

Pennsylvania Public Utility Commission Office of Competitive Market Oversight

Daniel Mumford
Director



Presentation to the National Energy Marketers Association

July 26, 2018

Baltimore MD

Pa PUC Office of Competitive Market Oversight (OCMO)

Serves as the Commission's retail choice ombudsman and in this capacity oversees the development and functioning of the competitive retail market.

OCMO is housed within the Office of the Executive Director, who calls upon a designated group of legal, technical and policy staff members from various Commission bureaus and offices to informally address obstacles faced by suppliers in participating in the retail market. The office is responsible for responding to questions from stakeholders; monitoring issues hindering the development of a competitive retail market and facilitating informal dispute resolution between default service providers and suppliers.

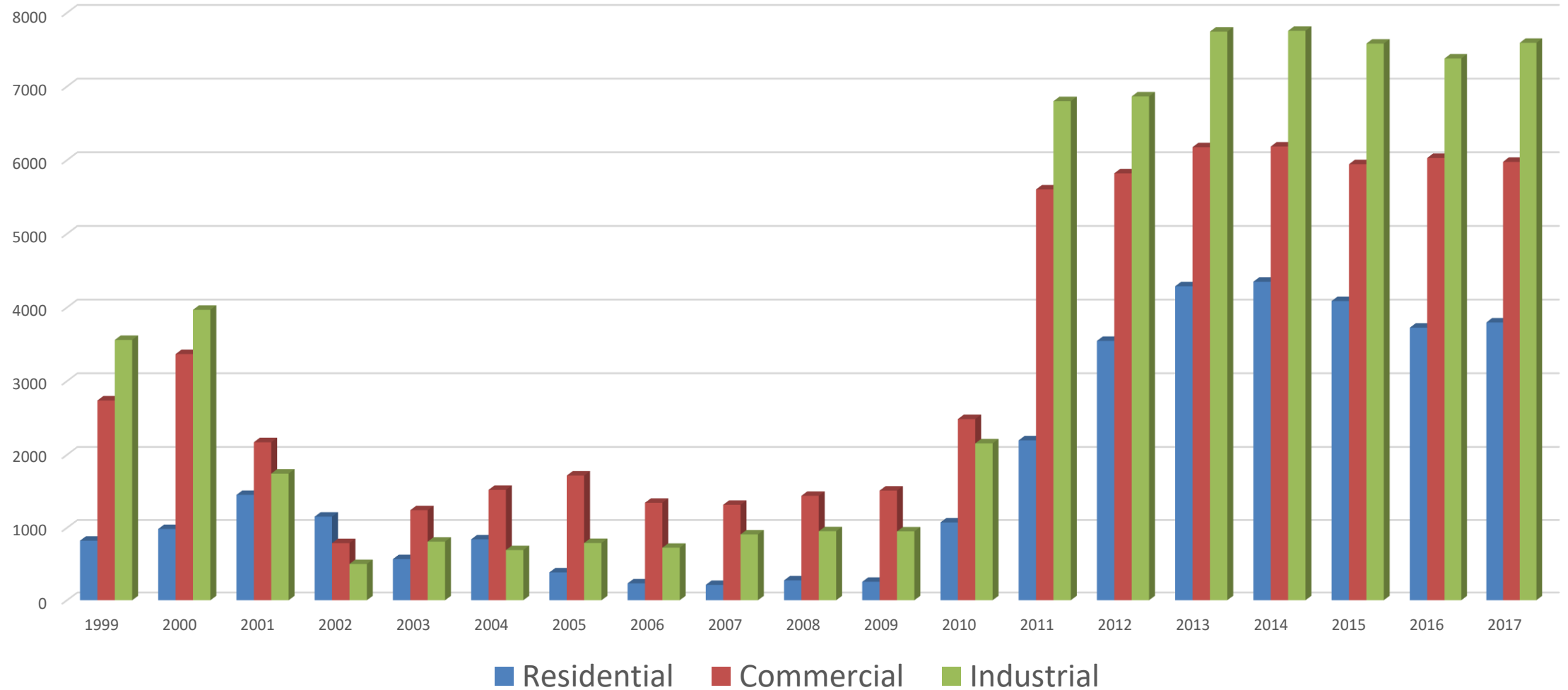


CUSTOMERS SWITCHING TO AN ELECTRIC GENERATION SUPPLIER

MAY 2018

Electric Utility	Date Updated	Total Switching Customers			Residential Switching Customers			Commercial Switching Customers			Industrial Switching Customers		
		#	%	% of Load	#	%	% of Load	#	%	% of Load	#	%	% of Load
Citizens Electric	5/31/18	92	1.3	23.4	9	.2	.3	57	5.0	19.2	26	72.2	79.1
Duquesne	5/26/18	185,686	31.1	69.0	160,672	30.0	30.9	24,323	40.0	80.8	691	63.8	95.9
Met-Ed	5/30/18	188,733	33.3	65.0	157,206	31.5	32.6	30,754	46.2	73.4	773	89.5	96.4
PECO	5/30/18	552,907	34.0	62.0	472,604	32.0	34.0	77,430	47.0	71.0	2,873	91.0	97.0
Penelec	5/30/18	173,586	29.6	67.7	136,789	27.3	28.7	36,068	42.7	71.3	729	85.5	98.0
Penn Power	5/30/18	46,025	27.9	65.2	36,251	25.1	25.7	9,603	46.4	74.7	171	100	99.6
Pike County	9/26/17	2,082	44.0	47.0	1,660	44.0	48.0	419	44.0	49.0	3	43.0	41.0
PPL	5/26/18	633,706	44.0	71.4	533,481	42.4	47.6	97,647	54.2	86.6	2,578	70.5	97.9
UGI	5/26/18	1,324	2.1	22.8	431	0.8	0.8	820	9.8	41.3	73	41.0	73.4
Wellsboro Electric	5/31/18	68	10.7	30.6	0	0	0	58	4.8	26.2	10	83.3	75.1
West Penn Power	5/30/18	197,856	26.7	64.2	158,256	25.4	26.2	39,010	33.3	69.5	590	91.2	97.0
Statewide Total	5/31/18	1,982,065	34.0	66.1**	1,657,359	32.5	35.1	316,189	44.9	76.1	8,517	80.1	96.8

