

**STATE OF MICHIGAN
BEFORE THE PUBIC SERVICE COMMISSION**

**In the matter of the investigation, on the)
Commission's own motion, into the customer)
service quality of The Detroit Edison) MPSC Case No. U-13287
Company and Michigan Consolidated)
Gas Company)**

COMMENTS OF THE NATIONAL ENERGY MARKETERS ASSOCIATION

The National Energy Marketers Association hereby files comments on DTE Energy's 2002 Customer Service Improvement Plan, and Staff's Report and Recommendations pertaining to DTE Energy's filing, pursuant to the Notice of Opportunity to Comment issued April 18, 2002, in the above-referenced proceeding.

The National Energy Marketers Association (NEM) is a national, non-profit trade association representing wholesale and retail marketers of energy, telecom and financial-related products, services, information and related technologies throughout the United States, Canada and the U.K. NEM's Membership includes wholesale and retail suppliers of electricity and natural gas, independent power producers, suppliers of distributed generation, energy brokers, power traders, and electronic trading exchanges, advanced metering and load management firms, billing and information technology providers, credit, risk management and financial services firms, software developers, clean coal technology firms as well as energy-related telecom, broadband and internet companies.

This regionally diverse, broad-based coalition of energy and technology firms has come together under NEM's auspices to forge consensus and to help resolve as many issues as possible that would delay competition. NEM members urge lawmakers and regulators to implement:

- Laws and regulations that open markets for natural gas, electricity and related products, services, information and technology in a competitively neutral fashion;
- Rates, tariffs, taxes and operating procedures that unbundle competitive services from monopoly services and encourage true competition on the basis of price, quality of service and provision of value-added services;
- Competitively neutral standards of conduct that protect all market participants;
- Accounting and disclosure standards to promote the proper valuation of energy assets, equity securities and forward energy contracts, including derivatives; and
- Policies that encourage investments in new technologies, including the integration of energy, telecommunications and Internet services to lower the cost of energy and related services.

The Commission instituted this proceeding to examine the customer service quality of Detroit Edison and Michigan Consolidated Gas Company in response to a number of customer complaints and billing concerns. The Commission directed the utilities to file a report detailing billing issues, customer service response, landlord/tenant billing policy, procedures to speed the resolution of informal complaints, and closed offices and billing payment centers. The utilities were also directed to include information about, "[a]ny other customer service matter that the utilities believe should be addressed." (Order at page 3). NEM notes that DTE Energy included references to the gas choice and electric choice programs and initiatives it has implemented or plans to implement with respect to these programs.

Staff maintains that the DTE Energy Plan fails to focus on the underlying problems: "the breakdown of DTE customer communications and the lack of efficiency in fundamental business functions throughout the company, such as meter reading and billing, not just customer service areas." (Staff Report at page 1). Staff's proposed remedies to the utilities' customer service problems include, "first contact resolution, increased meter reading, correction of improper bill responsibility assignment, independent third-party audit of DTE's billing processes, expansion of the informal hearing process, [and] improved working relationship with Commission's Service Quality Staff." (Staff Report at page 3).

NEM submits that until the billing, metering and customer care functions are fully unbundled from the utilities' rates and offered on a competitive basis, the issue of the utilities' customer service abilities is critical to the success of the gas and electric choice programs. The DTE Energy Plan, while noting the need to accommodate gas and electric choice in its system, fails to address in any detail how customer service problems, including meter reading and billing, associated with choice customers have and/or will be resolved. Staff's Report does not explicitly address this issue either.

DTE's Report maintains that DTE "already has systems in place which are handling current volumes of electric and gas choice billing." NEM asserts that there are a number of critical issues that must be resolved related to DTE's customer service for choice programs. For instance, some choice customers have not had their meters read and accounts billed since switching to the choice program, which in some instances is as long as four months. Some customers continue to be billed under their bundled rates despite confirmation that they have switched to an alternate supplier and that power is being delivered to DTE on the customer's behalf. Miscellaneous billing errors have been difficult to resolve including, for instance, the billing of residential accounts as businesses. Additionally, suppliers have not received all billing determinants required to bill a customer. Requests for billing address changes have not been handled promptly. In some cases, suppliers have received bills that were supposed to have been sent to another supplier.

DTE also requires suppliers to check DTE's website, rather than use the EDI interface that has been subject to problems, to verify proper customer switching, which is

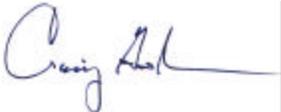
inadequate to efficiently and accurately handle the volume of transactions associated with the development of a competitive market.

The DTE Report references an "independent project group" that handles customer service functions for the electric choice program. NEM members were unaware of the existence of this group. The current billing contact utilized by our members has been the regular Customer Service number provided on DTE bills. Accordingly, our members have experienced some of the same difficulties reaching someone at that customer service number as was noted in the Staff Report.

DTE must be able to render prompt and accurate bills for choice customers and must be able to provide accurate billing determinants to suppliers in a timely fashion. Furthermore, DTE must complete meter reads in a timely and expeditious fashion to facilitate customer switching and billing. Due to the implementation problems associated with DTE's EDI system, NEM recommends that a web-based system be instituted for supplier access to customer usage and payment history.

NEM submits that if these core issues related to customer choice in DTE's service territory are not remedied it will deter competitive entry and customer migration and ultimately hinder the development of the retail market. Accordingly, NEM urges the Commission to require DTE to implement NEM's recommendations set forth above as soon as practicable.

Respectfully submitted,



Craig G. Goodman, Esq.
President,
National Energy Marketers Association
3333 K Street, NW
Suite 425
Washington, DC 20007
Tel: (202) 333-3288
Fax: (202) 333-3266
Email: cgoodman@energymarketers.com
Website-www.energymarketers.com

Dated: May 20, 2002.