

Regulatory Analysis Form

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(1) Agency

Pennsylvania Public Utility Commission

(2) I.D. Number (Governor*s Office Use)

L-00000149/57-215

IRRC
333 Market Street, 14th Floor
Harrisburg, PA 17101

received 5/11/00

IRRC Number: 2116

(3) Short Title

Customer Information Disclosure Requirements for Natural Gas Distribution Companies and Natural Gas Suppliers

(4) PA Code Cite

52 Pa. Code §§ 62.71-62.80

(5) Agency Contacts & Telephone Numbers

Primary Contact: Lawrence F. Barth, Law Bureau, 717-772-8579
(legal)

Secondary Cont: Dr. Z. Ahmed Kaloko, CEEP, 717-787-2139
(technical)

(6) Type of Rulemaking (check one)

- Proposed Rulemaking
 Final Order Adopting Regulation
 Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?

- No
 Yes: By the Attorney General
 Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

The Natural Gas Choice and Competition Act (Competition Act), 66 Pa. C.S. §§ 2201-2212, mandates that all retail customers of Pennsylvania's larger natural gas distribution utilities shall be able to buy gas on the open market. In order to implement choice, the PUC is promulgating regulations setting forth what information is to be provided to customers and what information about customers may be provided to natural gas suppliers by the local natural gas distribution company.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

66 Pa. C.S. §§ 501, 2201-2212.

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(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

Yes. 66 Pa. C.S. §§ 2205(c)(2), 2206(c).

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

With enactment of the Competition Act, many new market entrants will be selling natural gas to residential and commercial gas customers. It is important that these customers have information, provided on a uniform and state-wide basis which will help them make informed choices when choosing a supplier. It is also important that natural gas suppliers have relevant information about customers so that they can make meaningful offers to customers.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

The risk of inaction can be described in two ways. First, if customers are not given understandable information on their bills they will be unable to make an informed choice and may choose not to purchase gas from an independent supplier. Second, if suppliers are not given customer data, with restrictions, they will be unable to make meaningful offers to customers.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

All users of natural gas service in Pennsylvania should benefit since competition should help to keep gas prices down. Natural gas suppliers should benefit from increased sales. These benefits cannot be quantified.

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(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

If natural gas distribution companies which choose to remain in the retail sales market do not meet the competitive prices, they could be adversely affected through decreased sales of natural gas.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

Eleven natural gas distribution companies will be required to comply with the regulation. Natural gas supplier companies must also comply with it, although the number of suppliers cannot be estimated at this time.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

The regulations were derived from a list of guidelines developed by a working group of industry stakeholders during the summer of 1999. The guidelines, with some changes, were put forth for comments from interested parties. The final guidelines were issued by the Commission after reviewing comments from 15 parties.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

Compliance will entail some additional costs for natural gas distribution companies associated with initial compliance, but should decline thereafter.

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(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

These costs should be minimal.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

The Commission may have additional costs associated with enforcement of the regulation. Such costs should be minimal and cannot be estimated.

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(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings						
COSTS:						
Regulated Community						
Local Government						
State Government						
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

Not measurable at this time.

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(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

By relying on competition, as opposed to regulation, to set natural gas commodity prices, overall gas costs should decline, or, at the very least, not rise as fast or as high as they would in the absence of competition.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

Since the General Assembly has mandated the introduction of choice and competition into retail natural gas sales, no other alternatives were considered.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

Please see the response to number 22, above.

Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

Insofar as the Natural Gas Act preserves the regulation of retail sales of natural gas for the states, there are no comparable federal standards.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

The regulation will help Pennsylvania to gain a competitive advantage over states which are not implementing choice programs.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

The Commission is not aware of any regulations of it, or any other agency, that would be affected by this regulation.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No.

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(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

No new forms are imposed by this regulation. The regulation will affect the manner in which information is presented on a customer's bill by natural gas distribution companies and supply companies and what information is to be given these customers by these companies.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

Not applicable.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The regulation will become effective upon publication in the Pennsylvania Bulletin following review by the standing committees and the Independent Regulatory Review Commission.

