

COMMONWEALTH OF PENNSYLVANIA



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January 23, 2017

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

Re: Petition of NRG Energy, Inc. for
Implementation of Electric Generation
Supplier Consolidated Billing
Docket No. P-2016-2579249

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Comments and Answer to the Petition of NRG Energy, Inc. to Implement Supplier Consolidated Billing in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in cursive script that reads "Candis A. Tunilo".

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891

Enclosures

cc: Office of Special Assistants
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of NRG Energy, Inc. for :
Implementation of Electric Generation : Docket No. P-2016-2579249
Supplier Consolidated Billing :

COMMENTS AND ANSWER OF
THE OFFICE OF CONSUMER ADVOCATE
TO THE PETITION OF NRG ENERGY, INC. TO
IMPLEMENT SUPPLIER CONSOLIDATED BILLING

Pursuant to 52 Pa. Code Section 5.61 and the Secretarial Letter issued December 24, 2016 (46 Pa.B. 8154), the Office of Consumer Advocate (OCA) submits these Comments and Answer to the Petition of NRG Energy, Inc. (NRG or the Company) for Implementation of Electric Generation Supplier Consolidated Billing (Petition) filed on December 8, 2016. In its Petition, NRG requests that the Public Utility Commission (Commission) take all steps necessary to implement supplier consolidated billing (SCB) in all Pennsylvania Electric Distribution Company (EDC) service territories. As discussed below, the OCA does not support the implementation of supplier consolidated billing. Supplier consolidated billing would introduce significant consumer protection concerns to utility service and would likely increase costs to consumers without any identifiable benefit. Moreover, supplier consolidated billing is not necessary to achieve the purposes for which it was advanced and is not necessary to the continued development of retail markets in Pennsylvania. As the Commission has recently concluded for both the retail electric market and the retail natural gas market, there is no basis to

expend the considerable time and resources on a supplier consolidated billing initiative. As such, the NRG Petition should be denied.

I. INTRODUCTION

On December 8, 2016, NRG filed a Petition, wherein it seeks the implementation of SCB as a billing option for customers of Electric Generation Suppliers (EGSs) in all electric service territories in Pennsylvania by the second quarter of 2018. According to NRG, SCB would enable EGSs to directly bill their customers for generation services, as well as the EDC's tariffed delivery charges and the EGS's value-added services, such as home security, HVAC maintenance and surge protection as well as other service offerings such as prepaid service and flat bills. Petition at 1, 23-25. NRG also states that it proposes to preserve all current protections for retail customers, including the Commission's standards and billing practices for residential service in Chapter 56. Petition at 15. Additionally, NRG proposes to obligate EGSs offering SCB to meet more stringent financial requirements than are currently necessary to maintain an EGS license and require EGSs to demonstrate a technical ability to perform billing functions. Petition at 2, 17. NRG asserts that SCB would afford EGSs the opportunity to forge long-term relationships with their customers and to deliver new and innovative product offerings that are tailored to their customers' needs. Petition at 25, 28.

As part of the implementation of SCB, NRG proposes that purchase of receivables (POR) programs be instituted for all EGSs that choose to participate in SCB, whereby the EGSs would purchase the EDCs' receivables. Petition at 14-15, 25-26. Further, EGSs would not charge EDCs any fees for providing billing services as long as EDCs continue to provide utility consolidated billing to EGSs at no charge. Petition at 17. NRG seeks approval to display EDC

charges on the SCB as a single, combined price and proposes to absorb any increase in distribution rates instead of passing them on to customers. Petition at 18.

NRG proposes that EDCs continue to administer low-income programs and provide EGSs engaging in SCB the discount information to be included on the customer bill. Petition at 18. According to NRG, the EDC-administered programs, such as the standard offer program, would need to be revised. Id.

NRG proposes that EGSs engaging in SCB would assume all primary customer contact obligations currently performed by the EDCs, including billing inquiries and complaints. Petition at 17-18. Further, NRG proposes that EGSs participating in SCB would be responsible for consumer education, including adequately explaining the billing options during the EGS sales transaction and through disclosure documents, with supplemental information available on PaPowerswitch. Petition at 17.

NRG's proposal would also enable EGSs to direct the termination of customers for nonpayment. Petition at 15-16. The EDC is to pursue that termination in accordance with Chapter 56. NRG also proposes that customers that are in arrears with the EGS would be blocked from switching suppliers or returning to default service until they are current on their EGS bills. Petition at 16.

The OCA respectfully submits that the NRG Petition provides no basis for the Commission to consider supplier consolidated billing or to change its recent conclusion that the cost of implementing supplier consolidated billing would not be justified, particularly in light of the well developed Purchase of Receivables programs that are now in place. Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service, Docket No. I-2011-2237952, Final Order at 67 (Order Feb. 15, 2013) (Electric RMI Final Order). In support of its

Petition, NRG argues that SCB is not new, with the concept dating back to 1998, that SCB would play an important role in a developing competitive market, and that the numerous retail enhancements that the Commission has implemented over the past five years have proven insufficient. NRG also argues that the benefits of SCB such as creating a direct relationship between the customer and supplier and allowing other product and service offerings to be provided to customers support the use of SCB. As will be discussed in more detail below, NRG's arguments and the identified "benefits" do not support SCB. Indeed, some of the "beneficial" products and service offerings that NRG seeks to support, such as flat billing and prepaid service, may not be consistent with Pennsylvania law.

Proposals for supplier consolidated billing have been considered by the Commission several times since the inception of retail choice in Pennsylvania. In 1998, before the implementation of the current Purchase of Receivables programs, the stakeholders and the Commission expended considerable time and effort in an attempt to develop supplier consolidated billing. Billing in Pennsylvania, whether done by the EDC, through the use of a dual bill, or in a supplier consolidated billing format, must meet all of the statutory and regulatory requirements, including each of the provisions of Chapter 56 and Chapter 54 of the Commission's regulations. After considerable effort in 1998 to develop the protocols to ensure that each of these requirements is met in a supplier consolidated billing format, several significant policy issues remained to be resolved by the Commission. See EDEWG Report (Sept. 2010).¹ More to the point, after this effort, no supplier sought to use supplier consolidated billing for its customers. The EGSs subsequently recommended the utility Purchase of Receivables programs as more efficient and effective method of billing customers in the retail choice environment. See e.g. Petition of PPL Utilities Corp. Requesting Approval of a

¹ http://www.puc.pa.gov/electric/pdf/OCMO/SCB_EDEWG.pdf

Voluntary Purchase of Accounts Receivables Program and Merchant Function Charge, Docket No. P-2009-2129502, RESA and Direct Energy Services, LLC Main Brief at 2 (Oct. 30, 2009) (A functioning POR program is crucial for the facilitation of competition). The OCA agrees that the POR programs provide a more efficient and cost-effective means to bill customers and retain the responsibility for consumer protections for essential utility service with the regulated utility, as is contemplated by the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. Ch. 28 (Customer Choice Act) and other provisions of the Public Utility Code. If an EGS wants a more direct relationship with the customer or wants to bill for other products and services, this can be done through the dual billing option provided for by the Customer Choice Act. There is no need to shift distribution charges and customer care functions to the EGS to achieve this relationship.

