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CHRONICLING EFFORTS TO OPEN COMPETITIVE ENERGY MARKETS

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Goodman praises DC rules as PSC hears about bad actor

A recent DC PSC hearing received testimony from consumers who were slammed by bad actors in the retail electric market, but a leading advocate for competition told us that the event Friday would not derail the progress there. The DC market has seen significant growth already and that will most likely pick up speed once Pepco launches its purchase of receivables program this October, National Energy Marketers Assn (NEM) President Craig Goodman told us Friday.

"There is an overwhelming silent majority of customers who are very satisfied with retail choice," said Goodman. "DC has done an excellent job.

"Their conduct regulations are very substantial. They're one of the best sets of conduct regulations in the country. Their market rules are some of the best in the country."

The impetus for the hearing was a large number of complaints received against Starion Energy for allegedly aggressive sales tactics and slamming. The DC Office of People's Counsel (OPC) said it received some 29 complaints on that firm alone.

Since the start of 2013, the DC PSC's Office of Consumer Services received some 129 complaints on the retailer, including 71 relating to slamming, a PSC order issued in May said.

The firm used contractors for door-to-door sales and telemarketing and allegedly those salespeople claimed to be working for Pepco to get the information needed to transfer the customers without their proper consent, said the order.

Some of that alleged slamming happened when the area had a wholesale shortage, so customers got stuck with much higher rates than Pepco's default service price, noted Goodman.

OPC received similar, though fewer, complaints from some of the bigger retail brands in the market, it said, adding that the probe should be broadened. The hearing was meant to inform the PSC on whether that should happen but Goodman told us most of the discussion focused on Starion.

The number of complaints that the two DC offices received was just a small fraction of all the customers in the city that chose to shop and an even smaller percentage of those that were contacted by firms trying to get their business, said Goodman.

Conduct was isolated

The offices were hearing a disproportionate number of customers "from one particular supplier that really did not represent -- certainly, our membership -- but in my opinion, does not represent the kind of conduct that is typical in the marketplace," he added.

A big part of the solution to the issues DC saw early this year would be education, Goodman noted, as some of the customers realized that if the sales contractors were actually Pepco, they would never need to see their bills in the first place.

Goodman talked with the OPC about going out to educate consumers about the growing retail choice market in the district and he noted that PSC commissioners themselves have been active on that front, too.

[Comments]

FERC sets cost-allocation for certain lines in MISO, Entergy

FERC issued another order Thursday on how Entergy will integrate with the rest of MISO when it joins under a plan that includes a five-year transition period before it becomes part of a combined Multi Value Project (MVP) process. Any transmission lines outside the MVP process that are exclusively in either MISO's historic footprint or Entergy's would have costs allocated only to the relevant region.

The utility's territory would also be phased in gradually into postage-stamp allocation of that MVP portfolio, gradually increasing annual percentages by 12.5% over that period.

FERC accepted the proposed cost allocation in an order last year, saying that the unique circumstances of Entergy joining MISO made it acceptable for the cost-allocation process to be split between the two regions.

But the commission ordered some changes including requirements that MISO ensure the eventual combined MVPs meet the cost-benefits test to be allocated to both regions. MISO complied with that requirement by saying that any MVP line during the five-year transition period planned exclusively