



## Regulatory Update

September 24, 1999

### Announcements

1. **John Boyd, President and CEO of Con Edison Solutions and Bill Kinneary, President of Keyspan Energy Services will be joining Chairman Helmer, Commissioner Glazer and Clayton Preble of AGL Resources, for NEMA's panel on "How to Implement Competition to be Provider of Last Resort" on November 11, 1999 in San Antonio.**
2. **At NEMA's November 10, 1999 Executive Committee Meeting, NEMA's strawman on POLR and Uniform Business Rules and the CUBR documents will be on the agenda for discussion and votes.**
3. **NEMA, EEL, CUBR and EPSA have agreed to seek broad-based consensus on industry standards. The starting point for this process will be the documents developed by CUBR which are available on the NEMA website. Announcements on this process and how to participate will be forthcoming.**
4. **At 1:45 PM on September 23, 1999, NYISO announced that the Winter ICAP Auction had been cancelled.**

### Federal

- **Informal Senate and House Discussions Continue on Electric Restructuring – September 13, 1999.** Senate Energy and Resources Chairman Murkowski does not want the issue to slide and wishes to move legislation out of committee. Environmental provisions are absent from both the majority and minority proposals. A spokesman noted that any type of renewable energy mandate defeats the purpose of fostering more competition. A House subcommittee draft is expected in early October. NARUC wrote that most major restructuring proposals step on state authority over reliability. The NARUC letter recommended two amendments: 1) ensure legislation does not preempt the interest of states; and 2) include a mandate that would ensure states be allowed to form voluntary regional transmission organizations. NARUC will not endorse any legislation that does not preserve a meaningful role for states in ensuring reliable service.

## FERC

- **NYISO Order Approving Temporary Extraordinary Procedures, As Modified – September 15, 1999.** FERC agreed that the TEPs and Cutover Plan are a reasonable means of addressing the inevitable uncertainty surrounding a start-up without a parallel operation. FERC rejected intervenors' arguments that the NYISO start-up should be delayed again and that the TEPs were unduly vague or sweeping in scope. FERC agreed that further work was needed on how prices would be defined in the absence of the LBMP market functioning and directed NYISO to consult with market participants as soon as possible in a collaborative process to develop alternative default procedures to be used in the event a market clearing price cannot be determined. These procedures must be posted on the NYISO web site prior to implementation. FERC also required that a full explanation of each exercise of any corrective actions be posted to the NYISO web site. All that is necessary for a functioning NYISO is a successful Market Trials IV.

## Uniform Business Rules

- **FINAL CUBR Documents – September 21, 1999.** *The “final” CUBR documents for most subject areas are now available on the NEMA site in a self-extracting zip file. A couple of subjects are still undergoing minor revisions. There are a total of 21 documents:*
  - > Mission Statement
  - > Introduction
  - > Section 1, Licensing
  - > Section 2, Customer Info
  - > Exhibit 1 Large C&I Customer Info Release Form
  - > Section 3, Enrollment
  - > Exhibit 1 Telephonic Enrollment
  - > Exhibit 2 Internet Enrollment
  - > Exhibit 3 Utility Confirmation Notice
  - > Section 4 Creditworthiness
  - > Section 5 Billing and Payment
  - > Section 6 Electric Metering
  - > Exhibit 1 VEE
  - > Section 7 Operations - Retail Electric Settlements
  - > Section 7 Operations - Natural Gas Retail Operations
  - > Section 8 Supplier Tariff and Agreements
  - > Section 9 Performance Standards and Incentives
  - > Section 10 Utility-Supplier Dispute Resolution
  - > Appendix – Disclaimers

## New York

- **Competitive Metering and Data Services - Petitions for Rehearing – ORDER Denying Petitions for Rehearing and Clarifying Order – Case 94-E-0952 – September 15, 1999.** This Order reaffirms the Commission’s position to permit metering as a separate service and to measure a back-out rate for this service based on embedded costs. *This order is available on the NEMA site.*
- **Retail Access Business Practices – Compliance Filings – Case 98-M-1343– September 22, 1999** – Staff recommends that the jurisdictional utilities should be directed to file further tariff amendments as discussed to become effective on a temporary basis on October 1, 1999. Several aspects of the compliance filings remain in dispute. *This document is available on the NEMA site.*
- **Future of the Natural Gas Industry and the Role of Local Gas Distribution Companies – ConEd Petition for Rehearing - Case 97-G-1380** – ConEd requests that the Commission permit them to reinstate the requirement that marketers have firm capacity on a seasonal basis and require for marketers that do not have summer capacity to subscribe to a summer standby service for the 7-month April through October 2000 summer period. ConEd seeks reversal of the August 19 Order that firm capacity should only be required for the 5 winter months. *Not yet available electronically.*

