

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DE 12-295

PNE POWER SUPPLY, LLC d/b/a/ POWER NEW ENGLAND

ORIGINAL	
N.H.P.U.C. Case No.	DE 12-295
Exhibit No.	#18
Witness	
DO NOT REMOVE FROM FILE	

**Petition for Review of Public Service Company of New Hampshire Service Charges to
Competitive Electric Suppliers**

JOINT SUPPLIERS' PROPOSAL FOR TEMPORARY CHARGES

NOW COME the Petitioner and the Supplier Intervenors, PNE Energy Supply, LLC ("PNE"), Electricity N.H., LLC d/b/a E.N.H. Power ("ENH"), North American Power and Gas, LLC ("NAPG"), and Retail Energy Supply Association ("RESA") (collectively, "the Suppliers"), and respectfully offer the following joint proposal for temporary rates for the three Competitive Supplier Charges assessed by Public Service Company of New Hampshire ("PSNH"), pursuant to the Commission's Supplemental Order of Notice, dated December 13, 2013. The Suppliers state as follows:

1. Following a hearing in the above captioned docket, the Commission issued an Order dated December 13, 2013, finding that "it would be more appropriate to calculate the Competitive Supplier Charges based on the incremental costs for providing those services," and that "sufficient experience has been gained to now determine a cost basis for the Selection Charge." Order No. 25,603 (DE 12-295) at 17. The Commission further directed PSNH to "conduct a cost of service study of the incremental cost basis for the Selection service, the Billing and Payment service and the Collection service that PSNH provides to CEPSS." Id.

2. In light of its Order, the Commission issued a Supplemental Order of Notice of further proceedings to address, inter alia, "issues related to whether it is appropriate to establish temporary rates pursuant to RSA 378:27 and whether the results of the incremental cost study or

other evidence warrant any rate adjustment to provide just and reasonable rates as required by RSA 378:7, or require any additional action by the Commission.” December 13, 2013 Supplemental Order of Notice (Docket DE 12-295) at 2.

3. A Prehearing Conference and a Hearing on temporary rates was scheduled to be held before the Commission on January 13, 2014 at 10:00 a.m.

4. Following a request for clarification by PSNH, the Commission issued a secretarial letter stating that “the Commission will consider proposals by PSNH and other parties concerning the appropriate level of charges for each of the Competitive Supplier Charges described in the supplemental order of notice to serve as reconcilable rates for the duration of this inquiry.” January 2, 2014 Secretarial Letter (Docket DE 12-295).

5. Pursuant to the Supplemental Order of Notice and the January 2, 2014 Secretarial Letter, the Suppliers hereby offer a joint proposal for appropriate temporary charges for the Competitive Supplier Charges during the pendency of the Commission’s inquiry in this docket.

A. The Selection Charge

6. The Suppliers propose a temporary rate of \$0.15 for the Selection Charge.

7. At the hearing there was testimony that customer switching is a simple, automated Electronic Data Interchange (“EDI”) transaction with an associated cost of at most between \$0.05 and \$0.15. DE 12-295 October 3, 2013 Hearing Transcript (“Tr.”) at 62-63, 86, 95-96. PSNH offered no contrary testimony and did not present evidence of a higher incremental cost for customer switches. In fact, PSNH agreed that the process is fully automated and that there are little or no associated incremental costs. Tr. at 149, 174, 222.

8. The Suppliers propose that a temporary rate of \$0.15 is reasonable and appropriate as a high estimate of PSNH’s actual incremental costs associated with the automatic

EDI transaction involved in switching customers from one supplier to another or between a supplier and PSNH's default service.

B. The Billing and Payment Service and Collection Service Charges

9. The Suppliers propose a temporary rate of \$0.25 per bill for a combined billing and collection services charge.

10. At the hearing, PSNH admitted repeatedly that there are minimal or no incremental costs associated with billing and collection services provided to CEPSSs. Tr. at 221, 244, 247-48.

