Energy Choice Matters

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# CPV "Bailout" Finds Universal Opposition in Maryland

Of 15 parties publicly filing comments on CPV Maryland's petition for a mandated long-term contract with Maryland's investor-owned utilities, not a single party supported CPV's expedited, unilateral proposal; though, consistent with their positions earlier in Case 9117, a handful of parties generally backed the use of long-term bilateral contracts as a source of SOS power requirements.

Arguing that a long-term contract for the output of its St. Charles facility would meet reliability needs and reduce power prices, CPV Maryland petitioned the PSC to order the utilities to negotiate to buy the plant's output on 20-year PPAs (Matters, 7/7/09). CPV would earn a 14.6% return on equity under its proposed ratepayer-backed contracts.

PSC Staff urged the Commission to reject CPV's request on the lack of any record evidence to make a procurement decision regarding a specific source of power. In particular, Staff noted that CPV, which claimed its plant was the only solution which could meet the state's needs, failed to take into account demand and throughput reductions targeted under EmPower Maryland, various transmission upgrades, and the potential for a third unit at Calvert Cliffs -- all of which could potentially offer CPV's claimed benefits at a lower price. Studies used by CPV to back its claims of ratepayer savings are outdated, and were drafted prior to the current power market downturn, Staff added.

Furthermore, Staff noted CPV's desired 14.6% return on equity is above the 10-11% range granted to the state's utilities. While a higher return might be justified for a truly merchant plant, the use of ratepayer-backed contracts makes a lower return on equity appropriate, Staff said.

Additionally, Staff pointed to Maryland's poor record with long-term power contracts, citing the

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# Ontario Staff Says Customer Switch Requests Should Not be Delayed due to Termination Fees

Ontario electric and natural gas retailers should be required to process customer cancellations immediately regardless of whether the customer has paid applicable early termination fees, Ontario Energy Board Staff recommended in a retail compliance plan report.

The report covering fiscal 2008-09 surveyed compliance with applicable statutes and codes for the five most active licensed energy retailers in Ontario (Universal Energy, Direct Energy Marketing Limited, Ontario Energy Savings [Just Energy], Summitt Energy Management and Superior Energy Management). Staff's survey provided validation that the licensees operating in the retail gas and electricity markets of Ontario are, for the most part, doing so in accordance with applicable legal and regulatory requirements pertaining to consumer protection, although some instances of non-compliance were found.

Among recommendations from Staff is that consumers should be able to cancel contracts "without undue delay." Staff noted that most retailers do not cancel consumer contracts upon request if liquidated damages are to be charged, but instead wait for payment of the liquidated damages. "This practice had led to instances in which a consumer's return to system supply has been delayed and the consumer continuing to be billed at the retail contract price," Staff noted.



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## Quinn Signs SB2150 Revising RPS Obligations of Retail Suppliers

Illinois Gov. Pat Quinn has signed SB 2150, which revises the compliance obligations of alternative retail electric suppliers with respect to the state's RPS, by adding new section 16-115(d) to the Public Utilities Act.

The law holds that the required procurement of renewable energy resources by an alternative retail electric supplier shall apply to the supplier's metered electricity delivered to Illinois retail customers pursuant to contracts executed or extended after March 15, 2009.

Overall renewable percentages are unchanged, as suppliers will still be responsible for the RPS mandates in Section 1-75 of the Illinois Power Agency Act (which gradually increase from 4% by June 1, 2009 and 5% by June 1, 2010 to 25% by June 1, 2025). However, competitive suppliers are subject to a 60% carve-out for wind in meeting the RPS goals, and, starting June 1, 2015, a 6% solar photovoltaics carve-out. Default service procurement plans, however, are subject to a 75% wind carve-out (and identical solar carve-out), but only to the extent that such power is available. Competitive suppliers are not subject to requirements for using Illinois-sited renewables as the default service procurement plans are

SB 2150 holds that alternative retail electric suppliers shall comply with the renewable energy portfolio standards by making an alternative compliance payment to cover at least one-half of the supplier's obligations. The remaining half can be met through owned generation, bilateral contracts, RECs, or addition compliance payments.

RECs that are not used by an alternative retail electric supplier to comply with a renewable portfolio standard in a compliance year may be banked and carried forward up to two 12-month compliance periods after the compliance period in which the credit was generated. For the 2009-2010 and 2010-2011 compliance periods, an alternative retail electric supplier may use renewable credits generated after December 31, 2008 and before June 1, 2009. The compliance year runs to June 1 through May 31.

