



PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA. 17105-3265

Public Meeting held July 13, 2000

Commissioners Present:

John M. Quain, Chairman  
Robert K. Bloom, Vice Chairman  
Nora Mead Brownell  
Aaron Wilson, Jr.  
Terrance J. Fitzpatrick

DOCKETED  
JUL 18 2000

Standards for Electronic Data Transfer and Exchange  
Between Electric Distribution Companies and  
Electric Generation Suppliers

Docket Number:  
M-00960890, F.0015

**ORDER**

**BY THE COMMISSION:**

DOCUMENT  
FOLDER

In November 1997 this Commission established the Electronic Data Exchange Working Group ("EDEWG") to develop a standard set of data transaction guidelines for the implementation of electric competition on January 1, 1999. Since that time, EDEWG has developed a series of reports outlining specific protocols for use by the Electric Distribution Companies (EDCs) and the Electric Generation Suppliers (EGSs) in the transfer and exchange of electronic data relating to customer information.

By Order entered October 15, 1999, the Commission directed all EDCs and licensed EGSs to implement Internet EDI exchanges no later than June 30, 2000. In this Order, EDCs were required to select by December 31, 1999, either the Gas Industry Standards Board Electronic Data Delivery Mechanism (GISB EDM), the EDIINT AS1 standard or the EDIINT AS2 standard as their Internet protocol for the transmission of EDI data. All EDCs reported to this Commission that they would implement the GISB EDM Internet protocol, and a few EDCs indicated their intent to eventually migrate to EDIINT AS2, which is expected to be compatible with GISB EDM when it becomes available.

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA. 17105-3265

Public Meeting held July 13, 2000

Commissioners Present:

John M. Quain, Chairman  
Robert K. Bloom, Vice Chairman  
Nora Mead Brownell  
Aaron Wilson, Jr.  
Terrance J. Fitzpatrick

DOCKETED  
JUL 18 2000

Standards for Electronic Data Transfer and Exchange  
Between Electric Distribution Companies and  
Electric Generation Suppliers

Docket Number:  
M-00960890, F.0015

**ORDER**

**BY THE COMMISSION:**

DOCUMENT  
FOLDER

In November 1997 this Commission established the Electronic Data Exchange Working Group ("EDEWG") to develop a standard set of data transaction guidelines for the implementation of electric competition on January 1, 1999. Since that time, EDEWG has developed a series of reports outlining specific protocols for use by the Electric Distribution Companies (EDCs) and the Electric Generation Suppliers (EGSs) in the transfer and exchange of electronic data relating to customer information.

By Order entered October 15, 1999, the Commission directed all EDCs and licensed EGSs to implement Internet EDI exchanges no later than June 30, 2000. In this Order, EDCs were required to select by December 31, 1999, either the Gas Industry Standards Board Electronic Data Delivery Mechanism (GISB EDM), the EDIINT AS1 standard or the EDIINT AS2 standard as their Internet protocol for the transmission of EDI data. All EDCs reported to this Commission that they would implement the GISB EDM Internet protocol, and a few EDCs indicated their intent to eventually migrate to EDIINT AS2, which is expected to be compatible with GISB EDM when it becomes available.

To respond to these requirements, the EDEWG formed an Internet EDI Subgroup in December 1999 to address the migration of EDI from the Value Added Network (VAN) to the Internet. This Subgroup also reviewed the GISB EDM Standard v1.4 and discovered a need for specific guidelines pertaining to implementation, testing, and certification. On May 25, 2000, the Subgroup submitted an Internet EDI Plan to the EDEWG, which adopted it and submitted it to the Commission for final approval prior to implementation.

Pursuant to our Order entered June 8, 2000, we requested comments regarding the reasonableness of the practices set forth in the Internet EDI Plan. In order to meet an implementation deadline of June 30, 2000, a very short period of time was provided for filing comments. Comments were received by the Pennsylvania Electric Association (PEA), PECO Energy, PPL Energy Plus, L.L.C. (PPL Energy Plus), Strategic Energy L.L.C. (Strategic Energy), and UGI Energy Services, Inc. (UGIES). Comments were carefully reviewed by this Commission and are addressed below.

### **General Comments**

In their comments PEA and PECO Energy support the Internet EDI Plan as presented to the Commission. PEA states that its member companies believe the Plan represents a fair, workable and well-conceived roadmap for moving from the exchange of electronic information by way of a VAN to the exchange of information over the Internet.

In general, we agree with PEA that the Plan represents a well-conceived roadmap for moving from use of the VAN to the Internet. We, therefore, approve the implementation of the Plan as modified and revised by this Order.

