

CHARGE Conference Call

June 24, 2010 – 9:30 a.m.

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

Recap of Discussion

1. EGS Marketing Activities

- Staff is reviewing feedback to June 11 version, targets July 15, 2010 Public Meeting for consideration by PUC and envisions issuance of tentative order for comment

2. Supplier Consolidated Billing Implementation

- EDEWG plans to have a document ready to submit to CHARGE around the end of July
- PPL identified issues regarding the relationships established by this billing structure where charges are forwarded by EDC to EGS without POR, there is a contract between EDC and EGS, there is a contract between EGS and customer, and there is no relationship between EDC and customer for collection of charges
- Contrary to staff's earlier understanding that these issues may already be pending before the PUC and off-limits for discussion, it appears that they are not yet before the Commission; therefore, staff will review these issues and include on future CHARGE agenda

3. Eligible Customer List

- Staff is finalizing a recommendation for the PUC to address various ECL issues relating to uniformity and availability of customer information needed by EGSs (target: July 15 PM)
- Staff envisions issuance of a tentative order for comments

4. Default Service Bid Information

- Staff seeking feedback on the approach followed by FirstEnergy as a starting point for standardizing release of default service auction results and formulation of price to compare
- No feedback provided during June 24 call; any objections to this approach should be communicated in advance of or during July 8 call so that staff can move forward to formalize this approach or submit a recommendation to the PUC
- Link to the PTC calculator and default service procurement schedule - http://www.firstenergycorp.com/supplierservices/Pennsylvania/Met-Ed_and_Penelec/Met-Ed_and_Penelec_Default_Service_Information.html

- Link to the results for the May auctions -
<http://www.firstenergycorp.com/utilitypowerprocurements/pa/mepn/index.html>
- General link to navigate to either site -
<http://www.firstenergycorp.com/corporate/Suppliers.html>

5. **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
- Staff has determined that EDC tax components are Capital Stock, Property Tax-Local and PURTA, State Unemployment Compensation, PA State Income Tax, and Gross Receipts Tax.
- Staff is conducting further review of statute and regulations to offer guidance to EGSs on this issue; interested in feedback from group on value of having information on bills about taxes (other than GRT) paid by EGSs

6. **Gross Receipts Tax**

- Based on discussion during June 10 call about the need to gross-up the GRT rate from 5.9% to 6.27%, Staff is drafting FAQ for PAMPowerSwitch.com to clarify for consumers
 - IECPA suggested that the PUC should direct EGSs to refer customers to this clarification
- EGSs should ensure that sales and marketing communications are consistent with billing practices

7. **Historical Usage Requests**

- PUC’s order adopted on June 3, 2010 in Petition of PECO Energy for Approval of Smart Meter Technology Procurement and Installment Plan clarified PECO’s obligation to provide historical usage information in response to EDI request when a customer has previously restricted release of this information but has given the EGS a letter of authorization
 - Link to the order:
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2009-2123944>
- Staff expects Secretarial Letter to be issued clarifying this obligation for all EDCs

8. **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; it is attached to this recap for ease of reference

- Group generally discussed value of standardizing enrollment process going forward; benefits of standardization were identified; and issue will remain on the list for further discussion

9. 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
 - Staff's prior guidance was that if the customer is served under a Residential rate schedule, the EGS should have authority under the license to serve residential customers (and that residential consumer protections would apply)
- During the April 29 call, EGSs expressed concerns about needing a license to serve residential customers if they are contracting with a commercial entity, such as a military base, due to marketing, reporting and compliance differences
- Based on concerns raised during April 29 call, staff has revisited this issue and now believes that it may not be necessary for an EGS to obtain a license to serve residential customers or to afford residential consumer protections when the EGS contracts with and bills the commercial customer
- Staff is drafting document to explain issue and different interpretations in order to obtain guidance from the Commission

10. Contract Expiration/Renewal Notices

- Renewal notice regulations at 52 Pa. Code 54.5(g) have been superseded by subsequent guidelines issued in 2001, which are attached and posted on the OCMO's webpage at http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx
 - All EGS s should review guidelines and submit any questions to ra-OCMO@state.pa.us
 - Staff is offering to informally review proposed renewal notices; please send them to ra-OCMO@state.pa.us at least 10 days prior to issuance to consumers
- Staff sought input on how to handle the section of the guidelines requiring a supplier to place the EDC's price to compare on the renewal notice, see II(b)(iii), since this information may not be available for 2011 when the notices are issued, depending on when contracts expire
 - PPL's price to compare will not be available until mid-December, well after these notices must be issued
 - One suggestion was to provide estimates and another was to permit EGSs to change price after PTC is made available
 - Staff will consider feedback and present a proposal at a future CHARGE meeting

