

# CHARGE Conference Call

October 28, 2010 – 9:30 a.m.

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

## Recap of Discussion

### 1. EGS Marketing Activities

- PUC issued tentative order for comment on July 16, 2010, which is available at the following link: <http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2185981>
- Comments were due on August 16, and reply comments are due on August 31
- Staff has submitted draft final order for November 4 Public Meeting
- Staff plans to hold a session on November 18 immediately following the CHARGE call scheduled for 1:30 p.m. in Harrisburg which all CHARGE participants are welcome to attend, and EGSs (as well as NGSs) marketing to residential customers will be strongly encouraged to attend; meeting will include:
  - Overview of marketing guidelines
  - Description of marketing practices to avoid, through use of examples received in customer call center
  - Summary of other applicable PUC requirements

### 2. 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](http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx)
- After a more thorough review of Blue Star's responses, timeline and process for moving forward, which will ultimately lead to submission of staff recommendation to the PUC, will be discussed during the next call; any participants who wish to offer written feedback on the EDEWG questions for distribution to CHARGE may do so by emailing [ra-ocmo@state.pa.us](mailto:ra-ocmo@state.pa.us)
- Currently PPL has an interim structure in place allowing Blue Star to implement SCB

### 3. **Eligible Customer List**

- PUC issued tentative order for comment on July 15, 2010, which is available at the following link: <http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2183412>
- Comments were due on August 4; no reply comments were permitted
- Draft final order is currently scheduled for consideration at November 4 Public Meeting

### 4. **Default Service Bid Information**

- Secretarial Letter issued on October 12, 2010; it is available under Secretarial Letters at [http://www.puc.state.pa.us/electric/electric\\_CompetitiveMarketOversight.aspx](http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx)
- Please note that the link in the Secretarial Letter to First Energy's default service information has been replaced due to the information being updated; please use the link below and click on "Model for Calculating Default Service Rates"  
[http://www.firstenergycorp.com/supplierservices/Pennsylvania/Met-Ed\\_and\\_Penelec/Met-Ed\\_and\\_Penelec\\_Default\\_Service\\_Information.html](http://www.firstenergycorp.com/supplierservices/Pennsylvania/Met-Ed_and_Penelec/Met-Ed_and_Penelec_Default_Service_Information.html)
- Issue is closed

### 5. **Estimated State Tax Amount on Bills** (Placeholder)

- 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. **Last-In Enrollments** (Placeholder)

- Spreadsheet was previously circulated to show how EDCs handle multiple enrollments for the same customer before the 16-day cut-off date
- Group has generally discussed value of standardizing enrollment process going forward; benefits of standardization were identified; and issue will remain on the list for further discussion

## **7. 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 updated the group on the status, noting the expectation that the Commission will require such EGSs to seek amendments to their authority and explaining that discussions are underway in an effort to carve out exemptions so that these EGSs may not have to comply with certain inapplicable residential customer protection requirements in Chapters 54 and 56

## **8. 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](http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx)
  - Staff is offering to informally review proposed renewal notices; please send them to [ra-OCMO@state.pa.us](mailto:ra-OCMO@state.pa.us) at least 10 days prior to issuance to consumers
  - Any questions about these issues may be sent directly to Dan Mumford in BCS at [dmumford@state.pa.us](mailto:dmumford@state.pa.us) or by calling Dan at 717-783-1957
- PUC issued final order on 9/23/10 which may be accessed below, addressing the issues of how to handle the situation where the price to compare is not yet known when renewal notices must be sent and what happens to a customer's contract if the customer does not respond to the renewal notice  
  
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2195286>
- Issue is closed

## **9. Estimated and Actual Prices to Compare**

- Availability of estimated and actual prices to compare for inclusion in EGS renewal notices and EDC mailings to consumers
  - PPL expects to have an estimated PTC (based on roughly 95% of the auction results) available by the end of October for the first 5 months of 2011; an actual PTC will be available in mid-December for the first 5 months of 2011
  - PECO expects to have an actual PTC for the first quarter of 2011 and an estimated PTC for the second quarter of 2011 by October 14
  - FirstEnergy expects to have an actual starting PTC for 2011 available by the end of October

- Duquesne was not on the last call but staff believes that an actual PTC for residential customers is already known for 2011; update will be provided soon
- Allegheny will have the PTC for 2011 available within a week
- Some EGSs on the last call noted that they will be sending renewal notices to PPL customers in mid-October due to contracts expiring on December 1, prior to PPL making the estimated PTC (based on roughly 95% of the auction results) available in late October
  - Issue resolved when PPL should provided estimated PTC (based on roughly 80% of the auction results) in time for mid-October notices

**10. Amount of Gross Receipts Tax Rate in 2011 Price to Compare**

- Question has been raised as to the correct GRT rate that should be included in the 2011 PTC
- Staff noted that new GRT rate is 6.08% (an increase from 5.9%) and that all EGSs should be using this rate, with the gross-up factor discussed on calls earlier this year (and explained in an FAQ on PAPowerSwitch.com)
- Group discussed whether the new GRT rate is applicable to EGSs since the increase is attributable to PURTA (Public Utility Realty Tax Act); Staff will seek to confirm with the Department of Revenue that 6.08% is applicable to EGSs

**11. Displaying Prices on PAPowerSwitch**

- Suggestion has been made for consistency in the way pricing is displayed on PAPowerSwitch; major concern is that in some instances, an introductory price rather than an average price is being displayed
- Group discussed possible remedies, noting the difficulty of making apples-to-apples comparisons due to variations in the components that are included in EGS prices and suggesting that a working group may need to be formed to develop clear guidelines
- A short-term solution to the use of an introductory price would be if PAPowerSwitch can accommodate showing both that price and the price that will be in effect after the introductory period; staff will consult with the Office of Communications and report back to CHARGE

**12. Budget Billing for Variable-Priced Products** (Placeholder)

- Group has discussed whether it is appropriate or necessary to require EGSs to offer budget billing option to customers in connection with variable-priced products
- Staff appreciates the feedback and will consider it in providing a recommendation to the PUC

### **13. CHARGE Contact List**

- Contact list is on website at the following link:

[http://www.puc.state.pa.us/electric/electric\\_CompetitiveMarketOversight.aspx](http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx)

- Please send contact information or updates to [ra-ocmo@state.pa.us](mailto: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

### **14. Meeting Schedule for Remainder of 2010**

- *November 18, 1:30 p.m. – Conference Call, Followed by Special In-Person Meeting to Discuss Marketing Guidelines/Consumer Protections*
- December 9, 9:30 a.m.
- *December 21, 9:30 a.m.(Please note date change; Tuesday rather than Thursday)*
- January 6, 2011, 9:30 a.m.
- January 20, 2011, 9:30 a.m.
- February 3, 2011, 9:30 a.m.
- February 17, 2011; 9:30 a.m.
- March 3, 2011; 9:30 a.m.
- March 17, 2011, 9:30 a.m.
- March 31, 2011, 9:30 a.m.