

ORDER NO. 75722

IN THE MATTER OF THE COMMISSION'S
INQUIRY INTO THE PROVISION AND
REGULATION OF ELECTRIC SERVICE.

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BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 8738

I. INTRODUCTION

In Order No. 73834, issued on December 3, 1997 in the above-captioned proceeding,¹ the Commission decided that competition in the supply of electricity would be beneficial to retail customers and established a framework toward that end. Recognizing the complexity of moving from a system of monopoly suppliers with designated service territories to a choice of suppliers within service territories, several venues were established to implement that framework and accomplish the changes.

Some electric restructuring topics were potentially amenable to resolution in a formal negotiation process involving groups and individuals with an interest in the industry. Accordingly, a State-wide Roundtable was formed

¹ See *In the Matter of the Commission's Inquiry Into the Provision and Regulation of Electric Service*, 88 Md. PSC 249 (1997). Additionally, on September 10, 1998, in response to rehearing requests, the Commission issued Order No. 74561. In Order No. 74561, 89 Md.

and charged with, among other matters, investigating and proposing recommendations restructuring the billing processes used by the electric industry in this State. In this regard, the Commission directed that through the Roundtable process, the following be accomplished:

(1) define the process by which the customer will make a decision whether to have two bills or one bill submitted and by which service provider; (2) define the process by which necessary billing information will be transferred from the non-billing to the billing service provider and funds paid will be transferred back; and (3) define any additional matters necessary to the initiation and continuation of competitive billing as may be identified during Roundtable discussion.²

The Roundtable began meeting in April 1998. The Roundtable established the Competitive Billing Working Group (“Working Group,” “CBWG,” or “Group”) to analyze and develop the policy details for implementing competitive billing within the restructured electric industry. The Working Group held 26 meetings over the following twelve months, many of them lasting a full day. The Working Group issued Interim Reports on November 2, 1998 and March 12, 1999, and a Final Report on June 2, 1999.

PSC 172 (1998), the Commission affirmed most of the decisions contained in Order No. 73834, but modified several others.

² See, *In the Matter of the Commission’s Inquiry Into the Provision and Regulation of Electric Service*, 88 Md. PSC 249 at 301 (1997).

During the same period of time that the Commission studied electric industry restructuring, issued Order No. 73834, and initiated the Roundtable process, the General Assembly was establishing a task force to study electric restructuring. As a result of this work, the General Assembly passed legislation, The Electric Customer Choice and Competition Act of 1999 (referred to herein as the "1999 Act"), that the Governor signed into law on April 8, 1999.

The 1999 Act establishes certain parameters governing competitive billing.³ In reviewing and making determinations on the Working Group's Final Report and recommendations, the Commission will, among other things, comply with the pertinent provisions of the 1999 Act.

II. COMMISSION'S ANALYSIS AND DECISIONS

As stated in the September 10, 1998 rehearing Order,⁴ and as permitted by the 1999 Act, in the restructured electric industry environment customers will have the right to select who will bill them for electricity service. The customer may receive a single bill from either the local distribution company ("LDC" or "utility") or the competitive electricity service provider ("ESP" or "supplier") that includes charges for both transmission and

³ See §§1-101(j), 7-505(b)(5) and (6), 7-507(a), (e) and (f).

distribution service and electricity supply. Another option is that the customer may choose to receive two separate bills, one from the LDC for transmission and distribution charges and one from the ESP for electricity supply. A third possible choice is for the customer to receive a bill from an independent third party providing billing services that is neither the LDC nor ESP.⁵ After considering the recommendations contained in the Working Group's Report, the Commission reaffirms its basic principle of allowing the customer a choice of billing options.

⁴ See Order No. 74561, 89 Md. PSC 172 (1998), referenced in footnote 1, *supra*.

⁵ Provision of billing services by such an option is discussed further in Section H of this Order.

