

MidAmerican Energy's Response to the Office of Retail Market Development's Request for Comments Dated August 28, 2008

MidAmerican supports the Illinois retail choice and referral programs and believes they will cost-effectively jump-start small customer retail activity, especially with the addition of Utility Consolidated Billing (UCB) and Purchase of Receivables (POR) for large utilities with active markets. The current working group process is highly effective in identifying issues and defining a path to resolution.

The Illinois Commerce Commission (Commission) now needs to initiate a proactive educational program for customers of utilities who have active markets. Such educational activities must be sponsored by the Commission to overcome small customers' caution regarding their participation in the retail markets available to them.

MidAmerican stresses that the volume of customer transactions expected as small customers begin to switch will preclude any manual processing. MidAmerican supports uniformity of all customer transactions to the greatest extent possible. For example, even minor differences in the use of Electronic Data Interchange (EDI) codes cause one-off changes to each supplier's business practices and systems.

Alternative Retail Electric Suppliers (ARES) will be better able to serve small customers and prosper in utility service areas where UCB/POR are established. However, where no ARES are currently serving, and especially where UCB/POR are not available, MidAmerican notes that it is not prudent for smaller utilities to expend the extraordinary effort and incur the increased costs anticipated to accommodate a market that has never developed, even for larger customers.

Section 1

- I. Public Act 95-0700 authorizes the Commission “ to establish retail choice and referral programs to be administered by an electric utility or the State in which residential and small commercial customers receive incentives, including, but not limited to, discounted rate introductory offers for switching to participating electric suppliers.”

1. Please state the benefits you anticipate from establishing retail choice and referral programs.

MidAmerican Energy supports the establishment of retail choice and referral programs that help cost-effectively jump-start retail choice in the residential market and provide customers with a low-risk opportunity to test the merits of obtaining electric service from an alternative retail electric supplier (ARES.) Such programs provide “one-stop” shopping for easy comparison of potential cost savings, renewable energy options and value-added services offered by ARES.

2. What are your concerns relating to the creation of such programs?

MidAmerican’s primary concern is that substantial costs may be incurred by utilities to develop and implement these programs, and ARES may still not enter the small customer market in some utilities’ service areas. Changes in business systems and rules related to the volume of transactions anticipated by these programs will require extensive modifications. MidAmerican and other utilities that have not seen active markets should be provided ample time to update back office processes, procedures and systems once an ARES registers in our service areas, similar to the lead times associated with the larger utilities’ tariff filings. No ARES have ever served MidAmerican customers, and no RES have served MidAmerican customers since 2002.

MidAmerican believes that the Illinois Commerce Commission (Commission) must initiate a comprehensive customer education program in conjunction with the creation of these programs to help customers understand why their utility will be referring them to other electric suppliers. In the absence of ARES in MidAmerican’s and other utilities’ service areas, such education program requirements must be carefully crafted to minimize customer confusion.

MidAmerican is also concerned about the potentially negative customer impact if such programs are not carefully structured to mitigate the risk of slamming or cramming activities.

3. What are important characteristics of such programs?

MidAmerican believes consumer education will be extremely important to enhance participation and minimize customer confusion.

Retail choice and referral programs need to be structured carefully to spell out the roles and responsibilities of all stakeholders. Residential customers have little market experience and are likely to contact their utility with billing questions and contract disputes. A thorough consumer education program, sponsored by the Commission, is needed to direct them to the appropriate party.

All retail electric programs should require that all ARES and utility communications and transactions be conducted using Electronic Data Interchange (EDI) with well-defined standard business rules across all entities. EDI is currently the preferred, but not required, means of transacting business between the utility and ARES. Also, MidAmerican believes that segregating discount rates by customer class does not enhance the utilities' bottom line enough to offset the complexity these multiple discount rates add to suppliers' marketing efforts. Such discrepancies add costs and may be a barrier to suppliers' entry into these markets. A single discount rate should be applied to all customer classes.