(31) Provide the schedule for continual review of the regulation.

The regulation will be reviewed on an ongoing basis after it becomes effective.

**FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU**

(Pursuant to Commonwealth Documents Law)

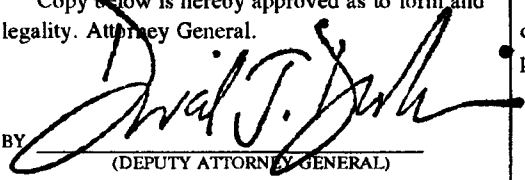
**IRRC
333 Market Street, 14th Floor
Harrisburg, PA 17101**

received 5/11/00

DO NOT WRITE IN THIS SPACE

2116

Copy below is hereby approved as to form and legality. Attorney General.

BY 
(DEPUTY ATTORNEY GENERAL)

MAY 10 2000

DATE OF APPROVAL

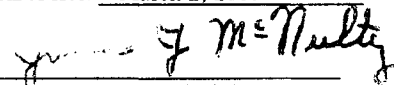
Check if applicable
Copy not approved. Objections attached

Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

Pennsylvania Public Utility Commission
(AGENCY)

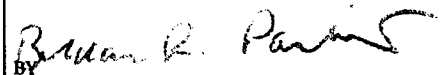
DOCUMENT/FISCAL NOTE NO. L-00000149/57-215

DATE OF ADOPTION March 2, 2000

BY 
James J. McNulty

TITLE (SECRETARY)

Copy below is hereby approved as to form and legality. Executive or independent Agencies.

BY 
Bohdan R. Pankiw
Chief Counsel

3/2/00
DATE OF APPROVAL

Check if applicable. No Attorney General approval or objection within 30 days after submission.

L-00000149/57-215
Proposed Rulemaking
Customer Information Disclosure Requirements
for Natural Gas Distribution Companies and
Natural Gas Suppliers
52 Pa. Code, Chapter 62

The Pennsylvania Public Utility Commission on March 2, 2000, adopted a proposed rulemaking order establishing regulations governing information provided on customer bills. The contact persons are Ahmed Kaloko, Bureau of Conservation, Economics and Energy Planning and Lawrence Barth, Law Bureau, 772-8579.

EXECUTIVE SUMMARY

L-00000149

Proposed Rulemaking

Re: Customer Information Disclosure Requirements for Natural Gas
Distribution Companies and Natural Gas Suppliers
52 Pa. Code Chapter 62

On June 22, 1999, Governor Tom Ridge signed into law the Natural Gas Choice and Competition Act (Act), codified at 66 Pa. C.S. §§ 2201-12. The Act revised the Public Utility Code, 66 Pa. C.S. §§ 101, et seq, so that the natural gas industry would be restructured so as to allow the retail sale of natural gas in an open market. In short, individual customers would be able to choose from independent suppliers of gas who would not necessarily be affiliated with the local gas utility.

In enacting this legislation, the General Assembly made it clear that information provided on customer bills and released to other parties should continue to be a matter for Commission oversight. 66 Pa. C.S. §§ 2205(c)(2), 2206(c). In order to fulfill this obligation, the Commission convened a working group to develop suggestions which would assist the Commission in this area. Based upon the product of that group and upon our experience in the restructuring of the electric industry, we issued interim customer information guidelines.¹ The regulation now proposed is intended to supplant the Interim Guidelines and govern the provision of customer information in the retail natural gas industry.

In order for retail natural gas users to enjoy the potential benefits available through competition, they not only must be able to compare prices, but to understand the terms of their natural gas service and, where possible, to compare the terms and conditions of service offered by different providers. The regulation will ensure that, to the greatest extent possible, these terms and conditions of service will be provided in a uniform fashion across the Commonwealth so as to ensure a smooth transition to full retail choice through the implementation of uniform statewide procedures.

