

PROPOSED RULEMAKING

PENNSYLVANIA PUBLIC UTILITY COMMISSION

[52 PA. CODE CH. 59]

[L-2016-2577413]

Rulemaking to Amend the Provisions of 52 Pa. Code Chapter 59 Regulations Regarding Standards For Changing a Customer's Natural Gas Supplier; Request for Additional Comments

Public Meeting held
April 20, 2017

Commissioners Present: Gladys M. Brown, Chairperson; Andrew G. Place, Vice Chairperson; John F. Coleman, Jr.; Robert F. Powelson; David W. Sweet

Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 59 Regulations Regarding Standards For Changing a Customer's Natural Gas Supplier; L-2016-2577413

Order

By the Commission:

On December 22, 2016, the Pennsylvania Public Utility Commission (Commission) adopted an Advanced Notice of Proposed Rulemaking (ANOPR) to solicit comments about amending and adding to the provisions of 52 Pa. Code §§ 59.91—59.99 regarding standards for changing a Customer's natural gas supplier.¹ These regulations address the process for transferring a customer's account from a service of last resort (SOLR) provider to a competitive natural gas supplier (NGS or supplier), from one supplier to another supplier and from a supplier to SOLR service. The proposed regulatory changes are intended to accelerate this process while preserving safeguards to prevent the unauthorized switching of a customer's account, also known as "slamming." Comments were due and were filed on February 21, 2017. With this Order, the Commission seeks additional comments on issues raised in comments filed on February 21, 2017.

Background

The current NGS switching regulations were adopted on July 7, 2000 and became effective July 8, 2000.² Due to changes in the competitive retail gas and electric markets since the adoption of these regulations, the Commission is reviewing these regulations, previous relevant orders, and comments from interested parties regarding an accelerated switching process. The ANOPR was published in the *Pennsylvania Bulletin* on January 7, 2017—triggering the start of a 45-day comment period.

Twelve parties filed comments on February 21, 2017, Columbia Gas of Pennsylvania (Columbia); Energy Association of Pennsylvania (EAP); National Fuel Gas Distribution Corporation (NFG); Natural Gas Supplier Parties (NGS Parties); Office of Consumer Advocate (OCA); PECO Energy Company (PECO); Peoples Natural Gas Company LLC and Peoples TWP LLC (Peoples); Philadelphia Gas

Works (PGW); Retail Energy Supply Association (RESA); UGI Distribution Companies (UGI Distribution); UGI Energy Services (UGI Energy) and Valley Energy (Valley). All comments, in addition to the December 22 ANOPR, are available on the Commission's website at http://www.puc.pa.gov/about_puc/consolidated_case_view.aspx?Docket=L-2016-2577413.

With this Order, the Commission seeks additional comments on its proposals and issues raised by parties in their February 21, 2017 comments, to revise the regulations to facilitate accelerated switching without endangering safeguards to protect customers against unauthorized switching.

Discussion

Upon review of the initial comments, Commission staff determined that parties raised several concerns and/or introduced new proposals that warrant further exploration. Accordingly, the Commission now invites any interested stakeholder to submit additional comments. While stakeholders are free to comment on any topic they believe warrants additional comment, the Commission wants to highlight a few specific matters raised in the initial comments that we believe need further vetting by the stakeholders and that we expressly invite further comment upon:

Backdating NGS Switches:

As an alternative to off-cycle switching, NFG proposed that natural gas distribution companies (NGDCs) have the option to affect the switch retroactively to the last meter read used for billing (NFG at 9-10). We invite parties to comment on this proposal, including any technical or customer-related issues they identify. Additionally, we are interested in the analysis of the costs and possible cost-savings that a "retroactive" switch procedure may provide in comparison to the possible costs of off-cycle switching.

Limitations on Off-Cycle Switching:

In the analogous EGS switching regulations (see 52 Pa. Code §§ 57.171—180), there is no limitation on the number of off-cycle supplier switches a customer may make within a single billing cycle. However, for NGS switching, some parties have proposed that if off-cycle switching is required, that it be limited to one off-cycle switch per billing period. (Peoples at 5-6; NFG at 6). We invite parties to comment on the benefits of such a restriction—especially as it relates to costs compared to unrestricted off-cycle switching. Parties are also invited to comment on any possible consequence of such a restriction—especially possible impacts on consumers.

