

# Energy Choice

# Matters

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## N.Y. PSC Rejects Plans Requiring Pre-Registration for Remote Access to Account #

All four approved New York utility programs that allow customers to access their account numbers remotely rely on integrated voice response systems (IVR), as the New York PSC rejected alternative web-based systems that would require customers to pre-register in order to use the systems, which ESCOs had said would limit their usefulness (98-M-1343).

As previously reported (Matters, 7/16/10), the PSC approved the programs on Thursday, but did not publish an order until yesterday. The remote account number access is intended to facilitate ESCO enrollment in situations where the customer is solicited outside of their home and does not have their utility bill.

The four approved programs -- at Consolidated Edison, Niagara Mohawk, Central Hudson, and Orange & Rockland -- utilize an IVR system under which the customer would provide information sufficient to prove the caller's identity as the account owner. While several of these utilities had required the customer's full Social Security Number, the PSC held that, due to identity theft concerns, the remote account number access system shall require the customer to input no more than the last four digits of the customer's SSN. Because of this, the Commission acknowledged that the customer will need to provide additional information to verify their identity, such as a portion of the customer's last name and/or the billing zip code.

Should the information requested from the customer still prove insufficient to verify the customer's identity via the automated system, or if other questions or problems arise, the customer would be transferred to the utility's call center to obtain their account number, providing that the call center is open. Some utilities, such as NiMo, offer a 24/7 call center, while others do not.

While the KeySpan LDCs had also proposed use of an IVR system for remote account number access, the PSC rejected KeySpan's proposal because its costs were not in line with those reported

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## RESA Seeks POR, Uniform Price to Compare in New Jersey

The Retail Energy Supply Association has requested that the New Jersey BPU consider adopting rules to establish electric and gas Purchase of Receivables programs as part of the re-adoption of the Board's energy competition rules.

RESA noted that no New Jersey LDC currently has an "effective" POR program. Receivables are purchased at some utilities, notably Atlantic City Electric, whose program does not include a discount rate and socializes bad debt, making ACE an oft-cited example by POR opponents as evidence that POR does not increase residential offerings. However, in the New Jersey programs, uncollected receivables revert back to the supplier after 60 days for dual billing.

"This policy puts TPSs [third party suppliers] at a competitive disadvantage because TPSs cannot terminate electric service for non-payment," RESA said. RESA noted that uncollectibles related to Basic Generation Service (BGS) have not been unbundled from distribution rates.

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## Connecticut Light & Power Reports June Migration Statistics

Supplier Accounts as of 6/30/10	June '10 Residential	June '10 Business	June '10 Total	% of Migrated Customers	Change vs. May '10 Total
Cianbro Energy	0	0	0		0
Clearview Electric	12,557	246	12,803	3.7%	(389)
ConEdison Solutions	6,220	2,357	8,577	2.5%	62
Constellation NewEnergy	1,251	8,434	9,685	2.8%	234
Direct Energy Business	130	3,304	3,434	1.0%	65
Direct Energy Services	46,095	6,841	52,936	15.5%	(2,836)
Discount Power	7,471	1,192	8,663	2.5%	909
Dominion Retail	52,987	9,454	62,441	18.3%	(775)
Energy Plus Holdings LLC	23,772	2,518	26,290	7.7%	2,202
Gexa Energy	385	1,785	2,170	0.6%	66
Glacial Energy	776	1,834	2,610	0.8%	(209)
Hess Corporation	244	1,671	1,915	0.6%	12
Integrays Energy Services	42	3,195	3,237	0.9%	13
Liberty Power	417	599	1,016	0.3%	258
MXenergy	18,832	1,415	20,247	5.9%	2,377
North American Power and Gas	5,306	454	5,760	1.7%	3,396
Palmco Power	0	0	0		0
Pepco Energy Services	0	7	7	0.0%	1
Public Power & Utility	37,842	3,786	41,628	12.2%	6,570
Rescom Energy	21,947	2,503	24,450	7.2%	3,726
Sempra Energy Solutions	5	1,093	1,098	0.3%	27
South Jersey Energy Co	0	5	5	0.0%	2
Starion Energy	4,982	1,289	6,271	1.8%	1,584
Suez Energy Resources NA	21	891	912	0.3%	34
TransCanada Power Marketing	29	2,543	2,572	0.8%	22
Verde Energy Savings	23,354	721	24,075	7.0%	3,829
Viridian Energy	16,752	1,973	18,725	5.5%	1,834
Whole Foods Market Group	0	1	1	0.0%	(1)
<b>Total All Suppliers</b>	<b>281,417</b>	<b>60,111</b>	<b>341,528</b>	<b>100.0%</b>	<b>23,013</b>

