BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Request for Clarification on Notice Requirements for Combined Electricity and Natural Gas Disclosure Statements; 52 Pa. Code Sections 54.5, 54.10 and 62.75	))))	**Docket No. L-2014-2409385**

<u>Comments of the</u>
<u>National Energy Marketers Association</u>

The National Energy Marketers Association (NEM)[1] hereby submits comments in support of the proposal set forth in the Tentative Order issued by the Commission on July 9, 2014, to provide clarification of the appropriate contract expiration notice timeframes that should be applied to customers receiving both electric and natural gas supply services from the same competitive supplier. This clarification is necessitated by a recent change in the electric regulations pertaining to the timing of sending contract initial notices and contract options notices for fixed price contracts that are nearing expiration, which now need to be sent 45-60 days and at least 30 days prior, respectively.[2] The existing natural gas regulations require a notice be sent at about 90 days and again at about 60 days prior to expiration of a customer's natural gas contract.[3] For a customer receiving both competitive electric and natural gas supply service, the differing notice requirements would result in the supplier sending the customer four different notices, which could potentially result in consumer confusion and a negative energy shopping experience.

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[1] The National Energy Marketers Association (NEM) is a non-profit trade association representing both leading suppliers and major consumers of natural gas and electricity as well as energy-related products, services, information and advanced technologies throughout the United States, Canada and the European Union. NEM's membership includes independent power producers, suppliers of distributed generation, energy brokers, power traders, global commodity exchanges and clearing solutions, demand side and load management firms, direct marketing organizations, billing, back office, customer service and related information technology providers. NEM members also include inventors, patent holders, systems integrators, and developers of advanced metering, solar, fuel cell, lighting and power line technologies.
[2] 52 Pa. Code § 54.10 (a)(1) and (2).
[3] 52 Pa. Code § 62.75 (g)(1).

As a result, to resolve this inconsistency in the notice requirements, the Commission proposes that,

> "In instances where a customer is receiving both electric generation and natural gas supply service from the same competitive supplier and the terms for both services expire within 30 days of each other, it is acceptable to send two contract expiration notices that address both services. The timing of the two notices shall comply with the timeframes found in the natural gas disclosure regulations; 52 Pa. Code § 62.75(g)(1) – one at 90 days and the second at 60 days. However, all other aspects of the electric regulations (52 Pa. Code §§ 54.5 and 54.10) must be applied to the customer electric generation service." (Tentative Order at 7).

However, the Commission additionally stated that suppliers would not be required to follow this approach. Rather, "while we are allowing a supplier to use two notices instead of four in these limited circumstances, we are not requiring the supplier to limit their mailings to two notices. Suppliers may continue to follow the separate regulations for electric and natural gas supply notice requirements." (Tentative Order at 6-7). The Commission considered, but rejected, the alternative approach of using the electric notice timeframes for this purpose, finding that because of slower switching processes for natural gas that the abbreviated notices may not afford consumers with adequate time to shop and switch suppliers should they so choose. (Tentative Order at 5).

NEM appreciates the Commission's expeditious identification and review of the notice timeframe inconsistency created by the new electric regulations and supports the Commission's flexible approach in its proposed solution. Consistency in the electric and natural gas regulations, where appropriate and technologically feasible, is beneficial to all stakeholders by allowing for more efficient, lower cost operations; streamlined rule administration and compliance procedures; and opportunities for clearer, less confusing and less duplicative communications with consumers. In this instance, consistency in the rules that would allow for a reduction of notices from four to two for dual commodity customers served by the same supplier, would reduce potential consumer confusion caused by multiple mailings and aid in supplier compliance and cost control by reducing duplicative notice requirements. By also allowing those suppliers that so choose in this situation to continue to follow the separate electric and natural gas regulations and send four notices, the Commission will preserve supplier flexibility to be compliant with the regulations and utilize their information systems in a way that the suppliers believe will best serve their customers.

The Commission additionally noted in the Tentative Order that consistency between electric and natural gas consumer protection regulations, particularly with respect to disclosure and supplier switching requirements, will be explored in the Commission's Natural Gas Markets Investigation.[4] NEM supports the Commission's efforts aimed at achieving increased rule standardization. We look forward to further discussions in this regard.

Conclusion

NEM appreciates this opportunity to offer its comments in support of the proposal to allow suppliers the option to follow the natural gas contract expiration notice timeframes when serving customers with both electric and natural gas supply services and the terms for both services expire within thirty days of each other.

Sincerely,

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[4] Docket I-2013-2381742.