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June 8, 2015

Rosemary Chiavetta, Esq., Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

**Re: Investigation of Pennsylvania's Retail Natural Gas Market:
Joint Natural Gas Distribution Company – Natural Gas Supplier Bill
Docket No. M-2015-2474802**

Dear Secretary Chiavetta:

Enclosed for filing please find the comments of the Energy Association of Pennsylvania to the Commission's Tentative Order at the above-referenced docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna M.J. Clark".

Donna M.J. Clark
Vice President & General Counsel

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s Retail	:	M-2015-2474802
Natural Gas Market: Joint Natural	:	
Gas Distribution Company – Natural	:	
Gas Supplier Bill	:	

**COMMENTS OF THE
ENERGY ASSOCIATION OF PENNSYLVANIA
TO TENTATIVE ORDER**

I. INTRODUCTION

In its December 18, 2014 Final Order at Docket No. I-2013-2381742 (“Gas RMI Final Order”), the Pennsylvania Public Utility Commission (“PUC” or “Commission”) announced the specific topics it would intend to pursue under the Investigation of Pennsylvania’s Retail Natural Gas Supply Market (“Investigation” or “Gas RMI”).” In this order, the Commission expressed its belief that a joint bill between the natural gas distribution company (“NGDC”) and the natural gas supplier (“NGS”) would improve the retail market by providing customers with an increased recognition and awareness of, and a more developed relationship with, their suppliers. Subsequently, the Commission directed the Office of Competitive Market Oversight (“OCMO”) to develop recommendations regarding the applicability of a joint NGDC-NGS bill. To that end,

the Commission solicited informal comments from stakeholders on the “supplier-related elements and requirements that would be most appropriate for inclusion on the utility-consolidated bill.”¹

Based on the informal feedback from stakeholders, the Commission proposed three changes to the utility-consolidated bill: inclusion of the NGS logo on the NGDC bill; addition of bill messaging space provided to NGSs; and the inclusion of a Shopping Information Box. The Commission has also proposed that these changes be implemented by NGDCs no later than June 1, 2016.

The Energy Association of Pennsylvania (“EAP” or “Association”) is a trade association that represents and promotes the interests of regulated electric and natural gas distribution companies operating in the Commonwealth. EAP respectfully submits these comments to supplement those filed individually by its member natural gas distribution companies.²

II. COMMENTS

A. Inclusion of the NGS Logo

While individual NGDCs will address the Commission’s request for information relative to the costs of inclusion of an NGS logo on the NGDC bill, the Association generally agrees with the Commission’s recommendation, especially given the discretion to NGDCs as to the color and the ultimate placement. EAP agrees the best location for a NGS logo would be one that is not adjacent to the NGDC logo, but rather next to the specific supply charges as they appear on the bill. This targeted placement will give the consumer a clear picture of whom to call about those

¹ *Investigation of Pennsylvania’s Retail Natural Gas Market: Joint Natural Gas Distribution Company – Natural Gas Supplier Bill*, Docket No. M-2015-2474802 (Tentative Order entered April 23, 2015) (“Tentative Order”), p.3

² Columbia Gas of Pennsylvania, Inc.; Pike County Light & Power Company; National Fuel Gas Distribution Corp.; PECO Energy Company; 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.

charges as compared to service concerns and/or the distribution charges.³ EAP maintains that appropriate sizing and placement of an NGS logo can help further establish the relationship between an NGS and its customer without compromising the one between the customer and the NGDC.

B. Addition of NGS Bill Messaging Spacing

EAP member companies will address the Commission request for more detailed information on estimated costs of increased NGS bill messaging space. The recommendation to provide bill messaging for NGSs and that the NGSs receive up to four (4) lines on each NGDC bill, however, while generally reasonable, does not account for variances among companies' current bill capacity. As the Commission recognized in the Tentative Order⁴, many NGDCs have made concerted efforts to reduce the size of their bills to one page. The increased cost of additional NGS messaging might very well create a two-page bill for some NGDCs. This increased cost will ultimately be passed along to all consumers in the form of additional paper and printing costs as well as postage. EAP believes that a flexible, rather than a prescriptive approach should be adopted as part of the proposed guidelines and agrees that collaboration is the preferred method to achieve implementation of this recommendation.