New retail choice and referral programs create the potential for a large volume of such transactions which will render previous manual processes and non-standard business rules unmanageable. Uniformity is essential to minimize both utilities' and ARES' costs.

Enrollment forms, including new enrollment cards, should be standardized across all ARES.

4. Would you prefer these programs to be administered by an electric utility or the State? Please describe your preferred administration of these programs as detailed as possible.

MidAmerican prefers these programs be administered by the electric utility rather than the State. The utility needs the flexibility to manage its customer and ARES relationships to minimize customers' confusion. The utility needs to be able to establish its back office procedures based on experience with and knowledge about its customer base. In many cases, the utilities also have the added advantage over the State of existing working relationships with their ARES.

5. From a procedural standpoint, what is the preferred manner in which the Commission would establish and/or approve such programs? Should these programs be part of an electric utility's tariff?

MidAmerican believes the Commission is properly using the workshop process to identify the important characteristics of such programs. However, barriers to entry are created by the failure to establish uniform business rules (such as the variety of discount rates and varying rescission periods) and inconsistent use of EDI fields by the utilities. When ARES must manage through different business rules for each utility, their transaction costs increase and margins decrease, potentially blocking entry to the market.

Once agreement has been reached through the workshop process, all obligations should be encompassed in the electric utilities' tariffs. Other agreements, such as communications protocols and time frames are best established in the utilities' terms and conditions or implementation plan.

- II. The statute describes three possible retail choice and referral programs as follows:

- (1) An introductory fixed discount program in which suppliers participating in the program offer customers a fixed percentage discount off of the electric utility's supply rate for a set number of billing periods. Customers would be able to enroll in the program by using an online enrollment form, completing an enrollment card found in their monthly electric utility bill, or by calling a toll-free number. Customers would be free to withdraw from the program at any time and select another alternative retail electric supplier or return to the electric utility.

- (2) A new customer program in which electric utilities would offer consumers initiating new electric service a choice of offers from participating electric suppliers to provide the consumer's electric supply service. Customers expressing a preference for a specific electric supplier would be enrolled with that supplier. Customers not expressing a preference for a specific electric supplier would be offered the opportunity to enroll with an electric supplier selected randomly on a rotating basis.

- (3) A customer service call center referral program in which customers calling an electric utility's call center would be offered enrollment with an alternative retail electric supplier and informed that they have the option to receive immediate savings or introductory offers by participating in the referral program. Customers choosing to participate would be transferred to a customer service representative for the program and would either select the electric supplier from which they would like to take service or be placed with a participating electric supplier chosen at random on a rotating basis.

1. Please comment on the desirability of having any of these three programs implemented and what the role of the electric utilities, the participating suppliers, the Commission, and others, if any, should be.

The primary advantage of limited-term fixed discount programs is that they offer customers a low risk alternative for taking service from a participating ARES. Some consumers who would otherwise be concerned or uncertain about open market participation may find a program of this nature attractive. Another attractive feature of the fixed discount program is its availability to all customers, while the other programs are limited to customers initiating service or calling the call center.

MidAmerican believes the role of each of the parties includes fully participating in the workshop process and working collaboratively across utilities, ARES, Commission staff, and all interested parties.

Utilities should administer the programs. Once an ARES becomes active in their service areas, utilities must become prepared to provide customers with robust information on retail choice and referral programs on their websites, through the call center, and via bill inserts. Utility web sites will require overhauls to make them robust enough to identify participating ARES, allow customers to select an ARES, or allow customers to request more information in order to make educated decisions. Utilities must develop/enhance and implement communications protocols to enable these interchanges. Utilities must also implement systems and processes to assure objectivity in the opportunities for a customer to specify an ARES or choose an ARES from a list in service areas where multiple ARES are active. Utilities must develop communication protocols with ARES to send the pertinent customer information to an ARES, once one is selected by the customer. Utilities will need to review call center staffing levels as: (1) contact personnel will be pulled from their daily work to become fully knowledgeable regarding the discounts to the utility's rates being offered by ARES, ARES' incentives and switching requirements of these new programs, and (2) call volumes and length likely increase as ARES are added to the mix of information new customers receive when they call to establish service.

