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VIA ELECTRONIC AND REGULAR MAIL

The Honorable Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350
Energy.comments@bpu.state.nj.us

Re: Board Staff's Utility Consolidated Billing / Purchase of Receivables Proposal

Dear Secretary Izzo:

On behalf of the Retail Energy Supply Association ("RESA"),¹ a broad and diverse group of Third Party Suppliers ("TPSs"), please find comments regarding the Board of Public Utilities ("Board") Staff's Utility Consolidated Billing ("UCB") / Purchase of Receivables ("POR") Proposal ("Proposal"). For the reasons stated more thoroughly within, RESA generally supports the Proposal as a marked improvement over the status quo.

RESA has taken an active interest in Board Staff's plan to update the Electric Distribution Company's ("EDC's") and Gas Distribution Company's ("GDC's") UCB/ POR programs since before the inception of the POR / Price to Compare ("PTC") working group in early 2011. On July 15, 2010, RESA submitted comments to the Board asking for the establishment of "a meaningful and uniform POR program that would apply to all of the state's gas and electric utilities" as part of the proceeding on the re-adoption of the Energy Competition rules codified in N.J.A.C. § 14:4 *et seq.* Thereafter, RESA actively participated in the POR/PTC Working Group, made numerous formal and informal written submissions to the Board and met

¹ RESA's members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; GDF SUEZ Energy Resources NA, Inc.; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; NRG, Inc.; PPL EnergyPlus, LLC; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P.. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

with Rate Counsel at Board Staff's request. On April 17, 2012, RESA filed a Petition for Rulemaking, which formally asked the Board to adopt a rule requiring each EDC and GDC to make such a program available to all TPSs in its territory. As has been demonstrated in other states, including Connecticut, New York, Illinois, Maryland and Pennsylvania, a well-designed, non-recourse POR program offers myriad benefits to electric and gas customers by encouraging the expansion of sustainable competitive electric and gas markets. These benefits include, among other things, greater options for renewable electricity, more choices for customers with poor credit histories, varying contract durations, and the current opportunity to save on electric and gas supply costs.

RESA continues to believe that a less restricted, non-recourse POR program as set forth in its Petition for Rulemaking would better serve New Jersey electric and gas customers than the Proposal currently being proffered by Board Staff. Moreover, RESA is hopeful that the Board will establish such a program in the future in furtherance of EDECA's core policy goal of placing greater reliance on competitive markets to deliver energy to consumers in greater variety and value than traditional EDCs and to provide diversity in supply of electric power throughout New Jersey. Nevertheless, in the interest of compromise and prompt resolution of its concerns with the status quo, RESA supports most elements of Board Staff's Proposal as set forth below.

1. Customer Eligibility- Class

RESA supports Board Staff's recommendation that each GDC and EDC be required to offer UCB with POR to all residential and small to mid-sized commercial customers served by TPSs. This recommendation will enable those New Jersey gas customers who happen to be located in the Elizabethtown Gas Company ("ETG") and South Jersey Gas Company ("SJG") service territory to experience a more robust competitive supply market, similar to the supply market in other EDC and GDC territories.

Furthermore, RESA believes that the GDCs and EDCs should be required to offer UCB with POR to all customer classes for a minimum of 120 days, rather than to just residential and small to mid-sized commercial customers. For the same reasons that an expanded UCB/POR program requirement is a positive step forward for these smaller customer classes, it would serve as a positive step forward for those larger customer classes. Therefore, RESA does not support the arbitrary distinction between smaller and larger customers for purposes of imposing the 120-day UCB/POR program requirement and believes the requirement should be extended to all customer classes.

2. Customer Eligibility-12 Month Restriction

RESA also supports Board Staff's recommendation that that EDCs and GDCs no longer be able to deny UCB/POR to a customer that has been dropped from UCB/POR to dual billing

within the past 12-months if the customer makes payments to bring the relevant account to the point where it is not 90 or more days in arrears. RESA does, however, have questions about the logistics of this requirement. For avoidance of doubt, RESA believes that the Proposal should specifically state that the EDCs and GDCs must track customers who have brought themselves to 89 days or less in arrears and then immediately allow them to once again participate in UCB with POR for a minimum of 120 days.

The current 12-month restriction unnecessarily harms some customers by denying them access to competitive supply options offered by the many TPSs that do not serve customers ineligible for UCB/POR for financial and administrative reasons. Furthermore, it creates an unnecessarily negative experience and perception for customers just learning about competitive electric and gas markets. The ultimate result of the present 12-month restriction is that those customers who are in the greatest need of the currently available TPS energy cost savings may be denied the ability to take advantage of those savings.

3. Payment to TPS

RESA supports the Proposal's requirement that ETG incorporate into its UCB/POR Program payments to the TPSs on a twice monthly basis, similar to the twice monthly system New Jersey Natural Gas Company currently employs. RESA believes that the other EDCs and GDCs should also be required to make twice monthly payments to TPSs and would dispute Staff's concern with the specific costs associated with requiring the GDCs and EDCs to make these twice monthly payments.

4. Drop to Dual Bills

RESA supports Board Staff's recommendation that the minimum number of days that an electric customer's account must be in arrears before an EDC providing consolidated billing to the customer may drop the customer to dual billing be increased from 60 days to 120 days. Such a change will decrease situations where the customer gets whipsawed back and forth between UCB/POR and dual billing, which creates a very negative experience for customers who have taken steps to participate in the competitive market—an outcome that is harmful to all market participants.

In addition, increasing the amount of time before an EDC may drop a customer to dual billing avails more customers of the opportunity to take advantage of more competitive supply products and services offered by more TPSs. The current 60-day program causes the TPSs to price higher risk into their products to account for interference with their contracts caused by the 60-day arrearage trigger. It also forces TPSs to credit screen more customers prior to signing them up for service and often leads the TPS to deny service to poor credit quality customers who stand to benefit the most from the lower rates currently offered by TPSs. Moreover, TPSs are incurring

substantial—and often even prohibitive—costs in screening these customers, which discourages them from competing in the residential marketplace and further exacerbates the lack of choice for the neediest customers.

5. Arrearage Reports

RESA supports the recommendation that the utilities provide TPSs with timely and informative arrearage data, and provide the TPSs with timely information regarding drops. In the absence of a non-recourse POR program, this change is essential for Staff's 120-day POR program to succeed. RESA specifically supports the electronic delivery of these arrearage reports through the Electronic Data Interchange ("EDI") System already in place, as well as the requirement that the EDCs and GDCs include at least the information set forth in the Proposal.

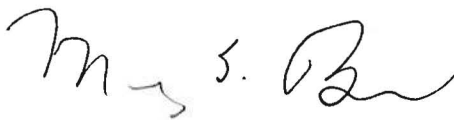
6. Discount Factors/Consolidated Billing Fees

RESA supports Board Staff's recommendation that there be no creation of, or increase to, discount factors/fees that an EDC or GDC may charge for UCB/POR as a result of the Proposal.

Once again, RESA continues to believe that New Jersey electric and gas customers would be best served if Board Staff were to recommend that the Board propose a rule establishing a Non-Recourse POR Program as detailed in its Petition for Rulemaking. However, in order to promptly resolve this matter while still providing some benefits of competition to customers and TPSs alike, RESA supports the Proposal as a significant improvement over the current UCB/POR program.

Please do not hesitate to contact me should you have any questions or concerns.

Very truly yours,



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