The Final Report of the Working Group shows that considerable attention was given to an analysis of the information requirements of a customer bill. The Working Group developed a core set of information components that should be contained in each customer bill for electricity supply. The Group reached consensus that certain information should be required on the customer's bill. There were a number of areas, however, where consensus could not be reached as to whether particular information should be required on the customer bill.

The Commission has carefully reviewed the bill components developed by the Working Group. Where there is general consensus, the Commission adopts the Group's recommendation that these components be required to appear on the customer's bill. For the bill components where general consensus could not be reached, the Commission provides its findings below as to whether these components should be required, or instead left to the discretion of utilities, suppliers and their customers. Following the bill component discussion, the remainder of this Order contains discussion and findings on the other issues (and recommended resolutions, where applicable) presented by the Working Group's Report and the filings of its members.

A. Customer Bill Components

The general consensus of the Working Group, with which the Commission agrees, is that the information provided in all customer bills should be disclosed using plain language that is easily understood by customers. Although some have suggested that competitive electricity suppliers should render bills in a uniform format, the Commission declines to adopt such a mandate. The requirement of a uniform format for display of the content of a customer bill would, in the Commission's view, limit innovation and flexibility and impose unnecessary administrative burden upon the entity providing billing services. The core set of billing components adopted herein reflects the minimum information content that a customer bill must contain; however, the entity rendering the bill may determine the format for display of the information using plain language and readable type, and as otherwise consistent with this Order.

1. General Consensus Bill Components

The Working Group generally agreed that the following items should be reflected on all customer bills. After considering the Working Group's recommendations, the Commission finds them to be reasonable and hereby accepts them.

- a. The readings of all meters used for billing
 - The bill shall show the current meter reading, the prior month's reading, and the difference between the two to reflect units of usage for the current billing cycle.
 - Metering data may be presented in a single place on a consolidated bill and does not have to be repeated on both the utility and supplier portion of the bill if the same data applies to both utility and supplier.
- b. The meter reading date
 - May be presented at a single location on a consolidated bill as long as the same meter reading date applies to both the utility and supplier portions of the bill.

- c. The number and kind of units metered
 - The data may be presented at a single location on a consolidated bill as long as the information applies to both the utility and supplier portions of the bill.
- d. The applicable rate schedule
 - This information may be presented at a single place on a consolidated bill as long as the information applies to both the utility and supplier portions of the bill.
 - Unless the pricing for transmission, distribution and supply is based on a flat rate, the unit price for the transmission, distribution and supply should be reflected in both the utility and supplier portion of the bill.⁶
- e. Taxes and Surcharges⁷
 - Sales and use taxes will be separately displayed and enumerated on the electric bill; if the distribution and commodity charges are billed on a consolidated bill, the sales and use tax attributable to each will be separately shown.
 - Any tax or surcharge will be separately displayed and enumerated on the electric bill; for a consolidated bill, the tax or surcharge shall be separately shown attributable to the appropriate charge.
- f. Applicable late payment charges
 - These charges must comply with the Code of Maryland Regulations (COMAR).
 - These charges must be computed separately on both portions of a consolidated bill.
- g. The total due

⁶ §7-505(b)(5)(ii)(1) of the 1999 Act requires that customers' bills indicate the charges for transmission and distribution services.

⁷ Comments to the Working Group Report from the State Comptroller's Office urge that the display of taxes on the bill be detailed sufficiently to facilitate collection. See Section D of this Order for further discussion of this subject.