Utilities must also review their existing billing and customer contact systems and business processes for potential modification as a result of these programs. These extensive changes will involve more than billing system changes, and must include the ability to identify customer status changes as customers switch between ARES as well as the ability for large utilities to segregate receivables as needed.

ARES must develop simple discount offers over a brief and consistent time frame and employ a universal format so customers can make choices without reliance on the utilities' personnel to explain the options. The ARES must maintain websites with clear descriptions of their offers and provide such disclosure to the Commission and the utilities in a timely manner. It is

essential that ARES electing to serve certain revenue classes inform utilities and the Commission when such an election changes. Participating ARES must assure their systems are compliant with Illinois requirements.

The Commission will oversee the programs. It should continue to support the workshop process to establish rules for the program and ensure the administration of such programs is unbiased. The Commission must publish offers from all ARES on its web site in a timely manner for customer comparison. The Commission must also develop and implement educational materials (as mandated) and communicate with customers to help them understand the various ARES options.

After an initial period of at least one year, the Office of Retail Market Development should evaluate and report the effectiveness of the programs in increasing customer switching and measure residential customer satisfaction with the retail choice and referral programs.

2. Are there other retail choice and/or referral programs that you would like the Commission to consider? If so, please describe the characteristics of such programs in detail. For example, do you believe there should be other incentives and/or programs offered to low income consumers in Illinois? If so, should these be based on LIHEAP qualifications and what funding mechanism should be used?

MidAmerican would like the Commission to consider retail choice and referral programs that are limited to the residential market.

- III. The law further states that “reasonable costs associated with the implementation and operation of customer choice and referral programs may be recovered in an electric utility's distribution rates, except that any costs associated with any introductory discount for switching to a supplier shall be assumed by that supplier. Reasonable costs associated with the implementation and operation of a customer choice program may also be recovered from retail electric suppliers participating in a customer choice and referral program.”

1. Please describe your preferred cost recovery mechanism in detail.

MidAmerican Energy prefers that all implementation costs be recovered through a tracking mechanism uniformly applied over all kWh delivered or sold by a utility, to spread the costs as broadly as possible across all Illinois customers. A tracking mechanism would also allow for immediate recovery and reconciliation of costs and revenues.

Section 2

- I. Section 16-117 (b) of the PUA requires the Commission to “implement and maintain a consumer education program to provide residential and small commercial retail customers with information to help them understand their service options in a competitive electric services market, and their rights and responsibilities.”

While the initial implementation of the program was required to be done in the 1999-2002 time frame, Staff is interested in the possibility of re-focusing the education program. Section 16-117(j) states that “each year the General Assembly shall appropriate money to the Commission from the General Revenue Fund for the expenses of the Commission associated with this Section.”

Given that Section 16-117(k) requires the Commission to study the effectiveness of the consumer education program and complete such study “by January 31st of each year during the mandatory transition period”, Staff is interested in the parties’ assessment regarding the program’s continued statutory support.

Staff is encouraged by the fact that the General Assembly did not establish a sunset date for Section 16-117 when it originally enacted the Section as part of the Electric Service Customer Choice and Rate Relief Law of 1997 and that this Section was not modified or eliminated at any time subsequent to the end of the mandatory transition period, including the passage of Public Act 95-0481 last year.

1. Please explain whether the General Assembly should appropriate money to the Commission from the General Revenue Fund for the expenses of the Commission associated with Section 16-117.

MidAmerican has no opinion whether the General Assembly should appropriate money from the General Revenue Fund for the Commission to implement Section 16-117. MidAmerican does note that Section 16-117(j) provided that the General Assembly was to appropriate money to the Commission from the General Revenue Fund for the expense of the Commission associated “with this Section.” MidAmerican further notes that the same section provides that “in no event shall any electric utility, alternative retail electric supplier or customer be liable for the costs of printing consumer education material.”