SCB is also likely to increase costs to consumers. NRG points to billing credits that were originally included in the Restructuring Settlements for supplier consolidated billing to suggest that SCB will reduce costs. Much has changed since those billing credits were established in 1998. Many EDCs have made significant new investment in their Customer Service and Billing Systems, particularly as part of the deployment of smart meters. These costs are not avoided by customers selecting a supplier consolidated billing option. The EDC must always stand ready to serve the customer with billing services whether the customer returns to default service or switches to another supplier that does not provide consolidated billing. Simply put, supplier consolidated billing would either result in stranded costs for the EDC (the recovery of which is not provided for in the Customer Choice Act) or would require customers to pay twice for billing service. This unnecessary cost does not advance the competitive retail market.

The OCA would also note that supplier consolidated billing would necessitate a complex and confusing division of responsibilities for utility service. Of particular concern is the need for EDCs to meet the requirements of Chapter 14 of the Public Utility Code which governs deposits, payment arrangements, collections, terminations, winter moratoriums, reconnection and reporting requirements. Equally important is the need for the EDC to handle outage calls, storm management responsibilities, and emergency calls. Supplier consolidated billing would require the customer to have a separate contact for these important functions. Customers will require education in this regard and the supplier bill will need to contain this vital information in a clear and conspicuous manner.

Finally, NRG's arguments that supplier consolidated billing is necessary because shopping numbers have not increased is both incorrect and a red herring. First, as Chairman Brown recently recognized on the 20th Anniversary of the passage of the Customer Choice Act, Pennsylvania has seen 14 months of growth in the number of customers that have switched to an alternative supplier. In the OCA's view, this is a significant achievement following the disruption in the retail market that resulted from the Polar Vortex. Pennsylvania's retail choice market has shown that it is robust and moving forward. In addition, supplier consolidated billing is not directed toward encouraging customers to switch to a supplier. As NRG states in its Petition, supplier consolidated billing is to establish a more direct relationship with the customer who has already switched. This direct relationship can be gained through the dual billing option, or other methods, without the additional cost and potential impact on consumer protections that would occur with supplier consolidated billing.

The OCA sees no benefit to be gained by pursuing supplier consolidated billing. Nothing has changed since the Commission considered this issue in the Electric RMI process that started

in April 2011 (See Investigation of Pennsylvania’s Retail Electricity Market, Docket No. I-2011-2237952, Order (April 29, 2011)), and continued for several years with numerous rounds of comments, a Tentative Order issued in November 2012, and concluded with the Electric RMI Final Order that found it was unlikely that supplier consolidated billing would be widely used and that it created substantial concerns. Electric RMI Final Order at 66-69. The Commission has implemented a joint bill initiative to make the supplier more visible on the utility bill. This initiative, and the other initiatives implemented by the Commission since 2011, have moved the market forward in a way that is efficient and respects consumer protections. Introducing supplier consolidated billing is unnecessary and may not be able to be achieved in a manner consistent with provisions of Pennsylvania law and regulations.

II. OCA COMMENTS

A. Supplier Consolidated Billing May Not Be Consistent With the Consumer Protections Required By The Public Utility Code and The Commission Regulations.

There are several sections in the Public Utility Code and the Commission’s regulations promulgated thereunder that stand as the framework in which to consider and reconcile issues relating to SCB. As an initial matter, the OCA would note that supplier consolidated billing is not explicitly addressed in the Electricity Generation Customer Choice and Competition Act (Customer Choice Act), 66 Pa. C.S. Ch. 28 (1997). The Customer Choice Act provides for the following regarding customer billing:

(c) Customer billing.— Subject to the right of an end-use customer to choose to receive separate bills from its [EGS], the [EDC] may be responsible for billing customers for all electric services, consistent with the regulations of the commission, regardless of the identity of the provider of those services.

66 Pa. C.S. § 2807(c). (Emphasis in original).² The Customer Choice Act then goes on to require that EDCs continue to perform customer service functions. Section 2807(d) states:

[t]he [EDC] shall continue to provide customer service functions ..., including meter reading, complaint resolution and collections.

66 Pa. C.S. § 2807(d). The language in Section 2807(d) further provides that customer service must be maintained at the same level of quality.

Other provisions of the Public Utility Code that bear on the quality of customer service include Sections 1301 and 1501, 66 Pa. C.S. §§ 1301 and 1501 as well as the provisions of Chapter 14. Section 1301 requires that “[e]very rate made, demanded, or received by any public utility ... shall be just and reasonable.” 66 Pa.C.S. § 1301. Section 1501 establishes the requirement that public utilities furnish and maintain safe, adequate, efficient and reasonable service. 66 Pa. C.S. § 1501. Chapter 14 sets forth the requirements and rules for customer service. 66 Pa.C.S. § 1401, *et seq.* Notably, these provisions of the Public Utility Code apply to public utilities. While it has been established that pursuant to Section 2809(e), the Commission may impose requirements on EGSs to maintain quality of service, the boundaries of the Commission’s authority have not been fully tested, particularly in the billing and collection context. *See* 66 Pa. C.S. § 2809(e) and Delmarva Power & Light Co. v. Pa. PUC, 870 A.2d 901, 909-10 (Pa. 2005).

In Delmarva, the EGSs successfully argued that they could not be considered public utilities for purposes of the assessments that support the Commission’s operations under Section 510 of the Public Utility Code. Delmarva Power & Light Co. v. Pa. PUC, 870 A.2d 901, 909-10 (Pa. 2005). The Pennsylvania Supreme Court concluded, however, that while the Commission

² The OCA would note that The Natural Gas Choice Act includes similar language but clarifies that the bill from the NGS is for natural gas supply service. *See*, 66 Pa.C.S. § 2205 (c)(1).

may forbear from applying the requirements of the Public Utility Code “which it determines are unnecessary due to competition” among EGSs, the Commission must “impose requirements necessary to ensure that the present quality of service provided by electric utilities does not deteriorate, including assuring ... that 52 Pa. Code Ch. 56 (relating to standards and billing practices for residential utility service) are maintained.” *Id.* See also 66 Pa. C.S. § 2809(e). This conclusion has been cited by the Commission for its authority over EGSs in regard to the service an EGS provides under Chapter 54 and Chapter 111 of the Commission’s regulations, 52 Pa. Code Ch. 54 and 111, regarding the pricing and sales of service, as well as its authority to provide refunds. It has not been tested, however, concerning Sections 1301 and 1501 of the Public Utility Code, 66 Pa. C.S. §§ 1301 and 1501.

