

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY :
AMENDMENT TO TERMS AND CONDITIONS : DOCKET NO. 3679
FOR NONREGULATED POWER PRODUCERS :

ORDER

On May 5, 2005, Narragansett Electric Company (“Narragansett” or “Company”) filed with the Public Utilities Commission (“Commission”) a change to the Company’s Terms and Conditions, R.I.P.U.C. No. 1124 with R.I.P.U.C. No. 1191 clarifying certain sections and amending Section 2.5 to permit electronic exchange between the Company and Suppliers in order for Suppliers to obtain twelve months of historic usage using the Electronic Data Interchange (“EDI”) transaction process. Narragansett also proposed a new Section 2.6 regarding the Provision of non-residential Customer Lists to Suppliers that are willing to enter into appropriate confidentiality agreements. The proposed effective date was June 15, 2005.

On May 16, 2005 and May 20, 2005, the Commission received comments from two competitive suppliers, Select Energy and Constellation New Energy, supporting Narragansett’s proposals regarding Sections 2.5 and 2.6. However, they also provided their own clarifying language with regard to some of Narragansett’s language changes in other sections. Select Energy also requested the Terms and Conditions include additional information to be provided to suppliers.

On May 24, 2005, in addition to responding to Commission data requests, Narragansett indicated that it agreed with all but one of Constellation’s suggested changes. With regard to Select Energy’s comment, Narragansett maintained that it was

unnecessary because suppliers will already receive the information suggested by Select Energy.

On May 31, 2005, the Division of Public Utilities and Carriers (“Division”), filed a Memorandum authored by Stephen Scialabba, Chief Accountant, recommending approval of the changes to Section 2.5, allowing the electronic exchange of customer information between Narragansett and suppliers using EDI. He noted that the changes will make the current manual process more efficient. He further noted that Narragansett still will not provide account numbers to the suppliers, thus maintaining the protection of customers against slamming. However, with regard to Section 2.6, which would allow Narragansett to provide non-residential Customer Lists to suppliers each quarter with an opt-out provision for customers, the Division requested additional time for consideration.

After a review of the various filings, the Commission conducted an Open Meeting on May 31, 2005 and approved Narragansett’s proposed amendments to Section 2.5 and the clarifying language changes as set forth in the May 24, 2005 submission by Narragansett. The Commission suspended the effective date of the proposed Section 2.6 pending further investigation.

On June 7, 2005, Narragansett submitted a letter that was sent to Mr. Scialabba addressing the Division’s concerns regarding the opt-out provision. In response to the Division’s concern that using an opt-out versus and opt-in provision may harm customers by allowing the dissemination of their name, address, and historical usage information without their consent, Narragansett noted that its sister companies in Massachusetts have successfully begun this method with no complaints from non-residential customers. Additionally, Narragansett indicated that telephone numbers and account numbers will

not be provided to suppliers. Narragansett indicated that it would agree to provide two bill inserts to advise customers before releasing the first Customer List and will provide an annual reminder.

On June 10, 2005, Mr. Scialabba filed a Memorandum with the Commission indicating that the Division did not oppose the petition to modify the NPP Terms and Conditions to allow for the release of non-residential customer information. The Division recommended that Narragansett be required to provide two consecutive bill inserts prior to releasing the first Customer List. In providing its position, the Division noted that the language of the Utility Restructuring Act (“URA”),¹ as amended, sets forth the State’s policy that the General Assembly chose to adopt, namely to support electric restructuring and competition in energy supply. The Division concluded that “concerns about customer inconvenience and privacy need to be balanced against the state’s policy that competitively supplied power will benefit the state and that it is in the public interest to promote competition in the electric industry.”²

After a review of the various filings, the Commission conducted an Open Meeting on June 16, 2005 and approved Narragansett’s proposed addition of Section 2.6 allowing Narragansett to provide non-residential Customer Lists to suppliers on a quarterly basis assuming those suppliers have signed an appropriate confidentiality agreement. The Commission ordered Narragansett to provide two consecutive bill inserts prior to releasing the first Customer List.

The Commission notes, as did the Division, that the policy of the State of Rhode Island, as set forth in the URA, is to promote competition in the supply of electricity.

¹ R.I. Gen. Laws, § 39-1-1 et seq. (2002).

² Memorandum to Luly Massaro from Stephen Scialabba dated 6/10/05, p. 2.

Suppliers have indicated in prior dockets that the unavailability of Customer Lists is a barrier to entry into the Rhode Island market. In order to protect customers from unauthorized switching from one supplier to another, or “slamming,” the Commission has promulgated Consumer Protection Requirements for Nonregulated Power Producers (“Rules”). The Commission finds that Narragansett’s proposal is not in conflict with the Commission’s Rules. Furthermore, the Commission notes that customers’ interests are protected because account numbers will not be released to suppliers. Only the customer can provide the account numbers to the supplier and as such, should be protected from slamming, even upon release of the Customer Lists. Therefore, the Commission believes that Narragansett’s proposal will strike the appropriate balance between removing one barrier to competition while still protecting customers interests.

Accordingly, it is hereby

(18363) ORDERED:

1. Narragansett Electric Company’s R.I.P.U.C. No. 1191 is hereby approved for effect June 16, 2005.
2. Narragansett shall provide customers with two consecutive bill inserts explaining the “Provision of Customer Lists to Suppliers” to customers including their right to opt out of this service.
3. Narragansett Electric Company shall comply with all other findings and instructions contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO OPEN
MEETING DECISIONS ON MAY 31, 2005 AND JUNE 16, 2005. WRITTEN ORDER
ISSUED SEPTEMBER 12, 2005.

PUBLIC UTILITIES COMMISSION

Elia Germani, Chairman

Robert B. Holbrook, Commissioner