

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

Investigation by the Department of Public Utilities on its own Motion into Initiatives to Promote and Protect Consumer Interests in the Retail Electric Competitive Supply Market)	D.P.U. 19-07
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**COMMENTS OF FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY d/b/a UNITIL**

I. Executive Summary

On January 18, 2019, the Massachusetts Department of Public Utilities (the “Department”) issued a Notice of Investigation seeking input from stakeholders on initiatives to further improve the retail electric competitive supply market in the Commonwealth of Massachusetts. The Notice of Investigation specifically solicited comments from interested parties on twenty-one (21) questions. The comments of Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil” or the “Company”) in response to each question are set forth below.

Unitil appreciates and supports the Department’s efforts to strengthen consumer protections in connection with the marketing and delivery of competitive suppliers’ product offerings, improve and optimize the operational efficiency and value of the electric competitive supply market, and enhance Department oversight of competitive suppliers’ marketing practices. Unitil supports the continued development of the competitive supply market, but also believes that the marketplace must operate in an open and transparent matter, and that customers participating in that marketplace must be appropriately informed and protected. Notwithstanding Unitil’s general support for the objectives set forth in the Department’s Notice of Investigation,

the Company believes that the Department should consider certain factors when evaluating the role of distribution companies in furthering those objectives, including the fact that distribution companies are not contractual parties to the supply arrangements between customers and retail marketers as well as limitations inherent in the capabilities of the Company's billing system, the potential strain on Company resources, and costs to ratepayers.

II. Section II – Customer Awareness

- 1. What types of general education activities would be most effective to increase customer awareness of the value that the Competitive Supply Website can provide (see Section II.B)? For each activity, identify the appropriate role of the Department, the distribution companies, the competitive suppliers, and other stakeholders.***

The Company believes a general awareness campaign, such as television or radio ads, would be effective in promoting the benefits that the Competitive Supply Website can provide. The Department may consider the development of standard informational material such as a one page document summarizing the information provided on the Competitive Supply Website, in addition to any other information regarding the Competitive Supply Market deemed appropriate to include. Such a document could be agreed upon by all stakeholders and utilized in a general education campaign by the Department, as well as included in periodic utility bill inserts and Competitive Supplier marketing materials.

- 2. Would it be reasonable and appropriate for the Department to require competitive suppliers to provide customers with information regarding the Competitive Supply Website through their marketing materials/scripts (see Section II.B)? If no, explain why not. If yes, identify the information (e.g., Website URL, number of participating suppliers, number of products listed) that would be most effective to increase customer awareness of the value that the Competitive Supply Website can provide.***

The Company believes that it would be reasonable and appropriate for the Department to require competitive suppliers to provide customers with information regarding the Competitive Supply Website through their marketing materials. A standard document, as described in the

response to Question 1, may be an effective means of communicating this information to customers.

3. ***Would it be reasonable and appropriate for the Department to require the electric distribution companies to put information regarding the Competitive Supply Website on their bills (see Section II.B)? If no, explain why not. If yes, identify the information (e.g., Website URL, number of participating suppliers, number of products listed) that would be most effective in increasing customer awareness of the value that the Competitive Supply Website can provide.***

No, the Company does not believe it would be reasonable to list information regarding the Competitive Supplier Website directly on customer bills due to space limitations. However, a standard document, as described in the response to Question 1, could be provided as a periodic bill insert. Social media platforms or the Company's website could also be used to provide information to customers. The Company believes it should not be the responsibility of the distribution companies to provide and maintain specific information that is subject to change, such as the number of suppliers participating on the Website or the number of products listed.

4. ***What other steps could the Department take to increase customer awareness of the value that the Competitive Supply Website can provide?***

At this time, the Company does not have any additional suggestions for steps the Department could take to increase customer awareness of the value the Competitive Supply Website can provide.

5. ***Would it be reasonable and appropriate for the Department to establish uniform requirements by which competitive suppliers would notify customers of the automatic renewal provision in their supply contracts (see Section II.C, above)? If no, explain why not. If yes, (a) What information should competitive suppliers be required to provide to customers (e.g., the date on which the automatic renewal will take effect, the price and pricing structure to which the contract will automatically renew)? (b) How long before the automatic renewal takes effect should competitive suppliers be required to provide such notification to customers? (c) What method(s) should competitive suppliers be allowed to use to provide the notification (e.g., direct mail, e-mail)? (d) If the contract would renew to a monthly-priced product, should competitive suppliers be required to notify customers on an ongoing basis regarding the price that will be in***

effect during the upcoming month? If no, explain why not. (e) What state(s) have established automatic renewal notification requirements? For each state, discuss the manner in which the state implements such a requirement.

