



Agenda Date: 11/22/13
Agenda Item: 2L

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE BOARD'S REVIEW OF)	ORDER GRANTING WAIVER
UTILITY CONSOLIDATED BILLING AND PURCHASE)	OF CERTAIN REPORTING
OF RECEIVABLES PROGRAMS)	REQUIREMENTS
)	
)	DOCKET NO. EO13030236

Parties of Record:

- Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel**
- John L. Carley, Esq., Rockland Electric Company**
- Lauren M. Lepkoski, Esq., FirstEnergy Service Company, on behalf of Jersey Central Power & Light Company**
- Philip J. Passanante, Esq., Atlantic City Electric Company**
- Alexander C. Stern, Esq., Public Service Electric and Gas Company**
- Tracey Thayer, Esq., New Jersey Natural Gas Company**
- M. Patricia Keefe, Esq., Elizabethtown Gas**
- John F. Stanziola, South Jersey Gas Company**
- Robert Chilton, Executive Vice-President, Gabel Associates**
- Murray E. Bevan, Esq., Bevan, Mosca, Giuditta & Zarillo, P.C., on behalf of Retail Energy Supply Association ("RESA")**
- Craig G. Goodman, President, National Energy Marketers Association**
- Ira G. Megdal, Esq., Cozen O'Connor, on behalf of FirstEnergy Solutions Corp.**
- Anthony Cusati III, Interstate Gas Supply, Inc. dba IGS Energy, and on behalf of New Jersey Gas & Electric**
- Seth Hopson, Esq., North American Power**

BY THE BOARD:

By this Order the New Jersey Board of Public Utilities ("Board") considers a Verified Petition by Rockland Electric Company ("RECo") filed on July 9, 2013 and subsequently amended on July 12, 2013 ("RECo's Petition") and a joint letter request by New Jersey Natural Gas Company ("NJNG"), South Jersey Gas Company ("SJG") and Pivotal Utility Holdings, Inc., d/b/a/ Elizabethtown Gas ("ETG") (collectively, "Joint Petitioners") ("Joint Letter Request") filed on October 21, 2013 with the Board, both seeking a waiver of certain provisions set forth in the

Board's May 29, 2013 Order ("May 29 Order")¹. For the reasons discussed below, the Board grants the waiver requests.

BACKGROUND AND PROCEDURAL HISTORY

On May 29, 2013, the Board rendered a decision which set forth certain policy actions with respect to Utility Consolidated Billing ("UCB") and "Purchase of Receivables" ("POR") resulting from an extensive two year review of the Board's current rules and policies governing energy competition and POR in the State. During this review process, Board Staff held collaborative discussions with interested stakeholders leading to several opportunities to evaluate the appropriateness of modifications to the Board's existing energy competition rules at N.J.A.C. 14:4 as well as prior policy actions taken in its Customer Account Service ("CAS") proceedings².

In the May 29 Order, the Board addressed issues relating to customer class eligibility, customer eligibility restrictions, payments to Third Party Suppliers ("TPS"), criteria for dropping customers from UCB to dual billing, discount factors and consolidated billing fees, implementation dates for the modifications to the individual utility UCB/POR Programs and the issue which is the subject of this Order, arrearage reporting and notifications.

With regard to the issue of arrearage reporting and notifications, the Board directed the Gas Distribution Companies ("GDCs"), and the Electric Distribution Companies ("EDCs") that drop customers to dual billing based upon the customer's arrearages to provide TPSs with monthly customer arrearage reports ("Monthly Arrearage Reports").

The Board determined that these reports would provide the TPSs with timely, informative arrearage information regarding their customers' accounts and provide the TPS with the opportunity to contact customers who are in arrears and advise them of the possible consequences so that the customer will have the opportunity to bring the account up to date and avoid being switched to dual billing. The Board also found that timely access to this information will also aid the TPS in providing the required written notice of termination, if needed. Therefore, the Board ordered the EDCs and GDCs that drop customers to dual billing to modify their UCB/POR programs, as necessary, to comply with the provisions with respect to reporting requirements.

