

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

B. Customer Choice

1. With regard to customer billing (Section 2205(C)):
 - a. Explain the procedures the natural gas distribution company will use to receive accurate, timely billing data from natural gas suppliers and to address billing data problems;

Response:

Suppliers will complete and submit, via fax, a supplier rate statement to Distribution by the end of the month prior to the effective billing month. The form will include for each customer the rate the NGS will charge, the effective billing month for that rate, and a NGS rate code established by Distribution. To avoid billing data problems, Distribution will review the form for accuracy and clarity. Distribution will clarify, with a previously identified NGS contact, any irregularities on the submitted form. The rate will be processed accordingly.

The NGS will have the capability to have up to 26 rate codes and the NGS will inform the Company of the applicable rate code for each of its customers.

The consumption will be based on meter readings (company & customer) or estimates performed by Distribution.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

B. Customer Choice

1. With regard to customer billing (Section 2205(C)):
 - b. Set forth any proposed natural gas distribution company billing charge to natural gas suppliers and its basis in incremental costs. Section 2205(c)(3);

Response:

The provisions of Distribution's existing SATS service tariff allow for the Company and Suppliers to negotiate the terms and charges relating to the Company providing rate ready billing services for the NGS. The Company has offered Suppliers a standardized billing service offer where the Company provides rate ready billing services to Suppliers at a charge of \$0.20 per bill. This offer has been in place since the start of the System-Wide Choice Plan. The charge is designed to recover the incremental system development costs involved in modifying Distribution's billing system to allow for NGS charges. In developing this charge, the total cost of system modifications were averaged over a three year period and divided by anticipated participation levels to develop the per bill charge.

| | |
|--|----------------------|
| Total Development Costs | \$167,000 |
| Number of Years Amortized | <u>3</u> |
| Amortized Development Cost | \$ 55,667 |
| Average Projected Participation (Annual Bills) | <u>283,000</u> |
| Billing Costs | <u><u>\$0.20</u></u> |

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

B. Customer Choice

1. With regard to customer billing (Section 2205(C)):

- c. Provide a proposed billing format for retail gas customers who choose to receive a single bill from the natural gas distribution company for supply and distribution services: and

Response:

Attached is the Company's single bill format under the current program. Distribution is evaluating the Tentative Order issued by the Commission in Docket No. M-00991249.F005, and the costs which will be associated with it.

Distribution's single bill format is rate ready. This means that rates, provided by the NGS, are applied to volumes to determine NGS commodity charges. The NGS may utilize up to 26 different rates to bill customers or groups of customers. The billing program also accommodates 'percent off' rates relative to Distribution's sales rates.

The current billing program is not designed to accommodate a bill ready format. In that format, the NGS informs the NGDC what dollar amount to bill, usually based upon application of a rate by the NGS to consumption quantities provided by the NGDC. Enhancement of the current billing program to accommodate a bill ready format will require extensive resources. Such enhancements may even include use of standard X12 Electronic Data Interchange ("EDI").

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

B. Customer Choice

1. With regard to customer billing (Section 2205(C)):

- d. Provide a proposed billing format for retail gas customers who choose to be billed separately by the natural gas distribution company (distribution services) and their natural gas supplier (supply).

Response:

Attached is the Company's two bill format under the current program. As noted, Distribution is evaluating the Tentative Order issued by the Commission in Docket No. M-00991249.F005 and the costs which will be associated with it.

As previously described in Exhibit 2, Schedule B 1c, Distribution's single bill format is rate ready. This means that rates, provided by the NGS, are applied to volumes to determine NGS commodity charges. The NGS may utilize up to 26 different rates to bill customers or groups of customers. The billing program also accommodates 'percent off' rates relative to Distribution's sales rates.

The current billing program is not designed to accommodate a bill ready format. In that format, the NGS informs the NGDC what dollar amount to bill, usually based upon application of a rate by the NGS to consumption quantities provided by the NGDC. Enhancement of the current billing program to accommodate a bill ready format will require extensive resources. Such enhancements may even include use of standard X12 EDI.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

B. Customer Choice

2. Set forth the natural gas distribution company's proposal to comply with its supplier of last resort obligations under Section 2207.