As supplier consolidated billing has not been implemented in Pennsylvania under the prior protocols, and given the specific responsibilities assigned to public utilities or electric distribution companies under the Public Utility Code, the OCA questions the consistency of supplier consolidated billing with these provisions and the certainty of the Commission’s authority to protect consumers. Given these uncertainties, and the lack of supporting reasons to engage in such a process, the OCA submits that NRG’s Petition should be denied.³

B. NRG’s Proposal Is Not Necessary To Enhance The Retail Market And May Restrain Customer Choice.

NRG has argued in its Petition that supplier consolidated billing is a necessary step to further enhance the competitive retail market. The OCA submits that NRG has not identified or demonstrated how SCB would improve the Pennsylvania electric retail market or provide any

³ The OCA also questions whether the Commission has the authority to order an EDC to turn over their distribution charges to an EGS for billing purposes. While the EDC must bill for supplier charges, there is no corresponding provision of the Customer Choice Act that would require an EDC to turn over its own charges to an EGS.

additional benefit to customers. Moreover, NRG has not provided any additional information since the Commission last considered this issue that suggests that supplier consolidated billing is necessary or that the substantial concerns held by the Commission about this billing method can now be addressed.

The Commission, statutory advocates, EDCs and interested EGSs have engaged in a lengthy Retail Markets Investigation (RMI),⁴ which culminated, *inter alia*, in the Commission's determination that implementation of SCB would require extensive work and expense by many entities, which could result in a billing option that will not be utilized sufficiently to justify the costs. Electric RMI Final Order at 66-67.⁵ The Commission further reasoned:

We have substantial concerns that use of an SCB process may be even more unlikely now since POR programs are available. It is unclear how many suppliers would be willing to forgo the ease and convenience of utility consolidated billing under POR, where they have no bad debt risk, to opt for an SCB model where they assume the full burden of billing, collections and bad debt. We also point out that suppliers do currently have the option of issuing a separate bill to the customer (the dual billing option) if they find utility consolidated billing not conducive to their offerings or business model.

Electric RMI Final Order at 67. The Commission, however, was cognizant of EGSs' desires to establish brand identity with their customers and have more of a presence on customers' bills.

The Commission, therefore, directed the following:

OCMO [the Commission's Office of Competitive Market Oversight] should submit a recommendation regarding the possibilities for making the utility consolidated bill more supplier-oriented. The current utility consolidated bill looks like the utility's bill – with supplier information often relegated to a few lines, with the supplier's name, phone number, rate and charges. This is an especially incongruent result for many customers whose supplier generation charges actually exceed the utility's distribution charges. We are interested in pursuing options to make the supplier's charges and information more prominent.

⁴ See Docket No. I-2011-2237952.

⁵ The Commission again recently declined to consider SCB, this time in relation to the competitive natural gas market. See Investigation of Pennsylvania's Retail Natural Gas Market: Joint Natural Gas Distribution Company – Natural Gas Supplier Bill, Docket No. M-2015-2474802, Final Order at 21 (Aug. 20, 2015).

This could include making the supplier information more visible, incorporating the supplier's logo, providing more space for suppliers to provide bill messages and even the opportunity to include EGS bill inserts. The expected end-result would look more like a joint EDC-EGS bill.

Id. Again, the Commission noted that “considerable work and expense” may be required to implement these EDC billing changes but such effort and expense “will be considerably less than what would be required to create SCB” and would not raise the consumer protection issues inherent in SCB, which were expressed by some stakeholders. Id. at 68.

Since this Order, the Commission initiated its joint EDC-EGS bill with implementation of the new bill in June 2015 and directed that the costs of this initiative be recovered from ratepayers. See Investigation of Pennsylvania's Retail Electricity Market: Joint Electric Distribution Company - Electric Generation Supplier Bill, Docket No. M-2014-2401345, Final Order at 3 (May 23, 2014) (2014 RMI Consolidated Bill Order). NRG, however, asserts that after only about 18 months of this joint bill, the effort has failed to achieve a better EGS-customer connection and has failed to improve the competitive market.⁶ Petition at 7. This argument is factually incorrect and misstates the purpose of the joint bill and supplier consolidated billing.

The number of customers who have switched to an alternative supplier has been continuously growing. In December of 2016, Chairman Brown announced that the Commonwealth's competitive electric market experienced 14 consecutive months of sustained growth since early last fall.⁷ This growth follows the Polar Vortex in 2014 which challenged the

⁶ NRG bases its allegations as to the lack of any improvement in the competitive market, at least in part, on the lack of any increase in the numbers of customers “who are shopping for their supply.” Petition at 9. The OCA notes that “shopping”, customers availing themselves of the competitive market as to awareness and opportunities, is different from “switching,” customers who have chosen to take service from an EGS. As the Commission found in a recent survey, about 94% of all customers are aware of their options in the competitive market. See http://www.puc.state.pa.us/about_puc/press_releases.aspx?ShowPR=3794

⁷ See http://www.puc.state.pa.us/about_puc/press_releases.aspx?ShowPR=3794

retail choice market. The retail market withstood the challenges of the Polar Vortex and has regained its momentum. There is no support for the argument that the number of customers switching suppliers has not increased.

In addition, it was not the purpose of the joint bill initiative, or of supplier consolidated billing, to increase the number of customers who have switched to an alternative supplier. The creation of the joint bill was to provide greater visibility for the customer's *already chosen* EGS. These are customers who have already switched to an EGS and would not increase switching numbers. The joint bill effort was not intended to increase the number of customers who switch suppliers, but it was a step to foster the existing relationship. The Commission has recognized that, in addition to the joint bill, EGSs have numerous other methods to have a direct relationship with their customers. As the Commission stated in the 2014 RMI Consolidated Bill Order, EGSs should:

communicate directly with their customers, via call centers, telephonic messaging, mail and/or electronic mail contact mechanisms, as appropriate, regarding potential offers, issues, changes, etc. that they feel are important. While this proceeding is focused to develop a more supplier-oriented utility-consolidated bill, the Commission encourages EGSs to do their own outreach to customers to develop stronger relationships.

