



# Citizens Utility Board

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Illinois Commerce Commission

ATTN: Torsten Clausen

Office of Retail Market Development

RE: 14-NOI-01 Reply Comments

CUB offers the following additional thoughts and suggestions for retail market reform with the goal of bettering the competitive retail electricity market for consumers. The following comments build on previous comments, and introduce refined proposals for ORMD, the Commission and stakeholders to consider.

Variable Rates:

One of the principle concerns around variable rates is that sufficient notice is provided to consumers about the rate they will pay each month. CUB has observed that customers lack notification of the monthly variable rate they will pay either in the initial sales pitch, and/or throughout the contract term. Thus, additional notifications should be required for variable rate plans to help to bridge the information deficit consumers face when evaluating these types of plans.

CUB will also revisit some questions asked in the initial NOI around Variable Rate plans.

1. What type of disclosures do you believe are necessary for variable rate offers to ensure consumers understand the rate fluctuates?

In response to supplier concerns about the objections to presenting future price information, CUB proposes that, instead of a forward looking price “band” as described in our initial comments, a disclosure of historic variable prices charged over the last twelve months to customers of the supplier on variable rate plans would be a valuable disclosure to new or potential customers of variable rate plans. This would mean a supplier would mail either electronically or by US Postal Service (at the customer’s direction) a notice of the variable nature of a the consumers contract, including the following information: the customer was now going to be on a Variable Rate; the length of the contract term and how often variable price will change; a chart showing the highest and the lowest rate charged by the supplier to customers on variable rate plans for the pervious twelve months; and the Illinois Power Agency price to compare every month for same time period. (Please see Connecticut Notice of Variable Rates attached)

4. Should the Commission adopt additional notice requirements for variable rate changes?

CUB continues to support the proposal CUB made in initial comments, that the RES should be required to notify its customers of the rate for their following month's supply either on each monthly bill or in print or electronic communication. This disclosure, as well as the historical disclosure described in response to question #1 above, would be helpful for consumers who have enrolled with a RES for their electric supply on a monthly variable rate.

Additional Just and Reasonable Course of Action Commission Could Take:

220 ILCS 5/16-118, which requires that the utility file a POR/UCB utility tariff, specifies that the tariff may also include other "just and reasonable terms and conditions." Thus, the Commission could condition service under the utility POR/UCB riders to specify that receivables purchased from suppliers will be limited to the Illinois Power Agency rate or default service rate, and that only amounts up to the Illinois Power Agency rate or default rate shall count as eligible charges for possible disconnection. This mechanism would be just and reasonable in that it would protect all ratepayers from inflated uncollectibles, and it would also protect those consumers of limited financial means who sign contracts with RES that result in unaffordable electric rates from facing the loss of a service that is essential to life. Please see NASUCA Resolution 2014-2 recently adopted at the NASUCA National Meeting, #14, attached.

CUB looks forward to the discussion at the next workshop. Thank you.

Bryan McDaniel

Director of Government Affairs