### Aggregate Data

#### Customer Load - Suppliers and CL&P (MWh)

	Residential - SS		Business - SS		Business - LRS		Total CL&P Territory	
	MWh	% of Class	MWh	% of Class	MWh	% of Class	MWh	% of Total
Suppliers	221,702	28.5%	446,661	74.4%	442,208	90.4%	1,110,570	59.5%
CL&P	554,965	71.5%	153,527	25.6%	46,849	9.6%	755,341	40.5%
Total	776,668		600,188		489,056		1,865,912	

#### Customer Count - Suppliers and CL&P

	Residential - SS		Business - SS		Business - LRS		Total CL&P Territory	
	Customers	% of Class	Customers	% of Class	Customers	% of Class	Customers	% of Total
Suppliers	281,417	25.5%	59,261	50%	850	83.3%	341,528	27.9%
CL&P	820,497	74.5%	60,044	50%	171	16.7%	880,712	72.1%
Total	1,101,914		119,305		1,021		1,222,240	

## OCA Reports Pa. Residential Gas Migration Statistics

The Pennsylvania Office of Consumer Advocate posted updated residential natural gas migration statistics as of July 1, 2010.

Residential Customers	Migrated Customers as of 7/1/10	Change vs. 4/1/10	% of Migrated as of 7/1/10	% of Customers Migrated as of 4/1/10
Columbia Gas	67,548	(156)	18%	18%
Equitable Gas	15,141	(374)	6.3%	6.4%
National Fuel Gas Dist.	0	0	0%	0%
PECO Gas	890	325	0.2%	0.1%
Peoples Natural Gas	90,981	(1,255)	27.8%	28%
PGW	0	0	0%	0%
TW Phillips	0	0	0%	0%
UGI Central Penn	0	0	0%	0%
UGI Gas	7,983	373	2.7%	2.5%
UGI Penn	365	88	0.3%	0.2%
Valley Cities, NUI	0	0	0%	0%
Totals	182,908	(999)	6.95%	6.96%

### PUCT Staff Opposes Consideration of DCRF in CenterPoint Rate Case

PUCT Staff have opposed CenterPoint Energy's application to include consideration of a Distribution Cost Recovery Factor (DCRF) in its current rate case, citing the ongoing DCRF rulemaking, while other parties cited PURA in opposition to CenterPoint's request (38339).

As only reported by *Matters*, CenterPoint is seeking approval of a DCRF to recover certain costs that would be updated annually September 1 (Only in *Matters*, 7/1/10).

Staff noted that the Commission is considering the legal and policy issues associated with alternative ratemaking mechanisms for distribution companies in Project 38298, and said such issues should not be separately addressed in CenterPoint's rate case.

However, if the Commission does consider CenterPoint's proposed DCRF rider in the rate case, Staff opposed CenterPoint's desired bifurcation of the DCRF issues, under which CenterPoint has asked for the Commission to hear the DCRF question itself, while the State Office of Administrative Hearings addresses the

remainder of the rate case.

"Bifurcating this proceeding would require the Commission to make a decision regarding CenterPoint's proposal without the benefit of a complete record or parties' positions on related issues," Staff said.

"For example, Staff and certain intervenors may take the position that, if the Commission approves Rider DCRF, CenterPoint's return on equity should be reduced to account for the accompanying reduction in risk for the company," Staff noted.

Staff did not address any statutory arguments concerning the DCRF. However, the Alliance for Retail Markets, Reliant Energy, TXU Energy, Texas Industrial Energy Consumers, Office of Public Utility Counsel, and several cities of original jurisdiction called the proposed DCRF impermissible under PURA, and urged the Commission to strike consideration of the DCRF from the rate case.

The REPs argued that the prohibition against automatic rate adjustments and pass-throughs contained in PURA § 36.201 renders proposed Rider DCRF unlawful. REPs further said that PURA does not grant the PUCT any express or implied authority to implement a DCRF.

To the extent the Commission agrees to consider the DCRF, however, the REPs agreed with a bifurcated approach, since adjudication of the DCRF question will either elevate or eliminate alternative proposals linked to proposed Rider DCRF, providing the ALJ and the parties with a clearer understanding of the scope of relevant issues remaining in the docket, and likely facilitating settlement.