2. If you do not believe Section 16-117 is a funding source for any type of a Commission consumer education program, please describe other potential funding sources.

Section 16-117 is silent as to the source of funding for anything other than the costs of printing consumer education materials. If the same funding restrictions on funding for printing consumer education material also apply to other types of Commission consumer education programs, other potential sources of funding would appear to be limited.

3. Please describe the preferred Commission involvement in any consumer education program.

The Commission should:

- (1) Maintain a website where consumers can learn about electric competition in Illinois. Establish a page on the website for consumer education that provides residential and small commercial retail customers with unbiased information to help them understand their service options, rights and responsibilities in a competitive retail market and make informed decisions. Link the website to the utilities' and ARES' open market websites. Stakeholders should develop the content of the website in a workshop forum sponsored by the Commission.**
 - (2) Develop printed materials.**
 - (3) Conduct educational forums in service areas where ARES are actively marketing.**
 - (4) Consider what consumer education will be required where no ARES are active in the utility's service areas. It does not make sense to educate customers in detail about choice when there are no ARES even registered.**
4. Aside from any potential financial responsibilities, please also describe the preferred involvement of electric utilities, alternative retail electric suppliers, and others.

The preferred involvement of electric utilities, ARES and other stakeholders is to actively participate in the development of consumer educational material. Participating electric utilities and ARES must also develop their own websites and printed material to clearly educate consumers about choice and the applicable business rules. Utilities and ARES should link to the Commission website.

5. Besides printed materials and information published on public websites, what other specific mediums would you like to see used in such a campaign?

The use of printed materials and websites should be adequate for reaching residential customers with educational information in MidAmerican's service area. Larger utilities may also work with the Commission staff to conduct educational forums.

6. The Office of Retail Market Development is interested in creating an online place for consumers to compare offers of electric suppliers. The type of information displayed by the "Power To Choose" websites of Texas and New York as well as other sites such as the Pennsylvania Office of Consumer Advocate seem to be a good starting point.

- a. Please describe what type of additional information not found on those sites you would like to see for the Illinois market.

In general, these websites (especially the Texas website) are comprehensive, easy to use, and an excellent model for the Illinois market. There should, however, be links to utility websites, as well as the ARES websites.

In addition, MidAmerican recommends adding the ability for a prospective customer to consider the call center performance of a supplier by comparing answer time and abandon call rate, which can be measured against the performance standards set forth in Section 410.45 (a).

- b. Should the planned website display information for residential customers only?

Yes

- c. How often should the information be updated?

All information should be updated as frequently as the information changes.

- d. Does the Commission have the authority to require suppliers to provide their relevant service offerings on such a website? If you believe the Commission currently does not have such authority, please explain why Section 16-117(h) of the PUA would not give the Commission the authority to do so.

Section 16-117 (h) provides that the Commission may adopt a uniform disclosure form to be completed by ARES to enable consumers to “compare prices, terms, and conditions” offered by such suppliers. This appears to authorize the Commission to utilize a standard document to provide relevant service offerings on the website.

- e. In the event the information displayed on such a website is out of date, should the Commission (and does the Commission have the authority to) require the supplier to provide requesting customers the opportunity to sign up for a service offering displayed on the website even if the supplier has subsequently modified or eliminated such an offering?

No. It seems to MidAmerican that the reason to utilize a uniform disclosure form including relevant service offerings is to enable the consumer to effectively compare available offerings and make a more reasoned choice among service options and ARES. To accomplish this goal, the offerings on the website must be those which are currently available, and the website must be kept current. Security must be developed and implemented to ensure that the disclosure form is displayed exactly as it was submitted by the supplier.

It would serve no purpose to include outdated services or those which are no longer available. Perhaps ARES could be required to give the Commission some specified minimum amount of notice before changing their offerings. That way the Commission would have time to update the website before the changes go into effect.

