RMI Technical Conference – October 6, 2011

Submit all deliverables to ra-rmi@pa.gov

All discussion documents/deliverables available at
RMI Discussion Documents & Deliverables

Action Items highlighted in yellow

Organizational Issues – Karen Moury

- Moury: En Banc: moved to 11/10/11 at 1:00 PM – all afternoon. Sec Letter out soon with format, tentative agenda, possible issue list.

Consumer Education – Tom Charles & Dave Hixson

1. *Intermediate Issues Wrap-Up and Status Update*
   a) *Annual Commission Postcard*
   b) *Bi-Annual Electric Distribution Company (EDC) Letter/Postcard*

- Charles: Hope to have revised materials by 10/20/11. Incorporate edits from ConEd/Retail Electric Suppliers Association (RESA) and FirstEnergy (FE) re: savings information. Staff will get back to group at next meeting. Working on edits to both EDC letter and Frequently Asked Questions (FAQs). PPL had question re: adapting EDC letter to be consistent with EDC documents. Staff considering process similar to review of current EDC consumer education materials. Have stock letter but EDCs can adapt subject to Commission's Communications Office's review. Will discuss timing internally.

Commission Staff to provide revised consumer education materials – due 10/20/11 for 10/27/11 RMI Conference Call (CC)

   c) *FAQs*

- DTE Energy Trading: Would like to add language defining default service (DS) and price-to-compare (PTC) and language re: customer switching. How do we submit?
- Charles: Email to ra-rmi@pa.gov.

   d) *Small Business Customers Pricing Information*

- Charles: Add "Shop for your Small Business" page to www.PAPowerSwitch.com (PAPS). Staff will be making recommendation to Commission to move forward with initiative.

2. *Statewide Campaign Wrap-Up and Status Update*

- Charles: Expect to be major item on en banc agenda related to surveys, awareness, funding, timing, message, etc.
- AARP: Recollection that there was silence on calls re: funding. Scope, scale and funding source would be the primary objective to be resolved before discussion of messaging.

Supplier of "First" Resort – Kirk House & Megan Good

Supplier of First Resort Subgroup Status Report of 9/30/11

1. *Listing of EDC Rates on www.PaPowerSwitch.com*

- House: Advisable to split issue into 1. List PTC last as intermediate step; 2. Remove PTC as long-term, going towards more market-reflective pricing. If moving towards de-emphasizing DS, would it be beneficial for customers to go through competitive options on PAPS before getting to the DS PTC? Be prepared for more discussion, specifically dual billing, on next RMI CC. Will email out summary of dual billing issue for clarification.
- Office of Small Business Advocate (OSBA): Mailings, including bills, going out with reference to PTC. Contradictory to de-emphasize DS PTC and put at bottom of PAPS.
- Office of Consumer Advocate (OCA): Lots of time and money spent educating customers about PTC. Putting PTC at bottom of PAPS may cause confusion. Should be educating about PTC and encourage shopping.
- EDCs: Regarding dual billing drops, subgroup has discussed causes of rejections. Didn't understand discussion was relative to master-metered accounts.
- EGSs: Short-term: Keep DS PTC on PAPS but at bottom. Long-term: DS PTC not on PAPS. Long-term: De-emphasize DS. DS PTC would be at bottom of page but still separate from competitive offers. If Commission wants fully competitive market, needs to make changes. Issue with dual billing – customers dropped in EDI because of dual billing. No communication between EDC and EGS about drop. Specifically, master-metered accounts.
- AARP: DS PTC should be listed first as comparison tool. Leave PAPS as is.
- PULP: DS PTC should be listed first to help aid decision to shop.

Commission Staff will send summary email re: dual billing issue. Be prepared to discuss dual billing issues at 10/27/11 RMI CC.

2. *Enrollment Process*
3. *EDC Bills*

- House: EGSs want specific types of sample bills on EDC websites. Do existing letters of authorization (LOAs) cover EGS concerns? One recommendation is to have 3 different sample bills: 1. EDC-provided DS; 2. EDC Consolidated Billing; 3. Bill under dual billing. Will discuss on next CC.
- OCA: Need informed customer consent to provide certain information.

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- EDCs: How frequent does the updating need to be? What changes are needed? Should rate-class specific bills be provided? Need more guidance.
- EGSs: Looking for actual customer bills to be able to handle inquiries, understanding the issues surrounding privacy, LOAs, customer consent, etc. In short-term, provide samples. Provide variety of samples.

Be prepared to discuss sample bills issue on 10/27/11 RMI CC.

