

***Via Hand Delivery and Electronic Mail***

March 8, 2019

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

**Re: D.P.U. 19-07: 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: Initial Comments of National Grid**

Dear Secretary Marini:

On behalf of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (collectively, “National Grid” or the “Company”) enclosed for filing in the above referenced proceeding are an original and two (2) copies of National Grid’s Initial Comments. Also enclosed is an Entry of Appearance.

Thank you for your attention to this matter.

Very truly yours,



Meabh Purcell

Enclosures

cc: Gregory Wade, Hearing Officer  
Rebecca Tepper, Office of the Attorney General  
Rachel Graham-Evans, Deputy General Counsel, DOER (electronic filing only)  
Ben Dobbs, Deputy General Counsel, DOER (electronic filing only)

**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 )	D.P.U. 19-07
Competitive Supply Market )	
)	

**INITIAL COMMENTS OF NATIONAL GRID**

I. Executive Summary

Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (collectively, “National Grid” or the “Company”), appreciate the opportunity to provide comments to the Department of Public Utilities (the “Department”) in response to the January 18, 2019 Notice of Investigation seeking input from stakeholders on initiatives to improve the retail electric competitive supply market in the Commonwealth of Massachusetts (“NOI”). National Grid commends the Department’s efforts to enhance the operation of the retail electric competitive markets and improve the protections provided to residential customers related to the marketing and delivery of competitive suppliers’ product offerings. National Grid supports electric restructuring and the continued development of the competitive supply market and believes it is critical that customers have sufficient information to engage in the retail competitive supply marketplace on an informed basis and that appropriate consumer protections are in place to ensure the efficient, open, and transparent operation of the retail competitive supply market. To that end, we share the Department’s desire to increase customer awareness of the competitive supply market and to enhance the effectiveness of the Competitive Supply Website.

While National Grid enthusiastically supports the Department's objectives in the NOI, our comments emphasize the importance of striking the appropriate balance between the goals of increased efficiency, maintaining the appropriate demarcation between the roles of competitive suppliers and the roles of the distribution companies, and minimizing costs to customers. As described more fully in the Company's responses to the Department's specific questions in the NOI, limitations inherent in the capabilities of National Grid's billing system and the appropriate role of distribution companies in furthering these important objectives must be taken into account when the Department is evaluating options discussed in the NOI.

National Grid submits the following responses and comments relative to the Department's specific questions:

## II. Specific Topics for Investigation

### ***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 type of activity, identify the appropriate role of the Department, the distribution companies, the competitive suppliers, and other stakeholders.***

National Grid agrees with the Department that customer awareness (*i.e.*, market transparency and informed decision-making) is the fundamental building block of a well-functioning competitive market. To that end, National Grid commends the Department's establishment of the Competitive Supply Website and is supportive of efforts to increase customer awareness of the website. The Company believes that conducting a general education campaign to promote visibility of the Competitive Supply Website is an appropriate means of increasing customer awareness and understanding of the operation of the retail competitive supply market. National Grid suggests that an effective means of conducting such a campaign would be the inclusion of periodic bill inserts with information regarding the

Competitive Supply Website in customer bills, possibly twice yearly, appropriately timed to provide the greatest assistance to customers interested in participating in the competitive market, either for the first time or to switch between competitive suppliers. In addition, the Department should consider whether broad-based advertising through media such as radio or television campaigns similar to advertising for the MassSave program would be appropriate for raising awareness of the Competitive Supply Website. The Department should also consider whether, given the increase in municipal aggregation activities in the Commonwealth in recent years, information regarding municipal aggregations should be added to the Competitive Supply Website to enhance customer awareness about municipal aggregations.

***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.***

Yes. National Grid believes it would be reasonable for competitive suppliers to provide customers with information regarding the Competitive Supply Website through their marketing materials/scripts. It would be most helpful to customers if the Competitive Supply Website could serve as a central clearing house for all available product offerings of all approved competitive suppliers. Therefore, any communications to customers regarding the Competitive Supply Website should clearly indicate the website as a source of detailed information on all competitive supplier product offerings and, of equal importance, how to access the website.

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. National Grid believes it would be inappropriate for the electric distribution companies to be required to include information regarding the Competitive Supply Website directly on customer bills. Ownership of a supplier website, as well as maintenance and information related to the website, are the province of the competitive suppliers with whom customers enter into legally binding contracts, not the regulated distribution companies. Moreover, National Grid's current bills already contain information necessary for customers to enroll with a competitive supplier, including customer-specific usage information and the applicable load zone. We believe it is important to strike the appropriate balance between circulating timely, relevant, and easily accessible information on electric bills to keep customers informed about the Company's distribution service, as well as the opportunity to enroll with a competitive supplier, while avoiding information overload which could lead to customer confusion about the respective roles of the Company and competitive suppliers doing business in the Company's service territory.

