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March 10, 2014

Via Electronic Filing

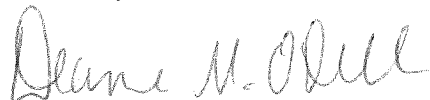
Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Investigation of Pennsylvania's retail Electricity Market: Joint Electric Distribution
Company – Electric Generation Supplier Bill, Docket No. M-2014-2401345

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Retail Energy Supply Association's Comments to Tentative Order Dated February 6, 2014 with regard to the above-referenced matter.

Sincerely,



Deanne M. O'Dell

DMO/lww
Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania's : Docket No. M-2014-2401345
Retail Electricity Market: :
Joint Electric Distribution Company – :
Electric Generation Supplier Bill :

**THE RETAIL ENERGY SUPPLY ASSOCIATION'S
COMMENTS TO TENTATIVE ORDER
DATED FEBRUARY 6, 2014**

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Date: March 10, 2014

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- A Sample Proposal for EDC Consolidated Bill from Ohio

I. INTRODUCTION

In this proceeding, the Commission seeks comments regarding recommendations for making a more supplier-oriented utility consolidated electric bill.¹ Specifically, the Commission requests comments on the following:

- the inclusion of the logo of an electric generation supplier's ("EGS") on the bill;
- the expansion of the bill messaging space allotted to EGS;
- the inclusion of a Shopping Information Box on the bill;
- the inclusion of EGS inserts;
- other proposals;
- cost estimates/recovery; and,
- the proposed June 1, 2015 implementation deadline

While the Retail Energy Supply Association ("RESA")² supports the efforts of the Commission in this proceeding, RESA has been a strong proponent of implementing Supplier Consolidated Billing ("SCB") as the ideal way to address the current system wherein the electric distribution company ("EDC") issues the bills and has the opportunity every month to reinforce its relationship with the customer.³ Recognizing, however, that the Commission has chosen not to move that direction at this time, RESA generally supports the proposals of the Commission and offers suggestions for improvement.

¹ *Investigation of Pennsylvania's Retail Electricity market: Joint Electric Distribution Company – Electric Generation Supplier Bill*, Tentative Order entered February 6, 2014, Docket No. M-2014-2401345 ("Tentative Order").

² RESA's members include: AEP Energy, Inc.; Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; GDF SUEZ Energy Resources NA, Inc.; Homefield Energy; IDT Energy, Inc.; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; NRG Energy, Inc.; PPL EnergyPlus, LLC; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

³ *Investigation of Pennsylvania's Retail Electric Market*, Docket NO. I-2011-2237952, Comments of The Retail Energy Supply Association dated December 10, 2012 at 15. Although making improvements to the current EDC consolidated billing system would certainly be beneficial, the cost of these efforts must take into consideration whether such enhancements would make the implementation of SCB in the future even more difficult. SCB is available in Texas and Illinois and at least in Georgia (AGL) for gas.

As a general matter, EGSs should be afforded the same opportunity to provide information and messaging to their customers and in the same format and channels as the EDCs. EGS messaging and logos should not appear inferior in any way to the same information provided by the EDCs. RESA supports the Commission's proposal to include a Shopping Information Box and recommends that additional information about programs in which the customer may be participating be included. RESA also recommends that the Commission reconsider its tentative proposal to not allow EGS inserts. As explained further below, EGS inserts are an important messaging tool for EGSs to relay a wide range of information that would not become outdated and which can be offered in a cost effective manner. Two other recommendations that RESA recommends the Commission address are (1) including the Price-to-Compare on the bills and providing more explanatory information; and, (2) allowing EGSs to include value-added charges to the bills that would be outside of the Purchase of Receivables ("POR") program.

II. COMMENTS

A. Inclusion of the EGS logo on the Bill

In its Tentative Order, the Commission recommends that EGS logos be included on the EDC bill.⁴ RESA supports this recommendation. As the Commission noted, the logo will help consumers to more clearly identify their chosen supplier and reinforce the consumer's understanding of the relationship with that supplier. RESA agrees with this reasoning and recommends that the logo be included on all pages of the customer invoice as well as the envelope used to send the bill to the customer. Also, RESA is aware that some EDCs allow customers the option to no longer receive a paper bill but instead receive an email letting the

⁴ Tentative Order at 4-5.

customer know that the bill is ready or they permit the customer to use an on-line account management tool for bill viewing and payment purposes. These electronic bill presentment tools available to the customer should also include the EGS's logo in the same manner as is used for paper invoices.