While CenterPoint has argued that Rider DCRF is not an automatic pass-through in violation of PURA since the utility's costs and revenues associated with the rider would be trued-up in the utility's next rate proceeding, the Texas Industrial Energy Consumers countered that the existing Transmission Cost of Service and Transmission Cost Recovery Factor mechanisms are also reconciled in the utility's next rate proceeding, yet they both required explicit statutory authorization as exceptions to PURA § 36.201.

TIEC also pointed to several failed bills during the last legislative session that would have provided authorization to the create a DCRF, which TIEC cited as further evidence that authority for a DCRF is not contained in PURA as it exists today.

Several cities of original jurisdiction also protested that the DCRF would interfere with their original jurisdiction over rates, contrary to PURA.

Addressing the issue of the PUCT's open DCRF rulemaking, CenterPoint said that the statutory deadline for final adjudication of its rate case will not allow sufficient time for the rulemaking's results to be incorporated into its rate case, and thus it applied separately for a DCRF. CenterPoint also said that had a prior settlement agreement not dictated the filing of its rate case at this time, "the Company would have waited until the Commission decided in Project No. 38298 the very important matters concerning alternative ratemaking."

CenterPoint invited parties concerned with the overlap with Project 38298 to move to abate CenterPoint's rate case until the issues in Project 38298 are decided.

Regarding bifurcation, CenterPoint argued that a hearing before the Commissioners is necessary since the DCRF would represent new policy, which is a capacity reserved for the

Commissioners since ALJs are bound to consider past Commission actions to inform their decisions.

CenterPoint did not address legal authority for the DCRF since that issue was not set for briefing, though other parties have raised it as inexorably linked to answering the raised procedural questions (since the question of bifurcation becomes moot if the Commission instantly holds the DCRF to be impermissible).

CenterPoint said that the Commission is bound to consider Rider DCRF on the merits in the rate case, regardless of whether the rider is approved, because the utility necessarily retains the ability to request the rate relief in its application that it deems necessary.

## **IMM Seeks Amendments to PJM Shortage Pricing Plan**

Monitoring Analytics, PJM's Independent Market Monitor, submitted several amendments to PJM's shortage pricing proposal at FERC, which formalize positions taken by the market monitor during the stakeholder process leading up to PJM's filing (ER09-1063, Matters, 6/21/10).

Monitoring Analytics urged FERC to reject raising the \$1,000/MWh price cap to \$2,700/MWh as proposed by PJM.

Among other things, Monitoring Analytics's amendments include a scarcity pricing revenue true up that explicitly eliminates what the market monitor considers double recovery of scarcity rent by capacity resources in a given delivery year.

Monitoring Analytics would also require the development of clear rules governing the emergency recall of Reliability Pricing Model capacity to ensure that such capacity meets its obligations to provide system resources during an emergency, thereby limiting the possibility of false scarcity events and, "ensuring that customers receive the benefits of their purchase of capacity resources."

A duration component would also be added to the determination of a reserve shortage to further address potential false positives.

Monitoring Analytics proposed introducing a must offer requirement for synchronized reserves to address market power issues.

## **Briefly:**

### **PUCT Approves Additional Trade Name for Tara Energy**

The PUCT approved Tara Energy's application to amend its REP certificate to include the trade name Smart Prepaid Electric. As only reported in *Matters*, Tara Energy has filed with the PUCT a statement of intent to provide retail electric services using a customer prepayment device or system (Only in *Matters*, 7/5/10).

### **PUCT Approves Additional Trade Name for Cirro Energy**

The PUCT approved Cirro Energy's application to amend its REP certificate to include the trade name Dominion Energy Solutions.

### **S.R. Bertron Unit 2 to be Mothballed**

ERCOT issued a market notice yesterday reporting that NRG Texas Power LLC has submitted a Notification of Change of Generation Resource Designation for S.R. Bertron Unit 2, indicating that that S.R. Bertron Unit 2 will be changing to Mothballed status starting October 1, 2010.

### **D.C. PSC Creates AMI Task Force**

The District of Columbia PSC granted the Office of People's Counsel's request to establish an advanced metering task force consisting of OPC, Commission Staff, the Sustainable Energy Utility, District Department of the Environment, and Pepco (FC 1056). The task force, requested in response to Pepco's dynamic SOS rate application, is to develop plans to educate consumers regarding advanced metering initiatives.

