



August 12, 2016

Hon. Kathleen H. Burgess,
Secretary
New York State Department of Public Service
3 Empire State Plaza - 19th Floor
Albany, NY 12223

RE: **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.

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

Dear Secretary Burgess:

National Fuel Gas Distribution Corporation hereby submit its *Request for Clarification* of the New York Public Service Commission's ("Commission") *Order Regarding the Provision of Service to Low-Income Customers by Energy Service Companies* issued and effective on July 15, 2016 ("Moratorium Order") in the above referenced cases.

Please contact the undersigned at (716) 857-7884 if you have any questions regarding this filing.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael E. Novak".

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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

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REQUEST FOR CLARIFICATION

On July 15, 2016, the New York Public Service Commission (“Commission”) issued its *Order Regarding the Provision of Service to Low-Income Customers by Energy Service Companies* (“Moratorium Order”) in the above-referenced proceedings. National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) submits the instant filing requesting clarification of Ordering Clauses 1 through 7¹ as applicable under certain circumstances.

I. ESCO Consolidated Billing Model Impact

Approximately 20,000 energy service company (“ESCO”) customers in Distribution’s service territory receive their monthly natural gas bills under the ESCO Combined Billing (“ECB”) Model.² Under ECB, ESCOs render single bills including commodity and delivery charges directly to customers and Distribution has no billing relationship with the customer. Accordingly, Distribution does not know which customers served under the ECB model are Assistance Program Participants (“APP”). From a billing perspective, ECB ESCOs “step into

¹ Moratorium Order, pp. 18-19.

² On Distribution’s system, this billing relationship is customarily referred to as “Single Retailer Billing” or “Marketer Consolidated Billing”. These terms are effectively interchangeable with the term ECB.

the shoes of the utility”. For example, the ECB ESCOs know which of their customers receive HEAP payments, but Distribution does not possess this information.

Distribution does not believe the Commission intended that APP customers of ECB ESCOs be excluded from the Moratorium Order’s intended protections. Nevertheless, absent a billing relationship with the customer, Distribution cannot comply with Ordering Clauses 1-6 for these APP customers. Distribution believes the Commission’s intent can be fulfilled if it clarifies that ECB ESCOs should comply with Ordering Clauses 3, 4, 5 and 6 as if they were utilities.³ Further, the Commission should clarify that once an ECB ESCO drops the customers⁴ it is no longer eligible to serve, it should simultaneously inform Distribution which customers are APP customers, consistent with the intent of Ordering Clause 5. Distribution would then be able to comply with Ordering Clause 1, placing a block on APP accounts to prevent those accounts from being enrolled with a subsequent ESCO.

II. Applicability of Moratorium Order to Certain Direct Voucher Customers

In Distribution’s service territory, direct voucher customers in Chautauqua, Erie and Niagara Counties receive commodity service under an aggregation program operated by each county’s Department of Social Services (“DSS Aggregation Programs”). Collectively, the counties arrange for gas supplies from an ESCO on an annual basis.⁵ The DSS Aggregation Programs have a track record of obtaining and providing commodity service prices at rates substantially similar to, or below, Distribution’s commodity rate. While there is ESCO involvement with the DSS Aggregation Programs, Distribution considers the county agencies to

³ When the ECB ESCO reviews its customer base to determine which customers are APPs, the intent of Ordering Clause 2 is met.

⁴ As required by Ordering Clause 6.

⁵ Distribution notes that it places a block on all accounts enrolled in a DSS Aggregation Program, preventing those accounts from being enrolled with an ESCO.

be better described as Direct Customers. Distribution also believes that the direction provided for Community Choice Aggregation programs⁶ is applicable to the instant circumstances; therefore, each county should determine whether its direct voucher customers should remain in the DSS Aggregation Program. Distribution requests that the Commission clarify that 1) Ordering Clause 7 is not applicable to each county's DSS Aggregation Program or 2) to the extent Ordering Clause 7 is applied to direct voucher customers currently enrolled in the DSS Aggregation Program, it is at the discretion of the county's Department of Social Services whether to de-enroll such customers.

Conclusion

In light of the foregoing, Distribution respectfully requests that the Commission grant the requested clarifications.

Respectfully submitted,



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Dated: August 12, 2016

⁶ "Furthermore, for some low-income customers, a social services organization receives and pays the energy bill; in those cases, the social services organization, not the customers themselves, should make the decision regarding whether to opt-out." *Order Authorizing Framework for Community Choice Aggregation Opt-Out Program* ("CCA Order") (Issued and Effective April 21, 2016), p.17.