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VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

In accordance with the terms of the Commission's March 15, 2016 Secretarial Letter issued at the above docket, enclosed for filing please find the reply comments of the UGI Distribution Companies, comprised for purposes of this filing of UGI Utilities, Inc. – Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. These reply comments are intended to supplement the reply comments of the Energy Association of Pennsylvania.

Should you have any questions concerning these Reply Comments, please feel free to contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Mark C. Morrow'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark C. Morrow

Counsel for the UGI Distribution Companies

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Natural Gas Distribution Company :
Customer Account Number Access :
Mechanism for Natural Gas Suppliers : Docket No. M-2015-2468991

UGI DISTRIBUTION COMPANIES
REPLY COMMENTS

In accordance with the terms of the Commission’s March 15, 2016 Secretarial Letter issued at the above docket, the UGI Distribution Companies (“UGI”), comprised for purposes of this filing of UGI Utilities, Inc. – Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., submit the following reply to the comments filed by the Retail Energy Supply Association (“RESA”) on February 8, 2016 in response to the account number access compliance filings of all Pennsylvania natural gas distribution companies submitted pursuant to ordering paragraph one the Commission’s Final Order in the above-captioned docket entered on July 8, 2015 (“July 8, 2015 Order”).

I. Introduction

During its Investigation of Pennsylvania’s Retail Electricity Market, the Commission solicited comments concerning the development of mechanisms by electric distribution companies (“EDCs”) to permit electric generation suppliers (EGSs) to obtain customer account numbers from certain locations to facilitate the enrollment of customers.¹ Thereafter, the

¹ See *Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service* Final Order, at Docket No. I-2011-2237952 (Order entered February 15, 2013).

Commission issued a Tentative Order² seeking comments on various policy and other issues concerning how access mechanisms should be designed. RESA, amongst others, filed comments in response to the Commission's Tentative Order. The Commission subsequently issued a Final Order (Final EDC Access Order³), entered on July 16, 2013, directing EDCs to develop secure internet portals that suppliers could access to obtain account numbers.³

In its Final Order, in response to comments received to its Tentative Order, the Commission addressed a number of technical and policy issues, including, but not limited to:

- (1) should variations be permitted among EDC access mechanisms (variations permitted within the context of a web-based portal; Final EDC Access Order, p. 18-19;
- (2) the type of information needed to gain access while protecting the privacy of account numbers of other customers (*"the customer's full name, service street address and postal code should be the required data elements"*; Final EDC Access Order, p. 23),
- (3) the degree of precision needed when entering date (*"an exact data match is needed before the system will respond with an account number ... 'wildcards' should be considered for street types unless the EDC can present a compelling reason why this is not feasible ... [other] 'wildcard' quer[ies] ... should not be incorporated if they significantly increase the risks of false results or too many results causing excessive 'multiple hit' errors"* ; Final EDC Access Order, p. 25-26, and (4) the appropriate circumstance where remote access to account numbers should be permitted (*"At this time, we decline NEM's request to make this mechanism available more generally – basically to any marketing other than that used in a public venue (i.e. door-to-door or*

² See *Tentative Order on EDC Customer Account Number Access Mechanisms for EGSs* – Docket No. M-2013-2355751 (Order entered April 18, 2013).

³ See *Final Order on EDC Customer Account Number Access Mechanism for EGSs* – Docket No. M-2013-2355751 (Order entered July 17, 2013) (hereinafter Electric Account Number Access Mechanism Final Order).

telephonic solicitations). This would run counter to our stated purpose – shifting marketing efforts away from the customer’s home and to the public arena.” ; Final EDC Access Order, p. 44).

Thereafter, in *Investigation of Pennsylvania’s Retail Gas Supply Market*, Docket No. I-2013-2381742 (Final Order entered December 18, 2014) (“Gas RMI Final Order”), the Commission instituted an investigation into how to improve the Commonwealth’s gas retail market which, amongst other things, solicited formal comments on the implementation of a natural gas account number access mechanism similar to that adopted for Pennsylvania EDCs. Specifically, the Commission requested feedback on:

- ◆ The technological platform to be used. EDCs were directed to develop web-based portals. Is the same appropriate for the natural gas industry or are there alternatives we should consider?
- ◆ What security mechanisms should be utilized to protect consumer privacy? This includes the possible use of password-protections, and minimum customer information requirements for using the mechanism (customer’s full name, service street address and five-digit postal code, etc.). The use of customer photo identification and a letters of authorization should also be addressed.
- ◆ Should the mechanisms only be available at public locations, not consumer homes or businesses? And if so, how should this be documented?
- ◆ What capabilities should be required of the mechanism to track the usage of the system and identification of users? What should be the record retention requirement for this information - three years as in the electric industry?

