STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

OPINION NO. 01-03

CASE 98-M-0667 – In the Matter of Electronic Data Interchange.

OPINION AND ORDER APPROVING EDI DATA STANDARDS AND DATA PROTOCOLS AND MODIFYING THE NEW YORK UNIFORM BUSINESS PRACTICES FOR EDI IMPLEMENTATION

Issued and Effective: July 23, 2001

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BY THE COMMISSION:

INTRODUCTION

Electronic Data Interchange (EDI) is the computer-to-computer exchange of routine business information in a standard form. EDI transactions in a retail access environment include requests to switch customers from one commodity supplier to another and the transfer of customer's history, usage or billing data. The basis for the content and structure of an EDI transaction is a data standard predicated on the business rules governing the underlying activity to be transacted.

When we adopted the current New York Uniform Business Practices[1] (NYUBP), we allowed utilities to employ any practice, electronic or manual, that accomplished the spirit of the NYUBP pending our subsequent adoption of, and utilities implementation of, uniform EDI transaction standards and systems. In April 2000, we issued an order[2] requiring that all market participants begin the cutover to EDI in 2001 and directed jurisdictional utilities to file EDI implementation plans which would describe the steps necessary to enable the utility to reach the readiness-to-test stage of EDI implementation by December 31, 2000. To accomplish these milestones, we directed various parties to complete a number of initiatives within six months.

Parties were directed to file comments on changes in our Uniform Business Rules (NYUBP) that they believed were necessary to accommodate implementation of EDI. In this manner, the EDI Collaborative[3] could consider these comments in developing the data exchange standards. In addition, we directed jurisdictional utilities to file their selection of the data elements for validation of EDI transactions and to participate in a Web Site Design Task Force. We directed the

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[1] Case 98-M-1343, In the Matter of Retail Access Business Rules, Opinion 99-3, (issued February 16, 1999, and as modified on April 15, 1999).

[2] Case 98-M-0667, Opinion and Order on Implementation of Electronic Data Interchange, issued and effective April 12, 2000.

[3] The New York EDI Collaborative was organized in October 1998 for the purpose of evaluating retail access data exchange practices and developing statewide exchange standards – either using EDI or other electronic means. The Collaborative is a consortium of individuals representing utilities, gas marketers, ESCOs, software and hardware vendors, and members of various standard setting bodies. The June 30 1999 Report was the first major product delivered by this group.

EDI Collaborative to file a Data Standards Report and to implement certain recommendations from the Collaborative's June 30, 1999 Report.

In this opinion and order we will consider the recommendations of the Collaborative in its recent filings as well as parties comments in evaluating 1) various requests for changes in the EDI timetable, 2) changes proposed to the NYUBP, 3) a statewide validation scheme for EDI transactions, 4) the degree of latitude utilities will be afforded in implementing EDI systems, 5) approval of the EDI data standards 6) the proposed testing plan and data transfer protocols, 7) the proposed web site design principles, and 8) modifications in the format of the aggregated daily delivery quantity data (ADDQ) provided to gas marketers.

IMPLEMENTATION TIMETABLE

Utility Implementation Plans

In our April 2000 Order on EDI implementation, we directed utilities to file implementation plans, within 45 days, setting forth each utility's internal protocols, milestones and timeframes for implementing EDI. These plans were to be based on the assumption that EDI testing could begin in the first quarter of 2001 and that the utilities could begin accepting EDI transactions for live processing in the second quarter of 2001. We expected that other market participants would migrate to EDI as they became ready and completed the necessary testing.

Following the release of our Order, National Fuel Gas (NFG) and several of its ESCO/Marketers (E/Ms) filed a joint petition[4] asking for a temporary waiver from the requirements of our implementation Order. As support for their request, the petitioners cited the fact that they are involved only in

[4] Case 98-M-0667, Joint Petition For Rehearing, Reconsideration Or Waiver, by National Fuel Gas, Crown Energy Services, Iroquois Energy Management, Open Flow Gas Company and TXU Energy Services, filed on May 12, 2000.

natural gas, and not electric services, that existing systems are working well, and the cost of EDI could not be justified from a cost benefit perspective.

Despite its petition, NFG, as well as the other utilities, filed implementation plans that generally satisfied the EDI requirements and timeframes envisioned at the time our Order was issued. Since these initial plans were filed, Staff has advised us that the Collaborative and each utility individually, have completed several milestones. For the utilities this work included systems development and internal testing in conjunction with implementing the first set of EDI transaction standards.

We are now advised by KeySpan Energy, National Fuel Gas (NFG), New York State Electric & Gas (NYSEG), and Rochester Gas & Electric (RG&E) in their comments that, due to the ongoing nature of the work, the time frames associated with various milestones in their initial plans must be modified to coincide with the Collaborative's revised time table for completion of various tasks.

NFG, in particular, argues that ongoing work on the NYUBP and new business practices for competitive billing justify an extension of the cutover date for statewide implementation of EDI and requests that we institute a more "realistic" timeframe for EDI implementation than the December 31, 2001 date adopted by us in our April 2000 Order. According to NFG, a delay in the EDI implementation schedule is warranted because the number of active E/Ms in its service territory has declined and the remaining E/Ms have not participated in the EDI proceeding, and therefore, presumably, will not be ready by December 31, 2001. Further, NFG cites the absence of final decisions in the competitive billing case and the lack, thereof, of billing data standards as compelling support for a delay.

NYSEG stopped short of requesting a delay in implementation, stating only that its original implementation plan is no longer valid, and that it will reassess and modify its EDI plan once the outstanding EDI deliverables have been

completed and presented to us. NYSEG does however request that the Commission "align the timeframes for the development of consolidated billing business processes and the design of EDI data standards".

Citing the additional work necessary to develop EDI, including detailed test plans, KeySpan states that it will continue to coordinate its schedule with the work of the EDI Collaborative. RG&E offered an updated EDI implementation schedule consistent with the current and expected milestones of the EDI Collaborative. In its revised plan, RG&E envisions programming and testing for the primary enrollment transaction by June 2001, and complete programming and testing for the remaining transactions, as well as competitive billing (should the data standards be developed) by October 2001.

Advantage Energy, in its comments, argues against implementation of EDI in New York, stating its belief that the relative costs of EDI compared to other data formats are excessive, particularly for small suppliers. Advantage also cites what it characterizes as a lack of standardization among states and utilities that have implemented EDI to support its belief that EDI should not be adopted in New York.

Staff advises us that the EDI testing originally projected to start by the end of the first quarter of 2001 has been delayed beyond May 2001. Several minor changes in the technical documents originally filed[5] by the Collaborative had to be made before they could be published as final standards. Accordingly, implementing the standards that supplement this order may require some fine-tuning of utilities' EDI systems before compliance testing can begin. We believe that this delay

[5] The need to make these technical revisions was also cited by KeySpan and Con Edison/O&R in their comments on the Collaborative filings.

in the start of testing activities will not require a change in our overall target date for EDI implementation of December 31, 2001.

Further NFG's assertion that lack of business practices for competitive billing warrants a delay in the overall timetable for EDI implementation is without merit. The development of EDI data standards is an iterative process; as business practices for competitive metering or competitive billing are adopted the Collaborative will develop the necessary data standards to support those business practices. It not necessary to have every required data standard in place before exchanging data using any EDI transaction standard.

With reference to the concerns raised by Advantage, we are not persuaded that we should re-visit our decision to implement EDI in New York. The national energy industry movement to electronic commerce and EDI is well founded. Advantage is correct that, during this transition period, EDI could not be expected to be one hundred percent uniform across all states. However, we expect that implementation of EDI will result in more consistency and efficiency across and within, states than would be possible in the absence of EDI. As NEMA pointed out in its comments, "if market participants are forced to divert scarce resources to customize billing, back-office and customer care facilities and to develop and maintain non-standardized information protocols or develop specialized knowledge of different business rules in each jurisdiction, it drives energy prices higher nationwide"[6]. In its view, "implementation of Uniform Business Practices (UBP) and Standardized Information Protocols (SIPs) coupled with the use of existing Internet technology holds enormous promise for immediate benefits for all consumers"[7].

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[6] National Energy Technology Policy, National Energy Marketers Association, November 2, 2000, page 5.

[7] Ibid., page 2.