4. *EDC Marketing of Default Service*

- Moury: Purpose of billboards at sporting arenas?
- EDCs: Not advertising DS. Sponsoring arenas. Supporting community/branding.
- EGSs: Short-term: EDCs contract some Act 129-related offerings to EGSs. Longer-term: Review Act 129 to provide certainty to EDCs about what to do and not to do. Should be plain vanilla DS. Specific examples of general brand awareness not seen as promoting DS. Need to de-emphasize role of DS so customers don't associate EDC name with DS.

Be prepared to discuss all Supplier of First Resort issues on 10/27/11 RMI CC.

EGS/EDC Coordination Platform – Kirk House & Matt Wurst

RESA Deliverable - Misc Issues - 8/26/11

1. *Credit Standards*
2. *Supplier Charges*

- House: Review attachment D of deliverable. Credit standard issue can be bifurcated – what risks are to be covered? What charges should be supported by credit standards? What credit instruments would EDCs find acceptable? Standardize credit instruments across EDCs?
- PPL: Use PPL Uniform Supplier Tariff as jumping off point?

PPL Uniform Supplier Tariff - 8/31/11

Be prepared to discuss credit standards and supplier charges issues from RESA deliverable on 10/27/11 RMI CC.

Customer Referral Program – Kirk House

1. *New/Moving Customer Issues*

RESA Discussion Document for New/Moving Customer Program & Related Customer Choice Education w/PECO Edits (**Updated 10/4/11**)

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- ConEd/RESA: Review of changes to deliverable – 1. Recognize that there's overlap between new mover program and customer referral program issues. 2. 2 proposals for conceptual language for call center script to govern conversation between EDC Customer Service Representatives (CSRs) and customer initiating service. Recommendations from OCA and RESA. 3. Nature of standardized product – discussion around different ways a standard offer product could be priced. RESA in process of developing recommendation. Finalizing and hope to share with subgroup.

Be prepared to discuss Subgroup document on 10/27/11 RMI CC.

2. *Status Update on Comprehensive Program*

- House: Review DE description of NY program. DE - Description of NY Customer Referral Program. Discuss thoroughly on 10/27/11 RMI CC. Afterwards, Commission Staff will provide recommendation to Commission. Anticipate Commission would seek comments on proposal. Expect to be en banc issue, as well.
- OSBA: Serious concerns with customer referral. Want to know future procedure for process.
- EGSs: Have customer referral discussion provided by outsourced call center, however could increase number of dropped calls. EDCs will provide additional info as to when account number is created and help to determine when EGSs will see account number.

Be prepared to discuss NY Customer Referral Program and its applicability to PA on 10/27/11 RMI CC and at 11/10/11 En Banc Hearing.

Price to Compare on Bills – Dan Mumford

1. *Status Update*

- Mumford: Staff is prepared to provide recommendation to Commission. Secretarial Letter to provide general guidance as to placement of DS PTC on bills. Probably served in upcoming weeks.

Accelerated Switching Timeframe – Dan Mumford

1. *Status Update*

- Mumford: Staff is prepared to provide recommendation to Commission. Staff envisioning tentative order possibly going out in October. Probably on en banc agenda.
- EGSs: Related issue – Development of corresponding EDI transaction that is necessary to make process move smoothly.

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Default Service – Matt Wurst & Karen Moury

1. *Status Update on Next Phase of DSP Filings*
2. *Discussion of Opt-In Auction*
   a. *Pilots – 2012*
   b. *Programs Beginning June 2013*

Opt-In Auction Subgroup Work Plan Status Report 9/30/11

3. *Transitioning the EDC out of the Default Service Role*
   a. *Next steps*

RESA Deliverable - Transitioning EDCs Default Service Role to Non-EDCs: Conceptual Plan