- II. Section 16-117(h) of the PUA states that “the Commission may also adopt a uniform disclosure form which alternative retail electric suppliers would be required to complete enabling consumers to compare prices, terms, and conditions offered by such suppliers.” Assuming you agree that Section 16-117’s legal standing has not changed following the end of the mandatory transition period, please comment on the following:

- 1. If the Commission were to adopt such a uniform disclosure form, what specific items should be on the form?

MidAmerican would like to see the following: material terms and conditions for the products and services offered by the ARES, including (but not necessarily limited to): price, cost components included in the price, costs components not included in the price, which costs are fixed or guaranteed not to change for the term of the contract, which costs are not fixed or not guaranteed during the contract, contract length and terms (including cancellation/early termination penalties), sources of power, emissions and waste disclosure, call center answer time, and abandon call rate.

2. Do you agree, given that the items on the disclosure form would differ from offer to offer, that an ARES will have to complete such form for each product it offers at the time?

MidAmerican believes that a disclosure form should be completed for each product, i.e. fixed, variable price, green product, etc. and each offer for which the items outlined above would differ.

3. Should this disclosure form be completed for residential offerings only?

Yes.

4. In addition to the planned website mentioned above, do you believe the Commission should make this type of information available in printed form and how should the material be made available?

Yes, in order to include non-Internet users who may wish to compare and choose an ARES, a printed form with a product and/or offer expiration date could be mailed upon request.

5. If so, how often should this printed material be updated?

Product and offer materials should be updated as soon as any pertinent information changes.

6. The Texas PUC recently adopted proposed changes to its requirements for information disclosures by retail electric providers.¹ Among other changes, it proposed to create definitions for different types of contracts and proposed to prohibit retail electric providers from using the term “fixed” when marketing products that do not meet the two approved fixed price product definitions.

¹ <http://tinyurl.com/595jhn>

If the ICC were to adopt similar requirements, do you believe the proposed definitions of the Texas PUC are a workable starting point for definitions applicable to the Illinois market? If not, what changes would be appropriate? In particular, please comment on ways to reflect the structural differences when it comes to the manner by which transmission and distribution service charges are billed and collected in Texas.

The Texas rules are very new and their workability and impact on the market is yet to be determined. Regulatory requirements limiting ARES to a set of defined products may result in less flexibility in their ability to offer products suitable to customers in various market scenarios. Also, products which are currently being marketed in Texas may differ from those in the Illinois market; therefore it would be important for the definitions to be reflective of the products that are being marketed to those customers specifically.

- III. Section 16-115A(e) of the PUA requires ARES to ensure that “any marketing materials which make statements concerning prices, terms and conditions of service shall contain information that adequately discloses the prices, terms and conditions of the products or services that the alternative retail electric supplier is offering or selling to the customer.” It further states that “before any customer is switched from another supplier, the alternative retail electric supplier shall give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer.”

In addition, Section 505/2EE of the Consumer Fraud and Deceptive Business Practices Act states, among other things, that “an electric service provider shall not submit or execute a change in a subscriber's selection of a provider of electric service unless and until the provider first discloses all material terms and conditions of the offer to the subscriber [...]” and it further states that “[...]the terms, conditions, and nature of the service to be provided to the subscriber must be clearly and conspicuously disclosed, in writing, and an electric service provider must directly establish the rates for the service contracted for by the subscriber [...]”

1. Does Section 16-115A(e) and/or Section 505/2EE of the Consumer Fraud and Deceptive Business Practices Act give the Commission authority to require ARES to comply with disclosure obligations similar to Texas’ Terms of Service document, the Electricity Facts Label, and the Your Rights as a Customer document?

These rules require compliance regarding information to be disclosed to customers; however they leave it up to the ARES to determine the specific method of communication for that disclosure. They do not require a set format.

2. If you believe the Commission has the authority to create similarly detailed disclosure requirements, please indicate how they should differ from the Texas rules.

