

**Minutes of the
Pennsylvania Public Utility Commission's
Consumer Advisory Council**

Meeting of November 27, 2012

P.O. Box 3265
Harrisburg, PA 17105-3265

www.puc.pa.gov

Call to Order and Introductions

Chairman Tim Hennessey called the meeting to order at 10 a.m. in the Executive Chambers of the Public Utility Commission.

Harry Geller said he sent revisions to the minutes. Tom Charles said the minutes were updated and reflect Harry Geller's revisions. The Council approved the amended September 25, 2012, minutes.

Attendance

The following members of the Council were present:

Tim Hennessey, Chairman	Harry Geller
Pedro Anes	Tina Serafini
Michael Bannon	George Silvestri (telephone)
Lillian Carpenter (telephone)	Lee Tolbert (telephone)
Cindy Datig	Joe Toner (telephone)

The following members of the Council were unable to be present:

Robert Christianson, Vice Chairman	Rick Hicks
John Detman	

Public Utility Commission Staff Present:

Michael McCarthy, Commissioner Cawley's Office
Pat McDonnell, Commissioner Witmer's Office
Tom Charles, Office of Communications
Denise McCracken, Office of Communications
Lori Shumberger, Office of Communications
Kris Brown, Law Bureau
Dan Mumford, Bureau of Consumer Services

Guests Present:

Ashley Everette, Office of Consumer Advocate
Heather Yoder, Office of Consumer Advocate
Sadie John Kroeck, Peoples Natural Gas
Marybeth Smialek, FirstEnergy

Act 129 Phase Two Plans Update

Kriss Brown from the PUC's Law Bureau was asked to give an update on Act 129 Phase 2 plans.

Kriss Brown said legislation passed Act 129 in 2008. The Act expands the Commission's oversight responsibilities and imposes new requirements on electric distribution companies (EDCs), and set targets for energy efficiency with the overall goal of reducing energy consumption and demand.

Act 129 required an EDC to adopt an energy efficiency and conservation plan, approved by the Commission, to reduce electric consumption by at least 3 percent and 4.5 percent by 2013.

The legislation required the Commission to set targets for the programs to be cost effective by November 2013. The Commission started setting the targets for this year. The Commission sent out a Secretarial Letter earlier this year and held stakeholder meetings.

In August, 2012, the Commission issued an Order that includes new targets for the Phase 2 plans goes out to 2016. The Commission set individual targets for each EDC.

Each EDC could file for an evidential hearing to review facts and new evidence. The only company that didn't file was Duquesne, but it did participate in another EDC's hearing.

All the hearings are concluded, and the Commission should be issuing an Order by December.

PPL raised some legal issues about adjusting the targets at a later date if needed. PECO wants to reduce its budget and use it for another area. FirstEnergy is challenging the costs. All the hearings are done, and the records are certified.

All the EDCs were to file their Phase 2 plans around Nov. 1. Due to the Hurricane Sandy, the EDCs were given an extension, if needed. PECO filed their plan on Nov. 1. FirstEnergy, Duquesne and PPL filed theirs on Nov. 15.

As with the Phase 1 section, all EDCs Phase 2 plans are on the website and can be viewed under the Act 129 plan section or by their docket number. The docket numbers can be forwarded to everyone.

The Commission is planning to have the notice of the plans in the PA Bulletin on Dec. 1. All parties will have until Dec. 20 to file comments. The plans will be assigned to the Office of Administrative Law Judge for hearings and will be completed within 85 days from the filings.

Some of the EDCs have challenged the targets, but still have filed their Implementation Orders. All plans have met the Commission's required 4.5 percent of savings.

Still 10 percent of the savings will come from government and nonprofit institutions.

TRM update which establishes some savings issued a proposed change it. The comments and reply comments are in and should be final by the end of December.

Michael Bannon asked why PECO is changing funding to demand response. Kriss Brown said he would clarify this. PECO filed its Evidentiary Hearing request. There were several requests PECO asked for; one was to reduce its budget; they could spend up to 2 percent of the money. PECO wants to spend money on demand response. The PUC has adopted the reduction but not the demand response request. The PUC is still looking into this. PECO had two proposals.

