

PENNSYLVANIA ENERGY MARKETERS COALITION

June 6, 2015

Rosemary Chiavetta
Secretary, Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Dear Secretary Chiavetta:

Please find enclosed the comments of the Pennsylvania Energy Marketers Coalition, in response to the Pennsylvania Public Utility Commission's tentative order filed on April 23, 2015, seeking comments regarding certain proposed recommendations, in the investigation of Pennsylvania's Retail Natural Gas Market ("RMI-Natural Gas"): Joint NGDC - NGS Bill, docketed at M-2015-2474802.

Please do not hesitate to contact me with any questions or concerns regarding our comments.

Sincerely,

A handwritten signature in cursive script that reads "Antonio Soruco".

Antonio Soruco
Regulatory Consultant
Pennsylvania Energy Marketers Coalition
(PEMC)

Director, Regulatory and Legislative Affairs
P.R. Quinlan Associates Inc.
1012 14th Street NW, Suite 1106
Washington, DC 20005

Enclosure

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Investigation into the Joint NGDC - NGS)
Customer Bill) Docket No. M-2015-2474802
)

COMMENTS OF THE PENNSYLVANIA ENERGY MARKETERS COALITION

The Pennsylvania Energy Marketers Coalition (“PEMC”)¹ appreciates this opportunity to submit comments in response to the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) tentative order of April 23, 2015, seeking public comment regarding the inclusion of Natural Gas Suppliers’ (“NGS”) logos on the Natural Gas Distribution Company (“NGDC”) bills; the expansion of NGS bill messaging space from two (2) to four (4) lines; and the inclusion of a Shopping Information Box., in the investigation of Pennsylvania’s Retail Natural Gas Market (“RMI-Natural Gas”): Joint NGDC - NGS Bill, docketed at M-2015-2474802.

The PEMC supports the Commission’s proposals for the joint NGDC-NGS customer bill. Once these proposed initiatives have been developed and fully implemented, we agree with the PUC that this will allow for an improved recognition by the customer of their NGS as well as a strengthened relationship between the customer and his or her supplier, ultimately leading to greater customer confidence in, and benefit from, in the competitive natural gas marketplace.

The PEMC seeks to only highlight a few issues that the PEMC finds critical to ensuring the Commission’s proposals are implemented in the manner that best benefits the customer. More specifically, the PEMC will briefly address the following topics in order:

- (1) Flexibility regarding placement of NGS logos and expanded bill messaging;
- (2) Bill inserts; and
- (3) Costs and cost recovery.

¹ For purposes of this filing, the PEMC consists of Agway Energy Services, LLC (“Agway”), Pennsylvania Gas & Electric (“PAG&E”), and SouthStar Energy Services, LLC (“SouthStar”).

1. Flexibility regarding the placement of NGS logos and expanded bill messaging

The PEMC agrees with the Commission that NGDCs should place the logos as near to the NGS charges as possible to reinforce the connection between the supply charges and the supplier. The PEMC further proposes that all three components: the NGS logo, the NGS charge, and the bill message be located as close to each other as possible, in order to simplify the customer's process of scanning the information on the bill. Relevant components of information that are located in different areas on the bill adds to customer confusion and could potentially lead to misinformed decisions. As noted in our informal comments to the Office of Competitive Market Oversight ("OCMO"), submitted on February 28, 2015, connecting the supplier logo, bill message, and supply charges via a visible feature, such as highlighting them in a distinctive color, can further help with identifying and differentiating the NGS information from the rest of the other topics of information on the customer bill. PEMC at 2.

The PEMC supports the Commission's recommendation to expand the bill messaging space for NGSs, following a similar strategy to what the PUC approved for electric generation suppliers on electric distribution company bills – allowing four (4) lines on each NGDC's bill for NGS messaging in its final order of May 22, 2015 (docketed at M-2014-2401345). PUC at 13. Including this additional number of lines provides greater flexibility as messaging needs can change over time. This will also allow suppliers greater ability to include different types of information as needed.

Lastly, the PEMC supports the Commission's proposal that the content of the text be included in the spacing at the discretion of the NGS and not the associated NGDC. In order to ensure the accuracy of information placed on the customer bill, allowing the NGDC and the NGS to write and provide the content reflective of their services will lessen the chance of any misleading or inaccurate information. This strategy also places greater responsibility and reliability in the rightful

hands of each party, with respect to displaying accurate information, and draws clear lines of accountability should any message require PUC investigation.

2. Bill inserts

The PEMC recognizes there are logistical challenges with allowing NGSs to include bill inserts in the NGDC bill. We understand that there would need to be limits on when and how the NGS could request to include the inserts. We also acknowledge that there will be a cost to the inserts – a cost that should be borne by the NGSs. At the same time, however, if we consider the needs and interests of the customer, the joint bill is perhaps the best opportunity to communicate important information. An NGS insert, for example, could help customers understand how best to prepare for the winter heating season in terms of controlling their gas usage; offer explanations of products and services that could be beneficial to consumers; and provide general market education leading to better-informed and more-empowered shoppers. We respectfully urge the PUC to consider whether the logistical challenges, real as they are, might not be outweighed by the potential consumer benefits to allowing a modest number of NGS bill inserts in each year.

3. Costs and Cost Recovery

The PEMC strongly agrees with the Commission's cost recovery proposal to use a non-bypassable charge levied on all distribution customers. As the utility billing system is an asset built and maintained at ratepayer expense, and all customers stand to benefit from the new proposed changes to the joint NGDC-NGS bill, a non-bypassable distribution charge is the most appropriate mechanism to use.

CONCLUSION

The PEMC commends the Commission on their recommended proposals regarding the NGS logo placement, expanded bill messaging, and customer shopping box. We believe these proposals, implemented effectively, will significantly strengthen the natural gas shopping experience for customers across Pennsylvania. A customer that has greater awareness of who supplies his or her natural gas, by way of NGS logo placement on the customer bill, along with increased informative messaging about his or her NGS and information about its supply services, will only strengthen consumer involvement in the Pennsylvania gas customer choice market. The PEMC continues to pledge its support to the Commission in an effort to ensure these proposals are implemented to the best benefit of the consumer.

Respectfully submitted,

PENNSYLVANIA ENERGY MARKETERS COALITION



Frank Caliva, III

Regulatory Consultant
Pennsylvania Energy Marketers Coalition

President
P.R. Quinlan Associates Inc.
1012 14th Street NW, Suite 1106
Washington, DC 20005



Antonio Soruco

Regulatory Consultant
Pennsylvania Energy Marketers Coalition

Director
P.R. Quinlan Associates Inc.
1012 14th Street NW, Suite 1106
Washington, DC 20005

CC: Agway Energy Services, LLC
South Star Energy Services
Pennsylvania Gas & Electric

Distribution to PEMC Members:

Michelle Mann
Compliance Paralegal
Pennsylvania Gas & Electric

Mark J. Pitonzo
Director of Business Development
Agway Energy Services, LLC

Joe Monroe
Vice President, Regulatory & Market Development
South Star Energy Services