

Michael L. Mosher, P.E.
Vice President - Regulatory Affairs



Via UPS Overnight

April 17, 2008

Hon. Jaclyn Brilling, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: **Case 98-M-1343** - In the Matter of Retail Access Business Rules
Case 07-M-1514 - Petition of New York Consumer Protection Board and the
New York City Department of Consumer Affairs
Regarding the Marketing Practices of Energy Service
Companies
Case 08-G-0078 - Ordinary Tariff Filing of National Fuel Gas Distribution
Corporation to establish a set of commercially reasonable
standards for door-to-door sales of natural gas by ESCO's

Dear Secretary Brilling

Enclosed please find an original and five copies of the Initial Comments by Central Hudson Gas & Electric Corporation in the above captioned proceedings. Electronic copies are also being served on those on the Active Party List for each proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M.L. Mosher", with a long horizontal line extending to the right.

Michael L. Mosher

Encl.

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

-----X		
In the Matter of Retail Access Business Rules	:	Case 98-M-1343
-----X		
Petition of New York Consumer Protection Board and the New York City Department of Consumer Affairs Regarding the Marketing Practices of Energy Service Companies	:	Case 07-M-1514
-----X		
Ordinary Tariff Filing of National Fuel Gas Distribution Corporation to establish a set of commercially reasonable standards for door-to-door sales of natural gas by ESCO's	:	Case 08-G-0078
-----X		

**INITIAL COMMENTS OF CENTRAL HUDSON GAS & ELECTRIC CORP.
REGARDING
PROPOSED REVISIONS TO THE UNIFORM BUSINESS PRACTICES (UBP)**

On March 19, 2008 the Commission issued a "Notice Soliciting Comments On Revisions To The Uniform Business Practices" (Notice) seeking comments on several proposed revisions to the UBP, including the addition of a new Section 10, dealing specifically with ESCO Marketing Standards. The Notice also seeks comments from interested parties on ten questions not directly addressed by the proposed UBP revisions. Central Hudson welcomes the opportunity to participate in this discussion.

Introduction

Central Hudson has seen a significant increase in ESCO direct marketing activity in its service area recently, primarily by telemarketing and door-to-door sales calls. While it is natural for some customer confusion and concern to arise during such widespread marketing campaigns, Central Hudson has noted a large increase in customer calls to our call center as a result of this sales activity. Many of these customer calls

represent complaints by customers regarding the methods and practices of the ESCO sales agents. In addition to calls received during a sales campaign, we also receive many reports from customers who have switched to ESCO service that the savings promised to them never materialized. The customer complaints are sufficiently frequent, and sufficiently similar, to lead us to believe that some ESCOs have established (or permit) sales practices intended to mislead or confuse customers. Such practices injure customers, and interfere with the efficient operation of the retail marketplace. Central Hudson therefore supports the inclusion of both the proposed Marketing Standards and remedies in the UBP. Except to the extent that our comments below suggest changes, Central Hudson recommends adoption by the Commission of the UBP changes proposed in the Notice. Our comments are organized by UBP Section, with comments on two of the ten questions following.

SECTION 2

C.1. It should be noted that a DPS re-application requirement imposed upon ESCOs that do not commence operations within two years of receipt of their eligibility letter does not alter or limit a utility's right to include commencement limits in its operating agreements with ESCOs that may differ from those imposed by the Commission.

2.D.6.b. The UBP language should be changed to clarify whether the stated consequences could be imposed on an ESCO within utility territories other than where the violation(s) occurred, and to provide for notice to the utilities in those territories where such remedies have been imposed, since several of these will have direct customer consequences.

SECTION 5

B.3. It is not clear to Central Hudson that such a delay in making active a termination fee provision is reasonable, however if such a requirement is to be included in the UBP, it should provide for an assumption regarding the customer's receipt of the first bill, following the mailing of the bill. It should also be specific whether the measurement period is 30 calendar days or business days.

B.D.6. While this is not one of the clauses of the UBP that has changes proposed, the discussion regarding contract periods contained in other sections of the proposed UBP suggests it may be time to clarify one of the less well understood yet frequently invoked rules in the section. Central Hudson proposes the following revision to the second sentence in this section..."In the event that the distribution utility receives notice from the prospective ESCO or the customer no later than three business days before the effective date that a pending enrollment is cancelled, the distribution utility shall transmit a request to reinstate service to any incumbent ESCO, unless the ESCO previously terminated service to the customer or the customer requests a return to full utility service".
(Proposed changes underlined).

Responses to Commission's Questions

1. Central Hudson currently collects its Regulatory Commission Assessments in its delivery charge. The Company does not advocate for either position on this issue, but notes that the collection of such a charge by ESCOs in their supply charge could lead to the need for utilities to further unbundle charges, and its likely that the differing levels of regulatory oversight between ESCOs and distribution utilities will require that these

assessments will be at different amounts, complicating the recovery process when customers move from distribution utility to ESCO, and back again.

2. Central Hudson feels strongly that an ESCO should not accept enrollments from any person other than the customer of record for any account. This issue is one that has led to much confusion among customers, and much dissatisfaction with ESCO marketing.

CONCLUSION

The proposed revisions to the UPB will improve customer information and understanding, and help to limit the undesirable practices that sometimes occur. Central Hudson supports the inclusion of these revisions in the UPB, subject to the comments above.