

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Petition of NRG Energy, Inc. for
Implementation of Electric Generation
Supplier Consolidated Billing**

**Public Meeting January 18, 2018
2579249-LAW
Docket No. P-2016-2579249**

**JOINT MOTION OF CHAIRMAN GLADYS M. BROWN AND
COMMISSIONER NORMAN J. KENNARD**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition of NRG Energy, Inc. (NRG) for Implementation of Electric Generation Supplier Consolidated Billing (Petition). In its Petition, NRG requests that the Commission permit electric generation suppliers (EGSs) to implement supplier consolidated billing (SCB). Under SCB, customers would receive a single, consolidated bill from their chosen EGS that would include both their electric distribution company's (EDC) distribution charges and their EGS's generation and transmission charges.

By way of background, in 1996, the General Assembly passed the Electricity Generation Customer Choice and Competition Act (Act), 66 Pa. C.S. §§2801-2815, which restructured the electric industry to allow consumers in Pennsylvania to choose their EGS. Transitioning into new market constructs intended to advance toward greater competition was envisioned by the General Assembly in the passage of the Act. We highlight section 8 of the preamble which states:

(8) In moving toward greater competition in the electricity generation market, the Commonwealth must resolve certain transitional issues in a manner that is fair to customers, electric utilities, investors, the employees of electric utilities, local communities, nonutility generators of electricity and other affected parties.

The proposition of such advancements must be balanced with the necessary customer protections enumerated throughout the Public Utility Code (Code) and Commission Regulations, including but not limited to the mandates that utilities offer adequate, efficient, safe, and reliable service; that customer services functions be maintained at the same level of quality that existed prior to the Act; and that service termination only be effectuated after proper notice is given.

When implementing the Act, the Commission stated that:

[U]nder retail competition, residential customers may eventually be able to choose who will provide consolidated billing and customer complaint resolution with confidence that the level of quality will not deteriorate under retail

competition, and with assurance that whomever provides these services does so in compliance with the Chapter 56 standards.¹

Following implementation of the Act, SCB, along with the technical and legal issues of implementing such a billing methodology, has been discussed in multiple proceedings or forums. The Electronic Data Exchange Working Group commenced discussion of SCB protocols on July 19, 1999. These discussions eventually resulted in a report issued in 2010 detailing consensus and non-consensus items related to SCB business practices.² In addition, the Competitive Billing Specifications Rider section of PPL Electric Utilities' (PPL) Supplier Coordination Tariff presently includes language referring to SCB.³ In fact, during 2010, PPL worked with an individual EGS to design a manually processed SCB platform. Lastly, the Commission addressed the topic of SCB in its Retail Markets Investigation Final Order.⁴ Here the Commission concluded it was not prepared to move forward with SCB at that time. The Commission stated that "all parties appear to be in agreement that SCB could only be implemented after extensive work and expense by many entities." This proceeding represents another step in the Commission's deliberation of SCB.

In the instant Petition, NRG sets forth a plan to provide for uniformity in the operation of SCB while attempting to ensure adequate consumer protections. As part of its Petition, NRG notably points out that implementing SCB will provide EGSs with the ability to offer value added services, such as home security, HVAC maintenance, surge protection, and other services associated with smart meter deployment. The advent of smart meters brings many potential benefits that would be greater utilized with corresponding upgrades to equipment within houses and businesses. The competitive market makes EGSs well situated to have the expertise and incentive to provide such upgrades in order to best utilize the capabilities of smart meters, but EGSs are hampered by the fact that charging for EGS value added services is effectively limited to dual billing. We commend NRG for its ambitious proposal. We recognize, however, that NRG's proposed SCB plan was not fully developed in its Petition.

