

# CHARGE Conference Call

July 21, 2011 – 9:30 a.m.

Call-in number: 1-866-618-6746 and Access Code: 6060145

## Recap of Discussion

### 17. EGS Marketing Activities

- PUC adopted guidelines on November 4, 2010, which is available at the following link:  
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2185981>
- Proposed rulemaking order adopted by PUC at February 10, 2011 Public Meeting; copy of entered order is attached; can be accessed on OCMO page and at the following link:  
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=L-2010-2208332>
  - Comments will be due 60 days after publication in Pa. Bulletin; publication has not yet occurred due to questions from the Office of Attorney General; staff will advise the group when the proposed regulations are published

### 30. Estimated State Tax Amount on Bills

- Question has arisen about whether the presentation of “estimated total state taxes” on residential bills is required for generation charges of EGS as there is no standard treatment among EGSs; more recently, EDEWG asked CHARGE to resolve issue so that requirement for tax field on EDI 810 Bill Ready Invoice can be eliminated
  - Components of EDC’s “estimated total state taxes” components are Capital Stock, Property Tax-Local and PURTA, State Unemployment Compensation, PA State Income Tax, and Gross Receipts Tax
  - Resolution of this issue will not affect presentation of GRT by EGSs
  - Staff is reviewing statute and regulations to offer guidance to EGSs on issue of whether their state taxes (other than GRT) must be displayed
- EGSs are either not populating the state tax field or are populating it with zero; EGS prices are computed using different methods, raising questions about whether requirement is practical; no party expressed desire to require EGSs to show “estimated total state taxes”
- Secretarial Letter was issued on July 7, 2011 with the following guidance:

- EGS-GRT needs to be included on bill, but since we are aware that some EDCs cannot accommodate that, PUC will temporarily waive requirement and asked OCMO/CHARGE to explore what has to be done to have this information included
  - Staff is reviewing responses from EDCs regarding ability to include and will discuss next steps during August 18 call
- EGS-PA State Sales Tax needs to be included on bill, if applicable
- EGS-Other State Taxes do not need to be included on bill; if EGS is performing Supplier Consolidated Billing, EGS will need to include EDC-Other State Taxes

**31. Eligible Customer List**

- PUC adopted final order on November 12, 2010, which is available at the following link: <http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2183412>
- OCA and PA Coalition Against Domestic Violence filed Petitions for Review with Commonwealth Court, which has granted stay of November 12, 2010 order
- Commission issued Secretarial Letter on February 15, 2011 clarifying effect of stay and filed an Application for Remand with Commonwealth Court, which was granted
- Commission entered attached Reconsideration Order for comment on June 13, 2011; comments were due on July 13, 2011 and reply comments are due on July 28, 2011

**44. Net Metering Customers/EDI Change Control #85**

- Questions have been raised by customers who have net metering arrangements with EDCs and then switched to EGSs without entering into net metering contracts with the EGSs; staff noted the need for customers to make these arrangements with EGSs before they switch
  - Staff has encouraged EDCs to educate customers at the time they sign a net metering contract and during the enrollment process (i.e. confirmation letter)
  - Staff has encouraged EGSs to also ensure that customers are aware before they switch that if they are on a net metering tariff, they will no longer receive energy credits from the EDC; it is up to EGSs if they want to offer energy credits to the customer
- EDEWG Update: EDI Control Change #85 would add special meter configuration segment to the EDI 814 Enrollment, Change, Reinstatement and EDI 867 Historical Usage and Historical Interval Usage transaction sets
  - Consensus not achieved in EDEWG; issue referred to CHARGE (summary attached)

- EGSs are supportive of change; EDCs generally do not object to change but point to time and resources needed to implement; Duquesne plans to automate process in the first quarter of 2013; Duquesne and PPL currently send spreadsheets to EGSs with this information
- Discussion of any EDC plans to include this information on ECL
  - PPL plans to include it after the first of the year (2012); Duquesne has submitted request to compliance team; First Energy does not have confirmation of moving forward but does not anticipate problems; and PECO has submitted a request to team to include net metering indicator on ECL
- Staff proposed that CHARGE seek Commission approval of EDI Control Change #85 and that EDCs implement this change within 12 months after Commission approval unless an EDC already has plans to make system-wide changes at a later time that would incorporate these changes
  - No objections were raised to this proposal
  - Staff will move forward to seek Commission approval