We concur and re-affirm our commitment to achieve statewide implementation for all market participants by year-end 2001. Nevertheless, we are also sensitive to the cost and technical resource implications on small marketers and will require that Staff provide us with an updated report on the status of implementation efforts in November 2001.

The petition by NFG and others for reconsideration or waiver is denied. The declining number of active E/Ms in NFG's service territory has no direct impact on the work that NFG must complete to implement EDI. Further, as EDI implementation progresses throughout 2001, the parties will have a better basis upon which to evaluate the EDI schedule, particularly for smaller E/Ms, such as the petitioners.

REVIEW OF CURRENT INITIATIVES

In the following section we will briefly summarize the current status in each area before turning to the parties' comments.

Uniform Business Practices Modifications

In response to our directive in Opinion 00-05, various parties proposed, in comments filed on May 26, 2000, that several changes be made in the New York Uniform Business Practices (NYUBP) to accommodate EDI. . Many of these comments cited the need to modify the NYUBP to reflect the appropriate EDI terminology, to incorporate our resolution of several issues already addressed in Opinion 00-05, and to document when EDI should, or should not, be used to satisfy an existing requirement in the NYUBP.

Upon review, we note that many of the changes proposed in the May 2000 comments do not appear to be critical to the implementation of EDI but rather, are requests to reconsider the current NYUBP. Accordingly, we will defer consideration of a number of these proposed changes to the ongoing proceeding on the NYUBP (Case 98-M-1343) where we expect a complete review and update to be completed in the near future. For the most part, our resolution of the issues raised in the May 2000 NYUBP

comments is documented in Supplement B cited in the Appendix to this order.

At the time we issued our April 2000 Order, we expected that the Collaborative would have the benefit of a set of national uniform business rules to guide them in the development of the New York EDI business processes and data standards[8]. However, we note that the National Report (Uniform Business Practices for the Retail Energy Market) was not released until November 22, 2000. Therefore, we acknowledge that the Collaborative has been largely guided by the current NYUBP in preparing its recommendations.

The October 10 and November 21, 2000 Filings

To satisfy the directives contained in Opinion 00-05, the Collaborative filed a number of documents with the Secretary on October 10 and November 21, 2000. Formal comments were solicited on these filings through notices published in the State Register, as well as in direct mailings and via electronic distribution of the Notices. The Data Standards Report, required by our April Order, was encompassed in these filings and contained the Collaborative's recommendations on specific EDI transactions including proposed business process and EDI data standards for the TS814 Enrollment Request & Response, the TS814 Drop Request, the TS814 Consumption History Request & Response, the TS867 Consumption History/Gas Profile, the TS867 Monthly Usage, the TS824 Application Advice (used to reject an 867), and the TS997 Functional Acknowledgement.

In addition to the May 2000 comments on the NYUBP, the parties' comments on the October 10 and November 21 filings of the EDI Collaborative contained further proposed modifications to the NYUBP. In addition, we also have before us at this time,

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[8] Opinion 00-05, Opinion and Order on Implementation of Electronic Data Interchange, issued and effective April 12, 2000, page 10.

comments on the National Report on uniform business rules[9] which were filed on January 22 and February 15, 2001. In this order we will consider comments filed on the National UBP Report only to the extent that we find them to be applicable to the business process and/or data standards considered for adoption in this proceeding[10].

With that introduction, we will now review and dispose of parties' comments regarding business process issues as they pertain to implementation of EDI.

DISPOSITION OF PARTIES COMMENTS

Various parties submitted comments at several stages in this proceeding between the release of our April 2000 Order and the timeframe in which we are considering the issues presented in this order. For purposes of the following discussion, the various initiatives considered herein have been categorized as either business process or technical issues. Within these categories, we will discuss each area in the order of its relative importance.

Degree of Uniformity Necessary

Several parties filed comments that reflect divergent views regarding the degree of uniformity necessary in either

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[9] Notice of our intent to consider adoption, in whole or in part, of the National UBP Report was published in the State Register on December 6, 2000 and a Notice Soliciting Comments was issued by the Secretary on December 28, 2000.

[10] In this regard we find that certain comments on the National Report filed by the following parties are relevant to the issues to be considered in this proceeding: Consolidated Edison of New York and Orange & Rockland Utilities, Niagara Mohawk, Rochester Gas & Electric, Pennsylvania Electric Company (Penelec), Consumer Protection Board, Koda Consulting for Local 1-2, SmartEnergy.Com, Inc., PPL Energy Plus, and the National Energy Marketers Association.

business practices and/or data standards. Some parties propose to implement utility specific practices and/or data standards. NYSEG, in its comments on the October 10 filing, says that the NYUBP should be changed to reflect the use of EDI for the exchange of retail access. It cannot, however, support the Collaborative recommendation that a non-EDI mechanism be used to process requests for special meter reads associated with enrolling or dropping a customer on a date other than the customer's next regularly scheduled meter date. NYSEG believes that these requests could be efficiently handled using EDI.

In NYSEG's view, "the Commission should recognize that the EDI data standards and business processes provide the base for exchanging retail access data via EDI" and, as such, these standards and processes "could be developed further by a utility to reflect the circumstances or practices as documented in that utility's tariff".

In its comments, NYSEG cites two examples of instances in which it may decide to modify the standards or processes proposed in the Collaborative documents: "(1) NYSEG may incorporate processes for special meter reads associated with EDI TS814 Enrollment and TS814 Drop; and (2) NYSEG may not use the currently defined Drop[11] Reason Codes to substantiate voluntary or involuntary drops, since such Codes may not be fully consistent with the Company's policy that each switch request will be deemed a voluntary switch unless the marketer and/or the customer can provide information to establish an involuntary switch". According to NYSEG, such circumstances and practices would be documented and clarified in EDI trading

[11] An 814-Drop transaction, which is used to terminate a customer's relationship with a commodity or service provider, must contain codes indicating the reason for the requested drop. Since various provisions of the NYUBP differentiate between voluntary and involuntary "switches", the codes proposed for the 814 Drop data standard reflect this differentiation.

partner agreements that NYSEG intends to execute with eligible ESCO\Marketers.

NFG firmly supports the development of standardized data sets, but states that, due to the uniqueness of each utility's Customer Information Systems (CIS), flexibility reflected in some parameters in the filed standards is necessary. In its comments on the National UBP Report, Koda Consulting, on behalf of Local 1-2, advises that "uniformity of business practices is generally preferred, [but] it may be appropriate to override such preference for uniformity due to the circumstances of individual utilities regarding embedded systems, costs and time frames necessary to bring legacy systems into uniformity compliance." In a similar vein, Penelec's comments on the National Report recommend that the Commission adopt a set of common practices within the retail access market but "the Commission should provide for some mechanism or process for Utilities or ESCOs to request a waiver or a deviation from these common practices".

RG&E notes that the Commission's notice (on the National Report) solicited comment on "what differences, if any, are absolutely necessary" between retail access programs. In RG&E's view, the right question is not what difference, but what degree of uniformity, is 'absolutely necessary'". RG&E believes the answer to that question is none at all; and most certainly none beyond that already mandated by the Commission."

In its comments, RG&E also notes that the recommended national practices would enable the "reinstatement" of a retail customer with ESCO service, after the recission of an unauthorized enrollment by another ESCO[12]. In the process proposed by the NY Collaborative, a customer's recission of an

[12] RG&E also addressed these issues in its extensive comments on the Collaborative October 10 filing. The concerns raised regarding the enrollment business process proposed by the Collaborative are discussed in more detail below.

enrollment with a new E/M could result in the customer returning to utility bundled service rather than remaining with their current E/M. Implementing the reinstatement transaction recommended in the National Report would be one means of insulating customers from the consequences of slamming.

Although RG&E would not propose that provision for a reinstatement transaction be mandated on a generic basis, the Company believes that this particular provision would be useful in its own retail access programs, and it is considering the filing of tariff revisions to implement it. RG&E recommends that, before any mandatory adoption of the proposed EDI rules, the Commission should permit the Company (and other utilities, at their option) to implement a new "customer reinstatement" transaction.

NEMA, in its comments on the October 10 filing, urges the Commission to standardize EDI on a "uniform basis with other states", particularly the Mid-Atlantic States. NEMA cites lack of uniformity across states as a major barrier to competition that can be eased through implementation of standardized business practices and EDI. SmartEnergy notes that some utilities have suggested that they have business practices different than other utilities due to their billing or other internal IT system constraints.