In the May 29 Order, the Board further directed all GDCs and EDCs to notify the TPS on the day the TPS provides the utility with the request to switch the customer, of the number of days that a customer's account is in arrears provided the customer's account is 60 days or more in arrears ("Daily Arrearage Reports").

¹ In the Matter of the Board's Review of Utility Consolidated Billing and Purchase of Receivables Programs Docket No. EO13030236, May 29, 2013.

² The CAS stipulations were approved by Board Orders, In the Matter of the Electric Discount and Energy Competition Act of 1999 Customer Account Services Proceeding, Docket No. EX99090676, dated as follows: New Jersey Natural Gas Co. - December 6, 2000; Public Service Electric and Gas Co., Jersey Central Power & Light Co., Atlantic City Electric Co. - December 22, 2000 and February 2, 2011; Rockland Electric Co. - May 9, 2001; Elizabethtown Gas - May 6, 2002; Generic, June 24, 2004.

In response to the May 29 Order, as stated above, RECo filed the instant petition on July 9, 2013 which was subsequently amended on July 12, 2013, which was filed under the above Docket No. EO13030236 to be consistent with the proceeding under which the Board set forth the requirements which are the subject of RECo's waiver. RECo's Petition and the Joint Letter Request are seeking a waiver of the Board's May 29 Order with respect to the Board's requirement that RECo and the Joint Petitioners notify TPSs about the number of days that a customer's account is in arrears if the customer's account is 60 days or more in arrears at the time the TPS provides the utility with a request to switch a customer. In RECo's Petition, the company argued that during the course of the UCB/POR proceeding it stated in its comments that RECo does not exercise its right, as allowed by the Board's rules, to drop a customer to dual billing whose account is in arrears. Rather, RECo currently offers UCB for all customer classes to all TPSs servicing customers in RECo's service territory. RECo accepts all customer enrollments, regardless of a customer's arrearage status, and enrolls the customer in UCB if so agreed to by the TPS. In addition, RECo assumes all of the receivables generated by customers of the TPSs for which RECo provides UCB at 100 percent of their face value. Thus, RECo argues that the monthly arrearage report should not be required of utilities that do not drop customers to dual billing or restrict UCB.

RECo also argues that although the Board agreed with RECo by limiting the monthly arrearage reporting requirements to those EDCs and GDCs that drop a customer to dual billing based upon the customer's arrearages, it required that all utilities provide a TSP, on the date an enrollment request is received, with the number of days that the customer is in arrears if that customer is 60 days or more in arrears. For the same reasons as with the monthly arrearage reports, RECo requests that the Board waive its requirement to provide the Daily Arrearage Report.

RECo argues that the Daily Arrearage Report requirement will not benefit TPSs and is contrary to the Board's recognition that such information is of no benefit to TPSs as reflected in its exclusion of the requirement to provide Monthly Arrearage Reports. Since RECo accepts all customers for enrollment and does not drop customers in arrears to dual billing, RECo asserts that the Daily Arrearage Report requirement will not provide TPSs with either informative or relevant information.

Like RECo, the Joint Petitioners also seek a waiver of the Daily Arrearage Report requirement. Joint Petitioners argue that companies that do not now or do not intend to drop customers from UCB due to non-payment by the customer, that it is unnecessary, costly and not useful to provide TPS with any arrearage information. Joint Petitioners assert that the information is not relevant to or useful for the TPS and adds an unnecessary administrative burden on the utility. Thus, Joint Petitioners request that the Board grant RECo's request for a waiver of the Daily Arrearage Report, and make it applicable to all utilities that do not drop customers due to late payments.

On August 6, 2013, Board Staff asked the UCB/POR working group participants to file comments on RECo's Petition and the Joint Letter Request by August 20, 2013. Only three UCB/POR participants filed comments: the Retail Energy Supply Association ("RESA"), NJNG and SJG. Both NJNG and SJG provided comments in support of RECo's request for a waiver and argued that utilities that do not switch customer accounts from UCB to dual billing due to non-payment by the customer, should not have to provide TPSs with arrearage information, finding it unnecessary, costly and not useful to the TPS in addition to creating an administrative burden on the utility.