- Both the utility and supplier portions of the consolidated bills shall reflect the subtotals, if applicable, for each.
 - Both supplier and LDC charges shall be provided in a single place on a consolidated bill.
- h. The date by which the customer shall pay the bill
- Consolidated bills shall have a single due date for both portions of the bill displayed at one place on the consolidated bill.
 - Separate bills may have different payment due dates.
- i. Estimated bills
- A distinctive marking shall be provided in both portions of the consolidated bill, indicating usage as an estimated amount.
- j. Business address and telephone number for billing inquiries
- For a consolidated bill, the LDC's and supplier's names and telephone numbers shall appear on the bill. This information is required for aggregators/marketers as well.
- k. Any conversion from meter reading units to billing units
- Conversion shall appear in both portions of a consolidated bill and the conversion computation should be shown.
- l. Service address
- The address of the service location shall appear at least once on the consolidated bill.
 - If a bill has multiple pages, the address shall appear on each page to connect the multi-paged bill.
- m. Mailing address
- Shall appear at least once on the consolidated bill.
 - If the bill has multiple pages, the address shall appear on each page.
- n. Customer name and account number

- These items shall appear at least once on the consolidated bill.
 - If the bill has multiple pages, the customer name and account number shall appear on each page.
- o. Collection messages
- Collection notices shall appear in both the utility and supplier portions of a consolidated bill to the extent that such information may be different for each portion.
 - Any messages appearing should comply with the applicable provisions of COMAR.
- p. Legal notices
- Such notices (e.g., a notice of public hearing) need only appear once on a consolidated bill.
- q. Bill payment plans
- Shall be identified in both portions of a consolidated bill.⁸
- r. Emergency numbers
- Shall appear in both portions of the consolidated bill.
- s. Required notices
- Can take the form of a bill insert, e.g., the annual Customer Bill of Rights, but could be shown on the bill.
- t. Next meter reading date
- u. Bill step (reflecting block rates)
- Charges billed on a step usage rate shall reflect computation of usage charge for each step.
- v. Bill issue date
- Shall appear at least once on a consolidated bill.

⁸ In an upcoming order pertaining to customer protection issues, the Commission will determine the circumstances, if any, under which a supplier must offer budget billing, and notification to customers if a budget billing option is not offered.

- w. Prior bill amount and summary of ESP and/or LDC charges stated separately
- x. Disclosure of previous payment activity
 - Shall be done. On a consolidated bill, the assignment of partial payments among the LDC's, supplier's, and value-added charges shall be reflected.
- y. Meter number
- z. Number of days in billing cycle

- aa. Seasonal rate notice
 - Shall appear in both portions of the consolidated and separate bills, if applicable.
- bb. Billing period
- cc. PSC address and telephone number
 - This information is not required on a consolidated bill or separate bills, but may appear at the biller's option. However, this information shall appear in the annual Customer Bill of Rights. The Bill of Rights shall direct customers to first discuss problems with providers before contacting the Commission.
- dd. Address to where payments are sent
 - Shall appear at least once on the consolidated bill.
- ee. Who to make check payable to
 - Shall appear at least once on the consolidated bill.
- ff. Potential schedule of charges (i.e., late payment charge tiers)
- gg. Ability to handle different service period suppliers on an exception basis
 - If a utility has a single billing period in which there may be several different suppliers with different billing periods, the bill shall show billing periods for each supplier.

2. Non-Consensus Bill Components

The Working Group members had disagreements on a number of bill components. Generally, the inability to reach consensus was due to participant concerns about the potential for added billing costs, the possibility of creating competitive disadvantages and customer confusion, or the potential for permitting unfair and deceptive trade practices. The Commission has

reviewed these bill

components and believes, with one exception,⁹ that the impact of various participant concerns weigh against mandating the inclusion of these components on customers' bills. Consequently, the decision to include any of the following bill components on a customer bill should be left to the determination of the utility, supplier and customer consistent with all applicable laws, regulations and Commission Orders.

- a. Scan lines
 - A system used for internal payment processing.
- b. Bill messages
 - A communication from the provider to the customer, e.g., "check operation of smoke detectors."
- c. Multiple services
 - An entity providing multiple services, e.g., gas services as well as transmission and distribution services, shall have the option of billing those charges with the consolidated bill or it may bill the charges separately.
- d. Merchandise/option payments
 - An entity that also sells its customers merchandise, such as household appliances, shall have the option of billing those charges with the consolidated bill or it may bill the charges separately.
- e. Third-party notifications

⁹ The exception is that the Commission believes that the bill shall contain, to the extent available, information relating to the customer's electricity usage during the prior month and the same billing period in the prior year. Such information shall be provided at a single location on a consolidated bill.