SmartEnergy, however, would like the Commission to note that ESCOs have IT system constraints, which make it difficult for ESCOs to operate with differing utility systems. Therefore, the question must be asked, whose system constraints need to be addressed? ESCOs will be operating in many utilities over time, but utilities will always operate in only their own service territory. For this reason, it is important that business rules be kept consistent throughout the state.

Based on the parties comments, we believe it is necessary to clarify what the utilities have viewed as the degree of flexibility needed, and what the E/Ms have characterized as the degree of uniformity required, in implementing uniform business practices and EDI transaction standards.

EDI systems are being implemented during a transition period. Utility legacy systems were developed at a time when the degree of standardization now sought by NEMA was unnecessary. As Koda Consulting and NFG have pointed out, it would be unrealistic to expect that all utility systems could move toward total uniformity without a substantial incremental investment. Accordingly, some degree of flexibility may be needed when determining which data elements must be exchanged and how the data elements will be structured in a data standard, particularly in view of the fact that both single and multiple retailer models exist in New York State. The question is how much flexibility is appropriate.

In our view, the Collaborative should strive for statewide uniformity in crafting New York's EDI data standards. Accordingly, we expect differences across utilities to be minimal. With that goal in mind, we believe flexibility in the EDI data standards should be limited to permitting a minimum of data segments, or data elements in a segment, that are not supported on a statewide basis by all parties. This policy would not preclude the recognition of data elements that are unique based on the underlying commodity type (i.e. electric versus gas service) or differences in exchange requirements for the single versus dual retailer models.

The exchange of other data elements that are unique in character or format may be necessary initially to support retail access practice(s) in place at one or more Utilities or E/Ms. However, such unique segments and/or elements must be recognized in an approved, published New York EDI data standard and not merely in bi-lateral agreements. These segments/elements may be incorporated in a statewide EDI standard to the extent that: 1) the utilities and/or marketers seeking to add such segments or

elements provide sufficient justification; 2) the contemplated data exchange conforms to, or is not inconsistent with, the NYUBP; and 3) the proposed changes are not inconsistent with published national or regional data exchange standards[13]. Utilities are not free to amend the EDI data standards we adopt here for their own specific purposes and/or create their own utility specific transaction standards[14].

We are, therefore, concerned about the proposals put forth by NYSEG and RG&E because we view these proposals as examples of an unacceptable level of flexibility on the part of utilities. These companies propose to either develop EDI data standards for their own use or to ignore a standard or process inherent in the statewide standards we adopt here. Although the companies proposed to document such differences in agreed upon bilateral trading partner agreements, this is not sufficient to ameliorate concerns over the lack of standardization that NEMA cites as a barrier to the development of competition and the concerns raised by SmartEnergy on the proliferation of utility specific practices.

To insure uniformity and efficiency, initiatives such as those proposed by NYSEG and Rochester must be undertaken by the Collaborative, rather than by an individual utility or E/M. This approach is more likely to achieve the goal of maximum allowable uniformity and thus achieve the maximum efficiencies we sought in implementing EDI in the first place. Ideally, we

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[13] We recognize that our New York EDI standards cannot be wholly consistent with other published EDI standards which generally do not reflect the data exchange needs coincident with gas retail access programs.

[14] We note that the data standards we adopt herein contain provisions for segments and/or elements that, although not supported by all utilities, are illustrative of an acceptable level of flexibility. For example, Orange & Rockland will provide E/Ms with peak load contribution data on electric accounts and this is a data segment that is recognized in EDI standards published in various Mid-Atlantic states.

expect the New York data standards to be supportive of the goal of regional EDI standardization espoused by the Mid-Atlantic States.

Accordingly, the proposal by NYSEG to accommodate requests for special meter reads in the data standards for the Enrollment and Drop transactions is referred back to the Collaborative because this modification would require contemporaneous changes in the business process and in the structure of the data standards proposed by the Collaborative for adoption herein. Despite Con Edison/O&R's comment that the use of EDI for special meter reads is problematic, the request for a special read may be able to be processed via EDI as an optional service request and this alternative should be pursued.

With respect to NYSEG's suggestion that it may choose to ignore certain codes in Drop transactions received from E/Ms, we find this level of 'flexibility' to be unacceptable. If its policy is inconsistent with the EDI data standard adopted by us, the policy must be changed or NYSEG must seek a change in the data standard. Each Drop Request received from an E/M should be processed based on the reason code(s) in the data standard for this transaction. If NYSEG seeks additional documentation to support the voluntary or involuntary designation of a drop initiated by the E/M, such documentation must be 'after the fact' and NYSEG's tariff must be modified to indicate clearly the nature of such documentation and whether it must be provided by the E/M or the customer. The company may not unilaterally override the E/Ms drop reason code in favor of its policy that each switch request be deemed a voluntary switch. Finally, with regard to RG&E's proposal to create a reinstatement transaction, the Collaborative, and not RG&E, must develop this transaction for statewide implementation based on the guidelines discussed below regarding slamming prevention practices.

Modifications to Slamming Prevention Practices

In its recommended business processes for Enrollment, the Collaborative indicated that the recission period, or the amount of time the customer has to cancel a pending enrollment

or drop, is not clearly defined in the current NYUBP. In developing its proposed EDI data standards, the Collaborative interpreted the NYUBP to imply that the recission period was 10 calendar days. This was based on various requirements: that switch notices must be submitted at least 10 calendar days prior to the requested switch date (Switching – A.1.); that utilities have five calendar days from receipt of the E/M switch request to send a switch verification letter to the customer (Slamming Prevention A.2); and that the customer has five calendar days to notify the Utility that he/she does not want to be switched (Slamming Prevention A.3.).

According to the Collaborative, the current practice, pre-EDI implementation, is to allow a customer to rescind an enrollment up to the day before the effective date. When a customer rescinds a switch request, the prescribed practice in the NYUBP is that "the switch will not be made or will be reversed".

With this in mind, the Collaborative developed recommended business practices to accommodate a customer's recission of a pending enrollment when: (1) the customer takes service from the Utility, and (2) when the customer is already enrolled with another E/M. Under these processes, when the customer rescinds a pending enrollment, an EDI Drop Request is sent to the pending E/M, in effect canceling the switch request. If this customer were a utility bundled service customer, the recission of the pending E/M request would result in the customer continuing to take service from the Utility. If, however, the customer had been enrolled with an E/M, the effect of the customer's recission would be to return the customer to utility bundled service. There was no provision for immediately reinstating the customer with their current E/M. As proposed, this customer would have to contact his/her current E/M and ask to be re-enrolled on the customers next scheduled meter read date (or first of the month for gas). For at least one-meter cycle, the customer would have to return to the Utility.

Various parties request clarification and/or modification of either the NYUBP or those recommendations of the Collaborative that impact the slamming prevention practices. In their comments, NEMA raised concerns with the practice of allowing customers to rescind up to the day before the effective switch date because it creates unwarranted uncertainty and risk for competitive suppliers. NEMA also requests that the customer rescission period be clearly defined to provide competitive suppliers a greater degree of certainty in their business dealings. NEMA also takes issue with the five-day period for customer notification of a switch. It requests that the NYUBP be modified to conform to other states which prescribe a two to three day period for customer notification of a pending switch.

Con Edison/O&R notes that the National Report requires periods that are shorter than those reflected in the NYUBP and subsequently adopted by the Collaborative: switch requests must be sent a minimum of 8 days prior to the effective date and customer notification is in one day. In its comments, Penelec recommends that customers have 10 days to rescind instead of the minimum of 7 days recommended in the National Report.

According to RG&E, in the language regarding slamming prevention practices (i.e.“the switch will not be made or will be reversed”) the Commission intended that customers be afforded an opportunity to disavow the request and, instead, remain with its service provider of choice, which would be the ESCO or utility currently serving the customer. In RG&E’s view, this protective purpose would be substantially frustrated if the Commission were to adopt, without modification, the EDI rules proposed in the Collaborative’s October 10 filing. The National Report would enable the “reinstatement” of a retail customer after the recission of an unauthorized enrollment by another ESCO. RG&E recommends that an EDI Reinstatement transaction be implemented in New York.

In its view, the NYUBP could be revised to reflect the following or similar language: “In the event that the Customer or the new Supplier cancels the Switch before the effective date, the Utility should send the current Supplier and other

appropriate parties, if any, via the appropriate Uniform Electronic Transaction, notice reinstating the current Suppliers service unless the current Supplier has submitted a transaction to terminate service to the Customer".

