

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**EDC Customer Account Number**            )  
**Access Mechanism for EGSs**                )

**Docket No. M-2013-2355751**

**Comments of the  
National Energy Marketers Association**

The National Energy Marketers Association (NEM)<sup>1</sup> hereby submits comments in support of the establishment of a customer account access mechanism for Electric Generation Suppliers (EGSs). These comments are submitted pursuant to the April 18, 2013, Tentative Order issued by this Commission in the above-referenced proceeding. In recognition of the difficulty encountered by electric suppliers in enrolling consumers in public venues and events, particularly with respect to those consumers that are not on the eligible customer list and do not have their account number accessible, the Commission is proposing that an automated mechanism be developed to provide customer account number access to EGSs. The issue was vetted through the Commission's OCMO-led stakeholder process. In discussing the need for an account number access mechanism, the Commission stated that, "we are convinced that the inability to obtain customer account numbers in the context of selling at public venues is a serious impediment to customer shopping." (Tentative Order at 7). NEM agrees. NEM recommends that the utilities implement an internet-based customer account number access mechanism to facilitate real-time applications and expeditious enrollments. This can be accomplished in a manner that ensures consumer protection and privacy.

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<sup>1</sup> The National Energy Marketers Association (NEM) is a non-profit trade association representing both leading suppliers and major consumers of natural gas and electricity as well as energy-related products, services, information and advanced technologies throughout the United States, Canada and the European Union. NEM's membership includes independent power producers, suppliers of distributed generation, energy brokers, power traders, global commodity exchanges and clearing solutions, demand side and load management firms, direct marketing organizations, billing, back office, customer service and related information technology providers. NEM members also include inventors, patent holders, systems integrators, and developers of advanced metering, solar, fuel cell, lighting and power line technologies.

NEM agrees with the Commission that EGSs have been effectively prohibited from marketing to and aggregating customers in a meaningful way, and achieving economies of scale in enrollment, because of the requirement that EGSs obtain the customer account number directly from the customer. Customers generally do not know their utility account number and often find it difficult to locate a utility bill in a timely manner when discussing service options with an EGS. This can often lead to a difficult and frustrating attempt to try and exercise their right to select a competitive provider. This also needlessly drives up the cost of customer acquisition. If Pennsylvania customers are to be able to truly participate in retail choice, then EGS offerings must become as ubiquitous as telecom offerings and available in locations as convenient as “energy fairs” and/or local shopping malls. A customer account number access mechanism can permit this to occur while at the same time lowering customer acquisition costs and permitting suppliers to pass those cost savings on to consumers in the form of lower commodity costs.

This proceeding highlights a real issue that hinders EGSs in their ability to effectively market to residential and small commercial customers. Within the current rules, EGSs use a variety of channels to reach consumers with varying levels of success and high associated customer acquisition costs. For example, telephonic enrollment is one means of reaching consumers, but do-not-call restrictions and consumer resistance to cold calls limit its impact. Door-to-door sales is another channel, but with many households at work during the day, it can be of limited effectiveness. Mailers are another way of making contact with consumers, but are often of limited impact because of lack of consumer follow-through. And, as discussed above, EGSs are effectively prevented from marketing to consumers in places where they congregate on a frequent basis such as public events, energy fairs and shopping malls.

NEM is mindful of concerns of consumer privacy and potential slamming, but submits that the customer account look up process can be implemented to more than adequately protect consumers from unauthorized disclosure of information or unauthorized switching. Inasmuch as the consumer's consent would be obtained before accessing the utility account number, consumer privacy would be maintained. Generally speaking, even in the areas where greater access to customer information is currently allowed, unauthorized switching is not a problem inasmuch as licensed suppliers take switching customers very seriously and take adequate steps to ensure proper authorization is obtained. Accordingly, NEM submits that consumer privacy interests and concerns about unauthorized switching can be thoroughly addressed.

