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VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Investigation of Pennsylvania's Retail Electricity Market: Joint
Electric Distribution Company – Electric Generation Supplier Bill
Docket No. M-2014-2401345 (Comments)

Dear Secretary Chiavetta:

Enclosed for filing are the Comments of Noble Americas Energy Solutions, LLC to the Tentative Order entered February 6, 2014 in the above-referenced matter. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

THOMAS, LONG, NIESEN & KENNARD

By 
Charles E. Thomas, III

Encl.

cc: Becky Merola (w/encl.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s Retail Electricity Market: Joint Electric Distribution Company – Electric Generation Supplier Bill : : **Docket No. M-2014-2401345**

**COMMENTS OF
NOBLE AMERICAS ENERGY SOLUTIONS, LLC
TO THE TENTATIVE ORDER ENTERED FEBRUARY 6, 2014**

I. INTRODUCTION

Noble Americas Energy Solutions, LLC (“Noble”) respectfully submits these Comments in response to the Commission’s Tentative Order entered on February 6, 2014 (“Tentative Order”) in the above-referenced proceeding,¹ which sets forth recommendations proposed by the Commission’s Office of Competitive Market Oversight to make a more supplier-oriented utility consolidated electric bill. The recommendations, which are to be implemented no later than June 1, 2015, include: (1) the inclusion of the electric generation supplier’s (“EGS”) logo on the electric distribution company (“EDC”) bill; (2) an expansion of the bill messaging space provided to EGSs; and (3) the inclusion of a Shopping Information Box. The Commission has proposed that the costs associated with these recommendations be recovered from all distribution customers on a non-bypassable basis through the EDCs’ Retail Market Enhancements surcharge or a similar mechanism. The Commission invited interested parties to file comments on the above issues within thirty days of the entry date of the Tentative Order.

¹ *Investigation of Pennsylvania’s Retail Electricity Market: Joint Electric Distribution Company – Electric Generation Supplier Bill*, Docket No. M-2014-2401345 (Tentative Order entered February 6, 2014).

Noble, a licensed EGS authorized to serve all categories of retail customers throughout the Commonwealth of Pennsylvania, is one of the nation's largest independent, non-residential retailers and marketers of retail energy services. Noble strives to serve the energy supply needs of national and regional commercial, industrial, and governmental customers, and where there are mixed meters some residential meters, across 14 states, including Pennsylvania, and offers its customers a wide variety of energy-related products and services, including fixed, indexed, demand response, and green energy options. Noble also provides energy procurement and risk management solutions designed to meet the individual needs of its customers and capture the benefits of a deregulated utility environment.

In addition to its product and service offerings, Noble has built its own state of the art billing systems and uses dual billing exclusively for its Pennsylvania customers. Noble, therefore, has a vested interest in ensuring that the Commission's efforts to create a more supplier-oriented utility-consolidated bill are implemented in a competitively neutral and non-discriminatory manner and that the costs associated with such efforts are recovered in a fair, equitable, and competitively neutral manner. Noble offers these comments for the Commission's consideration in its examination and implementation of the recommendations proposed in the Tentative Order.

II. COMMENTS

A. Recommendations Re: Inclusion of EGS Logo, Expansion of EGS Bill Messaging Space, and Inclusion of Shopping Information Box

Noble supports the Commission's efforts to create a more customer and supplier oriented utility-consolidated bill and offers the following suggestions for the Commission's consideration in connection with its examination and implementation of these recommendations.

First, with the exception of the allocation of costs, Noble takes no position on how much additional space should be allotted to EGSs for bill messaging purposes, deferring to other interested parties to determine the appropriate amount of space required. Regardless of the extent to which the bill messaging space is expanded, the Commission should not overlook the manner in which the EGSs use the bill messaging space or the type and content of the information displayed. Noble, therefore, strongly encourages the Commission to formulate guidelines regarding the privileged use and content of the bill messaging space to ensure appropriate information appears in such space.

Second, Noble also takes no position at this time, with the exception of cost allocation, on the recommendation to include EGS logos and a Shopping Information Box. The Commission, however, should ensure that these items are implemented in a competitively neutral manner, including, if necessary, the development of guidelines outlining appropriate use and content.

