**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

 Public Meeting held February 6, 2014

Commissioners Present:

 Robert F. Powelson, Chairman

 John F. Coleman, Jr., Vice Chairman

 James H. Cawley

 Pamela A. Witmer, Statement

 Gladys M. Brown

Investigation of Pennsylvania’s M-2014-2401345

Retail Electricity Market:

Joint Electric Distribution Company –

Electric Generation Supplier Bill

**TENTATIVE ORDER**

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) are recommendations from the Commission’s Office of Competitive Market Oversight (OCMO) for making a more supplier-oriented utility consolidated electric bill. Specifically, OCMO recommends the inclusion of the electric generation supplier’s (EGS) logo on the bill; the expansion of bill messaging space allotted to EGSs; and the inclusion of a Shopping Information Box. The Commission believes that these three proposals will aid the customer in not only developing a stronger recognition of, and relationship with, his or her EGS, but will also increase customer awareness when participating in the competitive retail electric market.

# BACKGROUND AND HISTORY OF THE PROCEEDING

 In its Order entered April 29, 2011, the Commission initiated an investigation into Pennsylvania’s retail electricity market.[[1]](#footnote-2) The April 29 Order tasked OCMO, with the input of stakeholders, to study how best to address and resolve issues identified by the Commission as being most relevant to improving the current retail electricity market.

 Following a series of stakeholder technical conferences and *en banc* hearings, as well as the formal solicitation of comments, the Commission provided its proposed model for default electric service. On November 8, 2012, the Commission entered a Tentative Order that issued for public comment a proposed end state model for default electric service in Pennsylvania.[[2]](#footnote-3) In its Tentative Order, the Commission proposed, among other things, that, by July 1, 2013, OCMO would provide a recommendation to the Commission as to how to proceed with making supplier consolidated billing (SCB) available as a billing option. At the same time, the Commission emphasized that it was proposing SCB as a billing option only. As such, SCB would not be replacing the other billing options that are currently available (utility consolidated billing and dual billing).[[3]](#footnote-4)

 Following its review of the comments provided by stakeholders on all proposals included in its End State Tentative Order, the Commission adopted its End State Final Order.[[4]](#footnote-5) The Commission recognized the complexities involved in implementing SCB in a competitive retail market. As such, the Commission revised its recommendation regarding SCB. Instead of directing OCMO to provide recommendations on the implementation of SCB by July 1, 2013, the Commission directed OCMO to provide recommendations, by the end of 2013, on how the current utility-consolidated bill can be more supplier-oriented.[[5]](#footnote-6) OCMO’s inquiry could include, but not be limited to, making the EGS’s information more prominent; including the EGS’s logo on the EDC bill; providing increased spacing for EGS messaging and potentially allowing EGS bill inserts. The Commission stated that the “expected end-result would look more like a joint EDC-EGS bill.”[[6]](#footnote-7)

 On March 25, 2013, OCMO informally solicited comments from stakeholders regarding ideas and concerns on how to make the current utility-consolidated bill more supplier-oriented. On October 16, 2013, the Emerging Leaders OCMO Subgroup held a stakeholder conference call to discuss certain informal recommendations. Specifically, feedback was solicited regarding the inclusion of an EGS’s logo on the bill; the expansion of the EGS’s bill messaging space; the inclusion of EGS inserts in bills; the inclusion of a shopping box on bills with all the information a customer would need to shop; and the inclusion of multiple billing lines for EGS blocked and/or time of use (TOU) rates.

# DISCUSSION

 Based on the informal feedback received from stakeholders, the Commission proposes three changes to utility-consolidated bills to make them more supplier-oriented: the inclusion of the EGS’s logo on the EDC bill; an expansion to the bill messaging space provided to EGSs; and the inclusion of a Shopping Information Box. Informal comments were provided regarding the inclusion of EGS inserts. While the Commission does not recommend the inclusion of EGS inserts at this time, we address this issue below and request that more information be provided. The Commission also specifically requests that cost estimates and recovery proposals be provided on its recommendations, as well as any additional proposals provided within comments. Lastly, the Commission proposes that these changes be implemented no later than June 1, 2015, and requests comments on this proposed deadline.

**A. Recommendations**

 **1. Inclusion of the EGS’s Logo**

 In its End State Final Order, the Commission directed OCMO to review, among other methodologies, the inclusion of an EGS’s logo on the utility-consolidated bill. After a review of the informal comments provided by stakeholders, the Commission recommends the placement of the EGS logo on the EDC bill. The Commission believes the inclusion of the logo will make the EGS’s information more noticeable and will increase customer awareness of their selected EGS. The Commission also believes that the presence of an EGS logo on the EDC bill will strengthen the relationship between the customer and their selected EGS. The EGS logo could either be in black and white or in color.

 The informal comments did not indicate any major technical obstacles to placing the EGS logo on the EDC bill. However, concerns were raised by stakeholders regarding the cost of logo inclusion. One EDC provided an estimate of 80-120 hours of work at $150 per hour per supplier for getting an EGS logo placed on the bill. Though these estimated costs and the associated recovery are concerns, the Commission believes the benefits to having an EGS logo on the EDC bill may be worth the costs.