Response:

Under Distribution's current customer choice program Distribution is the supplier of last resort (referred to throughout as "SOLR"). Exhibit 3, Description at 2-3, Exhibit 4, Rate Schedule SATS, pages 83AC - 83AT. Under the program if customers do not choose an NGS, or if an NGS no longer serves a customer, those customers will be served by Distribution.

Distribution will continue this practice and will maintain a portfolio of the assets necessary to meet the requirements of sales and SOLR customers.

In order to continue to support this SOLR obligation, Distribution must maintain a level of existing and/or new contracts for upstream pipeline and storage capacity. As customers elect SATC service and receive their gas supplies from a new NGS, the NGS will receive assignment of the assets necessary to serve its customers as described further in Exhibit 2, Schedule C. To the extent customers elect to return to Distribution for sales service or if certain Suppliers elect to discontinue service to customers, Distribution shall have the right to recall the capacity and storage necessary to serve those customers in order to carry out its SOLR obligation. If customers were being served using capacity provided directly by an NGS pursuant to the process described in Exhibit 2, Schedule C 2d, Distribution will have the right to receive assignment of such supplier-provided capacity in order to carry out its SOLR obligation.

In addition to maintaining sufficient capacity for its role as SOLR, Distribution will continue to contract for gas supplies from the production area at a level sufficient to meet its remaining sales obligation. In order to assure service to customers that potentially could return to Distribution sales service, Distribution plans to have under contract sufficient high deliverability assets which will provide service to such customers until other firm supplies are obtained, to the extent necessary.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

B. Customer Choice

3. Set forth the procedures the natural gas distribution company intends to follow to:
- (a) resolve customer billing complaints; and
 - (b) handle customer complaints regarding natural gas suppliers.
Section 2207

Response:

- (a) customer billing complaints:

Distribution will continue its current policies and procedures regarding customer billing complaints in accordance with its tariff and Chapter 56 requirements. Distribution will respond to all issues which are appropriately the responsibility of the distribution company. For customer billing complaints concerning the NGS, such as rates or other non-distribution charges, Distribution will refer the customer to the NGS.

- (b) customer complaints regarding natural gas suppliers:

Distribution will continue to follow its current procedures to refer customer complaints with the customer's NGS to that NGS. This includes matters relating to rates and contracts. All calls to Distribution's Customer Response Center ("CRC") are logged into Distribution's Ratepayer Information Log Inquiry (RILI) screen as part of Distribution's mainframe system. Should the customer indicate that they were unable to resolve the matter with the NGS, the customer will be provided with information to contact an appropriate agency for resolution. (This may include but not limited to the PUC Bureau of Consumer Services and the Bureau of Consumer Protection of the Office of the Attorney General.)

Distribution, when appropriate and in the interest of maintaining good customer relations, may intervene with the NGS to resolve a non-billing complaint. Should the customer elect to file a complaint with the PUC or request, with reason, an expedited process, Distribution will promptly investigate the matter and the results of the investigation made available as expeditiously as possible.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

Distribution expects that most complaints regarding Suppliers will deal with unauthorized enrollment (by a person other than the customer of record at a premises) or by a marketer (slamming). To verify customer intentions, Distribution will contact each enrolling customer. Daily, a program is run of all accounts entered as "pending" enrollment into an aggregation group. The list of pending aggregation accounts is then downloaded to a program that generates a letter to each "pending" customer acknowledging their selection of an alternative NGS. The letter identifies the supplier and requests that the customer immediately call our CRC if they dispute the enrollment information. If a customer responds by calling the CRC to dispute the enrollment, the representatives, by asking specific questions, record the call and appropriate information in the RILI screen with a specific root cause code. This code triggers a daily report that is reviewed by the Transportation Services Department. Appropriate action is taken in response to the information recorded in RILI. This may include removing the account from the Supplier's aggregation group. The root cause code report is retained for monitoring purposes: including identifying possible slamming behaviors or the need for further consumer education.