11. While there is currently no direct evidence of PSNH's actual incremental costs associated with billing and collection services for CEPSSs, the Suppliers offered testimony and evidence at the hearing regarding similar charges approved by the Maine Public Utilities Commission ("MPUC"). Specifically, Mr. Dean testified that the MPUC rules, Chap. 322, §3.F allow:

A transmission and distribution utility shall charge a competitive electricity provider the utility's incremental cost of providing basic bill issuance, bill calculation, and collections.

Tr. at 38. A copy of the relevant portions of Chapter 322 is attached hereto as Exhibit A.

12. Mr. Dean also testified that Central Maine Power's ("CMP") approved billing and collection charge is \$0.26 per bill. Tr. at 38. In fact, CMP's approved tariff at Section 43.2 establishes that the "charge for providing consolidated utility billing services will be \$.26 per bill," and that "[c]onsolidated utility billing services will include bill calculation, printing, mailing, collection, remittance processing and funds transfers." A copy of Section 43 of CMP's approved tariff is attached hereto as Exhibit B.

13. Accordingly, the Suppliers submit that there is evidence before the Commission that the incremental costs of providing combined billing and collection services to CEPSs for at least one New England utility is \$0.26 per bill. The Suppliers suggest that this forms the basis for a reasonable temporary rate for PSNH's combined billing and collection services. Moreover, in light of PSNH's testimony that its associated billing and collection incremental costs are minimal, a \$0.26 per bill charge is likely to be higher than PSNH's actual incremental costs.

C. Summary of Proposal

14. In Summary, the Suppliers propose that the Commission set temporary rates for the three Competitive Supplier Charges assessed by PSNH as follows:

- Selection Charge:

\$0.15 per customer switch (assessed only once per Order #25,603)

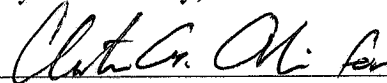
- Combined Billing and Payment Service Charge and Collection Service Charge:

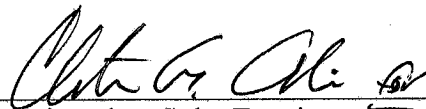
\$0.26 per bill.

WHEREFORE, the Suppliers respectfully request that the Commission set temporary rates for the Competitive Supplier Charges consistent with this Joint Supplier Proposal, and grant such other relief as the Commission deems fair and just.

Respectfully submitted,

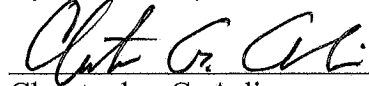
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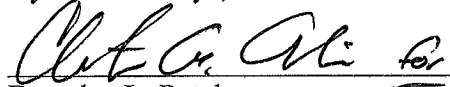
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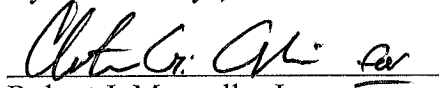
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Dated: January 13, 2014

Certificate of Service

I hereby certify that a copy of the foregoing Joint Suppliers' Proposal for Temporary Charges has on this 13th day of January, 2014 been sent by email to the service list in Docket DE 12-295.

By:



Christopher G. Aslin

Chapter 322: METERING, BILLING, COLLECTIONS, AND ENROLLMENT
INTERACTIONS AMONG TRANSMISSION AND DISTRIBUTION
UTILITIES AND COMPETITIVE ELECTRICITY PROVIDERS

SUMMARY: This Chapter establishes terms and standards governing metering, billing and collections by transmission and distribution utilities and by competitive electricity providers operating in Maine. The Chapter also establishes procedures governing customer enrollment for generation service, transfers among generation service providers, and termination of generation service.