The Illinois Commerce Commission will determine a maximum level for alternative compliance payments based on cost caps imposed on the procurement of renewable resources contained in the Illinois Power Agency procurement plan. The compliance payments will accordingly differ by utility service area (see Matters 7/31/09 for estimates).

The law also applies the RPS mandates applicable to alternative retail electric suppliers to utilities operating outside their franchise service areas, who otherwise would not be covered by the mandates.

If an alternative retail electric supplier fails to comply with the renewable energy resource portfolio requirement more than once in a five-year period, the ICC "shall" revoke its license.

The law also makes various revisions to the previously enacted requirement for alternative retail electric suppliers to enter into sourcing agreements with the clean coal facility developed under Section 1-75 of the Illinois Power Agency Act (Matters, 1/13/09).

## Mich. PSC Maintains Current Stranded Cost Disparity

As proposed by Consumers Energy, the Michigan PSC ordered that the current $0.0012 per kilowatt-hour differential between the stranded cost surcharges paid by retail access customers and bundled service customers shall remain, in approving new stranded cost rates at Consumers (U-15744).

As only reported by *Matters*, Consumers, in seeking to recover remaining stranded costs within five years as permitted by 2008 legislation, applied to raise the retail access stranded cost charge to $0.002003/kWh while instituting a new bundled service stranded cost charge of $0.000803/kWh (Matters, 6/9/09). Bundled service customers have not previously paid for stranded costs.

Energy Michigan objected to the proposal, arguing that the current retail access stranded cost charge should remain, while any remaining balance should be collected through a higher bundled service charge.

However, the Commission said that retail access customers should continue to bear a greater burden for stranded costs than customers who do not participate in retail access. The Commission agreed that there are advantages to maintaining the current "price differential (and price signal)" between retail access and bundled commercial and industrial customers for stranded cost recovery.

The Commission approved Consumers' proposed surcharge methodology, updating the exact amounts to reflect the passage of the months of June through August. The approved bundled service charge is $0.0009/kWh and the retail access charge is $0.0021/kWh. Bundled residential, wholesale, Rate E-1 (economic development), and streetlighting customers will not pay a stranded cost surcharge.

## Mich. PSC to Hear Testimony on Change to Consumers' Bypassable Renewable Charge

The Michigan PSC is re-opening the record regarding Consumers Energy's approved renewable energy plan to address the size of the bypassable renewable energy charges (U-15805).

As only reported by *Matters*, Consumers sought to lower the bypassable rate paid by commercial and industrial customers for the utility's renewable energy plan by increasing the rate paid by residential customers (Matters, 6/24/09). Consumers has said that the approved charge disproportionately impacts larger customers.

The Commission found that additional testimony and a hearing is required to rule on Consumers' rehearing request. Consumers shall file testimony by September 11, 2009, and other parties may file testimony by October 12, 2009.

## MISO Amends Firm Redirect Proposal as Market Participants Change Behavior

The Midwest ISO has filed an amendment to its proposal meant to correct a tariff flaw related to changes in Receipt and Delivery Points on a firm basis (firm redirects), due to changes in market behavior already seen since filing the proposal last week (ER09-1543).

As only reported in *Matters*, MISO sought to close a "loophole" regarding firm redirects which has allowed market participants to use unscheduled reservations to PJM to avoid otherwise applicable transmission service payments, resulting from the elimination of through and out rates (Matters, 8/5/09). In essence, MISO proposed that for firm redirects that result in a transmission path for which the applicable transmission rate is zero, the transmission customer shall pay the transmission and ancillary services rates in effect between the original Receipt and Delivery Points for the duration that its service is redirected.

However, changes in behavior since that filing suggest a more expansive remedy is needed, MISO said in a FERC filing. From August 4-5, MISO said that 99.9% of the 1.5 million MWh that were redirected to the Indianapolis Power & Light sink were from PJM and other "out" interfaces. IP&L's zonal rate is the lowest priced non-zero rate available under the MISO tariff. Moreover, MISO said that there were 13.5 million MWh of requested firm redirects to the IP&L sink (of which only 1.5 million could be accommodated) in just two days, versus only 81,000 MWh from January 2008 through June 2009. A corresponding decline of firm directs to PJM was also noticeable, MISO reported.

