

STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

PURA INVESTIGATION INTO REDESIGN : DOCKET NO. 14-07-19RE05
OF THE RESIDENTIAL ELECTRIC BILLING :
FORMAT – REVIEW OF SUMMARY :
INFORMATION, IMPLEMENTATION AND :
DISPLAY : OCTOBER 29, 2018

**WRITTEN EXCEPTIONS OF
RETAIL ENERGY SUPPLY ASSOCIATION**

The Retail Energy Supply Association (“RESA”)¹ hereby submits its exceptions to the Proposed Final Decision² in the above-captioned proceeding. ***RESA requests oral argument.***

BACKGROUND

During the 2014 legislative session, the Connecticut General Assembly passed Public Act 14-75, *An Act Concerning Electric Customer Consumer Protection* (the “Act”). Section 1 of the Act (as modified by Section 58 of Public Act 14-94 and later codified at Connecticut General Statutes section 16-245d) required, among other things, that the Authority open a proceeding to redesign the standard billing format to include the placement of the following items on the front page of the bills of residential customers receiving service from an electric supplier: (1) the electric generation service price; (2) the term and expiration date of such price; (3) any change to such price effective for the next billing cycle (the “Next Generation Rate”); (4) the cancellation fee, if applicable; (5) notification that such price is variable, if applicable; (6) the Standard Service rate; (7) the term and expiration date of the Standard Service rate; (8) the dollar amount

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

² Proposed Final Decision (Oct. 15, 2018) (the “Proposed Decision”).

that would have been billed for the electric generation services component had the customer been receiving Standard Service; and (9) an electronic link or website address to the Rate Board and the toll-free telephone number and other information necessary to enable the customer to obtain Standard Service (collectively, the “Summary Information”).³ On January 21, 2015, PURA issued a decision requiring implementation of the requirements of Section 1 of the Act and re-establishing the electronic billing transaction (“EBT”) Working Group to assist in the implementation process.⁴

The EBT Working Group process identified several issues that were not specifically addressed in the January 21, 2015 Decision and/or that required clarification. In response, the Authority reopened the proceeding⁵ and issued a clarifying decision that, *inter alia*, determined that the “Next [Generation] Rate must appear on bills before those charges are incurred by the customer to allow the customer time to negotiate a lower rate or opt out of the upcoming rate” and that Summary Information need not be provided on bills issued to incidental residential accounts (“IRAs”).⁶

On March 28, 2018, the Authority issued a decision that directed the electric distribution companies (the “EDCs”) to temporarily display “Not Provided” for the Next Generation Rate or leave the field blank on a customer’s bill when an electric supplier does not timely provide the EDC with the information.⁷ The Authority also reopened this docket to evaluate a permanent

³ P.A. 14-75, § 1; P.A. 14-94, § 58.

⁴ *See, generally*, Docket 14-07-19, *PURA Investigation into Redesign of the Residential Electric Billing Format*, Decision (Jan. 21, 2015) (“January 21, 2015 Decision”).

⁵ *See, generally*, Docket No. 14-07-19, *PURA Investigation into Redesign of the Residential Electric Billing Format - Reopening*, Decision (Mar. 18, 2015)

⁶ *See* Docket No. 14-07-19RE01, *PURA Investigation into Redesign of the Residential Electric Billing Format – Billing Format Clarifications*, Decision (Aug. 12, 2015) (“14-07-19RE01 Decision”), at 13, 20.

⁷ Docket No. 14-07-19RE01, *PURA Investigation Into Redesign of the Residential Billing Format – Billing Format Clarifications*, Decision (Mar. 28, 2018) (“Next Rate Decision”) (opening the Docket No. 14-07-19RE04 proceeding).

solution.⁸ The Authority scheduled a hearing⁹ and subsequently held a technical meeting,¹⁰ an evidentiary hearing,¹¹ a working group meeting,¹² and a late-filed exhibit hearing.¹³ Post-hearing briefs¹⁴ and reply briefs¹⁵ were filed.

On October 15, 2018, the Authority issued the Proposed Decision.¹⁶ RESA now hereby submits its exception that Proposed Decision.

WRITTEN EXCEPTIONS

The Proposed Decision reaches inaccurate factual conclusions about supplier non-compliance with the requirement to provide the Summary Information that are not supported by the evidentiary record. Based on those erroneous findings, the Authority proposes to impose significant operational changes and substantial financial burdens on suppliers. Thus, for the reasons discussed more fully below, the Authority should modify the findings and requirements of the Proposed Decision before issuing it in final.

⁸ Docket No. 14-07-19RE01, *PURA Investigation Into Redesign of the Residential Billing Format – Billing Format Clarifications*, Decision (Mar. 28, 2018) (opening the instant proceeding).

⁹ Notice of Hearing (Apr. 23, 2018).

¹⁰ See Notice of Technical Meeting (Apr. 27, 2018).

¹¹ See, generally, Transcript (“Tr.”).

¹² See Notice of Working Group Meeting (Jun. 8, 2018).

¹³ See, generally, Tr.

¹⁴ Brief of George Jepsen, Attorney General for the State of Connecticut (Aug. 8, 2018); Brief of the Office of Consumer Counsel (Aug. 8, 2018); Brief of Retail Energy Supply Association (Aug. 8, 2018) (“RESA Br.”); Brief of The Connecticut Light and Power Company d/b/a Eversource Energy (Aug. 8, 2018); Brief of The United Illuminating Company (Aug. 8, 2018).