- Staff is seeking input on how to handle situation where customer does not respond to notice: do the new terms go into effect?
 - Informal staff advice has been that the new terms can go into effect as long as: 1) the renewal notice clearly states what will occur if there is no customer response; 2) the terms are month-to-month; and 3) there is no cancellation penalty
 - This guidance is based on direction the Commission has provided the natural gas industry in regulations at 52 Pa. Code 62.75(g)(2) which are available at the following link: <http://www.pacode.com/secure/data/052/chapter62/s62.75.html>
 - Feedback during meeting was supportive of this approach

11. 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

12. Meeting Schedule for Remainder of 2010

- July 8, 9:30 a.m.
- July 22, 9:30 a.m.
- August 5, 9:30 a.m.
- August 26, 9:30 a.m.
- September 9, 9:30 a.m.
- September 30, 9:30 a.m.
- October 14, 9:30 a.m.
- October 28, 9:30 a.m.
- November 18, 1:30 p.m.
- December 9, 9:30 a.m.
- December 23, 9:30 a.m.

Last In Scenarios for Pennsylvania	Allegheny Power	Duquesne Light	First Energy
<p>Does the utility evaluate 'last in' for the entire enrollment period or just in the case where two enrollments were received the same day?</p>	<p>AP evaluates last in for the entire enrollment period</p>	<p>We evaluate the 'last in' for the entire enrollment period / if within the 10 day recession period.</p>	<p>FE uses First-In so the customer must stay with the first supplier to send in the enrollment for at least one billing period.</p>
<p>If a customer calls to indicate that they were "slammed", what does the utility do?</p> <p>Some EDCs drop to the active supplier (whether it be an EGS or default supply), and others (including Allegheny Power) drop back to any other possible pending suppliers for that enrollment period.</p>	<p>Allegheny Power drops back to a pending supplier for that enrollment period or to the active supplier if there are none pending</p>	<p>If we are notified within the 10 days, we cancel the pending switch and the customer is defaulted back to the "current" EGS of record. If the 10 day recession period has expired, we advise the customer they will remain with the supplier for one billing cycle and should contact them to cancel.</p>	<p>The account is refer to our Supplier Services group to investigate. If needed, Supplier Service personnel will contact the supplier to determine resolution.</p>
<p>If a customer calls and says that they enrolled with two different suppliers, and they really wanted the first one, what does the utility do?</p> <p>At least one EDC informs the customer they need to call the supplier to drop. Many believe the utility should follow the customer's wishes at the time of the call. For example, if they enrolled with A and B, and they really wanted A, the utility should put them back with A and send the reinstatement if necessary.</p>	<p>The customer can rescind the last supplier (B) and it goes back to the first one (A) so long as they are in the 10 day window for the last supplier (B). If they are outside the 10 day rescission window, they must take service for at least a month from supplier (B) and have supplier (A) re-enroll them</p>	<p>Within the 10 day recession period, we would cancel/drop the second supplier and ask the customer to call the first supplier and ask them to send in a new enrollment.</p>	<p>This cannot occur in FE since we use First-In and the customer must stay with the original supplier for at least one billing period. After that, if a customer switches suppliers then the first supplier is dropped. Customer can rescind if they make a mistake within the rescission period then the original supplier is reinstated.</p>
<p>How is last in determined? Is it the last enrollment received before the 16 day blackout period or is it based on contract date.</p>	<p>Allegheny will take the last enrollment received prior to the 16 day blackout period. The contract date is only used if two or more enrollments are received on the same day.</p>		