See 2014 RMI Consolidated Bill Order at 28. (Emphasis added). EGSs also have the option of communicating directly with their customers by using dual billing. All of these methods can be utilized without the expense and complexity of supplier consolidated billing.

In addition to being unnecessary, consolidated billing could, in fact, constrain the competitive market and may not be in the best interests of consumers. The OCA expects that before assuming billing responsibility and potential uncollectible accounts, an EGS will seek to credit check the consumer before serving the consumer through a supplier consolidated bill and

may even request additional deposits. One of the key features of the existing POR programs is that all customers can be served by an EGS, regardless of credit score or income level. This provides retail choice for all, rather than for a limited group of customers that can pass the EGS credit screening.

SCB also calls into question the viability of the retail enhancement programs that are already in place such as the requirement for EDC customer service representatives to provide neutral information on retail choice and to inform customers contacting the EDC of the availability of the Standard Offer Program. In performing the customer service functions, EDC representatives are required to inform customers calling about retail choice and the Standard Offer Programs. This requirement extends to customers calling with questions about retail competition or calling an EDC Call Center with billing questions or high bill complaints, even if the customer is currently served by an EGS. The EDC customer service representatives have been trained to provide full and neutral information about retail choice and the Standard Offer Programs. This initiative has greatly facilitated customer shopping and switching. If a customer's main point of contact is now their current EGS under consolidated supplier billing, the supportive and neutral provision of information to facilitate shopping and switching will not be available to the customer. Also, the Standard Offer Program may not be available to the customer. This could introduce barriers to entry for other potential EGSs that do not exist at this time.

The OCA is also concerned that supplier consolidated billing may create confusion in the market for consumers and may result in additional costs for consumers. If implemented, it is reasonable to assume that not all EGSs would wish to engage in SCB. Indeed, as the Commission recognized, it is more likely that the majority of suppliers would not wish to forego

the ease and convenience of utility consolidated billing under POR. Electric RMI Final Order at 67.⁸ It is questionable how EGSs like NRG who would now be shouldering the additional costs of expanded calling/customer service centers, compliance with Chapter 56, uncollectible expense and other operational expenses would remain competitive with EGSs who choose not to embark on SCB.⁹

One possible answer would be the imposition of fees for handling customer service functions, a method that has been employed in Texas.¹⁰ In bearing such costs, the OCA submits that pricing distortions may occur, which could cause significant confusion for EGS customers. The Customer Choice Act requires that information “be provided to consumers in an understandable format that enables consumers to compare prices and services on a uniform basis” or in other words, allow for apples-to-apples comparisons of offers. See 66 Pa. C.S. § 2807(d)(2). See also 52 Pa. Code § 54.1. It can be reasonably presumed that EGSs implementing SCB would recover the costs to do so by adding it to their per kWh price or via additional fees on customers’ bills. If added as an increase to the per kWh price, the offer would likely appear less than competitive with other supplier offers but adding it through fees would result in such EGS pricing not being able to be compared “apples-to-apples” to non-SCB EGS

⁸ Substantial time and resources have been devoted to construct and implement a fair, workable POR platform that serves the interests of all EGSs. In the OCA’s view, to dismantle this system and move to a model that is more representative of the system used in Texas would be a considerable step backwards.

⁹ The OCA is also concerned that it may be difficult for the retail market to support two billing options in this manner. Any move to eliminate the POR program would significantly contract the retail market.

¹⁰ The OCA notes that in Texas, it is common for retail electric providers (REPs) to charge fees for most services. Specifically, NRG’s licensed EGS, Green Mountain Energy Company, charges, *inter alia*, a \$5.95 payment processing fee (telephone), \$5 per period for bill copies, \$15 for making five or more payments per month on an account, \$5 per call to remind of past due amounts. See <https://signup.greenmountain.com/files/0901751880d225fb.pdf>. NRG’s Reliant subsidiary in Texas charges, *inter alia*, a \$5.95 fee for payment processing. See <https://www.reliant.com/files/0901751880c5cea5.pdf>. It is reasonable to expect these same types of fees from EGSs in Pennsylvania providing SCB.

pricing or the EDC price to compare. Neither option appears to advance Pennsylvania's retail choice market.

Pennsylvania prepared for supplier consolidated billing but when it became clear that the option would not be used, and indeed seemed less than efficient, Pennsylvania pursued a robust Purchase of Receivables program. The current program provides a level and fair playing field for all participants and all consumers. It also allows for a platform of supportive and neutral information to be provided to all consumers, allows for the implementation of the various retail market enhancement programs that the Commission has pursued, and allows for the continuation of all consumer protections under the oversight of the Commission. Pennsylvania's retail market continues to grow and in the OCA's view, there has been no showing of necessity to implement supplier consolidated billing.

C. SCB Would Introduce Significant Consumer Protection Concerns.

NRG asserts in its Petition that supplier consolidated billing will meet the requirements for billing practices contained in the Commission regulations and the Public Utility Code. Petition at 15. For the most part, NRG points to the work done in 1998 by the EDEWG group to establish competitive metering and billing protocols and then provides answers to some of the outstanding policy issues from 1998 that were not resolved at that time.¹¹ The OCA appreciates NRG's position in this regard, but implementation of this promise is not as clear cut or simple as NRG makes it seem. Indeed, some of NRG's examples as to how NRG intends to utilize supplier consolidated billing, such as the introduction of prepaid service and flat billing for all

¹¹ The OCA is without sufficient information to fully address the policy issues left unanswered by the Commission's initial efforts as establishing protocols for supplier consolidated billing. The OCA further addresses this issue in Section E, infra.

charges, raise significant consumer protection issues and may be inconsistent with the Commission's regulations and the law.

Since 1998 when EDEWG engaged in its work, there have been many changes in Pennsylvania law.¹² Most notably, in 2004, Chapter 14 of the Public Utility Code was enacted. Chapter 14 established rules on essential aspects of utility service regarding billing and collection. These changes were subsequently included in Chapter 56 but have never been examined in the supplier consolidated billing context. Further changes were made to Chapter 14 in 2014 and the Commission is now in the process of incorporating these further changes into Chapter 56.¹³ While the previous work of EDEWG can provide a foundation, all of these changes, along with the extent of the Commission's authority, would need to be thoroughly examined to determine the protections and protocols that would need to be in place.