National Grid's electric bills are designed to print on two pages, front and back, and already include a variety of communications mandated by Department regulation, including explanatory information about the energy efficiency charge, important contact details in the event of power outages, as well as billing and collection information and other account details. Space available on customer bills for new or additional messaging, therefore, is limited and the addition of information regarding the Competitive Supply Website would likely require the

addition of a third page. The increased costs of paper, printing, and postage for lengthier bills will ultimately be passed on to customers. In addition to increased bill printing and distribution costs, the Company's billing system will need to be upgraded to accommodate additional on-bill messaging requirements, and additional costs will be incurred to keep the Company's website information current. As National Grid's customer billing system is nearing the end of its useful life and the Company is contemplating options for its replacement, it would not be cost-effective or practical to require the Company to implement expensive changes to a system that will become obsolete once a new system is in place within a few years.

As an alternative to new on-bill messaging requirements related to the Competitive Supply Website, National Grid believes a better approach would be to require the inclusion of a bill insert with information about the Competitive Supply Website on a periodic basis. The Company suggests that the insert could be included twice per year as a means of providing information to customers about the Competitive Supply Website. While some of the increased costs described above would also apply to periodic bill inserts, the Company's billing system would not require changes to accommodate such a directive from the Department. The Company believes this alternative would strike a better balance between the goals of efficiency and minimizing costs to customers than requiring the distribution companies to include additional messaging on bills.

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

Please see the Company's responses to Questions 1 and 2. The Company looks forward to the suggestions in the initial comments of the competitive suppliers and other stakeholders

for increasing customer awareness of the value that the Competitive Supply Website could 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, [address (a) through (e)].***

National Grid generally supports the Department's efforts to enhance consumer protections and acknowledges that requiring competitive suppliers to implement a uniform notice related to automatic renewal provisions would be an appropriate measure to protect customers. A possible consumer protection enhancement to consider may be to require Competitive Suppliers to offer contract renewals on an opt-in basis, rather than renewals that occur automatically unless customers opt-out. With respect to subparts (a) through (e), apart from the suggestion to require that contract renewals occur on an opt-in basis, the Company does not have specific comments regarding the substance, method, or timing of supplier automatic renewal notifications, and has no information of steps taken by other states in this regard. Competitive supply contracts are bilateral agreements entered into between customers and competitive suppliers and create no rights or legal obligations for National Grid. As National Grid is not a party to the contracts entered into by and between its customers and competitive suppliers, any competitive supplier communications with customers or reminders related to automatic renewal provisions should be clearly delineated to avoid customer confusion and ensure customers are instructed to raise any questions or concerns related to automatic renewal terms or specific supplier contracts or product offerings directly with the competitive supplier's customer service representatives, and not the Company's representatives.

**6. *Would it be reasonable and appropriate for the Department to require the electric distribution companies use their monthly bills to provide information to competitive supply customers about the automatic renewal provision in their supply contracts (see Section II.C, above)? If no, explain why not. If yes, [address (a) through (c)]***

No, for the reasons stated in response to Question 5. The Company does not believe it would be reasonable or appropriate for the Department to require the electric distribution companies to use their monthly bills to provide information to customers receiving competitive supply about the automatic renewal provision in their supply contracts. Including such information on the distribution companies' bills would create customer confusion by muddying the legal distinction between the Company's obligation to provide distribution service to its customers and the competitive supplier's contractual obligation to supply electricity to the customer for a defined period, according to specific terms set forth in a written agreement. As explained above, supply contracts are bilateral agreements between the competitive supplier and the customer; the distribution companies are not parties to the supply contracts, and therefore have no rights and obligations under the contracts. As electric distribution company call center representatives have no knowledge of individual customer contracts with competitive suppliers, or any expertise in interpreting the details of suppliers' product offerings, it would be inappropriate and ultimately disruptive and confusing to encourage customers to call the Company's customer service number with questions or concerns related to their agreement with a competitive supplier. In addition, the Company's billing system does not have the capability to place individual bill messages on select customer bills. Extensive and costly programming changes would be required to the Company's billing system to enable the proposed changes. The Company's billing system was not designed to enable communications about product offerings not provided by the Company. The Company



believes it is infeasible and impracticable to coordinate placing individual competitive supply data on bills for specific contracts that are coming to an end. Competitive suppliers are permitted to add a generic bill message that is limited to 480 characters which could be placed on all customer bills for that specific competitive supplier. Competitive suppliers are free to use this space to alert their customers to review their contracts for specific end dates or renewal terms.