In reply comments, Con Edison/O&R indicates that RG&E's proposed change in the handling of transfers between energy service companies raises technical issues that should be reviewed and addressed by the Collaborative because they may necessitate substantial system work to effectuate. Niagara Mohawk (NMPC) states that reinstatement is inconsistent with the rules already developed by the EDI Collaborative, and should not be adopted. According to NMPC, the proposed process creates the potential for an ESCO to be required to provide supply for a customer it other wise thought it had lost. Moreover, in such circumstances the original supplier can re-enroll the customer if it chooses to do so.

We agree with RG&E's characterization of our intent in approving the slamming prevention practices. Accordingly, it will be necessary to modify the business processes proposed by the EDI Collaborative and the NYUBP to address the concerns raised by RG&E and others. First, in response to NEMA's request to shorten the five-calendar day period for Utility issuance of the customer notification letter, the period will be reduced to three calendar days coincident with utility implementation of the EDI Enrollment and Drop transactions.

Second, the NYUBP now calls for a 10 calendar-day notice for switch requests but a 15 calendar-day notice for an E/M's discontinuance to both the customer and the Utility (Discontinuance A.1, B.1). Consistent with the current NYUBP, the Collaborative required that EDI switching transactions must be sent to the Utility a minimum of 10 calendar days in advance of the customer's next scheduled meter read date, or the first of the month for gas. In EDI, however, we note that the word 'switch' could refer to an enrollment transaction (customer is being enrolled with an E/M), a drop transaction (customer is terminating their relationship with the E/M and returning to bundled utility service) or both (customer is dropping one E/M

and enrolling with a new E/M). Further, the business processes as outlined by the Collaborative contemplate that a "Drop" transaction could be initiated by either the Utility or the E/M while the NYUBP does not contain a specific notice period for a discontinuance notice issued by the Utility to the E/M.

Given these circumstances, the adoption of the proposed EDI data standards may create an inconsistency between the NYUBP and EDI. To correct this, the NYUBP must reflect a consistent 'notice' period for the EDI Enrollment and Drop transactions and must recognize that Drop Request transactions may be initiated by the Utility. Rather than shorten the notice period for transmitting a Drop Request transaction to the Utility from 15 to 10 calendar days, the Enrollment Request transaction must now be sent a minimum of 15 calendar days prior to the customers next regularly scheduled meter read date, a requested special meter read date or the first of the month for gas. The required discontinuance notice from an E/M to its customers is unaffected by this change and will remain at 15 calendar days. Increasing the pending enrollment period from 10 to 15 calendar days may also enable resolution of parties concerns regarding the customer's recission period.

As indicated above, NEMA found the practice of permitting customers to rescind an Enrollment Request up to the day before the effective date of the switch unworkable because marketers may need more than a one-day notice to change arrangements for supply. The NYUBP should be clarified to permit customers to rescind up to three business days prior to the effective date of a pending enrollment if they want to continue taking service from their current supplier after recinding an enrollment request from a new supplier. Utilities would be required to send an 814-Drop request to the pending new supplier within two business days of the effective date of the pending enrollment.

We note, however, that this clarification would not affect the provisions of section B of our Slamming Prevention rules, i.e. "ESCO/Marketers that switch customers without the customers' authorization will be fully responsible for wrongful

charges applied to customers' bills and for all reasonable costs incurred by the utilities". These provisions would continue to apply irrespective of the date the customer first contacts the Utility regarding an unauthorized enrollment request – whether that contact occurs during the pending stage prior to a switch or after the customer has been switched. Recission should be viewed as an action the customer may take during the pending stage for an enrollment request. The recission period would now extend from the date a valid enrollment request was received by the utility up to and including three business days prior to the effective date for that pending enrollment. Thus the three-business day notice requirement for a customer to rescind a pending enrollment request would only place limits on a customer's opportunity to remain with their current supplier if they do not want to, or did not authorize, switching to the new supplier. Adopting a 15 calendar-day notice period for enrollment transactions and reducing the period for issuance of the customer notice from five to three days provides customers more time to respond to the notice of a pending enrollment than what is currently implied in the NYUBP. We find this approach may minimize differences between the NY and National rules, which contemplated a longer recission period.

Last, regarding our slamming prevention rules, customers who are slammed should be able to continue taking service from their current marketer when the Utility is notified that they are rescinding a pending Enrollment Request from a new marketer. Although RG&E's comments described two ways of addressing the concerns raised by the Collaborative's recommendations, we believe that implementation of an EDI Reinstatement Transaction best fulfills the original intent expressed in the slamming prevention practices that a switch request "will be reversed".

RG&E's suggested approach, i.e. that development of the Reinstatement transaction should be a condition precedent for adoption on a mandatory basis of the EDI procedures will not be adopted. We will go forward with the proposed data standards for the Enrollment and Drop transactions rather than delay

implementation pending development of a Reinstatement transaction[15]. Acknowledging the comments submitted by Con Edison/O&R and Niagara Mohawk, we believe that the best approach is for the Collaborative to develop the Reinstatement transaction standard. The proposed Reinstatement transaction should be filed with the Secretary to allow for publication of a notice soliciting comments no later than October 10, 2001. Since a Reinstatement transaction is already in place in the Mid-Atlantic region we expect the effort associated with developing this transaction standard may be minimized since the Collaborative may have the benefit of E/Ms participating in that region in its development work.

Modifications to Customer Information Practices

Gas Profile Data

In its May 2000 comments, Con Edison/O&R proposed that historic customer data be differentiated between gas and electric. According to Con Edison/O&R, for gas, marketers prefer to receive projected gas usage or projected delivery requirements instead of actual historic consumption data. Both Con Edison/O&R and propose to provide gas marketers with a gas profile derived from customer's actual history data. The profile provides marketers with weather normalized delivery quantity projections that reflect lost and unaccounted for gas. Since the focus of gas nominations is delivery quantities, the gas profile is likely to be more useful to marketers when arranging for gas supply for their pool of customers than aggregated actual usage data. Accordingly, the EDI data standard for history requests we adopt will accommodate requests for either actual usage history or gas profile data. Corresponding changes to the NYUBP must be made to recognize gas

[15] A working model for the 814 Reinstatement transaction is available since this transaction is already in place in the Mid-Atlantic States.

profiles as documented in the Collaborative's business process and data standards documents.

Meter reads versus consumption data

In its May 2000 comments, North American Energy's comments expressed dissatisfaction with some utilities' interpretation of the business practices regarding current usage data. According to North American, some utilities do not provide actual meter dial readings and/or company calculated or estimated meter readings but only consumption information. In North American's view, this refusal to provide meter reads results in E/M's bills displaying less information than the utility reports on its own bill. According to North American, customers are used to receiving, and expect to continue to receive, meter information on the E/M's bill.

The EDI Collaborative proposed to transmit only billed consumption, rather than meter reading data, on the basis that meter reading data is not routinely retained in Customer Information Systems and it is these systems which are the primary interface for EDI. Transmission of data about registers, dials, meter multipliers, etc. would likely require an interface with utilities Meter Data systems and would extend the development time required for implementing the EDI 867 transaction for current usage. We will adopt the data standards for the 867 transactions, as subsequently modified, for an interim period until competitive metering data protocols have been developed. At that time, we will consider the EDI Collaborative's recommendations on modifications necessary to the 867 transactions to support competitive metering.

In addition, Con Edison/O&R submitted comments (in May 2000 and again on the National Report) proposing that the amount of free historical customer information available to E/Ms should be reduced from 24 months (or life of the account) to 12 months consistent with the national rules. We note that there were no comments in opposition to Con Edison/O&R's proposal and we will adopt this change. The business process and data standard

documents pertaining to the exchange of customer's historical data should be modified accordingly.

Modifications to Switching Practices

Both NYSEG and Con Edison/O&R filed comments requesting revisions to the NYUBP regarding the list of data elements E/Ms are currently required to provide to the Utility in order to enroll a customer with the E/M. The NYUBP requires the E/M to provide the customer's name, service address, mailing address and account number in their 'switch notice'. These data elements are not needed for EDI processing and therefore should not be sent. The NYUBP should be revised accordingly. In addition, the requirement that Utilities acknowledge receipt of a 'switch notice' in five calendar days is no longer relevant in an EDI environment where a 997 Functional Acknowledgement transaction is automatically generated and sent by the recipients system whenever an EDI transaction is received. The five-day provision for acknowledgement in the current NYUBP should be revised accordingly.