Harry Geller asked about the compressed schedule due on Feb. 28, 2013, and the fact of the delay of some companies to file due to the storm. Harry Geller said he just saw the pre-hearing notice and didn't have dates for testimonies in the schedule and issues on facts that were submitted will be considered. Kriss Brown said PECO was issued early due to them filing on Nov. 1. The others will be done in mid-March. The Commission has 120 days from the date of filing.

Retail Markets Investigation Update

Dan Mumford from the Bureau of Consumer Services was invited to give an update on the Retail Markets Investigation, marketing regulations and Cold Weather Survey. A copy of the terminations and reconnections is in the packet for September and October.

Dan Mumford said Dec. 1, will start the winter termination rules. Low-income customers under the 250 percent of poverty level will be protected.

At this time, the utilities must start working on their cold weather survey numbers. The utilities must go out and attempt to contact terminated customers in their service area. The company must make several attempts to talk with someone at the terminated household. The company is not required to turn on service but to try to make some arrangements.

The utilities must send the PUC a total number of terminated customers by Dec. 15, which will be without service going into the winter months. Once the PUC has all the updated numbers, there will be a press release issued.

Cindy Datig asked about homes using unsafe heating sources. Dan Mumford said the utility is to ask what heating source is being used.

Michael Bannon asked if terminations are higher this year. Dan Mumford said the termination numbers are about the same as last year. Some have gone up while others are lower.

Dan Mumford said the utilities must do a follow-up cold weather survey in January. The regulations require the utilities to update the survey.

Dan Mumford said the Retail Markets Investigation (RMI) end state Tentative Order is available for comments. The Tentative Order was adopted by the Commissioners on November 8 and all parties can comment on the topics addressed in the Tentative Order.

Dan Mumford said everything that will be talked about is just a proposal and can be commented on.

Some of the topics are: What should the default model look like after June 2015? Where should the default service remain for a customer that doesn't shop? The Commission has proposed that the default service should remain with the utility and should continue to provide default service for those customers that decide not to shop. (The Commission believes that customers that don't shop should receive default service that is procured every 3-months.) It is expected that the costs of the default service should more closely reflect current market prices. Currently, it is hard for suppliers to compete with default products that do not reflect current market prices.

The consumer protections, including Chapter 56, will remain the same.

An important proposal is that Customer Assistance Program (CAP) customers can participate in shopping for a supplier. At this time, some companies allow CAP customers to shop while other companies do not. Michael Bannon asked if CAP customers who shop can continue in the CAP program. Dan Mumford said yes.

The PUC has requested the utilities to develop plans, to make this available. The utility will need to demonstrate that it can be done and that the CAP program is still fully funded and what is the impact of cost. What education will the utilities need to do to educate CAP customers on shopping? As for now, CAP customers will be able to shop.

Dan Mumford said there would be no changes to the hardship or weatherization funds. They would continue to be with the utilities.

The PUC was requested to work with the Department of Public Welfare (DPW) on LIHEAP to see what can be done to make their benefits more accessible and to see if LIHEAP could be used to pay supplier's charges. But it isn't the PUC's program so there isn't much we can do.

The proposal for supplier consolidated billing is another topic. At this time, there are basically two options for billing. The most common way is everything on one bill,

from the utility. And the other option is the customer receives two separate bills, one from the utility and one from the supplier. The Commission has suggested a third option. The supplier would do the billing that includes both the supplier charges and the utility charges.

Michael Bannon asked if the suppliers want to do the billing. Dan Mumford said the suppliers are split on this issue. Some suppliers think they should do the billing, while others don't want to handle the billing.

The Commission also touched on accelerating the switching timeframe for customers.

Metering should still remain with the utility companies, as well as energy conservation programs such as Act 129.

Dan Mumford said, keep in mind, all the issues are tentative and the comment period is still open.

