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VIA E-FILING

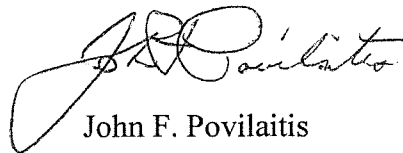
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA 17120

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

Dear Secretary Chiavetta:

On behalf of The Retail Energy Supply Association, enclosed for electronic filing are the Comments of the Retail Energy Supply Association for the above-captioned matter. Please contact me if you have any questions regarding the foregoing matter.

Very truly yours,



John F. Povilaitis

JFP/bb
Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**COMMENTS
ON BEHALF OF THE
RETAIL ENERGY SUPPLY ASSOCIATION**

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Dated: May 26, 2015

I. INTRODUCTION AND SUMMARY OF COMMENTS

By Tentative Order (“Tentative Order” or “T.O.”) entered on April 9, 2015, the Pennsylvania Public Utility Commission (“Commission”) sought comments on proposed procedures facilitating natural gas suppliers’ (“NGS”) access to natural gas distribution company (“NGDC”) customer account numbers when the account number is not available from either the customer or from the Eligible Customer List (“ECL”). Specifically, through the Tentative Order, the Commission proposed that NGDCs develop a passcode-protected secure website portal that will provide NGSs with access to customer account numbers upon submission of the customer’s full name, service street address and five-digit postal code. The Commission also proposed a series of other protocols designed to protect consumers in these situations, suggested a timeframe for implementation and requested comments on appropriate cost recovery mechanisms. Finally, the Commission proposed to limit the use of this mechanism to customer-initiated enrollment transactions in public locations.

The Retail Energy Supply Association (“RESA”)¹ appreciates the opportunity to provide comments and commends the Commission for its efforts to enhance the functioning of the retail natural gas market so that consumers can fully realize the benefits of competition. RESA believes that implementation of the account number access mechanism will streamline the enrollment process by alleviating the need for a customer to take additional steps at a later time to complete the transaction and allowing customers’ NGS choices to be fulfilled without delay.

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

Through these Comments, RESA generally supports the protocols proposed by the Commission for the use of such a mechanism as they are reasonable, would adequately protect consumers and would not be overly burdensome for NGSs to implement.

RESA strongly suggests, however, that the Commission permit the use of this tool regardless of the venue of the sale. Limiting its use to sales in public locations misses a valuable opportunity to implement a measure that, by the Commission's own description, is a fairly simple and reasonable way to encourage customers to shop for their gas supply. Expanding its use to all types of sales would allow the benefits of this mechanism to flow to all shopping customers and encourage participation in the natural gas supply market. With all of the protocols and consumer protections proposed by the Commission, it is neither appropriate nor necessary to limit the use of the mechanism to a particular sales venue, and its use should be permitted in any situation where the NGDC account number is not available from the customer or the ECL.

II. RESA COMMENTS

A. Implementation of Account Number Access Mechanism

By the Tentative Order, the Commission described the goal of this investigation as encouraging participation by NGSs and customers in a robust natural gas supply market while maintaining consumer protections. As to the implementation of an account number look-up mechanism, the Commission observed that it is a "fairly simple and reasonable way to encourage customers to shop for their gas supply." T.O. at 10-11. Rejecting concerns about the costs of the electric account number look-up tool compared to its actual usage, the Commission noted that the natural gas market is different and that such a tool for natural gas shopping is even more critical since competition in the natural gas supply market is lagging in Pennsylvania. T.O. at 10.

RESA supports the Commission's overarching goal of encouraging participation by NGSs and customers in a robust natural gas supply market while maintaining consumer

protections. Specifically, RESA agrees with the Commission that password-protected website portals should be developed so that NGSs may request an account number from the NGDC upon obtaining an executed letter of authorization from the customer, along with the customer's name, service address and photo identification, when that information is not available from the customer or through the ECL.