- Moury: Retail Opt-in Aggregation Auction is not part of transition of EDCs out of DS role. Staff must provide intermediate work plan to Commission in December 2011. Assume would be "action plan" as tentative order. Will look at legal arguments and may ask for deliverables re: legality. Issue tabled until en banc is over. Focus one of the November CCs on this issue.
- OSBA: Auction should not apply to small business customers. EDCs have 2 procurements before delivery period. Could have scenario where 1 procurement is before and 1 procurement is after customer auction enrollment causing larger risk premiums. Migration possibilities as to level of risk. Issue with post-opt-in auction timing and customers remaining with EGS without choosing to do so. Must have evidentiary proceeding. Fundamental disagreement as to what end-state should be. How will this be laid out to Commission – mechanism? Commenting period provided?
- EDCs: There will be existing contract overhang. Wholesale suppliers should be able to provide input.
- EGSs: Some EGSs interested in pilot auction, some not. There will be a migration risk that will need to be factored in. If provide transparency, should affect wholesale too greatly. Auction will provide for more robust competition with larger number of competitors. Subgroup working on "staging" pilots to see effects on individual companies. Work will have to be done with individual utilities and existing plans. Just because auction may impact *bid* for future DS auction doesn't mean it's bad policy. Don't intend to implement in smaller EDC territories due to infrastructure issues. Maybe expand later. No specific incentive recommendation reached yet. $100 is example incentive amount. Number would be decided upon ahead of time and fixed. Actual price per kWh to be bid would vary based on signing bonus and bidding. Low signing bonus, more competition. Commission will determine. Subgroup assumed price would be fixed across EDCs. 2nd-year issue with customer and EGS no different than the expiration of a 1-year contract with an EGS – customer continues with EGS on monthly basis unless opting to do otherwise.
- UGI ES: Question appropriateness off signing bonus as some EGSs already have signing bonuses. Blind assignment of customers reduces brand recognition and may negatively impact competition. Auction unnecessary for medium commercial. Determine scope of C&I range.

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- AARP: Many problems with current auction proposal. Major concern with what happens at end of 1st year with EGS. Unless affirmatively choose EGS, customer should return to DS. Auction provides "teaser rate." EGS not winning customer over.
- PULP: Concern with CAP customers choosing based on bonus/incentive without clear understanding of effect(s).

Universal Service – Dan Mumford & Stephanie Wimer

PUC Staff Deliverable - Universal Service Info Sheet

1. *Short-term Issues*
   a. *Should CAP customers be allowed to shop?*
   b. *Should this be uniform statewide?*
   c. *Is it possible for it to be uniform statewide?*
   d. *Communication of shopping information to CAP customers and EGSs*
2. *Intermediate-term Issues*
   a. *Would CAP customers be able to participate in competition enhancements such as referral programs and default auction groups?*
3. *Long-term Issues*
   a. *If fundamental changes are made to the default service model, such as having an entity other than the EDC provide default service, who serves CAP customers and how is it funded?*

- Mumford: Input on points above? How do we address in DS plans? May not be short-term issue. PPL will provide info in its CAP program for group. 2012/long-term issue.
- OCA: Risk to CAP and other customers. Termination and other fees may cause significant implications with shopping. What if customer contracts at higher price than EDC DS?
- EDCs: Willing to work with subgroup to come up with properly-designed programs. Include all EDCs. PPL will compile info about its CAP program and ability to shop. PECO will lead subgroup on issue.
- EGSs: Look at benefits to customers, in addition to adverse impacts. May provide lower pricing to customers. Could possibly address in special rules from EGS. In opt-in auction, receive additional benefit and rules re: liability. Low-income customers shouldn't be excluded from shopping. Focus on CAP here.
- PULP: Concerned with idea of CAP customers shopping. Shopping environment not always certain or guaranteed to provide lower or affordable rates. What are risks? Need assurance there will be affordable rates. Ability for CAP customers to shop varies from EDC to EDC – issue. CAP customers rotate in and out of program frequently.
- CLS: Need to look specifically at each EDC. No real opposition to CAP customers receiving benefits. Risk that might not always be beneficial. Must work through programs.

PPL to provide deliverable describing its CAP program and shopping for future RMI CC.

PECO to be initiate subgroup re: CAP shopping – include all EDCs, OCA, Direct Energy, EAP, CLS and Citizen Power.

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Wrap-Up – Karen Moury

- Moury: En Banc – Main purpose: For participants to have opportunity to get face-to-face with Commissioners and highlight key positions. Brief summary. Not only venue to provide input. Expect written comment opportunity *after* en banc. Staff should not be hearing anything we haven't heard before. Not repetitive to Commissioners. Probably cancel 11/2/11 CC but keep as placeholder just in case. Keep 11/17/11 CC.

NEXT RMI CC ON THURSDAY, OCTOBER 27, 2011 AT 1:00 PM.

Future Meeting Dates:
1. CC: Thursday, October 27, 2011 – 1:00 PM
2. CC: Wednesday, November 2, 2011 – 1:30 PM – PLACEHOLDER
3. En Banc Hearing: Thursday, November 10, 2011 – 1:00-5:00 PM – Hearing Room 1, Keystone Building, Harrisburg
4. CC: Thursday, November 17, 2011 – 1:30 PM
5. CC: Wednesday, November 30, 2011 – 10:00 AM
6. CC: Wednesday, December 14, 2011 – 10:00 AM

Deliverables:
None. Be prepared to discuss topics highlighted as action items above for 10/27/11 RMI CC.

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