Harry Geller asked when the comments are due. Dan Mumford said comments will be due on Dec. 10, 2012.

Harry Geller said he understands about having concurrent processes at the same time, but is concerned about each default proceeding, the RMI working group has testified in front of the ALJ and the ALJ has based some finding on the working group's testimony. This working group is not just a name only group, but does offer great suggestions. Dan Mumford said after looking back on the rulings, the Commission has gone further and ordered the companies to proceed.

Harry Geller asked if the RMI working group have any responsibilities. Dan Mumford said most of the working group's comments have now been pre-empted by the PECO order. The PUC will need to have discussion internally on what is left for the working group to do.

Michael Bannon asked who made up the RMI working group. Dan Mumford said anyone could be on the working group. The working group consisted of suppliers, utilities and consumer groups.

Harry Geller mentioned consumer education for CAP customers. PECO's CAP customers cannot shop, so they haven't been educated. As a low-income advocate, we have noticed that most companies have taken a hands-off approach for CAP customers shopping. It is the CAP customer's right to shop. Dan Mumford said some companies look at this issue in different ways. Some companies allow shopping while others don't allow shopping.

Harry Geller said the RMI working group requested companies to provide shopping information to CAP customers and CAP customers have not received shopping information. PPL said 73 percent of their CAP customers shopped and were paying higher prices than the price to compare and that is a big concern. Harry Geller said

he would like the education to cover not just how to shop, but what will happen when you shop. Dan Mumford said the Commission has invited comments on the consumer- education issue.

Tom Charles said the PUC's Office of Communications and the Office of Consumer Advocate (OCA) and the EDCs have been educating consumers, on shopping including CAP customers. The companies must file in their plans including what they are doing to educate their consumers. Harry Geller agreed that both agencies are educating consumers on the ability to shop. But what information is given to the CAP customers?

Lillian Carpenter asked if a CAP customers can shop but don't, will they fall under the same guidelines of other customers? Harry Geller said they would remain in the CAP programs. Dan Mumford agreed that CAP customers who don't shop will continue in the CAP program. Some companies provide a rate based on their poverty level. They pay a percentage of their bill. Lillian Carpenter said CAP customers may not shop due to not knowing what their monthly bill would be.

Dan Mumford said the Commission didn't lay out a formula on how to calculate CAP shopping cost, but left it up to each of the utility companies.

Cindy Datig asked if the Commission kept numbers on how many CAP customers have shopped. Dan Mumford said no.

Harry Geller said the LIHEAP program has approved some suppliers to receive grant money. At this time, LIHEAP gives the EDCs most of the crisis or grant money since they can terminate the customer. Dan Mumford said the PUC is working with DPW to explore what can be done, but, in the end, DPW controls LIHEAP.

Dan Mumford said the End-State Tentative Order is just a proposal. Comments are due by Dec. 10. The Final Order will be voted on after the new year.

Dan Mumford said the PUC finalized the Rulemaking for Marketing in October 24. The final rulemaking is similar to the guidelines. Dan Mumford said if the Council would like more information and a walk-through on this, he would come back at a future meeting.

Dan Mumford said the Retail Electric Supplier Association (RESA) filed a petition to reconsider certain issues of the order. Some issues are still up in the air, so we cannot talk about this until the Commission makes a ruling.

There will be some action probably sooner rather than later. There are a couple of parties that filed responses to the RESA petition that the Commission will be looking at. Once the Commission has adopted a Final Order, the regulations will still need to be approved by the general assembly and the Regulatory Review Commission. Then it must be published in the PA Bulletin. If anyone would like a copy, please let me know. Michael Bannon said he would like a copy of this.

Dan Mumford said on the competitive market, the Commission is looking into the switching process. At this time, it can take 15 to 45 days to switch now. The company must do a final meter read prior to switching and there is a lot of behind the scene activity prior to the switch. There is a 10-day confirmation letter from the company to the customer that states you have requested to switch. It is now a five-day window timeframe. This will happen in the earlier part of 2013.