- Identifies a person, other than the billed customer, to receive notice of any pending termination of service.
- f. Summary bill
- A billing that summarizes charges to a customer that has services billed at multiple premises or locations
- g. Bill control number
- A system used for internal processing.
- h. Rendition group number
- A system used for internal processing.
- i. Federal Identification Number
- j. Up to 12 months history of kWh consumption per customer per premise

3. Price to Compare

Many members of the various working groups believe that customers will benefit from the availability of a price to compare.¹⁰ The Commission strongly believes that customers should have the price to compare made available to them. The question that occurs at this point is whether the price to compare should be printed on the monthly bill.

The Commission finds that the record is not sufficient to determine the effect of placing the price to compare on the bill. Putting the

¹⁰ A price to compare is the rate for electricity supply from the standard offer service provider, averaged over a twelve-month period. The averaging is necessary to encompass seasonal and hourly differences in electricity supply rates. Prices to compare help customers evaluate the average prices offered by the various suppliers against the standard offer service price.

price to compare directly on the monthly bill would be a convenient way of providing regular access to that price. There is, however, the possible concern that putting the price to compare on the monthly bill may be confusing to customers. This is because the supplier's price on the bill will not be an average price, like the price to compare, but rather the actual price for the period of time covered by the bill. Additionally, the price to compare might be more beneficial to customers if it is made available prior to customer selection of a supplier, rather than on the bill received after a supplier has been chosen.¹¹

Therefore, the Generic Technical Implementation Working Group is directed to discuss the matter. They may well have additional insights into this issue that are not on this record. The Commission defers its decision until after receipt of the Working Group's report. The Working Group is hereby directed to make its recommendations on or before December 1, 1999.

B. Processing of Payments

When a customer that has chosen to receive a consolidated bill makes a partial payment on the bill, the question arises as to how that payment should be applied to the charges of the LDC and ESP. The

¹¹ The Commission will address the issue of putting the price to compare in supplier advertisements in its forthcoming customer protection order.

Competitive Billing Working Group deferred consideration of this issue to the Consumer Protection Working Group.

The participants in the Consumer Protection Working Group could not reach consensus on the method for partial payment processing. The majority of participants recommended that partial payments be applied first to LDC arrearages, then LDC current charges, then supplier arrearages, then supplier current charges and, lastly, value-added charges.¹² The utilities support this method because of their obligation to provide default supply and their ability to terminate service for non-payment.

On the contrary, the supplier participants in the group disagree with the majority position, and recommend two possible options. First, the suppliers recommend, generally, that the biller be required to purchase the receivables of the non-biller for all billing. This would, according to the suppliers, eliminate the need for a payment processing procedure. In the alternative, the suppliers offer a payment processing procedure in which the LDC arrearages are paid first, then supplier arrearages, then LDC current charges, then supplier current charges, and lastly value-added charges. A majority of the Working Group opposes both alternatives, because of concerns that it shifts the risk of uncollectability to the LDC.

¹² Value-added services may include products (e.g., household appliances, maintenance contracts, etc.) or other services in addition to the electricity supply being sold and billed to the customer.

The Commission has considered the positions of both groups and adopts the alternative recommendation of the suppliers, namely, LDC arrearages first, followed in order by supplier arrearages, then LDC current charges, supplier current charges, and then charges for value-added services. This payment processing procedure achieves the most appropriate balance of the interests of utilities, suppliers and customers, and best facilitates the development of a competitive market. At the same time, the allocation of payment to ESP arrearages also serves to maintain the provision of electricity supply. It is the Commission's considered estimation that this process will result in customers remaining in the competitive marketplace and, therefore, reaping the benefits of lower supply prices generated by such a market. However, we do not expect this approach to result in more customer disconnections than would occur under the competing proposal, and we will monitor this situation closely to ensure that the decision will not lead to unintended impacts on customers.