Further, the EDCs' tariffs contain detailed descriptions and methods for customer payments, including how payments are applied, the ordering of payments received, and applying partial and late payments. The Commission's regulations, and Commission Orders, specifically address many of these issues in detail, and the EDCs and other stakeholders have, and continue to have, conversations regarding these requirements. It is difficult to assess the amount of time and resources that would be necessary in order to ensure that EGSs choosing to use SCB comply with these requirements and consumer protections.

¹² It must be remembered that EDEWG was charged with establishing protocols and not addressing various legal and policy decisions.

¹³ NRG suggests that this pending rulemaking could be used as a vehicle to further amend Chapter 56, 52 Pa. Code Ch. 56, to incorporate supplier consolidated billing. Petition at 32. As the law established by Chapter 14, 66 Pa. C.S. Ch. 14, is fairly specific, it is not clear to the OCA what NRG intends and NRG has not identified any provisions that it would seek to change. The OCA would strongly caution against attempting to change the essential protections in Chapter 56 to accommodate business models forwarded by various EGSs.

It is not just establishing requirements and protocols that consumes time and resources or ensures appropriate consumer protections. The Commission staff also oversees the provision of customer care functions by EDCs and other regulated public utilities to ensure that all requirements are being met, that Call Centers are appropriately staffed, and that Call Center representatives are appropriately trained.¹⁴ Commission staff would now be required to engage in these functions for additional billing entities. While there is no information at this time as to how many EGSs would engage in supplier consolidated billing, if even six suppliers chose this option, it would practically double the number of electric company Call Centers that the Commission staff must work with in meeting the requirements of Chapter 14 and Chapter 56.¹⁵ In addition, one mechanism that the Commission utilizes to ensure reasonable service and appropriate customer care functions is the management audit. See, 66 Pa.C.S. §516. It is questionable whether this tool is available to the Commission for an EGS engaged in billing even if billing regulated utility charges. The mechanisms for ensuring essential consumer protections in a supplier consolidated billing environment are not at all clear.¹⁶

In its Petition, NRG seeks the opportunity to include other products and services as part of supplier consolidated billing. Some examples provided by NRG would include the addition of value added services on the utility bill such as home security systems and HVAC services, as well as the introduction of prepaid service and flat bills for all utility charges. Each of these

¹⁴ One of the troubling aspects of the experience with the Polar Vortex was that the EGS Call Centers quickly became overwhelmed with the volume of calls. Call Center staffing as well as training in specific Pennsylvania requirements is essential to providing appropriate consumer protections.

¹⁵ It is the OCA's understanding that there are four major electric utilities operating call centers – the FirstEnergy Companies, PECO Energy, PPL Electric Utilities and Duquesne Light Company.

¹⁶ Some may suggest that consumers can decide on consumer protections themselves by simply leaving the EGS if they are dissatisfied. This begs the question of ensuring that rights are secured. It also ignores one of the fundamental proposals of NRG that the supplier providing consolidated billing could refuse to allow the customer to switch to default service or another supplier. Petition at 16. Under such a proposal, the customer could not leave the EGS even if dissatisfied.

examples comes with its own set of issues regarding appropriate consumer protections. As to value added services, the Commission regulations and Pennsylvania law is clear that these non-basic services must appear separately on the bill, are last in the line of priority for payment and cannot serve as a basis for termination. See 52 Pa. Code §§ 56.13, 56.23, 56.24, and 56.83(3). Even with these protections, however, the research shows that consumers go to great lengths to pay their utility bill. To a consumer, it is the total bill, the “pay this amount” line that matters. Adding a long list of additional charges, some not even tangentially related to electric service, could become problematic, particularly when the total bill includes regulated utility charges.¹⁷ Equally problematic would be the proposal to not allow a customer to switch away from the EGS service if there are any unpaid charges. This would restrict competition and use the utility bill as a means of collection for non-regulated and non-basic charges.

The example of prepaid service and flat bills raises significant questions as to the consistency with Pennsylvania law. Prepaid service is currently the subject of a Petition by PECO Energy where the Commission has received comments and sent the matter to hearings. PECO Pilot Plan for an Advance Payments Program and Petition for Temporary Waiver of Portions of the Commission’s Regulations with Respect to that Plan, Docket No. P-2016-2573023 (PECO Pilot Plan). Numerous legal issues and consumer protection issues with prepaid service have been raised in that proceeding. As the OCA pointed out in its Reply Comments, EGSs that may wish to offer prepaid service must also comply with the Chapter 56 and Pennsylvania law in such offering. PECO Pilot Plan, OCA Reply Comments at 4-6 (Jan. 13, 2017). These issues would also need to be resolved in the supplier consolidated billing context. The OCA also submits that flat billing of tariffed distribution charges and generation charges

¹⁷ EGSs wishing to sell such value added service could do so through the dual bill approach without compromising regulated utility service.

without specifying the charge, is not permitted in Pennsylvania. See, e.g. 52 Pa. Code §§ 56.15 and 54.4. Regulated, tariffed charges must be billed at the tariffed amount. Flat billing could result in a different charge being assessed each month, either higher or lower than the tariffed amount, depending on usage and the flat bill amount.¹⁸ Flat billing would also separate usage from the price charged, thus introducing a disincentive to energy efficiency programs that may be offered by the EDC.

NRG also does not address a key issue regarding billing, that is the receipt of LIHEAP funds or the management of Customer Assistance Program (CAP) charges. If NRG seeks to serve low income customers through supplier consolidated billing, it will be necessary to address the receipt of LIHEAP and participation in CAP. It is the OCA's understanding that to receive LIHEAP funds, an entity would be required to enter into a vendor agreement with the Department of Human Services (DHS). To the best of the OCA's knowledge, this issue has not been explored with DHS and would need to be fully addressed. Similarly, CAP programs throughout Pennsylvania operate in different manners. The provision or portability of CAP credits under the various program designs has not yet been fully resolved, nor has the question of the appropriate consumer protections for CAP customers in a retail choice environment. These issues would need to be resolved and the protections ensured in any supplier consolidated billing environment to ensure that low income customers retain access to affordable utility service.

Based on the foregoing, the OCA submits that much time and effort would be needed to address fundamental consumer protections in a supplier consolidated billing environment. With the robust POR program, the potential for substantial cost to develop these protections, and the

¹⁸ Flat billing is not the same as budget billing. Budget billing is based on a customer's usage and while billing the same monthly amount, the bill shows the usage and charges and is eventually reconciled to actual usage and charges.

uncertain benefits of supplier consolidated billing over currently existing mechanisms, the OCA submits that NRG's Petition should be denied.