Yes, the Company believes it would be reasonable and appropriate for the Department to establish uniform requirements by which competitive suppliers would notify customers of the automatic renewal provision in their supply contract. The Department may also consider requiring Competitive Supply contract renewals to occur on an opt-in basis, as opposed to automatic renewals that require customers to opt-out. With regards to subparts a through e, the Company does not have any specific suggestions regarding the processes by which this information should be provided to customers, nor does the Company have any information regarding steps other states have taken in this regard.

6. Would it be reasonable and appropriate for the Department to require the electric distribution companies to use their monthly bills to provide information to competitive supply customer about the automatic renewal provision in their supply contracts (see Section II.C, above)? If no, explain why not. If yes, (a) What information should be provided through the bills (e.g., the date on which the automatic renewal will take effect, the price and pricing structure to which the contract will automatically renew)? (b) How often should the electric distribution companies be required to provide this information (e.g., on all bills to competitive supply customers for whom the supply contract includes an automatic renewal provision, only on the bill preceding the month in which the renewal takes effect)? (c) What other supply product-related information should the electric distribution companies be required to provide to competitive supply customers through the bills (e.g., early termination fees)?

No, the Company is not a party to the contract between the competitive supplier and the customer and should not be privy to contract provisions between a customer and their retail supplier other than the billable price in effect where the EDC is providing billing services. Such a requirement would place the Electric Distribution Companies as an intermediary between the supplier and the customer, which may have legal ramifications and would lead to inefficiencies since the EDCs would have to replicate the tracking and communication of information that

should be properly maintained and communicated by retail suppliers. Such a requirement may create customer confusion. Furthermore, the Company's systems are not currently capable of tracking or providing this type of information on customer bills, and any change to the Company's billing and supplier communication systems to accommodate such a requirement would be time consuming and costly.

7. *How could the presentation of competitive supply information on electric distribution companies' bills be revised to provide competitive supply customers with improved awareness of their competitive supplier and their competitive supply products (e.g., a separate page dedicated to the competitive supply component of customers' electric service, the insertion of competitive supplier logos on the bill)?*

Adapting EDC billing systems to manage and insert retail supplier logos onto customer bills would be inefficient and likely costly. As discussed in the response to Question 1, the Company believes a standard document, agreed on by all stakeholders, would be an efficient means of increasing customer awareness about the Competitive Suppliers and the types of products they offer. Again, such a standard document could be provided as a periodic bill insert or on the Company's website.

III. Section III – Department Investigation of Competitive Suppliers

8. *Would it be reasonable and appropriate for the Department to establish door-to-door marketing standards of conduct for competitive suppliers related to the disclosure of supply product information (see Section III.B, above)? If no, explain why not. If yes, (a) What supply product information should door-to-door marketers be required to disclose to customers? (b) Should the Department establish uniform language (and a uniform format) that suppliers would be required to use to disclose this information?*

Yes, the Company believes it would be reasonable and appropriate for the Department to establish door-to-door marketing standards of conduct for competitive suppliers related to the disclosure of supply product information.

- (a) At a minimum, customers who are visited at their homes or businesses should receive written materials identifying the Competitive Supplier Website and URL, the

supplier's business name, product offerings and associated prices and contract terms.

Ideally, all information provided by a competitive supplier on product offerings posted to the Competitive Supply Website should be similarly included in door-to-door marketing materials.

(b) Yes, the Company believes the Department should establish uniform language and a uniform format.

9. *What other standards of conduct should the Department add to the door-to-door marketing standards of conduct established in D.P.U. 14-140-G?*

In the Company's experience, door-to-door marketing campaigns can lead to customer confusion and anxiety since customers may feel under pressure to make an important financial decision while a salesperson is physically at their home. The Company is concerned about door-to-door marketing impacts on customers and would support further discussion regarding the establishment of door-to-door marketing standards of conduct designed to protect customers.