## **N.Y. ... from 1**

by the other utilities. Specifically, KeySpan calculated that its IVR proposal would cost \$322,000 to implement in both of its service areas, while ConEd's implementation costs were projected as only \$5,000, and Central Hudson (as originally proposed) reported costs as modest, and small enough that it would not seek cost recovery.

"We are concerned that KeySpan's estimated implementation costs may be disproportionate

to the benefits to be gained from the proposed IVR upgrade," the Commission said, directing KeySpan to reassess the costs of an IVR solution and to report to the Commission in 60 days.

NYSEG and Rochester Gas & Electric (in their original proposal), National Fuel Gas Distribution, and KeySpan (as an alternative) proposed using existing web-based solutions which provide customers with access to their account information, including account number. These web-based solutions, however, require a customer to pre-register online with the utility (using their account number or other unique ID on their bill) prior to being able to use the remote account number access feature.

The Commission found that the record, "does not support the proposition that, at this time, customer use of such systems is prevalent enough to make these systems effective for providing customers, generally, with remote access to their account numbers."

NYSEG/RG&E had amended their compliance plan to eliminate reliance on the web-based solution in favor of directly providing ESCOs with access to the customer's POD ID through a secure portion of the utilities' website. However, the Commission reiterated its finding from its 2006 order that ESCOs should not be given such direct access to customer account numbers, and rejected the revised NYSEG/RG&E plan.

NYSEG and RG&E were directed to file a report explaining how each utility could use its IVR system to provide customers with real-time remote access to their account numbers, consistent with the PSC's order regarding the IVR solution at ConEd and the other three utilities. The utilities may also propose alternatives to an IVR solution consistent with the PSC's order.

The PSC noted that National Fuel Gas Distribution does not currently employ an IVR system, and will not require Distribution to institute an IVR system solely for the purpose of providing customers with remote access to their account numbers. Distribution was directed to submit a proposal identifying alternative means of providing customers with real-time remote access to their account numbers.

As reported Friday, the Commission held that

ESCOs shall bear any costs of the IVR programs should the utilities seek cost recovery. As noted above, Central Hudson originally indicated that it would not seek cost recovery, but the PSC said that since the Commission has modified Central Hudson's compliance plan (limiting the use of SSN digits to four instead of six), Central Hudson may reconsider whether it will need to recover incremental costs.

As previously reported, utilities shall confer with ESCOs regarding cost recovery prior to implementing the remote access programs. Utilities shall file reports within 60 days on such discussions, indicating whether an agreement on cost recovery has been reached, or if ESCOs indicate the IVR upgrades are not desired in light of any costs.

### ***N.J. ... from 1***

RESA also urged the Board to consider regulations establishing a uniform Price to Compare for residential service. RESA said that certain costs are included in LDC electric generation rates that overlap with costs contained in the transmission and distribution rates, and noted that the method for providing the Price to Compare to the customer results in a comparison that is difficult for the typical customer to understand.

Furthermore, RESA requested that the BPU act on a working group proposal for a market-match style webpage that would be hosted by the BPU. The webpage would allow customers to voluntarily disclose their energy needs and contact information to suppliers, allowing suppliers to directly market products to interested customers.

Regarding existing competition rules, RESA sought uniform timing, policy, and technology for EDI transactions, stating that the information required to complete a customer switch that is transmitted to suppliers from LDCs, "continues to be a source of frustration," for suppliers given utility-specific policies.

Current rules provide that the LDCs shall execute change orders "as soon as possible" and "without unreasonable delay," but such terms are not defined. RESA asked that the BPU set outer time limits for the completion of

change orders, such as seven days.

Similar to its petition in New York, RESA asked the BPU to establish procedures to prevent utility-initiated drops to BGS that are not affirmatively sought by the customer, such as those that result from establishing service at a new location, or updating a name or customer account.

RESA asked the BPU to clarify the provisions relating to termination of residential contracts for non-payment under N.J.A.C. § 14:4-7.10. That section provides that residential customers shall be given 30 days' written notice of contract termination, with 15 to 30 days' notice provided to the LDC. RESA said that the LDCs have implemented varying timeframes within that window for required notification, and sought a uniform notification deadline as well as confirmation that the notice period to the customer and utility may be concurrent. Furthermore, RESA noted that the referenced "next meter reading" date is not clear as to whether it includes the date of an estimated read where an actual read is not performed in a given cycle.