§ 1	DEFINITIONS	5
§ 2	SCOPE	7
	A. Applicability.....	7
	B. Exceptions to the Rule by Contract.....	7
§ 3	BILL ISSUANCE FOR GENERATION SERVICE AND FOR TRANSMISSION AND DISTRIBUTION SERVICE AND FOR AGGREGATOR AND BROKER SERVICE.....	8
	A. Transmission and Distribution Service Billing.....	8
	B. Generation Service Billing.....	8
	1. Consolidated Utility Billing.....	8
	2. Provider Billing.....	8
	C. Bill Content for Generation Services	8
	D. Bill Format under Consolidated Utility Billing	8
	E. Prior Competitive Electricity Provider Past Due Charges under Consolidated Utility Billing	9
	F. Charge for Consolidated Utility Billing	9
	G. Agency Billing	9

§ 3 BILL ISSUANCE FOR GENERATION SERVICE, FOR TRANSMISSION AND DISTRIBUTION SERVICE, AND FOR AGGREGATOR AND BROKER SERVICE

A. Transmission and Distribution Service Billing

The transmission and distribution utility shall be responsible for calculating and issuing bills to customers for transmission and distribution services.

B. Generation Service Billing

Competitive electricity providers shall have two options for calculating and issuing generation service bills to their customers.

1. Consolidated Utility Billing

The transmission and distribution utility shall calculate and issue bills for generation service upon request of a competitive electricity provider. The transmission and distribution utility shall calculate and issue bills for generation service for all customers receiving standard offer service.

2. Provider Billing

Competitive electricity providers may calculate and issue bills for generation service for their own customers.

C. Bill Content for Generation Services

Chapter 301 and Chapter 305 of the Commission's rules govern the content of bills for standard offer service. Chapter 305 governs the content of competitive electricity provider bills and consolidated utility bills.

D. Bill Format under Consolidated Utility Billing

1. For each competitive electricity provider for which a transmission and distribution utility provides consolidated utility billing, the format of the utility-provided standard bill shall be identical, except for provider logo, price level and structure, and message area. The bill for generation service shall appear on a separate page or be otherwise clearly separated from the bill for transmission and distribution service.
2. A transmission and distribution utility may provide a nonstandard bill format at the request of a competitive electricity provider in conformance with Section 2(B).

3. The bill for generation service and for transmission and distribution service shall cover the same time period.
4. This subsection applies to standard offer providers.

E. Prior Competitive Electricity Provider Past Due Charges under Consolidated Utility Billing

Past due charges owed by a customer to a prior competitive electricity provider shall be collected by the transmission and distribution utility for one bill following issuance of the final bill for generation service. At the end of this collection period, the transmission and distribution utility shall inform a competitive electricity provider of a customer's past due charges and shall no longer be responsible for collection. This provision does not apply to past due charges associated with standard offer service.

F. Charge for Consolidated Utility Billing

A transmission and distribution utility shall charge a competitive electricity provider the utility's incremental cost of providing basic bill issuance, bill calculation, and collections pursuant to Sections (3), (4) and (6). On or before June 1, 1999, the utility shall file a proposed term and condition containing the terms and the amount of this charge. This provision applies to standard offer providers.

G. Agency Billing

At the request of a customer, the transmission and distribution utility shall send a customer's bill to the customer's competitive electricity provider, including aggregators and brokers, using the method that would be used to send the bill to the customer. This provision does not apply to residential and small non-residential customers. The competitive electricity provider shall provide to the customer all of the information provided on or enclosed with the transmission and distribution utility bill, if Commission rules require that such information be provided to customers. Except as provided in this subsection or other provisions in the Commission's rules, no entity may act as a customer's agent for purposes of receiving transmission and distribution utility bills, unless the transmission and distribution utility consents.

H. Aggregator and Broker Service Billing

At the request of an aggregator or broker, a transmission and distribution utility shall negotiate in good faith to provide bill calculation, bill issuance and collections services. The transmission and distribution utility shall charge the

SECTION 43
ELECTRICITY PROVIDERS

43.1 GENERAL

In accordance with Maine Public Utilities Commission rules, the Company will provide certain services and charge certain fees to Competitive Electricity Providers and Standard Offer Providers, as described in this section.

43.2 BILLING SERVICES - STANDARD BILL FORMAT AND RATE STRUCTURE

The charge for providing consolidated utility billing services will be \$.26 per bill.