MidAmerican has no opinion on this item.

3. Given that Section 16-115A of the PUA does not give the Commission explicit rulemaking authority pursuant to that Section, please state where such requirements could be incorporated or created.

MidAmerican has no opinion on this item.

- IV. 83 Ill. Adm. Code §451.60 allows applicants or ARES to request that the Commission enter an order to protect the confidential, proprietary or trade secret nature of any data, information or studies pursuant to 83 Ill. Adm. Code 200.430 if the applicant or ARES believes any of the information to be disclosed by an applicant or ARES is privileged or confidential. Typically, an ARES uses Code Part 451.60 to request confidential treatment for its annual call center report (filed pursuant to Code Part 410.45).

1. Please explain whether you believe that the Commission should generally grant such requests for confidential treatment of annual call center reports.

MidAmerican does not believe the Commission should generally grant such requests. All that is required to be filed pursuant to Section 410.45 (c) is the reporting entity's answer time and abandon call rate for its call center. These are performance results which can be measured against the performance standards set forth in Section 410.45 (a). The ability of a customer or prospective customer to consider the call center performance of an ARES, or to compare the call center performance of an ARES vis-à-vis the incumbent utility, is dependent upon this information being readily accessible.

2. If you do not believe such requests should be granted, please indicate and explain whether you think all of the items in the call center reports should be disclosed or only a subset of those reported.

As noted in the previous response, only two items are required to be reported. Both items could be useful to a customer or prospective customer in selecting its ARES. Therefore, both items should be disclosed.

3. Aside from the existing reporting requirements, is there any other type of periodic report that you believe would be beneficial in a competitive retail electricity market? If so, please indicate the Commission's authority to require such a report.

MidAmerican suggests the Office of Retail Market Development create two reports; one on the effectiveness of the retail choice and referral programs in increasing small customer switching, and another to measure residential customer satisfaction with these programs.

The source of the authority is the same as the Commission found in Docket 03-0303.

- V. Section 16-122(b) of the PUA states that “upon request from any alternative retail electric supplier and payment of a reasonable fee, an electric utility serving retail customers in its service area shall make available generic information concerning the usage, load shape curve or other general characteristics of customers by rate classification. Provided, however, no customer specific billing, usage or load shape data shall be provided under this subsection unless authorization to provide such information is provided by the customer [...]”

On the issue of providing a mass customer list to assist in retail market development, the Pennsylvania PUC adopted the following rule:

(a) An EDC or EGS may not release private customer information to a third party unless the customer has been notified of the intent and has been given a convenient method of notifying the entity of the customer's desire to restrict the release of the private information. Specifically, a customer may restrict the release of either the following:

(1) The customer's telephone number.

(2) The customer's historical billing data.

(b) Customers shall be permitted to restrict information as specified in subsection (a) by returning a signed form, orally or electronically.

(c) Nothing in this section prohibits the EGS and EDC from performing their mandatory obligations to provide electricity service as specified in the disclosure statement and in the code.²

² 52 Pa. Code § 54.8., Privacy of customer information. EDC stands for Electric Distribution Company and EGS stands for Electric Generation Supplier.

1. Please explain whether Section 16-122 of the PUA would allow for a similar rule to be adopted by the Commission.

No. Section 16-122 (b) appears to be more protective of a customer's individual billing data than was the case in Pennsylvania. The only way customer-specific billing, usage or load shape data can be provided under Section 16-122 (b) is with the customer's authorization. In contrast, the Pennsylvania rule only allows a customer to restrict one of two items: the customer's telephone number or historical billing data. Section 16-122 (b)'s protection is more comprehensive.

2. In Docket No. 07-0241/0242 Consol., the Commission recently directed Peoples Gas and North Shore Gas to provide alternative gas suppliers access to customer information. The Commission's February 5, 2008 Order (starting at page 298) creates three different tiers of reports, with the type of information provided and the customer consent required varying across the three tiers.

