



Regulatory Update

September 25, 1998

Announcements

- **The Executive Committee will hold a meeting and final drafting session on the Electricity Paper in Washington, DC on November 19 and 20 at the Georgetown Club. A block of rooms has been reserved at the Georgetown Inn (1-800-424-2979).** If you have a conflict with these dates, please let me know immediately. **Comments on the principles should be sent to Mac and me no later than October 9** for integration into a working draft.
- **NEMA filed a Motion for Leave to Intervene in the Phase II natural gas unbundling proceeding of South Jersey Gas.** The issues at stake were outlined in last weeks update.
- No member comments have yet been received on Peter's proposal for NEMA comments on the **FERC NOPRs. Peter requests your comments by October 2.** If he receives no comments, he will present the proposal as NEMA's position on the NOPRs and initiate a draft accordingly.
- Attached is a brochure for a conference on the Price Spike in which NEMA will be featured and NEMA members will qualify for a discount. NEMA Chairs, Co-Chairs and Presenters will also be featured at an **Energy Institute Conference in NY City on October 8 and 9.**
- Conference calls to discuss the programs at the October 15 Event are being arranged by Mike Meath, Peter Esposito and Mac McCay. It is important that we coordinate our presentations.
- Many thanks to Dave Molzan for his help in collecting relevant material for these updates and uploading important documents to our web site. Reporters from Dow Jones News Service called today extending numerous complements on our web site and stated that all of their reporters will be using it from now on. **Your help in identifying documents, briefs, orders, or other noteworthy and informative material to upload to our site would be greatly appreciated. Lastly, your help in recommending improvements and enhancements to the site for 1999 would also be appreciated.**

Pennsylvania

1. **The PA PUC Issued an EMERGENCY ORDER in PECO Energy's direct access program (R-00973953 ordered on May 18, 1998).** The PAPUC ordered PECO to assign a portion of the load reserved for "economic development purposes" to the "Large GS" class in an amount that will eliminate the need for pro-rating the load shares among these customers, rather than be unfair to the potential "Small GS" customers who may want to participate in the program.
2. **PECO Energy –Metering and Billing Standards – Docket Nos. R-009739563, P-00984298.** PECO asked for parties that may be interested to discuss proposed standards to permit unrelated UGS's to offer these services and also select mutually convenient dates and times to conduct these meetings to contact PECO. Mary McFall Hopper asked for responses. **Those interested in more information, her email is: mhopper@peco-energy.com, her fax number is: 215-568-3389.**

Connecticut

- **Southern Connecticut Gas Company – Docket 93-03-09 Reopened: Application to Increase Rates and Charges – RE: Unbundling.** The Company submitted on September 11, 1998 revised Schedule E-1.0 (current tariffs scored) due to errors in their scoring process. The proposed tariff Schedules E-1.1 previously submitted is NOT affected. **These were put on the NEMA site August 27, 1998 for your review.** An unscored version of the Gas Tariff Volume No. 1 is also available on the NEMA site.

FERC

- **Western Systems Power Pool – Docket Nos. ER97-987-001, OA97-220-001, OA97-672-001, Filed September 17, 1998. LETTER ORDER.** WSPP filed FERC Electric Tariff's: 1) Original Vol. No. 1 – Open Access Transmission Tariff; 2) First Revised Volume No. 1 - Revised Open Access Transmission Tariff complying with Order 888-A; 3) Rate Schedule FERC No. 2 – Revised WSPP Power Pool Agreement; 4) Supplement No. 1 to Rate Schedule No. 1 – Index of WSPP Members; 5) First Revised Sheet Nos. 5 and 6 to FERC Electric Tariff, First Revised Volume No. 1 – Revised Tariff Sheets Providing Transmission Service on a Nondiscriminatory Basis; 6) First Revised Sheet Nos. 16 and 17 to FERC Electric Tariff, First Revised Volume No. 1 – Revised Tariff Sheets Removing Inappropriate Terms and Conditions from the Transmission Tariff. **Requests for rehearing by the Commission may be filed within 38 days of the date of issuance of this order.** A copy will be uploaded to the NEMA site as soon as it is available.