Consolidated utility billing services will include bill calculation, printing, mailing, collection, remittance processing and funds transfers in accordance with Maine Public Utilities Commission rules. The annual notice required by Chapter 305(4)(B)(1)(b) will also be provided as part of the consolidated utility billing service.

43.3 OFF-CYCLE TERMINATIONS

The charge for terminating electricity supply to a customer on a date other than the regular meter reading date will be \$5.00 if usage is prorated between the terminating provider and the Standard Offer Provider.

If an actual meter reading is required by the provider terminating service, the Company will charge \$5.00 for telemetered accounts including accounts with standard wireless smart meters. For all other accounts, the charge will be 23.00.

Requests for off-cycle service terminations will be processed as soon as practicable in the normal course of the Company's business, during regular business hours.

43.4 CUSTOMER HISTORY DATA

The Company will provide customer usage history records to competitive electricity providers in accordance with Section 18.13 of the Terms and Conditions.

Effective Date: April 15, 2013

Eric N. Stinneford

Docket No. 2013-00173

Vice President – Controller, Treasurer & Clerk

SECTION 43
ELECTRICITY PROVIDERS (CONT'D.)

43.5 NONSTANDARD METER INSTALLATIONS

The Company will install a nonstandard meter at the request of a Competitive Electricity Provider, and will accommodate requests for nonstandard meters as quickly as practicable in the normal course of the Company's business. The Company will prioritize requests, with the objective of maintaining the shortest possible backlog, by considering the order of requests, the complexity of implementation and equity among customer groups.

The Company will charge its incremental costs of owning, maintaining and installing the nonstandard meter to the Competitive Electricity Provider. The Company, at its sole discretion, may require advance payment from the Competitive Electricity Provider.

43.6 NONSTANDARD BILL FORMAT OR RATE STRUCTURE

A Competitive Electricity Provider may request a nonstandard bill format or rate structure for bills issued to its customers by the Company. The Company will determine the price and time frame for completion within fifteen (15) business days of the request. The price will be based on the Company's reasonable costs for implementing the nonstandard bill format or rate structure.

43.7 INFORMATION DISCLOSURE FOR STANDARD OFFER CUSTOMERS

The Company will make available disclosure labels to Standard Offer customers as required by Chapter 306, Section 2(E)(4) of the Maine Public Utilities Commission rules.

Effective Date: January 1, 2012

Eric N. Stinneford

Docket No.: 2011-407

Vice President, Controller, Treasurer and Clerk

SECTION 43
ELECTRICITY PROVIDERS (CONT'D.)

43.8 BILL INSERT SERVICES

In its sole discretion, pursuant to 35-A M.R.S.A. § 3212-A, the Company may provide bill insert services for green power supply products and renewable energy credit ("REC") products that are certified by the Maine Public Utilities Commission. A contract, in a form approved by the Maine Public Utilities Commission, shall be required for all bill insert services provided by the Company.

For standard inserts that will be sent to all of the Company's customers, the Company will charge the providers of such certified green power supply products and REC products a fee of (i) \$0.125 per insert for the costs of inserting and mailing bill inserts into its transmission and distribution billing envelope, which fee shall automatically be adjusted to reflect any changes in the Company's mailing costs, plus (ii) a fixed fee of \$750 per billing cycle to cover programming and other costs. These fees shall apply only to the mailing of a single insert to all of the Company's customers, provided that such insert meets the Company's technical specifications. Other services, at the sole discretion of the Company, may be made available by the Company, subject to the pricing set forth below.

A supplier of certified green power supply products and REC products may request non-standard bill insert services, for example, targeting bill inserts to specific groups of customers. The Company shall have no obligation to provide such non-standard bill insert services, but shall notify the supplier within fifteen (15) business days of the request if it will accommodate such non-standard request and the price for implementing such non-standard request. The price will be based on the Company's reasonable costs for implementing the non-standard bill insert request.

Effective Date: September 21, 2009

Eric N. Stinneford

Docket No.: 2008-178

Vice President – Controller, Treasurer & Clerk