

RMI Technical Conference – October 27, 2011

Next RMI Conference Call – 11/8/11 @ 1:30 – Customer Referral Program Discussion Only

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: Marketing regulations published in PA Bulletin on 10/22/11: [Marketing Regulations - PA Bulletin - 10/22/11](#). Formal comments due to Commission Secretary on 12/21/11. Final agenda for 11/10/11 en banc hearing should be issued to RMI group on 10/28/11.

Consumer Education – Tom Charles & Dave Hixson

1. Staff Deliverables

a) Annual Commission Postcard

[Commission Postcard - 4 versions - 10/21/11](#)

- Charles: Comments on Commission Postcard document with 4 different versions? Believe Commission would print postcards and send to electric distribution companies (EDCs) for postage and mailing. Postcard to go to all residential and small commercial and industrial (C&I) (shopping and non-shopping). Will determine sizing limitation for small C&I at later date.
- EDCs: Prefer Version 1 or Version 4. Would like more details on logistics due to mailing limitations, call center preparation, integration of mailing systems, etc. FirstEnergy (FE) currently doing consumer education mailings and will provide summary of experience.
- Electric Generation Suppliers (EGSs): Prefer Version 4. Agree w/Office of Consumer Advocate (OCA) about re-formatting of “per year” language.
- OCA: Version 1 – Change “can save money” to “may/could save money.” Version 2 – No timeframe (i.e. annually or monthly) for saving of \$30. Takes more time than 3 minutes. Want customers to do their research. Version 3 – 834 and 1 cent values might be overselling savings. 834 is odd number. Version 4 – Better than version 3. “Per year” language difficult to read when printed. Consider re-formatting.
- AARP: Prefer Versions 1 or 4. Agree with OCA comments.
- Citizen Power: Prefer Versions 1 or 4. Agree with OCA comments.

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- PA Utility Law Project (PULP): Agree with OCA and AARP. Version 4 – Remove “material” and say “could translate into savings.”

FirstEnergy to provide deliverable summarizing consumer education mailing experience for 11/17/11 RMI CC

b) Bi-Annual EDC Letter/Postcard and FAQs

EDC Letter as Tri-Fold Postcard - 10/21/11

- Hixson: Option of putting EDC letter and postcard into single tri-fold postcard for more visible appeal. To replace EDC letter/postcard.
- Moury: Could have 2 mailings – 1. EDC Letter/FAQS one time of year; 2. Tri-fold another time of year.
- EDCs: Consider re-formatting to reduce how busy it is.
- EGSs: Tri-fold is bright and attractive. Perhaps have EDCs run by marketing people for input.
- OCA: Implies that EGSs generate electricity. Not true. Very busy to look at.
- AARP: Agree with OCA. Too small for older people.

Commission Staff to create actual-size mock-up for 11/17/11 RMI CC.

EDC Letter & FAQs - 10/21/11

- Hixson: Final draft of EDC letter and FAQs dated 10/21/11. Concern with municipality/co-op language in FAQs.
- EDCs: OK with EDC letter. FAQs should be consistent with postcard. Include language about “What if I don’t switch?”/“What if I don’t want to switch?” Would utilities without shopping offers to residential customers participate in consumer education mailings?
- EGSs: Remove municipality/co-op language because those customers can’t shop.
- Rural Electric Association (REA): Customers can shop but there are no offers currently available.
- OCA: OK with EDC letter. FAQs – Still concern w/1 cent and \$100 values language. Should coordinate information with postcard. Consider PPL comment regarding definition of Price to Compare (PTC) inclusion.
- AARP: EDC letter – 3rd paragraph – “Portion of bill passed along...” is confusing. Recommended that language be changed to “Portion of the bill paid to your generation service...”
- Moury: Will remove municipality/co-op language. Letters don’t go to those customers. Will include FAQ about not shopping.

c) DTE’s Proposed Additions to FAQs

DTE Edits to FAQs - 10/21/11

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- Hixson: Suggested adding 2 questions: 1. Difference between default service (DS) and choosing an EGS; 2. What is the PTC? Comments?
- EDCs: Would like to have final (pre-Commissioners' review) draft for marketing and customer service staff to review.
- EGSs: Question about difference between DS and EGS-provided service should be lower in document and the answer shouldn't include "Almost all cases..." language.
- OCA: Use answer from difference between DS and EGS-provide service question for "What happens if you don't switch?" question instead of using DTE Energy Trading's question. Might need to modify "Almost all cases..." language but don't remove entirely.
- Moury: Will provide EDCs with pre-Commissioners' final draft for review. Any substantial changes from Commissioners' Offices will be discussed with EDCs.