***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 product (e.g., a separate page dedicated to the competitive supply component of customers' electric service, the insertion of competitive supplier logos on the bill)?***

Please see the Company's responses to Questions 1 through 6, above. Competitive suppliers are permitted to add a generic bill message limited to 480 characters on all customer bills for a specific competitive supplier. The Company's billing system does not have the capability to place customized bill messages on select customer bills. As explained in the response to Question 3, as space on the Company's bills is already limited, if the content on electric bills is increased to accommodate additional competitive supplier-related information, the costs of the paper, postage, and printing will increase commensurately, which costs will be passed on to customers. There will also be costs associated with changes to the bill format to display the initial information, and ongoing maintenance costs that are required to keep information up-to-date. Because National Grid's billing system is likely to be replaced over the next few years, it would not be cost-effective to require expensive programming changes to accommodate new on-bill messaging in a system that will shortly become obsolete.

**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, [address ((a) and (b))]***

The Company would be supportive of door-to-door marketing standards of conduct for competitive suppliers related to the disclosure of supply product information. One possible approach would be to amend the standards of conduct protocols set forth in D.P.U. 14-140-G “Order Establishing Door-to-Door Marketing Notification Requirements and Standards of Conduct,” (May 4, 2018) to include such information. Rather than requiring uniform language or a specific script, the marketing standards of conduct could be drafted to ensure that conversations with customers at their homes be accompanied by written materials that contain key information important for consumer protection, such as the supplier’s business name, its website and URL, list of product offerings, and key contract terms, including prices. National Grid does not have a particular viewpoint on what information should be communicated, but at a minimum, information provided by competitive suppliers should be accurate, free from misleading content, and enable customers to make informed decisions regarding supplier product offerings. All information posted on a Competitive Supplier’s website related to product offerings should be consistent with any marketing materials distributed in door-to-door marketing campaigns.

**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?***

The Company would be supportive of any improvements to the current door-to-door marketing standards of conduct for competitive suppliers and looks forward to the suggestions in this regard in the initial comments of the competitive suppliers and other stakeholders.

**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.**

The Company would be supportive of any improvements to marketing standards of conduct for competitive suppliers, including telemarketing and direct mail, and looks forward to the suggestions in this regard in the initial comments of the competitive suppliers and other stakeholders.

**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 Department should establish uniform language that TPV service providers would be required to use to confirm that competitive suppliers have complied with the marketing standards of conduct. TPV service providers should be required to follow the protocols set forth in D.P.U. 14-140-G “Order Establishing Door-to-Door Marketing Notification Requirements and Standards of Conduct” (May 4, 2018) to the extent possible.

**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, [address (a) and (b)]**

The Company would be supportive of proposals of other stakeholders for improvement to the data provided by competitive suppliers to the Department on the types of marketing channels through which suppliers sign up customers.

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

While the Company would be supportive of improvements to the Department's ability to monitor the marketing activities of competitive suppliers, the Company has no specific comments and looks forward to the suggestions in this regard in the initial comments of the competitive suppliers and other stakeholders.

**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, [address (a) and (b)]**

While the Company would be supportive of any steps taken to increase customer awareness of the competitive marketplace, the Company has no specific comments on this issue. Provided personal customer information is protected, it may be appropriate to make information related to competitive supplier complaints and/or performance available publicly. The Company looks forward to the initial comments of the competitive suppliers and other stakeholders with respect to the availability of competitive supplier complaint and/or performance information.

**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, [address (a) and (b)]**

No. Off-cycle customer drops and enrollments via Electronic Data Interchange ("EDI") are currently not available under the Company's "Terms and Conditions for Competitive Suppliers" (M.D.P.U. No. 1349) and "Terms and Conditions for Municipal Aggregators" (M.D.P.U. No. 1350) and would require extensive and expensive programming changes. See tariff language below:

5B. Termination of Generation Service. To terminate Generation Service with a Customer, a Competitive Supplier shall submit a “supplier drops customer” transaction, in accordance with the rules and procedures set forth in the EBT Working Group Report. Generation Service shall be terminated on the date of the Customer’s next scheduled meter read, provided that the Competitive Supplier has submitted this transaction to the Distribution Company no fewer than two business days prior to the meter read date.