¹⁵ Attorney General Letter in Lieu of Reply Brief (Aug. 15, 2018); Comments of Intervenor State Senator Len Suzio (Aug. 14, 2018); Office of Consumer Counsel Letter in Lieu of Reply Brief (Aug. 15, 2018); Reply Brief of Retail Energy Supply Association (Aug. 15, 2018) (“RESA Reply Br.”); Reply Brief of The Connecticut Light and Power Company d/b/a Eversource Energy (Aug. 15, 2018); Reply Brief of The United Illuminating Company (Aug. 15, 2018).

¹⁶ Proposed Decision.

I. THE EVIDENCE IN THE RECORD DOES NOT SUPPORT THE AUTHORITY'S FACTUAL FINDINGS

In addition to this proceeding, there are more than half a dozen other proceedings in which the Authority is addressing issues related to the Summary Information, including IRAs, supplier compliance and compliance reporting.¹⁷ Thus, the information necessary for a full and proper adjudication of this matter has not been fully developed in this record. As a consequence, the Proposed Decision reaches erroneous factual conclusions.

A. The Evidence In The Record Does Not Support The Authority's Factual Findings About Supplier Non-Compliance

The Proposed Decision makes fundamental inaccurate conclusions about suppliers' non-compliance with the Summary Information requirements; namely, that "some" suppliers have "regularly failed" to provide this information.¹⁸ However, the evidence in this proceeding does not support such a finding. In fact, the evidence does not demonstrate that any *group* of suppliers has failed to provide the Summary Information to customers required to receive it; let alone on a regular basis. Instead, the evidence establishes that the EDCs did not print the Summary Information on certain customers' bills, the majority of whom are not even required to receive the information.

¹⁷ See, e.g., Docket No. 14-07-19RE02, *PURA Investigation into Redesign of the Residential Electric Billing Format - Incidental Residential Accounts and Summary Information*; Docket No. 14-07-23, *Application of Champion Energy Services, LLC for an Electric Supplier License*, Response to Interrogatory SEU-1 (Jul. 10, 2018); Docket No. 00-05-14RE01, *Application of Direct Energy Business, LLC for Electric Supplier License – Five Year Review*, Response to Interrogatory SEU-1 (Jul. 10, 2018); Docket No. 11-10-14RE01, *Application of ENGIE Retail, LLC d/b/a Think Energy - Expand Service to Include Residential Customers*, Response to Interrogatory SEU-1 (Jul. 19, 2018); Docket No. 06-03-06, *Application of Direct Energy Services, LLC for an Electric License Application*, Response to Interrogatory SEU-1 (Jul. 19, 2018); Docket No. 06-12-07, *Application of Liberty Power Holdings, LLC for an Electric Supplier License*, Response to Interrogatory SEU-1 (Jul. 19, 2018); Docket No. 06-10-22, *PURA Monitoring the State of Competition in the Electric Industry*, PURA Correspondence re: Monthly Competition Reports (Jul. 5, 2018).

¹⁸ Proposed Decision, at 13.

While the EDCs' interrogatory responses, on which the Proposed Decision relies,¹⁹ establish that Summary Information was "missing" from certain customer bills,²⁰ it does *not* establish that suppliers caused this issue. In fact, the majority of bills with "missing" information are actually associated with IRAs²¹ for which Summary Information is not required.²² For instance, The Connecticut Light and Power Company d/b/a Eversource Energy ("Eversource") acknowledged that nearly sixty percent (60%) of the residential bills for which it did not receive Summary Information were likely IRAs.²³ In addition, on further review, based on a spot check, Eversource admitted that some unquantified portion of the remaining approximately forty percent (40%) of residential bills for which Summary Information had not been provided may also be IRAs that were not captured when Eversource performed its preliminary analysis.²⁴

The record further establishes that, to the extent that any residential accounts that are not IRAs are missing Summary Information, issues other than supplier non-compliance may have led to this issue. Indeed, it is possible that problems with EDC systems could lead to Summary

¹⁹ *Id.* n.9.

²⁰ See Late Filed Exhibit ("LFE") 1, UI Response to Docket No. 14-07-19RE01 Interrogatory SEU-5 (Feb. 22, 2018); see also LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-7 (Feb. 27, 2018), Attachment.

²¹ See LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-7 (Feb. 27, 2018), Attachment; LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-9 (Mar. 14, 2018).

²² 14-07-19RE01 Decision, at 1 (exempting "incidental residential accounts from the Summary Information required under Conn. Gen. Stat. §16-245d(a)(2)").

²³ See LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-7 (Feb. 27, 2018), Attachment, at 2 ("For the 8,568 customers of retail suppliers who had the phrase 'Not Provided' appear for their Next Cycle Rate, 5,040 of those customer accounts do not have a person's first and last name assigned to them, but instead have only a singular legal name and therefore may constitute 'incidental' residential accounts. Therefore, 'Not Provided' appeared on 3,628 bills to residential customers.").

²⁴ LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-9 (Mar. 14, 2018).

Information being missing.²⁵ It is also possible that other operational issues, such as customer relocation, could lead to Summary Information being missing.²⁶ As a consequence, the conclusion is based on supposition, which is not sufficient to support an Authority decision.²⁷

The evidence in this proceeding also shows that *one* supplier failed to provide *accurate* Summary Information,²⁸ and that only one official complaint has been lodged for inaccurate Next Generation Rate information.²⁹ Any finding that other suppliers provided inaccurate information is unfounded and based on nothing more than pure supposition, speculation, and conjecture; all of which are insufficient to support the Authority's findings in this proceeding.

