



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE
M-2018-2645254

March 27, 2018

To: All Electric Distribution Companies, Electric Generation Suppliers, Statutory Advocates, and Parties at Docket No. P-2016-2579249.

Re: Notice of *En Banc* Hearing on Implementation of Supplier Consolidated Billing
Docket No.: M-2018-2645254

The Pennsylvania Public Utility Commission (Commission or PUC) will hold an *en banc* hearing on **Thursday, June 14, 2018, at 1:00** to seek information from industry leaders and interested parties regarding the legality and appropriateness of implementing electric generation supplier consolidated billing (SCB) in Pennsylvania. Under SCB, customers would receive a single, consolidated bill from their chosen EGS that would include both their electric distribution company's (EDC) distribution charges and their electric generation supplier's (EGS) generation and transmission charges.

The *en banc* hearing will be held in Hearing Room 1 of the Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania. The Commission's Office of Administrative Law Judge will facilitate the hearing, which will be transcribed and recorded. This hearing is not an adversarial proceeding and parties may be represented by a partner, *bona fide* officer of a corporation, or officer or employee of a government entity, in lieu of an attorney. See 52 Pa. Code § 1.21(c) (relating to appearance). The hearing is open to the public.

The purpose of this hearing is to permit participants to inform the Commission on the following issues: (1) whether SCB is legal under the Public Utility Code and Commission regulations; (2) whether SCB is appropriate and in the public interest as a matter of policy; and (3) whether the benefits of implementing SCB outweigh any costs associated with implementation. The Commission has identified the attached list of issues concerning implementation of SCB and potential alternatives to SCB, which are meant to guide the discussion. We note that these will not be the only questions or issues discussed.

Interested parties may submit written comments on any of the topic(s) noted on the attached list by **Friday May 4, 2018** referencing Docket Number M-2018-2645254. Comments can be mailed 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.

Parties should note in their comments if they are interested in testifying at the June 14 *en banc* hearing. Upon review and consideration of the comments filed, the Commission will then select participants representing a diverse set of perspectives to present testimony and answer questions on each of the aforementioned issues at the hearing. Parties selected to testify and those not selected will all be notified by **Monday May 14**. All documents related to the hearing, including the comments and the final agenda for the hearing, will be posted on the Commission's website, www.puc.pa.gov, for public viewing.

All interested parties are welcome to submit written reply comments after the *en banc* hearing, no later than **Friday, July 27, 2018** for the Commission to consider in reviewing the legality and appropriateness of implementing SCB.

The Commission will be video streaming the hearing on the Commission's website for those unable to attend the hearing in person. If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your needs. Please call the Commission's Scheduling Office at (717)787-1399.

Questions about the *en banc* hearing should be directed to the Director of the Office of Competitive Market Oversight (OCMO) Dan Mumford at (717) 783-1957 or dmumford@pa.gov. As necessary, Commission staff will either distribute a document or hold a conference call to answer these questions.

Sincerely,



Rosemary Chiavetta
Secretary

cc: Chairman's Office
Vice Chairman's Office
Commissioners' Offices
Executive Director
Bureau Directors

**June 14, 2018, Implementation of Supplier Consolidated Billing (SCB)
En Banc Hearing**

Topics Designed to Guide the Discussion

LEGAL

1. Is SCB permitted under Chapters 14 and 28 of the Public Utility Code, 66 Pa. C.S. §§ 1401-1419, 2801-2815? If so, what limits, if any, are imposed by the Public Utility Code? In particular, does the language in Section 2807(c) limit the Commission to only (1) dual billing and (2) EDC consolidated billing? Does the statutory language in Chapter 14 require that customer billing functions, especially those related to service connections, payment arrangements, terminations of service and reconnection of service, are functions that are to be performed solely by the EDC?
2. Would a purchase of receivables (POR) program where the EGS purchases the EDC's receivables be permitted under the Public Utility Code and Commission regulations?
3. Given that POR programs are voluntary and the Commission could not require an EGS to purchase an EDC's receivables, what effect would that have on the viability of SCB if an EGS does not include a POR program in its SCB plan?
4. If the Commission decides to explore these topics further, what are the preferred procedural methods for doing so?