The NGDC Acting as a Capacity "Clearinghouse":

Parties expressed a diversity of opinion on the NGDC acting as a "clearinghouse" to address capacity assignment in an off-cycle switching environment—with some voicing caution while others believing that the concept is workable. (NFG at 7-8; NGS Parties at 6 and PECO at 7-8). We invite parties to comment further on this concept and any possible alternatives.

Diversity of NGDC Systems:

Several NGDCs noted the diversity of their distribution systems, billing capabilities and metering technology. (Columbia at 4-5; EAP at 9-10; PGW at 6-7; Valley at 3; and UGI on pages 3-4). Should the regulations and

¹ See Advanced Notice of Proposed Rulemaking to Amend the Provisions of 52 Pa. Code Chapter 59 Regulations Regarding Standards for changing a Customer's Natural Gas Supplier, Docket L-2016-2577413 (Order entered December 22, 2016).

² See Final Rulemaking Order re: Rulemaking Establishing Procedures to Ensure Customer Consent To A Change of Natural Gas Supplier, Docket L-00990145 (Order entered May 12, 2000).

switching timeframes vary depending upon the NGDCs capabilities? Would such diversity be too confusing and problematic for suppliers and consumers? Should all NGDCs be held to the same standards—but with varying implementation timeframes dependent upon changes or updates in their technical capabilities?

Data Elements in § 59.93:

The current rule at 52 Pa. Code § 59.93(1) requires that when an NGS transmits an enrollment to the NGDC, that the “. . . NGDC shall verify the accuracy of the information provided by the NGS by matching at least two data elements such as name and account number, or address and account number, with NGDC records.” This same requirement is included in the proposed revised regulation as found in the ANOPR. This requirement is not found in the analogous EGS switching regulation (see 52 Pa. Code §§ 57.172—174)—as pointed out by PECO in their comments. Further, PECO contends that it has not encountered problems using only one data element—the account number. Accordingly, PECO asks that flexibility be provided to allow the switching of accounts based upon only one element. (PECO at 6). We invite parties to comment on this—especially concerning any issues with the exchange of account data between suppliers and NGDCs that may be impacted by any change.

Conclusion

We invite parties to submit additional comments on the matters discussed in this order and on any other issue raised in the comments filed at this Docket that they think warrant further attention by the Commission. As we did in the ANOPR, we urge parties to submit along with their comments any data supporting their position, including any cost data. Where parties oppose the proposed regulations, we encourage them to offer alternative solutions.

Upon careful review and consideration of the all comments received in this Docket, the Commission intends to issue a formal Notice of Proposed Rulemaking with proposed revised regulations; *Therefore*,

It Is Ordered That:

1. The Secretary shall duly certify this Order and deposit it with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*.

2. Written comments referencing Docket No. L-2016-2577413 be submitted within 30 days of publication in the *Pennsylvania Bulletin* to the Pennsylvania Public Utility Commission, Attn: Secretary, P.O. Box 3265, Harrisburg, PA 17105-3265. Comments may also be filed electronically through the Commission’s e-File System.

3. This Order proposing to revise the regulations appearing in Title 52 of the *Pennsylvania Code* Chapter 59 (relating to Standards for Changing a Customer’s Natural Gas Supplier), be served on all jurisdictional natural gas utilities, all licensed natural gas suppliers, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate.

4. The Office of Competitive Market Oversight shall electronically send a copy of this Order to all persons on the contact list for the Committee Handling Activities for Retail Growth in Electricity; and to all persons on the contact list for the Investigation of Pennsylvania’s Retail Natural Gas Market, order entered December 18, 2014 at Docket No. I-2013-2381742.

5. A copy of this Order shall be posted on the Commission’s website at the Office of Competitive Market Oversight web page and on the web page for the Retail Markets Investigation—Natural Gas.

6. The contact persons for this matter are Daniel Mumford, Office of Competitive Market Oversight (717) 783-1957; dmumford@pa.gov, Matthew Hrivnak in the Bureau of Consumer Services (717) 783-1678, mhrivnak@pa.gov, and Kriss Brown in the Law Bureau (717) 787-4518, kribrown@pa.gov.

ROSEMARY CHIAVETTA,
Secretary

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