B. The Evidence In The Record Does Not Support The Authority's Factual Findings About IRA Implementation Delays

The Proposed Decision also concludes that suppliers are responsible for there not yet being a means to identify IRAs.³⁰ However, there is no evidence to support such a finding.³¹ In fact, suppliers have made numerous attempts to work with the EDCs to establish a means to identify IRAs. The issue has been addressed at several Supplier Working Group meetings, as

²⁵ See Tr. at 257 (indicating that one particular supplier uses sync lists to address operational challenges wherever they occur, whether on the EDC side or elsewhere). Further, in response to interrogatories issued by the Authority in various licensing proceedings, suppliers have offered information indicating that the EDCs contribute to the Summary Information being inaccurate or missing. See, e.g., Docket No. 11-10-14RE01, *Application of ENGIE Retail, LLC d/b/a Think Energy - Expand Service to Include Residential Customers*, Response to Interrogatory SEU-1 (Jul. 19, 2018); Docket No. 06-03-06, *Application of Direct Energy Services, LLC for an Electric License Application*, Response to Interrogatory SEU-1 (Jul. 19, 2018); Docket No. 06-12-07, *Application of Liberty Power Holdings, LLC for an Electric Supplier License*, Response to Interrogatory SEU-1 (Jul. 19, 2018).

²⁶ Cf. Tr. at 228-29 (describing EDC processes when customers relocate within Connecticut).

²⁷ Cf. *Fish v. Fish*, 285 Conn. 24, 66 (2008) (“the proper burden of proof . . . must satisfy the constitutional minimum of fundamental fairness.”) (citations and internal quotations omitted); *River Bend Assocs. v. Conservation & Inland Wetlands Comm’n*, 269 Conn. 57, 71 (2004) (“mere speculation, or general concerns do not qualify as substantial evidence.”) (citing *Conn. Fund for the Env’t, Inc. v. Stamford*, 192 Conn. 247, 250 (1984)).

²⁸ See, generally, Record; see also Tr. at 71-72 (discussing the failure of a single supplier to provide accurate Summary Information).

²⁹ Tr. at 66, 178

³⁰ See Proposed Decision, at 33; cf. Proposed Decision, at 15 n.15.

³¹ See, generally, Record.

well as meetings of the Connecticut EBT working group.³² Suppliers cannot implement a mechanism for identifying IRAs alone; it requires cooperation from the EDCs.³³

In addition, in 2016, the Authority opened the Docket 14-071-19RE02 proceeding to consider, among other things, “[t]he treatment of incidental residential accounts in relation to the summary information requirements of Conn. Gen. Stat. § 16-245d(a)(2)[.]”³⁴ Various suppliers, the EDCs, and others have participated actively in this docket.³⁵ In early 2017, RESA filed comments in that proceeding recommending that “using the EBT Working Group the EDCs and electric suppliers could work to implement a ‘flag’ or indicator code as part of the routine EDI transaction protocol.”³⁶ However, as of today, a decision still has not been issued in that proceeding.

Nevertheless, efforts have been continuing to work toward developing a solution for identifying and reporting IRAs. In fact, a solution was proposed as recently as August 2018 through the EBT Working Group change request process.³⁷

II. THE AUTHORITY SHOULD CLARIFY WHAT QUALIFIES AS AN INCIDENTAL RESIDENTIAL ACCOUNT

The Proposed Decision would continue to exempt IRAs from the Summary Information reporting requirements and require the EDCs to take immediate steps to develop a process to

³² See, e.g., Docket No. 13-07-18, *PURA Establishment of Rules for Electric Suppliers and EDCs Concerning Operations and Marketing in the Electric Retail Market*, July 19, 2016 Supplier Working Group Meeting Final Agenda and Notes (Sep. 12, 2016) (indicating that stakeholders requested that the EDCs create a field that would allow suppliers to flag incidental residential accounts within the EDI process), October 4, 2016 Supplier Working Group Meeting Final Agenda and Notes (Nov. 22, 2016) (indicating that Docket No. 14-07-19RE02 was the appropriate venue to address establishing EDI protocols to allow suppliers to flag IRAs); cf. also Tr. at 18 (discussing the EBT working group).

³³ See Tr. at 167.

³⁴ Docket No. 14-07-19RE02, *PURA Investigation into Redesign of the Residential Electric Billing Format – Incidental Residential Accounts and Summary Information*, Reopening Decision (Sep. 7, 2016), at 1.

³⁵ See, generally, Docket No. 14-07-19RE02.

³⁶ Docket No. 14-07-19RE02, *PURA Investigation into Redesign of the Residential Electric Billing Format – Incidental Residential Accounts and Summary Information*, Retail Energy Supply Association Comments (Jan. 30, 2017), at 19.

³⁷ CT EBT WG Change Request (Aug. 23, 2018) (request by Kim Wall, Hansen Technologies, for change).

allow suppliers to identify IRAs.³⁸ In doing so, the Proposed Decision also offered a definition of an IRA.³⁹ As RESA has noted on multiple occasions,⁴⁰ establishing a system by which suppliers can identify IRAs for the EDCs is an important step in ensuring the proper implementation of the Summary Information requirements.⁴¹ Thus, RESA supports this requirement. However, the final decision should clarify the definition of an IRA.

