

CHARGE Conference Call

June 23, 2011 – 9:30 a.m.

Call-in number: 1-866-618-6746 and Access Code: 6060145

Topics for Discussion

17. EGS Marketing Activities

- PUC adopted guidelines on November 4, 2010, which is available at the following link:
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2185981>
- Proposed rulemaking order adopted by PUC at February 10, 2011 Public Meeting; copy of entered order is attached; can be accessed on OCMO page and at the following link:
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=L-2010-2208332>
 - Comments will be due 60 days after publication in Pa. Bulletin; publication has not yet occurred due to questions from the Office of Attorney General; staff will advise the group when the proposed regulations are published

30. Estimated State Tax Amount on Bills

- Question has arisen about whether the presentation of “estimated total state taxes” on residential bills is required for generation charges of EGS as there is no standard treatment among EGSs; more recently, EDEWG asked CHARGE to resolve issue so that requirement for tax field on EDI 810 Bill Ready Invoice can be eliminated
 - Components of EDC’s “estimated total state taxes” components are Capital Stock, Property Tax-Local and PURTA, State Unemployment Compensation, PA State Income Tax, and Gross Receipts Tax
 - Resolution of this issue will not affect presentation of GRT by EGSs
 - Staff is reviewing statute and regulations to offer guidance to EGSs on issue of whether their state taxes (other than GRT) must be displayed
- EGSs are either not populating the state tax field or are populating it with zero; EGS prices are computed using different methods, raising questions about whether requirement is practical; no party expressed desire to require EGSs to show “estimated total state taxes”
- Staff update on PUC guidance

31. Eligible Customer List

- PUC adopted final order on November 12, 2010, which is available at the following link:
<http://www.puc.state.pa.us/general/ConsolidatedCaseView.aspx?Docket=M-2010-2183412>
- OCA and PA Coalition Against Domestic Violence filed Petitions for Review with Commonwealth Court, which has granted stay of November 12, 2010 order
- Commission issued Secretarial Letter on February 15, 2011 clarifying effect of stay and filed an Application for Remand with Commonwealth Court, which was granted
- Commission entered attached Reconsideration Order for comment on June 13, 2011; comments are due on July 13, 2011 and reply comments are due on July 28, 2011

44. Net Metering Customers/EDI Change Control #85

- Questions have been raised by customers who have net metering arrangements with EDCs and then switched to EGSs without entering into net metering contracts with the EGSs; staff noted the need for customers to make these arrangements with EGSs before they switch
 - Staff has encouraged EDCs to educate customers at the time they sign a net metering contract and during the enrollment process (i.e. confirmation letter)
 - Staff has encouraged EGSs to also ensure that customers are aware before they switch that if they are on a net metering tariff, they will no longer receive energy credits from the EDC; it is up to EGSs if they want to offer energy credits to the customer
- EDEWG Update: EDI Control Change #85 would add special meter configuration segment to the EDI 814 Enrollment, Change, Reinstatement and EDI 867 Historical Usage and Historical Interval Usage transaction sets
 - Consensus not achieved in EDEWG; issue referred to CHARGE
- Discussion of any EDC plans to include this information on ECL
 - PPL plans to include it; Duquesne is considering it; First Energy has had preliminary discussions; and waiting to hear back from PECO

45. Accelerating Supplier Switching Timeframes

- Group discussed enrollment process/supplier switching timeframes
- As outlined in the attachment (revised to include points from today's discussion), the process currently takes 16-45 days
 - Includes the 10-day confirmation period required by the PUC's anti-slamming regulations
 - No mid-cycle switches are done, so that if the enrollment is not submitted at least 16 days prior to the next meter read, the switch is delayed to the next meter read 30 days later
- Staff has done outreach with EDCs and other states, including Texas and Maryland; it was suggested that Connecticut's process also be reviewed
 - Staff suggested that EGSs should be mindful of customers' meter read dates and strive to send enrollments at least 16 days prior to those dates, and communicate the timeframes for switching to customers
 - Staff also asked for feedback on reducing the 10-day confirmation period and on the possibility of mid-cycle switches
- EGSs expressed support for changes that would accelerate the switching timeframe
 - Waiting period could be eliminated, with economic penalties for slamming that would result in customers being held harmless
 - Confirmation process could be electronic
 - Smart meters should make it technically feasible to do mid-cycle switches
- EDCs expressed concerns about changes that would accelerate the switching timeframes
 - Easier to unwind slamming prior to the customer being switched
 - Billing systems are built around meter read dates and would need expensive IT changes
 - PJM settlement process may not support mid-cycle switches
- OCA agrees with looking for a cost-effective mechanism to accelerate the switching process but views the confirmation letter as a key to maintaining credibility of the process; would be open to discussing a shorter confirmation period