10. *Would it be reasonable and appropriate for the Department to establish standards of conduct for marketing channels such as telemarketing and direct mail (see Section III.B, above)? If no, explain why not. If yes, identify the marketing channels for which the Department should establish standards of conduct and, for each marketing channel, discuss how the standards of conduct should differ from the standards of conduct for door-to-door marketing.*

Yes, the Company believes it would be reasonable and appropriate to establish basic standards of conduct for all marketing channels. These standards of conduct should be applied to all marketing channels, as applicable to each specific channel.

11. *Would it be reasonable and appropriate for the Department to expand the role of TPV to include confirmation that a competitive supplier has complied with the marketing standards of conduct (see Section III.C, above). If no, explain why not. If yes, should the Department establish uniform language that TPV service providers would be required to use to confirm that suppliers have complied with the marketing standards of conduct.*

Yes, the Company believes it would be reasonable and appropriate to expand the role of the TPV to include confirmation that a competitive supplier has complied with the marketing standards of conduct, which could be accomplished through the use of a uniform language requirement.

12. Would it be reasonable and appropriate for the Department to require competitive suppliers to periodically provide the Department with data on the types of marketing channels through which they have signed up customers (see Section III.D, above)? If no, explain why not. If yes, (a) What data should competitive suppliers be required to provide the Department? (b) How often should competitive suppliers be required to provide this data to the Department?

Yes, the Company believes it would be reasonable and appropriate to require competitive suppliers to periodically provide the Department with data on the types of marketing channels through which they have enrolled customers, provided any customer personal information is kept confidential. The Company does not have any specific recommendations with regards to the types of data suppliers should be required to provide to the Department or the frequency that the data is provided.

13. How else could the Department improve its ability to investigate suppliers' marketing activities?

The Company appreciates the Department's efforts to enhance the operation of the competitive supply market, including providing for reasonable customer protections. The Company also notes that competitive suppliers provide energy supply service at unregulated rates. In response to customer complaints and to the extent otherwise warranted, the Company supports improvements to the Department's ability to investigate Supplier's marketing activities, but does not have any specific recommendations at this time.

14. Would it be reasonable and appropriate for the Department to make competitive supplier complaint and/or performance information available to customers and other stakeholders? If no, explain why not. If yes, (a) Identify other state(s) that make this information publicly available; and for each state, discuss the usefulness of (1) the

information that is provided and (2) the manner in which that information is presented (b) Based on your response to (a), identify best practices for (1) determining which competitive supplier complaint and/or performance information should be made publicly available, and (2) presenting that information (stakeholders are welcome to provide a visual representation of such best practices)

Yes, the Company believes it would be reasonable and appropriate to make the number and nature of competitive supplier complaints and/or performance information publicly available, but customer information should be protected.

- (a) The Company has not researched the information that is publicly available in other states.
- (b) The Company is unaware of any reason to withhold complaint and/or performance information provided by customers to the Department. Furthermore, the Company suggests that the Department consider enhancing its Competitive Supply Website to provide a forum that allows customers to directly comment on their experiences with competitive suppliers, similar to rating/review systems that are available on other retail webpages, such as Amazon.

IV. Section IV – Barriers to Market Efficiency

15. Would it be reasonable and appropriate for the Department to direct the electric distribution companies to initiate competitive supply service during a customer's meter read cycle (see Section IV, above)? If no, explain why not. If yes, (a) Discuss how this would improve the value that the market can provide customers. (b) Identify other states that allow the initiation of supply service during a customer's meter read cycle. For each state, describe the manner in which the state implements such an approach.

No, the Company does not believe this would be reasonable or appropriate. Changes made to initiate competitive supplier service other than on a customer's meter read date requires manual intervention or oversight. Any changes made to the Company's systems, which have been carefully built to the specifications detailed in the Company's tariff and the EBT Standards, to automate this process would be time consuming and costly and perhaps impactful to all

customers regardless of whether or not they take competitive supply or participate in the Company's basic service option.

16. Would it be reasonable and appropriate for the Department to eliminate the customer account numbers as required information on an enrollment transaction (see Section IV, above)? If no, explain why not.