Implementing a mechanism that allows customers to enroll with an NGS when they do not have their NGDC account number available will streamline the enrollment process and alleviate the need for the customer to take additional steps at a later time to complete the transaction. All measures that simplify this process and avoid customer frustration caused by switching delays will encourage participation in the natural gas supply market.

Since the consumer protections and protocols for an account number look-up mechanism have already been established by the Commission for the electric industry, this is a tool that can easily be adapted for use by NGSs. Particularly with the lack of robust competition in the natural gas supply market, RESA agrees with the Commission that it is even more important to implement enhancements designed to make it easier for customers to select NGSs and have their choices timely fulfilled.

B. Limiting Use of Mechanism to Sales in Public Venues

In proposing implementation of an account number look-up mechanism for the natural gas industry, the Commission seeks to limit its use to sales in public venues, opining that when a customer is at home, he or she "is more likely to have access to their utility account number, negating the need for such a tool in that setting." T.O. at 15. While RESA strongly supports its use in public venues, RESA does not believe it is necessary or appropriate to limit the use of an account number look-up tool to transactions that occur in public locations.

RESA understands that this mechanism was originally proposed in the electric industry as a way of facilitating supplier marketing in public places (e.g., malls, community events, fairs, etc.) where consumers are unlikely to have their utility bill or account number. However, customers enroll with NGSs through a variety of means and settings in which they may not have access to the NGDC account number. For instance, a customer may receive direct mail at home and then opt to follow up with the NGS at a time when he or she is not at home. Alternatively, a customer may see a billboard or hear an advertisement about an NGS product and elect to contact the NGS from a location other than his or her home. Countless other similar scenarios exist or will evolve as the natural gas supply market grows and thrives.

A customer in any of those scenarios would be in the same situation as one who is attending a public event. The customer would not have access to the account number when contacting the NGS and would then be required to take the additional step of later providing the account number to the NGS in order to complete the transaction. In the same way as has occurred with customers trying to enroll with competitive suppliers in public venues, that two-step process is likely to be viewed as a burdensome hurdle by the customer and result in the customer not completing the switch to the selected NGS. Even when a customer makes a selection at home during a door-to-door marketing or telemarketing campaign, extra time and effort is often needed for the customer to locate a utility bill, if the customer can find one at all. Inconveniencing the customer or needing to delay the transaction so the customer can locate a bill containing the NGDC account number, even when the sale is occurring at home, can result in a lost sale, as well as create a customer who is frustrated with a market that does not allow him or her to immediately enroll with an NGS offering a competitive product.

The Commission has already described the account number access mechanism as a “fairly simple and reasonable way to encourage customers to shop for their gas supply.” T.O. at 10-11. This characterization of the mechanism is the same regardless of the sales venue in which it is used. Moreover, with the robust consumer protections that the Commission has proposed to ensure that customers are authorizing the NGS to obtain the account number from the NGDC, the venue for the sale should not be a limitation on whether the mechanism may be used. The consumer protections proposed by the Commission include the use of a password-protected secure portal, a letter of authorization, customer photo identification, and a process to ensure accuracy of matches. By proposing the implementation of all these steps, the Commission has gone to great lengths to adequately protect consumers to ensure that the mechanism is used only if consumers authorize its use by their selected NGS and that the mechanism works as it is intended. Having all of these measures in place provides a framework for effectively and efficiently using the mechanism in *any* sales venue.

Also, the use of the tool by NGS once it has been developed by NGDCs would be more robust if it could be used for any type of sale. Expanded use of the mechanism would allow the benefits of simpler and streamlined enrollments to flow to all customers, thereby promoting greater participation in the natural gas retail market, and would more easily justify the costs incurred in its development. In addition, as the Commission observed, given the lagging nature of natural gas competition in Pennsylvania, a tool that eases the process for consumers to enroll with an NGS is even more critical in the natural gas market.