**45. Accelerating Supplier Switching Timeframes**

- Group discussed enrollment process/supplier switching timeframes
- As outlined in the attachment (revised to include points from today's discussion), the process currently takes 16-45 days
  - Includes the 10-day confirmation period required by the PUC's anti-slamming regulations
  - No mid-cycle switches are done, so that if the enrollment is not submitted at least 16 days prior to the next meter read, the switch is delayed to the next meter read 30 days later
- Staff has done outreach with EDCs and other states, including Texas and Maryland; it was suggested that Connecticut's process also be reviewed
  - Staff suggested that EGSs should be mindful of customers' meter read dates and strive to send enrollments at least 16 days prior to those dates, and communicate the timeframes for switching to customers
  - Staff also asked for feedback on reducing the 10-day confirmation period and on the possibility of mid-cycle switches

- EGSs expressed support for changes that would accelerate the switching timeframe
  - Waiting period could be eliminated, with economic penalties for slamming that would result in customers being held harmless
  - Confirmation process could be electronic
  - Smart meters should make it technically feasible to do mid-cycle switches
- EDCs expressed concerns about changes that would accelerate the switching timeframes
  - Easier to unwind slamming prior to the customer being switched
  - Billing systems are built around meter read dates and would need expensive IT changes
  - PJM settlement process may not support mid-cycle switches
- OCA agrees with looking for a cost-effective mechanism to accelerate the switching process but views the confirmation letter as a key to maintaining credibility of the process; would be open to discussing a shorter confirmation period
- Staff appreciates the input and will continue discussing the issue and gathering more information as necessary to report back to the Commissioners
- Staff noted that a comprehensive report with recommendations has been submitted to the Commissioners; expect to receive some guidance in the near future on how to proceed
  - Possibility that this issue will be rolled into the investigation

**46. Statewide Investigation**

- PUC has launched statewide investigation to ensure properly functioning and workable competitive retail electricity market exists in the Commonwealth; Docket No. I-2011-2237952
- Information posted on website at:  
[http://www.puc.state.pa.us/electric/Retail Electricity Market.aspx](http://www.puc.state.pa.us/electric/Retail_Electricity_Market.aspx)
- Investigation will examine both the legislative and regulatory framework behind Pennsylvania's retail market, including an analysis of the current default service model and whether, as currently structured, that model is hindering competition
- To be added to distribution list, please send email to [ra-RMI@state.pa.us](mailto:ra-RMI@state.pa.us)

- Staff expects issuance of a Commission order at July 28 Public Meeting outlining the issues that should be addressed by stakeholders during investigation; and anticipates scheduling of a series of technical conferences to gather information and develop proposals that will culminate in staff work product going to the Commission by April 2012
- First technical conference scheduled for August 10 at 10:00 a.m., Hearing Room 1, Keystone Building; tentative date for second technical conference is August 31 at 10 a.m.
  - If order is not adopted on July 28, the August 10 conference will be cancelled

**47. Price to Compare on Bill**

- Question has arisen about whether it would be appropriate (not required) for EDC to include price to compare on bill; all EDCs are currently providing price to compare on bills except for PPL who is planning to move forward to also include
- Prior feedback on this concept, including accuracy, effect on competition and value to consumers
  - It was noted that if this information is included, it is important to state that it is valid for a period of time and subject to change
  - It was also suggested that perhaps it should be included only for residential and small commercial customers
  - Some concerns were raised about the possibility of further confusing customers especially with quarterly price adjustments and that including the PTC may suggest that price is the only relevant factor
- Staff has reviewed MD order and noted some key points:
  - Price to Compare term was discarded
  - All bills must include current price, future price and the date after which prices are unknown
  - Utilities must also provide this information on their websites
- Staff will offer proposal for discussion during August 18 call

**48. PPL Billing System Issues**

- PPL is experiencing some billing system issues
  - Unmetered accounts-EGSs have been charged with energy but not recovered costs; PPL has sent lists to affected EGSs and has committed to paying EGSs