2-1-1 Funding Update

Tim Hennessey said, since Rick Hick isn't here, we will push this until a later meeting. Cindy Datig asked if anything is happening with this. Tom Charles said Rick Hicks sent an email stating that, at this time, nothing has happened yet with the filing.

Commission Update

Denise McCracken, from the PUC's Office of Communications, was asked to give an update on the Prepare Now letters and event. A copy of the press release, letter to the CEOs and their replies are in the packet.

Denise McCracken said the Commission is proud to kick off the 10th year of the Prepare Now campaign. The Commission does this to kick off the winter heating season every year. Our message is to let consumers know that energy prices could be rising, there are programs out there to help them and using safe heating sources.

The Commission kicked off the campaign by holding a media and consumer event. The Commission invited OCA to provide remarks, and the PUC's Chairman also talked to the consumers.

The Commission sent out a letter to the CEOs of electric and natural gas utilities. The Commission is asking the companies to reach out and help the consumers, especially those on a limited and fixed income.

The Commission has received letters from the utility CEOs. All the letters received are posted on the PUC's website. Michael Bannon said the Commission has done a great job to get the message out there. Harry Geller thanked the Commission for continuing this program.

Tom Charles said he would like to talk about the statewide consumer-education campaign that is in the RMI Tentative Order. Its main goal is to drive consumers to the PA PowerSwitch website, and the secondary goal is to educate consumers about the changes that could be made. To find the consumer-education section in the Order, it is on page 37. This also talks about low-income efforts.

This vision is a three-year campaign, \$5 million a year, and planned funded by suppliers. How this will happen will depend on comments submitted to the

Commission. There is information on how this campaign would be conducted. There would be a mass market advertising, a consumer contest to drive people to the website, and education on the issues.

If this is approved, there would be a standing committee that would resemble the Council for Utility Choice. There would be various stakeholders as part of the committee.

Michael Bannon asked if the PA PowerSwitch webpage is funded by the utilities. Tom Charles said no, the Commission pays for it. The Commission did request the legislation to approve utility funding four years ago, but it never happened. The Commission is moving forward again and would like the suppliers to pay for this. PAPowerSwitch drives consumers to suppliers.

Cindy Datig asked if the Order is in the packets. Tom Charles said he would send the link out to everyone.

Future Agenda Items

Tim Hennessey said he sees that Jan Freeman will be at the January meeting to discuss alternatively fueled vehicles.

Tom Charles said he would have Cyndi Page, from the Office of Communications, come give a walk-through of the new PUC website.

Michael Bannon brought up the Landlord/tenant issue and would like the topic to be changed on the agenda to “resale of utilities”. The resale of utilities is a bigger issue.

Joe Toner said he received a letter from PECO about heating and rates that will be changing. On the second page, PECO will maintain your second meter for a monthly fee of \$1.25. Why is there an additional charge on this? Tom Charles asked Joe Toner to send a copy of the letter to him.

Lee Tolbert asked if there is an update about the meter that caught on fire. Michael Bannon said PECO stopped installing meters until they determine the problem. Heather Yoder said PECO has started installing smart meters again and replacing the bad ones. Tom Charles said PECO is using a different vendor.

Joe Toner brought up limousine company regulations. There is a new ruling on the age of a vehicle. The vehicle cannot be over eight years old. There are concerns about this ruling. Companies must sell older limos and buy newer vehicles. Can this issue be looked into? Lee Tolbert asked who is in control of the Philadelphia limousine companies. Are they under the PUC or under the Philadelphia Parking Authority?

Future Meeting Topics Include:

- Aging Workforce and Line Crew Update
- Alternative Fueled Vehicles Update
- Council's Role and Jurisdiction Update
- Legislative Update
- Limousine Company Regulations
- Marcellus Shale Update
- PUC Website Walk-Through
- Resale of Utilities
- Smart Meters Update

The next meeting for the CAC will be held at 10 a.m. on Jan. 22, 2013, in the Executive Chambers of the Commonwealth Keystone Building.

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