Commission Staff to edit FAQs per discussion for 11/17/11 RMI CC

d) Funding for Mailings

- House: Provide some form of Commission direction that would have EDCs incur expense of mailing. EDC could seek recognition of expense outside of approved consumer education budgets. Outside of existing surcharge mechanisms. Recognition of regulatory asset.
- Moury: Most consumer education moneys already allocated so Commission would provide directive that gives EDCs evidence for cost recovery in base rate case.
- Charles: Each plan expires at different times in 2012. If any moneys not already allocated, use towards mailing expenses. Have further discussion during and after en banc hearing regarding statewide campaign funding – separate from mailings funding.
- OCA: Be sure there's a separation or determination regarding recovery of costs and existing surcharge mechanism. Customers shouldn't bear total cost burden. Recovery moneys from EGSs as well.
- EDCs: Various consumer education plans with moneys already allocated. Could use base rate cases or surcharge mechanisms for cost recovery.
- Industrials: Efforts directed to residential & small commercial sectors. Costs shouldn't be borne by industrials.

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

[Supplier of First Resort Subgroup Status Report - 9/30/11](#)

1. Dual Billing

- House: For C&I customers, if EGS moves to dual billing, some customers getting dropped. Issue with communication between EDCs, EGSs, customers. Staff unsure if this is widespread issue, an EDI issue, etc. Staff to move issue to CHARGE.
- EGSs: Happens fairly frequently. Needs to be resolved.

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Dual Billing issue will be moved to 11/17/11 CHARGE CC Agenda.

2. Sample Bills

- House: 9/30/11 Supplier of First Resort deliverable requested each EDC have 3 distinct sample bills available to EGSs on website. 1. Utility provided DS; 2. Utility consolidated bill on behalf of EGS; 3. Dual billing scenario (only transmission & distribution charges on sample bill). Update on as-needed basis.
- *No Comments*
- House: Request for customer-specific bill. Are Letters of Authorization (LOA) acceptable sources of permission for EGS to contact EDC for customer bill? Concerns other than privacy? Form language on LOA provides historical usage data, account information, etc. What other information does EGS need? Possibly update LOA? Include language providing customer consent of release of bill to EGS? Is this needed often and to what extent?
- EDCs: Some customers have gas account information on bills, too. Shouldn't be accessible for EGSs. May be going too far with this request. All needed information is in EDI transaction.
- EGSs: Would be easier to go directly to EDC for information to do troubleshooting instead of reviewing tariffs, EDI information, etc. Open to adding language to LOA. What about updating of LOAs signed by customers? Not going to be hundreds of request per day. Would be solely for troubleshooting.
- OCA: LOA would need to be reviewed again and amended. Customers might not want information about arrearages and such.
- Industrials: Some LOAs are open-ended and may not have expiration. Consider when doing LOA updating.

EGS/EDC Coordination Platform – Kirk House & Matt Wurst

[RESA Deliverable - Misc Issues - 8/26/11](#)

1. Credit Standards

a) Risk To Be Covered

- House: See Attachment D of RESA 8/26/11 deliverable. Comments? Risks that EDCs expect to be covered by credit instrument? Why would GRT be in credit instrument flowing to benefit of EDC? Need better description of risks to be covered by credit instruments.
- Wurst: Bonding level with Commission – Initial \$250,000 letter of credit or bond. Annually, 10% of total gross receipts (minimum of \$250k or 10% of gross receipts, whichever is greater). If EGS defaults, money used for “benefit of the State” and “for GRT.”
- EDCs: Credit requirement covers: 1. Should an EGS default or leave market, cushion available for EDC to procure power under DS plan guidelines to serve that load. 2. If large EGS leaves market, DS supplier may go into default due to inability to cover customer shift. Use dollars posted with EDC from EGS to shield customers. Should DS supplier default, use

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DS supplier credit to shield customers, as well. EDC can be on hook for large amount of load. Just because EDC has approved cost recovery doesn't mean credit requirements shouldn't be in place. EDC needs to be covered for various scenarios.

- EGSs: EDCs asking EGS to post collateral for same risk being put on DS supplier. GRT is for gross receipts. If don't have relationship with customer and obtaining revenue, why is there any tax obligation associated with that customer? Believe GRT is covered under bond posted with Commission. Not clear that EDC should include GRT in credit obligations if already with Commission in bond.
- OCA: Section 2809.c.2. If an EGS doesn't pay tax from GRT, becomes burden of EDC for that customer. Bond with Commission covers more than GRT, however may not cover GRT in its entirety.

FirstEnergy will circulate credit standards deliverable for 11/17/11 RMI CC.

b) Appropriate Credit Instruments

- House: Reviewed Met-Ed credit standards in supplier tariff. Seem appropriate. Comments? Additions? Discuss on next RMI cc.
- EGSs: Interest in ensuring flexibility in type of credit instruments available. Want flexibility and standardization across EDCs.