New York

- **Orange and Rockland Utilities Plans for Electric Rate-Restructuring Pursuant to Opinion 96-12. CASE 96-E-0900 – Notice of Soliciting Comments and Establishing Further Procedures – Issued September 16, 1998.** O&R filed a proposal on Sept. 15 to modify its divestiture process to allow it and ConEd to obtain bids that include short-term transition contracts with the new owner(s) of its electric generating facilities and for authority to enter into such contracts. The Final Divestiture Plan (Feb. 3, 1998) and the Order Authorizing the Process of Auctioning of Generation Plant issued on April 16, 1998 did not indicate O&R would enter into such contracts with the new owner(s). Both O&R and ConEd have now indicated that they may enter into bilateral contracts for energy and capacity for the Summer of 1999, Winter 1999-2000 and Summer 2000. The Commission requested comments from marketers and energy service companies by close of business September 25, 1998.

California

- **Rulemaking on the Commission's Own Motion to Assess and Revise the Regulatory Structure Governing California's Natural Gas Industry Rulemaking 98-01-011 U 39-G.** *All four volumes of the Reports of the Statewide Consistency Working Group – Gas Strategy OIR Rulemaking – 98-01-011 plus the Issues Matrix and the Utility Comparison Matrix are available on the NEMA site.*

Illinois

1. **Petition for Rulemaking on Service Reliability – Docket Nos. 98-0036 and 98-0005. FINAL ORDER – September 11, 1998.** Commonwealth Edison, Illinois Power and the Joint Petitioners all provided comments in this proceeding. Illinois Power supported the proposed rules as published. ComEd suggested one revision to limit damages awarded for a power interruption to actual damages which was rejected. The Joint Petitioners recommended numerous modifications but no changes were made. *The order is available on the NEMA site.*
2. **Petition for Rulemaking on Non-Discrimination in Affiliate Transactions for Electric Utilities – Docket Nos. 98-0013 and 98-0035 ORDER – September 14, 1998.** The Commission submitted this second notice of the proposed rules to the Joint Committee on Administrative Rules. The Revised Appendix contains (a) the scored changes made from the first notice in this order, (b) each Section of the first notice along with their comments and arguments, (c) the definitions of alternative retail electric suppliers, corporate support, non-discriminatory provision of

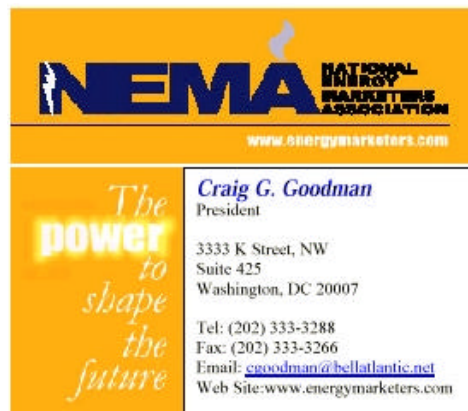
information, transfer of goods and services are a few of the sections mentioned. *Both the ORDER and the APPENDIX are on the NEMA site.*

3. **Standards of Conduct and Functional Separation Implementing Section 16-119A(a&b) of the Act – Staff’s Draft Rule. August 28, 1998.** *This document is available on the NEMA site.*
4. **Staff Draft Rules for “Applications seeking to serve on nonresidential retail customers with maximum electrical demands of one megawatt or more” and “Applicants seeking to serve only residential or small commercial retail customers with maximum electrical demands of less than one megawatt” are posted to initiate comment and discussion.** These rules will most likely initiate a rulemaking and parties wishing to send comments should send them to John Stutsman, jstutsma@pop.state.il.us – *This document is available on the NEMA site.*

MISC

- **Attached with this update are reports on the Senate Hearings and FERC’s report on the causes of the price spike and possible remedies.** Copies of the FERC report will be on the NEMA cite as soon as it is available.

Please send me links or electronic versions of any notices, information, analyses, orders, briefs, testimony or reports that you think should be in the weekly updates.



NEMA NATIONAL ENERGY MARKETERS ASSOCIATION
www.energymarketers.com

The power to shape the future

Craig G. Goodman
President
3333 K Street, NW
Suite 425
Washington, DC 20007
Tel: (202) 333-3288
Fax: (202) 333-3266
Email: cgoodman@bellatlantic.net
Web Site: www.energymarketers.com