ELECTRIC CUSTOMER LOAD (MW) SERVED BY COMPETITIVE SUPPLIERS



SUPPLIER CONSOLIDATED BILLING (SCB)



Two current supplier billing options:

UTILITY CONSOLIDATED BILL:

- The distribution utility (EDC) sends the customer ONE BILL that includes both the utility charges AND the competitive supplier charges.
- The competitive supplier bills via the utility.
- The utility collects all the money from the customer and pays the supplier.
- Purchase Of Receivables (POR)

DUAL BILLING:

- The distribution utility (EDC) sends the customer a bill that includes only the utility distribution charges.
- The competitive supplier sends the customer a bill that includes only the supplier's charges.
- The customer thus receives 2 bills.
- The customer pays each bill separately.



A third billing option? Supplier Consolidated Billing (SCB)

- The competitive supplier bills the customer for all supplier charges AND all utility distribution charges.
- The customer receives only ONE bill and pays only ONE bill.
- The supplier collects the money and pays the utility for the utility charges (reversing the current POR flow).



A third billing option?
Supplier Consolidated Billing (SCB)

Docket No. M-2018-2645254.

June 14 *en banc* hearing:

- Suppliers (EGSs)
- Advocates

July 12 *en banc* hearing:

- Electric Utilities (EDCs)
- Suppliers (EGSs) rebuttal.



A third billing option?

Supplier Consolidated Billing (SCB) – Questions?

- **LEGAL** : Is SCB permitted under Chapters 14 and 28 of the Public Utility Code, 66 Pa. C.S. §§ 1401-1419, 2801-2815? If the Commission decides to explore these topics further, what are the preferred procedural methods for doing so?
- **IMPACT ON THE MARKET** : How would implementation of SCB affect Pennsylvania's retail electric market? What are the benefits to consumers associated with implementation of SCB?
- **MECHANICS – HOW IT WOULD WORK** : Should an EGS be required to meet more stringent financial/bonding requirements, demonstrate that it possesses the technical expertise to perform billing and customer service functions, or make any other showing before being permitted to offer SCB?



A third billing option?

Supplier Consolidated Billing (SCB) – Questions?