The Commission notes that the logo "could either be in black and white or in color."⁵ RESA, however, urges the Commission to make clear that EGSs are to be afforded the same opportunity as EDCs in terms of presenting their logos. If the EDC's logo is in black and white, then limiting an EGS's logo to black and white may be reasonable. If, however, the EDC is presenting its logo in full color, then EGSs should have the same opportunity to present their logos in full color. Not affording the EGSs the same opportunity as the EDC so that, for example, the EGS logo is in black and white the EDC logo is in color creates a misimpression about the relative importance of the two entities. Moreover, this uneven presentation could lead to a consumer not seeing the EGS logo or not understanding that the EGS logo is for the supplier charges appearing on the bill. Ensuring that the "look and feel" of the bill and/or electronic communication is consistent for both entities should be the ultimate goal. Attached by way of example of how this could work is a currently pending proposal for EDC consolidated bills in Ohio offered by the Ohio Consumer's Counsel.⁶

B. Bill Messaging

The Commission recommends an expansion of bill messaging space for EGSs by doubling the amount of available space from two (2) to four (4) lines on each EDC's bill.⁷ RESA supports the expansion of the ability for EGSs to include messages on the EDC-

⁵ *Id.* at 4.

⁶ The was presented by the Office of the Ohio Consumers' Counsel during a September 11, 2013 Ohio RMI Data/Billing Sub-Committee meeting.

⁷ Tentative Order at 5.

consolidated bill. This is an important and effective way for EGSs to communicate information to their customers. RESA offers the following additional suggestions.

Similar to the comments above regarding EGS logos, the messaging space available to the EGSs should be consistent with the “look and feel” of the rest of the invoice. In other words, EGSs should not be limited to black and white, smaller font sizes in the messaging space if the rest of the bill is using color and different fonts. Moreover, EGSs should have the ability to include graphics and references to their websites as well as text with their bill messages. Graphics could include, for example, those used to designate a company’s presence on social media websites such as facebook and twitter. Further, to the extent any messaging is provided by the EDC via electronic means, EGSs should have the opportunity to do so as well.

Positioning of the EGS bill messaging should also be taken into consideration. For example, EGS messages should appear directly below the section for the EGS charges or in close proximity to the EGS charges. Removing these messages too far from the EGS charges or burying them a few pages away would undermine their purpose and usefulness.

Finally, space allotted to the EGSs for purposes of messaging should remain available for exclusive use by the EGS – regardless of whether or not a particular EGS chooses to use it. If, for example, the Commission chooses to mandate certain disclosures on the bill, these disclosures should not be counted against or in lieu of the messaging space allocated to the EGSs.

C. Inclusion of a Shopping Information Box

The Commission recommends that a “Shopping Information Box” be developed and placed on the EDC bill which would include a customer’s account/customer number, a customer’s Rate Schedule and an indication that this information is needed when working with

an EGS.⁸ The Commission also recommends that the Shopping Information Box be conspicuous, on the bill separate and apart from other charges and include necessary information to assist customers when shopping. RESA supports the Commission's recommendations and recommends that information about a customer's participation in certain EDC programs be included too. Such programs include budget billing, net metering, and a customer assistance programs. The customer's participation in these programs is useful information as it may impact what an EGS is able offer the customer. By including the information in the Shopping Information Box, the customer has it accessible and, therefore, can convey it to an EGS to ensure that there is understanding about the options available to the customer from a particular supplier.

D. EGS Inserts

The Commission states that it considered permitting EGS inserts with the bills but stated that it did not have enough information at this time to recommend that they be permitted.⁹ The Commission expressed concerns about the costs to include inserts and the timeliness of the information that would be contained in the insert. For the reasons discussed below, RESA recommends that the Commission reconsider its tentative conclusion and permit EGSs to include inserts with the EDC consolidated bill.

First, there is a wide range of information that an EGS may want to communicate with its customer that is not time sensitive such as information and news about the company. The purpose of an EGS insert would be another tool for EGSs to communicate directly with their customer and to deepen their relationship. Moreover, EGS inserts can serve as a way to increase customer awareness about various programs and shopping. Thus, the value of this channel to

⁸ Tentative Order at 6-7.

⁹ Tentative Order at 8-9.

provide such information should not be dismissed based on concerns about the timeliness of potential content.

