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## *Annual Report on the Status of Competition*

### Illinois – Electric

The Illinois Commerce Commission's Office of Retail Market Development issued its annual report on the status of competition in the retail electric industry. For 2018: (1) the number of retail energy suppliers (RESs) in 2018 was 103 in comparison to 98 for the

prior year; (2) the number of certified agents/brokers/consultants (ABCs) rose from 367 in 2017 to 399; and (3) there were 228,421 non-residential customers on alternative retail electric supply - an increase of approximately 1 percent over 2017.

## *General Assembly Report on Lost and Unaccounted For Gas*

### Connecticut – Natural Gas

The General Statutes of Connecticut require the Public Utilities Regulatory Authority report to the General Assembly by July 1<sup>st</sup> of each year on lost and unaccounted for (LAUF) gas. The report includes the following findings: (1) Accounting LAUF gas is caused by unbilled gas and other accounting items and accounted for 71.5% to 88% of 2017 LAUF gas; (2) Measurement LAUF gas is caused by inaccuracy in meter readings and accounted for 10.3% to 16.7% of 2017 LAUF gas; (3) Leak LAUF gas is caused by corrosion, third party damages and cast iron joints and accounted for 0.77% to 13.8% of 2017 LAUF gas; (4) Theft LAUF gas is caused by theft of service and

accounted for 0% to 0.33% of 2017 LAUF gas; (5) Each LDC has a gas leak monitoring program to reduce leaks and the programs are reasonable and prudent; (6) As more cast iron and bare steel distribution systems are replaced, the number of leaks caused by corrosion and natural forces should diminish over time; and (7) The Department of Transportation's Pipeline and Hazardous Materials Safety Administration recently implemented integrity management regulations for natural gas distribution systems that are intended to help ensure pipeline integrity and improve pipeline safety.

## *National Association of Regulatory Utility Commissioners*

### National – Electric & Natural Gas

The National Association of Regulatory Utility Commissioners is urging the Presidential Administration to fill current federal agency vacancies, including the vacated position of

Commissioner at the Federal Energy Regulatory Commission, with current or former state utility regulators.

## *Exportation of Natural Gas and Liquefied Natural Gas*

### National – Natural Gas

The U.S. Department of Energy (DOE) has issued a final rule to provide for faster approval of small-scale exports of natural gas, including liquefied natural gas from U.S. export facilities. The DOE is revising its regulations to provide that the DOE will issue an export authorization upon receipt of any complete application that seeks to export natural gas, including liquefied natural gas (LNG), to countries with which the United States has not entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas and with which trade is not prohibited by U.S. law or policy (non-FTA countries), provided that the application satisfies the following two criteria: (1) The application proposes to export

natural gas in a volume up to and including 51.75 billion cubic feet per year (Bcf/yr), and (2) The DOE's approval of the application does not require an environmental impact statement or an environmental assessment under the National Environmental Policy Act of 1969. Applications that satisfy these criteria are requesting authorization for “small-scale natural gas exports,” and the DOE deems such exports to be consistent with the public interest under the Natural Gas Act. DOE's regulations regarding notice of applications and procedures conducted on applications do not apply to applications that satisfy these criteria.

## *Electric Industry Issues and Potential for Retail Choice*

### Arizona – Electric

The Arizona Corporation Commission has directed its staff to commence an informal rulemaking process to review and address a number of electric industry issues including the potential assessment of retail electric choice. Arizona embarked on energy

deregulation decades ago; however, that effort was put on hold in 2004 via regulatory orders. With the exception of a pilot choice program for large industrial customers, there is no retail energy choice in Arizona.

## *Municipal Aggregation and Direct Access*

### California – Electric

The California Public Utilities Commission is assessing how ratepayers would compensate electric utilities for generation in the event that customers move to choice organizations such as municipal aggregation and direct access providers. California law requires that customers compensate a utility when it moves to

a new load-serving entity through a power charge indifference adjustment (PCIA). The PCIA is designed to equalize the cost sharing between customers that leave the utility and those that stay with the utility. However, if the PCIA is too high, it will likely have a negative impact on migration to competitive supply.

## *Federal Energy Regulatory Commission Vacancy*

### National – Electric & Natural Gas

President Trump has nominated Bernard McNamee to serve as a commissioner at the Federal Energy Regulatory Commission. McNamee currently heads

the Department of Energy's Office of Policy and, if confirmed, will fill the seat vacated by former Commissioner Robert Powelson. McNamee's

nomination comes as the agency deals with high-profile questions on grid resilience, pipeline approvals and state policy preferences, as well as

waiting for a proposal to support certain electric generation resources such as coal-fired and nuclear electric generation.

## *Improving Natural Gas Coordination with Electric Generation*

National – Natural Gas

The Federal Energy Regulatory Commission is proposing to change certain natural gas pipeline regulations, partly to improve the coordination between the natural gas and electric sectors. The commission plans to incorporate into its regulations the latest business practice standards adopted by the *wholesale gas quadrant* of the North American

Energy Standards Board. The proposed revisions are necessary to establish more efficient coordination between the natural gas and electric industries and the revisions affect nominations-related standards that govern natural gas shipper requests to schedule service on gas pipelines.

## *An Evaluation of Regulatory Framework for Electric Customer Choice*

California – Electric

The California Public Utilities Commission has issued a policy paper entitled: *“California Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market.”* In the late 1990s, California deregulated its electricity market eliminating the utility monopoly on electricity supply. However, after brownouts and blackouts during the Western energy crisis in 2000, California reversed course and electric utilities returned to being the

main provider. The commission is taking a more measured approach to electricity deregulation today and that includes: (1) reviewing the State’s history with customer choice; (2) identifying energy policy goals; (3) defining customer choice; (4) evaluating representative regulatory models that enable high levels of customer choice - New York, Illinois, Texas and Great Britain; and (5) leveraging lessons learned from California’s history and other markets.

## *Revisions to Requirements for Competitive Provision of Electricity*

Maine – Electric

The Maine Public Utilities Commission adopted revisions to its rules governing the licensing requirements, annual reporting, enforcement and consumer protections for the competitive provision of electricity. The adopted rules conform to recent legislative changes regarding competitive electricity providers and transparency in the electricity supply market. The rules provide additional customer protections for small commercial customers.

However, the commission has clarified that only certain sections apply to aggregators and brokers. The new rule provides that for all sales before entering into an agreement, a competitive electricity provider shall disclose in writing to the customer where the customer can obtain information to compare the service provided to standard offer service. The recently adopted statute also revised renewal and end-of-contract procedures.

## *New England Power Pool Press Ban*

### New England – Electric

Trade publication, *RTO Insider*, asked the Federal Energy Regulatory Commission to order a halt to New England Power Pool's (NEPOOL) ban on the press and public membership arguing it is discriminatory.

NEPOOL asserts that its meetings must be private to foster open discussion and NEPOOL rejected a request by *RTO Insider* to join the organization.

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