



Regulatory Update

October 29, 1999

Announcements

1. **The National Energy Marketers Association Membership Dinner will be held on November 10, 1999 at the Presidio Restaurant on the Riverwalk in San Antonio starting at 6:30PM. Members are requested to invite NARUC Commissioners to join us.**
2. **The National Energy Marketers Association is also co-sponsoring a workshop with EEI on *Power Marketing Transactions: Using Master Contracts to Mitigate Risk*, at the Capital Hilton Hotel in Washington, D.C. on November 17, 1999. Chris Bernard, NEMA's Chair on Wholesale Power Contract Standards will be presenting.**
3. **Copies of the Draft of *National Operational Standards to Implement Retail Competition* have been sent to all members of the Executive Committee for review and discussion at the meeting on November 10, 1999 in San Antonio. If you need an extra copy, please contact headquarters at (202) 333-3288.**
4. **The National Energy Marketers Association is pleased to announce that its new email system is up and running. Our new legal intern can be reached at intern@energymarketers.com, general administrative assistance can be reached at frontdesk@energymarketers.com, publications and membership services can be reached at lmccaskill@energymarketers.com, and my legal and regulatory assistant, James Debose, can be reached at jdebose@energymarketers.com. When you are visiting Washington, DC please stop by and see out new offices at 3333 K Street, NW, Suite 425.**

Federal

- **Amendment Released On House Commerce And Subcommittee On Energy And Power Chairman Barton (R-Tex) Electric Restructuring Bill H.R. 2944 – October 19, 1999.** A major provision in the amendment encourages utilities owning transmission systems to establish RTO organizations, but does not require them to join or establish RTOs. The measure also allows the FERC to review the purchase of generation and transmission facilities. In addition, FERC must require publicly owned utilities and rural electric cooperatives to “provide open access at rates that are comparable and not unduly

discriminatory or preferential.” *Copies of the bill and the recent changes are available on the NEMA website at: http://www.energymarketers.com/documents/Barton_changestorestructuringdraft.htm http://www.energymarketers.com/documents/Barton_Housebill_hr2944.pdf*

- **The FCC Has Taken Actions That May Negatively Affect Energy Restructuring.** FCC recently froze the processing of applications for 932/941 MHz bands that are used for MAS systems. MAS systems are used by the utility, pipeline and railroad industries for telemetry and control functions (low-cost, remote meter reading by radio waves). Historically, applications for these channels were routinely accepted for use in localized areas. The FCC is proposing to auction large regional area bandwidths, ignoring a specific legislative industry exemption and potentially creating regional monopolies for bandwidth access.

FERC

- **Regional Transmission Organization (RTO) NOPR - Joint Reply Comments were filed by the Mid-Atlantic State Regulatory Commissions – October 14, 1999.** *Not available electronically, members wishing a copy should contact NEMA headquarters.*
- **New Settlement Proposal Offered in the New York ISO Proceeding –** (Docket Nos. ER97-1523-003, OA97-470-004 and ER97-4234-002 (not consolidated). A confidential joint offer of settlement of the Members Systems of the NYPP and the Supporting Parties has been filed. *For more information, please contact NEMA headquarters.*
- **FERC Established the Following Procedural Schedule in the NY ISO Proceeding:**
 - Settlement conferences October – December, 1999
 - Initial Briefs January 14, 2000
 - Initial Discovery January 14, 1999
 - Reply Briefs February 4, 2000
 - Member Systems testimony/exhibits March 21, 2000
 - Staff/Intervenors testimony and exhibits April 28, 2000

Illinois

- **ICC Commissioner Terry Harvill Requests Comments On Distributed Resources For The Electric Policy Committee – Docket No. 99-0013 – October 26, 1999.** The questions are designed to provide the Electric Policy Committee with the necessary background to begin the discussion of distributed resources and their role in the electricity market in Illinois. After comments are filed, the Committee will put together a series of meetings

related to this issue. Please send all comments via email to Carl Peterson – cpeterso@icc.state.il.us. The deadline for comments is December 15, 1999. *The questions are available on the NEMA site, at: [http://www.energymarketers.com/documents/IL_QuestionsConcerningDistributedGeneration\[1\].doc](http://www.energymarketers.com/documents/IL_QuestionsConcerningDistributedGeneration[1].doc)*

Virginia

- **Briefs Have Been Filed in *The Matter Of Considering An Electricity Retail Access Pilot Program – Virginia Electric And Power Company - Case No. PUE980813.*** *They are not yet available electronically.*