 **2. Expansion of EGS Bill Messaging Spacing**

 In its End State Final Order, the Commission directed OCMO to review the expansion of space on the EDC bill afforded to EGSs for bill messaging. After a review of the informal comments provided by stakeholders, and facing no statutory or regulatory limitations, the Commission recommends an expansion of bill messaging space for EGSs, specifically, doubling the amount of available space from two (2) to four (4) lines on each EDC’s bill.

 Currently, the Commission finds no uniformity among the EDCs in reference to available space for EGS bill messaging. In the informal comments, one EDC stated that it allows two (2) lines of messaging up to 80 characters per line, while another EDC stated that it can accommodate messaging up to 234 characters. For clarification purposes, the Commission solicits, in this Tentative Order, specific comments on the amount of space currently available on EDC bills, and how much additional space should be provided for future EGS bill messaging. Additionally, the Commission solicits comments from stakeholders on any potential electronic data interchange (EDI) changes that may be necessary to implement this recommendation, including estimated costs associated with implementation.

 By virtue of this Tentative Order, the Commission also encourages collaboration among EDCs and EGSs to ensure that additional bill messaging space can be formatted within the framework of current EDC bills, most of which are one or two pages. The Commission agrees with those EDCs commenting on the need to avoid the burdens and additional costs of adding additional pages to their bills, many of which were eliminated or condensed in recent EDC bill redesigns.

 **3. Inclusion of a Shopping Information Box**

 Although the Commission, in its End State Final Order, prescribed a specific list of items for investigation, the list was in no way exhaustive. Through review of stakeholders’ informal comments, combined with a review of current utility-consolidated bills, the Commission puts forth for comment an additional recommendation – the creation of a conspicuous “Shopping Information Box” that can be developed and placed anywhere on the EDC bill.

 Currently, FirstEnergy includes, in all of their companies’ bills, information that a customer needs when contacting an EGS; however, it is presented more clearly in the Metropolitan Edison Company (Met-Ed) and Pennsylvania Electric Company (Penelec) bills than in the Penn Power Company and West Penn Power Company bills. Specifically, below the usage information and above the customer charge line on both the Met-Ed and Penelec bills,[[7]](#footnote-8) the Companies include the following information:

|  |
| --- |
| Charges From Penelec (or Met-Ed, as applicable) |

When contacting an Electric Generation Supplier, please provide the following:

Customer number: 0800399993 0001455696

Rate: Standard Residential PN-RSN

 While this information in itself is helpful, it is currently embedded among a laundry list of other charges. As a result, it can be easily overlooked by a consumer, thus losing its effectiveness. Moreover, because the FirstEnergy Companies use a customer number, rather than an account number, for EGS enrollments, this fact alone necessitates a more conspicuous presentation of the information needed to help assist customers when enrolling with an EGS. Accordingly, we suggest the following inclusion in utility-consolidated bills: a “Shopping Information Box” that includes a customer’s account/customer number (whichever is applicable to effectuate a switch), a customer’s Rate Schedule and an indication that this information is needed when working with an EGS. We believe that the Shopping Information Box, as described above and exemplified below, can be easily incorporated by the EDCs at a one-time cost because, in most cases, once set, the information in this box will not change. An example of such a box is presented below:

|  |
| --- |
| **Shopping Information Box** |
| When shopping for electricity with an Electric Generation Supplier, please provide the following:Account number/customer number: Rate Schedule: |

 Certainly the example above is not the only wording that would be acceptable to the Commission, but there are a number of inherent characteristics this box must have:

* It must be conspicuous;
* It must be placed on the bill separate and apart from other charges; and,
* It must include necessary information to assist customers when shopping (account or customer number, rate schedule and explanation of the “Shopping Information Box”).

In light of this recommendation, the Commission is interested in receiving comments on the suggested placement and presentation of the Shopping Information Box, specifically including comments regarding the presentation of information for customers with multiple customer/account numbers. Additionally, the Commission requests comments on any costs associated with this proposal, as well as proposals for cost recovery.

 **4. Other Proposals**

 While the Commission proposes and solicits comments on the three recommendations outlined above, if any party has other recommended changes in order to make the utility-consolidated bill more supplier-oriented, we request that those be submitted in comments.

**B. Inclusion of EGS Inserts**

 In its End State Final Order, the Commission recommended that OCMO review, among other things, the inclusion of EGS billing inserts.[[8]](#footnote-9) This insert could be a letter, a notice or a marketing material provided by the customer’s current EGS. One EDC provided informal feedback that it was reviewing the potential for the inclusion of such an insert; however, it stated that it believed it should have the ability to review and approve the insert prior to distribution and that the costs of the mailing should be borne by the EGS. Conversely, other informal comments were provided expressing concerns regarding the cost of such an insert, as well as its feasibility with current billing systems and mailing methodologies.