D. SCB Would Introduce Additional Costs Without Commensurate Benefits.

The Commission has already found that SCB “could only be implemented after extensive work and expense by many entities,” which “could result in a feature that will not be utilized sufficiently to justify the costs” Electric RMI Final Order at 67. The OCA agrees and submits that nothing in NRG's Petition changes this fundamental conclusion. If anything, the OCA submits that the Commission's prior consideration may not have fully recognized the additional costs for consumer education and the potential for “stranded” or unrecovered costs associated with new billing systems that could result from supplier consolidated billing.¹⁹ The OCA submits that if this effort moves forward, the Commission should make it clear that all costs of this initiative must be borne by EGSs as EGSs will be the beneficiary of this endeavor.

In its Petition, NRG asserts that SCB is needed to allow EGSs to forge long-term relationships or engage in more effective communications with customers or to develop product offerings designed to fulfill the specific needs of customers. Petition at 7. The cost of developing this relationship through SCB is akin to a marketing cost for an EGS. Even the product offerings referred to by NRG are product offerings that provide additional profit potential to the EGS. Selling electricity is not a high margin business, but having the direct customer relationship to add other products and services can increase those profit margins. For example, an existing customer relationship substantially reduces the traditional costs of procuring new customers through marketing and advertising channels. Put another way, there is

¹⁹ The use of the term “stranded cost” as done by NRG is not technically correct. Petition at 19-20, 30. Stranded costs are defined by the Public Utility Code as “[a]n electric utility's known and measureable net electric generation-related costs,” The term refers only to generation-related costs and does not extend to distribution facilities or costs.

a greater profit potential from selling an existing customer a deeper array of products as the underlying costs are less. That direct customer relationship can be gained in other ways, however, without introducing the complexity, confusion and consumer protection issues that could result with a move to supplier consolidated billing.²⁰ As such, the OCA submits that the costs should be borne by the EGS just as other EGS marketing costs are borne by the EGS.

NRG also appears to recognize the possibility that EDCs would have “stranded” or unrecovered costs, but dismisses the potential for these costs by pointing to billing credits established in 1998. Petition at 19-20. NRG’s reliance on billing credits from 1998 is misplaced. Since that time, Pennsylvania EDCs have replaced and significantly upgraded their billing systems in response to technology changes for billing systems as well as the deployment of advanced metering infrastructure.²¹ In addition, the EDC must stand ready to serve all customers with distribution service and the associated customer care services. The OCA does not foresee that EDCs will be able to substantially trim any resources from this area as it is the EDC that it ultimately responsible for the provision of these services in the event of market participation migration. Unlike the EDC, EGSs have the ability to respond to market conditions as their business plans may dictate. In the not too distant past, for example, FirstEnergy Solutions chose to completely withdraw from the residential market in Pennsylvania. Contrary to NRG’s assertion that the costs for the provision of these services will go down for the EDC, the OCA does not anticipate any significant cost savings for EDCs as a result of supplier consolidated billing.

²⁰ Not all EGSs have similar business models and seek to sell other products and services to their customers.

²¹ Many of these billing system enhancements were done to benefit the retail market, such as changes to accommodate the three day switching requirement, the instant connect, the seamless move.

In addition to the costs already identified, the OCA submits that the costs for consumer education would also need to be addressed. Customers would need to be re-educated about basic issues relative to the provision of public utility service in this sector that have, largely, been in place for decades. Consumers would need to have clear direction on issues such as outages, emergencies, bill complaints, meter issues, general service quality concerns and questions relative to shopping and participation in the competitive market to name but a few. NRG proposes that such education could be provided during the sales transaction and through disclosure documents. Petition at 17. The OCA submits that it is not appropriate to expect EGS salespeople to be able to provide such complex consumer education or that such education would be uniform from EGS to EGS.

NRG has also not identified any significant benefits that provide any counterbalance to these potential costs. The benefits accrue to the EGSs that wish to engage in supplier consolidated billing as a means of forging a more direct relationship with their customers. Supplier consolidated billing does not further the development of the retail choice market in Pennsylvania and may simply add another layer of confusion that would deter customers from considering the retail market.

Based on the foregoing, the OCA submits SCB would not provide additional benefits to ratepayers that would justify the additional complexity and cost that SCB entails. As such, NRG's Petition should be denied.

E. NRG's Petition Raises Many Complex Policy Issues.

In its Petition, NRG recognizes that prior efforts to develop supplier consolidated billing protocols left many policy questions unanswered. Petition at 6, 7-8, and 29. The Commission also recognized the significant policy questions when it looked at supplier consolidated billing in

2012 and 2013 and included a list of policy issues that remained outstanding. See Electric RMI Final Order at 63-64. While the OCA is of the view that the initial efforts to develop protocols for supplier consolidated billing were extensive and detailed, the number of significant policy issues that remained outstanding demonstrated the difficulty in this endeavor. As the OCA has already mentioned, since that time, changes to Chapter 56 have been put in place that would require further work on these underlying protocols and policy questions.

NRG seeks to address these Policy Questions in Appendix A of its Petition, based on the September 30, 2010 EDEWG Report. The OCA will not reply to NRG's proposed resolutions in these comments as any response to these questions would require information regarding detailed processes not available to the OCA. The OCA would note, though, that each of the resolutions to these policy questions must be consistent with Chapter 56 of the Commission regulations and Chapter 14 of the Public Utility Code. The OCA would highlight, however, what appears to be an inconsistency in the policy resolution proposed by NRG regarding customers with past due amounts attempting to switch to SCB and with the treatment of hardship fund donations.

In response to Policy Question 1 regarding customers with past due balances, NRG posits that these customers past due amounts would follow the customer to SCB along with the existing utility deposit. In response to Policy Question 14 regarding payment agreements, NRG posits that customers on a payment plan with an EDC at the time of the switch to SCB would be required to pay the payment agreement in full before switching to SCB. Since both questions address past due balances, it is unclear as to the different treatment. The policy established in response to Policy Question 14 would also limit the customers that would be eligible to switch to a supplier with SCB. These responses demonstrate the complexity of the issues related to SCB that must be thoroughly worked out.

The OCA has also identified a concern with regard to the response to Policy Question 5 concerning utility hardship fund donations. The response states that “EGSs providing SCB may support hardship fund donations by allowing customers to add a dollar or more to their payment for the hardship fund.” Petition at App. A, pg. 1. The use of the word “may” in this context appears to mean that it would be up to the EGS providing the SCB and would not be required. The ability of customers to seamlessly donate to the Hardship Funds through the utility bill, and to have those donations matched by the utility shareholders, has been a foundation of the funding of these critical programs. This could become a critical policy gap resulting from supplier consolidated billing.