## California

- **SoCalGas Settlement – September 22, 1999.** A spreadsheet, provided by Michael Alexander of Southern California Edison, has been provided that lists each of the promising options from the Commission decision. *This spreadsheet is available on the NEMA site.*
- **SoCalGas Advice No. 2837; Revised Rule No. 30; Transportation of Customer-Owned Gas – Windowing Procedure – September 2, 1999.** Sempra responded to the protests filed to Advice No. 2837. Windowing is the procedure by which SoCalGas determines on a daily basis the maximum amount of gas at each of the several receipt points into its system it will receive from all shippers combined. Such a system has been in place for many years but it has not been spelled out in SoCalGas’s tariffs. SoCalGas renews its request that the Commission treat this advice letter as an information-only filing and not consider making any changes to SoCalGas’ existing procedures in a resolution on this advice letter.

- **California Energy Commission to discuss reduction in incentive payments for Green Energy – September 23, 1999.** The 1.5 cents per kWh credit given to those who sell electricity from wind, solar, thermal and other sources may be reduced because the funding for the credit cannot be sustained beyond January 2000, according to Energy Commission analysis. The credit is seen by some as critical to maintain the viability of the market for green-power.

## Virginia

- **Virginia Power Stipulation – Electricity Retail Access Pilot Program - Case No. PUE980813 - September 10, 1999.** The stipulation agreements are as follows:
  - The Pilot shall consist of two phases. Delivery of energy by suppliers under Phase I will begin on June 1, 2000, if the Company receives a Final Order no later than December 31, 2000. Any delay will result in a corresponding delay for Phase I, or 5 months following entry of the Order. Phase II will begin January 1, 2001.
  - The Pilot will consist of two separate but related voluntary plans. Plan A will provide residential and small commercial customers in the designated areas, the opportunity to shop. Plan B will offer the opportunity to shop for competitively supplied electricity to certain intermediate and large commercial and industrial customers.
  - For Phase I, the size of both Plan A and B will be increased by 50%.
  - For Phase II, the size will be doubled for both Plan A and B.

## Maryland

- **Inquiry into the Provision and Regulation of Electric Service – ORDER NO. 75401 – Case No. 8738 – September 1, 1999. The Commission clarified that a legislative-type hearing will be held on Tuesday, October 12, 1999 at 9:30 a.m. in the Commission’s 16<sup>th</sup> Floor Hearing Room at 6 St. Paul Street, Baltimore, MD.**
- **Inquiry into the Provision and Regulation of Electric Service – Case No. 8738 – Joint Proposal for Universal Service Program Design – September 15, 1999.** Allegheny, BG&E, Conectiv, Potomac Electric, Southern Maryland Electric Coop and Choptank Electric Coop. propose program designs that are consistent with existing Commission programs and require limited utility system modifications.

## Connecticut

- **DPUC rule to close loopholes that allow customers to “game the system” – September 14, 1999.** The rule prevents customers from switching to a marketer and then moving back to the standard offer of Connecticut Light and Power whenever it is less expensive. The utility could prevent switching for those customers that leave the grid and later return to the company for the standard offer. A 12 month switching moratorium would take effect after the customer returns for the standard offer.

## Pennsylvania

- **Guidelines for Renewable Energy Pilot Programs – Tentative Order – Docket No. M-00991226- September 15, 1999.** The proposed guidelines for establishing renewable energy pilot programs for affected Electric Distribution Companies are set forth in Appendix A. The comment period ends October 11, 1999. *The Tentative Order is available on the NEMA site.*
- **PUC Approves Joint Merger Application of PEI and Southern Union – Order - Docket A-120011 – September 15, 1999.** The approval of the merger was unanimous and the PUC noted the merger is likely to provide customers greater choice in the newly deregulated natural gas market and price reductions resulting from the pro-competitive benefits of the merger. Additional information about the merger is available at : [www.pnt.com](http://www.pnt.com) and [www.southernunion.com](http://www.southernunion.com).

## Illinois

- **ComEd has four retail electric suppliers ready for Customer Choice – September 17, 1999.** CILCO, Illinois Power, NewEnergy Midwest and Unicom were able to submit switching requests as of September 17, 1999. ComEd is using an all-electronic system to complete customer switching that was available this week for suppliers to submit Direct Access Service Requests. Suppliers who are certified and registered with ComEd can enroll customers, selected in the July 13 lottery and with at least 4 megawatts of demand, as of October 1, 1999.

## South Carolina

- **New Look at Rep. Harry Cato's Bill to open Electric Deregulation – September 21, 1999.** The bill went nowhere in the General Assembly last session, however two legislative committees will begin separate reviews this week of whether to deregulate power companies. Cato said the biggest beneficiaries of utility deregulation are businesses that buy large amounts of electrical power.