- Finalized accounts-EGSs receiving rejections due to usage charges being received outside the bill window even when they are timely submitted; PPL cannot bill these customers and has told EGSs to send bills
- Rejection of 867 usage transactions without notice to EGSs; PPL's system is automatically rejecting due to exceeding bill tolerances; text on customers' bills indicates that PPL did not get the charges from the EGS on time
- Status report from PPL on addressing these issues
  - Unmetered accounts-PPL has made adjustments so that all affected EGSs have recovered costs
  - Finalized accounts-Problem is fixed
  - Rejection of 867 usage transactions without notice to EGSs-Problem is fixed
- PPL encouraged EGSs to use the supplier hotline or email address to report any problems

**50. Labels of Charges on Bills**

- Question has arisen about the labels that must be used to describe charges on bills for residential and small business customers; see 52 Pa. Code §54.4(b)(3), which requires labels of generation and transmission charges; issue was also discussed in March 1999 Staff letter, which is attached
- Many EGSs are using "Energy" charges; some EDCs do not have sufficient space to include "Generation and Transmission" in the EDI transaction
- Staff is concerned about customer confusion if the bills say "Energy" charges but all other materials (marketing, disclosure statements, etc) say "Generation and Transmission"; however, we are not aware of any consumer complaints about the issue
- It appears that the issue may resolve itself as EDCs add space to permit the inclusion of "Generation and Transmission"
- PPL will look into this issue further, including whether Generation and Transmission may be printed on a separate line on all bills
- Staff encouraged EGSs to use Generation and Transmission where possible but when character limitations prevent inclusion of that label and the unit price, EGSs should choose a label with fewer characters such as "Energy" to ensure that the price is displayed

**51. Peak Load Contribution & Network Service Peak Load Values/EDI Change Control #87**

- Add effective date of Peak Load Contribution & Network Service Peak Load values to the EDI 867 Historical Usage and Historical Interval Usage transaction sets
- EDEWG has been unable to reach consensus and is referring to CHARGE for resolution
- Change would enable EDCs to report effective dates for both current and future PLC/NSPL values; currently the non-incumbent EGS cannot receive the future values via EDI until after June 1 when it becomes current
- EGSs are supportive of change and indicate need for future values in pricing products; EDCs generally do not object to change but point to time and resources needed to implement; FirstEnergy plans to include future values on ECL; Duquesne emails future values to EGSs; PECO posts an ECL list with future values
- Staff proposed that CHARGE seek Commission approval of EDI Control Change #87 and that EDCs implement this change within 12 months after Commission approval unless an EDC already has plans to make system-wide changes at a later time that would incorporate these changes
  - No objections were raised to this proposal
  - Staff will move forward to seek Commission approval

**General Matters**

**A. New Issues**

- Any new issues or questions about issues previously discussed on CHARGE calls should be submitted to [ra-ocmo@state.pa.us](mailto:ra-ocmo@state.pa.us)

**B. Old Agendas/Recaps**

- All agendas and recaps are posted on the OCMO page of the website along with various other documents that have been distributed or relied upon during CHARGE discussions, at the following link -  
[http://www.puc.state.pa.us/electric/electric\\_CompetitiveMarketOversight.aspx](http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx)

**C. CHARGE Distribution List**

- To be added to the CHARGE distribution list, please send an email to [ra-ocmo@state.pa.us](mailto:ra-ocmo@state.pa.us)

**D. CHARGE Contact List**

- Contact list is on website at the following link:

[http://www.puc.state.pa.us/electric/electric\\_CompetitiveMarketOversight.aspx](http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx)

- Please send contact information or updates to [ra-ocmo@state.pa.us](mailto:ra-ocmo@state.pa.us); purpose of this list is to enable stakeholders to contact one another directly to resolve issues and is separate from email distribution list

**E. Meeting Schedule for 2011**

- August 18, 2011, 9:30 a.m.
- September 15, 2011, 9:30 a.m.
- October 20, 2011, 9:30 a.m.
- November 17, 2011, 9:30 a.m.
- December 22, 2011, 9:30 a.m.