It is notable in this regard that other jurisdictions have implemented customer account number access systems to facilitate customer enrollments. In Texas, the development of retail choice has been supported by the ability of competitive suppliers to obtain customer account numbers from ERCOT through a secure process. Georgia gas suppliers have access to the Atlanta Gas Light's database via the secure ENERACT system and are able to search for account numbers, customer names, address history and other data through various means. The customer account look up procedure has been an invaluable tool in these jurisdictions, with notable success in mass market migration and retail choice, to reducing customer acquisition costs and improving opportunities to conduct effective marketing campaigns. Even with Marketer access to all of the above customer information, privacy has been protected and slamming is not a problem. The New Jersey Board of Public Utilities has approved a Customer Account Number Look-up (CAL)

procedure by which utilities provide competitive suppliers with the account number after having received customer authorization to request the information.<sup>2</sup>

The Commission issued a series of questions for comment in the Tentative Order. NEM's responses are set forth below.

**1. EDCs may propose using different technologies to provide account numbers. If so, how much variation among utilities would be too confusing or burdensome upon the suppliers using the systems?**

The key to realizing one of the benefits of the customer account number access mechanism - cost-effectiveness of customer acquisition method - is to use a standardized mechanism across utilities. Otherwise, each utility could use a different technology and format for providing information that would require marketers to implement duplicative and costly systems to process and assimilate the data. In that case, the benefits of the account number access mechanism would be compromised.

**2. Technologies that have been discussed include the internet, interactive voice response (IVR) telephone and electronic data exchange (EDI). Are some technologies preferable to others and if so, why?**

NEM recommends that the ideal technology to be used for the customer account number access mechanism is an Internet-based system wherein the EGS would be able to utilize a web-based portal to retrieve the customer account number. This technology would allow suppliers that are out at public venues to use ipads or other devices to access the account number on a real-time basis while the consumer is physically present. In this regard, NEM notes that licensed EGSs currently are given a company-specific password to access a utility website. EGSs should be able to retrieve account numbers from this source.

Alternatively, a less preferable technology solution for the account number access mechanism would be the use of EDI. However, the use of EDI contemplates more of a batch processing scenario, rather than real-time access to the data. NEM does note that stakeholders have established processes for EDI data sharing that can be utilized for this purpose.

**3. In providing account numbers, should there be limits on the response time back from the EDC, and if so, should the timeframes be dependent upon the technology being used?**

NEM submits that the request for a customer account number should be a simple data query. As such, it shouldn't entail a long response time. Particularly if an internet-based system is used, the response time should be nearly instantaneous.

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<sup>2</sup> New Jersey Board of Public Utilities, Docket No. EA07110885, In the Matter of Account Look-Up for Third Party Suppliers and Clean Power Marketers, Order issued August 19, 2008.

**4. What specific identifying data should a supplier be required to submit to the EDC to get an account number? At a minimum, should a customer's name and address be required?**

The response to this question is informed by the underlying problem that necessitates the creation of the customer account number access mechanism in the first instance. Namely, the utility account number is not a piece of information that consumers remember. Nor do they often have that account number easily accessible. Likewise, the specific identifying data that a supplier should be required to submit to the EDC to retrieve a customer account number should be easily recallable by the consumer without having their utility bill in their possession.

NEM recommends that the customer's name and address should be sufficient identifying data to be produced to the utility to retrieve the account number. If, however, the Commission is concerned that this may not adequately protect the customer's information from being shared on an unauthorized basis, NEM recommends that the name and address could be supplemented by asking the consumer the length of time they have been at that service address. The question could be limited to whether the customer was at the address for five years or less, or greater than five years. This information would be known to the consumer without being proprietary. Alternatively, the last four digits of the customer's social security number could be used to supplement the customer's name and address.

**5. What level of precision is necessary to ensure accurate data?**

See NEM response to Question 4.