### **Specific Issues**

#### **1. Exchange Failures**

PPL EnergyPlus believes that Paragraph 11 of the Plan, relating to the need for suppliers in Bill-Ready territories to understand the risks associated with exchange failures and the need to plan appropriately, does not adequately address situations where the utility is at fault. PPL EnergyPlus requests this paragraph be modified to reflect that situations wherein the utility is at fault should be addressed between the utility and the supplier as they are addressed at present.

We believe the request of PPL EnergyPlus is reasonable and agree that Paragraph 11 of the Plan should be revised as proposed by PPL EnergyPlus.

## **2. EGS Notice of Intent to Test EDI Over the Internet**

PECO Energy requests the Commission include a requirement that EGSs provide a 30-day notice to the EDC of its intent to test EDI over the Internet. PECO Energy claims that this notice will allow the EDC to properly allocate resources to test with suppliers. PECO Energy explains that to date only 29% of its trading partners have contacted them about testing.

We agree that PECO Energy's request would be an appropriate and useful approach for future scheduling of Internet testing with trading partners. Currently, EDCs have announced their schedules for Internet testing, and we respect the time and effort that went into the development of these initial timetables to facilitate compliance with our directives. In conjunction with and beyond the use of existing EDC testing schedules and any other EDC test schedules as mandated by this Order, we direct existing EGSs and new market entrants to provide EDC trading partners with a 30-day notice of intent to test EDI over the Internet.

## **3. Maintenance of Mailbox on Compliant Party's VAN by Non-Internet Partner**

The PEA fully supports the approach recommended in the Plan that a company that elects not to utilize the Internet-based information exchange should maintain a mailbox on the VAN of its trading partner. PEA claims that any other method would result in EDCs incurring additional administrative burdens and expense. PEA suggests that another option might be to have the EDC open and maintain a mailbox on the non-Internet party's VAN, but this too would impose unwarranted costs and burdens on EDCs. PEA explains that because EDCs currently maintain a single VAN mailbox and utilize one process for sending to the VAN and one process for receiving from the VAN, that this option would mean that EDCs would have to develop multiple processes for connecting with, sending to and receiving from those VANS.

Additionally, PEA states that if required to use any other method than that which is proposed in the Plan, that the EDC would have to devise a method for segregating its EDI traffic into separate categories for each VAN with which it was dealing—presuming this method would be more costly. PEA qualifies its support of the proposal by commenting that the intent of the Commission's October 15, 1999 Order is that the costs resulting from a decision not to utilize an Internet-based data transfer process are to be borne entirely by the party making that election.

PECO Energy submits that the Internet EDI Plan implements the Commission's October 15, 1999 Order requiring that an entity that chooses not to implement an Internet solution is responsible for all VAN changes. PECO Energy states that the Plan sets the rules for how this is accomplished by requiring the non-Internet party to maintain a VAN mailbox on its trading partner's VAN. PECO Energy states that a VAN has the ability to determine how the cost is allocated and is the most economical option as administrative expense would not be placed on either party. PECO Energy maintains that the VAN allocates these costs, eliminating the need for independent audits between the EDC and its trading partners. PECO Energy states that if the trading partner does not have a VAN mailbox, the EDC would be required to develop and implement a billing and collection system to recover these costs from the non-Internet party.

Strategic Energy and UGIES reject the approach that requires EGSs that do not implement Internet EDI to maintain a VAN mailbox on each of their trading partners' VANs. Strategic Energy submits that this proposed requirement was introduced late in the Internet EDI development process due to the administrative difficulty of EDCs to pass the full EDI VAN charges onto EGSs not participating in EDI over the Internet. Strategic Energy maintains that the new requirement introduces significant changes to EGSs' operation procedures by increasing the time and effort required to set up and to maintain trading partner information. Additionally, Strategic Energy maintains that the requirement for multiple VAN mailboxes complicates further testing initiatives and increases the potential for transaction error adding no value to the data exchange process. Strategic Energy requests that the requirement for multiple VAN mailboxes for EGSs that do not immediately implement an Internet EDI solution be rejected and that double payment of EDI VAN charges should be accomplished in a manner that does not introduce unnecessary operation disruption to the data exchange process.

UGIES submits that the proposed requirement will economically disadvantage *small electricity suppliers and defeat the competitive purpose of Electric Choice*. UGIES explains that it currently exchanges data electronically with four EDCs in the Commonwealth. UGIES acknowledges that the intent of the Commission's October 15, 1999 Order was that if an EGS failed to develop Internet capabilities on a timely basis, it would be required to pay all transaction charges associated with the continued use of a VAN.

UGIES maintains it began working to develop an Internet protocol for data transfer; however, because of financial limitations and manpower constraints, it plans to fully convert to Internet-based data transfer by the end of the year. UGIES states that if adopted, the EDEWG recommendations would require UGIES and other similarly situated electricity suppliers to be responsible not only for all of the transactional costs of VAN-based EDI, but for the fixed monthly costs charged by the VAN service providers and the related programming and maintenance costs for all EDCs with whom they exchange data.