- Staff appreciates the input and will continue discussing the issue and gathering more information as necessary to report back to the Commissioners
- Staff update

46. Statewide Investigation

- PUC has launched statewide investigation to ensure properly functioning and workable competitive retail electricity market exists in the Commonwealth; Docket No. I-2011-2237952
- Information posted on website at:
http://www.puc.state.pa.us/electric/Retail_Electricity_Market.aspx
- Investigation will examine both the legislative and regulatory framework behind Pennsylvania's retail market, including an analysis of the current default service model and whether, as currently structured, that model is hindering competition
- Order entered on April 29, 2011; Comments due June 3, 2011; En Banc Hearing on June 8, 2011 at 1:00 p.m.
- To be added to distribution list, please send email to ra-RMI@state.pa.us
- Next steps

47. Price to Compare on Bill

- Question has arisen about whether it would be appropriate (not required) for EDC to include price to compare on bill
- Feedback on this concept, including accuracy, effect on competition and value to consumers
 - It was noted that if this information is included, it is important to state that it is valid for a period of time and subject to change
 - It was also suggested that perhaps it should be included only for residential and small commercial customers
 - Some concerns were raised about the possibility of further confusing customers especially with quarterly price adjustments and that including the PTC may suggest that price is the only relevant factor
 - It was pointed out that some EDCs are already including PTCs, namely Duquense and First Energy; some questions arose about whether PTCs are customer-specific or for the average customer; staff will reach out to EDCs with information requests to get a clear picture of what each is doing

- Other jurisdictions that are tackling this issue include Illinois, New Jersey and Maryland; it was noted that MD's proceeding is completed; staff will review the order from MD

48. PPL Billing System Issues

- PPL is experiencing some billing system issues
 - Unmetered accounts-EGSs have been charged with energy but not recovered costs; PPL has sent lists to affected EGSs and has committed to paying EGSs
 - Finalized accounts-EGSs receiving rejections due to usage charges being received outside the bill window even when they are timely submitted; PPL cannot bill these customers and has told EGSs to send bills
 - Rejection of 867 usage transactions without notice to EGSs; PPL's system is automatically rejecting due to exceeding bill tolerances; text on customers' bills indicates that PPL did not get the charges from the EGS on time
- Status report from PPL on addressing these issues
 - Unmetered accounts-PPL is working with each affected EGS so they can recover costs
 - Finalized accounts-PPL received notice from IT this week that this problem is fixed going forward
 - Rejection of 867 usage transactions without notice to EGSs-This issue is on IT's list and a fix is in progress
- PPL encouraged EGSs to use the supplier hotline or email address to report any problems

49. Unit Pricing and State Sales Taxes on Bills

- Attached Secretarial Letter issued on May 27, 2011 reminding EGSs that unit pricing must be included on bills for residential and small business customers' bills and alerting EGSs to the improper inclusion of state sales taxes on some residential customers' bills
- Staff appreciates the responses received from EGSs regarding compliance with these matters and is following up with those who did not respond

50. Labels of Charges on Bills

- Question has arisen about the labels that must be used to describe charges on bills for residential and small business customers; see 52 Pa. Code §54.4(b)(3), which requires labels of generation and transmission charges

- Many EGSs are using “Energy” charges; some EDCs do not have sufficient space to include “generation and transmission” in the EDI transaction
- Discussion of issue

51. EDI Change Control #87

- Add effective date of Peak Load Contribution & Network Service Peak Load values to the EDI 867 Historical Usage and Historical Interval Usage transaction sets
- Discussion of issue

General Matters

A. New Issues

- Any new issues or questions about issues previously discussed on CHARGE calls should be submitted to ra-ocmo@state.pa.us

B. Old Agendas/Recaps

- All agendas and recaps are posted on the OCMO page of the website along with various other documents that have been distributed or relied upon during CHARGE discussions, at the following link -
http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx

C. CHARGE Distribution List

- To be added to the CHARGE distribution list, please send an email to ra-ocmo@state.pa.us

D. CHARGE Contact List

- Contact list is on website at the following link:
http://www.puc.state.pa.us/electric/electric_CompetitiveMarketOversight.aspx
- Please send contact information or updates to ra-ocmo@state.pa.us; purpose of this list is to enable stakeholders to contact one another directly to resolve issues and is separate from email distribution list

E. Meeting Schedule for 2011

- | | |
|---------------------------------|--------------------------------|
| • July 21, 2011, 9:30 a.m. | • October 20, 2011, 9:30 a.m. |
| • August 18, 2011, 9:30 a.m. | • November 17, 2011, 9:30 a.m. |
| • September 15, 2011, 9:30 a.m. | • December 22, 2011, 9:30 a.m. |