The Proposed Decision defines an IRA as “an account that is assigned to an EDC residential tariff but that is *comingled* among other accounts receiving generation supply from a licensed supplier under a business contract.”⁴² However, the definition of an IRA should be broader. In fact, as the Authority itself has recognized previously, the proper definition of an IRA is an account receiving service pursuant to an EDC residential tariff but that is enrolled with a supplier through a commercial counterparty.⁴³ This definition ensures that not only residential accounts comingled with other commercial accounts are exempt from the Summary Information requirements but also that truly commercial customers are not treated as residential customers just because of the EDCs’ classification of those accounts. For instance, it is RESA’s understanding that the EDCs may be assigning residential rate classifications to commercial customers, such as towns, cemeteries, banks, ambulance services, schools, YMCAs, hardware companies, campgrounds, rehabilitation centers, marinas, clinics, lighting companies, and a multitude of limited liability companies. In these circumstances, while the accounts could all be classified as residential by the EDCs, the contractual counterparties are commercial entities. As a

³⁸ Proposed Decision, at 15.

³⁹ *Id.*

⁴⁰ See, e.g., Docket No. 14-07-19RE02, *PURA Investigation into Redesign of the Residential Electric Billing Format – Incidental Residential Accounts and Summary Information*, Retail Energy Supply Association Comments (Jan. 30, 2017), at 19; see also RESA Br. at 4-6; RESA Reply Br. at 8-10.

⁴¹ See Tr. at 252 (supporting implementation of a mechanism to flag IRAs).

⁴² Proposed Decision, at 15 (emphasis added).

⁴³ See 14-07-19RE01 Decision, at 4; see also Tr. at 186 (“What makes [a residential account] incidental is the fact that it’s part of a commercial contract with the supplier.”).

consequence, these accounts should also qualify as IRAs. Without the EDCs' conducting an extensive review of each account classified as residential, it is simply not possible to list every type of account that may actually be associated with a contract in which the counterparty is a commercial entity.⁴⁴ Thus, the Authority should, consistent with its precedent, continue to define an IRA as: an account receiving service pursuant to an EDC residential tariff but that is enrolled with a supplier through a commercial counterparty.⁴⁵

III. REQUIRING SUPPLIERS TO PROVIDE THE CONTRACT TYPE UPON ENROLLMENT IS UNNECESSARY

In the Proposed Decision, the Authority would direct suppliers to provide the contract type (i.e., fixed or variable) for all residential customer with each enrollment and at each renewal.⁴⁶ However, this requirement is unnecessary.

Currently, if a supplier does not provide a contract type, "fixed" appears on the customer's bill.⁴⁷ As the Authority is aware, Connecticut General Statutes section 16-245o(g)(4) "precludes suppliers from entering into residential variable rate contracts after October 1, 2015."⁴⁸ As a consequence, suppliers are not permitted to enroll or renew residential customers into a variable price contract.⁴⁹ Thus, the contract type for each residential customer enrollment and at each renewal will always be "fixed." As a result, this requirement is unnecessary. Moreover, requiring that it be included could lead to the rejection of enrollment or renewal

⁴⁴ Docket No. 14-07-19RE02, *PURA Investigation in to the Redesign of the Residential Electric Billing Format – Incidental Residential Accounts and Summary Information*, Retail Energy Supply Association Comments, at 9 (Jan. 30, 2017).

⁴⁵ See 14-07-19RE01 Decision, at 4.

⁴⁶ Proposed Decision, at 16, 24-25.

⁴⁷ See 14-07-19RE01 Decision, at 9; Tr. at 154.

⁴⁸ Proposed Decision, at 16 n.18.

⁴⁹ Docket No. 15-06-15, *PURA Variable Rate Study*, Interim Decision (Sept. 30, 2015), at 7-9, 11.

transactions⁵⁰ that would provide complete and accurate Summary Information to customers. Accordingly, the Authority should remove this requirement from the final decision and continue the current practice of printing “fixed” on the customer’s bill if a supplier does not provide the contract type.⁵¹

IV. LOCKING IN A CUSTOMER’S BILLING RATE SIXTY-TWO DAYS IN ADVANCE IMPEDES CUSTOMER CHOICE

The Proposed Decision would require that: (a) suppliers submit any changes to the billing rate sixty-two (62) days in advance of that rate being used to assess generation supply costs; (b) the EDCs use this billing rate to display the Next Generation Rate on customer bills; (c) the EDCs lock in the billing rate and use it to assess generation supply costs in the appropriate consumption period; and (d) the EDCs not change the billing rate until it is updated in the subsequent billing cycle.⁵² However, these changes frustrate customer choice and undermine the Authority’s goal in implementing the Summary Information requirements (i.e., that customers use the information to make a choice).⁵³

As even the Proposed Decision acknowledges, making these proposed changes will prevent suppliers from being able to modify rates as near to the consumption period as they currently do.⁵⁴ These changes would prevent a residential customer from requesting and receiving a different rate from his or her current supplier for a particular billing period fewer than

⁵⁰ See Proposed Decision at 24-25 (providing for rejection of a renewal if any Summary Information, including contract type, is missing).

⁵¹ Since the Authority will require that suppliers submit the contract type for all existing customers, customers that are still on a grandfathered variable price product will have the correct information printed on their bills. Proposed Decision, at 16.

⁵² Proposed Decision, at 20.

⁵³ See 14-07-19RE01 Decision, at 15 (“The Legislature directed the EDCs to redesign the first page of residential electric bills to facilitate customer ability to compare pricing policies and charges among electric suppliers. Central to a robust competitive market is a customer’s ability to negotiate rates with all market participants, including the current supplier.”).

