



800 North Third Street, Suite 205, Harrisburg, Pennsylvania 17102  
Telephone (717) 901-0600 • Fax (717) 901-0611 • www.energypa.org

February 27, 2015

Kirk H. House, Director  
Office of Competitive Market Oversight  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, Pennsylvania 17120

M-2015-247480Z

**Re: Informal Comments of the Energy Association of Pennsylvania Submitted to  
OCMO Regarding Supplier-Related Elements Appropriate for Inclusion on the  
Utility-Consolidated Bill  
Docket No. I-2013-2381742**

Kirk

Dear Mr. House:

Enclosed please find the Energy Association of Pennsylvania's informal comments and suggestions as requested in the *Final Order Re: Investigation of Pennsylvania's Retail Natural Gas Supply Market*, Docket No. I-2013-2381742 of December 18, 2014.

Sincerely,

Donna M. J. Clark  
Vice President & General Counsel

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Enclosure

**Final Order RE: Investigation of Pennsylvania's Retail Natural Gas Supply Market, Docket No. I-2013-2381742, December 18, 2014**

**Informal Comments of the Energy Association of Pennsylvania Submitted to OCMO Regarding Supplier-Related Elements Appropriate for Inclusion on the Utility-Consolidated Bill**

The Energy Association of Pennsylvania ("EAP" or "Association") submits the following informal comments and suggestions regarding possible modifications to the utility-consolidated bill on behalf of its natural gas distribution company members<sup>1</sup> to the Office of Competitive Market Oversight ("OCMO") as requested in the *Final Order Re: Investigation of Pennsylvania's Retail Natural Gas Supply Market*, Docket No. I-2013-2381742, December 18, 2014 ("Gas RMI Final Order").

Initially, the Gas RMI Final Order directs OCMO to develop recommendations relating to the utility-consolidated bill for the Pennsylvania Public Utility Commission ("PUC" or "Commission") to consider no later than the second quarter of 2015. EAP supports a process similar to the one followed in the *Investigation of Pennsylvania's Retail Electricity Market*, Docket No. I-2011-2237952 ("Electric RMI"). Thus, the Commission would next issue a tentative order seeking public input on specific OCMO recommendations aimed at developing a "more-supplier oriented utility consolidated bill." Subsequently, a final order in the nature of a policy statement would be entered establishing parameters for the selected initiatives, including a timeframe for development and implementation and a means of current and full cost recovery.

EAP believes that it is important to provide ample opportunity for public input and discussion amongst stakeholders in the Gas RMI and not assume that issues have been amply vetted in the Commission's Electric RMI. While combination utilities, such as PECO and UGI, participated in the Electric RMI and many of the suppliers sell both electricity and natural gas, the majority of Pennsylvania's NGDCs did not have an active role in the earlier investigation. Moreover, not only do gas operations differ from the way in which electricity is purchased, transmitted and delivered to consumers; but the development of retail markets for natural gas and electricity have vastly different statutory frameworks at the state and federal level which has, in turn, shaped the utility obligation to supply different classes of customers.

EAP accepts that certain issues addressed in the Gas RMI Final Order, such as modifications to the utility-consolidated bill, will be informed by the outcomes achieved in the Electric RMI. EAP also urges OCMO to create sufficient opportunities through both formal and informal means to gather stakeholder input to inform Commission policies and regulations aimed at

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<sup>1</sup> Columbia Gas of Pennsylvania, Inc.; Pike County Light & Power Company; National Fuel Gas Distribution Corp.; PECO Energy Company; Peoples Equitable Division; Peoples Natural Gas Company LLC; Peoples TWP LLC; Philadelphia Gas Works; UGI Central Penn Gas, Inc.; UGI Penn Natural Gas, Inc.; UGI Utilities Inc.; and, Valley Energy Inc.

encouraging increased competition in the natural gas supply market. *Accord*, 66 Pa.C.S. §2204(g).

Specifically, EAP offers the following comments to OCMO for consideration as it develops recommendations to develop a “more-supplier oriented utility consolidated bill”:

- Align the initiatives with those proposed in the Electric RMI, i.e. place natural gas supplier (“NGS”) logo on utility-consolidated bill, expand messaging space within the current framework of the individual NGDC bill format, add a conspicuous Shopping Box to the bill containing basic information needed for a customer to shop.
  - With respect to the logo, provide discretion to NGDCs to determine exact location on bill, whether the logo will be in color or black and white, and do not require logo on the envelope.
  - With respect to expanding or providing messaging space for NGS use, gauge NGS intent to use this mode of messaging, establish parameters that work within current bill format and length and encourage cooperation on the part of NGSs when working with NGDCs on implementation, lead time, and message content. EAP agrees that the messaging space should be used to provide customers with information on supplier service. For example, use space to provide NGS website address and phone numbers or seasonal messages. Messages would need to be on an NGS level; any further granularity would add complexity and cost.
  - With respect to the addition of the Shopping Box, afford NGDCs with flexibility regarding size and location of the Shopping Box with no mandated font size or type set. Shopping Box should contain only basic information needed to allow a customer to more readily shop. For example, customer account #/supplier identification #, the rate class, and perhaps a message concerning the need to know current contract expiration date when shopping.
- Similar to the process in the Electric RMI, EAP supports the concept of providing OCMO the opportunity to review a draft of the bill modifications necessary to accommodate initiatives to create a more-supplier oriented bill and to, thereafter, circulate sample bills to OCMO, the Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”).
- Provide a recommendation to the Commission establishing a cost recovery mechanism for these specific initiatives which include development as well as initial and ongoing implementation, i.e. incremental costs for printing, mailing and IT costs associated with the NGS bill messaging.
- EAP notes that many large industrial and commercial customers of NGS have historically opted for dual billing and thus the issues related to developing a “more-supplier oriented” NGDC consolidated bill for this class of customers is different than those faced in the Electric RMI - both as it relates to including a particular initiative such as the Shopping Box on the NGDC bill and the applicability of cost recovery. EAP suggests that a separate call/meeting on this particular issue would be helpful to OCMO as it develops recommendations.

- Assuming the initiatives recommended and adopted are aligned with those in the Electric RMI, EAP seeks an implementation timeline of a year from the date of any final order establishing such guidelines. EAP notes that the final order on this issue in the Electric RMI was entered in May 2014 with an implementation date of June 1, 2015. The implementation timeline may need to be different if the ultimate modifications vary from those adopted in the Electric RMI.
- NGSs can always provide separate bills and, in the case of large commercial and industrial customers (or “transportation customers” as they are identified by a number of NGDCs), many suppliers do provide bills directly to the customer. Moreover, the Commission has stated that efforts to create a utility-consolidated bill which promote the relationship with the current supplier and provides information important to the shopping experience is not for the general purposes of marketing. In addition, for NGDCs that have multiple NGSs on their system (e.g. 50 NGSs), it might not be physically feasible to provide bill inserts for each NGS during the nightly bill process. For these reasons as well as implementation and cost concerns, EAP does not support inclusion of NGS bill inserts in the consolidated utility bill. Regarding billing for non-commodity products or services, e.g. “value-added” services through the utility bill, such billing services could be offered at the discretion of the NGDC and not mandated in the context of a Commission order outlining a policy initiative.