UGIES qualifies its statements with a comment that its current VAN service provider assesses a monthly charge of more than \$50 simply for maintaining a VAN mailbox. Under the EDEWG proposal, UGIES will be required to subscribe to each trading partner's VAN. Additionally, UGIES will have to reprogram its current EDI translation software to properly format and route its EDI communications to each separate VAN. Finally, UGIES maintains it will be compelled to dedicate limited internal resources on an ongoing basis to the administration of multiple VAN accounts, and to the extent that a current EDC changes its VAN, electronic communications costs will further increase. UGIES states that profit margins for supplying electricity to customers are extremely narrow, and EGSs cannot readily flow communication charges to customers. Finally, UGIES maintains that the costs of mandatory communication protocols serve as a barrier for new EGSs to enter the electricity market and place small EGSs currently participating in the market at substantial financial risk.

## **Discussion**

In general, we agree with PEA and PECO Energy's overall observations about non-Internet compliant entities and that they should carry the financial burden associated with continued use of the VAN. We note that EGS participation in the Internet EDI Subgroup effort has been minimal. Nevertheless, after reviewing the comments filed by EDCs and EGSs, we believe that all participants in the data transfer process have initially underestimated the expense and technical difficulty associated with the billing of VAN charges in an Internet environment.

Consequently, we are concerned about continued use of a VAN, not only because of the financial impacts as described by EGSs in their comments but also because of possible reciprocal effects that may be suffered by EGSs due to the very claims expressed by EDCs in their comments. For example, in relating how the VAN allocates costs PECO Energy describes technical implications including a need for independent audits between trading partners and the need to develop and implement a billing and collection system

for recovering costs should a trading partner not have a VAN mailbox. Additionally, PEA claims that the use of any method other than that proposed in the Plan would result in EDCs incurring additional administrative burdens and expense, and PEA ties this claim to the EDC's current operation of a single VAN mailbox. It is our understanding that EGSs also currently maintain a single VAN mailbox, yet the proposed approach would require that they have two or more.

This Commission directed the use of the VAN in three instances: (1) as an interim solution prior to development of an Internet protocol; (2) as a cost-effective alternative for "small" EGSs, e.g. those that operate in one or two service areas; and (3) as a default for use between two Internet-based trading partners that do not utilize the same Internet protocol. After careful consideration of comments citing the technical difficulties and costs associated with the continued use of a VAN in an Internet environment, we are of the strong opinion that the use of an Internet-based approach is the only method of EDI transfer that now appears to be clearly justifiable.

Relating to the first need for use of a VAN as an interim solution, we note that EDEWG's proposal came to this Commission at a point in time when cost-effective alternatives to an Internet protocol were limited. We now believe that many Information Technology (IT) providers, including VANs, have expanded capabilities to link various business communications systems over the Internet. A sample list of such companies has been posted on the Commission's website as a resource to EGSs. (See [http://puc.paonline.com/electric/EDI/edigisb\\_training\\_resources.asp](http://puc.paonline.com/electric/EDI/edigisb_training_resources.asp).) With the advancement of electronic communication technology, it no longer appears reasonable that EDCs or their business partners should be required to utilize the Internet and also a VAN for implementing Electric Choice.

In the second and third instances where parties initially believed a VAN would be needed, as noted above, we note that the bottom line for administering EDI costs over the VAN is dependent upon the rates negotiated between a single business partner and its VAN service provider. While we are sympathetic to the EDCs' need to simplify a

process for collection of VAN charges, we are concerned that neither EDCs nor EGSs knew about the separate costs associated with the mailbox requirement when they made their business decisions to support continued use of the VAN before this Commission on previous occasions. Also, we are concerned that EGSs themselves had not fully assessed the business or technical complexities underlying the continued use of a VAN, especially while migrating to Internet-based communications, and we believe that this may have been one reason for the lack of EGS interest in the Internet EDI Subgroup.

It is worth restating at this point that the Internet EDI Subgroup focused on the GISB EDM standard for developing the Internet EDI Plan. The EDIINT AS1 standard may not be compatible with GISB EDM or EDIINT AS2 and as such is not a viable protocol. The acceptable Internet protocols are now GISB EDM and EDIINT AS2, which are compatible standards that shall be used by EGSs and EDCs for the exchange of EDI transactions for Electric Choice.

### **Resolution**

Our decision to move to Internet-based communications from the start was based on much deliberation by the EDEWG, staff specialists, and other technical experts that the use of the Internet is cost effective in the long term. Again, for reasons discussed above, we maintain that a uniform approach for the exchange of EDI transactions is reasonable and that the complete migration by EDCs and EGSs to Internet-based communications is now feasible and appropriate. Based upon the comments received in response to our Order entered June 8, 2000, we now recognize that use of Internet-based communications for Electric Choice is essential without the additional burden of continuing to do business over the VAN.

