

NYSEMC

New York State Energy Marketers Coalition

April 27, 2013

Re: Cases 12-E-0201 and 12-G-0202 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric and Gas Service

Comments on Company's Proposed Web-based ESCO Bill Comparison Tool

1. Overall, the web-based comparison tool looks good. The **Company did an excellent job** with this.
2. We agree with the suggestion that **ESCO names should be hyperlinked** to ESCO websites so that customers can get more information on the product being compared.
3. We remain concerned that **some of the ESCO products are not at all comparable** to the utility price – which makes the **disclaimers critical** (as well as links to additional information).
4. We agree that the **web-based tool is best** place to start with this effort. We see **multiple problems with a paper-based bill comparison tool** and cannot support it. We suggest trying the web-based approach for 18 months and then re-assess.
5. See suggested **modified Disclaimer** below:

"This bill comparison tool is developed by National Grid to help you compare a bill that includes energy supply charges that you received from your energy services company (ESCO) to a bill that National Grid would have otherwise issued for the same energy supply if National Grid were the energy supplier.

Your energy bill contains two parts: delivery charges and supply charges. National Grid always provides your delivery service, and the delivery charges are the amount you pay National Grid for this delivery service. Your energy supply service (the kilowatt hours of electricity or therms of natural gas you use) may be provided by an ESCO, and the energy supply charges are the amount you pay to the ESCO.

- Most residential customers who receive energy supply from an ESCO receive a single bill from National Grid for both supply and delivery charges. This tool will provide the ESCO vs. National Grid comparison for these customers. The tool is able to access up to 12 months of cost comparison data.
- If the energy supply purchased from an ESCO includes a value-added feature such as a price that is fixed for a period of time, green energy, an energy equipment repair package, airline miles, or other product or service, the cost of this value-added feature may be reflected in the charges from your ESCO. The energy supply provided by National Grid, however, does not include such value added services. Keep this in mind when interpreting the results of this bill comparison.
- A comparison of ESCO charges with comparable utility charges in any single period may be affected by one-time charges or very short-term changes in energy and natural gas prices. It is therefore recommended that comparisons be made over a longer period of time, and if possible, over an entire year.

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Modified Disclaimer (continued)

- National Grid's energy and natural gas prices vary from month to month in response to market forces. Some ESCOs offer an energy supply at a fixed price per unit (kilowatt hour of electricity or therm of gas) for the duration of a contract. A fixed price contract may be an attractive choice for consumers who want to lock in a certain price. Fixed price contracts, however, do not and cannot guarantee that the customer will save money in any given month or over a longer comparison period. In some months, the contract's fixed price could be lower than the variable price offered for energy supply provided by National Grid. In other months, the contract's fixed price may be higher than the National Grid price. Please keep that in mind when interpreting the results of this bill comparison.
- Some ESCOs guarantee savings. Generally, the savings are guaranteed over a twelve-month period. If you have an agreement that guarantees savings, but the results of the bill comparison do not reflect a savings over what you would have paid National Grid, you may wish to contact your ESCO to discuss.
- The bill comparison tool may only be used to compare your ESCO's energy supply charges against National Grid's energy supply charges. The tool does not have the ability to compare what your ESCO charged against what other ESCOs might have charged.
- The bill comparison results from this tool are not intended to be an endorsement of National Grid's cost of energy supply or the cost of energy supply of any particular ESCO.
- Customers should be aware that past performance is not necessarily indicative of future results.
- National Grid is not affiliated with any ESCO and we are unable to discuss ESCO pricing, policies, contracts or agreements. If you have questions about your energy supply or the resulting energy supply charges, you should contact your ESCO.

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