

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 26, 2015

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
Commonwealth Keystone Bldg.  
400 North Street  
Harrisburg, PA 17120

Re: Natural Gas Distribution Company  
Customer Account Number Access  
Mechanism for Natural Gas Suppliers  
Docket No. M-2015-2468991

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink that reads "Amy E. Hirkakis".

Amy Hirkakis  
Assistant Consumer Advocate  
PA Attorney I.D. #310094

Attachment

cc: Megan Good, Bureau of Technical Utility Services  
Ken Stark, Law Bureau

207402

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Natural Gas Distribution Company	:		
Customer Account Number Access	:	Docket No.	M-2015-2468991
Mechanism for Natural Gas Suppliers	:		

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COMMENTS OF THE  
OFFICE OF CONSUMER ADVOCATE

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I. INTRODUCTION

The Office of Consumer Advocate (OCA) submits these Comments in accordance with the Pennsylvania Public Utility Commission's (Commission) Tentative Order entered April 9, 2015. Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers, Docket No. M-2015-2468991 (Tentative Order entered April 9, 2015) (Tentative Order). In its Tentative Order, the Commission sought comment on the proposal of the Commission's Office of Market Oversight (OCMO) that provides procedures to facilitate natural gas suppliers (NGSs) access to the natural gas distribution companies' (NGDCs) customer account numbers where the account number is not available from the customer or the Eligible Customer List (ECL). Tentative Order at 1. The OCA agrees with the Commission that proposals regarding the release of customer information in this manner raise important policy considerations including customer privacy, verification and reporting requirements, as well as who should pay for any system modifications. The OCA appreciates the opportunity to comment on the development of customer account access mechanisms and provides the following Comments in response to the Commission's Tentative Order.

## II. COMMENTS

### A. Account Number Access Mechanism

In the Tentative Order, the Commission recommends that the customer account number access mechanism to be used in the natural gas industry be a website portal. In recognizing that customer information is of paramount importance and must be protected, the Commission proposed a number of requirements for any account access mechanism which it believes will protect customer information. The Commission proposed that in order for a NGS to enter the website portal, the NGS would have to enter a username and password. Tentative Order at 11. The Commission also proposed that the NGS supply the following information in order to access a customer's account information: 1) the customer's full name, 2) service street address, and 3) postal code. Id. at 12. In addition, the Commission recommended that the mechanisms require a NGS to attest that it is enrolling a customer in a public location and has obtained photo identification and a signed letter of authorization (LOA) from the customer. Id. at 13-14. The Commission also proposed that the web portals be capable of tracking the usage of the system and identify who accessed what data and when, with the NGS being responsible for retaining this information for three years and in a fashion that can be easily provided to the Commission upon its request. Tentative Order at 15.

The account access mechanism format and customer privacy protections proposed by the Commission mirror what is in place in the electric industry. The OCA supports this format and the customer protections proposed by the Commission, and does not see any reason to deviate from what is in place in the electric industry. The OCA's position is that the primary requisite of any mechanism is that the technology selected be the one that best ensures customer privacy.

The OCA supports the Commission's proposal that a NGS must provide a customer's full name, address, and five digit postal code in order to ensure, to the extent reasonably possible, that the customers are who they says they are. The OCA also supports the Commission's proposal that NGSs be required to verify that they have consumer-signed LOAs, as the OCA views such verification as a necessary requirement to ensure that customers are not being slammed. Additionally, requiring the NGSs to verify that it has a signed LOA would address the issue of NGDCs being held accountable for slamming or unauthorized NGS enrollment as the burden of proof of enrollment would rest with the NGS.

The OCA also endorses the Commission's proposed requirement that the mechanism be able to track the time, place, and identity of the individual that accesses the database and the Supplier on whose behalf this access is being sought. This information should aid in resolving complaints filed by customers against NGDCs and NGSs, as there will be a record evidencing the circumstances of the use of the mechanism. A three-year retention policy for this information also appears appropriate.

