



National Energy Marketers Association

STATE OF NEW YORK PUBLIC SERVICE COMMISSION

In the Matter of)
Customer Billing Arrangements) Case 99-M-0631

COMMENTS OF THE NATIONAL ENERGY MARKETERS ASSOCIATION ON CUSTOMER PAYMENT ALLOCATION PROVISIONS

The National Energy Marketers Association (NEM) hereby submits Comments on the proposed revisions to customer payment allocation provisions in accordance with the Notice Requesting Comments issued November 13, 2001.

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 technology.

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 the competitive restructuring of energy markets.

The Commission is seeking comments on Staff's proposal to change the "utility receives all funds first" approach to customer payment allocation. Staff proposes that customer payment be allocated in the following order: 1) utility arrears that would result in disconnection of utility service and for which a formal disconnection/termination notice has been issued; 2) past due utility charges not subject to a pending disconnection/termination notice; 3) past due charges owed to ESCOs or purchased by the utility; 4) current utility charges; 5) current commodity charges due to the ESCO or purchased by the utility; 6) other ESCOs services that may be included on the bill; and 7) any additional customer payment are to be allocated or returned to the customer as the billing party desires if the customer's preference is unknown.

NEM submits that the proposal does represent an improvement from the current payment allocation rules. However, as a general matter, NEM submits that payments should be applied first to the consumables portion of the bill, then to the non-consumables portion, and finally based on the age of the receivable. Such a methodology recognizes that the utility pipes and wires are assets that can still be called into use despite a customer's non-payment. By comparison, energy that is consumed by a customer without subsequent payment cannot be recovered and resold to another. Simple fairness would dictate that the consumables portion receive payment priority.

NEM reiterates our commitment to working with the Commission and the other stakeholders to devise fair and effective ways to implement the competitive restructuring of New York's energy markets.

Respectfully submitted,

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