**6. The amount and recovery of costs could vary by EDC and by the technology used. If there are significant costs, can they be estimated at this time? Who should be responsible for those costs and what mechanisms should be used to assess and collect costs?**

A customer account number access mechanism utilizing a standardized, internet-based system would be a low cost, high yield measure to facilitate customer choice. The utilities would simply have to implement a new database query that permits the account number to be produced when consumer enrollment information is entered. This should not entail an extensive amount of programming and should minimize any associated costs.

A customer account number access mechanism benefits all consumers, both shopping and non-shopping, and as such the costs should appropriately be spread over the delivery customer base. By making the account number access mechanism available, the Commission and the implementing utilities will be supporting Pennsylvania policy in favor of retail choice. The increased availability of energy choice options benefits all consumers, not just those who shop and migrate. It would be inappropriate to assess an EGS fee for the procedure to offset the de minimis costs of providing the customer account look up service. This is also in keeping with the Commission's policy of breaking down barriers to competition. Imposing any kind of fee for requesting an account number would, in effect, become a switching fee and hinder customer choice and competition.

**7. What safeguards are needed to ensure that account numbers are accurately communicated and provided only to the customer and supplier involved?**

The Commission has already adopted marketing standards to govern appropriate enrollment processes and also to proscribe against practices that would constitute customer slamming. The marketing standards are a strong deterrent to EGS misuse of information as well as unauthorized access to information.

**8. What information and format should be required in an LOA (letters of authorization)?**

The letter of authorization (LOA) should include the customer's name, address, and authorization. It should also include a disclaimer to the effect that the customer's authorization is being given for and is expressly limited to the purpose of retrieving the customer's account number. The LOA should be capable of being executed in all of the acceptable formats for executing a contract – in writing, telephonically, and by electronic means.

**9. Are there possible reporting requirements that should be developed so that the Commission can monitor the effectiveness and security of the systems? This could include things like the total number of account numbers provided and the number of complaints or problems associated with the provision of account numbers under these mechanisms.**

If a supplier uses the password-protected web portal to access a customer account number, there is supplier accountability and traceability built into the process. If concerns about a supplier's use of the account number access mechanism are raised, the Commission can then identify if there was any inappropriate access to, or use of, customer account information.

**10. What are the appropriate sales channels that would be authorized to use this process?**

NEM suggests that the mechanism should be available to all sales channels. A consumer's ability to locate his or her account number is limited notwithstanding if the consumer is exploring energy choice at a street fair, mall, telephone exchange, internet inquiry or door-to-door sales call. Simply stated, the account number is not memorable. Consumers do not have their utility account numbers memorized the way they recall their phone number. It is a fallacy to believe that consumers have their utility account number readily accessible even when they are at home. In many cases once a consumer pays their utility bill, which is currently the only means of reproducing the account number, they put the bill in the trash. Accordingly, NEM recommends that the account number access mechanism should appropriately be permitted for all customer enrollment transactions and venues. This approach will also better enable EGSs to serve the customer's needs as customers desiring to switch to a supplier are often denied the ability to switch solely due to the requirement of having their account number.

**11. What process should the EDCs use to develop their solutions, including the level of stakeholder involvement and Commission oversight?**

The Commission should adopt and endorse a technology solution, preferably a web-based portal system, as well as the identifying data elements that will be required to be submitted by the

supplier to retrieve the account number, and the form of LOA. Once these details have been defined by the Commission, the utilities should submit compliance filings in accordance with these parameters for stakeholder review and input and Commission oversight and approval.

**12. What are reasonable timeframes for the development and implementation of these systems?**

Without being privy to the details of the utility information technology systems, it appears that the implementation of a mechanism to retrieve a customer account number should be in the order of a simple data query. Assuming this to be the case, an expeditious timeframe for utility development and implementation should be achievable.

**13. Are there any other concerns, suggestions or questions that the Commission needs to address?**

No response.

**Conclusion**

NEM supports the Commission's establishment of a low-cost, web-based customer account number access mechanism to facilitate customer enrollment.

Sincerely,

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