⁵⁴ Proposed Decision, at 21.

sixty-two days before the start of that billing period. If the customer wants to change his or her rate for this billing period, the customer could not choose to bargain with his or her current supplier for a new rate, but would have to select a supply option that would be effective on shorter notice, such as Standard Service, to which a customer can switch promptly,⁵⁵ or service from another supplier. This change will deny the customer the ability to bargain with his or her current supplier, even though a customer-requested change could lead to the customer's receiving a lower price or other more desirable contract terms,⁵⁶ and frustrate the goal of enhancing customer choice.⁵⁷ As the Authority appropriately found when it initially adopted the Next Generation Rate requirements, "[c]entral to a robust competitive market is a customer's ability to negotiate rates with all market participants, including the current supplier."⁵⁸

As long as customers can switch to a new supplier or to Standard Service before the Next Generation Rate information printed on the customer's bill goes into effect, there is a possibility that the Next Generation Rate information printed on the bill could be inaccurate because the customer is unlikely to switch to a new supplier rate or Standard Service rate that is the same as that being offered by his/her current supplier.⁵⁹ Similarly, if a customer chooses to negotiate a new rate or term with his/her current supplier after receiving the bill, the Next Generation Rate information printed on the customer's bill would become inaccurate. However, rather than being a problem, this technical inaccuracy is a marker of a healthy competitive market.

⁵⁵ See Tr. at 246 ("If a customer wants to do an immediate drop to standard service, it can be effective on the day that they call.").

⁵⁶ Cf. *id.* at 217 (discussing procedures for implementing changes to a customer's supply rate to honor the customer's request to his or her supplier to lower the contract price or to extend the contract term).

⁵⁷ Cf. Tr. at 213 (acknowledging that customers, in some circumstances, contact their suppliers to request rate changes).

⁵⁸ 14-07-19RE01 Decision, at 15.

⁵⁹ See 14-07-19RE01 Decision, at 16 n.11.

Further, this change will also frustrate the goal of the renewal notice process. As the Authority acknowledged, suppliers are required to provide renewal notices to residential customers between thirty and sixty days before the end of a fixed rate contract.⁶⁰ However, if the requirements of the Proposed Decision are adopted without change, suppliers will be required to lock in the renewal price before the renewal notice is even issued.⁶¹ As a consequence, the requirement will also frustrate the purpose of the renewal notice (i.e., to provide customers with information about their renewal with sufficient time to allow them to take action, including contacting their current supplier about a different renewal price and/or contract term).⁶² Essentially, the Authority will take this option away from customers who will not want to have to wait two months before they can take advantage of a better pricing option. As a consequence, customers will only have two choices: (1) switch suppliers or (2) return to Standard Service. However, neither of those options may provide the customer with what (s)he really wants and may lead to customers paying more for their energy because their current supplier was willing to offer a better price than is available from other suppliers or the EDCs.

Rather than locking customers into unfavorable terms for at least two months or forcing customers to choose another supplier or return to Standard Service, the Authority should offer customers as much flexibility as possible, including allowing a rate change for any particular billing period during that billing period, like Eversource currently does.⁶³ This flexibility will

⁶⁰ Proposed Decision at, 21 n.28; *see also* Tr. at 216.

⁶¹ Compare Proposed Decision, at 20 (requiring the rate be locked in 62 days in advance) with Conn. Gen. Stat. § 16-245o(g)(1) (requiring that renewal notices be sent 30-60 days in advance) and with Docket No. 13-07-18, *PURA Establishment of Rules for Electric Suppliers and EDCs Concerning Operations and Marketing in the Electric Retail Market*, Decision (Nov. 5, 2014), at 17-18 (requiring that “Form 2” notices of expiration of a fixed price be sent to customers 30-60 days in advance).

⁶² See Docket No. 13-07-18, *PURA Establishment of Rules for Electric Suppliers and EDCs Concerning Operations and Marketing in the Electric Retail Market*, Decision (Nov. 5, 2014), at 17.

⁶³ Tr. at 32.

enhance their ability to take action to obtain desirable pricing for energy promptly.⁶⁴ Given the availability of a prompt switch to Standard Service, there is no need to delay a customer-desired negotiated price with his or her current supplier.

V. SUPPLIERS SHOULD BE PERMITTED TO PROVIDE NOTICES OF REJECTION BY THE MOST EXPEDITIOUS MEANS POSSIBLE

The Proposed Decision would require suppliers to notify non-IRA residential customers within five business days of an enrollment being rejected, where the enrollment is processed and the switch will not occur on the customer's next meter reading.⁶⁵ Suppliers should have the flexibility to provide this information to their customers through any appropriate means and there should be no limitation on the means used by the supplier to provide this information.

VI. CUSTOMERS SHOULD NOT BE FORCED TO STANDARD SERVICE

The Proposed Decision would require that customers be returned to Standard Service under two situations: (i) when a customer endeavors to switch suppliers, but the EDC receives an incomplete enrollment from the customer's new supplier, and the new supplier does not correct the enrollment in time for the switch to occur at the customer's next meter reading; and (ii) when a supplier does not provide all of the Summary Information for a contract that is being renewed.⁶⁶

Returning customers to Standard Service in these situations is not appropriate. In each situation, the customer's expectations are not met, and the customer will be compelled to receive service in a way that the customer did not choose. This is antithetical to the goal of enhancing customer choice. In each situation, moreover, it would be possible for the customer to be

⁶⁴ See 14-07-19RE01 Decision, at 13 ("Conn. Gen. Stat. §16-245d(a)(2) intended that the Next Rate provide customers timely information to take action regarding the upcoming generation rate if necessary to avoid being billed at a higher than anticipated rate.").

⁶⁵ Proposed Decision, at 24.