IMPACT ON THE MARKET

1. How would implementation of SCB affect Pennsylvania's retail electric market?
2. What are the benefits to consumers associated with implementation of SCB?
3. Is implementation of SCB necessary to facilitate the introduction of products and services to retail electric customers in Pennsylvania and to boost competition in the electric generation market? Is SCB needed to facilitate the provision of smart-meter related products like Time-of-Use (TOU)?
4. What effect would implementation of SCB have on standard offer programs (SOP) and how would they interact, if at all?

MECHANICS – HOW IT WOULD WORK

1. Should an EGS be required to meet more stringent financial/bonding requirements, demonstrate that it possesses the technical expertise to perform billing and customer service functions, or make any other showing before being

- permitted to offer SCB? If so, what should those requirements be and what process should the Commission use to review an EGS's eligibility?
2. Would a pilot program involving an EDC working with an EGS or group of EGSs to design and implement a SCB platform be appropriate?
 3. What steps would the Commission need to take to ensure that EDCs receive payment according to the terms of the POR program in a timely fashion?
 4. What type of costs may be incurred by EDCs and EGSs when implementing SCB in Pennsylvania's retail electric market? Would the costs of implementation outweigh the potential benefits? Who should be responsible for paying those costs?
 5. Is it feasible/appropriate to designate an EGS offering SCB as default service provider? *See* 66 Pa. C.S. §§ 2803 (definition of default service provider), 2807(e) (relating to obligation to serve) and 52 Pa. Code § 54.183 (relating to default service provider).

COLLECTIONS – TERMINATION

1. Does an EGS offering SCB need the power to order termination of a customer's service?
2. Would allowing an EGS to order an EDC to terminate a customer's service comply with Chapter 14 of the Public Utility Code, 66 Pa. C.S. §§ 1401-1419, and Chapter 56 of the Commission's regulations, 52 Pa. Code §§ 56.81-56.83, 56.91-56.101, 56.111-56.118?
3. If an EGS purchases an EDC's receivables and the EDC is no longer owed any money, does the EDC (or EGS) have the authority under the Public Utility Code and Commission regulations to terminate service for nonpayment of distribution charges?
4. What safeguards should an EGS employ to ensure proper termination and reconnection of service by the EDC (e.g., steps to ensure timely sharing of data with EDCs; use of termination checklists; steps to promote customer understanding regarding the functions handled by the EGS versus those handled by the EDC)? What role, responsibility, and discretion does the EDC have in executing the termination process?
5. Would a blocking mechanism to prevent switching by customers who have made payment arrangements with the EGS be permitted under the Public Utility Code and Commission regulations, and prudent from a public policy perspective?
6. What consumer protections, if any, should be implemented by an EGS if a blocking mechanism is permitted?
7. What steps should EGSs take to ensure proper accounting for value-added service (VAS) charges pursuant to Chapter 56 of the Commission's regulations, 52 Pa. Code §§ 56.23, 56.24, including allocation of customer payments to accounts with past due balances? Does the Commission have authority under the Public Utility Code to require an EGS to follow these regulations with respect to accounting for VAS charges? Should procedures be put in place to ensure that nonpayment of

VAS not lead to termination of service? If so, what procedures should be implemented?

LOW-INCOME CUSTOMERS / ASSISTANCE PROGRAMS

1. Should EGSs offering SCB be permitted to include LIHEAP and CAP customers? If so, how would SCB and these programs interact, especially with regard to customer notification and education?
2. If EGSs offering SCB are permitted to include LIHEAP and CAP customers, how would these programs interact and what changes (statutory, regulatory and programmatic) would be necessary?
3. How would EGSs ensure that programs to assist low-income customers remain in place in accordance with the policy established in 66 Pa. C.S. § 2802(17) (relating to declaration of policy)?
4. How would EGS-implementation of SCB affect existing universal service billing procedures?
5. Would an EGS with SCB have an obligation to answer or refer to the EDC questions regarding low-income programs and to educate customers on the options and programs available?

POSSIBLE ALTERNATIVES

1. Changes to utility consolidated billing (UCB) to allow for additional flexibility needed to bill for smart-meter related services like Time-of-Use (TOU) and the addition of charges for EGS value-added services.
2. Unbundling of billing services. Possible models include providing open, non-discriminatory access to the EDC's billing system to EGSs and other billing entities at tariffed prices. What other unbundling models are possible?
3. Unbundling of other related and specified services.
4. Allowance of third-party billing agents, such as EGSs, or an independent billing agent in place of UCB or SCB.