B. Inclusion of EGS Inserts

Noble takes no position at this time on the merits of including EGS billing inserts, but agrees with the Commission's decision to forego the inclusion of these types of inserts at this time.

C. Cost Recovery

The Commission proposes to recover the costs associated with the implementation of the utility-consolidated bill recommendations from all distribution customers on a non-bypassable basis through the EDCs' Retail Market Enhancements surcharge or a similar mechanism. Such a proposal, while well intended, punishes dual-billing EGSs, their customers, and utility default service customers to the financial benefit of individual EGSs who utilize utility-consolidated billing. Noble submits that the Tentative Order's proposal should be rejected in favor of a more

fair and equitable cost recovery mechanism that follows cost causation principles and which makes those who chose to use these options assume the responsibility for all associated costs now and in the future.

As previously mentioned, Noble dual bills all of its customers and does not use joint consolidated billing. The industrial and commercial classes are comprised of customers with unique, individual load profiles. Noble has invested substantial resources and time to develop its own billing system which is customized to meet the needs of its customers. For example, Noble's billing system includes hedging information in a format that is useful to the business and operational decisions faced by its customers. Such product and service enhancements are what drives and should shape the competitive retail market. Furthermore, unlike EDC billing systems, which are built on the backs of their ratepayers, Noble's billing system was developed and funded at the sole cost of Noble's shareholders.

Consequently, it is unfair and unreasonable, and in violation of competitive neutrality, to require distribution customers to shoulder the costs associated with the implementation of the Commission's EGS utility-consolidated billing recommendations, when it is the individual EGS that benefits from these changes. Retail market customers of EGSs who use dual billing exclusively, particularly commercial and industrial customers, should not be paying for participating EGSs to market their logos, promote their brands, or bolster customer retention efforts. Otherwise, the proposed mechanism would permit participating EGSs to avoid marketing and customer acquisition/retention costs which non-participating EGSs incur, thereby creating an unfair and biased retail electricity market. The result does not benefit the competitive market as a whole, but only serves to unjustly enrich certain EGSs at the expense of Pennsylvania's ratebase and those EGSs that choose not use consolidated billing.

Noble submits that a different cost recovery mechanism would be more appropriate. Costs associated with the implementation of these recommendations should be recovered only from those who participate in utility-consolidated billing and benefit from the recommendations proposed in the Tentative Order. Since EGSs who utilize utility-consolidated billing and their customers are the primary beneficiaries of the Tentative Order's recommendations, it is logical that they should be the ones who assume responsibility for associated costs.

To accomplish this, costs should be recovered from and paid by all EGSs that participate in and enjoy the benefits of utility-consolidated billing. Costs should be calculated in proportion to the number of customers each participating EGSs has and recovered through a purchase of receivables (POR) discount or direct billing mechanism. This approach would be consistent with the Commission's stance on cost recovery for retail market enhancements, which recognizes that such costs should be recovered from participating suppliers.²

Regardless of the recovery mechanism employed, it is imperative that the mechanism follow cost causation principles and is implemented in a manner that ensures non-participating EGSs (i.e., those EGSs that exclusively use dual billing) and their customers are not required to pay the costs associated with implementation of the utility-consolidated bill recommendations. This will ensure competitive neutrality and avoid rewarding participating EGSs to the detriment of non-participating EGSs.

III. CONCLUSION

Noble appreciates the opportunity to comment on the Tentative Order. For the reasons set forth above, Noble respectfully request that the Commission strongly adopt the suggestions

² See, e.g., *Petition of Duquesne Light Company*, Docket No. P-2012-2301664; *Petition of PPL Electric Utilities Corporation*, Docket No. P-2012-2302074; *Petition of PECO Energy Company*, P-2012-2283641; *Investigation of Pennsylvania's Retail Electricity Market Intermediate Work Plan*, Docket No. I-2011-2237952 (Final Order entered March 2, 2012), slip op. at 32,78, 84-85.

and considerations set forth herein. We look forward to working with the Commission and other stakeholders to ensure the continued development and functioning of Commonwealth's retail electricity market.

Respectfully submitted,

By 

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