⁶⁶ Proposed Decision, at 24.

harmful, if the Standard Service price is higher than the supplier price that the customer had expected to receive. As The United Illuminating Company (“UI”) testified: “For example, switching [customers] to standard service could mean a price increase”⁶⁷

Further, if this requirement remains in the final decision, it should be clarified to ensure that a supplier’s failure to provide the Summary Information will trigger the customer’s move to Standard Service. Neither customers nor suppliers should be subjected to a requirement that subverts their choices and business expectations if the Summary Information does not appear on the bill through no fault of the supplier.

VII. ON-BILL MESSAGES SHOULD NOT MISLEAD CUSTOMERS

The Proposed Decision would require an on-bill message to be printed in the Supply Summary area on the first page of residential bills.⁶⁸ Subject to EDC proposed alternatives and subsequent Authority approval, the Authority has proposed the following text for this bill message: “Supply information is provided to [Eversource/UI] by your supplier and *may be incorrect*. Contact your supplier with any questions. Contact PURA @ 800.283.4586 with questions or complaints.”⁶⁹ However, the evidence in the record establishes that only one supplier has provided inaccurate information.⁷⁰ Thus, for the vast majority of suppliers and customers, this message is misleading. Accordingly, it should not be printed on customer bills.

While appropriate messages should be printed on customer bills, no bill message should indicate, contrary to the evidence in this proceeding, that supplier-provided information may be inaccurate. As noted above, the evidentiary record in this proceeding does not indicate any

⁶⁷ Tr. at 163; *see also id.* at 230, 247.

⁶⁸ Proposed Decision, at 30.

⁶⁹ Proposed Decision, at 31 (emphasis added).

⁷⁰ *See, generally*, Record; *see also*; *see also* Tr. at 71-72 (discussing the failure of a single supplier to provide accurate Summary Information).

widespread problem with the accuracy of the Summary Information provided by suppliers.⁷¹ The record in this case shows that only one supplier has provided Summary Information that was inaccurate.⁷² Moreover, the evidence in the record establishes that the majority of bills with “missing” information are actually associated with IRAs,⁷³ for which Summary Information is not required.⁷⁴ It is not appropriate for customers of all other suppliers to be informed that the Summary Information printed on their bills “may be incorrect,” when the record in this case does not demonstrate any inaccuracy in the information that these other suppliers provided. It would be improper to require the EDCs to provide customers with a notice that calls into question the data provided by all suppliers based solely on the actions of a single supplier. Thus, rather than adopting an inaccurate message that will likely result in customer confusion and frustration,⁷⁵ the Authority should strike the words “and may be incorrect” from its proposed bill message. By including a bill message that advises the customer to contact his or her supplier with any questions, the Authority can ensure that customers are aware of the means by which they can verify the accuracy of the information or have any questions about the Summary Information

⁷¹ See, generally, Record.

⁷² See, generally, Record; see also Tr. at 71-72 (discussing the failure of a single supplier to provide accurate Summary Information).

⁷³ See LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-7 (Feb. 27, 2018), Attachment, at 2 (“For the 8,568 customers of retail suppliers who had the phrase ‘Not Provided’ appear for their Next Cycle Rate, 5,040 of those customer accounts do not have a person’s first and last name assigned to them, but instead have only a singular legal name and therefore may constitute ‘incidental’ residential accounts. Therefore, ‘Not Provided’ appeared on 3,628 bills to residential customers.”). Moreover, on further review, Eversource admitted that, some portion of the remaining approximately forty percent (40%) of residential bills for which Summary Information had not been provided may also be incidental residential accounts that were not captured when Eversource performed its preliminary analysis. LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-9 (Mar. 14, 2018).

⁷⁴ 14-07-19RE01 Decision, at 1.

⁷⁵ Cf. Tr. at 127 (stating that Eversource has an interest in ending up with recommendations developed in the instant proceeding that do not “create more confusion in the market”); *id.* at 297-300 (discussing EDC experience with handling customer calls regarding suppliers); *id.* at 299 (“Remember, if you’re speaking with a customer who’s upset about something totally unrelated to their supplier and you’re trying to talk to them about the supplier, I can see that causing that call to escalate.”).

answered⁷⁶ and avoid implying that inaccurate information is being provided when, in the vast majority of cases, the information is accurate.

VIII. COSTS SHOULD BE ALLOCATED TO ALL CONNECTICUT RESIDENTIAL RATEPAYERS AND SHOULD NOT BE PRE-APPROVED

The Proposed Decision would assign responsibility for “all costs resulting from this decision”⁷⁷ equally to all suppliers licensed to serve residential customers as of March 28, 2018.⁷⁸ However, this method of cost allocation is unfair and inconsistent with Authority precedent.

As an initial matter, participants were not given any notice that a change in the cost recovery methodology was being considered in this proceeding⁷⁹ and there is no evidence in the record that would warrant such a change.⁸⁰ Contrary to the view expressed in the Proposed Decision,⁸¹ the citation of Connecticut General Statutes section 16-245d did not provide notice that cost allocation would be an issue in this proceeding. The Authority made clear the purpose of this proceeding in its reopening decision:

The Authority hereby reopens this proceeding to examine whether the information required under Conn. Gen. Stat. §16-245d(a)(2) is being timely provided by suppliers and how that information is being displayed on customer bills. Furthermore, this proceeding will examine if an EDC has the capability to and should ensure the customer’s billed rate is lower than the next cycle rate provided by the supplier, as discussed in comments received from Senator Suzio as part of Docket No. 14-07-19RE01.⁸²

⁷⁶ See Tr. at 178-79 (noting that supplier contracts contain details of customers’ relationships with suppliers).

