

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Shell)
Energy Services for a Waiver of Rule 4901:1-) Case No. 02-834-EL-UNC
21-11(G)(4), Ohio Administrative Code.)

ENTRY

The Commission finds:

- (1) On June 8, 2000, the Commission issued its Entry on Rehearing (Entry) in Case No. 99-1611-EL-ORD, *In the Matter of the Commission's Promulgation of Rules for Competitive Retail Electric Service Standards Pursuant to Chapter 4928, Revised Code*, adopting minimum competitive retail electric service (CRES) standards at Chapter 4901:1-21, Ohio Administrative Code (O.A.C.). The CRES standards, effective September 18, 2000, include a contract administration provision at Rule 4901:1-21-11(G)(4), O.A.C., which requires that if a residential or small commercial customer's automatic contract renewal or extension entails any material changes to the contract, except a price reduction, the CRES provider shall notify the customer of such changes, and obtain the customer's consent to such changes pursuant to any of the enrollment procedures established in the Rule 4901:1-21-06, O.A.C.
- (2) On April 5, 2002, Shell Energy Services (Shell or applicant) filed a request for a limited waiver of the affirmative consent provision in Rule 4901:1-21-11(G)(4), O.A.C. More specifically, Shell states that it serves approximately 25,000 residential customers in the FirstEnergy Corporation distribution service territory. Shell states that to date it has mailed approximately 11,000 contract renewal notices and that approximately 35 percent of the customers have not responded. Shell extrapolates the 35 percent no-response rate to its entire customer class and concludes that if the lack of response continues at the currently level, approximately 8,000 customers will allow their contract with Shell to expire. The applicant further argues that if customers allow their contract with Shell to expire, the customers will lose their market support generation and be returned to the local electric distribution utility's standard offer service at a higher rate. Accordingly, Shell requests that it be permitted to renew its agreements with customers who have not yet responded to Shell's contract renewal notice. In addition, Shell requests permission to continue to serve such customers while the Commission considers the waiver request and also requests an expedited ruling.

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- (3) Given that Shell's request was filed less than a week ago, the Commission requires additional time to consider the issues raised by Shell's waiver request. However, while the Commission considers Shell's waiver request, the Commission finds it reasonable, under the circumstances, to allow Shell to continue to serve customers that have not responded to the contract renewal notice under the terms of their existing contracts for one additional meter reading cycle, until the Commission specifically orders otherwise. In other words, Shell shall be permitted to continue to serve their customers who have not responded to the contract renewal notice until the customer's next meter read date after the original contract has expired. During this additional billing cycle, Shell will have the opportunity to make further attempts to contact customers regarding renewal of their contract. In the event the customer still has not responded to Shell's contract renewal notice, Shell shall return the customer to the local electric distribution utility's standard offer service.
- (4) The Commission emphasizes that any violation of the terms and conditions of this waiver may result in the rescission of the waiver or other measures, as the Commission deems appropriate.

It is, therefore,

ORDERED, That Shell's request for a limited waiver of the affirmative consent provision of Rule 4901:1-21-11(G)(4), O.A.C., is granted to the extent discussed in finding 3, until the Commission rules otherwise. It is, further,

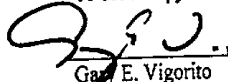
ORDERED, That a copy of this entry be served upon Shell and its counsel, and all other interested persons of record.

Entered in the Journal

APR 9 2002

THE PUBLIC UTILITIES COMMISSION OF OHIO

A True Copy



Gary E. Vigorito
Secretary



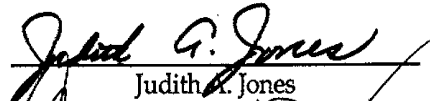
Alan R. Schriber, Chairman



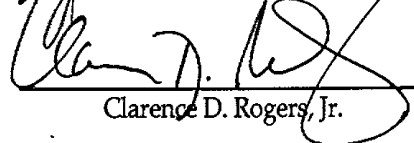
Ronda Hartman Fergus



Donald L. Mason



Judith A. Jones



Clarence D. Rogers, Jr.

GNS/vrm