

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

- CASE 12-M-0476 - Proceeding on Motion of the Commission to Assess Certain Aspects of the Residential and Small Non-residential Retail Energy Markets in New York State.
- CASE 98-M-1343 - In the Matter of Retail Access Business Rules.
- CASE 06-M-0647 - In the Matter of Energy Service Company Price Reporting Requirements.

NOTICE SEEKING COMMENTS

(Issued October 19, 2012)

At the Commission session held on October 18, 2012, Department of Public Service Staff (Staff) provided the Commission with a summary of Staff's ongoing review of certain aspects of the residential and small non-residential retail energy markets in New York State and the concerns raised in the course of this review. The Commission instituted a new proceeding to assess certain aspects of these residential and small non-residential retail energy markets in New York State. The Commission also directed the issuance of this notice seeking comments on the following questions. Comments are also invited on whether each of the issues identified below, are applicable to residential customers only, or also to small non-residential customers, defined as non-demand customers for electricity and firm customers for natural gas. Commenters should also address how the costs of any actions taken or required by the Commission should be recovered.

Information for Current ESCO Customers¹

1. What are the benefits and costs of requiring that utilities develop and make available historic bill calculators through utility websites and/or smart phones to enable ESCO customers to compare their actual charges to what they would have paid if they were a full-service utility customer? How should such tools be designed so that they are easy to use, factually oriented, and produce accurate and useful information for ESCO customers?

2. What are the benefits and costs of requiring that utilities include a line item on ESCO customer bills that identifies what the customer would have paid had supply been purchased from the utility? Precisely what information should be published on the bill so that it is most useful to customers?

3. What are the benefits and costs of requiring that utilities explain to payment-troubled ESCO customers contacting the utility, or provide to such customers in a subsequent mailing, what the customer would have paid had the energy supply been purchased from the utility, and the difference between that amount and what they were actually billed for energy supplied by the ESCO? What information should utilities provide to existing low-

¹ Questions 1 - 3 are being addressed for National Grid's upstate operations in the context of that utility's current rate case (Cases 12-E-201 and 12-G-202). Similarly, questions 2 - 3 are being addressed for Central Hudson's operations in the context of a proceeding to evaluate the proposed acquisition of that utility by Fortis (Case 12-M-0192). Comments on these issues are invited here as these measures might be implemented through this case in other utility service territories.

income and payment-troubled ESCO customers to assist them in making informed decisions and how should utilities provide that information?

Data for Potential Customers

4. What are the reasons why the Commission should, or should not, collect monthly data on prices charged by ESCOs to residential and small non-residential customers for all or some of their products? How would Commission publication of all or part of this data assist customers and/or impact retail competition? What level of data aggregation would be sufficient to adequately address the need to maintain the confidentiality of customer-specific data.

5. What are the advantages and disadvantages of requiring ESCOs to honor rates and terms posted on the Commission's "Power to Choose" website? What are the benefits and costs of requiring that ESCOs post all of their offerings on that website? What other enhancements to the site should be considered to increase its usefulness to consumers?

ESCO Referral Programs

6. What is the basis for continuing the existing ESCO Referral Programs in the service territories of Con Edison, Orange & Rockland, Central Hudson, and National Grid (upstate)? If these programs should continue, should they be modified, and how long should they be maintained?

Low Income Customers

7. What are the advantages and disadvantages of allowing customers participating in any state or federal energy assistance program, such as the Home Energy Assistance Program, or in any utility-sponsored affordability program, to obtain commodity service from an ESCO? How does the analysis change if the ESCO guarantees a price no higher than that charged by the utility?

Door-to-Door Marketing

8. What are the legal and policy reasons for permitting or prohibiting door-to-door marketing of electricity and/or natural gas to residential and/or small non-residential customers?
9. What are the reasons why the Commission should continue to permit termination fees in sales contracts made between ESCOs and residential and small non-residential customers through the door-to-door marketing channel? Are there circumstances under which termination fees for such contracts would be appropriate (e.g., fixed-rate contracts), and what should an ESCO be required to demonstrate to be able to include termination fees for door-to-door marketing in its sales contract?
10. Are there other conditions or requirements that should be imposed on door-to-door marketing by ESCOs, such as a requirement that such marketers begin an interaction with a potential customer with a disclosure statement? An example of a possible disclosure statement is: "My name is _____. I represent _____. _____ can provide you with your electricity and/or natural gas. I do not work for

or represent your utility." How should such a requirement be enforced?

11. Should the Commission have the authority to preclude or limit an ESCO's door-to-door marketing in the future in specific circumstances?

ESCO Contracts

12. What are the advantages and disadvantages of modifying the Uniform Business Practices to require ESCOs to obtain affirmative consent from customers for contract renewals involving a change in price? What are the advantages and disadvantages of requiring ESCOs to obtain affirmative consent from customers for all contract renewals?
13. What are the advantages and disadvantages of requiring ESCOs to provide their rate methodology and related billing calculations to customers with variable rate contracts? What are the advantages and disadvantages of requiring all variable rate methodologies to be based on specified formulas tied to publicly available information, with the formulas varying by ESCO? If this is to be required, when and how should ESCOs provide this information?

Purchase of Receivables

14. What would be the impact of requiring utilities to purchase receivables with recourse and thereby have ESCOs assume whole or partial responsibility for the uncollectibles of their customers? Should this be a requirement? What would be the impact of discontinuing

POR without recourse for some ESCOs and how would those ESCOs be identified?

Other Proposals

15. What other modifications to existing retail market programs or practices, including modifications to the UBPs, should be considered, and why?

Interested parties may submit initial comments on the above questions no later than December 27, 2012. Reply comments may be submitted no later than January 10, 2013. Comments should be submitted electronically by e-filing through the Department's Document Matter and Management System (DMM)² or to the Secretary at secretary@dps.ny.gov. Those unable to submit electronically may mail or deliver them to Hon. Jaclyn A. Billing, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. All comments submitted will be posted to the Commission's Web site and become part of the official case record. Those who would like to subscribe to the Service List or request Party Status for Case 12-M-0476 should do so through DMM.

Any questions may be directed to Honor Marie Kennedy, Office of Consumer Policy, at (518) 474-0479, honor.kennedy@dps.ny.gov or Brandon F. Goodrich, Assistant Counsel, Office of General Counsel, (518) 486-2652, brandon.goodrich@dps.ny.gov.

(SIGNED)

JACLYN A. BRILLING
Secretary

² Why Register with DMM, http://www.dps.ny.gov/DMM_Registration.html
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