

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

FAX (717) 783-7152
consumer@paoca.org

November 13, 2012

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

RE: Interim Guidelines For Natural Gas Distribution
Company Eligible Customer Lists
Docket No. M-2012-2324075

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Reply Comments in the above-captioned proceeding.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Candis A. Tunilo".

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891

Enclosures

cc: Lawrence F. Barth, Law Bureau
*162214

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Interim Guidelines For Natural Gas : Docket No. M-2012-2324075
Distribution Company Eligible Customer :
Lists :

REPLY COMMENTS
OF THE OFFICE OF CONSUMER ADVOCATE

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891
E-Mail: CTunilo@paoca.org

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: November 13, 2012

I. INTRODUCTION

The Office of Consumer Advocate (OCA) has reviewed the Comments filed by the stakeholders to the Tentative Order issued on September 27, 2012, by the Pennsylvania Public Utility Commission (Commission). The Tentative Order sought comments on the Commission's proposed interim guidelines for Eligible Customer Lists (ECLs) maintained by Natural Gas Distribution Companies (NGDCs) in the above-captioned docket. See [Interim Guidelines For Natural Gas Distribution Company Eligible Customer Lists](#), Docket No. M-2012-2324075, Tentative Order (Sept. 27, 2012).

In the Tentative Order, the Commission directed NGDCs to maintain an ECL containing the following personal customer information: (1) customer account number; (2) customer name; (3) service address; (4) billing address; (5) tariff rate class and schedule; (6) rate subclass/rate subcode (if available); (7) meter read cycle; (8) supplier of last resort (SOLR)/shopping status; (9) monthly consumption (each of 12 months); and (10) monthly peak demand (each of 12 months) (if available). See Tentative Order at App. A. Of these ten data items, customers may restrict the release of all their account information or just their historical usage data. Tentative Order at 3. Further, the Commission directed that customers' telephone numbers shall not be maintained on ECLs and cautioned Natural Gas Suppliers (NGSs) that they are subject to the provisions of the state and federal "do not call" laws. Tentative Order at 3-4. Additionally, the Commission reminded NGSs of their obligation to safeguard the confidentiality of customer information. Tentative Order at 3. The Commission also established guidelines for NGDCs to solicit their customers regarding the release of their account information on its initial ECL and the frequency of future solicitations of customers. Tentative Order at 4-5. NGDCs may seek recovery of solicitation expenses in future base rate cases. Tentative Order at 5.

Comments were filed by NGDCs,¹ NGSs,² Industrial Customer Groups, the OCA, the Energy Association of Pennsylvania (EAP), and the National Energy Marketers Association (NEM). A review of the Comments shows unanimous agreement for customers' ability to restrict all of their information or just their historical usage from the ECL. The stakeholders also generally support the use of an opt-out procedure for customers to restrict their personal information from appearing on the ECL.

From its review of the Comments, the OCA has identified several issues where further discussion of the issues is warranted. The OCA appreciates this opportunity to provide the Commission with its Reply Comments in this matter. In its Reply Comments below, the OCA responds to the position of certain stakeholders for inclusion of additional data points on the ECL. Further, the OCA responds to Comments regarding recovery of the incremental costs of developing and maintaining an ECL. Additionally, the OCA responds to Comments regarding the timing of ECL updates. Finally, the OCA responds to Valley Energy's ECL proposal.

II. REPLY COMMENTS

A. The Data Points Maintained On The ECL Should Be Limited To The Information Necessary For NGS Marketing Efforts For A Customer Class.

In the Tentative Order, the Commission identified ten data points that it determined essential to NGS marketing efforts for a customer class. See Tentative Order at App. A. In their Comments, WGES, the NGS Parties and NEM asserted that the Commission should include the following additional data points on the ECL: (1) Peak Demand CCF; (2) Base Factor; and (3) Use Factor. See WGES Comments at 2; NGS Parties Comments at 3-4; NEM Comments at 6-7.

¹ The NGDCs that submitted Comments are Columbia Gas of Pennsylvania, Inc. (Columbia Gas), National Fuel Gas Distribution Corporation (NFGD), Valley Energy, Inc. (Valley Energy) and PECO Energy Company (PECO).

² The NGSs that submitted Comments are Washington Gas Energy Services, Inc. (WGES), Hess Corporation (Hess), and Shipley Choice, LLC d/b/a Shipley Energy, Interstate Gas Supply, Inc. d/b/a IGS Energy, and Dominion Retail, Inc. d/b/a Dominion Energy Solutions (collectively NGS Parties).