RESA, amongst others, filed comments which, amongst other things, argued for the expansion of access to customer account numbers beyond public venues.

Thereafter, in *Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers*, Docket No. M-2015-2468991 (Tentative Order entered April

9, 2015) (“Access Tentative Order”), the Commission addressed the comments, including those of RESA, filed in response to its Gas RMI Final Order, and proposed remote access to NGDC customer account numbers rules very similar to those it adopted for EDCs. In particular, the Commission explicitly rejected the notion of expanding the use of the mechanism beyond public venues or the imposition of mandatory wildcard or drop down boxes. *See* Access Tentative Order, pp. 14-15. The Access Tentative Order also provided an opportunity for the submission of comments.

On May 26, 2015, RESA submitted extensive comments in response to the Access Tentative Order, arguing, amongst other things, for expanded use of the access mechanism beyond public venues, but also accepting many of the customer identity protections proposed by the Commission. It did not comment on the portion of the Commission’s Access Tentative Order emphasizing that marketers needed to consult NGDC-supplied eligible customer lists before resorting to the remote access mechanism. The Energy Association of Pennsylvania (“EAP”) also submitted comments, emphasizing to the Commission the importance of providing sufficient time to NGDCs to implement whatever mechanism the Commission ultimately required, and suggested that a twelve month implementation period be provided.

The Commission subsequently entered a Final Order at Docket No. M-2015-2468991 on July 8, 2015 (“Final Access Order”) establishing final directives for NGDC customer account number access mechanisms. In its Final Access Order, the Commission expressly rejected RESA’s proposal to expand the account number access mechanism beyond public venues, and once again emphasized that marketers were to consult NGDC-supplied eligible customer lists before resorting to the remote access mechanism. Specifically, the Commission stated:

We understand the opinions set forth by RESA regarding the convenience and simplicity of a streamlined process whereby a supplier, upon the request of and consent from a customer, can obtain an account number regardless of the setting. However, we continue to find it inappropriate to extend the use of the account number access mechanisms beyond their use in public venues, such as shopping malls or fairs. This Commission strongly encourages suppliers utilizing marketing avenues that make customers comfortable with the competitive marketplace. These avenues include the use of public shopping malls, fairs and trade shows because, as the OCA noted, customers frequently are the ones to initiate the transaction. Additionally, while the competitive natural gas market has been in place within the Commonwealth for some time, it is clear that customers, especially residential customers, have not been as comfortable participating in this market. We must ensure that customers feel safe and secure in potentially vulnerable situations while also facilitating an opportunity for customers to participate in the competitive marketplace. Therefore, NGSs will only be allowed to utilize these mechanisms during the enrollment of a customer in public venues, such as shopping malls, fairs, trade shows and other community events. We believe this provides customers with a more comfortable environment for shopping and a better means to foster the competitive energy market. Furthermore, we do not think it is appropriate to expand the mechanism at a time when door-to-door marketing is on the rise and complaints against energy suppliers are high in nearby jurisdictions.

Additionally, we would like to make it clear that NGSs should first utilize the ECL to obtain customer account numbers. The mechanism outlined herein is intended to be used in public venues to obtain the account number for a customer who has opted out of including any or all of their information in the ECL.

Final Access Order, pp. 19-20.

The Commission also recognized that there would be variability in the approaches taken by individual NGDCs in designing their access programs, and established deadlines for the

submission of remote access compliance plans by each NGDC, and provided for a thirty day comments period on individually filed compliance plans.

The Commission also considered EAP's comments concerning implementation timelines, but elected to maintain its previously established August 2016 deadline for the implementation of remote access mechanisms, subject to individual NGDC requests for compliance deadline extensions.

UGI and other Pennsylvania NGDCs subsequently submitted their compliance plans to the Commission, and rather than respond to each individual compliance plan, RESA elected to submit a single set of comments on February 8, 2016. Through its March 15, 2016 Secretarial Letter, the Commission has solicited comments on RESA's February 8, 2016 submission.

II. UGI Comments

UGI has reviewed RESA's February 8, 2016 comments, and in general does not find them to be comments directed to UGI's compliance plan *per se*. Instead, the comments restate and expand upon the general policy comments which were previously raised by RESA on multiple prior occasions as discussed above. Thus, they appear to be in the nature of a request for reconsideration of the Commission's Final Access Order. Since the comments do not raise any new or novel issues which were or could have been raised before, and should be rejected on this basis.