In only these two examples, it can be seen that billing for utility service is complex and achieves many policy goals of the Commonwealth. Care must be taken in any consideration of the policy and protocols that would accompany a move to supplier consolidated billing if one is undertaken. At this juncture, the OCA is not prepared to comment on all of the potential ramifications or resolutions of these policy issues.

F. Conclusion.

As discussed herein, the OCA does not support the implementation of supplier consolidated billing. Supplier consolidated billing would introduce significant consumer protection concerns to utility service and would likely increase costs to consumers without any identifiable benefit. Supplier consolidated billing is not necessary to achieve the purposes for which it was advanced and is not necessary to the continued development of retail markets in Pennsylvania. As the Commission recently concluded for both the retail electric market and the retail natural gas market, there is no basis to expend the considerable time and resources on a supplier consolidated billing initiative. As such, the NRG Petition should be denied.

III. OCA ANSWER TO NUMBERED PARAPGRAPHS

1. This is an introductory paragraph to which no answer is required. By way of further response, the OCA admits that the quoted passages are from certain Commission Orders but denies any of the conclusions that NRG seeks to draw from these selected quotes.
2. This is an introductory paragraph to which no answer is required. By way of further response, the OCA admits that the quoted passages are from certain Commission Orders but denies any of the conclusions that NRG seeks to draw from these selected quotes.
3. Admitted.
4. This is an introductory paragraph to which no answer is required. By way of further response, the OCA admits that the quoted passages are from certain Commission Orders but denies any of the conclusions that NRG seeks to draw from these selected quotes.
5. This is an introductory paragraph to which no answer is required. By way of further response, the OCA admits that the quoted passages are from certain Commission Orders but denies any of the conclusions that NRG seeks to draw from these selected quotes.
6. This is an introductory paragraph to which no answer is required. By way of further response, the OCA admits that the quoted passages are from certain Commission Orders but denies any of the conclusions that NRG seeks to draw from these selected quotes.
7. This is an introductory paragraph to which no answer is required. By way of further response, the OCA admits that the quoted passages are from certain Commission Orders but denies any of the conclusions that NRG seeks to draw from these selected quotes.
8. This is an introductory paragraph to which no answer is required. By way of further response, the OCA admits that the quoted passages are from certain Commission Orders but denies any of the conclusions that NRG seeks to draw from these selected quotes.
9. Admitted as to the implementation of joint bills. By way of further answer, the OCA is without sufficient information to confirm or deny the further facts alleged.

10. Admitted, in part. By way of further answer, the OCA admits that it was a party to the cited Settlement but is without sufficient information to confirm or deny that numerous parties agreed to “these provisions” or exactly what “these provisions” contain.
11. The OCA is without sufficient information to confirm or deny the facts alleged.
12. Denied that “retail electric competition has remained stagnant.” By way of further answer, the OCA notes that a December 2016 Commission Press Release (2016 Press Release) shows that the last fourteen months have shown sustained growth in the number of customers who have switched (are taking service from an EGS). The OCA is without sufficient information to confirm or deny the additional facts alleged.
13. The OCA is without sufficient information to confirm or deny the facts alleged.
14. Denied as to whether the Commission’s substantial efforts as part of the Electric RMI have failed to “moved the needle”, as the 2016 Press Release clearly shows continued and robust growth in the number of customers who have “switched.” Denied as to the number of retail electric customers who are “shopping.” By way of further answer, the OCA notes that NRG consistently does not recognize the difference between “shopping” customers and “switching” customers. The OCA is without sufficient information to confirm or deny the numbers of retail electric customers who are “shopping” – actively viewing EGS’ offers, comparing prices, doing background research on EGSs and their terms and conditions, and ultimately deciding whether to choose an EGS or default service.
15. The OCA is without sufficient information to confirm or deny the facts alleged.
16. This paragraph constitutes legal conclusions to which no answer is required. By way of further response, the OCA denies that the Petition presents no genuine issues of material fact. Numerous material facts must be resolved in this matter.

17. Denied as to the necessity of hearings in this matter. By way of further answer, the paragraph also contains requests for relief to which no answer is required.
18. This is an introductory paragraph to which no answer is required.
19. The OCA is without sufficient information to confirm or deny the facts alleged.
20. The OCA is without sufficient information to confirm or deny the facts alleged.
21. The OCA is without sufficient information to confirm or deny the facts alleged.
22. The OCA is without sufficient information to confirm or deny the facts alleged.
23. The OCA is without sufficient information to confirm or deny the facts alleged.
24. The OCA is without sufficient information to confirm or deny the facts alleged.
25. The OCA is without sufficient information to confirm or deny the facts alleged.
26. This paragraph contains requests for relief to which no answer is required.
27. The OCA is without sufficient information to confirm or deny the facts alleged.
28. This paragraph contains requests for relief to which no answer is required.
29. This paragraph contains requests for relief to which no answer is required.

30. This paragraph contains requests for relief to which no answer is required.
31. The OCA is without sufficient information to confirm or deny the facts alleged. The paragraph also contains legal conclusions to which no response is required.
32. This paragraph contains legal conclusions to which no answer is required. The OCA is without sufficient information to confirm or deny the additional facts alleged. By way of further response, the OCA notes that all for-profit businesses, just like the store selling light bulbs, have the ability to address uncollectible account costs by factoring such costs into the prices charged for their goods and services.
33. This paragraph contains requests for relief to which no answer is required. The OCA is also without sufficient information to confirm or deny the facts alleged.
34. This paragraph contains requests for relief to which no answer is required.
35. This paragraph contains requests for relief to which no answer is required.
36. This paragraph contains requests for relief to which no answer is required.
37. This paragraph contains requests for relief to which no answer is required. The OCA is also without sufficient information to confirm or deny the facts alleged.
38. This paragraph constitutes legal conclusions to which no answer is required. By way of further response, the OCA notes that to the best of its knowledge, information and belief, the Commission has never directly ruled in any final order on the interplay of Sections 2807 © and 2807(d) of the Competition Act and the use of SCB.
39. This paragraph constitutes legal conclusions to which no answer is required.