As of the entered date of this Order, all new entrants to the electricity marketplace in the Commonwealth shall exchange EDI transactions using an approved Internet protocol. In addition to the requirement that new entrants must be EDI compliant, they

now must be tested and become certified using GISB EDM or EDIINT AS2 or any other compatible protocol as stated in this Order.

We recognize that in order to achieve complete migration to use of Internet EDI, a transitional period will be required to allow sufficient time for EGSs that currently serve customers in the Commonwealth to assess and implement important financial arrangements and operational changes. We, therefore, establish an Internet EDI Transition Period with a March 31, 2001 final deadline for all EGSs currently serving customers in the Commonwealth to migrate to a process of exchanging EDI over the Internet. This Transition Period shall commence July 1, 2000, and end March 31, 2001.

Overall, we maintain that as of July 1, 2000, that any compliant entity may charge for all VAN costs by any non-compliant trading partner in accordance with this Order. To handle the payments of VAN charges by EGSs during the interim, we direct EDCs and EGSs to enter into Trading Partner Agreements (TPAs) for this purpose. The Internet EDI Subgroup has drafted a TPA, which should be useful for initiating this process. The TPA should include beginning and ending dates that reflect the interim period and a method of payment of VAN charges that does not introduce unnecessary operation disruption to either business partner.

Because we are concerned about possible bottlenecks that could develop relating to Internet testing, we direct EDCs to establish an Internet EDI testing schedule, which would be valid only through the first quarter of 2001. This testing schedule shall cover the period from January 31, 2001 to March 31, 2001. Every EGS must be ready to test as of January 31, 2001. Any EGS that has not tested by January 31, 2001 must be scheduled for Internet testing as specified by these schedules. The schedules will establish a queue that will run from February 1, 2001 to March 31, 2001. We clarify that these testing schedules only apply to existing EGSs that are not currently Internet compliant by January 31, 2001. EDCs and EGSs may enter into Internet testing arrangements prior to January 31, 2001, but all applicable EGSs that have not received Internet certification by

this date must have dates specified for Internet testing with their EDC trading partners within the remainder of the Transition Period.

The following summarizes our decisions relating to the maintenance of a mailbox on the compliant party's VAN by a non-Internet partner:

- As of the entered date of this Order newly licensed EGSs shall exchange EDI transactions using an approved Internet protocol.
- EGSs that are currently exchanging EDI transactions using a VAN shall be required to use a Commission approved Internet protocol by March 31, 2001.
- Between July 1, 2000, and March 31, 2001, EGSs that are currently doing business in the Commonwealth shall enter into a Trading Partner Agreement with EDCs and this agreement shall address a method for handling the payment of VAN charges that does not introduce unnecessary operation disruption to either the EGS or EDC.

We further clarify that by March 31, 2001, all EDCs and EGSs shall conduct business for Electric Choice by means of a Commission approved Internet protocol. Any party who may wish to request relief from this requirement must file a petition for relief with this Commission. The petition shall document the unique and specific circumstances surrounding the request for exemption. We reaffirm that any party granted relief from this requirement shall be required to pay all VAN charges associated with the maintenance of a mailbox on the compliant party's VAN;

**THEREFORE, IT IS ORDERED:**

1. That the Internet EDI Plan is approved for implementation as modified in accordance with this Order.
2. That all EGSs actively engaged in business in this Commonwealth that have been EDI Certified by its Trading Partners, shall migrate to use of one of the approved Internet protocols by March 31, 2001, and shall be tested and certified in accordance with this Order.

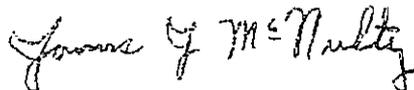
3. That a transition period from July 1, 2000 to March 31, 2001 is established for applicable EGSs to address the handling of VAN charges in accordance with this Order.

4. That new entrants to the electricity market in the Commonwealth are required to be EDI tested and certified via the use of an approved Internet protocol.

5. That GISB EDM and EDIINT AS2 or any other Internet protocol demonstrated to be compatible with either that may become available in the future, are hereby approved by this Commission for EDI transfer for Electric Choice.

6. That a copy of this Order and any accompanying statements of the Commissioners shall be served upon all jurisdictional electric distribution companies, all licensed electric generation suppliers, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Office of Trial Staff. Additionally, it shall be posted on the Commission's website and shall be made available to all other interested parties.

**BY THE COMMISSION,**



James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: July 13, 2000

ORDER ENTERED: JUL 13 2000