

## CONP Working Group Meeting January 12th Meeting Summary

<b>Meeting Date</b>	Wednesday, January 12, 2011	<b>Time</b>	10:00 am – 2:00 pm
<b>Location</b>	ATCO Center 20th floor North Board Room, Edmonton,	<b>Facilitators</b>	Nap Pepin (ATCO Electric) Raymond Lee (AUC)

### 1 Nap Pepin reviewed security for fire alarm and facility locations

### 2 Introductions

Name	Company
Raymond Lee	AUC
Helen McKinlay	Enmax Encompass
Tammy Haydey	Epcor Energy Services
Rhonda Mudryk	FortisAlberta Alberta
Lorraine Wigston	UCA
Susan Enskat	UCA
Paul Tung	ENMAX Power
Maureen Jeske	Direct Energy
Jennifer Coleman	AltaGas Utilities
Lisa Lamers-Zuger	EPCOR Distribution & Transmission
Naomi Broni	EPCOR Energy Alberta Inc.
Nap Pepin	ATCO Electric
Kathy McCollum	ATCO Gas
Shannon Willford	ATCO I-Tek

### 3 Review of agenda

No questions or additions.

### 4 November 17, 2010 meeting minute Review

- Helen McKinley requested change in spelling of her last name. Should be spelled with ay (McKinlay) **not** “ey” (McKinley).
- Jennifer Coleman requested change be made to company. Use AltaGas Utilities instead of Alta Gas.
- Requested changes will be made and will be posted to AUC website
- November 17<sup>th</sup> meeting summary accepted by group.

### 5 Review of CONP Survey results

#### Background

The CONP survey was distributed to the working group by the AUC. Responses were received from 15 participants. Respondents consisted of 12 Distributors and 3 Competitive Retailers. Distributors included some REAs, 4 of which registered as distributors and retailers.

### Action Items:

1. A survey summary results to CONP working group participants
2. AUC will check with its legal counsel to get clarification on whether RRO or competitive retailer fits under term of market participants used in the SSC.
3. A draft meeting summary within 5 business days after the meeting.

### Survey highlights

#### **All Participants**

Question 1: (Purpose of CONP?)

A strong majority of respondents (3 Retailers, 7 Distributors) support the process defined by answer A - A process for all retailers (both regulated and competitive) to use to aid in bad debt recovery from non-paying customers.

3 Distributors say it should only be used by RRO or Default retailers.

1 Distributor suggested clarification by the AUC as to the purpose and noted that they would need to be ensured of no liability via legislation.

Question 2: (Support for AE/AG CONP lock process)

It appears that ATCO Gas and Electric do not have full industry support – survey response is quite divided. 1 Distributors suggested clarification by the AUC as to the purpose and noted that they would need to be ensured of no liability via legislation. 1 Distributor said they would comply with rules aligned for the industry and supported by applicable legislation.

Question 3: (Support for an Enrollment Lock)

Generally supported, 4 distributors and 2 retailers supported this for all retailers however 3 distributors stated it should only be available to RRO and Default Retailers. 2 distributors and 1 retailer were opposed. One distributor said that standard “payment received notification rules” are needed and potential liability for any delay to reconnect is an issue.

#### **Non CONP Distributors**

Question 1: (Reasons for not processing CONPs)

There was no clear reasons why non CONP distributors do not process CONP requests from competitive retailers (5 responses received). However 1 distributor stated that clarification by the AUC as to whether the transaction is applicable to competitive retailers would be useful. In addition, liability was an issue by that same distributor.

Question 2 and 3: (What would need to change to process CONPs)

There were no clearly identified reasons as to what would need to change for the distributor to willingly process CONP requests except for clarification from AUC and to be ensured that there would of no liability that was supported by legislation.

#### **Competive Retailers**

Question 1: (If all distributors processed CONPs, would you use it and how often?)

4 retailers stated they would use the process however volumes were generally unknown or not given.

Question 2: (Asked if retailers know of other depot recovery mechanisms other than CONP)  
No other bad debt recover mechanisms were identified by respondents (2) beside CONP to aid retailers in recovering bad debt.

### **All Distributors**

Question 1 and 2: Provide current volume of CONPs received annually and CONPS completed annually?

- Competitive Retailers – 20/17, Default/RRO – 20,000/16,500
- Competitive Retailers – 20/3, Default/RRO – 16,636/5344
- Competitive Retailers – 50/45, Default/RRO – 39,000/37,000
- Competitive Retailers – 0/0, Default/RRO – 840 to 1200/60 maximum
- Competitive Retailers – 0/0, Default/RRO – 10/(not given)
- Competitive Retailers – 0/0, Default/RRO – 10/10
- Competitive Retailers – 0/0, Default/RRO – 4500/4500
- Competitive Retailers – 0/0, Default/RRO – 300 to 500/all
- 20 (type not given) Completion 40% Competitive 60% RRO
- Competitive Retailers – 0/0, Default/RRO – 12654/all

Multiple Questions about Critical Sites: (See Surevey Reults Presentation)

Wide spread responses from many repondants made clear that there are no standards with respect to how critical sites are identified and who identifies them (retailer, distributor or both). There are no standard practices around how disconnects or reconnects for these sites are handled. Retailers are frustrated with having to deal with numerous practices, policies, service standards, etc.

