

ORDER NO. 75959

IN THE MATTER OF THE COMMISSION'S INQUIRY INTO THE PROVISION AND REGULATION OF ELECTRIC SERVICE.	* * * * * *	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND _____ CASE NO. 8738 _____
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On October 29, 1999, the Public Service Commission ("Commission") issued Order No. 75722 ("Order") in response to the final Report of the Competitive Billing Working Group ("CBWG Report") and the directive of the Electric Customer Choice and Competition Act of 1999 ("1999 Act") that "competitive billing shall begin on July 1, 2000."¹ On December 1, 1999, the Office of People's Counsel ("OPC") filed a Request for Rehearing and/or Clarification of Order No. 75722. The Mid-Atlantic Power Supply Association ("MAPSA") responded to OPC's motion on December 6, 1999. The Commission Staff ("Staff") filed a response on December 17, 1999.² Essentially, OPC requests clarification of seven issues. Each of these issues is addressed below.

First, with regard to the customer choice of billing option, OPC seeks clarification as to whether the customer's right of selection means:

- 1) All electricity suppliers must offer their customer(s)
 - (i) direct billing; (ii) consolidated billing by supplier; and (iii) consolidated billing by the utility; or

¹ *Public Utility Companies Article*, §7-511(a)(1)(1999).

2) customers have the right to select a particular billing option to the extent it is made available to them by the electricity supplier.

In the Order, the Commission stated that "customers will have the right to select who will bill them." (Order at p. 3). The Commission never intended to require electricity suppliers to offer specific billing options. Thus, to the extent that an electricity supplier offers a billing option, or even a variety of billing options, the customer will have the right to select which option suits that customer's needs. However, the electricity supplier is not required to offer any specific billing option to customers. If the electricity supplier offers no billing options, the customer will receive a consolidated bill from the utility.

Second, OPC seeks clarification regarding whether the Commission expects to see generation and transmission costs on the electricity supplier's bill or on the electricity supplier's portion of a consolidated bill. In the Order, the Commission stated that, absent one exception, "the unit price for the transmission, distribution and supply should be reflected in both the utility and supplier portion of the bill." (Order at page 6). It is the Commission's intent that to the extent that transmission services are included in the electricity supply service provided by electricity suppliers, charges for those services should be reflected on the supplier's bill or the supplier's portion of a consolidated bill.

Third, OPC seeks clarification of whether Order No. 75722 mandates that an electricity supplier or local distribution company provide either a local or a toll free number for

² No other party filed a response to OPC's request.

billing inquiries as a component of the customer's bill. In the Order, the Commission stated that "the LDC's and supplier's names and telephone numbers shall appear on the bill." (Order at pg. 7). As noted by Staff, most competitive electricity suppliers are likely to be a part of national or regional companies, rather than local entities. The Commission agrees with the concerns raised and will require that electricity suppliers provide either a local or toll-free number on the customer bill for bill inquiries.³

Fourth, OPC seeks clarification of whether electricity suppliers are subject to current COMAR. If not, under which circumstances electricity suppliers must comply with COMAR, or whether electricity suppliers will be required to comply with future supplier-specific regulations. With regard to collection messages on bills, the Commission stated "[A]ny messages appearing should comply with the applicable provisions of COMAR" (Order at pg. 8). The Commission also subsequently stated that the PSC address and telephone number will not be required on bills but the information "shall appear in the annual Customer Bill of Rights." (Order at pg. 9). Through this Order, the Commission mandated that electricity suppliers must provide an annual Customer Bill of Rights pamphlet consistent with the parameters set forth in COMAR 20.30.04. Similarly, the Commission also mandated that the collection messages of electricity suppliers must comply with COMAR 20.30.04.03(6) and 20.31.02.06. Thus, electricity suppliers must comply with the substance of those specific regulations designated by the Commission.

³ In light of the Commission's resolution of this issue, OPC's request for rehearing on this issue is denied.

Fifth, OPC seeks clarification regarding whether the Commission has adopted certain consensus recommendations of the CBWG Report.⁴ Specifically, OPC questions whether the following information should be disclosed on electricity bills:

- a. notice in plain language that is easily understood by consumers of any changes in supplier and contracted for services;
- b. information identifying whether the price for services is regulated or competitive, as required by §7-507(f) of the 1999 Act; and
- c. for bills with a notice or warning of disconnection of service at the meter, clear identification of the charges that could result in disconnection.

In Order No. 75722, the Commission intended to adopt the general consensus bill components set forth in the CBWG Report. The Commission recognizes, however, that the failure to set forth each specified bill component may have resulted in some confusion regarding the applicability of the components not mentioned. Therefore, the Commission specifically finds that the information disclosures listed above shall be required to appear on the bills when such notification is relevant.⁵

With regard to the non-consensus components of the bill, OPC requests that the Commission clarify whether the Commission intended to adopt the following bill requirements:

1. non-electric services shall be described in plain language;
2. charges for non-electricity services shall be listed separately from charges for electricity services; and

⁴ MAPSA supports OPC's request for clarification of this issue.

⁵ In light of the Commission's resolution of this issue, rehearing on the matter is no longer necessary and OPC's request is therefore denied.

3. a notice shall be included that these non-electricity services and charges are not subject to regulation by the Maryland Public Service Commission.

In Order No. 75722, the Commission left the decision concerning whether the charges for non-electricity services should be included on a customer's bill to the discretion of the entity offering those services. (Order at pg. 10). However, the Commission also specifically found that information provided on customer bills should be disclosed using plain language that it easily understood by the customer (Order at pg. 4). It would be illogical to adopt this "plain language" requirement only for consensus bill components. Therefore, the Commission finds that if an entity chooses to include non-electricity services on the electricity bill, that service must be described in plain language and must be listed separately from the charges for electricity service. Finally, the Commission agrees with OPC that the bill must include a notification to the customer that these non-electricity services are not regulated by the Commission.⁶

As a final matter, according to OPC, in order to monitor whether the partial payment approach which the Commission adopted impacts service disconnection rates, the Commission will need information that it does not currently gather. OPC recommends that the Commission modify its Order to require that the electric utilities initially file a report with service termination

⁶ In light of the Commission's resolution of this matter, rehearing on this matter is no longer necessary and OPC's request is therefore denied.

information for all customer classes for the two years prior to July 1, 2000 and that they file an annual update of this information.⁷

The Commission agrees with OPC that in order to monitor the impact payment processing might have on service termination rates, the Commission needs a more complete record regarding past termination rates. Therefore, the Commission hereby orders all electric utilities to file a report regarding service termination for all customer classes. This report shall include information on service terminations for the two years prior to July 1, 2000. The utilities shall consult with Staff to determine the details of this reporting requirement. The initial report shall be filed with the Commission by October 1, 2000 and an annual update shall be provided from that time forward.

IT IS, THEREFORE, this 16th day of February, in the year Two-Thousand, by the Public Service Commission of Maryland,

ORDERED: (1) That Order No. 75722 is modified as stated herein.

(2) That the policies set forth in Order No. 75722, unless explicitly modified herein, are affirmed.

(3) Rehearing arguments and requests not explicitly addressed above are denied.

/s/ Glenn F. Ivey

⁷ MAPSA objected to this request, arguing that such utility reports are unnecessary. The Commission notes that MAPSA does not represent the utilities and that this reporting requirement will not apply to MAPSA's membership.

/s/ Claude M. Ligon

/s/ Susanne Brogan

/s/ Catherine I. Riley

/s/ J. Joseph Curran, III

Commissioners

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