In accordance with this decision, the Commission does not adopt the suppliers' preferred option that the biller purchase, in all circumstances, the receivables of the non-biller. Rather, it is the general view of the

Commission that the purchase of all receivables is an option open to discussions between the parties.¹³

C. Failure to Perform

In the restructured electric environment, a consolidated biller's failure to bill in a timely manner could have adverse financial consequences for the non-billing entity. The Working Group developed a process involving a complicated multi-step procedure that would address conditions resulting from the failure of a biller to render a timely bill. However, there was general agreement among the participants that the process was "cumbersome" and would be "confusing to customers."¹⁴

A second option was considered that would require the biller that failed to render a bill to purchase the receivables of the non-billing entity. It was suggested that this process would secure the non-biller financially and present less confusion to the customer.

The parties were unable to reach agreement on the use of this second option. The utilities propose that mandated purchase of receivables occur only when a biller fails to render a timely bill. As noted earlier,

¹³ There is one exception to this general policy; it is discussed in the next section of this Order.

¹⁴ See Competitive Billing Working Group Final Report, p. CB-35.

however, the suppliers propose that the purchase of receivables should apply to all consolidated billing situations, not just when there is a failure to perform.

As previously discussed, the Commission rejects the suppliers' preferred proposal, and finds that the purchase of receivables is a matter to be left to agreement between the LDC and the supplier. As to instances when the biller has not rendered a bill in a timely fashion, the Commission adopts the position that billers must purchase the non-billers' receivables.¹⁵ Thus, this will be an exception to the general rule that the purchase of receivables is a topic for negotiation between LDCs and suppliers. The procedure adopted by the Commission provides security to the revenue stream of the non-billing entity, and is preferable to the consensus process that, by the CBWG's admission, would be both "cumbersome" to implement and result in unnecessary confusion to customers.

D. Taxes and Surcharges¹⁶

The Working Group had considerable discussion regarding the payment, collection and remittance of State and local taxes. The Working

¹⁵ The Working Group did not define "timely fashion." The Commission understands that the issuer of a consolidated bill, be it the LDC or the supplier, has an obvious financial incentive to recoup the monies owed it, and is therefore unlikely to bill in an untimely fashion. Under such circumstances, the Commission is willing to accept the use of the Working Group's phrase at this time. The Commission will revisit the meaning of the phrase "timely fashion" if and when it becomes necessary.

¹⁶ The Commission observes that §7-505(b)(5) of the 1999 Act requires that taxes and surcharges shall be separately stated on customers' bills.

Group developed policy recommendations that resolved a number of questions regarding the issue of taxes. First, the utilities and suppliers agreed that the entity that originates the charge (the "seller") should be the entity that remits, files and is liable for the tax or surcharge attributable to that charge. The entity rendering the bill, however, will present and collect the tax, report taxes, bill and return the taxes collected to the "seller." Suppliers who are granted a license to provide electricity will be liable for remitting taxes/surcharges to the appropriate authority. The failure to meet this obligation will subject the supplier to the penalty provisions of §7-507 of the 1999 Act.

The Working Group Report noted that neither the 1999 Act, the Electric and Gas Utility Tax Reform Act, nor existing regulations specify the level of tax detail that is required on a customer bill. The Working Group recommended that, at a minimum, the utility and supplier taxes should be separately displayed on a consolidated bill. Beyond this minimum requirement, the Group indicates that the decision should be left to the billing entity to determine the level of tax detail presented on the bill. On the other hand, the Comptroller's Office has expressed a concern that the display of taxes on the bill should be sufficiently detailed to allow it to carry out its collection responsibility.