C. Inclusion of a Shopping Information Box

EAP member companies generally support the inclusion of a "Shopping Information Box" as outlined in the guidelines set forth by the PUC. As with the expansion of NGS messaging, the Association's primary concerns on behalf of its members are that the information does not create

³ The Association notes, unlike Pennsylvania's retail electric supply market, not all customer classes are eligible to participate in Pennsylvania's retail natural gas supply market, i.e. specifically large volume transportation customers, which have been shopping for supply since the 1970s. EAP requests that the Commission specifically acknowledge this important distinction and clarify this point in its Final Order. The NGDCs should not be required to make modifications to bills for those customer classes.

⁴ Tentative Order, p. 7

two-page bills for companies that have reduced their bills to one page and that the Commission be flexible in terms of size and location of this information on the NGDC bill. As with the other recommendations, individual NGDCs will provide the Commission with more detailed information on the estimated costs of implementing the “Shopping Information Box.”

EAP does not, however, agree that the “Shopping Information Box” is appropriate for inclusion in summary bills. The purpose, as stated by the Commission, of this initiative is to “provide customers with the basic information necessary in order to participate in the competitive natural gas market.”⁵ As such, those entities – typically not the low-volume (e.g. residential and small commercial) customers targeted by the Gas RMI – are already aware and have a relationship with their supplier as they receive a separate bill from the NGS for supply-related charges. This indicates that they have already shopped for service and would not realize any value from a “Shopping Information Box.”

D. Costs and Timeline

In the Tentative Order, the Commission proposed that “the costs associated with these recommendations be recovered from all distribution customers on a non-bypassable basis through a surcharge or some similar mechanism.”⁶ Although individual EAP member companies will provide more detailed information on their preferred cost-recovery mechanism, the Association would recommend flexibility among the NGDCs. Inclusion of an NGS logo, increased messaging space, and “Shopping Information Box” on each consumer’s natural gas bill will all incur costs that should be shared in part by NGSs, who will receive marketing benefits from implementation of the these recommendations.

⁵ Tentative Order, p. 9

⁶ Ibid, p. 12

NGDCs request that they be given an equal amount of time as was afforded to the electric distribution companies in the Electric Retail Market Investigation to implement this initiative. A Tentative Order regarding a Joint Electric Distribution Company – Electric Generation Supplier Bill (Docket No. M-2014-2401345) was entered on February 6, 2014; a Final Order at that docket was entered on May 23, 2014 with a June 1, 2015 deadline. This amounts to a 12-month timeline to implement these guidelines. NGDCs request that the deadline for this initiative be similar in that the Commission would adjust the proposed implementation date to one year from issuance of a final order at this docket.

The Association would also call to the Commission's attention concurrent Gas RMI initiatives with similar timeframes to the proposal contained herein. Specifically, the Commission has called on NGDCs to have an account access mechanism available for NGS use by August 31, 2016.⁷ It may not be possible from an operations and IT perspective to implement these initiatives simultaneously for all NGDCs. Prioritization will be necessary and guidance from the Commission on which item(s) should be addressed first would be welcome, as would the recognition that changes to the IT system, in particular, will need to be tested and refined prior to any final implementation. EAP asks that, as other Gas RMI initiatives are implemented, the Commission consider the existing directives that are vying for the NGDCs' time and resources prior to proposing a particular completion timeframe. Flexibility in implementation of all Gas RMI initiatives and guidelines is key to the ultimate success of this collaborative effort.

E. Additional considerations

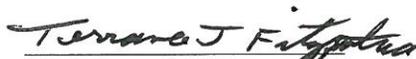
EAP strongly discourages the Commission from any further exploration of NGS bill inserts. The Commission, after review of comments and deliberation, came to the conclusion not

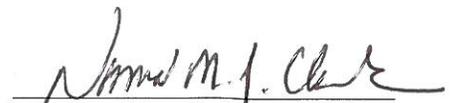
⁷ *Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers*, Tentative Order, Docket No. M-2015-2468991

to recommend electric supplier inserts in the Final Order on Joint EDC - EGS billing. Inserts inherently add to billing costs and complexity, increasing postage and printing costs, and may require changes to billing envelopes and insertion machinery. Much of the billing and company-related inserts process is automated; to target specific NGS inserts to a particular subset of customers would require a manual workaround in some cases. This would in turn require additional administrative costs vis-a-vis increased staffing levels to accomplish. Furthermore, the Commission noted in the electric investigation that due to the lead time needed to prepare the inserts, information from the supplier might be outdated by the time it reaches the customer. EAP submits that identical challenges to bill inserts face NGDCs and that the benefits of including NGS inserts do not outweigh the additional costs associated with their inclusion.

EAP respectfully requests that the Commission consider these suggestions and comments along with those of its individual member NGDCs in its final order in this proceeding.

Respectfully submitted,


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Date: June 8, 2015