The OCA firmly supports the Commission's statement that it has a zero tolerance policy for violations of customer privacy and customer information confidentiality requirements, and that violations of privacy could result in the revocation of the NGS' license. Tentative Order at 15-16. The OCA submits that any NGS who utilizes this system to obtain customer account numbers must be held fully accountable for any security breach, improper release of data, or any misuse of data by any of its staff, agents or contractors.

The OCA agrees with the Commission's proposal to restrict the use of account access mechanism to marketing at public venues only. In public venues, such as shopping malls and festivals, it is usually the customer initiating the sales contact. Because of the voluntary nature

of these interactions, consumers may not feel the same pressure or intrusion that may be experienced with door-to-door or telephone marketing. Therefore, the OCA supports the proposal that the account access mechanism include a way to document the location of the transaction. Tentative Order at 15.

In the Tentative Order, the Commission proposes the allowance of telephonic LOAs. Tentative Order at 14. The OCA questions the need and value of telephonic LOA and does not support the use of telephonic LOAs. The purpose of the account access mechanism is to facilitate face-to-face transactions between the NGS and customers at public venues. Being that the account access mechanism should only be utilized at public venues and with the prospective customers present, the NGS should be able to easily obtain the customer's signature before proceeding. As such, there should be no need for telephonic LOAs. Additionally, the OCA submits that requiring a physical signature is the best way to ensure that the account access mechanisms will not be used to market to customers not physically present during the transaction or to improperly obtain confidential consumer information.

B. Cost and Cost Recovery

The Commission requested that the NGDCs provide cost estimates associated with the implementation and regular maintenance of an account access mechanism that complies with the customer privacy and information confidentiality requirements outlined in the Tentative Order. Tentative Order at 17. The Commission also requested that the parties include in their comments their proposals for cost recovery for these costs. Id. In the Tentative Order, the Commission addressed the low usage levels of these mechanisms in the electric industry, stating that it was not persuaded that account access mechanisms would not achieve greater success in promoting competition in the natural gas industry than in the electric industry. Tentative Order at 10. The

Commission also stated that it finds that utilizing account access mechanisms in the natural gas industry is even more critical than in the electric industry because the competition in the natural gas supply market is lagging. Id. The OCA agrees with the Commission that the benefits of utilizing account access mechanisms in the natural gas industry are not yet known. The OCA submits, however, that a meaningful cost-benefit analysis should be undertaken prior to the implementation of these mechanisms to ensure that the costs associated with moving forward with implementing account access mechanisms are justified.

The OCA submits that, in regards to cost recovery, the costs of any software or IT systems modifications incurred by the NGDCs to implement a customer account access mechanism appropriately rest with the NGSs doing business in each NGDC's territory. The need for this sort of transaction arises from the NGS's specific in-person marketing strategies and the implementation of this procedure will save NGSs from having to take further steps to locate the consumer's account number. It would be unfair to impose these costs on all ratepayers when the benefits and cost savings associated with this mechanism are primarily to NGSs. Therefore, these costs of doing business are appropriately borne by the NGSs themselves who seek to make use of this option when conducting marketing campaigns in public areas.

C. Timeline

The OCA has no comment as to this issue.

D. Small Natural Gas Distribution Company Exemption

The Commission proposed in the Tentative Order that only those NGDCs with 1307(f) obligations be required to develop account access mechanisms. Tentative Order at 18. The OCA supports this proposal. The OCA notes that the Natural Gas Choice and Competition Act

applies only to NGDCs with annual operating revenues of \$6,000,000 or more (66 Pa. C.S. § 2202), and as such, smaller NGDCs have no retail choice requirement.

### III. CONCLUSION

The OCA appreciates the opportunity to provide Comments on the Tentative Order. The OCA respectfully requests that the Commission consider the OCA's comments in any steps that the Commission takes to establish regulations and policies on this important topic. The OCA looks forward to continuing to work with the Commission and the stakeholders to develop a retail choice market where consumers are fully informed, educated and fairly treated so that they can make informed choices in the best interest of themselves and their families.

Respectfully Submitted,



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