Second, there are reasonable ways to address any potential incremental cost concerns.¹⁰ For example, there would likely not be any significant additional costs to include EGS inserts via electronic delivery to the extent the EDCs are already using that mode of delivery for customers for similar communications of their own. Similarly, EDCs could set aside a blank page with the bill to include EGS “inserts” that are electronically provided to the EDC.

Third, the Commission notes that one EDC stated it should have the “ability to review and approve the insert prior to distribution.”¹¹ RESA would not support allowing EDCs to approve the content of EGS inserts. Such oversight is not appropriate and serves only to place the EDC more firmly in the middle between an EGS and its customer. To the extent there are reasonable concerns about how the inserts would be logistically included – such as size and weight – those issues should be addressed upfront without regard for the content of the EGS insert. Rather, RESA would support a requirement that EDCs provide EGSs an insert schedule so that the EGS has advance knowledge of the messaging that its customers are receiving from the EDC. This would also provide a way to ensure that the amount of messaging through inserts is equally distributed between the EGS and the EDC.

Finally, RESA recognizes that the Commission may mandate certain inserts be included with the EDC consolidated bill. Any such inserts, however, should not be used to decrease the ability of EGSs to include their own inserts.

¹⁰ The direct mail program for the FirstEnergy companies, may serve as a model for how EGS inserts could be included with EDC consolidated bills. *Joint Petition of Metropolitan Edison Company and Pennsylvania Electric Company for Approval of Their Default Service Programs* Docket Nos. P-2009-2093053 and P-2009-2093054, Opinion and Order entered November 6, 2009 at 20-21.

¹¹ Tentative Order at 8.

E. Other Proposals

1. Use of the Price-To-Compare (“PTC”)

The designation of an EDC’s default service rate as the “price to compare” and the inclusion of it on the EDC consolidated bill is not consistent with the goal of default service as a “backstop” to the competitive market. Instead, it instills the appearance of a competitive offering and creates an unfair advantage for the EDC.¹² While the Commission has acknowledged these concerns and reserved the ability to revisit this issue in the future, the Commission currently continues to require that the PTC be included on the EDC consolidated bills.¹³ However, in doing so, the Commission also provided specific guidance as to how the EDCs are to present the PTC on the bill:

To summarize our guidance, the Commission expects EDCs to present PTC information on the bills of all customers in the following manner:

- The PTC for the customer’s rate class; or a customer-specific PTC for those EDCs and rate classes where the EDC has previously committed to provide a customer-specific PTC. The price should be labeled “Price To Compare.” If the PTC varies within a rate class as a function of usage characteristics, a customer-specific PTC should be provided;¹⁴
- A statement indicating that the PTC will vary with an indication of the frequency of the variability;
- A reference to www.PAPowerSwitch.com and www.oca.state.pa.us as a source for more information (space permitting).

¹² *Investigation of Pennsylvania’s Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2237952, Comments of The Retail Energy Supply Association, dated January 17, 2012 at 16-17.

¹³ *Investigation of Pennsylvania’s Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2237952, Final Order entered March 2, 2012 at 91-94.

¹⁴ While RESA appreciates the Commission’s intent with this suggestion, customer-specific PTCs can be confusing for the customer because if he/she tries to confirm the PTC with what is published at the EDC’s website or other public resources such as PaPowerSwitch, the numbers may be different.

The following examples illustrate how this information could be presented on a customer's bill:

Your Price To Compare for your rate class is X.XXX per kWh through __/__/__. This will change quarterly. For more information and supplier offers visit www.PAPowerSwitch.com and www.oca.state.pa.us.

Your Price To Compare for your rate class is X.XXX per kWh. This will change in March, June, October and January. For more information and supplier offers visit www.PAPowerSwitch.com and www.oca.state.pa.us.¹⁵

Although RESA continues to believe that inclusion of the PTC on the EDC consolidated bill should be eliminated, if it continues to be included then additional information consistent with the Commission's guidance above needs to be included. As shown on the Penelec template bill, FirstEnergy currently states the following:

Your current PRICE TO COMPARE for generation and transmission from Penelec is listed below. For you to save, a supplier's price must be lower.¹⁶

Without additional information and context regarding how the PTC was formulated, this statement is not particularly useful. At a minimum, the EDCs should be required to follow the guidance already provided by the Commission which directs that the time period during which the PTC is applicable be provided similar to the way PPL Electric Utilities currently presents the PTC on bills.¹⁷

Moreover, the Penelec example highlights the need for the EDCs to be restricted from adding messages about the potential value of any given offer. Customers shop for a variety of reasons. Value added products and services may not represent a savings opportunity, but may

¹⁵ *Id* at 93-94.