According to these parties, Peak Demand CCF is a metric for calculating the most gas that a customer could use on a given day. Id. Base Factor is the amount of gas a customer uses each day of the year regardless of temperature. Id. Use Factor is the amount of gas a customer uses per heating degree day. Id. The NGS Parties and NEM also support the inclusion of a data point for County on the ECL. NGS Parties Comments at 3-4; NEM Comments at 6. The County data point would provide the county in which the service address is situated, which, it is argued, would assist in the calculation of sales taxes. Id.

In its Comments, the OCA supported the Commission's position in the Tentative Order that the data points listed on the ECL should be limited to only that information essential to NGS marketing efforts for a customer class. No party asserted in Comments that these additional data points are essential to NGS marketing efforts for a customer class. In fact, WGES acknowledged that the additional data points would be useful, but are not essential to marketing efforts. WGES Comments at 1-2. All of the data points on the ECL contain private customer information, and the OCA submits that only information necessary to making offers to customers should be included. The OCA submits that the additional data points sought are not essential to NGS marketing efforts and therefore, should not be included in the ECL. As such, the data points maintained on the ECL should be limited to those contained in the Tentative Order.

B. Recovery Of Incremental Costs of Implementing And Maintaining The ECL Should Be Determined In Future Base Rate Cases On A Company-by-Company Basis.

In its Comments, Columbia Gas requested clarification that it may seek deferred accounting of expenses associated with a separate solicitation of customers for inclusion of their information on the ECL and any reprogramming necessary to bring its ECL into compliance with the requirements of the final order in this proceeding, if deferred accounting treatment is necessary in order to recover its costs. Columbia Gas Comments at 7-8. In the Tentative Order,

the Commission stated that NGDCs may request recovery of the costs of soliciting customers and preparing and distributing ECLs through base rates. Tentative Order at 5. The Commission went on to state this statement is not an approval of any level of expense claimed by NGDCs. Id.

The OCA supports the Commission's directive that in seeking recovery of any expenses related to soliciting customers and preparing and distributing ECLs, NGDCs must show the claimed expenses to be reasonable regardless of any accounting treatment that might be used.

C. NGDCs Should Update The ECL On A Regular Basis.

In its Comments, the NGS Parties assert that NGDCs be required to re-run the ECL monthly. NGS Parties Comments at 6. The OCA does not oppose this proposal if it can be completed cost-effectively. By way of comparison, Electric Distribution Companies (EDCs) are required to re-run the electric ECL monthly. See Interim Guidelines For Eligible Customer Lists, Docket No. M-2010-2183412, Final Order at 10 (Nov. 12, 2010).³ The OCA submits that frequency of re-running the ECL should be specified in the final order in this proceeding as well to avoid any confusion.

D. NGDCs Should Be Required To Provide The ECL To NGSS Via A Secure Means.

In the Tentative Order, the Commission stated that NGDCs should provide the information not restricted by a customer to NGSS as part of the ECL or access to a secure website. Tentative Order at 3. In its Comments, Valley Energy states that it does not have a website currently but will explore the costs of establishing a supplier website to maintain its ECL securely. Valley Energy Comments at 3. In the meantime, Valley Energy proposes to provide the information required on the ECL in the final order in this proceeding to NGSS that request

³ Portions of the November 12, 2010 Final Order were amended by the Final Order on Reconsideration entered on November 15, 2011. The Commission's directive regarding the frequency of re-running the ECL was not amended by the Final Order on Reconsideration.

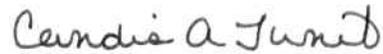
the ECL manually via email. Valley Energy Comments at 2-3. The OCA submits that email may not provide the security for the private customer information on the ECL that the Commission requires. The Commission and Valley Energy should ascertain if there is a more secure alternative available to Valley Energy.

At a minimum, if the Commission permits Valley Energy to provide the ECL to NGSs via email, the OCA submits that the Company should be directed to provide the ECL in a secure, password protected file to NGSs, with the password information being provided via separate email to NGSs. While the OCA supports any necessary flexibility for NGDCs in the provision of the ECL to NGSs, the OCA submits that the Commission direct NGDCs to utilize the most secure method available for providing the ECL to NGSs.

III. CONCLUSION

The OCA respectfully requests that the Commission adopt the recommendations set forth in the OCA's Comments to the Tentative Order and these Reply Comments.

Respectfully Submitted,



Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891
E-Mail: CTunilo@paoca.org

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048
Facsimile: (717) 783-7152
Dated: November 13, 2012

162411