PECO	PPL EU	UGI
<p>"Last in" is evaluated with regard to a specific enrollment period; If enrollments are received more than one day apart but still project to the same effective date, then 'last in' evaluation will commence; Please note that PECO is currently reviewing implementation of its 'last-in' evaluation rules within its systems, to verify that associated scenarios are being handled appropriately; Some fixes may be implemented over the next 6 to 9 months based upon findings</p>	<p>Entire Period PPL evaluates the entire enrollment period for last in.</p>	<p>If the enrollments are not received on the same day, the 2nd enrollment will be effective the next bill period after the 1st enrollment. If the enrollments are received the same day, the last one processed is who the customer is enrolled with.</p>
<p>PECO customers typically don't overtly state that they were slammed; However, if PECO determines based on customer feedback that the customer is implying a slam has occurred, then PECO will open a slam dispute and immediately drop the supplier that the customer believes "slammed" them; Depending on timing, this can be done via a rescind (if within the 10-day confirmation period), meaning the customer could return to the previous ACTIVE (<u>not</u> pending active) supplier on the account, OR via a return-to-PECO (if the 10-day confirmation window has already passed)</p>	<p>If the account is within the rescission period, the account is returned to the previous supplier or POLR. Otherwise, the account is referred to Supplier Coordination for resolution.</p>	<p>The enrollment generates a letter. The customer has 10 days to call and say they should not have been enrolled, during this time the supplier is pending. When the customer calls we drop the pending supplier and notify the supplier through EDI.</p>
<p>Depends on timing of transactions and customer's wishes; PECO cannot always directly fulfill the customer's wishes; See examples below</p>	<p>If the account is within the rescission period, the account is returned to the previous supplier. Otherwise, the customer must contact the first supplier to re-enroll.</p>	<p>We would follow the wishes of the customer. If the 1st supplier is active we would drop the pending 2nd supplier and notify the 2nd supplier through EDI. If the 2nd supplier is already active, we'll switch the customer immediately to the 1st supplier and notify them with a phone call, the 2nd supplier would be notified of the drop through EDI.</p>
<p>(1) PECO receives two enrollments on same day for non-shopping customer, Supplier A and Supplier B; Assume both enrollments would have the same effective date per rolling/switching rules; PECO accepts enrollment with the most recent contract effective date (assume Supplier B); Customer calls PECO and says they really wanted Supplier A; PECO drops Supplier B and informs customer to contact Supplier A for re-enrollment (regardless of whether ten-day confirmation window has passed); Drop of Supplier B & re-enrollment from Supplier A will follow rolling-switching rules</p>		

<p>(2) For customer shopping with Supplier A, PECO receives two enrollments on same day, Supplier B and Supplier C; Assume both enrollments would have the same effective date per rolling/switching rules; PECO accepts enrollment with the most recent contract effective date (assume Supplier C), resulting in drop being sent to Supplier A; Customer calls PECO and says they really wanted Supplier B; If call is within the ten-day confirmation window, PECO can rescind switch to Supplier C (resulting in sending drop to C) which causes reinstatement of Supplier A; PECO would also advise customer to then contact Supplier B and request re-enrollment; If call is received after the ten-day confirmation window, the same actions occur with the only difference is that the customer returns to PECO instead of to Supplier A; Drops & re-enrollments will follow rolling-switching rules, but reinstatement is effective immediately assuming receiving supplier accepts it</p>		
<p>(2) For customer that is active with Supplier A and "pending active" (about to shop) with Supplier B, PECO receives enrollment for Supplier C; Assume both enrollments would have the same effective date per rolling/switching rules; PECO accepts enrollment with the most recent contract effective date (assume Supplier C), resulting in drops being sent to Suppliers A and B; Customer calls PECO and says they really wanted Supplier B; If call is within the ten-day confirmation window, PECO can rescind switch to Supplier C (resulting in sending drop to C); However, this does NOT cause reinstatement of Supplier B's pending active enrollment, but rather returns customer to the last ACTIVE supplier, which is Supplier A; PECO would also advise customer to then contact Supplier B and request re-enrollment, but depending on timing, this does not guarantee that Supplier B enrollment will have the same date as the previously pending active enrollment; If call is received after the ten-day confirmation window, the same actions occur BUT customer returns to PECO instead of to Supplier A; Drops & re-enrollments will follow rolling-switching rules</p>		
<p>NOTE: THESE SCENARIOS ARE NOT ALL-INCLUSIVE <i>NOTE ALSO: If the enrollments from the various suppliers are received on different days such that they become effective on different dates based upon rolling/switching rules, then the above scenarios change; For instance, in Scenario 1, if enrollments from Supplier A & Supplier B were received days apart such that they become effective on different dates (A first, then B), then the customer will not be able to select Supplier B for that initial billing period by the time that they call based on rolling/switching rules; They can only be returned to PECO for that particular billing period</i></p>		