

RETAIL REPORT ... a weekly supplement to *Gas Daily*

New York adopts new regulations on gas marketers

After months of discussion, the New York State Public Service Commission last week expanded gas consumer protections by ensuring that offers of service from retail energy marketers are clearly stated, sellers are properly trained and disputes are appropriately handled.

The PSC said the "new and improved" marketing practices will provide reasonable standards of conduct for energy service companies.

"Today's action balances consumer needs for greater protection in the marketplace with the needs of ESCOs to avoid unnecessary barriers to entry and participation in the marketplace," said Commission Chairman Garry Brown. "The improvements we are making to ESCO marketing practices will provide even greater confidence and security to consumers."

The new standards require, among other things: a "Consumer Disclosure Statement" on the first page of every sales agreement, which will include the most important terms of the ESCO agreement. The statement will contain the contract's term and termination fee provisions; training of ESCO marketing representatives; protocols for ESCO in-person and telephone contacts with customers; added measures for protecting non-English speaking customers; and processes for handling customer complaints and resolving disputes arising from ESCO marketing activities.

The revisions to PSC-imposed Uniform Business Practices also create additional tools by which the commission can respond to lapses in ESCO marketing practices. Until now, the only remedy available to respond to an ESCO's failure to comply with applicable regulatory requirements was the revocation of ESCO eligibility from participation in New York's retail energy markets.

Suppliers 'have vested interest' in protecting customers

Asked about the changes, Craig Goodman, president of the National Energy Marketers Association, told Platts that NEMA "has actively participated in proceedings to assist the commission in finding the right balance between additional requirements associated with doing business in the state of New York and delivering the highest-quality energy services at the most affordable prices."

"As we head into the winter heating season, energy prices normally increase," Goodman said. "Given the current economic challenges, both consumers and suppliers need the most competitive energy services and technologies at the most competitive prices possible. We are pleased that the commission has recognized both of these issues."

Goodman asserted that every member of NEMA "has a vested interest in protecting each of their consumers with the best possible communications as well as related energy pricing information." All consumers are well served by fully understanding their energy choices and being able to make the best possible choices for their home or business, he said.

"One of the biggest complaints that we used to hear is that consumers had virtually no choice when there was only one company that was allowed to supply energy," Goodman said. "Today, New Yorkers have dozens of energy suppliers to choose from, and both NEMA and the commission are actively encouraging accurate and timely consumer outreach and education."

In March, the PSC noted that its staff had reviewed complaints from residential customers and received informal reports from utilities regarding the marketing practices of ESCOs.

Brown said earlier this year that "residential consumers are entitled to the same level of protections whether they take service from a competitive energy supplier or a traditional utility." — *Rodney White*

Connecticut gas utility tentatively ordered to refund \$15.1 million

The Connecticut Department of Public Utility Control has determined the Southern Connecticut Gas over-earned \$15.1 million and has been tentatively ordered to give its customers a bill credit, the DPUC said last week.

The department said the utility earned more than the level of allowed return on equity set in its rate case concluded in 2005. The PUC said a line item credit of 6.21 cents/Ccf will be applied to the bills of all residential and some commercial and industrial sales and transportation customers.

For the average non-heating residential customer using 40 Ccf/month, the credit will amount to about \$2.48/month. Residential customers using 150 Ccf/month for home heating will receive a credit of about \$9.32/month.

In the DPUC's 2005 decision, Southern Connecticut's ROE was approved at 10%, the regulator said. Southern Connecticut Gas earned above that level for six consecutive months starting last December.

"Over-earnings should not be confused with over-charging," the DPUC stressed. "A utility company charging only those rates approved by the department can over-earn depending on market conditions, debt pay-down and decreases in expenses."

The commission expects to issue a final decision on the issue October 29. — *Rodney White*

Canadian Enerdata gas storage survey, Oct 10

(in Bcf)	East	West	Total
Working gas	231.50	339.80	571.20
Weekly Change	4.60	7.40	11.90
% of capacity	92.22%	84.28%	87.33%
Working Gas Oct 12, 2007	244.50	336.00	580.40

The information contained in this report is obtained from sources considered to be reliable. However, the information contained herein cannot be guaranteed with respect to its accuracy or completeness. Canadian Enerdata Ltd. assumes no responsibility for either the direct or indirect use of the information contained herein.

Baker Hughes Rig Count

Week ending	10/17/2008	10/10/2008	Chg.	
10/19/2007				
Total US rigs	1,976	1,990	-14	1,764
Total US gas rigs	1,537	1,548	-11	1,438
Total Canadian rigs	437	470	-33	331

Platts Feature



Climate change remains on agenda

In this podcast, David Jones, editor of Platts *Renewable Energy Report*, discusses the impact of the global financial upheaval on the renewable energy industry; assesses concerns that industrialized nations may knock climate change off the agenda; and examines whether renewable energy companies hold any advantages over other businesses.

Download this podcast at www.platts.com/podcasts/news/