¹ Interim Customer Information Disclosure Requirements for Natural Gas Distribution Companies and Natural Gas Suppliers, Docket No. M-00991249F0005, Order (Entered October 20, 1999).

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held March 2, 2000

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
Nora Mead Brownell
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

**Rulemaking Re:
Customer Information Disclosure
Requirements for Natural Gas Distribution
Companies and Natural Gas Suppliers**

Docket No. L- 00000149

PROPOSED RULEMAKING ORDER

BY THE COMMISSION:

On June 22, 1999, Governor Tom Ridge signed into law the Natural Gas Choice and Competition Act (Act), codified at 66 Pa. C.S. §§ 2201-12. The Act revised the Public Utility Code, 66 Pa. C.S. §§ 101, et seq., so that the natural gas industry would be restructured so as to allow the retail sale of natural gas in an open market. In short, individual customers would be able to choose from independent suppliers of gas who would not necessarily be affiliated with the local gas utility.

The Pennsylvania Public Utility Commission (Commission or PUC) is the agency charged with regulating the natural gas industry within the Commonwealth

and with implementing the Act. In that regard, the General Assembly has made it clear that information provided on customer bills and released to other parties should continue to be a matter for Commission oversight. 66 Pa. C.S. §§ 2205(c)(2), 2206(c).

Section 2206(c) states that:

The Commission shall, by order or regulation, establish requirements that each natural gas distribution company and natural gas supplier provide adequate, accurate customer information to enable retail gas customers to make informed choices regarding the purchase of all natural gas services offered by that provider. Information shall be provided to retail gas customers in an understandable format that enables retail gas customers to compare prices and services on a uniform basis.

Moreover, section 2205(c)(2) sets forth in greater detail the minimum informational requirements for bills rendered by natural gas distribution companies and natural gas suppliers.

As natural gas distribution companies began to restructure their services in Pennsylvania, we issued interim customer information guidelines.¹ Through this Order and the attached regulations at Annex A, we intend to promulgate permanent regulations to supplant the Interim Guidelines. These regulations, when approved, will govern the provision of customer information in the retail natural gas industry.

¹ Interim Customer Information Disclosure Requirements for Natural Gas Distribution Companies and Natural Gas Suppliers, Docket No. M-00991249F0005, Order (Entered October 20, 1999).

In order for retail natural gas users to enjoy the potential benefits available through competition they not only must be able to compare prices, but to understand the terms of their natural gas service and, where possible, to compare the terms and conditions of service offered by different providers. These regulations will ensure that, to the greatest extent possible, these terms and conditions of service will be provided in a uniform fashion.

We are interested in obtaining comments from interested parties on these regulations. It is important that these regulations help to promote and not impede the open market for natural gas. If anyone foresees a problem, they should bring it to our attention pursuant to the comment provisions in ordering paragraph no. 7 below.

It should also be noted that the Commission reserves the right to waive any or all requirements of these regulations upon petition by an affected party pursuant to section 5.43 of our regulations (relating to petitions for issuance, amendment, waiver or repeal of regulations), 52 Pa. Code § 5.43.

ACCORDINGLY, under section 501 of the Public Utility Code, 66 Pa. C.S. § 501, and the Commonwealth Documents Law, 45 P.S. §§ 1201, et seq., and regulations promulgated thereunder at 1 Pa. Code §§ 7.1-7.4, we amend the regulations at 52 Pa. Code §§ 62.71-62.80 as noted above and as set forth in Annex A; **THEREFORE**,

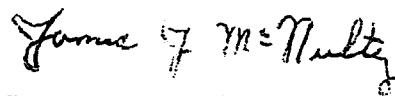
IT IS ORDERED:

