

October 23, 1997

Mr. Tom Austin
Project Manager
Regulatory Assistance Project
177 Water Street
Gardner, ME 04345

Dear Tom:

This letter transmits Energy Research Group, Inc.'s (ERG's) comments on the RAP Report on "Uniform Consumer Disclosure Standards for New England".

Our comments are brief and address three issues:

1. The research that Chris Kallaher performed on conjunction with Michael Stoddard was done purely for the benefit of the group. Chris was not representing EEI with respect to the issues, nor were any of the opinions he may have expressed thoughts of EEI or ERG.
2. The disclosure workshop process was flawed in that it did not address the threshold question of whether consumer disclosure was in fact necessary or appropriate or whether other educational techniques were better. This is a major failing of both the report and the process. A number of other questions also seem inadequately addressed of a similar threshold nature. For example, regulatory goals are placed in a secondary category, however, tracking is expected to accommodate these goals.
3. Simplifying assumptions abound throughout the report trivializing very significant issues of accuracy, clarity and fairness. These same assumptions underestimate the complexity and potential size of the market and interrelationships of settlement, tracking, confidentiality of competitive data, market power and market efficiency.

We would recommend that commissions ignore these model rules and wait for the consumer and the marketplace to demonstrate the need for such actions.

Sincerely,

Marc W. Goldsmith, President

cc: D. Dworzak, EEI
J. Sinclair, ISO-NE
D. Nickerson, NEES
D. Allegretti, ENRON
T. Kaslow, NEES
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