

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Natural Gas Distribution Company
Customer Account Number
Access Mechanism for Natural Gas Suppliers

M-2015-2474802

**COMMENTS OF PHILADELPHIA GAS WORKS TO THE TENTATIVE ORDER –
NATURAL GAS SUPPLIER BILL**

I. INTRODUCTION

On April 23, 2015, the Pennsylvania Public Utility Commission (“Commission” or “PUC”) entered a Tentative Order with respect to Natural Gas Distribution Company (“NGDC”) Natural Gas Supplier (“NGS”) bills allowing 45 days from the entry date to file written comments.

Philadelphia Gas Works (“PGW”) appreciates the opportunity to submit comments to address the Commission’s concerns regarding this issue. PGW concurs with and supports the Comments filed by the Energy Association of Pennsylvania.

The Commission proposes three changes to utility-consolidated bills: (i) the inclusion of NGS’ logo on the NGDC bill; (ii) an expansion to the bill messaging space provided to NGS; and (iii) the inclusion of a shopping information box. PGW discusses these specific issues in the following comments. With respect to the primary Commission proposals discussed below, PGW has reviewed its existing consolidated billing initiative, and has determined that the current initiative underway would likely meet the requirements of this proposal without modification.

II. COMMENTS – Primary Commission Proposals

A. Inclusion of the NGS' Logo

Previously in its informal comments provided to the Commission, PGW indicated its intention to include the NGS logo on consolidated bills as part of its new Purchase of Receivables/Consolidated Billing (“POR/CB”) initiative. PGW supports the Commission’s proposal to allow NGDCs flexibility regarding the placement of the NGS logo. PGW’s new consolidated bill design will include the strategic placement of a reasonably sized black and white formatted NGS supplier logo. The NGS logo will be adjacent to and in close proximity of NGS charges, thus increasing each customer’s awareness of the connection between their respective NGS and the supply charges.

Further, PGW supports the Commission’s proposal to provide a draft of its new consolidated bill to the Office of Competitive Market Oversight (“OCMO”) for review and feedback, and intends to provide a draft of its new bill to OCMO this summer.

B. Expansion of NGS Bill Messaging Space

As part of PGW’s POR/CB initiative, a new supplier message section will be added on consolidated bills. This supplier message section will display NGS-specific messaging that is received directly from suppliers. The supplier message section will allow suppliers to add content of up to four lines, consisting of one-hundred characters per line (a blank line counts as 100 characters). However, this space will only be able to receive and display character based messages, it cannot process or accommodate any graphics.

PGW recommends that the Commission require each NGS to utilize and populate this supplier message space each month in order to reinforce, encourage, promote and support their relationship with their shopping customers. NGS’ consistent and efficient use of this space may minimize or

eliminate the need for additional marketing endeavors such as including supplier inserts into consolidated bills.

With respect to the content of the messages in this supplier message space, PGW supports the Commission's proposal that the content be at the discretion of the NGS and not the NGDC. Accordingly, PGW respectfully proposes that NGDCs should be fully protected from any liability concerning improper, inaccurate or other problematic attributes of any supplier messages that are released by suppliers for the supplier message section of an NGDC's consolidated bill.

C. Inclusion of a Shopping Information Box

As part of its POR/CB initiative, PGW will include a basic Shopping Information Box into the consolidated bill which will provide information to assist the customer in shopping. PGW agrees with the Commission that the Shopping Information Box should only contain shopping information - other details irrelevant to shopping should not be included in the box. With respect to the presentation of specific information for customers regarding account (and service point) numbers, in order to address scenarios such as customers with multiple account numbers, PGW proposes that the NGDC have ample discretion with respect to the provision of these numbers. For example, for a customer with an account with multiple service points, PGW may prefer to refer the customer to the appropriate locations on the bill where the account and service point numbers are provided. Such an approach would still provide the customer with the necessary information when shopping.

PGW also supports the inclusion of a customer's NGDC numbers as opposed to a supplier ID number. In order to facilitate switching suppliers, a new NGS must provide the NGDC with the NGDC numbers.

Finally, as indicated above, PGW intends to provide a draft of its new bill to OCMO, which will allow for review of the Shopping Information Box.

III. COMMENTS – Other Commission Proposals, Cost Recovery and Timeline

A. Inclusion of NGS Inserts

PGW is opposed to the inclusion of NGS inserts into consolidated bills for several reasons, including the fact that this is not part of PGW's current POR/CB initiative. In addition, these reasons include the additional resources and costs required to manage, sort, track, and process inserts and sizing of inserts; as well as timing/inability concerns regarding pulling an insert from an individual bill if needed. PGW notes that the sole result of handling this complexity and cost would be the subsidization of individual supplier marketing campaigns that may be best served by direct supplier mailings. PGW also has concerns that the inclusion of supplier inserts would increase envelope and postage costs, and cause bills to exceed weight limits.

Going forward, PGW will promote Choice customer education through web, telephone, bill messaging and district office channels. However, the ongoing mailing of NGS marketing materials to PGW customers and any associated costs should be the sole responsibility of NGSs.

B. Inclusion of Value –Added Services

PGW agrees with the Commission's determination to exclude additional line items for NGS value-added services. This is not part of PGW's current POR/CB initiative and PGW's charges included on bills are currently limited to those for basic service. Any value-added supplier charges included on utility bills would require additional and costly tracking enhancements, including but not limited to enforcing a modified payment priority, and termination of service limitations.

C. Dual and Summary Bills

PGW is not opposed to the inclusion of a Shopping Information Box on the NGDC consolidated bill. However, PGW submits that the inclusion of a Shopping Information Box on summary bills, which are provided for large governmental, commercial and industrial customers, is unnecessary. As the Commission has noted in a prior proceeding, such types of customers have a long-standing history of shopping for alternative natural gas suppliers, and these energy-intensive natural gas customers are already likely fully informed of their supplier options.¹ The inclusion of a Shopping Information Box on the NGDC dual bill should only apply non-summary bill customers.

D. Costs and Cost Recovery

Many aspects of cost and cost recoveries associated with the Commission's primary proposals in the Tentative Order have been previously reviewed as a part of PGW's POR/CB initiative.

With respect to any additional costs related to these guidelines, PGW submits that its cost recovery should be provided through an administrative discount on receivables purchased from NGSs. PGW submits that if the Commission decides that NGDCs should bear any of the costs of the program, cost recovery should be allowed through a reconcilable customer surcharge allowing for full and timely cost recovery.

¹ See, *Interim Guidelines for Natural Gas Distribution Company Eligible Customer Lists*, Docket No. M-2012-2324075 (Order Issued Aug. 15, 2013) at 6-7.

E. Timeline

As stated above, PGW anticipates implementing inclusion of NGS logos, supplier message space, and a Shopping Information Box to coincide with the launch of its POR/CB in fall of 2015.

IV. CONCLUSION

PGW appreciates the opportunity to provide these comments about joint NGDC-NGS bills and looks forward to continue working with the Commission and other stakeholders on this critical issue.

Respectfully submitted,



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Date: June 8, 2015

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