
**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

The North Shore Gas Company :
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Proposal to revise Riders SVT, AGG, : **Docket No. 01-0469**
Rider 2, Terms and Conditions, and Table :
Of Contents :

**INITIAL BRIEF OF
THE NATIONAL ENERGY MARKETERS ASSOCIATION**

November 20, 2001.

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This Brief is submitted by The National Energy Marketers Association (“NEM”) in the above-referenced proceeding. The National Energy Marketers Association (NEM) is a national, non-profit trade association representing both wholesale and retail marketers of energy and energy-related products, services, information and technologies throughout the United States. NEM's membership includes: small regional marketers, large traditional international wholesale and retail energy suppliers (as well as wind and solar power), billing and metering firms, Internet energy providers, energy-related software developers, risk managers, energy brokerage firms, information technology providers as well as suppliers of advanced metering and distributed generation technologies. Our membership has both affiliated and unaffiliated companies.

This regionally diverse, broad-based coalition of energy and technology firms have come together under the NEM auspices to forge consensus and to help eliminate as many issues as possible that would delay competition. NEM is committed to working with representatives of state and federal governments, large and small consumer groups and utilities to devise fair and effective ways to implement restructuring of natural gas markets.

NEM submits this brief to address the issues associated with institution of the Choices for You Program (hereinafter the "Program"), a supplier single bill option, and customer enrollment options.

I. BACKGROUND/OVERVIEW

North Shore submitted a filing to institute proposed Rider SVT and Rider AGG by the terms of which it will offer a small volume gas transportation program. North Shore proposes that all SC 2 customers with an annual usage of less than or equal to 50,000 therms as well as a limited number of residential customers be eligible to participate in the Program.

II. THE CHOICES FOR YOU PROGRAM ELIGIBILITY

As a general matter, NEM believes that choice programs must be implemented in sufficient size to permit competitive marketers to achieve economies of scale. The larger the program size, the greater the chance that consumers can benefit from economies of scale and attendant meaningful price competition. If a marketer can achieve sufficient economies of scale, it can pass along the lower costs to consumers. In the instant case, North Shore proposes that enrollment of SC 1

customers be subject to yearly enrollment limits. NEM argues that the enrollment limits should not be adopted inasmuch as they would frustrate suppliers' efforts to achieve economies of scale.

III. SUPPLIER SINGLE BILLING

NEM asserts that suppliers participating in the Program must be permitted to offer single billing services and customers must be permitted to designate agents for receipt of bills. This recommendation was supported by a number of parties to the proceeding. For example, Staff recommended that, "as soon as an order is entered in this proceeding single billing should be permitted through 'account agency,' and also in the longer term through a single billing tariff." (ICC Staff Ex. 3.0 Lines 44-47).

The Commission has previously addressed the provision of single billing to gas customers in its Order in the Nicor proceeding.¹ In that proceeding, the Commission found, "that single billing is desired by customers as well as suppliers and is necessary for competition to develop."² NEM agrees that this rationale is equally applicable in the instant case. Consumers must be given the option to receive one bill from a supplier of choice. All indications suggest that customers would like to receive one bill for commodity and distribution charges. NEM maintains that the ability of a supplier to bill for its charges as well as the natural gas company charges will foster the development of a competitive market because

¹ Docket Nos. 00-0620 and 00-0621, Order, issued July 5, 2001, pages 28-29.

² Id. at 28.

it will enhance the supplier's ability to invest in the infrastructure necessary to offer innovative products and services, and consolidate gas and electric products in eligible markets. Customers must also have the right to direct a billing party to send their bill to another party for processing and payment. Many competitive suppliers also utilize this billing process.

IV. CUSTOMER ENROLLMENT OPTIONS

NEM recommends that the Program be expanded to permit internet and telephonic enrollment of customers. This recommendation was also offered by Staff. (See ICC Staff Ex. 3.0 lines 678-724). This recommendation is consistent with the Commission's Order in the recent Nicor case.³ NEM asserts that the Internet will likely become a significant, perhaps dominant vehicle to aggregate the supply and demand for energy as well as to facilitate the delivery of energy-related products, services and information. It is equally clear that the Internet can lower operating costs, facilitate a wide array of value-added products and services, lower barriers to entry and provide an ideal platform for true price competition. By comparison, requiring wet signatures for customer enrollment increases costs for suppliers to acquire customers, resulting in higher costs to consumers and a reduction in competitive options.

Furthermore, a wet signature requirement is inconsistent with the provisions of the Illinois Electronic Commerce and Security Act as well as the federal Electronic

³ Id. at 72.

Signatures in Global and National Commerce Act, both of which provide that electronic records and signatures satisfy rules of law requiring information to be "written" or "in writing."⁴ Accordingly, the Commission should authorize the use of internet and telephonic customer enrollment for the North Shore Program.

V. CONCLUSION

For the reasons set forth herein, the National Energy Marketers Association respectfully requests the Commission to enter an Order in this docket consistent with the following:

1. Adopt NEM's proposed changes to the Choices for You Program set forth above.
2. Enter an Order in conformance with the arguments presented.

Respectfully submitted,

**THE NATIONAL ENERGY
MARKETERS ASSOCIATION**

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⁴ The requirement set forth in the Consumer Fraud and Deceptive Business Practices Act (applicable to electric service providers) that a written authorization be utilized for a customer change in electric service provider, is clearly within the ambit of the Illinois and federal electronic signature laws.