On August 20, 2013, in response to the RECo Petition and again on October 28, 2013 in response to the Joint Letter Request, RESA submitted comments to the Board. RESA supports RECo's and the Joint Petitioners' request for a waiver as long as RECo and the Joint Petitioners continue their current practice of providing a non-recourse purchase of receivables program to all TPSs by accepting all customers into their respective UCB/POR programs and never exercising their right to drop customers with arrears to dual billing. RESA agrees that it is not necessary for NJNG, SJG or ETG to meet the Daily Arrearage Report requirement as long as they continue to provide a non-recourse POR program. However, should RECo and the Joint Petitioners discontinue the practice of accepting all customers for enrollment in their UCB/POR programs and/or drop customers in arrears to dual billing at some point in the future, RESA believes that these companies should then be required to meet the Daily Arrearage Report requirement. Thus, RESA recommends that the Board grant RECo's Petition and the Joint Letter Request for a waiver, but include the condition that if and when RECo, NJNG, SJG or ETG no longer accept all customers into their respective UCB/POR programs, and/or drop customers to dual billing, RECo, NJNG, SJG and ETG should be required to put the Board on notice of the change and be required to meet the Daily Arrearage Report requirement.

DISCUSSION AND FINDINGS

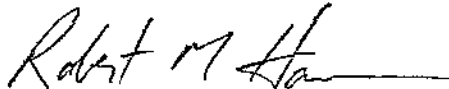
The Board after evaluating both RECo's Petition and the Joint Letter Request and the comments submitted thereon, **FINDS** that the request for a waiver of the requirement to provide notice of customer accounts that are 60 or more days in arrears to TPSs at the time a TPS provides the utility with the request to switch the customer, is in the interests of the customers, ratepayers and the TPSs. The costs of reporting arrearages will be avoided without any impact to TPSs and competition since the arrearage information will provide no benefit to the TPS. Thus, given these facts, the request for a waiver is fair and reasonable.

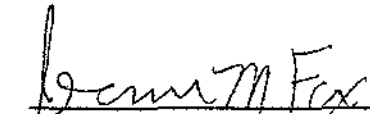
The Board **FURTHER FINDS** that GDCs and EDCs that do not drop customers from UCB to dual billing shall be exempt from the Daily Arrearage Report requirement to avoid the incurrence of administrative costs on behalf of the utilities and its ratepayers, and the inefficient use of resources as long as providing such information is not necessary or relevant to TPSs. Thus, the Board **HEREBY GRANTS** RECo's Petition and Joint Petitioners' Joint Letter Request for a waiver of the Board's May 29 Order requirement that GDCs and EDCs notify TPS on the day the TPS provides the utility with the request to switch the customer, of the number of days that a customer's account is in arrears if the customer's account is 60 days or more in arrears, provided that the GDC or EDC does not drop customers from UCB to dual billing due to non-payment by the customer. However, the Board **CONDITIONS** its approval, and **DIRECTS** RECo, NJNG, SJG, and ETG respectively to comply with the Daily Arrearage Report requirement set forth in the May 29 Order and provide both the Monthly Arrearage Reports as well as the Daily Arrearage Reports if RECo NJNG, SJG and/or ETG respectively discontinue the practice of not dropping customers in arrears from UCB to dual billing at some point in the

future. The Board **FURTHER DIRECTS** RECo, NJNG, SJG, ETG to provide the Board, TPSs and their customers with a sixty day notification prior to implementing any such policy change.

DATED: 11/22/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

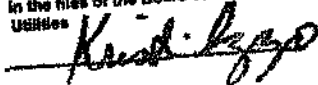

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KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



IN THE MATTER OF THE BOARD'S REVIEW OF UTILITY CONSOLIDATED BILLING
AND
PURCHASE OF RECEIVABLE PROGRAMS
DOCKET NO. EO13030236

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