Review [Met-Ed Supplier Tariff S-1](#) and language regarding credit requirements and acceptable credit facilities for 11/17/11 RMI CC.

c) Staff Comments on PPL Uniform Supplier Tariff

[PPL Uniform Supplier Tariff - 8/31/11](#)

- House: Aug. 2011, PPL filed Uniform Supplier Tariff (UST). Concept was that each EDC would produce separate rider to define processes specific to EDC. Staff has concerns and will seek guidance from Commission. If go into EDC-specific riders, possibility that we'd be memorializing legacy processes and making it much more difficult to get increased uniformity going forward. Hope to advise about next steps in near future. When move on a uniform supplier tariff, expect to use PPL UST as starting point going forward.

d) Supplier Charges

- House: Looking to EGSs for guidance. Supplier charges (see 9/30/11 Supplier of First Resort discussion document) revolve around EDI transaction. FE no longer charges. Another EDC examining charge. Initially there was expectation for EDI charges but would eventually fall off. Status?
- EGSs: Only a few issues where EGSs incur supplier charges – usually for labor-intensive requests from EGS to EDC; technical support and assistance charge. EDI-related charges aren't as prevalent any longer. Obtaining interval data is generally no cost. This was a

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category identified as area of risk exposure that EDC wanted to mitigate via credit requirements.

Customer Referral Program – Kirk House

1. New/Moving Customer Issues

[RESA Discussion Document for New/Moving Customer Program & Related Customer Choice Education - 10/5/11](#)

2. Discussion of NY Referral Program

[DE - Description of NY Customer Referral Program](#)

- House: Subgroup deliverable from 10/5/11. Next call, have discussion led by subgroup. Possibly split into 2 topics: 1. New/Moving Customer Program & 2. Standardized Product
- EDCs: Not really 2 separate topics. Is it better to deal with this with customer service representatives (CSRs) or a contracted call center? Standard offer program (website, call center, mass media promotion) for everyone?
- EGSs: RESA has additional set of recommendations submitted on 10/27/11 (*PUC will distribute to RMI group*). Recommendation modeled after NY program. Use of introductory discount rate (7%) for 3 months. Allows EGSs to send out mandatory 2 notices before expiration of fixed-term agreement. EGSs agree to offer month-to-month service after expiration of 3-month introductory price. EGS would send out terms & conditions. Program would be for residential and small commercial customers. Initially, used EDC-defined small business standards. Have stakeholders revisit after 1 year to discuss value-added products possibilities.

Review RESA customer referral program deliverable and NY referral program deliverable for special customer referral RMI CC (before en banc). Date/Time to be determined.

Default Service Plans Beyond 2013 – Matt Wurst & Karen Moury

1. Staff Discussion of Tentative Order

[PUC Tentative Order - DSP Filing - 10/14/11 Public Meeting](#)

- Moury: Tentative Order adopted on 10/14/11. 20-day comment period. Comments due 11/3/11. Understand there's concern re: timing of competition enhancements. Interpretations that all enhancements (e.g., accelerated switching, referral programs, etc.) will be delayed. Not the case from Staff perspective. Commission will clarify, if need be, in final order. Staff intention was to signal that *by 2013* those programs will be components of DS plans. Need to figure out parameters now, do any pilots, etc. now. That way these programs can be included in DS plans. Feel free to request clarification in comments.

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En Banc Hearing – Karen Moury

- Moury: Provided for comment period following en banc hearing. Comments due Nov. 23. Welcome to file comments on 11/23/11 on any topic on en banc agenda. No need to repeat DS plan comments. Can refer back to comments, but no need to repeat.

Next RMI Conference Call – 11/8/11 @ 1:30 – Customer Referral Program Discussion Only

Deliverables due 11/10/11 for 11/17/11 RMI CC:

1. FirstEnergy – Summary of consumer education mailing experiences
2. Commission Staff – Real-size mock-up of EDC Letter as Tri-fold postcard
3. Commission Staff – Edited FAQs with changes per discussion
4. Commission Staff – Distribute RESA document re: Customer Referral Program recommendations to RMI group
5. FirstEnergy – Summary of credit standards and associated risks

Future Meeting Dates:

1. CC: Tuesday, November 8, 2011 – 1:30 PM – CUSTOMER REFERRAL PROGRAM ONLY
2. En Banc Hearing: Thursday, November 10, 2011 – 12:30-5:00 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

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Release of Information Authorization Form

By completing and submitting the form below, you hereby authorize [ABC](#) Marketer/Broker and other Electric Generation Suppliers (EGSs) providing generation supply bids to ABC Marketer/Broker to obtain from your Electric Distribution Company (EDC, your local utility company) customer-specific information (historical electricity consumption data, load profile information, rate class, etc.) related to your electricity accounts. **This information will be used to price your accounts, and will be treated confidentially.**

Customer-specific information may be obtained through a variety of means, including but not limited to: manually requesting it from your EDC, retrieving it via electronic data exchange transactions with your EDC, retrieving it from your EDC's customer data management websites.

Customer Name:
(as written on utility bill)

Customer Address:

Contact Name/Title:

Contact Phone #

Utility Company:

Account Number & Corresponding Zip Code:

1.

2.

3.

Indicate if more than 3 accounts, a spreadsheet will be sent over.

I hereby authorize ABC Marketer/Broker and its EGS representatives to act on our behalf to obtain such information.