C. Secure Portal

The Commission proposes the use of a secure website portal, which would require the NGS to input a username and password in order to access any information. Suggesting that this

approach would provide a sufficient level of security against unauthorized release of confidential customer information, the Commission notes that any security features employed by the NGDC should not be unduly burdensome to NGSs. The Commission further proposes that the website portal provide immediate results to NGSs. T.O. at 11.

RESA agrees with the Commission's proposal to use a secure website portal and believes that existing NGS sections on NGDC websites can easily be adapted for inclusion of a portal that provides customer account numbers. Since inputting a username and password is sufficient to guard against the unauthorized release of confidential customer information, no other security features should be necessary. RESA likewise supports the Commission's proposal for the website portal to provide immediate results to NGSs, which is particularly important since the underlying purpose of the mechanism is to streamline the enrollment process and avoid delays in switching consumers to their selected NGSs.

D. Customer Information Inputs

The Commission proposes that NGSs be required to input the customer's full name, service street address and postal code in order to request an account number through this portal. T.O. at 12. As to the use of wildcard inputs and/or drop-down boxes to increase the chances of a positive return, the Commission encourages them but does not propose requiring their inclusion due to concerns raised in the electric industry about incompatibility with existing customer databases and the increased risk of false returns. T.O. at 12-13.

RESA believes that the customer information inputs proposed by the Commission are reasonable and should be adequate to produce account numbers. As to the use of wildcard inputs and/or drop-down boxes, RESA encourages the Commission to require NGDCs to include these features in their plans or explain why they may not be compatible with existing customer

databases or may produce an increased risk of false returns. Since those concerns were only expressed by the electric industry and the NGDCs may not face similar obstacles, it would be preferable to have these features included from the outset. While the Commission has directed electric distribution companies (“EDCs”) to monitor use of the tool and endeavor, if necessary, to improve the tool by later including the allowance of wildcard inputs, implementation of the mechanism in the electric industry is already far ahead of any expected access to the tool in the natural gas industry. Therefore, any delays in allowing the use of wildcard inputs by NGSs should be avoided, if possible.

E. Customer Protections

Generally, RESA believes that the Commission’s proposed customer protections are reasonable, would adequately safeguard consumers and are not overly burdensome to NGSs. In developing a final set of consumer protections, the Commission should strive to maintain this balance and ensure that NGSs are the responsible party for complying with the requirements imposed upon them without any oversight by the NGDCs.

With respect to letters of authorization (“LOA”), the Commission proposes that NGDCs require an NGS attestation that the customer signed an LOA containing the customer’s name and address, but does not propose that an NGDC be under the duty to verify the existence of an LOA. Also, the Commission proposes that LOAs be in plain language and a reasonably-sized font, with information in the title and near the signature line indicating that the document will be used to obtain the customer’s account number. While the Commission expects the LOA to be distinct and prominent, it does not propose that the LOA be required to be a separate document. The Commission further proposes to allow telephonic or electronic LOAs, as long as the NGS can comply with the retention and customer identification requirements. T.O. at 13-14.

RESA views the Commission's proposed LOA requirements as reasonable, providing adequate protections for consumers and not being overly burdensome for NGSs. RESA strongly agrees with the Commission that the NGDC should have no duty to verify the existence of an LOA. Such a requirement would place the NGDC in a gatekeeper or even an enforcement role with the potential to preclude the completion of a sale and prevent a customer from promptly enrolling with his or her selected NGS. Additionally, RESA is supportive of the flexibility proposed by the Commission to permit telephonic or electronic LOAs, particularly given the heavy reliance by NGSs on telephonic and electronic interactions with potential customers.

The Commission also proposes that NGSs require customers to provide government-issued or alternative photo identification ("ID"), but does not propose that the NGS be required to copy the ID. However, the Commission proposes that the NGS include on the LOA the form of ID, and if a driver's license number is used, the NGS would note the state of issuance and the driver's license number. Further, the Commission proposes that the NGDCs include a methodology in the web portal that allows for the NGS to attest that the customer provided a photo ID. T.O. at 14.