⁷⁷ Proposed Decision, at 34.

⁷⁸ Proposed Decision, at 34.

⁷⁹ See Docket No. 14-07-19RE01, *PURA Investigation into Redesign of the Residential Electric Billing Format Clarifications Reopening*, Reopening Decision (Mar. 28, 2018) (opening this proceeding).

⁸⁰ See, generally, Record.

⁸¹ Proposed Decision, at 34.

⁸² Reopening Decision (Mar. 28, 2018), at 2.

Had the participants been informed that cost allocation would be an issue in this proceeding, one or more of them likely would have presented evidence on the issue.

Consistent with Authority precedent, costs associated with implementing the requirements of the Authority's final decision in this proceeding should be borne by all Connecticut residential ratepayers. The Authority follows the principle that that "general system modifications that must be made to implement retail competition will benefit all customers and therefore these costs should be recovered from all customers."⁸³ The improvements ordered by the Authority are for the benefit of all Connecticut residential ratepayers. As the General Assembly indicated, the purpose of providing the Summary Information on residential customer bills is to enable residential customers "to compare pricing policies and charges among electric suppliers."⁸⁴ The costs of the improvements ordered by the Authority in this proceeding, therefore, should be borne by all residential ratepayers, as the Authority determined when it initially established protocols for printing Summary Information on customer bills.⁸⁵

Moreover, the Authority's basis for imposing the costs for implementing the changes from this proceeding is unsupported by the facts. First, the Proposed Decision proposes to assign cost responsibility for implementing the requirements to be imposed by the Authority in this proceeding on suppliers based on the unsupported factual finding that suppliers are at fault for having "failed to provide the EDCs with the data necessary to comply with the statute."⁸⁶

However, as set forth more fully above,⁸⁷ this finding is unsupported by the record. The evidentiary record in this proceeding demonstrates that: (a) only one supplier has provided any

⁸³ Docket No. 98-06-17, *DPUC Investigation into Billing and Metering Protocols and Appropriate Cost-Sharing Among Electric Distribution Companies and Electric Suppliers*, Decision (Jan. 13, 1999) at 13.

⁸⁴ Conn. Gen. Stat. §16-245d(a)(2).

⁸⁵ Docket No. 14-07-19, *PURA Investigation in Redesign of the Residential Electric Billing Format*, Decision (Jan. 21, 2015), at 12.

⁸⁶ Proposed Decision, at 34.

⁸⁷ See Section I *supra*.

information that is inaccurate; and (b) most of the accounts for which Summary Information was “missing” are IRAs for which Summary Information is not required.⁸⁸

The Proposed Decision also proposes to impose the cost responsibility on suppliers because of their purported delay in endeavoring to resolve the operational issues that have been considered in this case.⁸⁹ As discussed above, suppliers did not cause the delay in implementing a method by which to identify IRAs.⁹⁰ Further, many of the issues being addressed in this case have resulted from the ways in which the EDCs designed their respective billing systems in response to the Authority’s previous decisions.⁹¹ Since the record does not support the Authority’s factual findings that suppliers as a whole are responsible for the failures and delays giving rise to this proceeding and the changes resulting therefrom, it is unfair for the Authority to impose the costs of those changes on suppliers.⁹²

Furthermore, if the costs are ultimately assigned to suppliers, they should not be assigned equally to all suppliers licensed to serve residential customers as of March 28, 2018. First, some of these suppliers, while licensed to serve residential customers, do not serve residential customers, whether because they elect to serve only commercial and industrial customers or because they are not serving any customers.⁹³ Thus, these suppliers did not “fail[] to provide the

⁸⁸ See LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-7 (Feb. 27, 2018), Attachment; LFE 1, Eversource Response to Docket No. 14-07-19RE01 Interrogatory SEU-9 (Mar. 14, 2018); *see, generally*, Record; *see also* Tr. at 71-72 (discussing the failure of a single supplier to provide accurate Summary Information).

⁸⁹ Proposed Decision, at 34.

⁹⁰ *See* Section I(b) *supra*.

⁹¹ Tr. at 175 (“And, you know, again, hindsight is 2020, but [Eversource] implemented what was agreed to at that point in time, and we all agree now as a group that there's opportunities to improve.”).

⁹² Assigning costs equally to all suppliers licensed to serve residential customer as of March 28, 2018, assuming that the actual costs are the totals indicated on page 35 of the Proposed Decision, would mean that each such supplier would be charged \$33,326 (\$1,666,300/50 suppliers).

⁹³ *See, e.g.*, Authority Supplier Database, Champion Energy Services LLC, <http://www.dpuc.state.ct.us/electric.nsf/c39dc573ab1299538525743b004d4df6/dad08d367acca36e85257ee700558bad?OpenDocument> (last visited October 22, 2018) (indicating that Champion Energy Services, LLC is licensed to serve residential customers but is not actively marketing to residential customers).

EDCs with the data necessary to comply with the statute.”⁹⁴ Additionally, it is not appropriate for any supplier that does not serve residential customers to bear the costs of compliance with requirements for providing service to residential customers.⁹⁵ Accordingly, it would be unfair to assess the costs for the changes necessitated by this proceeding on those suppliers. It would also be unfair to impose the costs for the changes necessitated by this proceeding on suppliers who provided all of the Summary Information because they also did not “fail[] to provide the EDCs with the data necessary to comply with the statute.”⁹⁶

Finally, whether the costs are imposed on customers directly or through suppliers,⁹⁷ the costs for the changes necessitated by this proceeding must be determined in accordance with the cost recovery principles set forth in Connecticut General Statutes section 16-19e.⁹⁸ Under that statute, the EDCs are required, among other things, to “perform all of their respective public responsibilities with economy [and] efficiency[.]”⁹⁹ The Authority must ensure that the EDCs satisfy this requirement. Thus, it should not “pre-approve” some level of expenditure by the EDCs, based on the EDCs’ views of what certain system improvements might cost. Instead, the Authority should permit the EDCs to recover only costs that the Authority determines, after a

⁹⁴ Cf. Proposed Decision, at 34.