¹⁶ See: http://www.puc.state.pa.us/general/consumer_ed/pdf/Electric_Bill_Breakdown-Penelec.pdf.

¹⁷ See <https://www.pplelectric.com/master-pages/sample-bill.aspx>

provide great value to a customer. Statements like those embodied in the Penelec statement above – which focus the customer entirely on price – serve only to reinforce the incorrect idea that the only benefit of shopping is related to price.

2. EGSs should have ability to include value-added charges to the bills

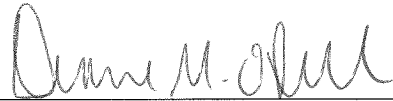
Generally, EGSs are only permitted to assess basic charges through the Purchase of Receivables (“POR”) programs currently in place. Only POR charges are included on an EDC consolidated bill. Therefore, if an EGS wants to offer a customer a value-added service, like energy efficiency products aimed at helping customers manage their energy usage and more effectively control their total bill, the EGS is required to separately bill the customer for that product. This stifles innovation because of the uncollectible risk EGSs are required to take by not having the ability to include the charge on the EDC consolidated bill and creating another burden for the customer who is then required to respond to two separate invoices. For these reasons, RESA recommends permitting EGSs to have an additional line item for charges like this that would be outside the POR process. Such charges would appear on the bill and be paid to the EGS once collected by the EDC. A partial payment posting methodology, similar to what was in place prior to the adoption of POR, could be utilized to govern payments to EGSs for these charges.

A similar restriction EGSs face regarding the ability to bill their customers relates to limitations on rate codes that can be submitted. FirstEnergy, for example, limits EGSs to a flat rate per kWh and a percentage off the PTC. This limitation impairs innovation regarding the prices that an EGS can charge its customer depriving consumers of the full benefits of the competitive market.

III. CONCLUSION

RESA appreciates the Commission's efforts to consider enhancements that would make the current EDC-consolidated bills more supplier friendly. While RESA continues to support the implementation of SCB as the optimal way to address these issues, RESA's suggestions in these comments are intended to provide additional feedback on ways that the current system can be significantly improved. RESA supports implementation of these suggestions as soon as reasonably possible.

Respectfully submitted,



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Attorneys for Retail Energy Supply Association

Date: March 10, 2014

Attachment A

OHIO Utility Co.

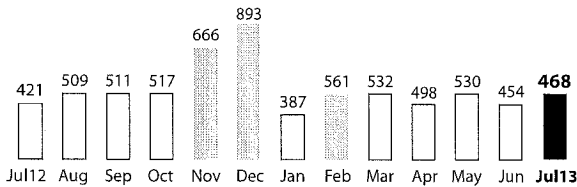
www.ohioutilityco.com
1-800-555-5555

Billing Summary

Acct. # 100-000-000-0-0

Total Amount Due Aug 26 \$56.40

History



Your average monthly kWh usage is **540**
GRAY bars indicate usage above your monthly average

Message

For billing, outage or service inquiries call:

1-800-555-5555

Pay by phone: 1-800-555-5555

Required pursuant to commission rules and orders
(See additional messages on pg. 2)

Usage

Month	Total kWh	Days	kWh/day	Cost/day	Avg Temp
Current	468	32	31	\$4.54	71° F
Previous	454	31	36	\$5.20	76° F
One year ago	421	30	37	\$4.94	75° F
Your total kWh for past 12 months is 6,479					

Meter

Meter	Service Period		Meter Reading Detail			
Number	From	To	Previous	Code	Current	Code
999999999	06/28	07/29	15337	Actual	15805	Actual
Multiplier 1			Metered Usage 468 kWh			
Next scheduled read date should be between Aug 29 and Aug 31						

SUPPLY

ABC Energy LLC

www.abcenergylc.com
1-800-555-5555

Your supplier price until [date] is **6.50 ¢/kWh**

Total Supply \$30.42

Includes tax & other charges (see pg. 2)

Price-to-Compare

Your utility's Price-to-Compare* is **7.30 ¢/kWh**
You are currently paying **6.50 ¢/kWh**

* For **tariff 013**, in order to save you money a new supplier must offer you a price lower than **7.3 cents per kWh** for the same usage that appears on this bill. Customers can obtain a written explanation of the Price-to-Compare from their electric utility.