1. That a Rulemaking Docket shall be opened to consider regulations set forth in Annex A.
2. That the Secretary shall submit a copy of this Order and Annex A to the Office of the Attorney General for review as to form and legality.
3. That the Secretary shall submit a copy of this Order and Annex A to the Governor's Budget Office for review of fiscal impact.
4. That the Secretary shall submit this Order and Annex A for review by the designated standing committees of both houses of the General Assembly, and for formal review and comments by the Independent Regulatory Review Commission.
5. The Secretary shall duly certify this Order and Annex A and deposit them with the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.
6. That a copy of this final Proposed Rulemaking Order and any accompanying statements of the Commissioners be served upon all jurisdictional natural gas companies, the Office of Consumer Advocate, the Office of Small Business Advocate, all licensed natural gas suppliers, all persons who have applied to be licensed as natural gas suppliers, and the Natural Gas Competition Legislative Stakeholders.
7. That within 45 days of the publication of this Order and Annex A in the Pennsylvania Bulletin, an original and 15 copies of any comments concerning

this Order and Annex A should be submitted to the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265.

8. That the contact persons are Ahmed Kaloko, Director, Bureau of Conservation, Economics and Energy Planning (technical), (717) 787-2139 and Lawrence F. Barth (legal), (717) 772-8579.

BY THE COMMISSION,



James, J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: March 2, 2000

ORDER ENTERED: **MAR 8 5 2000**

Annex A
Title 52. Public Utilities
Part I. Pennsylvania Public Utility Commission
SUBPART C. FIXED UTILITIES
CHAPTER 62. NATURAL GAS SUPPLY CUSTOMER CHOICE
SUBCHAPTER C. Customer Information Disclosure

§ 62.71. Purpose.

(a) The purpose of these regulations is to require that all natural gas providers enable customers to make informed choices regarding the purchase of all natural gas services offered by providing adequate and accurate customer information.

Information shall be provided to customers in an understandable format that enables customers to compare prices and services on a uniform basis.

(b) As to the scope of Subchapter C, Customer Information Disclosure, this section and sections 62.72 and 62.73 apply to all customers, including large commercial and industrial customers. Sections 62.74 through 62.79 apply only to residential and small business customers, as defined in section 62.72, relating to definitions. Section 62.80 shall apply as described in section 62.73(d).

§ 62.72. Definitions.

The following words and terms have the following meanings, unless the context clearly indicates otherwise:

Basic Services -- Services necessary for the physical delivery of natural gas to a retail customer, consisting of natural gas distribution services and natural gas supply services.

City Gate -- The point where interstate pipelines deliver gas into natural gas distribution company facilities.

Commission -- The Pennsylvania Public Utility Commission. The state agency responsible for utility rates and services offered by local distribution companies and for natural gas suppliers as provided for in section 2208 of the Natural Gas Choice and Competition Act. 66 Pa. C.S. §§ 2201-2212.

Commodity Charges or Natural Gas Supply Charges -- Basic service charges for natural gas supply services to retail customers, excluding charges for natural gas distribution services.

Consumer -- A retail gas customer.

Consumer Contract -- The written disclosure statement of the terms of service between a customer and a Natural Gas Supplier (NGS) which satisfies the definition of consumer contract set forth at 73 P.S. §2203.

Customer -- A person that buys retail natural gas.

Customer Information -- Written, oral or electronic communications used by natural gas providers to communicate to consumers prices and terms of service.

Distribution Charges -- Basic service charges for the delivery of natural gas to a retail customer from the point of receipt into the NGDC's distribution system. These charges include basic service under 52 Pa. Code § 56.15(4) (relating to Billing Information) and universal service, as applicable.

Historical Billing Data -- The minimum of twelve (12) months of data as recorded by the NGDC, which contains usage data and dollar amount billed,

unless 12 months of such data is not available, in which case the NGDC shall provide as much billing data as is available. This data is thousand cubic feet (Mcf), hundred cubic feet (ccf), or dekatherms (Dth) consumption at some prescribed interval of consumption and associated cost.