Other UBP Modifications

EDI Testing Requirements

NYSEG believes that the UBP must recognize successful EDI testing as an E/M eligibility criterion. We concur. Similar to the Report on National business practices, our preference is to add a new section to the NYUBP to encompass all of New York's E/M eligibility and oversight provisions. NYSEG's proposal to incorporate EDI testing as an eligibility criterion, among others, should be reflected in this new section.

Miscellaneous

With regard to the need to revise the NYUBP for EDI, other minor modifications not addressed above are implicit in the proposed data standards filed by the Collaborative. We note that these changes are basically housekeeping changes necessary to avoid confusion between the documents proposed here for Commission action and the current NYUBP. Further, such changes were uncontested in various rounds of comments filed by the

parties. Accordingly, we will adopt these modifications as documented in Supplement B.

Technical Comments/Issues

Validation Elements

Data validation is the process used to ensure that an incoming EDI transaction is processed for the correct customer account. Since EDI transactions may be processed seamlessly without human intervention, matching one or more data elements in an incoming transaction to the same elements in the recipients computer system validates transactions. If there is a 'match' the transaction is considered valid and will be processed; if the elements do not match, the transaction is rejected. Staff advises us that it is common practice to use the customer's utility account number as a validation element. However, parties disagree about whether a second element should be required for validation, and, if so, which one.

The utilities in this proceeding initially proposed four different approaches to validating EDI transactions[16]. In Opinion 00-05 we determined that all EDI transactions should be validated based on the same data protocol statewide thus achieving both consistency and consumer protection. Two data elements would be designated for initial EDI transactions, and one data element would be designated for subsequent transactions.

The EDI Collaborative was directed to file with the Secretary their selection of the data elements to be used to validate initial, and subsequent, EDI transactions. On May 31, 2000 the Collaborative filed a letter (Supplement A) with the

[16] In the June 30, 1999 Report of the EDI Collaborative.

Secretary containing the Utilities recommended method for validation:

> "For purposes of validating initial and subsequent transactions, the E/M will provide the customer account number (with check digit, if included) and meter number (when available), as appearing on the customer bill".

Under this scheme, a meter number would be considered to be "available" only with respect to metered service and only if the utility bill displayed the meter number. Rather than require that these two elements be sent only on the initial EDI transaction for a customer, the Collaborative recommended that, due to potential programming complications, it would be necessary to use the two data elements identified above for initial and subsequent transactions. Accordingly, the business process documents and corresponding EDI data standards proposed by the Collaborative in its filings reflect the above validation scheme.

The data standards proposed by the New York Collaborative required two data elements for validation: the customer's utility account number (with check digit, if included) and meter number (when available), as they appear on the customer's bill. A meter number would be considered "available" only with respect to metered service and only when the meter number appears on the bill. Where there are multiple meters on an account, the E/M would be required to include only one of the valid meter numbers. When no meter number is available, the transaction would contain the literal "ALL"; where the only service on an account is unmetered, the transaction would contain the literal "UNMETERED". When a meter number is "available" and is not sent, the transaction would be rejected.

Voluminous comments were subsequently filed requesting reconsideration of the validation scheme for incoming EDI

transactions that we adopted in Opinion 00-05. At issue is whether one data element or two should be used to validate transactions received by the Utility. When the utility relies on a single data element, there is a risk that an EDI transaction could be processed for the wrong account. However, when the utility uses two data elements a higher number of transactions could be rejected. Further, utilities must consider the increase in programming costs when two data elements, rather than one, are used for validation.

We note that most E/Ms use only the customer's utility account number to validate transactions and that the National Report on Uniform Business Rules concluded that "a simple validation system is needed to catch clerical errors, such as transposed account numbers, before utilities and suppliers spend time trying to process Switch requests with errors. According to the National Report released in November 2000, the minimum Switch validation elements should be the utility customer Account Number and one of the secondary validation elements below:

1. Five–digit zip code of service address; or
2. First four (4) characters of the Customer or company name on the account, e.g., Henderson or Wal-Mart; or
3. Other field as determined by the Applicable Regulatory Authority."

In its comments, Niagara Mohawk indicates that it will now validate transactions on the account number since "meter numbers appear on customer's bills for only certain rate classes". Since Niagara Mohawk tracks all customers by unique account numbers and does not uniformly include meter numbers on its bills, the Company does not plan to validate enrollments based on meter numbers. Niagara Mohawk points out that when the literal "ALL" is provided on a transaction, no validation is possible either.

Both Keyspan Delivery (the utility) and Keyspan Energy Services (the E/M) believe that the risks of erroneously switching the wrong account, when only the utility account number is used for validation, are sufficiently mitigated by the NYUBP requirement that customers receive a confirmation letter advising them of the pending enrollment with an E/M. This notification affords the customer an adequate opportunity to rescind the switch by contacting the utility.

According to Keyspan Delivery, this practice makes imposition of additional data elements unnecessary. Using the meter number as an additional data element may hinder further development of the competitive market since customers would have to provide additional numeric data to the E/M. If a greater quantity of numeric data is required, the chance of errors in transmission of that data is higher. This would into more erroneous rejections of customers' requests to switch to competitive commodity service.

Keyspan Energy Services strongly objects to the use of two validation fields and requiring the addition of the meter number for enrollment and drops. They find no compelling reason to change the current practice of using only the customer's account number, which customers can generally easily identify and provide. Use of meter numbers is impractical, as customers are generally unfamiliar with meter numbers even when they appear on their bills. Further, requiring a meter number will result in higher operational costs for E/Ms and delays in the enrollment and drop process, which, in turn, will result in dissatisfied customers and have a chilling effect on retail competition.

National Energy Marketers (NEMA) finds that the proposal of the EDI Collaborative to use the customer account number and meter number as the validation points is problematic. According to NEMA, "it is bad enough that the current practice requires the use of a "customer account number" that customers do not readily remember. The requirement of the use of two validation points will impose an unnecessary burden on the

switching process. Inasmuch as the meter number is not generally known by customers, and is not always stated on customer bills, requiring this data will be a barrier to customers who wish to choose an alternative supplier". NEMA recommends that a meter number not be required and points out that "other Mid-Atlantic States do not use the meter number as a validation point. As a result, EDI providers will have to make separate accommodations for New York's implementation and that will increase the costs of doing business".

Con Edison/O&R in their reply comments on the October 10 filing support the use of a single data element for validation finding that "the inclusion of meter number is an unnecessary complication for identification of their customers". Since the NYUBP requires that "all customers [be] notified of switches between suppliers, whether from the utility to an E/M, between E/Ms, or on return to the utility, and given a opportunity to restore the *status quo ante.* They conclude that the second data element is not necessary for validation."

Alternatively, NYSEG supports the recommendation of the EDI Collaborative that two data elements (i.e., the customer's utility account number and meter number) be used to validate all EDI transactions sent to the utilities by E/Ms. According to NYSEG, the use of two data elements in a validation process is a common business practice and ensures, to the extent possible, that transactions will not be incorrectly processed and customers will not be incorrectly transferred to another provider. Accordingly, the Commission should adopt the recommendation of the EDI Collaborative that both the customer's utility account number and meter number should be used to validate all initial and subsequent transactions.

NFG comments support the use of two validation parameters, utility account number and meter number (if available on the customers bill), on all EDI transactions. NFG currently provides either the actual meter number, or a virtual meter number, on every customer's bill. They believe that requiring E/Ms to obtain the second element from a customer's bill is not a cost prohibitive practice.

SmartEnergy, commenting on the validation scheme proposed in the National UBP Report, supported a simple standard switching validation system but noted "care must be exercised when implementing such rules". SmartEnergy supports two-field switch validations: the zip code and the utility account number. Alternatively, in its comments on the National UBP Report, Penelec supported the adoption of the utility customer account number as the only validation element finding that "this validation element has generally been sufficient to prevent any problems with accidental slamming of customers". In its view, "the use of additional elements is not necessary, and may in fact, cause more enrollments to be rejected unnecessarily."

After considering the parties comments, we conclude that the relative risk of switching the wrong account when relying solely on the utility account number for validation may not be the same for all utilities since the underlying system infrastructure is different. For those utilities that believe only one element is necessary we are concerned about the incremental programming costs associated with validating on two elements instead of one. This is especially true in those service territories where a meter number may only be displayed on a small number of customers' bills.