MISO said that based on historic redirect patterns, the sharp increase in redirects to IP&L, within hours of its FERC filing becoming public, indicates that market participants sought the next lowest-cost sink after "out" sinks such as PJM. Absent FERC actions, market participants are likely to continue such practices as long as there is an appreciable difference in firm point-to-point transmission service rates, MISO noted.

Accordingly, MISO proposed that, for firm redirects that would result in a lower transmission rate, the customer shall be charged the applicable transmission rate, plus the difference between the lower rate and rate for the original path.

# Briefly:

### Champion Energy Services Seeks Pa. Electric License

Champion Energy Services applied at the Pennsylvania PUC for a retail electric supply license to serve commercial customers over 25 kW, industrial customers, and governmental customers, in all service areas.

### UI Reports LRS, SS Suppliers

United Illuminating reported that PSEG Energy Resources & Trade won 100% of its Last Resort Service supplies for the three-month period beginning October 1. Additionally, with 100% of its 2010 Standard Service needs now filled, UI reported the winning bidders for each half of the year, selected over a series of prior auctions. For the first half of 2009, Conectiv Energy Supply, Constellation Energy Commodities Group, Hess Corporation, Sempra Energy Trading, and Shell Energy North America all won load. For the second half of 2009, Conectiv Energy Supply, Constellation Energy Commodities Group, Hess Corporation, NextEra Energy Power Marketing and Sempra Energy Trading all won load.

### Energy Services Providers To Withdraw Texas License

Energy Services Providers, recently purchased by U.S. Gas & Electric, has filed to withdraw its Texas REP certificate, stating it has never served load in the state (Only in Matters, 8/4/09).

### World Energy Solutions, Commercial Utility Consultants Enter Channel Partnership

World Energy Solutions announced a channel partnership with Commercial Utility Consultants, which specializes in utility rate and tariff analysis for Pennsylvania industrial manufacturers and commercial real estate entities. Commercial Utility Consultants will utilize World Energy's online auction platform for client procurements.

### EnergyConnect Earnings Reverse Year-Ago Loss

Net income at EnergyConnect was higher in the second quarter at $601,000, up from a loss of $2.2 million a year ago, on higher capacity revenues and lower costs. Revenue was higher at $7.5 million versus $5.1 million a year ago, reflecting higher capacity revenue partially mitigated by lower energy revenues as lower power prices reduced opportunities for economic load curtailments. Gross profit increased to $3.2 million from $763,000 a year ago. Operating expenses were lower at $2.3 million versus $3.2 million a year ago, due to staff reductions and salary reductions taken by the management team.

### First Choice Power Offering Online Billing

First Choice Power said its customers can now view their bill online every month, and receive notification of new online bills via email, completely eliminating the need for paper billing if the customer chooses.

### Mich. PSC Approves Michigan Gas Utilities GCR Reconciliation

The Michigan PSC approved a settlement agreement authorizing Michigan Gas Utilities Corporation to reconcile its gas cost recovery (GCR) revenues and expenses for the 12-month period ended March 31, 2008. The approved settlement agreement found a net under-recovery of $13,704,868, which will be rolled into the utility's 2008-2009 GCR gas expense and reconciliation.

### Michigan Selects APX for Renewable Tracking

The Michigan PSC approved a contract designating APX, Inc. as administrator of the state's Renewable Energy Credit Tracking Program and the Advanced Cleaner Energy Credit Certification and Tracking Program (collectively known as the Michigan Renewable Energy Certification System). The tracking system is expected to be launched in mid-October.

# Maryland ... *from 1*

above-market Warrior Run and Panda-Brandywine contracts. The Warrior Run contract annually costs $45 million above market prices, Staff noted. While the results do not mean that the CPV contract would produce similar results, Staff said that the state's history should mean that the utilities must "drive a very hard bargain" in any PPA negotiations, which could not be accomplished under CPV's expedited proposal.

**Support for Long-Term Contracts**

While not supporting CPV's motion for a unilateral contracting process, a few parties supported the use of long-term contracts for SOS supplies, and urged the Commission to solicit such contracts in a competitive process.

The Maryland Energy Administration agreed with CPV that certain benefits from long-term, bilateral contracts (such as price stability and supply diversity) mean that long-term contracts cannot simply be evaluated against short-term market prices. A premium above current market prices may be justified, MEA said, for local baseload or intermediate capacity which would reduce congestion and moderate Reliability Pricing Model prices. While a reliability need may no longer be present for 2012, additional generation may be needed by 2014, MEA said.

