



August 1, 2014

**VIA ELECTRONIC MAIL**

Hon. Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

Re: In the Matter/Of Third-Party Suppliers – N.J.A.C. 14:4-7 - The Board’s Review of Consumer Protection Provisions of its Rules Concerning Third-Party Energy Suppliers, BPU Docket No. EX14060579 and

In the Matter of the Implementation of the Special Rule Adoption  
In Compliance with L. 2013, C.263  
Docket Number EX14060610

Notice of Stakeholder Meeting and Opportunity to Comment dated June 24, 2014

Dear Secretary Izzo:

On behalf of New Jersey Natural Gas Company (“NJNG” or the “Company”), please accept these comments in the above referenced dockets regarding the Board of Public Utilities (“Board” or “BPU”) consumer protection provisions of the Board rules, and the special rule adoption, concerning third-party energy suppliers (“TPS”). The Company’s comments address those specific areas that are of concern to the Company, specifically; any potential data requirements or process changes affecting Electronic Data Interface (“EDI”); requirements that may be imposed upon the utility for TPS document retention and/or explanation of TPS terms and conditions of product offerings; written notification to customers regarding TPS rates or enrollment; and shortening the customer switching time frame.

## **Advertising and Marketing Materials and Contracts**

### **Utility Document Retention and Explanation of TPS product offerings:**

Any process change that requires the utility to retain customer TPS contract signatures, TPS contract specific data and/or to explain the terms & conditions of the TPS contract with the respective contracting customer would significantly impact the Company's current operational processes and unnecessarily place the burden upon the Company's Customer Service organization. The Company recommends that the TPS, the party contracting with the respective customer, is the appropriate entity to retain these documents and to explain the TPS's respective product offerings. To place this requirement upon the utility, a non-contracting entity, would be inappropriate.

### **Obligation to Provide Customer Notification regarding TPS enrollment or rates:**

Any new requirement to provide customer notifications regarding TPS enrollment or rates should be borne by the TPS and not the utility. Under current energy competition rules, the utility provides written notification to the customer when an enrollment with a TPS is received. The residential customer notification letter includes language highlighting the customer's 7-day right of rescission. Any additional customer notifications or acknowledgements regarding a customer's TPS enrollment or rate should be the obligation of the TPS, the contracting parties. To place any additional written customer notifications/updates upon the utility would have a direct financial and operational impact, specifically, increased costs associated with these notifications and the need to develop and institute additional operational processes. This is exacerbated in scenarios where the utility has the responsibility to notify customers of frequent TPS variable rate changes.

### **Switching Time Frame:**

Any change to shorten the length of time to switch suppliers would require IT programming and associated customer billing process changes. A shortened switching time, frame, assuming a return to Basic Gas Supply Service, may also impact supply planning for the utility. Currently, NJNG's meter reading resources and billing processes require that a customer's switch back to the utility or to another TPS be effective with a regular on-cycle meter reading. The Company's switching timeline is the same for a customer to enroll with, as it is for a customer to drop a TPS. NJNG follows the Electronic Data Exchange and Protocol Process Flows for Gas Deregulation in the State of New Jersey transaction processing timeline developed in 2000 by the BPU Gas Implementation Working Group. The protocol's enrollment/drop cycle calls for supplier changes submitted to the utility and received by the 1<sup>st</sup> business day of the month *effective for service to begin on the first expected meter read date of the following month*. As an example, TPS files containing enrollments and drops received by NJNG between June 2<sup>nd</sup> and July 1<sup>st</sup> will become effective with the customer's August meter reading. Should the Board wish to shorten this time period, the Company believes the time frame under the current protocol could be modified to changes that are submitted to the utility and received by the 1<sup>st</sup> business day of the month *effective for service to begin on the first expected meter read date*. Therefore, a switch back to BGSS or another supplier could occur on the next scheduled meter reading date after the utility has received notification. This would cause less disruption than to alter the utility's set meter reading cycle to address specific customer's switch requests. Any planned change to the protocol should be accompanied with adequate lead time for the industry to make the system modifications and testing to accommodate the required change.

The Company appreciates the opportunity to provide these comments and hopes to work cooperatively with all stakeholders in this proceeding to develop rules that promote competition while protecting the customer.

Respectfully submitted,



Andrew K. Dembia, Esq.  
Regulatory Affairs Counsel

Enclosure  
C: Service List (electronically only)

**IN THE MATTER/OF THIRD-PARTY SUPPLIERS – N.J.A.C. 14:4-7 - THE BOARD’S REVIEW OF  
CONSUMER PROTECTION PROVISIONS OF ITS RULES CONCERNING THIRD-PARTY ENERGY  
SUPPLIERS,  
BPU DOCKET NO. EX14060579 AND**

**IN THE MATTER OF THE IMPLEMENTATION OF THE SPECIAL RULE ADOPTION  
IN COMPLIANCE WITH L. 2013, C.263  
DOCKET NUMBER EX14060610**

**NOTICE OF STAKEHOLDER MEETING AND OPPORTUNITY TO COMMENT DATED JUNE 24, 2014**

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