- **COLLECTIONS – TERMINATION** : Does an EGS offering SCB need the power to order termination of a customer's service?
- **LOW-INCOME CUSTOMERS / ASSISTANCE PROGRAMS** : Should EGSs offering SCB be permitted to include LIHEAP and CAP customers? If so, how would SCB and these programs interact, especially with regard to customer notification and education?
- **POSSIBLE ALTERNATIVES** : Changes to utility consolidated billing (UCB) to allow for additional flexibility needed to bill for smart-meter related services like Time-of-Use (TOU) and the addition of charges for EGS value-added services. Unbundling of billing services.



A third billing option? Supplier Consolidated Billing (SCB)

- SCB webpage on PUC website:
- www.puc.pa.gov Path: Filing & Resources > Issues, Laws, & Regulations > Electricity Issues> En Banc on Supplier Consolidated Billing
- http://www.puc.pa.gov/filing_resources/issues_laws_regulations/electricity_Issues/enbanc_supplier_Billing.aspx
- Comments, exhibits, videos of the hearings, etc.



A third billing option? Supplier Consolidated Billing (SCB)

- Next?
- Reply comments are due Friday, August 24.
- Staff and Commission will then review comments, hearing testimony, exhibits, etc. to determine next steps.
- Questions: Dan Mumford at (717) 783-1957 or dmumford@pa.gov.



Electric Supplier Disclosure Rulemaking



The PA Electric Competition Act:

Section 2807(d)(2) requires the Commission to:

- “...establish regulations to require each electric distribution company, electricity supplier, marketer, aggregator and broker to provide adequate and accurate customer information to enable customers to make informed choices regarding the purchase of all electricity service offered by that provider. Information shall be provided to consumers in an understandable format that enables consumers to compare prices and services on a uniform basis.”



Electric Supplier Disclosure Rulemaking:

- December 7, 2017 Public Meeting.
- Rulemaking Regarding Electricity Generation Customer Choice, 52 Pa. Code Chapter 54.
- L-2017-2628991
- March 24, 2018: Published in PA Bulletin – 60 day comment period.



Electric Supplier Disclosure Rulemaking: Cents per kWh?

“I wish to highlight this issue to solicit comments that consider the continued deployment of advanced meters that can enable more sophisticated supply products, including spot pricing based on locational marginal price, Time-of-Use products, Critical Peak Pricing products, and Peak Time Rebate products. Additionally, demand-based products could be offered which enable greater incentives to reduce usage on peak summer days, in exchange for a lower long term allocation of wholesale capacity costs or transmission costs. In instances like this, is it appropriate to express prices in cents/kwh?”

- *Statement of Vice Chairman Andrew Place*



Electric Supplier Disclosure Rulemaking: Cents per kWh?

“When providing costs at various usage levels, how can the Commission best avoid customer confusion, or meet customer pricing expectations if customer billings are higher (or lower) than indicated due to changes of when and how much customers use electricity?”

- *Statement of Vice Chairman Andrew Place* 17



Comments:

- 13 parties filed comments in late May.
- Independent Regulatory Review Commission (IRRC) filed comments on June 25.
- All the comments are posted on the website and can be accessed by searching the docket number L-2017-2628991.



PaPowerSwitch.com

PAPowerSwitch 
Pennsylvania Public Utility Commission
The Official Electric Shopping Website of the
Pennsylvania Public Utility Commission

[Shop for Electricity](#)

[About Switching](#)

[Understanding Rates and Terms](#)

[Rights & Protections](#)

[Ways to Save Energy](#)

Switching power is easier than ever.

Welcome to the official electric shopping website of the
Pennsylvania Public Utility Commission (PA PUC).

Depending on where your home or business is within Pennsylvania,
you may be able to save money on your electric bill by switching
your electric supplier.

In PA, you can choose the company that generates your home or
business's electricity – also known as your electric supplier. This
means that you have the power to choose to switch to a competing
supplier that can offer the lowest price, best price or provide a
specific service you want, such as green/renewable energy.

See what options are available to you!

ZIP CODE

GO >

PaPowerSwitch.com

Related to our disclosure rulemaking...