Natural Gas Distribution Company (NGDC) -- A public utility that provides natural gas distribution services and which may provide natural gas supply services and other services. For purposes of these regulations this term does not include:

(1) any public utility subject to the jurisdiction of the commission which has annual gas operating revenues of less than \$6,000,000 per year, except where the public utility voluntarily petitions the commission to be included within this definition or where the public utility seeks to provide natural gas supply services to retail gas customers outside its service territory; or

(2) any natural gas public utility subject to the jurisdiction of the commission that is not interconnected to an interstate gas pipeline by means of a direct connection or an indirect connection through the distribution system of another natural gas public utility or through a natural gas gathering system.

Natural Gas Distribution Service.-- The delivery of natural gas to retail gas customers utilizing the jurisdictional facilities of the natural gas distribution company.

Natural Gas Providers -- The term refers collectively to the NGDC, natural gas supplier, marketer, aggregator and/or broker, as well as any third party acting on behalf of these entities.

Natural Gas Supplier (NGS) -- An entity other than a natural gas distribution company, but including natural gas distribution company marketing affiliates, which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of a natural gas distribution company that provides natural gas supply services outside its certificate service territories. The term includes a municipal corporation, its affiliates or any joint venture, to the extent that it chooses to provide natural gas supply services to retail customers located outside of its corporate or municipal limits, as applicable, other than:

- (i) as provided prior to the effective date of this chapter, pursuant to a certificate of public convenience if required under this title;
- (ii) total natural gas supply services in de minimus amounts;
- (iii) natural gas supply services requested by, or provided with the consent of, the public utility in whose certificated territory the services are provided; or
- (iv) natural gas supply services provided to the municipal corporation itself or its tenants on land it owns or leases, or is subject to an agreement of sale or pending condemnation, as of September 1, 1999, to the extent permitted by applicable law independent of Chapter 22 of the Public Utility Code.

The term excludes an entity to the extent that it provides free gas to end-users under the terms of an oil or gas lease. Notwithstanding any other provision of this

title, a natural gas supplier that is not a natural gas distribution company is not a public utility as defined in section 102 of the Public Utility Code (66 Pa. C.S. § 102) (relating to definitions) to the extent that the natural gas supplier is utilizing the jurisdictional distribution facilities of a natural gas distribution company or is providing other services authorized by the commission.

Natural Gas Supply Charges or Commodity Charges -- Basic service charges for natural gas supply services to retail customers, excluding charges for natural gas distribution services.

Natural Gas Supply Services -- The term includes the sale or arrangement of the sale of natural gas to retail customers and services that may be unbundled by the Commission under section 2203 (3) of Chapter 22 (66 Pa. C.S. § 2203(3)) (relating to standards for restructuring of natural gas utility industry). The term does not include distribution service.

Nonbasic Services -- Optional recurring services which are distinctly separate and clearly not required for the physical delivery of natural gas service.

Retail Gas Customer -- A direct purchaser of natural gas supply services or natural gas distribution services, other than a natural gas supplier. The term excludes an occupant of a building or facility where the owner/operators manage the internal distribution system serving such building or facility and supply natural gas and other related services to occupants of the building or facility; where such owners/operators are direct purchasers of natural gas supply service; and where the occupants are not direct purchasers.

Small Business Customer -- This term refers to a person, sole proprietorship, partnership, corporation, association or other business entity that receives natural gas service under a small commercial, small industrial or small business rate classification, and whose aggregate maximum registered annual consumption with the NGDC was less than 300 Mcfs, or equivalent, over the last 12 months.