⁹⁵ Cf., Docket No. 14-05-06, *Application of The Connecticut Light and Power Company to Amend Rate Schedules* (Dec. 17, 2014) at 188 (applying cost causation principles).

⁹⁶ *Id.*; cf. Proposed Decision, at 34.

⁹⁷ Suppliers likely will pass these costs onto customers.

⁹⁸ Conn. Gen. Stat. §16-245d(b) (“An electric distribution company that provides billing services for an electric supplier shall be entitled to recover from the electric supplier all reasonable transaction costs to provide such billing services as well as a reasonable rate of return, in accordance with the principles in subsection (a) of section 16-19e.”).

⁹⁹ Conn. Gen. Stat. §16-19e(a).

prudency review in which suppliers can participate meaningfully, were reasonable and properly incurred.¹⁰⁰

IX. THE AUTHORITY SHOULD SPECIFY THE INFORMATION PROVIDED IN SYNC LISTS

The Proposed Decision would require Eversource to provide each supplier with two sync lists per month, and to update the sync list for each request.¹⁰¹ UI would be required to continue its practice of providing up-to-date sync lists to suppliers upon request.¹⁰² RESA supports these requirements. However, in its final decision, to ensure these lists serve their intended purpose (i.e., providing a quality check on the Summary Information), the Authority should specify the information that must be included on these lists.

First, the EDCs should be required to include all of the Summary Information fields for which suppliers are required to provide data in the sync lists. If any of the required fields are not included in the sync lists, suppliers cannot confirm that all of the information the EDCs are displaying on customers' bills is accurate. Second, once the IRA "flag" is developed, the sync lists should also indicate which accounts are IRAs so that suppliers can ensure that their records match those of the EDCs and make any necessary corrections.

X. THE AUTHORITY SHOULD EXTEND THREE OF THE COMPLIANCE DEADLINES

The Proposed Decision includes a list of implementation directives and deadlines.¹⁰³ The Authority should extend three of those deadlines.

¹⁰⁰ Docket No. 14-07-19, *PURA Investigation into Redesign of the Residential Electric Billing Format*, Final Decision (Jan. 21, 2015), at 12 (allowing the EDCs to recover the costs of changes to residential billing formats through the semi-annual adjustments to the non-bypassable federally mandated congestion charges but indicating that "[a]ll costs will be subject to a thorough prudence review").

¹⁰¹ Proposed Decision, at 29.

¹⁰² Proposed Decision, at 29.

¹⁰³ *Id.* at 14.

To the extent that the final decision requires suppliers to provide the contract type (i.e., fixed or variable), for all residential customers, with each enrollment, as of the date of the final decision, RESA would request, in this event, that the Authority extend the deadline for suppliers to submit the contract type until ninety (90) days after it issues the final decision in this proceeding.¹⁰⁴ This would require a system build and testing to ensure the data are properly transmitted to the EDC.

The Proposed Decision would require suppliers to submit the contract type (i.e., fixed or variable) for all of their existing residential customers by November 30, 2018.¹⁰⁵ Currently, the EDCs will print “fixed” if suppliers do not submit the contract type.¹⁰⁶ As a consequence, suppliers who only serve customers pursuant to fixed price products will need to modify their IT systems to transmit this information to the EDCs, which will take time. Thus, RESA requests that the Authority extend the deadline for suppliers to submit the contract type until ninety (90) days after it issues the final decision in this proceeding. Further, the final decision should provide clarity about how suppliers should provide this information (whether through the EDI or otherwise), about how rejections, if any, are treated, and about other technical matters necessary to ensure a smooth transition to any new reporting protocols.

The Proposed Decision would require the EDCs to propose a letter and bill insert that will be directly mailed to their e-bill customers.¹⁰⁷ Suppliers will be required to replicate and include these documents in the welcome packages that they send to customers beginning February 1, 2019.¹⁰⁸ However, before suppliers can do so, they will need to modify their

¹⁰⁴ *Id.* at 36 (Order No. 4).

¹⁰⁵ *See id.* at 14 (setting compliance deadlines).

¹⁰⁶ 14-07-19RE01 Decision at 9; Tr. at 154.

¹⁰⁷ Proposed Decision, at 33; *see also id.* at 14 (setting compliance deadlines).


¹⁰⁸ *Id.*

processes and IT systems to ensure that the information is included in their welcome packages. Thus, RESA requests that the Authority extend the deadline for suppliers to include the EDC developed letter and bill insert in supplier welcome packages until ninety (90) days after it approves the EDCs' proposed materials.¹⁰⁹

CONCLUSION

For all the foregoing reasons, the Authority should modify the Proposed Decision as indicated herein.

Respectfully Submitted,
RETAIL ENERGY SUPPLY
ASSOCIATION

By: _____

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¹⁰⁹ Proposed Decision, at 33 (requiring the EDCs to submit the proposed letter and bill insert to the Authority for approval).

CERTIFICATION

I hereby certify that a copy of the foregoing was sent to all participants of record on this
29th day of October 2018.

Brian E. Calabrese

Brian E. Calabrese