After considering this issue, the Commission determines that the need to address the requirements of the Comptroller's Office and to provide the customer with information sufficient to identify the cost components of the bill are the controlling factors on this issue. Therefore, on a consolidated bill, taxes shall be separately displayed in both the utility and supplier portions of the bill. The bill shall reflect the tax charged for the service billed by the supplier and utility. Similarly, any other charges appearing on the bill (e.g., transition charge or credit, universal service charge) must be separately identified in the appropriate portion of the consolidated bill. Such surcharges may not be assessed and reflected on a customer's bill without Commission approval.

E. Supplier Qualification Criteria

The 1999 Act requires that retail electricity suppliers be licensed. The Supplier Authorization Work Group ("SAWG") developed a process for establishing the qualification of electricity suppliers. However, that process does not set out specific qualifications for electricity suppliers that provide billing services. The SAWG deferred consideration of this issue to the Competitive Billing Working Group.

As a result, the Working Group proposed a set of qualifications for inclusion in the license application process developed by the SAWG for

suppliers providing billing services. The Working Group recommended that any supplier providing competitive billing services have the ability to exchange information electronically, maintain customer billing records and provide a point of contact to facilitate technical and business communications.

There is disagreement between the Staff and OPC regarding whether the recommendation of the Working Group should be included as part of the licensing process developed by the SAWG. By Order No. 75608, issued in the Commission's electric restructuring proceeding on September 10, 1999, the Commission adopted a supplier licensing process after considering the recommendations of the SAWG. The Staff, while recognizing the importance of such capability, argued that biller qualification should not be included as a condition of being granted a supplier license. Staff indicated that development and testing of the electronic interchange of information and the communications infrastructure will require cooperation of all parties. Because the systems of most participants are still in development, "suppliers would be unable to demonstrate technological capabilities until their electronic trading partners ... are also operational." OPC, on the other hand, maintained that the Working Group recommendation should be accepted, that the additional supplier qualification criteria should be approved, and the Commission's licensing regulations and application amended to include the additional requirements.

All suppliers must obtain a supplier license, the governing provisions for which the Commission established in its Orders on the Supplier Authorization Working Group Report. Those provisions require the supplier to demonstrate managerial and operational proficiencies, and put the supplier on notice that it must provide the Commission with copies of service agreements between the supplier and applicable LDCs.

There is no dispute that any supplier providing billing services must have the proper technological and operational capability to perform billing. However, there appears to be no need to review a supplier's billing capabilities unless the supplier is going to be providing billing services. Also, the Commission agrees with Staff that biller qualification should not be required as a condition of being granted a supplier license.

The Commission directs the Generic Technical Implementation Working Group to study the appropriate method(s) for verifying that suppliers that plan to offer billing services are capable of doing so. In this regard, the Commission anticipates that either the LDC/Supplier tariff, the service agreement between the LDC and a supplier, or both, will contain provisions governing billing arrangements. The Commission directs the Generic Technical Implementation Working Group to incorporate the decisions in this Order as much as possible into the model service agreement(s) and model tariff(s) that it is considering. The Generic Technical Implementation Working

Group also shall utilize the biller qualification criteria developed by the CBWG in this effort. The Commission directs the Generic Technical Implementation Working Group to report its recommendations on these matters to the Commission on or before December 1, 1999.

F. Deposits

When a utility has obtained a deposit, a question is presented as to what should happen to the deposit if the customer chooses a new electricity supplier. The Working Group considered this issue and has offered two options. The first provides that the LDC maintain the entire deposit since the utility retains the obligation to provide default supply. On the other hand, the second option provides that any deposits maintained should be held on a pro rata basis. According to the Working Group, in applying this option, any deposit held by the utility would be subject to a pro rata adjustment commensurate with the type(s) of service provided by the utility.

The Commission has considered these options and concludes that utilities can hold existing customer deposits in proportion with the dollar amount of service provided by the utility. The "non-utility" portion shall be returned to the customer. In the Commission's view, this manner of disposition best facilitates customer choice by freeing up customers' money otherwise being held by the utility.