California

- PG&E And SoCal Gas File Draft Status Report In Response To The Investigation To Consider Costs And Benefits Of Various Promising Revisions Governing California's Natural Gas Industry – I -99-07-003 – October 25, 1999. *The Status Report is available on the NEMA site at: http://www.energymarketers.com/documents/CA_PGE_response_draft_10-22-99.doc*

Pennsylvania

- **Standards For Electronic Data Transfer And Exchange Between Electric Distribution Companies And Electric Distribution Suppliers**–ORDER – Docket No. M-00960890 F0015 - October 15, 1999. *The Order is available on the NEMA site at: http://www.energymarketers.com/documents/PA_Standards_for_EDI_10-15-99.doc*
- **Interim Customer Information Disclosure Requirements for Natural Gas Distribution Companies and Natural Gas Suppliers** – ORDER – Docket No. M-00991249F005 – October 15, 1999. *The Order is available on the NEMA site at: http://www.energymarketers.com/documents/PA_Interim_CustInfoDisclosure_10-15-99.doc*
- **The Con-Ed Restructuring Plan is Available on the NEMA Website at: http://www.energymarketers.com/documents/NY_ConEd_PH2_impl_plan_Oct_199.pdf**
- **Secretarial Letter To All Natural Gas Distribution Companies – October 20, 1999.** All natural gas distribution companies are directed to honor the terms, agreements and provisions of all supplier contracts of those who have not yet applied for a natural gas supplier license and allow those suppliers or marketers to continue to operate until its license is issued. ***All suppliers***

currently operating must apply for a license no later than December 1, 1999.

A copy of this letter is available on the NEMA site at:

http://www.energymarketers.com/documents/PA_GasLicenseApplication_10-20-99ltr.doc

- **Pennsylvania PUC Approved Columbia Gas's Joint Petition For Settlement Of Winter Heating Season Rates.** The terms include the proposed expansion of the Columbia Choice Program. Under the program, ***all of Columbia's residential and small commercial customers will have the option to choose a supplier of gas other than Columbia, beginning November 1, 1999.***
- **PECO Energy Filed Its Transition Cost Recovery Reconciliation – Year 1** – Docket No. M-FACE9906 –The changes in the average rates for the Competitive Transition Charge (CTC) were -0.14¢ for residential, -0.27¢ for commercial and +0.05¢ for industrial.

Arkansas

- **The Legislative Council Approved Guidelines on How Utilities can Recover the Costs Associated in the Move Towards Competition.** Retail access begins on January 1, 2001. The Council guidelines specify that transition costs will not include "any costs which are expected to be recoverable in a competitive retail market or costs associated with competing to provide a product or service" by Act 1556. Retirement programs, marketing activities, advisory or professional services, and legal costs are not included in transitional costs. The Attorney General's office will be reviewing utility companies closely to only allow those costs associated with the transition to a competitive environment.

Ohio

- **Regulators will Announce Final Rules to Implement Electricity Restructuring in December.** FirstEnergy and Monogahela Power will likely have to refile their transition plans after this time. The filings for the three FirstEnergy companies (Cleveland Electric, Ohio Edison, Toledo Edison) total approximately 7,000 pages. *NEMA intends to intervene in these proceedings but has no contingency plans for the resulting deforestation program.*

Louisiana

- **Notice of Opportunity to File Comments – Analysis of Competitive Implications – Consolidated Docket Numbers U-21453, U-20925 (SC) U-22092 (SC)-(Subdocket A)** – Staff has filed with the Commission its proposals for Consumer Education, Consumer Bill of Rights and Licensing Requirements, and Affiliate Rules and Standards of Conduct. The Commission invites interested parties to submit comments, testimony, data, views, etc.

Responses should be received on or before **November 19, 1999**. The above documents are not yet available in electronic format.

Colorado

- **Advisory Task Force Votes Against a Deregulated Electricity Market – October 19, 1999.** The 17-11 vote deals a significant setback to advocates who want the Legislature next year to pass electric choice legislation. Opponents of deregulation fear electricity rates would go up.

MISC

- **New York State Energy Research and Development Authority Standard Performance Contract Program Working Group meeting will be held on November 4, 1999.** The meeting will focus on the measurement and verification requirements of the program. Program highlights include the availability of \$28 million and higher incentive rate than in year-1.
- **A motion was filed in New Jersey to accelerate the time schedule for the appeal In the Matter of Public Service Electric and Gas Company's Rate Unbundling, Stranded Costs, and Restructuring Filings.** Briefs were also filed supporting and opposing the motion.