No, eliminating customer account numbers from the enrollment process would not be reasonable or appropriate. According to D.T.E. 01-54-B: Investigation by the Department of Telecommunications and Energy on its own Motion into Competitive Market Initiatives, it was determined that “requiring customers to take the active step in providing their account numbers to suppliers for enrollment helps to ensure that the customers understand the results of the actions they are initiating.” The account number in conjunction with the customer name key, act as safeguards against unauthorized or unintentional enrollments by suppliers, or “slamming.” Introducing a looser standard for a supplier to enroll a customer would compromise this valuable customer protection, and introducing a new protocol would create new but similar challenges while adding confusion for all parties involved – customers, suppliers and the distribution companies. Furthermore, the Company's billing systems and EDI processes are built to use account numbers as the unique identifier required to transact with the customer. Changes to this system logic would be time consuming and costly. The Company notes that customers are able to quickly access their account numbers through a number of means including physical bills, the secure company website, or by contacting the Company's customer service department directly.

17. What other rules may act as barriers to a more efficient competitive market? For each answer, propose ways to mitigate those barriers.

The Company is unaware of any specific rules that create barriers to an efficient market.

V. Other Issues

18. In what ways could the electric distribution companies better inform customers of their ability to prevent distribution companies from providing their account information to competitive suppliers and electricity brokers?

Per D.T.E. 01-54-A, customers have the opportunity to opt-out of having their information included on Customer Information Lists. Electric Distribution Companies could better inform customers of their ability to prevent their account information from being provided to competitive suppliers and brokers through more prominent informational displays on company websites and through system prompts for customer service representatives when speaking with customers directly.

19. Would it be reasonable and appropriate for the Department to require the electric distribution companies to establish a “do not switch” list, which would preclude a company from switching a customer to a competitive supplier? If no, explain why not. If yes, (a) Discuss the manner in which the “do not switch” list should be implemented. (b) Identify other states that have established such a list, and for each state, describe the manner in which the state has implemented the list.

Yes, this would be a reasonable and appropriate initiative.

(a) The Company believes the most reasonable manner by which to address this initiative would be to place an account block in the Company’s system that directly prevents the enrollment of account numbers flagged as “do not switch.” To promote customer awareness, “do not switch” information and instructions could be displayed on the Company’s website and included in any informational material provided to customers, such as the standard document described in the response to Question 1. The Company’s billing system does not currently have the ability to place a block on accounts, as described above. However, the Company believes it would be feasible to add this functionality to the billing system at a future date.

(b) The Company has not evaluated states in which it does not have an electric affiliate.

VI. Application to Small C&I Customers

20. The issues raised in the NOI, and the questions presented above, relate solely to the electric competitive supply market for residential customers (see Section I, above). Would it be reasonable and appropriate for the Department to investigate any (or all) of these issues as they relate to the electric competitive supply market for small C&I customers? If no, explain why not. If yes, identify the issues that the Department should investigate, and for each issue, discuss whether the Department's resolution of the issue should differ between residential and small C&I customers.

Yes, it would be reasonable to investigate all issues as they relate to the competitive supply market for both residential and small C&I customers. All issues and resolutions as described above should not differ between residential and small C&I customers.

VII. Application to the Gas Competitive Market

21. The issues raised in this NOI, and the questions presented above, relate solely to the electric competitive supply market for residential customers (see Section I, above). Would it be reasonable and appropriate for the Department to investigate any (or all) of these issues as they relate to the competitive gas market for residential customers? If no, explain why not. If yes, identify the issues that the Department should investigate, and for each issue, discuss whether the Department's resolution to the issue should differ between the electric and gas markets, and why.

The Company believes the framework and consumer protections being addressed in the NOI are appropriate for both gas and electric markets, but notes there are many fewer retail gas suppliers than electric suppliers, that market interest in residential and small C&I customers is relatively low, and that it has not seen significant customer complaints regarding retail competitive gas suppliers. Therefore, the Company sees no need to investigate the customer protections identified in this NOI for application to gas customers at this time.

VIII. Conclusion

The Company appreciates the opportunity to provide comments in response to the Department's questions, and looks forward to assisting the Department in furthering the objectives set forth in the Notice of Investigation.

Respectfully submitted,

Fitchburg Gas and Electric Light Company d/b/a Unitil

By its Counsel,

A handwritten signature in black ink, appearing to read 'P. Taylor', written over a horizontal line.

Patrick H. Taylor (BBO# 663958)

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