Customers served under Rate G-3, General Service Time-of-Use tariff can request an off-cycle meter read for switch of supplier, which the Company can manually perform and customers are assessed an Off Cycle Meter Read Charge. See “Off-Cycle Meter Read for Switch Of Supplier” (M.D.P.U. No. 1172).

***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. If yes, [address (a) and (b)]***

No. It would not be reasonable or appropriate for the Department to eliminate the customer account numbers as required information on an enrollment transaction because the requirement is critical for the customer’s own protection. In addition to its usefulness in safeguarding a customer’s account from slamming, it is the number customers need to communicate with the Company’s customer service representatives on a variety of matters, including billing. If a customer receives service at more than one location, the customer will have a different account number for each account. Eliminating the requirement to identify customers by account number would lead to a myriad of problems related to multiple accounts, as well as exposing customers to fraudulent enrollment practices. The customer account number personally identifies the specific customer and is therefore a critical component of the enrollment process; the requirement is uniformly applied to all customers and is not unduly burdensome, as it is clearly printed on all customer bills. For their own protection, therefore, to enroll in competitive supply, customers must provide their unique account number and a

four-digit name key, which is the first 4 digits of the account holder's last name for residential accounts and the first 4 digits of the account name for commercial accounts. Eliminating the customer account number for enrollments opens the door to erroneous enrollments as well as increased 'slamming.' The electric distribution companies' systems are currently programmed to accept enrollments using the customer's account number as well as the four-digit name key.

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

National Grid is committed to ensuring customers have sufficient information to engage in the retail competitive market on an informed basis and that appropriate consumer protections are in place to ensure the efficient, open, and transparent operation of the retail competitive supply market for the benefit of all customers, whether residential, business, or municipal. While the Company cannot identify any specific rule that may act as a barrier to a more efficient competitive market, the Company looks forward to the initial comments of the competitive suppliers and other stakeholders.

***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?***

The current system provides an effective way to inform customers of their right to prevent distribution companies from providing customer account information to competitive suppliers and electricity brokers. Each May and December, the Company sends an opt-out mailing to all its customers advising them that their information will be included on a customer list provided to competitive suppliers so that suppliers may contact customers and market their supplier services. Customers are informed in this semi-annual notification that if they do not wish to be included on the Customer Information List they have the option to contact the

Company and request that their contact information be removed from the list. In accordance with D.P.U. 16-10 “Order on Eligible Customers,” (August 23, 2017), customers who do not want their account information included on the Customer Information List will continue to have their information shared with their city or town if it has an approved municipal aggregation program. There is no evidence that this system of notification of the opt-out right does not operate efficiently and effectively, or that any enhancement is required. If the Department were to require periodic bill inserts related to the Competitive Supply Website, as addressed in the Company’s response to Question 3, it may be possible to remind customers of the opt-out right in this insert.

***19. Would it 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, [address (a) and (b)]***

The Company does not recommend the Department require the electric distribution companies to establish a “do not switch” list. At a customer’s request, the Company already implements a process to prevent a customer from being switched to a competitive supplier. Customers can contact the Company and request a ‘block’ be placed on their account. Once the block is in place, the customer cannot be switched from one competitive supplier to another. If the customer is not enrolled with a competitive supplier and requests a ‘block’ on their account, the account cannot be enrolled with any competitive supplier unless the customer requests a removal of the ‘block’. This effectively operates as a “do not switch” list.

Please also see the Company’s response to Question 18. Customers who do not want to be contacted by a competitive supplier have the option of contacting the Company and

requesting that their contact information be removed from the customer list provided to competitive suppliers so that suppliers may contact customers and market their supply services.

***20. 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 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. National Grid believes that the same framework and consumer protections should apply to all customers regardless of whether they are residential or any size and type of business or municipal customer.

***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 of the issue should differ between the electric and gas markets, and why. Response to Consider: It is 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.***

Yes. National Grid believes that the same framework and consumer protections should apply to all customers regardless of whether they are electric or gas customers.



III. Conclusion

National Grid appreciates the opportunity to provide comments in this proceeding and looks forward to continuing the dialogue and working with the Department and other interested stakeholders on initiatives to improve the retail electric competitive supply market in the Commonwealth of Massachusetts.

Respectfully Submitted by,

**MASSACHUSETTS ELECTRIC  
COMPANY AND NANTUCKET  
ELECTRIC COMPANY EACH  
D/B/A NATIONAL GRID**

By its attorney,



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Date: March 8, 2019

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

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**D.P.U. 19-07**

**APPEARANCE OF COUNSEL**

In the above-entitled proceeding, I hereby appear for and on behalf of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid.

Respectfully submitted,



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Dated: March 8, 2019