- How to present prices in a marketplace with an increasing array of diverse products (i.e. smart metering)?
- How to facilitate these products?
- How to highlight “more than price” (renewables, load management, etc.).



Marketing



Marketing : December 2017 Secretarial Letter

- December 8, 2017 at Docket L-2010-2208332
- "...the Commission reminds all Suppliers that when contacting a potential customer, regardless of the method or technology utilized, it is imperative that the supplier identify themselves immediately and that they accurately and completely state the purpose of the contact."
- "We advise Suppliers that the "reason for the telephone call" is to be specific and to avoid vague and potentially misleading statements..."



Marketing : December 2017 Secretarial Letter

- “The PUC advises that these rules and expectations apply to all phone contacts to a potential customer’s household, regardless of whether it is a live agent or recorded voice and regardless whether it is addressed to a utility customer or any member of the household or whether it involves only leaving a voice mail message.”
- “Using references to the distribution utility improperly, including using the utility name in a manner that could suggest that the communication is from or sent on behalf of the utility.”
- “Failing to properly identify the purpose of the communication. We further advise against statements like “rate discount / refund / rebate notice”, “utility rate increase notice,” etc., without a more complete explanation of the purpose of the solicitation.”



Supplier Workshop – January 2018

- Orientation to the PUC (licensing, bonding, reporting, assessments, formal filing procedures, etc.).
- Formal and Informal complaint procedures.
- Attorney General and Consumer Advocate presentations on the role of their offices and enforcing consumer protection laws (telemarketing).
- PaPowerSwitch.com and PaGasSwitch.com
- PUC marketing regulations.
- Upcoming initiatives and projects.



Natural Gas Retail Markets



CUSTOMERS SWITCHING TO A NATURAL GAS SUPPLIER

FEBRUARY 2018***

Natural Gas Utility	Total Switching Customers			Residential Switching Customers			Commercial Switching Customers			Industrial Switching Customers		
	#	%	% of Load	#	%	% of Load	#	%	% of Load	#	%	% of Load
Columbia Gas of PA	82,812	19.2	46.5	71,966	18.3	18.7	10,642	28.5	57.8	204	75.8	99.0
National Fuel Gas	30,907	14.4	52.5	25,788	13.0	14.5	4,690	29.0	66.6	429	72.2	98.5
PECO	84,545	16.2	40.8	72,191	15.1	15.2	11,587	26.4	44.4	767	100	100
Peoples Natural Gas	90,470	25.0	52.0	80,792	24.0	24.0	9,466	34.0	68.0	212	85.0	99
Peoples - Equitable Division	24,684	9.0	47.0	19,844	8.0	8.0	4,734	23.0	72.0	106	70.0	99
Peoples TWP	350	1	56.0	40	0	0	282	6.0	38.0	28	100	100
Philadelphia Gas Works	5,536	1.1	29.9	1,012	0.2	0.3	4,354	16.4	53.9	170	25.4	95.8
UGI	76,192	19.3	67.9	62,665	17.7	18.6	12,713	32.3	66.1	814	61.5	98.5
UGI Central Penn Gas	5,398	6.5	51.8	3,144	4.4	4.6	2,080	18.9	53.4	174	57.2	96.9
UGI Penn Natural Gas	11,136	6.5	65.2	6,904	4.5	4.7	4,072	24.2	57.1	160	72.4	99.7
Valley Energy	71	1.0	60.1	0	0	0	53	6.2	25.3	18	62.1	95.6
Statewide Total	412,101	13.6*	51.5**	344,346	12.4	12.8	64,673	26.4	59.7	3,082	66.9	98.8

http://www.pagasswitch.com/sites/default/files/GasSwitch_shoppingnumbers022818.pdf

Natural Gas Retail – Current Initiatives

- **Accelerating the gas supplier switching process:** currently takes “weeks” ...can we get it closer to “days” (electric takes 3 days)?
L-2016-2577413
- **Gas operational issues:** capacity assignment, penalties, tolerance bands, imbalance trading, utility-supplier communication, etc.
L-2017-2619223
- Upcoming NOPRs.



Thank You For Your Attention

Dan Mumford

Director

Office of Competitive Market Oversight

Pennsylvania Public Utility Commission

400 North Street

Harrisburg PA 17120

(717) 783-1957

dmumford@pa.gov

