

May 9, 2001

D.T.E. 01-28 (Phase II)

Investigation by the Department of Telecommunications and Energy on its own Motion into the Billing Services to be Provided by Electric Distribution Companies to Competitive Suppliers Serving Customers in their Service Territories.

NOTICE OF INQUIRY INTO THE RULES AND PROCEDURES BY WHICH DISTRIBUTION COMPANIES SHALL PROVIDE BILLING SERVICES TO CUSTOMERS AND COMPETITIVE SUPPLIERS IN THEIR SERVICE TERRITORIES

I. INTRODUCTION

The Department of Telecommunications and Energy ("Department") hereby opens an investigation designed to develop terms and conditions for implementation by distribution companies concerning the provision of billing services to customers and competitive suppliers. On December 29, 2000, pursuant to §312 of the Electric Restructuring Act, Chapter 164 of the Acts of 1997, the Department submitted its Report to the General Court ("Report") regarding our investigation into issues relating to metering, meter maintenance and

testing, customer billing and information services (collectively, "MBIS"), and the exclusivity of electric distribution company service territories.⁽¹⁾

Based on that investigation, the Department determined that billing-related services should not be unbundled and provided through a competitive market because introducing competition for those services: (1) would be complex to implement; (2) would not produce added benefits otherwise realized through the existing regulatory framework; (3) may not result in cost savings to customers; and (4) would result in significant disruptions in distribution company employee staffing levels. Competitive Metering, Billing, and Information Services, D.T.E. 00-41, at 14-23 (2000). Instead, the Department stated that we would open a proceeding to establish terms and conditions by which a single-bill option may be made available to customers and competitive suppliers within the existing statutory and regulatory framework. Id.

II. BILLING SERVICES CURRENTLY PROVIDED BY DISTRIBUTION COMPANIES

Currently, distribution companies are required to offer two billing options to customers and competitive suppliers in their service territories: (1) a complete billing option, under which customers receive a single bill from their distribution companies which includes both distribution company-related charges and competitive supplier-related charges; or (2) a pass-through billing option, under which customers receive one bill from their distribution companies and a second bill from their competitive suppliers. See 220 C.M.R. §11.04(10).

Under the complete billing option, the customer makes a single payment to its distribution company, which, in turn, allocates the payment between itself and the customer's competitive supplier. The manner in which the payment allocation is made is governed by the "partial payment" rules established by the Department in Terms and Conditions, D.P.U./D.T.E. 97-65.⁽²⁾

III. ISSUES TO BE ADDRESSED IN THIS PROCEEDING

Consistent with our statement in D.T.E. 00-41, the Department will investigate the manner by which a supplier single-bill option may be made available to customers and suppliers within the existing statutory and regulatory framework. In addition, the Department will examine whether modifications should be made to the partial payment rules established in D.P.U./D.T.E. 97-65.⁽³⁾

IV. PROCEDURAL ISSUES

The Department shall hold a technical session on Thursday, June 7, 2001, at

10:30 AM at the Department's offices, to discuss the establishment of a supplier single-bill option, modifications to the partial payment rules, and other billing-related issues raised by participants. The Department may hold further technical sessions, as appropriate. At the conclusion of the technical session(s), the Department will solicit written comments on these matters. Following its review of these comments, the Department will issue rules and procedures for implementation by distribution companies of specific billing services to be offered to their customers and competitive suppliers.

Anyone interested in attending the technical session on June 7, 2001, should notify Andrew O. Kaplan, the Hearing Officer assigned to this proceeding, either in writing to One South Station, Boston, Massachusetts 02110, or by e-mail to andrew.kaplan@dpu.state.ma.us.

IV. ORDER

Accordingly, the Department

VOTES: To open an investigation designed to develop generic terms and conditions for implementation by distribution companies to provide customers and competitive suppliers with billing-related services; and

ORDERED: That the Secretary of the Commission issue this Notice Of Inquiry, including the attached Proposed Terms and Conditions, to all participants in the Department's study of metering and billing services, Competitive Metering, Billing, and Information Services, D.T.E. 00-41 (2000) and Implementation of Advanced Metering, D.T.E. 01-28 (Phase I).

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner

1. Competitive Metering, Billing, and Information Services, D.T.E. 00-41 (2000).
2. In accordance with the Department's directives, "[i]f a Customer pays the Company less than the full amount billed, the Company shall apply the payment first to Distribution Service and, if any payment remains, it shall be applied to Generation Service." D.P.U./D.T.E. 97-65, at 54.
3. The Department notes that the partial payment rules will likely take on increasing importance upon the introduction of a supplier single-bill option.

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