The record in this instant proceeding lacks sufficient detail to substantiate a definitive determination on both the policy prudence and legality of numerous pivotal issues. While the Commission has a long history of deliberating SCB, the question of its legality under Chapter 14 and 28 of the Code has never been directly addressed. The record here refrains from doing so. Also, while issues such as termination procedures, purchase of receivables design, bill format, distinguishing between basic and non-basic charges, and customer assistance program design are contemplated in this Petition, the Petition is not fully developed to show compliance with the Code, our regulations, and Commission orders. As such, we find NRG has not met its burden of proof in this proceeding and that this Petition should be denied.

Although we are denying the Petition, we continue to be of the opinion previously expressed by the Commission as part of our retail electricity market investigation that "SCB will facilitate the offering of innovative new products and services and will also help the supplier in

¹ Re *Guidelines for Maintaining Customer Services*, Docket No. L-00970121, (Order Entered April 25, 1997).

² Final Report of the Supplier / EGS Consolidated Billing EDEWG Sub-Team

³ See PP&L, Inc. Tariff Electric Pa. P.U.C. No. 1s.

⁴ *Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952 (Ordered Entered February 15, 2013).

establishing a brand identity with the customer.”⁵ In order to continue the consideration of SCB and other programs that can promote a competitive market and benefit customers, we find that it is necessary to seek further information, clarification, and comment regarding the implementation of SCB by conducting an *en banc* hearing before the Commission.

As part of the *en banc* hearing, the Commission specifically seeks input from interested parties regarding, but not limited to, the following:

1. Is SCB legally permissible under Chapters 14 and 28 of the Public Utility Code? If so, what limits, if any, are imposed by the Public Utility Code?
2. Would giving an EGS the authority to request EDC termination of a customer’s service comply with Chapter 14 of the Public Utility Code and Chapter 56 of the Commission’s regulations?
3. How would EGS-implementation of SCB affect existing universal service billing procedures?
4. Would an EGS with SCB have the customer service capabilities to answer and refer to the EDC questions regarding low-income programs in addition to educating customers on the options and programs available?
5. If an EGS purchases an EDC’s receivables and the EDC is no longer owed any money, does the EDC (or EGS) have the power to terminate service for nonpayment of distribution charges?
6. Would a pilot program involving an EDC working with an individual EGS or group of EGSs to design a SCB platform be appropriate?

In addition to these issues, the Commission seeks input on the legality, feasibility, and/or appropriateness of the following alternatives to SCB:

1. Changes to utility consolidated billing to allow for the addition of charges for EGS value added services.
2. Unbundling of billing services.
3. Unbundling of other related and specified services.
4. Allowance of third party billing agents, such as EGSs, or an independent billing agent.

⁵ *Id.*

5. The role of mass market “dual billing,” whereby a customer receives two separate bills for electric services – one from the EDC for its distribution charges and another from the EGS for its generation and transmission charges.

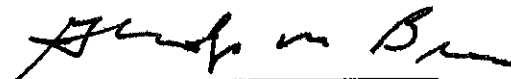
These are not intended to be all-encompassing lists of questions and, as such, we request that stakeholders provide feedback on any other issues surrounding SCB, SCB alternatives, or the provision of value added services.

Based on the foregoing, we direct that the Law Bureau and the Office of Competitive Market Oversight organize an *en banc* hearing, to occur on or before June 14, 2018, seeking comment on the issues outlined herein.

THEREFORE, WE MOVE:

1. That the NRG’s Petition for Implementation of Electric Generation Supplier Consolidated Billing be denied and this docket be closed.
2. That the Law Bureau and the Office of Competitive Market Oversight organize an *en banc* hearing, to occur on or before June 14, 2018, seeking comments on Supplier Consolidated Billing and other possible alternatives to the competitive market that would promote shopping and the inclusion of EGS value added services.
3. That the Law Bureau prepare an Opinion and Order consistent with this Motion.
4. That the Law Bureau prepare a Secretarial Letter initiating an *en banc* proceeding consistent with this Motion.
5. That the Secretary’s Bureau create a Docket Number for the *en banc* proceeding.

Date: January 18, 2018



GLADYS M. BROWN
CHAIRMAN



NORMAN J. KENNARD
COMMISSIONER