for those calls
- Although group has recognized some value in having a standardized process, uniformity is not a priority, so the matter is being closed out, subject to the ability of any participant to ask to have the item placed on a future agenda; the key is that customers should be shifted to the EGS from whom they have chosen to receive service

34. Mixed Meter – EGS Authority

- Questions have been raised about whether EGSs must have authority to serve residential customers when a residential customer is served as part of a mixed meter situation
- While the PUC expects EGSs to seek amendments to licensing authority in these situations, Staff has indicated that it may be feasible to exempt compliance with inapplicable residential consumer protection requirements in Chapters 54 and 56; and Staff continues to have questions about how EDCs bill these customers
 - EGSs still desire clarification of whether license must be amended and whether they are required to comply with Chapters 54 and 56 in these situations
 - Staff will pursue desired clarifications, and has noted that it will be difficult to provide a bright line defining incidental service, especially for purposes of Chapter 56
- Staff reported that the Commissioners' offices are reviewing a draft Secretarial Letter that will provide requested clarifications; hope to have it issued within a few days

37. Supplier Consolidated Billing Implementation

- EDEWG document summarizing issues that need to be addressed for full implementation of supplier consolidated billing was circulated on August 25; and Blue Star provided responses based on Illinois experience which were distributed on October 25
- Both documents are available at links next to the agenda for the October 28 call at http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx
- Currently PPL has an interim structure in place allowing Blue Star to implement SCB
- Staff has gathered information from EGSs about interest in SCB and from EDCs about ability to implement an interim or permanent solution
- Staff has also sought guidance from the Commission as to the preferred avenue for further pursuing these issues
- Commission's preference is for interested party or parties to file a formal petition; therefore, these issues will not be further pursued via CHARGE

43. Displaying Prices on PAPowerSwitch

- Column is being added for EGSs to show introductory price, if applicable, to promote consistency in the way prices are displayed
- Sorting capability is being added for all fields so that customers may view EGSs in an order that differs from alphabetical
- Staff expects changes to be made during April

44. Net Metering Customers

- Questions have been raised by customers who have net metering arrangements with EDCs and then switched to EGSs without entering into net metering contracts with the EGSs; staff noted the need for customers to make these arrangements with EGSs before they switch
 - Staff has encouraged EDCs to educate customers at the time they sign a net metering contract and during the enrollment process
 - Staff has encouraged EGSs to also ensure that customers are aware before they switch that if they are on a net metering tariff, they will no longer receive energy credits from the EDC; it is up to EGSs if they want to offer energy credits to the customer

- EDEWG is seeking to get approval to provide information in an EDI segment on enrollment response and in historical usage transaction so that EGSs are aware that a customer is net-metered; will be addressed during EDEWG's April 7 meeting
- PECO has inserted language into confirmation letter: "If you are a PECO Net Metering/Renewable Service customer, you will no longer receive net meter credits from us after switching to an EGS. PECO will provide you with a final credit for any energy you produced prior to the switch. You should contact your EGS to find out if they offer any credits for energy produced."

45. Accelerating Supplier Switching Timeframes

- Group discussed enrollment process/supplier switching timeframes
- As outlined in the attachment (revised to include points from today's discussion), the process currently takes 16-45 days
 - Includes the 10-day confirmation period required by the PUC's anti-slamming regulations
 - No mid-cycle switches are done, so that if the enrollment is not submitted at least 16 days prior to the next meter read, the switch is delayed to the next meter read 30 days later
- Staff has done outreach with EDCs and other states, including Texas and Maryland; it was suggested that Connecticut's process also be reviewed
 - Staff suggested that EGSs should be mindful of customers' meter read dates and strive to send enrollments at least 16 days prior to those dates, and communicate the timeframes for switching to customers
 - Staff also asked for feedback on reducing the 10-day confirmation period and on the possibility of mid-cycle switches
- EGSs expressed support for changes that would accelerate the switching timeframe
 - Waiting period could be eliminated, with economic penalties for slamming that would result in customers being held harmless
 - Confirmation process could be electronic
 - Smart meters should make it technically feasible to do mid-cycle switches
- EDCs expressed concerns about changes that would accelerate the switching timeframes
 - Easier to unwind slamming prior to the customer being switched

- Billing systems are built around meter read dates and would need expensive IT changes
- PJM settlement process may not support mid-cycle switches
- OCA agrees with looking for a cost-effective mechanism to accelerate the switching process but views the confirmation letter as a key to maintaining credibility of the process; would be open to discussing a shorter confirmation period
- Staff appreciates the input and will continue discussing the issue and gathering more information; status report will be provided during the April 21, 2011 call

46. Statewide Investigation

- PUC will launch statewide investigation this spring, per FirstEnergy merger order, Docket No. A-2010-2176520, to ensure properly functioning and workable competitive retail electricity market exists in the Commonwealth
- Investigation will examine both the legislative and regulatory framework behind Pennsylvania's retail market, including an analysis of the current default service model and whether, as currently structured, that model is hindering competition
- Staff expects Commission action by early May

General Matters

A. New Issues

- Any new issues or questions about issues previously discussed on CHARGE calls should be submitted to ra-ocmo@state.pa.us

B. Old Agendas/Recaps

- All agendas and recaps are posted on the OCMO page of the website along with various other documents that have been distributed or relied upon during CHARGE discussions, at the following link -
http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx

C. CHARGE Distribution List

- To be added to the CHARGE distribution list, please send an email to ra-ocmo@state.pa.us

D. CHARGE Contact List

- Contact list is on website at the following link:

http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx

- Please send contact information or updates to ra-ocmo@state.pa.us; purpose of this list is to enable stakeholders to contact one another directly to resolve issues and is separate from email distribution list

E. Meeting Schedule for 2011

- April 21, 2011, 9:30 a.m.
- May 12, 2011, 9:30 a.m.
- June 2, 2011, 9:30 a.m.
- June 23, 2011, 9:30 a.m.