DELIVERY

OHIO Utility Co.

www.ohioutilityco.com
1-800-555-5555

Total Delivery \$25.98

Includes tax & other charges (see pg. 2)

Summary

Amount due at last billing	\$55.18
Payment on [date] - Thank you	55.18
Previous balance due	0.00
Total supply charges	30.42
Total delivery charges	25.98
Total amount due on Aug 26	\$56.40

Please tear on dotted line

Return bottom portion with your payment

OHIO Utility Co.

www.ohioutilityco.com
1-800-555-5555

Account Number
100-000-000-0-0
CY 21

\$56.40	\$ _____
Total Amount Due	Amount Enclosed
Due Aug 29, Pay \$57.64 After This Date	

Send inquiries to:
PO BOX 12345
ANYTOWN, OH 99999-9999
R-10-999999999

The Neighbor to Neighbor program helps disadvantaged customers pay their electric bill. I want to help. My payment reflects my gift of \$ _____

Service Address:
OHIO GS1 BILL READY
123 ANY STREET
ANY CITY, OH 99999-9999

Make check payable and send to:
OHIO UTILITY CO
PO BOX 12345
ANYTOWN OH 99999-9999

OHIO Utility Co.

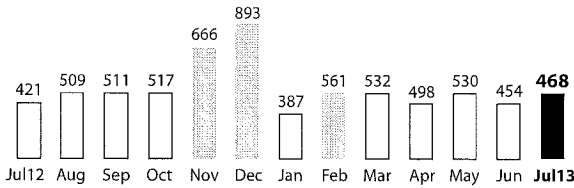
www.ohioutilityco.com
1-800-555-5555

Billing Summary

Acct. # 100-000-000-0-0

Total Amount Due Aug 26 \$60.14

History



Your average monthly kWh usage is **540**
GRAY bars indicate usage above your monthly average

Message

For billing, outage or service inquiries call:

1-800-555-5555

Pay by phone: 1-800-555-5555

Required pursuant to commission rules and orders
(See additional messages on pg. 2)

Usage

Month	Total kWh	Days	kWh/day	Cost/day	Avg Temp
Current	468	32	31	\$4.54	71° F
Previous	454	31	36	\$5.20	76° F
One year ago	421	30	37	\$4.94	75° F

Your total kWh for past 12 months is **6,479**

Meter

Meter	Service Period		Meter Reading Detail			
Number	From	To	Previous	Code	Current	Code
999999999	06/28	07/29	15337	Actual	15805	Actual
Multiplier 1			Metered Usage 468 kWh			
Next scheduled read date should be between Aug 29 and Aug 31						

SUPPLY

OHIO Utility Co.

www.ohioutilityco.com
1-800-555-5555

Your supplier price until [date] is **7.30 ¢/kWh**

Total Supply \$34.16

Includes tax & other charges (see pg. 2)

Price-to-Compare

Your utility's Price-to-Compare* is **7.30 ¢/kWh**
You are currently paying **7.30 ¢/kWh**

* For **tariff 013**, in order to save you money a new supplier must offer you a price lower than **7.3 cents per kWh** for the same usage that appears on this bill. Customers can obtain a written explanation of the Price-to-Compare from their electric utility.

DELIVERY

OHIO Utility Co.

www.ohioutilityco.com
1-800-555-5555

Total Delivery \$25.98

Includes tax & other charges (see pg. 2)

Summary

Amount due at last billing	\$55.18
Payment on [date] - Thank you	55.18
Previous balance due	0.00
Total supply charges	34.16
Total delivery charges	25.98
Total amount due on Aug 26	\$60.14

Please tear on dotted line

Return bottom portion with your payment

OHIO Utility Co.

www.ohioutilityco.com
1-800-555-5555

Account Number
100-000-000-0-0
CY 21

\$60.14	\$ _____
Total Amount Due	Amount Enclosed
Due Aug 29, Pay \$61.38 After This Date	

Send inquiries to:
PO BOX 12345
ANYTOWN, OH 99999-9999
R-10-999999999

Service Address:
OHIO GS1 BILL READY
123 ANY STREET
ANY CITY, OH 99999-9999

The Neighbor to Neighbor program helps disadvantaged customers pay their electric bill. I want to help. My payment reflects my gift of \$ _____

Make check payable and send to:
OHIO UTILITY CO
PO BOX 12345
ANYTOWN OH 99999-9999