The merchant model, MEA argued, has failed to support new entry of commercial-scale baseload and intermediate capacity, while the RPM market has been "costly to ratepayers," with little new capacity in return.

However, CPV did not include any cost or other data that shows its St. Charles plant would be the most beneficial option, MEA noted. Accordingly, MEA recommended that the Commission give competing suppliers 90 days to submit their own long-term contract proposals, which the Commission would review on an expedited basis. Alternate proposals for consideration could include utility self-build proposals, MEA suggested.

MEA said that any long-term contract should be treated as a "distribution asset" paid for by all ratepayers on a nonbypassable basis. The majority of parties in the case believe that the St. Charles plant will produce power above market prices.

The Office of People's Counsel, which supports long-term contracts as an option under an SOS portfolio, stressed that evaluation of long-term contracts is best accomplished through a comprehensive review instead of evaluating projects one at a time. However, in the absence of a state portfolio planning process, OPC said that the Commission should consider the CPV's proposal at this time, though OPC raised several concerns about the contract.

OPC said that evaluation of the CPV project must use the actual contract prices for CPV capacity and energy, as well as the contract terms and conditions with respect to the operation of the facility. Moreover, any such economic evaluation of the CPV contract should be based on a current forecast of wholesale market prices to determine the market value of the proposed contract, OPC said.

A competitive process should be pursued if it is feasible under the time constraints presented by the CPV proposal, OPC added.

Among several concerns raised by OPC with respect to CPV's proposed term sheet is that CPV implies that the capacity charge would be established once the plant is built. "If so, ratepayers would appear to be at risk for cost over-runs in the construction of the project," OPC noted.

As noted by *Matters* in our initial story, the term sheet also does not discuss an option for an extension of the contract after the 20-year initial term. "The contact [sic] terms appear designed to fully compensate CPV for the construction costs of the plant over twenty years. However, the expected useful life of the plant should be longer than twenty years," OPC noted. Consideration should be given for providing an option for the continuation of the purchase of power from the plant or outright purchase of the asset after the initial 20-year term is complete, OPC said.

OPC also argued that the term sheet unreasonably assigns the risk of heat-rate degradation to ratepayers, and does not address ancillary service revenue, which should flow to ratepayers.

NRG Energy urged the Commission to direct the utilities to enter into long-term contracts with generation developers, under a competitive process. NRG said it is currently reviewing an expansion of its Vienna plant with solar or biomass generation, which could be facilitated with a long-term PPA.

**Opposition**

The four investor-owned utilities were unanimous in opposing CPV's motion, as were retail suppliers, and wholesale suppliers and generators other than NRG.

Potomac Edison (Allegheny) said CPV presented no evidence that, generally, a 20-year PPA would be beneficial to customers. Furthermore, CPV did not provide evidence showing, if the Commission found a PPA to be appropriate, that its St. Charles PPA would be the most beneficial.

Even if the Commission were to adopt a portfolio management approach to SOS, a single 20-year PPA is only one piece of the portfolio and cannot be evaluated in isolation, Potomac Edison said. The fact that CPV could not find a buyer anywhere suggests that its rates and terms are not commensurate with what is available in market, Potomac Edison added.

Baltimore Gas & Electric cautioned the Commission that any PPA would likely negatively impact utility credit ratings, due to debt equivalence issues, potentially raising costs to ratepayers. Addressing CPV's desire to pass through fuel costs to ratepayers, BGE noted that CPV would have no incentive to keep such costs low under its PPA. Citing a concern raised by several parties, Pepco and Delmarva said CPV's reliability analysis is based on stale data that does not address the current supply/demand balance.

Indeed, the PJM Power Providers Group (P3) noted that aside from overall reserve margin levels in PJM of 22%, the SWMAAC region saw 800 MW of capacity resources fail to clear the last RPM auction, indicating a surplus of supply that would be available, perhaps at a cheaper price, should any reliability shortfalls occur.

Pointing to the precipitous drop in power and capacity prices since last fall, and the fact that CPV made a similar push for long-term contracts last fall in Case 9149, P3 argued that had the Commission adopted CPV's recommendations last year and entered into long-term PPAs, it would have been a "regrettable and expensive" mistake.

Several suppliers called CPV's motion impermissible under statutory rules for supply procurement.

