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Approved as Recommended  
and so Ordered  
By the Commission

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DEBRA RENNER  
Acting Secretary  
Issued & Effective March 15, 2000

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

March 3, 2000

TO: THE COMMISSION

FROM: OFFICE OF ELECTRICITY AND ENVIRONMENT  
OFFICE OF CONSUMER EDUCATION and ADVOCACY

SUBJECT: CASE 94-E-0952 - In the Matter of Competitive  
Opportunities Regarding Electric Service - Retail  
Access Reporting

SUMMARY OF

RECOMMENDATION: Staff recommends that 1) the monthly retail access reporting requirement for electric utilities continue through December 2000 and quarterly reporting begin in January 2001, and 2) the monthly and quarterly reports include both the number of customers that have returned to jurisdictional service and that have left one ESCO for another ESCO.

Background

The Order Approving Interim Reporting Requirements, issued January 28, 1999, in this case, set certain requirements for jurisdictional electric utilities to report regarding retail access. The requirements include reporting monthly through December 1999 and then quarterly (using monthly data) through December 2001 on: number of eligible customers; amount of eligible KWH; number of participating customers and energy service companies (ESCOs); and amount of KWH provided to customers by each ESCO and by rate class.

For the reasons set forth below, Staff recommends that the monthly retail access reporting requirement continue through December 2000, with the quarterly reporting beginning in January 2001, and that the report also include the numbers of retail access customers that have returned to jurisdictional service and that have transferred from one ESCO to another.

Parties' Comments

Three comments were received in response to a Notice of Proposed Rulemaking dated January 5, 2000: one submitted jointly by Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (Con Edison); another from Huber Lawrence and Abell, on behalf of New York State Electric and Gas Corporation, Niagara Mohawk Power Corporation, Rochester Gas and Electric Corporation and Central Hudson Gas and Electric Corporation (the Utilities); and one from the New York State Consumer Protection Board.

No party objects and "(T)he Utilities concur with the proposal to continue the monthly reporting schedule through December 2000, followed by quarterly submissions commencing in January 2001." The State Consumer Protection Board (CPB) recommended the continuation of monthly reporting through the end of December 2001 which is the period initially specified by the Commission for monitoring the progress of electric retail access in New York.

The proposal to add the number of customers and KWH usage that have returned to jurisdictional service and/or have left one ESCO for another raised concerns and a request for clarification. It was noted by the utilities that the proposal is susceptible to varying interpretations, particularly as to when a customer is considered to have returned to utility bundled services. The utilities also discussed the need to develop new software programs to track and collect the requested data. Not only does this take time, but they contend that there are costs associated with the changes necessary to implement the proposed requirement which should be subject to future recovery.

Discussion

Staff believes that continuation of reporting on a monthly rather than quarterly basis along with additional information on customer migration is helpful in monitoring the introduction of retail competition in New York State.

1) Monthly Rather than Quarterly Filing

The Order Approving Interim Reporting Requirements, which was issued in January 1999, was based upon certain assumptions that did not materialize. For example, the Independent System Operator (ISO) was expected to be up and running in the Spring of 1999, but did not begin operation until November, 1999. Because a fully functioning ISO may affect an ESCO's ability or decision to provide service, we believe that closely tracking the market for some months after the ISO is operating will provide useful information, especially concerning new entrants into the New York market and the impact of the wholesale market on the retail market.

Monthly formatted statistics are required to be reported even in the quarterly reports, so there is no additional burden on the utilities other than sending the required information on a more current basis than would otherwise be the case. Such a small burden is outweighed by the benefits of having the more current information, and no party objects. Thus, monthly reporting should continue through 2000. At the end of 2000, we can evaluate the need for continued monthly, as recommended by the CPB.

2) Return to Utility Service and Switches to Another ESCO

The importance of having information on customers who return to utility service or switch to another ESCO was not fully understood until we were actively involved in instituting retail access. For example, a considerable number of customers returned to utility service at the conclusion of Consolidated Edison's Phase One Program, but this was masked in the reported statistics

by the number of customers who enrolled at the start of Phase Two. The total number of retail access participants, nonetheless, grew from month to month. While this additional migration information has been obtained occasionally from the utilities, it would be best to receive it on a consistent basis in the monthly report. Thus, Staff recommends the addition of this requirement.

In response to questions raised by the utilities in their comments, Staff recommends that only customers who have actually taken service from a retail access provider during the month of the reporting period be counted in the statistics. Also, the report should be limited to the number of customers who returned to bundled service and who switched to another ESCO; there is no need to separately identify the number of retail access customers who moved out of the utility territory.

Staff recognizes that the difficult part of complying with the proposed changes is the need to write commands and to perform necessary computer operations to extract from another computer information system the KWH usage of the particular customer that has changed providers. Since the utilities will be reporting the rate category of the customers that changed providers, the incremental benefit derived from knowing the load for the month when the switch occurred that is associated with the customers that switched providers may not outweigh the costs to provide the additional information. Based on this information, Staff withdraws the proposal to report separately the KWH usage of customers that have returned to bundled service or switched to another ESCO.

These customers that return to bundled service or switch ESCOs are a subset of the customers that migrated to retail competition. Although Staff has accepted that it may not be cost effective for utilities to capture information on the load of this subset, the need for Staff to monitor overall retail market penetration during this transition period has not changed. Utilities should continue to report the KWH usage of customers that are served that month by ESCOs.

Recommendation

Staff recommends that the monthly retail access reporting requirement continue through December 2000 and the quarterly reporting begin in January 2001. Staff further recommends that the monthly and quarterly reporting also include the numbers of customers that have returned to jurisdictional service and that have left one ESCO for another ESCO. The proposed requirement to report the amount of KWH associated with those customers should not be adopted.

Staff will provide the utilities an updated electronic format for the monthly reports. The update will include the number of customers by ESCO and by rate class that have returned to bundled electric service or have switched to another ESCO. The revised electronic format should be used by the utilities in submitting the report due the tenth working day of April 2000.

Respectfully submitted,

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