

Post-2006 Initiative



**REPORT TO ILLINOIS COMMERCE COMMISSION
POST 2006 INITIATIVE
COMPETITIVE ISSUES WORKING GROUP
PRESENTED BY PHILIP R. O'CONNOR
CONVENER/REPORTER
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COMPETITIVE ISSUE AREAS ADDRESSED

- 7 WORKING PROPOSITIONS
- ICC FINAL QUESTIONS 67-79
- 5 OPERATIONAL/TECHNICAL SUBGROUPS

WORKING PROPOSITIONS

- Integrated Distribution Company (IDC) & Functional Separation
- Management of Customer Migration Risk
- Renewable Portfolio Standards
- Aggregation/Voluntary Grouping
- Demand Response & Curtailment
- Competitive Declaration
- Reporting Requirements

WORKING PROPOSITIONS: SALIENT POINTS

- As to permitted services, IDC & Functional Separation rule working well.
- As to migration risk, CIWG concurred with RWG on Questions 50 & 51
- Any RPS should be applied equitably across LSEs
- Licensing unneeded aggregators & agents
- Competitive supply acquisition may render opt-out aggregation moot.
- Utility rules should not inhibit aggregation.
- RTO development offers DR opportunities to develop
- Reporting requirements deserve ongoing review

WORKING PROPOSITIONS: DISAGREEMENT

- Competitive Declaration – Competing Views
 - Continue current approach
 - Continue with stricter standards
 - Discontinue unless reciprocity repealed and other barriers removed.

ICC QUESTIONS 67-79

SALIENT POINTS

- Rule comparability across utilities is good
- Separation of generation and delivery helps clarify costs and rate setting.
- Method for utility supply acquisition is key for flowing competitive benefits through to residential and small commercials.
- ICC should be a strong advocate at RTOs and FERC for open wholesale markets.
- ICC and utilities should encourage DR.

ICC QUESTIONS 67-79 DISAGREEMENTS

- #67: Differing perspectives on the impact of bundled rate approaches for residential & small commercials on choice.
- Key difference is over the setting of rates implying neutrality toward or encouraging exercise of choice.

TECHNICAL/OPERATING SUBGROUPS -- ARES

- ARES Certification, Licensure & Tariffs
 - Achieved consensus on some but not all issues raised on Part 451 and provided proposed language to effect changes.
 - Greater uniformity across utilities recommended
 - Reciprocity discussed at length and options explored.

TECHNICAL/OPERATING SUBGROUPS – BILLING/EDC/SBO

- Billing, EDC Charges, SBO, Timing, Consolidated Billing
 - Many issues discussed but no specific solutions developed.
 - Issues included:
 - Split billing for gas & electric
 - SBO requirements by utilities
 - Electronic data exchange & coordination
 - Prior balance collection duties
 - Refunds for ARES overpayments

TECHNICAL/OPERATING SUBGROUPS – CUSTOMER INFORMATION & DATA FLOW

- Customer Information & Data Flow
 - All parties should have equal access to relevant utility pricing determinants.
 - Greater uniformity across utilities in billing data & switching transactions.
 - Central forum should be set up to address ongoing issues in order to remove transactional obstacles that may impede exercise of choice.

TECHNICAL/OPERATING SUBGROUPS -- SWITCHING

- Switching Process
 - Main focus on residential switch process
 - Recommended education
 - Internet & request based approaches
 - Issues of deposits and balances unresolved
 - Problems of manual processing of agency agreements for C&I customers unresolved.

TECHNICAL/OPERATING SUBGROUPS – WHOLESALE & TRANSMISSION

- Wholesale & Transmission
 - Addressed impact of RTO development, wholesale competition & wheeling of power
 - Careful ongoing monitoring of Illinois utility integration into RTO is important
 - Supported integration of AEP into PJM
 - LMP likely to encourage needed generation and transmission facilities
 - FTR hedge enhances consumer benefits
 - RTO rates must be fair to Illinois.