Allegheny Energy Supply Company noted that while the Commission may allow utilities to procure supply through "bilateral" contracts, the "unilateral" process envisioned by CPV would not meet statutory mandates. Per SB 400, the price, terms and conditions of any such bilateral contract must be negotiated among the parties to the contract, Allegheny Supply noted. However, CPV proposed unilateral terms that would not be subject to any real negation by the utility counterparties, as contracts would first be developed between CPV and Staff. If utilities did not agree to such terms, the Commission Staff could pre-empt the utilities in the negotiation and procurement process, Allegheny Supply noted, arguing such a process cannot be considered bilateral negotiation.

Furthermore, while CPV argues that "bilateral" negotiations are not subject to a competitive process, Conectiv Energy Supply said SB 400 does not exempt bilateral contracting from a competitive procurement. While SB 400 says bilateral negotiation may occur, "outside *the* competitive process," the statute's use of that term plainly means that bilateral contracting may occur outside of the specific SOS bidding process, not that negotiations may occur outside of competitive procurement.

"Furthermore, unlike CPV, not all merchant generators require such a long contract term to build a generating facility and, therefore, the additional price risk for consumers that long-term contracting presents is not a necessary byproduct of achieving new generation in Maryland," Conectiv said.

Developers that are able to limit the amount of debt used to finance a project to an acceptable level can attract debt investment without the security of a 20-year PPA, even in today's economic climate, Conectiv reported. "In fact, with balanced project financing, Conectiv submits that a 5 to 10-year term would be sufficient to obtain attractive financing. It should also be noted that a PPA with a regulated utility is not the only way to reduce project risk in order to satisfy a potential lender. Developers may also turn to market-based solutions, such as tolling arrangements, which are designed to transfer a portion of project risk to another market participant," Conectiv added.

Given uncertain financial and credit markets, the construction of new transmission lines that will serve the mid-Atlantic region, and updated reliability reports from PJM, the Retail Energy Supply Association argued that the Commission should be eyeing shorter-term, not longer-term, SOS contracts.

"In fact, CPV's motion and attached term sheet presents a case study in the problems associated with long-term contracts and the risks such contracts present to Maryland ratepayers," RESA said.

"Although CPV would lead one to believe that it is undertaking some risk in the development of the project, its proposal is structured in a way that transfers all cost and price risk to Maryland SOS customers, away from CPV. First, CPV proposes a 20-year contract that would pass through to the IOU (and, in turn, to customers) variable costs relating to fuel (with an adder), carbon, plant operation, and maintenance in addition to a guaranteed rate of return," RESA noted

"[W]hile CPV makes some mention of 'pre-construction' risks, it bases the construction cost component of its capacity payments on actual costs incurred. This clearly indicates that CPV would recover all costs to build and operate the plant. CPV basically admits on page 26 of its motion that it has been unable to negotiate long-term contracts with any utility because its cost structure is too expensive. That, in and of itself, speaks volumes about CPV's proposed contract and the 'benefit' it would provide to Maryland SOS customers," RESA said.

Indeed, "CPV is attempting to get through regulation what it was unable to accomplish competitively, thus shifting all the risks of its proposed generation project from investors to Maryland's consumers," the National Energy Marketers Association added. Noting the prior stranded costs assessed to customers, NEM said long-term utility contracting at the current stage of market development, "would interpose a new layer of both unknown and unnecessary costs and complexities onto the retail energy marketplace."

Conectiv also dismissed CPV's contention that its combined cycle facility is superior to other alternatives which could come online in the same timeframe. "[C]ontrary to CPV's claims, a combined-cycle facility holds no advantage regarding its use as a mid-merit generator over other types of clean technology, such as simple cycle natural gas CT generation. From a dispatching standpoint, new CT technology blurs the distinction between mid-merit and peaking generation technology and the Commission therefore need not limit bidding to developers of so-called 'baseload or intermediate' generation, as those terms are used by CPV. Moreover, CT technology enables the generator operator to benefit from quicker start times, shorter run times, increased flexibility, and low overall heat rates; all of which translate into greater revenues from the energy and ancillary services markets," Conectiv said, which has CT facilities planned for the area which could be complete by 2012.

"In effect, CPV is asking the Commission to place CPV's economic self-interest over the statutory requirement that Maryland ratepayers receive 'the best price ... in light of market conditions,'" Conectiv added.