- a. Please explain whether you believe a similar structure should be implemented for the retail electricity market.

In Docket No. 07-0241/0242 Consol., the Commission concludes that customer lists or Tier 1 data (customer names, addresses, and service classification), excluding customers on the "do not contact" lists, should be furnished to ARES by utilities at no charge and without customer consent. Providing Tier 2 data, (name, billing and premises addresses, usage, type of meter reading and other reading dates), payment history and arrears data will involve varying degrees of customer consent.

MidAmerican believes that providing any customer-specific information to an ARES without customer consent would violate customer confidentiality and Section 16-122. Therefore, MidAmerican would not favor a similar structure in the retail electricity market.

- b. Please explain whether Section 16-122 of the PUA would allow for a similar rule to be adopted by the Commission.

MidAmerican does not believe so. The starting point for determining what information can be, or need be, disclosed is Section 16-122 and that Section requires customer consent before any electric customer-specific information is disclosed. Such a statutory restriction does not appear to apply to all customer-specific gas information at issue in Docket No. 07-0241/0242 Consol., although customer consent was an important consideration in that case.

VI. What provisions related to the operation of a competitive retail electricity market currently not found in the statute, in administrative code parts, utility tariffs, or other regulations would you like to see created?

(1) In 220 ILCS 5/20-130, “Retail choice and referral programs,” MidAmerican would like language added to exempt utilities with 100,000 customers or less as it does in 220 ILCS 5/16-118, “Services provided by electric utilities to alternative retail electric suppliers.” It seems unlikely an ARES would be interested in marketing to residential customers without the option for utility consolidated billing and purchase of receivables, as this opportunity has been available since May, 2002. Also, it does not make sense for utilities to incur costs at customer expense to prepare websites or back office processes and systems for programs that have a low likelihood of implementation.

(2) MidAmerican would like a new provision addressing utilities with no current – or recent past – open market activity. If suppliers choose to only participate in traditional market areas, there is no reason for those utilities in non-traditional areas to implement time-consuming, expensive systems for activity that has not materialized. A provision to address this issue would allow utilities to wait to implement the necessary systems until after a certified supplier begins a utility’s registration process. The provision would also provide a longer window prior to the first customer enrollment to allow for full system testing and implementation.

For each proposed provision, please provide proposed language and the preferred mechanism to create such provisions.

For example, if you propose that all contracts for electricity service be printed on blue paper, please provide the proposed wording of such a requirement and indicate whether such a requirement should be part of a utility’s tariff (if so, which tariff section?), an existing or new administrative code part, or some other mechanism.

(1) Legislative - 220 ILCS 5/20-130: “The Commission shall have the authority to establish retail choice and referral programs to be administered by an electric utility *with more than 100,000 customers or the State...*”

(2) Regulatory - Utilities without registered ARES must be allowed a sufficient amount of time between the ARES registration and delivery of power and energy under retail choice and referral programs to make the necessary process and system changes. A year’s lead time to build and implement the necessary back-office functions would be the minimum amount of time needed. The timeframes would be included in the utilities’ tariffs.

For each proposed requirement please state the Commission's source of authority for doing so.

- (1) As with other sections of Chapter 16 that contain jurisdictional thresholds of at least 100,000 customers, the addition of an exception in 220 ILCS 5/20-130 would require action from the General Assembly.**
- (2) Similarly, if there is to be a one year delay for smaller utilities to make the necessary process and system changes, that delay should also be established through legislative action to assure the small companies' are not saddled with undue start-up expenses where no activity is present.**

In addition, if you propose that certain requirements be part of a utility's tariff, please also state whether you view that to be a permanent place for such requirements or if you propose that these tariff requirements be temporary until a permanent placement has been created.

MidAmerican will calculate the costs of all required improvements and file permanent tariffs to collect these costs from their Illinois electric customers. The timeframes allowed for a utility to build and implement referral programs should also be included as permanent tariff provisions.