Further, we acknowledge the arguments raised by several parties that existing slamming prevention practices might be sufficient to mitigate the risks of relying on a single validation element. Referencing the comments made by NEMA and Penelec regarding the validation scheme used in the Mid-Atlantic States, we note that these states support an EDI Reinstatement transaction so customers may 'return' to their current E/M with no interruption in service when they rescind a new enrollment request. Accordingly, attempts to slam customers, either intentional or unintentional, may be immediately redressed and this tends to minimize the importance of having an effective validation scheme.

Accordingly, we believe that the validation scheme presented by the Collaborative in its May 2000 letter (Supplement A), and subsequently reflected in the data standards

filed by the Collaborative, should be modified such that transactions will be validated based solely on the customer's utility account number. The data standards and business process documents are modified herein to reflect this validation scheme. We find that the comments of parties who have some experience in EDI processing in other states are persuasive. We also believe our existing Slamming Prevention requirements taken in conjunction with the implementation of a Reinstatement transaction sufficiently mitigate the risk that customers could be switched erroneously when a single data element is used for validation. We will, however, revisit this decision, if necessary, after the Utilities have had sufficient practical experience in processing 'live' EDI transactions.

With respect to SmartEnergy's comments regarding the use of zip code as the second validation element, this element was considered early on in the EDI development process and rejected since it may not be sufficiently discreet to differentiate between customer accounts particularly in densely populated areas.

Test Plan Overview

Among the documents submitted in the October 10, 2000 filing was a New York EDI Test Plan Overview which envisioned a phased approach to EDI testing that is similar to, and based in part, on proven EDI test plans successfully used by other states[17]. By January 30, 2001[18] the Collaborative had further refined this Test Plan Overview and also completed development on Phase I of the test plan (including a set of rigorous test scenarios). This expanded test plan was then incorporated in a

[17] California, Pennsylvania, etc.

[18] The Technical Operating Profile also contains technical specifications for the EDI infrastructure to be implemented in New York such as the Internet delivery mechanism (Data Transfer Mechanism, or DTM), and related transaction and enveloping rules and guidelines.

larger document entitled the Technical Operating Profile. Notice of the recommendations contained in this Profile document was published in the State Register on January 31, 2001 and comments were filed on March 15, 2001.

As subsequently revised in the Profile document, Phase I testing would involve (1) a demonstration that the market participant has the ability to create EDI transactions that comply with the New York EDI data standards for each transaction and (2) a demonstration that the participant is capable of sending and receiving EDI transactions over the Internet using the prescribed data transfer protocols. The testing plan envisioned that all market participants would be required to successfully demonstrate that they have met the Phase I EDI test requirements prior to advancing to Phase II and/or Phase III testing.

The proposed Phase II testing is a verification of utility readiness to engage in full EDI processing. While Phase I is applicable to all market participants, Phase II is limited to the New York utility participants and a small group of experienced EDI compliant E/Ms. These participants would fully test the utility EDI systems interactively to prepare for "live" EDI processing. Phase II will include complete testing of the business process logic implicit in the EDI data standards using all required functionality, including data exchange over the Internet using the NY data transfer protocols.

Once a utility successfully completes Phase II testing, they will be ready to conduct Phase III testing for marketers who are, or will, participate in their service territory. Phase III would focus on the degree to which participating E/Ms can exchange specific EDI transactions with a specific utility and is designed to ensure that each E/M is fully prepared for an EDI production environment. Similar to Phase II testing, each E/M will test their EDI systems for full functionality using the EDI Internet data transfer mechanism.

In the Test Plan Overview filed on October 10, 2000, the Collaborative contemplated that an unbiased Test Moderator

would be selected to conduct the necessary Phase I EDI certification for all participants. However, parties' comments reflected concerns regarding this approach. The parties believe that it is critical that the Test Moderator be an unbiased entity with no direct involvement in New York's retail energy markets. In response to these concerns the designation of the Test Moderator was changed in the expanded Technical Operating Profile from an unbiased third party to Commission Staff.

As currently proposed, Staff's function as Test Moderator would involve determining the test scenarios that are applicable to each test candidate (based on the services and commodities each will be engaged in), receiving the actual test files from each candidate, and verifying that each test file is syntactically correct based on the New York EDI standards.

RG&E, in its comments of March 15, 2001, requests clarification regarding the expectation that activities conducted in Phase I could satisfy the requirement to demonstrate data transfer mechanism capability. The intent in Phase I is that each party could establish internally that its DTM mechanism is workable by successfully performing the prescribed Phase I DTM internal test scripts (described in Supplement E). Interactive testing of the DTM with trading partners would then occur in Phase II and/or III testing, for which detailed test plans are currently being developed by the Collaborative.

With regard to the E/Ms involved in Phase II, Keyspan Energy Delivery recommends that only E/Ms currently operating in each utility's service territory be considered for this role. Some of New York's current E/Ms may have sufficient EDI experience but adopting KeySpan's recommendation could potentially undermine the objective of the Phase II testing process. Phase II testing should not be limited to incumbent New York E/Ms.

Although no other specific comments were filed on the Technical Operating Profile, Staff advises us that several

changes to the Phase III test plan approach are now warranted. In particular, the Technical Operating Profile states that the exit criterion for completing Phase III should be PSC certification of each E/M based upon successful consummation of a trading partner agreement between the E/M and utility. This approach is problematic for two reasons. Staff will not be directly involved in Phase III testing and we have not yet considered whether trading partner agreements should be required and if so, in what form.

Although we expect Staff to facilitate resolution of disputes regarding testing between a specific utility and a specific E/M, we do not find it necessary, nor advantageous, that the Department 'certify' that an E/M has successfully completed Phase III testing. However, it is reasonable that the parties be required to document successful Phase III performance and readiness to move into EDI production to each other. The requirement for Commission certification of E/Ms should be removed from the description of Phase III testing activities. In lieu of this, upon successful completion of Phase III testing, each E/M should be provided with a confirmation, in writing, from the utility, stating the date the E/M has completed Phase III testing and is ready for production. In addition, the Utilities and E/Ms must retain the documentation supporting successful demonstration of Phase III testing.

With the modifications noted above, we will approve the EDI testing plan as described in the Technical Operating Profile document (Supplement E) but we expect the Phase II and III test protocols to be presented to us for approval no later than September 25, 2001.

Data Transfer Mechanism Protocols

A Data Transfer Mechanism (DTM) is the medium used to send and receive EDI transactions between market participants. Typically a data transfer mechanism is comprised of computer

hardware, software and a set of established protocols and procedures to ensure that data transfer is consistent across all market participants systems. In Opinion 00-05, we directed the parties to develop consensus Internet-based DTM protocols. In response, the Collaborative developed a consensus approach based on the hypertext transfer protocol (the HTTP Internet standard) and the Gas Industry Standards Board's Electronic Data Mechanism (the GISB standard). Similar to the Test Plan Overview, these recommendations were originally published for comment as part of the Collaborative's October 10, 2000 filing, and subsequently incorporated into the Technical Operating Profile document. No comments were filed with respect to the DTM recommendations and they are adopted as described in the appended Technical Operating Profile (Supplement E)

Technical Operating Profile

A limited number of comments were filed regarding other aspects of the Technical Operating Profile document. RG&E, in its March 15, 2001 comments, ask for clarification and modification to the technical assumptions contained in this document. RG&E requests clarification on General Technical Assumption 4, which stated that a recipient is responsible to ensure it receives any incoming transactions, and that if it cannot, it has the responsibility to request re-transmission. RG&E recommends Assumption 4 be re-worded to capture the notion that the receiver must first be aware of the existence of any incoming transactions. Since this principle is clearly implicit in the statement, no change is warranted.

NYSEG requested consideration of several minor technical clarifications to section VI.A of this document related to the responsibilities of the various parties in the event of a communications fail-over. In particular, NYSEG recommends language that solidifies the parties' intent to clearly distinguish between "protocol" failures and "exchange" failures and the subsequent activities associated with each

level of failure. The document is modified herein to reflect the clarifications sought by NYSEG.

In its comments on the Profile document, RG&E notes that the 820 transaction, listed in the Technical Operating Profile's Transaction Response matrix, has not been the subject of any Collaborative activity and asks for clarification as to the reason for its inclusion. Staff advises us that the Collaborative included the 820-remittance transaction in the Technical Operating Procedures since it will eventually be necessary to support the competitive billing initiatives. As such it is simply a placeholder.