Should the Commission elect not to reject RESA's comments, UGI notes that in discussing compliance plan processes for handling inquiries that produce multiple hits, RESA states the following concerning UGI's compliance plan:

UGI indicates that it will not know the cause of the error and otherwise does not address most of these issues outlined by the Final Mechanism Order; further, UGI would impose an additional requirement on NGSs to input the name on the photo identification that is provided to the NGS by the customer.

The Final Access Order clearly weighed the benefits of ease of access to account numbers through mechanisms such as wildcards (which upon the input of partial information would direct a marker to an account number), against customer privacy concerns (since wildcard logic mechanisms might lead to access to incorrect account numbers of customers opting not to share this information with marketers). After considering the merits of this issue and the comments submitted by all parties, including RESA, the Final Access Order concluded:

We direct the NGDCs, in developing their account number access mechanisms, to include fields for the input of a customer's full name, service street address and postal code. We maintain our position that these information inputs will provide the greatest possibility for a successful account number return while maintaining consumer protections.

We agree with NRG and RESA that wildcard and/or drop-down box functionalities are beneficial tools. However, as we noted on the electric side, we have concerns about possible effects on customer privacy and protections, especially with the use of wildcards. Accordingly, we will not require the inclusion of these functionalities at this time. However, we strongly encourage the NGDCs to review these options to determine their usability while maintaining consumer protections. We agree with RESA that explanations should be provided if these options are not included within the mechanisms. Therefore, if an NGDC does not include wildcard and/or drop-down box

functionalities within their compliance plan to this Final Order, that NGDC must provide a reasonable explanation as to why such options have not been included.

* * * *

As discussed with regard to the electric mechanism,⁴ we believe the protection of customer information is of paramount importance. We considered many different ways to protect consumers while still allowing for a safe and user-friendly retail electric marketplace and we determined that the EDCs have provided a mechanism that balances these concerns. Therefore, we proposed the same customer protections with regard to the natural gas mechanism for implementation by the NGDCs.

Final Access Order, pp. 11-12.

UGI has based its compliance plan on the expectation that the policy calls set forth in the Final Access Order would be adhered to, and that it could accordingly adapt and use its already developed and approved UGI Utilities, Inc. – Electric Division (“UGI-ED”) remote customer account number mechanism. It is largely because of this already developed mechanism that UGI has proposed to implement its account number access mechanism by the August 2016 deadline and without seeking incremental cost recovery. This mechanism does not have logic written into it to permit wildcard functionality, and if UGI were required to develop such functionality it would be required to devote a substantial amount of time (initial estimate 200 man hours) for development. Additional time and resources would have to be devoted to testing to make sure this new function would operate appropriately with the other portions of the mechanism and not lead to inadvertent violations of customer privacy.

UGI would also note that the Final Access Order provided, in pertinent part:

⁴ See *Electric Account Number Access Mechanism Final Order* at pages 13-15.

b. Photo Identification

We proposed that the NGSs require that a customer provide government-issued or alternative photo ID. However, we did not propose that the NGS be required to copy the ID. We also proposed that the NGS note the form of ID on the LOA. For example, if a driver's license is presented, the NGS would note the state of issuance and the driver's license number on the LOA. Additionally, we proposed that the NGDCs include a methodology in the web portal that allows for the NGS to attest that the customer provided a photo ID. An enrollment would not be processed without this attestation.

Final Access Order, p. 16.

The photo ID verification process UGI has chosen to implement is the same as it has implemented for the UGI-ED remote account number access mechanism; namely a check-off box along with the requirement of inputting the customer name shown on the ID to enhance the likelihood that an actual photo ID was produced. Although it is not clear that RESA is challenging the requirement of inputting the customer's name from the photo ID, to the extent it is the Commission can address any concerns it has with UGI's proposal in its review of UGI's compliance filing.

UGI believes, as shown on the chart accompanying the EAP's comments, that it has proposed a compliance plan which is fully consistent with the Commission's Final Access Order. UGI has also proposed to adopt an access plan fully consistent with the access plan reviewed and approved for UGI-ED. To the extent the Commission decides to reconsider the public policy decisions set forth in the Final Access Order, UGI will need additional time to develop and

implement necessary revisions to its proposed access mechanism, and will have to reconsider its decision to not seek cost-recovery.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark C. Morrow", with a long, sweeping horizontal line extending to the right.

Mark C. Morrow

Counsel for the UGI Distribution Companies