However, if there is a balance due at the time of the customer change of supplier, the utility can retain all (or the necessary part) of the "non-utility" portion of the deposit for payment of the amount due. The remainder, if any, shall be returned to the customer or applied to the customer's account, at the customer's option.

G. Competitive Billing Costs

The Report of the Working Group points out that implementation of customer choice may require utilities "to perform new services."¹⁷ According to the utilities, the new processes and functions associated with billing on behalf of suppliers, such as providing in-depth historical billing information, special meter reads, metering changes, customer requested supplier switching, and customer notifications of selection of competitive suppliers, etc., will result in increased costs. The utilities contend that a reasonable approach to the recovery of these increased costs would be to impose fees on the party causing the increased costs to be incurred.

The suppliers, OPC, Staff and other participants in the Working Group generally oppose consideration or evaluation of such costs at this time. While acknowledging that customer choice in billing may cause increased

¹⁷ See CBWG Final Report, p. CB-25.

costs, those opposed to the utilities' position urge the Commission to defer any consideration of this subject at this time.

The Commission agrees that consideration of this issue should be deferred. However, the Commission emphasizes that this issue raises substantial concerns regarding the impact of such fees on customers. Any entity requesting such fees will bear the burden of demonstrating that these fees are appropriate, necessary, and do not unduly impact rates for regulated services or savings that result from competition.

H. Third Party Billing

There was considerable discussion within the Working Group about the concept of "third party billing" and substantial disagreement among the Working Group participants as to the viability of such a billing model. First, from the Commission's review of the Working Group Report and the various comments to the Report, "third party billing" refers to stand alone billing services offered by entities other than a utility or electricity supplier. Such an entity would be a third party "independent" of the utility or electricity supplier offering billing services to retail customers without having any connection to the supplier or the utility. In short, "third party billing" would be billing services provided by an entity that does not supply electricity, provide

transmission or distribution services, or have a contract to perform billing services with one of those entities.

The utilities generally oppose third party billing and urge the Commission to reject the concept at this time. The utilities say that they are unaware of a "billing model which allows an independent entity to bill the charges of another without prior contractual agreement with both parties to the underlying transaction." On the contrary, the suppliers, Staff and others support third party billing, contending that it "parallels ... [the] ... outsourcing of payroll and billing, commonly done in American private industry"¹⁸

It is clear, from the level of disagreement among the parties, that there needs to be further investigation of this billing model. The Commission notes, however, that since any entity providing billing services must be licensed under the 1999 Act, support for this model might well be available if such billing entity were to satisfy the licensing requirements of the Act. However, the record, at this point, is insufficient to allow us to make any further findings beyond this observation. The Commission is prepared to consider the issue further upon the petition of any entity with an interest in this matter.

¹⁸ It is clear that a supplier or LDC can contract with an agent to provide billing services. However, the laws and regulations that apply to the supplier or LDC also bind the agent.

III. CONCLUSION

The Commission has reviewed and given careful consideration to the Report of the Competitive Billing Working Group and the proposals offered by the Working Group. The Commission greatly appreciates the tremendous efforts of the Working Group as reflected in its Final Report. The Commission believes that these efforts make a significant contribution to the orderly transition to and maintenance of a competitive supply market in this State.

IT IS, THEREFORE, this 29th day of October, in the year Nineteen Hundred and Ninety-nine, by the Public Service Commission of Maryland,

ORDERED: (1) That the policies set forth in the Competitive Billing Working Group Final Report, subject to the modifications herein, are adopted.

(2) That the Commission's Technical Staff, in consultation with interested parties, shall utilize the Competitive Billing Working Group Final Report and the modifications set forth in this Order to develop regulations and procedures as required.

(3) That on or before December 1, 1999, the Generic Technical Implementation Working Group shall make recommendations on the price to compare and billing qualification issues as set forth in this Order.

Commissioners