Enveloping Standards

In the Transaction Processing Architecture document filed on October 10, 2000, rules were recommended for how EDI transactions were to be assembled, or "enveloped", and then transmitted. In terms of assembling the transaction one of the rules listed was that "only one functional group (GS) will be used within an envelope (ISA)." This is currently the industry standard method of assembling EDI transactions at the ISA envelope layer[19]. In their comments on the October 10, 2000 filing, Con Edison/O&R argue that this rule is overly restrictive and they recommend that the rule be reconsidered to allow parties the option of sending multiple groups per ISA envelope.

When the Collaborative released the Technical Operating Profile in January, it reiterated the recommended enveloping policy contained in the October 10 filing, i.e. "one envelope per session", as the New York standard. The Profile

[19] The Transaction Processing Architecture document describes several levels, or "layers" within a typical EDI transaction. The ISA layer is generally considered the uppermost layer of an EDI transaction.

document, however, addressed Con Edison/O&R's comments by clarifying that parties would be allowed, by mutual bilateral agreement, to vary from the enveloping rules.

RG&E, in its March 15, 2001 comments, requests clarification of the fourth and final transaction assembly rule which states that "…multiple transactions (ST) of the same type will be allowed within a functional group (GS). We are advised by Staff that the intent of this rule was that transactions could be grouped by their type (i.e. enrollments are grouped together, drops are grouped together, etc.). The Profile document has been amended to now include this clarification.

Tracking Mechanisms

In the Transaction Processing Architecture and Technical Operating Profile documents, methods to uniquely identify and track EDI transactions were proposed using various technical identifiers and parameters inherent in the EDI structure. For example, "Transaction set control numbers" are used as a primary identifier within each EDI transaction to uniquely number and track each transaction. In its comments, NMPC recommends that senders of transactions include their DUNS number within the transaction set control number, thereby, in NMPC's judgement, ensuring that each control number is truly unique.

We believe this alternative requires more discussion amongst the Collaborative. At this time, we will adopt the tracking mechanism rules as prescribed in the Technical Operating Profile. The modification proposed by NMPC would impose a requirement on all parties and would necessitate changes in every data standard proposed for adoption. The Collaborative parties should evaluate NMPC's suggestion in light of the EDI experience gained in other states and propose subsequent modifications as necessary.

Archiving and Auditing

The Transaction Processing Architecture and Technical Operating Profile prescribe that all companies meet any and all

current archival requirements. The Collaborative parties did not specify, however, to what extent archival requirements apply to the actual EDI transactions themselves. Con Edison/O&R, in their comments on the October 10, 2000 filing, assert that the archival requirements necessarily apply to the underlying data contained in the electronic transactions and that it is both unnecessary and burdensome to apply archival requirements to the actual EDI transactions. Con Edison/O&R recommend that the documents be revised to state that "this issue should be monitored and the decision reviewed periodically to consider the impacts and whether any changes are appropriate."

We believe it may be premature to determine the appropriate retention requirements for EDI transactions at this time, since the systems have not been implemented in any company. Accordingly, the appropriate archival policy should be considered after all utilities have reached the production stage of EDI implementation.

Drop Response

On page 22 of the Technical Operating Profile a Transaction Response Matrix is provided which lists each completed EDI transaction to be used in New York and the required responses. With respect to a drop transaction that is initiated by an E/M, the matrix specifies that a utility receiving this response must provide an EDI drop response, within two business days, whether the E/M initiated drop is accepted or rejected. The Drop Response transaction would be in addition to an EDI functional acknowledgement transaction that is sent perfunctorily in response to every EDI transaction transmitted.

In developing the matrix, E/Ms argued, and the Collaborative parties generally agreed, that more than a functional acknowledgement is required since supply arrangements and ultimately settlement is dependent upon both parties processing drops. Con Edison/O&R disagree, arguing that the

Collaborative provides no compelling argument for this approach, which would reverse the Commission's policy (April 12, 2000 Order) of not requiring the positive drop response.

In the Drop Business Processes proposed by the Collaborative in its October 10, 2000 filing, the recommended practice is for the Utility to determine the effective date of a drop, irrespective of whether the Drop Request transaction is initiated by the Utility or the E/M, since all switching activity is coincident with customers' meter reading dates. Accordingly, the Drop data standard requires that the Utility respond to a Drop Request and that the response transaction contain a segment for the effective date. In this order, we will adopt the more recent recommendation of the Collaborative and require that the Utility respond to Drop Request transactions received by E/Ms. With these modifications, the Technical Operating Profile document is approved.

Web Sites Design Principles

In Opinion 00-05, the we directed the Collaborative parties to work further to develop policies for making retail access data available in a more consistent manner from each utility's web site. In response to this directive the utility members of the Collaborative developed and filed for formal comment, a document entitled Retail Access Web Sites Design Principles (or Design Principles), as part of the October 10 filing made by the Collaborative. The Design Principles (see Supplement G) contains 20 recommendations which, if adopted, would ensure that certain information is presented in a standard format and is easily accessible to both current and prospective E/Ms. The objective of these Guidelines was to strike the proper balance between the need for standardization in data content and each utility's desire to retain the "look and feel" of its own particular web site design.

Keyspan Energy Delivery and NYSEG, in their comments, each generally agree with the Design Guidelines data content requirements but reiterate the desire for each utility to retain the individuality of its web site format. Con Edison/O&R, in

their comments, took issue with several of the recommendations in this document. For example, the Collaborative recommended the use of an unsecured web site for certain parameters whereas Con Edison/O&R currently uses a secured web site for data transfers to E/Ms. They point out that "the time and expense of developing an unsecured site should be considered in establishing either a requirement for an unsecured site or determining when it should be available."

We acknowledge that additional work may be required of the Utilities to comply with the Design Principles, but the objective was to provide both prospective and current E/Ms access to information in a consistent manner across all utility web sites. We are concerned about the inference in Con Edison/O&R comments that prospective E/Ms may have to request access to a secured area to obtain basic information regarding that company's retail access program. The Design Guidelines were developed with the objective that the same content could be found on all utility sites and, in addition, specific types of data could be found in the same place. The logical implication of adopting Con Edison/O&Rs recommendation would be inconsistency across utility web sites, which would be unresponsive to the recommendations made in the Collaborative's June 30 Report. In this regard, we adopt the Design Principles specifications regarding the placement of specific data in unsecured and secured areas since this best achieves the maximum standardization and security across each utility's web site.

Recommendation 14 of the Design Guidelines required posting of notices on the unsecured site for any scheduled web site interruptions. Con Edison/O&R currently provides this information through emails and its secured site and asserts that a "requirement for a notice facility on the unsecured site adds complexity and cost to the web site design without substantively improving communications with parties that need to know." In this instance, scheduled web site interruptions is information that is more critical to E/Ms already established in Con Edison/O&R service territories. Accordingly, the practice of advising marketers via email of such interruptions may be more

effective than merely posting notices on the unsecured web site. Con Edison/O&R is directed to provide more detail regarding its statements that this requirement "adds complexity and cost to web site design" and clarify specifically how the alternative practice of individual email messages is documented and retained.

The Principles contain guidance for communicating gas notices, including notices for "curtailments." Con Edison/O&R recommend that any notice regarding a period in which gas supply is unavailable for delivery or gas transportation be described with the term "interruption." Con Edison/O&R asserts that "there are many causes for gas to be unavailable, most outside the utility's control. The notion of "curtailment" is that the utility is responsible for precluding a customer from obtaining gas." Con Edison/O&R recommend, therefore, that the word "curtailment" not be used in this context. We agree and the Design Guidelines should be modified accordingly.

Lastly, Con Edison/O&R argue that because they currently have workable (and redundant) notification systems in place for their "interruptible gas" service classifications, that they not be required to implement a substitute or additional web-based notification system, citing lack of efficiency and cost saving factors. As we have indicated above, the overriding purpose of the Design Guidelines was to ensure uniform access to specific data content by all E/Ms. Granting waivers such as Con Edison/O&R seeks would undermine this objective.

