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February 16, 2001

Mr. Jerry Royer
Energy Division
CPUC
505 Van Ness Avenue
San Francisco, CA 94102

RE: Resolution E-3726

Dear Mr. Royer:

I am writing to comment on Resolution E-3726. San Diego Gas & Electric (SDG&E) has proposed to implement a rate stabilization plan for Direct Access (DA) customers as filed in AL 1264-E-A. The National Energy Marketers Association (NEM) strongly supports SDG&E's proposal for a rate stabilization plan for DA customers.

NEM is a national, non-profit trade association representing a regionally diverse cross-section of both wholesale and retail marketers of energy and energy-related products, services, information and technology throughout the United States. NEM members include: small regional marketers; large international wholesale and retail energy suppliers; energy consumers; billing firms, metering firms, Internet energy providers, energy-related software developers, risk managers, energy brokerage firms, customer service and information technology providers. Affiliated and independent marketers have come together under the NEM auspices to forge consensus and to help eliminate as many issues as possible that would delay competition.

Without a stabilization plan with a retroactive credit for DA customers similar to the plan that San Diego Gas & Electric has implemented for its bundled customers, it will be impossible for most Energy Service Providers (ESPs), to continue serving DA customers competitively in the SDG&E area. Because this situation has gone unaddressed, DA marketers have lost a significant number of their DA customers in the SDG&E service territory. Unless SDG&E's proposal for a rate stabilization plan for DA customers is approved soon, the DA program in the SDG&E area will not be able to survive.

Sincerely,

Craig G. Goodman, Esq.
President,
National Energy Marketers Association