 While the Commission recognizes that additional EGS inserts may provide a customer with more information regarding the product he or she is currently receiving or regarding other options that may be available, we are concerned with the increased costs and complexities of such an insert. Additionally, because such an insert would need to be provided at some point in time before the bill is mailed, it is reasonable to assume that some of the inserts may be outdated by the time they are received by customers. As such, the Commission is not recommending the inclusion of an insert at this time. We do not believe we have enough information, at this time, to show that the benefits of such an insert would outweigh its costs and complexities. However, we request that parties provide comments regarding the inclusion of EGS inserts.

**C. Costs and Timeline**

 In the solicitation of informal comments, as well as during the October 16 stakeholder conference call, OCMO asked for cost estimates for any of the recommendations received. As previously mentioned, informal feedback was received from one EDC regarding the cost and man hours necessary to include an EGS’s logo on the bill (80-120 hours of work at $150 per hour per supplier). However, no other cost estimates were provided. As such, the Commission asks that the EDCs, and any other parties, if applicable, provide cost estimates for the changes required in order to implement the three recommendations. Additionally, should a party provide other recommendations for making the bill more supplier-oriented, the Commission asks that cost estimates be included in those comments.

 The Commission recognizes that the changes recommended herein may necessitate billing system, EDI and/or information technology changes. With regard to cost recovery, because this proposal will affect all customers the Commission proposes that the costs associated with these recommendations be recovered from all distribution customers on a non-bypassable basis through the EDCs’ Retail Market Enhancements surcharge or some similar mechanism. If parties believe other cost recovery mechanisms are more appropriate, we ask that such mechanisms be addressed in comments.

 The Commission also proposes that these recommendations be implemented no later than June 1, 2015, in order to coincide with the expiration of the existing, and the start of the new, EDC Default Service Plans. The Commission requests that parties provide comments on this proposed deadline.

# CONCLUSION

 With this Tentative Order, the Commission seeks comments on the proposed recommendations for creating a more supplier-oriented utility-consolidated bill. Specifically, the Commission seeks comments regarding the inclusion of the EGS’s logo on the EDC bill; the expansion of EGS bill messaging space from two (2) to four (4) lines with up to 80 characters each; and the inclusion of a Shopping Information Box. We believe these three mechanisms will aid the customer in not only developing a stronger recognition of, and relationship with, his or her EGS, but will also increase customer awareness when participating in the competitive retail electric market.

**THEREFORE,**

 **IT IS ORDERED:**

1. That the recommended utility-consolidated bill changes in this Tentative Order be issued for comment.

2. That interested parties shall have 30 days from the entrance date of this Tentative Order to submit written comments with the Pennsylvania Public Utility Commission.

3. That interested parties shall have 45 days from the entrance date of this Tentative Order to submit written reply comments with the Pennsylvania Public Utility Commission.

4. That this Tentative Order shall be served on all Electric Distribution Companies, all licensed Electric Generation Suppliers, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Energy Association of Pennsylvania, and all other parties who filed comments in Phases I and/or II of the Retail Market Investigation under Docket I-2011-2237952.

5. That a copy of this Tentative Order shall be posted on the Commission’s website at the Retail Markets Investigation web page: <http://www.puc.state.pa.us/utility_industry/electricity/retail_markets_investigation.aspx>.

6. That the Office of Competitive Market Oversight shall electronically send a copy of this Tentative Order to all persons on the contact list for the Committee Handling Activities for Retail Growth in Electricity (CHARGE), and to all persons on its contact list for the *Investigation of Pennsylvania’s Retail Electricity Market.*

7. That the contact persons for this matter are Matthew Hrivnak, Bureau of Consumer Services, 717-783-1678 or mhrivnak@pa.gov, and Kirk House, Office of Special Assistants, 717-772-8495 or hhouse@pa.gov.



 **BY THE COMMISSION,**

 Rosemary Chiavetta

 Secretary

(SEAL)

ORDER ADOPTED: February 6, 2014

ORDER ENTERED: February 6, 2014

1. *See Investigation of Pennsylvania’s Retail Electricity Market*, Docket No. I-2011-2237952 (Order entered April 29, 2011) (April 29 Order). [↑](#footnote-ref-2)
2. *See Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered November 8, 2012) (End State Tentative Order). [↑](#footnote-ref-3)
3. *Id.* at 27 and 28. [↑](#footnote-ref-4)
4. *See Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Order entered February 15, 2013) (End State Final Order). [↑](#footnote-ref-5)
5. *Id.* at 67. [↑](#footnote-ref-6)
6. *Id.* [↑](#footnote-ref-7)
7. Penelec’s bill is used as a reference in this proceeding. The Commission maintains on its website, for educational purposes, a sample Penelec bill, which is available at the following web address: <http://www.puc.pa.gov/general/consumer_ed/pdf/Electric_Bill_Breakdown-Penelec.pdf>. [↑](#footnote-ref-8)
8. *See* End State Final Order at 67. [↑](#footnote-ref-9)