

Docket No.: AR.07-05-025

Exhibit No.: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: Mark E. Fulmer

ERRATA

**TESTIMONY OF MARK E. FULMER ON BEHALF OF  
THE DIRECT ACCESS PARTIES  
CONCERNING  
THE TRANSITIONAL BUNDLED SERVICE RATE,  
DIRECT ACCESS SWITCHING RULES, MINIMUM STAY PROVISIONS, AND  
ENERGY SERVICE PROVIDER FINANCIAL SECURITY REQUIREMENTS**

1                    Additionally, ESPs should be allowed flexibility as to how to meet the security  
2 requirement (beyond simply posting a bond or letter of credit), and the security  
3 requirement should be recalculated annually.  
4

5 **II.        TRANSITIONAL BUNDLED SERVICE RATE**

6  
7 **Q:        What is the Transition Bundled Service Rate?**

8 A:        Under current DA rules, a customer may return to utility service upon six months notice.  
9 If a customer returns to utility with less than six months notice, that customer pays the  
10 TBS rate for whichever portion of the six month notification period that the customer is  
11 taking power from the utility.<sup>5</sup>  
12

13 **Q:        What is the purpose of the TBS rate?**

14 A:        The TBS rate is intended to reflect a market-based price that the host utility will incur to  
15 serve a customer that has not provided the required notification to return to fully bundled  
16 service. The policy behind this is to ensure that bundled customers will not incur any  
17 additional costs because departed load customers return to IOU service before the IOU  
18 has been able to incorporate that load into its procurement planning.<sup>6</sup>  
19

20 **Q:        This sounds very similar to the Market Price Benchmark (MPB) used to calculate**  
21 **the departing load indifference rate. Should the MBP and the TBS rate take into**  
22 **account the same factors?**

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<sup>5</sup> In addition, if a customer returns to utility service without six months' notice, the first sixty days of the utility service is considered a "safe harbor" period during which a customer may leave utility service to DA service with a new ESP. If the customer does not elect DA service in that period, then he must take TBS service for six months.

<sup>6</sup> D.03-05-034

1 CAISO Scheduling Coordinator has defaulted on its CAISO obligations, such that the  
2 ESP is no longer has an authorized CAISO Scheduling Coordinator.

3 If a customer is placed on utility service because that customer defaulted under  
4 his or her service agreement with the ESP, then that customer should be considered a  
5 voluntary return for purposes of the switching and minimum stay rules.

6  
7 **Q: Now that the DA Parties have differentiated between involuntary and voluntary**  
8 **returns to utility service, please outline the recommended switching and minimum**  
9 **stay rules.**

10 A: First, a **voluntarily returning** customer must give six months notice before returning to  
11 utility service from Direct Access service. If a voluntarily returning customer remains on  
12 Direct Access service for the full six month notice period, upon the customer's return to  
13 utility service the customer will receive service under the otherwise applicable bundled  
14 tariff. A voluntarily returning customer that returns to utility service without six months  
15 notice should be charged the TBS rate for utility service for six months.

16 The Safe Harbor period for voluntary returned customers should remain at 60  
17 days. That is, the voluntarily returning customer should have sixty days on TBS service  
18 to submit a DASR to return to DA service. If the customer returns to DA service within  
19 the safe harbor period, that customer should retain the PCIA vintage to which the  
20 customer was subject at the time of the voluntary return.

21 If the voluntarily returning customer has not elected new Direct Access service by  
22 the end of the safe harbor period, ~~the remainder of the six month service on TBS service~~  
23 will be provided to the customer, after which time the customer will take service under  
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