## Meeting Highlights

### **CONP Process:**

- The group recommends the AUC generate an interpretation for the purpose of CONP.
- Rule 021 states that all market participants must comply with the Code and does not differentiate between competitive and non-competitive Retailers. If that is the case, does discretionary clauses in distributor T's and C's allow them to hardcode to fail CONPs received from competitive retailers?
- AE's and AG's lock process is not fully supported. Some in the group questioned why a non retailer of record can request a CONP if the site is in AE's and AG's service area?
- At least one retailer stated that if they have a customer that is cut off by another retailer, they have lost that revenue for that period. Is this fair?
- Retailers have issues with having a non standardized CONP process:
  - Not all distributors accept disconnect requests from competitive retailers.
  - In some instances, Retailers may or may not have their disconnect requests rejected by distributors.

### **Enrollment Lock**

- One of the options in preventing retailers to disconnect services is make use of the contract lock that was implemented in Texas. The contract lock would prevent a

customer from going to another retailer to have their service connected if the customer was under a contract or possibly owing money.

- One distributor was concerned about taking away customer choice.
- One Retailer said it was better than the CONP lock because the CONP lock allows a prior retailer to disconnect the site.

***Reasons non CONP distributors do not process CONP requests from competitive retailers***

- UCA expressed concern with disconnecting all services if a customer does not pay the entire bill. This could be a large impact to the customer. The UCA is not comfortable with cutting off all services for the customer. Would it be possible to cut off one service but not both (or all)?
- Retailers stated that they are responsible to pay for all services (commodity, distribution) to the AESO (for electricity) and to the distributor regardless of whether the customer pays. If a retailer were required to select one service to cutoff, the retailer would still need to continue to absorb the cost of service that remained active. This is a loss to the business.
- For the regulated side, the risk and liability is mitigated because the retailers can recover the bad debt.

***Changes that would need to occur for non CONP distributors to willingly process CONP requests***

- Should all distributors decide to process CONPs from all retailers, system changes are certainly needed. The group recognized that the costs for system changes ultimately pass on to customers. Costs and benefits need to be justified.

***Competitive Retailer mechanisms available to aid in recovering bad debt***

- Competitive Retailers are not allowed to charge a deposit because the Fair Trading Act does not allow it. Once the customer receives services from the retailer, the retailer can then request a deposit. Question: Do any competitive retailers obtain deposits after providing services to a customer?

***Critical Site Designation and de-energize / energize requests for critical sites***

- ATCO Electric sends crew to conduct a on-site check to validate if site is meeting the “critical sites” definition. Once is confirmed, the site is then flagged in the system through an UCI transactions.
- There is no common process or definition to determine what makes a critical site. Following are examples of different sites that have been designated as critical by different distributors:
  - Hospitals, banks, homes where participants are on life support, farms with livestock, etc.
- A retailer shared that their process such as doctors notes are required yearly to have a site designated as critical.
- Once the critical site status is established, not all distributors are conducting “critical site re-visittings”.

- A standard definition needs to be created for defining critical sites. Guidelines on what is defined as what is a critical site to eliminate ambiguous definitions processes created bilateral sharing of information for site.
- A retailer suggested they would like to see a process developed to share information between a distributor and retailer to work together on cutting off service.
- Should the CONP process include steps to ensure critical sites have back up plan? For example backup services.
- Distributors follow different processes on what is critical and when it can be cutoff
  - Two distributors leave the decision for cutoff up to the retailer. This means when a Retailer requests CONP the distributor will send out crew to disconnect services at the location. If the occupant complains, the customer is notified to contact their retailer. The distributor also contacts retailer and notifies them if issue is not resolved within 5 days they can send in another CONP and the services will be cutoff the second time.
- Non critical customers do not get phone calls notifying them of pending cutoff. This is only done for critical sites.
- Should buildings that have backup generators be designated as critical sites?
- Retailer made suggestions to define the customers responsibility related to cutoff for designated critical sites. For example, at a critical site if the customer has been warned about CONP the customer would be required to make other arrangements to support the critical care (example, remove sick person from the premises within 5 days after warning because it will be cutoff, be prepared).
- Distributor raised uncertainty about whether the working group can come up with a standard definition for critical because it could be different dependant on the business. For example, medical for humans, livestock or equipment.
- Suggestion made to add a second definition or category that allows the industry to at least agree on facility types that are critical.
- Some distributors are refusing to cutoff site because a site has been deemed as critical but the definition is not standard.
  - Participants agreed that no distributor should hard code systems to automatically fail a CONP for a critical site. The request must be reviewed. If there is a site that is that critical it should have backup.
  - **DECISION:** Reconnection after CONP is not included in the scope of this working group. It belongs in the Energization and Enrollment Group'

***Sites that were de-energized for reason on CONP when cold weather approaches***

- Distributors do not have a process to check for sites that are still cutoff during cold weather.
- One distributor sends a letter out to the customer if there service is still cutoff in November but there is no additional follow up.

## **6 Next steps/issues discussion**

- FortisAlberta made a request to add the following two items to the agenda for the next meeting
  - Item 1:

- Does a process exist where the distributor can request a CONP when a customer has not paid for work done.
- Item 2:
  - Dealing with requests from non market participants (for example government agency) to disconnect power as a result of unpaid loans. Example scenario: a request has been submitted from the rural agriculture director requesting to disconnect a customer's power because they have not paid for the farm loan.

## **7 Next Meeting**

The next meeting date is scheduled on Wednesday February 16, 2011. The meeting location is in Calgary. AUC will host the meeting.