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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE**  L-2014-2409385 |

**June 23, 2014**

To: All Licensed Electric Generation Suppliers

Re: Rulemaking to Amend the Provisions of 52 Pa. Code, Section 54.5 Regulations Regarding Disclosure Statement for Residential and Small Business Customersand to Add Section 54.10 Regulations Regarding the Provision of Notices of Contract Renewal or Changes in Terms.

Docket No.: L-2014-2409385

The purpose of this Secretarial Letter is to inform licensed Electric Generation Suppliers (EGSs) of the procedure to submit for review by Commission staff the “EGS Contract Summaries” referred to in the above-referenced Commission Order and in 52 Pa Code § 54.5(i). This new regulation was published in the Pennsylvania Bulletin on June 14, 2014, and goes into effect 30 days after publication. This new regulation specifies that:

*(i) The EGS shall provide, with the disclosure statement, a separate EGS contract summary in a format provided by the Commission.*

The EGS Contract Summary is discussed on pages 25 – 27 of the above-noted order and a format was included as Attachment A of this same Order (also attached to this Secretarial Letter). Further, the Commission, in ordering paragraph five, directed:

*That the Commission’s Office of Competitive Market Oversight provide further direction to currently licensed EGSs serving residential and/or small business customers regarding the submission of EGS Contract Summaries to the Commission.*

By this Secretarial Letter, the Commission’s Office of Competitive Market Oversight (OCMO) is providing this direction. The intent of this directive is to assist EGSs with complying with this new requirement. Commission staff from OCMO, the Bureau of Consumer Services (BCS) and the Office of Communications will be reviewing the summaries to provide informal feedback and advice to assist EGSs in their efforts to comply with the new regulations.[[1]](#footnote-1)

All EGSs that are actively soliciting residential and small business customers[[2]](#footnote-2) are directed to submit a draft sample of the Contract Summary they intend to use. EGSs should submit one sample for each product type they intend to offer; *e.g.* fixed price, variable price and introductory price products. It is not required for EGSs to send a sample for every product offered - it is expected that EGSs will apply the feedback received to all of their Contract Summaries.[[3]](#footnote-3) We also note that, with the exception of EGSs going through the initial licensing process, it is not necessary to seek Commission review of all Contract Summaries going forward. However, EGSs are expected to apply the feedback received to future summaries.

We ask EGSs to submit electronic versions of the Contract Summaries to the Office of Competitive Market Oversight at [RA-OCMO@pa.gov](mailto:RA-OCMO@pa.gov) by July 11, 2014. We intend for the review to be informal and accomplished through the exchange of emails and phone calls; therefore, we request that EGSs include with their submission(s) accurate contact information (phone numbers and email addresses).

It is our intent to review and provide an expeditious response. However, EGSs should comply with the new regulation upon its effective date – meaning that Contract Summaries should be provided to all new residential and small business customers regardless of whether or not Commission staff has completed its review of those summaries. We understand that certain EGSs may want to first receive the results of the staff’s informal review before using the summaries, and as such, we encourage those EGSs to submit their sample summaries as soon as possible.

Questions about this Secretarial Letter can be directed to one of the following:

* Dan Mumford, Office of Competitive Market Oversight. [dmumford@pa.gov](mailto:dmumford@pa.gov). (717) 783-1957
* James Farley, Bureau of Consumer Services. [jafarley@pa.gov](mailto:jafarley@pa.gov).   
  (717) 772-1201
* Dave Hixson, Office of Communications. [dhixson@pa.gov](mailto:dhixson@pa.gov).   
  (717) 772-2766

Thank you for your attention and cooperation.

Sincerely,

Rosemary Chiavetta

Secretary

cc: Office of Consumer Advocate

Office of Small Business Advocate  
Jan Freeman, Executive Director  
Mary Beth Osborne, Director of Regulatory Affairs  
Bohdan Pankiw, Chief Counsel

Paul Diskin, Director, Technical Utility Services

Tom Charles, Director, Office of Communications

Alexis Bechtel, Director, Bureau of Consumer Services

Office of Competitive Market Oversight

**ATTACHMENT: Electric Generation Supplier Contract Summary**

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| Electric Generation Supplier Information | *Name, telephone number, website, etc.*  *Plain language statement that EGS is responsible for generation charges.* |
| Price Structure | *Fixed or variable. If variable, based on what? If variable, how often is the rate expected to vary? If variable, give any applicable ranges/ceilings. If no ranges/ceilings, a plain language statement indicating this fact. If variable, describe when the customer will receive notification of price changes in relation to time of month, final monthly meter read, billing cycle or when the price takes effect.* |
| Generation/Supply Price | *$/kWh or ¢/kWh. If variable rate, the first billing cycle’s rate. Any introductory rate with length of term.* |
| Statement Regarding Savings | *Plain language that the supply price may not always provide savings to the customer* |
| Deposit Requirements | *Any deposit requirements necessary for a customer and any terms associated with that deposit, in plain language.* |
| Incentives | *Any bonuses, discounts, cashback, etc. offers and any associated terms, in plain language.* |
| Contract Start Date | *Plain language regarding start of EGS service (meter reads/billing cycles/etc.)* |
| Contract Term/Length | *In months, billing cycles, etc.* |
| Cancellation/Early Termination Fees | *Yes or no. If yes, describe the amount of the fee and how to avoid that fee, if possible.* |
| Renewal Terms | *Treatment of customer at end of contract. Timing of notices. No cancellation/early termination fees. In plain language.* |
| Electric Distribution Company Information | *Name, telephone number, website, etc.*  *Plain language statement that EDC is responsible for distribution charges, as well as any emergencies/outages/etc.* |

1. Please note that staff review and feedback is considered informal advice and is provided pursuant to 52 Pa Code §1.96 solely as an aid to EGSs. It is not binding upon the Commonwealth or the Commission and informal opinions are subject to withdrawal or change at any time to conform with new or different interpretations of the law or regulation. [↑](#footnote-ref-1)
2. As defined at 52 Pa Code § 54.2: *Small business customer*—The term refers to a person, sole proprietorship, partnership, corporation, association or other business entity that receives electric service under a small commercial, small industrial or small business rate classification, and whose maximum registered peak load was less than 25 kW within the last 12 months. [↑](#footnote-ref-2)
3. To the extent EGSs subsequently develop new electricity sales products, or have additional questions on how to effectively communicate any terms and conditions, Commission staff encourage ongoing dialogue and feedback on Contract Summary text. [↑](#footnote-ref-3)