While RESA agrees with the Commission's proposals to require customers to provide a government-issued photo ID, require NGSs to attest that that the photo ID was provided and require NGSs to note the form of ID and the name of the government agency that issued the ID, RESA does not believe it should be necessary for the NGS to record the driver's license number on the LOA. The purpose of the photo ID is to confirm the customer's identification, and recording the driver's license number is not critical to that confirmation process. Moreover, consumers may be reluctant to have their driver's license number recorded on a document that is maintained by the NGS, resulting in the inability of the NGS to use the mechanism to promptly

complete the sale. Also, since other forms of government-issued photo IDs may be used to confirm the customer's identification, there would be no license numbers recorded for those documents.

F. Mechanism Outputs

On mechanism outputs, the Commission proposes that the NGDCs' portals provide one of three responses: "no hit," "multiple hits" or the customer's account number. Additionally, the Commission proposes that an NGS, upon receiving a "no hit" or "multiple hit" indicator, be able to resubmit the request for the same customer with corrected information. T.O. at 16.

RESA agrees with the Commission's proposals. Rather than a "no hit" or "multiple hit" indicator resulting in a failure of the mechanism, it is more consistent with the whole purpose of implementing this tool to provide another opportunity to submit correct information that produces the customer account number.

G. Cost Recovery

As to cost recovery, the Commission does not make a proposal but rather requests the parties to include proposed mechanisms for the potential allocation and recovery of the costs associated with implementation of an account number access mechanism. The Commission notes that reasonably and prudently incurred costs would be recoverable and determined in a future proceeding. T.O. at 17.

The account number access mechanism would be beneficial to the development of the retail natural gas supply market by easing the enrollment process, avoiding delays caused by a customer not having access to the NGDC account number and encouraging customer participation in the retail market. Therefore, RESA suggests that it would be appropriate for NGDCs to recover costs through a rider or surcharge that is assessed on all customers.

H. Timeline

With regard to timeline, the Commission proposes that NGDCs implement the account number access mechanisms no later than August 31, 2016. In selecting this date, the Commission observed that NGSs often heavily market and enroll customers during the fall. T.O. at 17-18.

Although RESA looks forward to NGSs having the ability to use this tool as soon as possible to streamline the process for customers who are shopping for natural gas supply, but do not have immediate access to their account numbers, the timeframe proposed by the Commission is reasonable. Given the timeframe over which EDCs implemented this mechanism, as well as the ability of NGDCs to learn from the EDC models and their awareness over the past several months of the Commission's plans to consider deployment of this tool in the natural gas industry, the Commission should not entertain any longer period of time for implementation by NGDCs.

I. Exemption of Small Natural Gas Distribution Companies

Suggesting that it may be appropriate to exempt smaller NGDCs from the account number access mechanism requirement due to the costs and relatively small customer bases, the Commission proposes to exempt those companies that have gross intrastate annual operating revenues of less than \$40 million. 66 Pa. C.S. § 1307(f)(1). Given the limited opportunities for NGSs to make offers to consumers in these smaller NGDC territories, RESA agrees that this is a reasonable threshold at this time. Once the larger NDGCs have implemented the mechanism and it is being used by NGSs, RESA encourages the Commission to consider again whether the smaller NGDCs could use those models to easily and cost-effectively implement such a tool.

III. CONCLUSION

RESA urges the Commission to direct NGDCs to implement account number access mechanisms by August 31, 2016 so that in the fall NGSs may obtain account numbers that are not available from the customer or the eligible customer list, regardless of the venue of the sale. Implementation of this tool would streamline the enrollment process, avoid delays in fulfilling customers' NGS selections and encourage participation in the retail natural gas supply market.

Respectfully submitted,

Dated: May 26, 2015



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