PPL EnergyPlus called CPV's motion nothing but the "private bailout" of a merchant asset cloaked in purported reliability needs. Dominion Energy Marketing agreed that a long-term PPA with CPV would simply represent an, "unprecedented and precipitous venture to support the financing needs of CPV."

PSEG Energy Resources & Trade warned that any out-of-market capacity addition, especially one not justified by reliability concerns, "could even herald a 'death spiral' for markets if developers delay to the point that additional out-of-market intervention becomes necessary to address the delay in new entry."

## *Ontario ... from 1*

In order to ensure timely cancellations of contracts, Staff said that energy retailers should submit a drop request to the utility immediately upon receipt of a cancellation request, suggesting that the issue should be reviewed in considering potential changes to Board Codes. The effective utility drop date should be no longer than one to two billing cycles from the date the cancellation is processed by the energy retailer, Staff said.

Termination fee collection may be pursued separately, but should not affect the process to transfer a consumer from competitive retail supply to standard system supply, Staff added.

Another recommendation from Staff is consideration of a more defined reaffirmation process to be included in Board Codes.

Staff said that a reaffirmation is unlikely to meet its purpose unless it is clear that the contract ceases to have effect if the consumer decides not to reaffirm and that there are no financial consequences to the consumer in such cases (such as early termination charges).

Energy retailers, Staff said, should use clear and easily understandable terms in their reaffirmation communications with consumers concerning, at a minimum, the following:

- Commodity price;
- Contract term;
- Authorization to reaffirm;
- Receipt of written copy of contract; and
- Consent.

Contract renewals are another large source of complaints from customers, as retailers may automatically renew a natural gas contract for one year if a consumer does not respond to a renewal package and does not request, in writing, cancellation of the contract. Customers often complain upon renewal that they did not receive the renewal notice. Although most energy retailers have an internal process that tracks the date on which the renewal package was mailed, retailers do not have proof of postage or delivery confirmation of the renewal package by the consumer, Staff noted. Staff suggested that sending natural gas renewal packages by registered mail or any other manner that would provide clear evidence of receipt by the consumer would reduce disputes among retailers and consumers.

Based on its survey results, Staff believes an energy retailer's sales agent model and commission structure are a contributing factor to the root causes in increased consumer complaints received by the Board regarding sales agent conduct.

"Board staff believes compensation models should be based on net sales or a combination of positive reaffirmation and net sales and that a claw-back model should be used up to one year post sign date in order to provide incentives to sales agents to conduct high quality sales and to ensure customers fully understand the sales process."

Staff also raised concerns about the practice used by some retailers in which sales agents collect consumers' utility bills. "It is important for consumers to retain their utility bills in order to understand their energy supply arrangements. If a consumer does not have his or her bill when being asked to reaffirm a contract, the consumer may be at a disadvantage as he or she cannot reference their utility bill," Staff said.

"In addition, some licensees compensate sales agents for simply collecting a consumer's utility bill. This can lead to aggressive sales behaviour by agents who are financially motivated to have a consumer provide them a bill even if a contract sale cannot be made," Staff added.

Staff noted that licensees which have formal quality assessment programs of sales agents have improved sales experiences with consumers. Energy retailers that have sales managers in the field appear to be better able to address inappropriate behavior or incorrect information being conveyed by sales agents to consumers. However, in-field quality assurance is not as widespread among retailers as quality assurance performed in the office, Staff noted.

Staff praised trials being conducted by two retailers which use Third Party Verification as part of door-to-door sales. Under the pilot TPV process, an agent uses their cellular phone to call the independent TPV vendor, with the phone then handed to the customer to confirm relevant information about the contract and sale. Following a positive response to all of the questions from the consumer, the TPV vendor provides the sales agent with an approval number that is placed on the sales contract indicating that their sale passed the TPV process. If the contract does not have the TPV number, the agent cannot submit the contract for enrollment.

One energy retailer has reported a 92% decrease in complaints related to misrepresentation, based on internal complaints received from consumers, since its TPV trial started in December 2008, Staff said.

Staff noted its survey resulted in two formal notices of administrative penalties, in addition to other issues resolved by remedial actions not requiring a penalty. In one case, Universal Energy was ordered to pay $127,500 to resolve allegations of making false, misleading or deceptive statements to low-volume customers and supplying customers without valid reaffirmation. In another case, Summitt was ordered to pay $70,000 to resolve allegations of making false, misleading or deceptive statements to low-volume consumers and supplying customers without valid reaffirmation.