40. This paragraph constitutes legal conclusions to which no answer is required. The OCA is also without sufficient information to confirm or deny the facts alleged.
41. This paragraph constitutes legal conclusions to which no answer is required. The OCA is also without sufficient information to confirm or deny the facts alleged.
42. This paragraph constitutes legal conclusions to which no answer is required. The OCA is also without sufficient information to confirm or deny the facts alleged.
43. This paragraph constitutes legal conclusions to which no answer is required. The OCA is also without sufficient information to confirm or deny the facts alleged.
44. The OCA is without sufficient information to confirm or deny the facts alleged.
45. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that NRG's stated goal of "moving the needle" in terms of customers who "switch" to an EGS likely bears little correlation to how satisfied a customer is with the EGS they have already chosen. These customers have already switched. They are obviously already active in the competitive market. What NRG appears to be advocating for is to achieve higher customer satisfaction levels in order to keep customers they already have or to be able to sell these customers additional products and services. In the OCA's view, this responsibility would seem to be that of the EGS, through direct marketing and other advertising channels that they are currently free to engage in. The Commission has also recently come to the same conclusion in the 2014 RMI Consolidated Bill Order, where the Commission provided that EGSs should directly reach out to their own customers to market goods and services.
46. The OCA is without sufficient information to definitively confirm or deny the facts alleged. By way of further response, the OCA denies that a "large portion of the residential customers are not participating in the market." NRG has not provided any facts to establish this allegation, and has not accurately differentiated between customers who are "shopping" and would obviously be "participating" in the market, and those customers who have switched.

47. The OCA is without sufficient information to confirm or deny the facts alleged.
48. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that no current impediments exist that would preclude EGSs from reaching out to their own customers through whatever channels they so choose.
49. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that some of NRG's asserted product offerings that may be possible through implementation of SCB are possibly inconsistent with Pennsylvania law.
50. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that some of NRG's asserted product offerings that may be possible through implementation of SCB are possibly inconsistent with Pennsylvania law.
51. The OCA is without sufficient information to confirm or deny the facts alleged.
52. The OCA is without sufficient information to confirm or deny the facts alleged.
53. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that EGSs currently have the ability to use dual billing and also have the ability to make customers aware of any other services they may wish to provide through whatever medium the EGS chooses to convey such information.
54. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA questions how the EGSs who choose to use SCB, if authorized, would make up for the increased operational costs of handling all billing operations. The OCA notes that additional fees and charges for routine billing inquiries and other billing services is one such way that EGSs in Texas have apparently chosen to deal with these costs.

55. The OCA is without sufficient information to confirm or deny the facts alleged.
56. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA submits that the pricing plans that NRG identifies as a potential benefit may be inconsistent with Pennsylvania law.
57. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA submits that the pricing plans that NRG identifies as a potential benefit may be inconsistent with Pennsylvania law.
58. The OCA is without sufficient information to confirm or deny the facts alleged.
59. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that the redesigned joint bill has only been in effect since June 2015 and it is unreasonable to assume at this time, as NRG does, that this effort has somehow been unsuccessful. Further, NRG has provided no reasoning or facts to show how this effort “has fallen short of the Commission’s expectations.”
60. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that no barriers currently exist that would preclude NRG or any other EGSs from directly communicating with its own customer. EGSs currently directly communicate with their own customers at least as to the required notices that must be sent prior to the end of a contract term. It is reasonable to assume that in addition to mailing addresses, EGSs also likely have further contact information such as phone numbers and e-mail addresses that they can employ to directly communicate with their own customers about any products or services they may wish to offer.
61. The OCA is without sufficient information to confirm or deny the facts alleged.
62. The OCA is without sufficient information to confirm or deny the facts alleged.

63. Denied. The OCA submits that SCB is neither fundamental nor important as to the continued development of the retail market. It is further denied that there are no legitimate downsides to its implementation. Substantial levels of consumer protections and consumer re-education would need to be done. Significant costs would be entailed in such efforts. If implemented in any large-scale fashion, EDCs may well end up with overcapacity and underutilization as to their billing and customer service functions. Contrary to NRG's assertions that somehow the EDCs costs will go down, they will likely remain unchanged. As the default provider, the EDC has the legal duty to stand ready to serve and must be prepared for the sudden departure of market participants who have no such duties or obligations.
64. Admitted, in part. The OCA admits that work has been done in this area. By way of further response, the OCA notes that much of the work product that NRG appears to rely on here was done approximately 18 years ago. The market and all of its interactions, including EDI and the introduction of Purchase of Receivables programs, have changed considerably since that time. In its Petition, NRG vastly understates the time and resources needed to implement its proposal.
65. The OCA is without sufficient information to confirm or deny the facts alleged.
66. Admitted as to the creation and existence of certain policy questions created in the EDEWG process. The OCA is without sufficient information to confirm or deny the additional facts alleged.
67. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA submits that cost recovery is a critical component of this proposal that must be dealt with at the earliest possible time in the event that this Petition is not denied. In the OCA's view, the use of SCB is nothing more than a marketing tool for EGSs and as such any and all costs for implementation must be borne solely by the EGS community.
68. The OCA is without sufficient information to confirm or deny the facts alleged. By way of further response, the OCA notes that after a very lengthy and expensive Electric RMI

process the Commission recognized that going forward with SCB would be a costly and time consuming venture for many stakeholders. This is hardly a red herring. It is a paramount issue that all must recognize from the outset.

69. This paragraph contains legal conclusions to which no answer is required.

70. through 75. These paragraphs contain requests for relief to which no answer is required.

IV. CONCLUSION

Wherefore, the Office of Consumer Advocate submits that the Commission correctly concluded in its Electric RMI Final Order that supplier consolidated billing is unlikely to be widely used given the Purchase of Receivables programs and that it presents substantial issues of consumer protection that would result in considerable work and expense. There is no benefit to the consumers or the retail market in Pennsylvania from such endeavors. As such, the Office of Consumer Advocate respectfully requests that NRG's Petition be denied.

Respectfully submitted,

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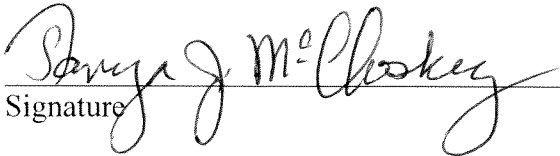
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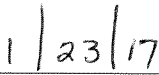
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of NRG Energy, Inc. for :
Implementation of Electric Generation : Docket No. P-2016-2579249
Supplier Consolidated Billing :

VERIFICATION

I, Tanya J. McCloskey, hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).


Signature


Date

CERTIFICATE OF SERVICE

RE: Petition of NRG Energy, Inc. for Implementation of electric Generation Supplier
Consolidated Billing
Docket No. P-2016-2579249

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Comments and Answer to the Petition of NRG Energy, Inc. to Implement Supplier Consolidated Billing, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 23rd day of January 2017.

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