



Regulatory Update

September 18, 1998

Announcements

NEMA's First Annual Membership Conference and Golf Tournament will be held in The Woodlands, Texas Starting at 8:30AM, October 15, 1998.

Executive Committee members will be meeting the evening before to coordinate issue presentations and dinner. Members available on the morning of October 16 will have a wrap-up session.

New Jersey

- **In the Matter of Petition of South Jersey Gas to change the Level of its Levelized Gas Adjustment Clause, to Change the Level of its Temperature Adjustment Clause, and to Change the Level of its Demand Side Management Clause –PHASE II – BPU Docket Nos. GR97090649; GR97090650; GR97090651.** September 10, 1998 Letter to Judge McAfoos. Procedures for resolving the above proceeding were established for filing testimony and discovery. **Parties have until October 1, 1998 to Intervene in this proceeding.** The proceeding will address the following issues:
 - Complete access to South Jersey's system for all service classes.
 - Structure and cost of balancing services, with high correlation between required deliveries and actual customer usage.
 - Transition cost, transfer, exit fees.
 - Allocation of underrecoveries.
 - Reservation of Capacity for customers whom S. Jersey retains as obligation to serve.
 - Determination of those customers whom S. Jersey retains as obligation to serve.
 - What, if any, obligation S. Jersey may have for customers they no longer serve.
 - Customer friendly sign up – electronically.
 - Switching fees and other administrative charges.
 - Imbalance and cash out charges
 - Capacity assignment and pipeline selections.
 - Billing formats.
 - Tariff simplification.
 - Other issues relevant to full unbundling.

Maryland

- **In the Matter of the Commission's Inquiry into the Provision and Regulation of Electric Service. Order on Rehearing Applications – ORDER No. 74561. September 10, 1998.** This Order resolves issues posed in Rehearing Applications. It became clear that the April 1, 1999 date for phased-in initiation issued in Order 73834 was not feasible and that a fully-functioning ISO in the Mid-Atlantic and Midwest Regions might also not be ready by this date as well. The basic Orders of 73834 and 73901 are affirmed as modified in this Order as follows:
 - A price cap during the period 1999-2001 will provide ratepayers with protection pending determination that a fully competitive electric retail supply market has been achieved.
 - Up through 2001, existing utilities will retain their present obligation to provide service in their existing service territories.
 - A “default” service provider for beyond 2001 still must be decided upon.
 - After April 1, 2001 the commission will not engage in cost of service regulation of electrical retail supply.
 - Sign-up Period Begins April 3, 2000 and Service Begins July 3, 2000.
 - APPENDIX A contains a schedule for Electric Restructuring Roundtables and Adjudications.
 - *This ORDER is also available on the NEMA site.*

Illinois

- **The Commission issued an ORDER in Docket Nos. 98-0013 and 98-0035, September 14, 1998, Petition for Rulemaking on Non-Discrimination in Affiliate Transactions for Electric Utilities.** The Commission approved revisions to new rules governing the relationship between electric utilities and their affiliates. The amended rules will be sent to the Joint Committee on Administrative Rules for review before final Commission adoption later this fall. Major amendments include: the definition of affiliated interests to include only those that provide service to customers within the service territory of the utility with which it is affiliated; and expansion of the non-discrimination rule which prohibits a utility from conditioning a customer's eligibility for participating in billing experiments upon taking any goods and services from the utility's affiliate. *This ORDER is available on the NEMA site.*

MISC

- **Oklahoma** legislative task force began the task of how to restructure the state's electric utility industry. The Electricity Utility Task Force is chaired by Sen. Kevin Easley, D-Broken Arrow. He is the author of Senate Bill 888, which requires the restructuring of Oklahoma's electric utility industry to begin by July 2002. **Studies are to be completed by October 1, 1999.** The task force is to be broken into 5 study groups and are open to all parties interested in playing a role in restructuring. The task force is next scheduled to meet in early November.



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