Data Format for Aggregated Daily Delivery Quantities

In the April 2000 order, we approved a non-EDI, standardized file format for exchange of gas delivery data (also commonly referred to as Aggregated Daily Delivery Quantities or ADDQ). This format was considered to be consistent with the effort of the gas utilities in Case 97-G-1380, Future of the

Natural Gas Industry, to develop uniform standards to facilitate marketer entry. Each gas utility was directed to include the format, with some minor agreed upon changes, in their Gas Transportation Operating Procedures Manuals.

Since April 2000, the Collaborative parties further refined the gas delivery format and filed a revision for our approval in their October 10 filing. The proposed revision prescribes a more detailed format and directs each gas utility to make delivery data available to gas marketers in an ASCII flat file, comma separated, or otherwise delimited format.

Con Edison/O&R commented that the ADDQ File Format leaves "open to the Utilities the right to select the appropriate file format." Keyspan Energy Delivery comments that Utilities should be allowed to implement the ADDQ file format using an Excel spreadsheet format. They argue that Excel is superior to a comma-delimited format because Excel is "easier to read, easier to manipulate data within the file, and more user friendly to ESCOs and marketers who may not have more advanced electronic capability." Utilities are permitted some discretion in the format used to provide ADDQ data provided it is in a delimited format and E/Ms agree that Excel is an acceptable file format.

NYSEG, in its comments, requests exemption from the gas ADDQ file format for non-daily metered customers. NYSEG states that exchange of ADDQ information is not required in its service territory. NYSEG communicates to its E/Ms, on a daily basis, the actual amount of gas to be delivered for the next gas day, rather than the ADDQ amount (the average to be delivered each day of the month). NYSEG is granted this exemption.

Housekeeping Changes

More than one party commented on the need to make minor housekeeping changes in the various technical documents to correct typographical errors, to remove inconsistencies between an Implementation Guide and its corresponding data dictionary, to update the choice of certain codes to reflect consistency

with EDI standards published by the Utility Industry Group and to provide more illustrative examples for segments and/or transactions. The data standards and business process documents adopted herein reflect these minor modifications.

NEW INITIATIVES

In addition to the various milestones already discussed herein, it is necessary to set forth our expectations regarding the timetable for additional deliverables from the Collaborative.

EDI Change Transaction

The 814 Change Transaction is a standard industry EDI transaction used by utilities and E/Ms to exchange data regarding changes in a customer's account information. Per our April 2000 order, this data standard should have been included in the Collaborative's October or November filings. A proposed 814 Change standard was filed with the Secretary on June 27, 2001 and we will consider adoption following expiration of the formal comment period.

EDI 810 Billing Transaction

Similar to the 814 Change transaction, the 810 Billing transaction and related transactions were to have been included in the recent filings of the Collaborative. However, our current NYUBP does not contain uniform practices for consolidated billing. Without a framework of business rules in place, the Collaborative was unable to develop the necessary billing transactions. Our order on uniform practices for billing and payment processing was issued May 18, 2001. Accordingly, given the time frame for EDI testing for the data standards we are adopting herein, we will expect the Collaborative to develop and file standards necessary to support our billing and payment practices within 120 days of the date of our order in this proceeding.

Change Control

Change Control is the process used to ensure that EDI data standards are kept current. Once a data standard is adopted by the Commission, the standard will remain in place until there is a request to modify the standard to support a new initiative or resolve processing concerns raised by market participants. In our April 12, 2000 Order, we deferred action on preliminary Change Control recommendations included in the Collaborative's June 30, 1999 report. Once we have adopted the standards herein, the need for a Change Control process becomes more critical. We expect the parties to recommend a refined Change Control process for our approval, in coordination with other implementation activities, no later than September 15, 2001. We expect the Collaborative's recommendations regarding an EDI Change Control Process for New York to reflect our intent of achieving maximum uniformity statewide in the long term and consistency with other EDI published standards in the short term.

Trading Partner Agreements

We reserved decision regarding the use of trading partner agreements to govern the transmission and receipt of EDI transactions in our April, 12, 2000 Order and anticipated that we would reconsider this issue when the utilities reach the readiness-to-test stage of EDI. The Collaborative parties have continued to deliberate proposed trading partner agreement issues and are expected to report their findings and recommendations in the near future, in coordination with the beginning of formal testing activities. We will defer any immediate consideration of trading partner agreements until Staff has advised us that the majority of utilities have completed Phase II testing requirements.

CONCLUSION

For the reasons cited above we reaffirm our commitment to achieve statewide implementation of EDI for all market participants by year-end 2001. Further, based on the discussion

herein, as well as the standards documents appended to this order,

The Commission orders:

1. The petition of National Fuel Gas, Crown Energy Services, Iroquois Energy Management, Open Flow Gas Company and TXU Energy Services, Inc. for rehearing, reconsideration or waiver is denied.

2. Revisions to the NYUBP as discussed herein and/or documented in Supplement B are adopted.

3. Following EDI testing, all market participants are expected to comply with the published EDI data standards contained in the supplements to this Opinion pending our subsequent adoption of a Change Control Process.

4. The Collaborative should consider, and report back to us, modifications to the Enrollment and Drop transactions to support requests for a special meter read to effect an off cycle enrollment or drop as proposed by NYSEG.

5. The various data standards documents as modified herein and contained in various supplements are adopted as follows: TS814 Enrollment Request and Response (Supplement F), the TS814 Consumption History Request and Response, (Supplement H), the TS814 Drop Request & Response (Supplement G), the TS867 Consumption History/Gas Profile (Supplement I), the TS867 Monthly Usage (Supplement J), the TS824 Application Advice (Supplement K), and the TS997 Functional Acknowledgement (Supplement L).

6. The Collaborative should develop the alternative business process and related data standards necessary to support an 814 Reinstatement transaction and report the status of these efforts to us October 10, 2001.

7. The various business and technical issues raised in parties comments, that are not specifically addressed in the supplements, are resolved as described herein.

8. The validation scheme presented by the Collaborative in its May 2000 letter (Supplement A) is approved as modified herein.

9. The use of the New York Internet Data Transfer Mechanism protocols, the EDI testing plan, and the other practices contained in the Technical Operating Profile document in Supplement E, as modified herein, are approved.

10. The Web Sites Design Principles contained in Supplement C are adopted as proposed.

11. The Collaborative should develop the data standards for the EDI transactions necessary to support our retail access billing and payment practices, as described in our order in Case 98-M-1343, issued and effective May 18, 2001. These transaction standards should be filed with the Secretary no later than 120 days of the effective date of this order.

12. The Collaborative should file a refined Change Control process for our approval in coordination with other implementation activities no later than October 10, 2001.

13. The jurisdictional utilities are directed to continue, and ESCO/Marketers are encouraged, to participate in the NY EDI Collaborative and comply with the requirements set forth in the EDI Test Plan.

14. This proceeding is continued.

By the Commission,

(SIGNED) JANET HAND DEIXLER
Secretary

APPENDIX

Note: The following documents are available electronically from the Commission's web site at http://www.dps.state.ny.us/98m0667.htm.

Supplement	Description
SUPPLEMENT A	• May 31, 2000 Letter on Validation Elements from the Chairman of the NY EDI Collaborative
SUPPLEMENT B	• Summary of Parties Comments on, and Approved Modifications to, the New York Uniform Business Rules
SUPPLEMENT C	• Retail Access Web Sites Design Principles
SUPPLEMENT D	• Alternate Comma Delimited File Format For Exchange of Aggregated Daily Delivery Quantities
SUPPLEMENT E	• Technical Operating Profile For Electronic Data Interchange In New York
SUPPLEMENT F	• New York EDI transaction standard for the TS814 Enrollment Request & Response, • TS814 Enrollment Data Dictionary • Enrollment Business Process
SUPPLEMENT G	• New York EDI transaction standard for the TS814 Drop Request & Response • TS814 Drop Data Dictionary • Drop Business Process
SUPPLEMENT H	• New York EDI transaction standard for the TS814 Consumption History Request & Response • TS 814 Consumption History Data Dictionary • Usage Business Processes – Historical
SUPPLEMENT I	• New York EDI transaction standard for the TS867 Consumption History/Gas Profile • TS867 Consumption History Data Dictionary
SUPPLEMENT J	• New York EDI transaction standard for the TS867 Monthly Usage • TS867 Current Usage Data Dictionary • Usage Business Processes – Monthly
SUPPLEMENT K	• New York EDI transaction standard for the TS824 Application Advice
SUPPLEMENT L	• New York EDI transaction standard for the TS997 Functional Acknowledgement