§ 62.73. Standards and Pricing Practices for Retail Natural Gas Service

In furnishing retail natural gas service, NGDCs and NGSs or any entity that otherwise provides retail natural gas service information to customers, shall comply with the following:

- (a) Use common and consistent terminology in customer communications, including marketing, billing and disclosure statements and use the standard pricing unit of the NGDC. The three standard pricing units that are currently used by NGDCs are ccfs, Mcfs and Dths.
- (b) Use the term NGDC as described in section 62.72 (relating to definitions) as a standard term.
- (c) Use the terms as defined in the Commission's "Consumer's Dictionary for Natural Gas Competition" (Dictionary), maintained on file in the Commission's Office of Communications. NGDCs shall provide this Dictionary upon customer request, and the "Common Natural Gas Competition Terms" as described in subparagraph (d) shall indicate the phone number and address to request the Dictionary.

(d) Each NGDC will distribute the “Common Natural Gas Competition Terms,” found at 52 Pa. Code § 62.80, as part of its consumer education program, as a bill insert or in a separate mailing once per year for the life of the NGDC’s choice education campaign.

§ 62.74. Bill Format for Residential and Small Business Customers.

(a) NGS prices billed shall reflect the marketed prices and the agreed upon prices in the disclosure statement.

(b) The following requirements apply only to the extent to which an entity has responsibility for billing customers, and to the extent that the charges are applicable. Duplication of billing for the same or identical charges by both the NGDC and NGS is not permitted.

(1) NGDC charges shall appear separately from NGS charges.

(2) Charges for basic services shall appear before charges for nonbasic services, and appear distinctly separate.

(3) Customer bills shall contain the following charges, if these charges are applicable, and these charges shall appear in a distinct section of the bill. The designation or label of each charge as either a basic charge or nonbasic charge appears in parenthesis following the name of the charge. This label of either basic or nonbasic is not required to accompany the name of the charge on the bill.

(i) Commodity charges (basic).

(A) Commodity charges shall be presented in the standard pricing unit for natural gas of the NGDC in actual dollars or cents per standard pricing unit or actual average dollars or cents per standard pricing unit.

(B) Commodity charges shall appear first among the basic charges with one exception. NGDCs may place the Customer Charge first among the basic charges.

(ii) Distribution charges (basic).

(iii) Customer charge or basic charge (charge for basic service in 52 Pa. Code § 56.15) (basic).

(iv) Gas Cost Adjustment Charges (basic).

(v) Taxes (Shall comply with § 56.15) (basic).

(vi) Late payment charges (basic).

(vii) Security deposit (basic).

(viii) Reconnection fee (basic).

(ix) Itemization of nonbasic charges (nonbasic).

(x) Overall billing total.

(4) The entity reading the meter for billing purposes shall provide the following natural gas use data figures:

(i) The total annual natural gas use for the past 12 months in the standard pricing unit of the NGDC including the current billing cycle. This is a single cumulative number.

(ii) The average monthly natural gas use for the past 12 months in the standard pricing unit of the NGDC including the current billing cycle. This is a single cumulative number.

(5) The requirements of 52 Pa. Code § 56.15 shall be incorporated in customer bills to the extent that they apply.

(6) Definitions for the following charges and terms are required in a customer's bill, if they appear as billing items, as contained in "Common Natural Gas Competition Terms," 66 Pa. C.S. § 62.80, and shall be in a distinctly separate section of the bill:

(i) Commodity charges.

(ii) Distribution charges.

(iii) Customer charge/basic charge (Charge for Basic Service in 52 Pa. Code §56.15).

(iv) Gas Cost Adjustment charges.

(v) The standard pricing unit of the NGDC, either ccf, Mcf or Dth.

(7) "General Information" is the required title for customer contact information in a customer's bill.

(i) The name, address, telephone number and Internet address for the NGS and NGDC shall be included.

(ii) Both NGDC and NGS information in (i) is required on all customer bills with the billing entity's information first.

(8) When a customer chooses the option to receive a separate bill for competitive natural gas supply, the NGDC shall include in a customer's bill the following information where the NGS charges would normally appear:

(i) The NGS's name.

(ii) A statement that the customer's NGS is responsible for the billing of NGS charges.

(9) When a customer chooses the option to receive a single bill from the NGDC, the NGDC shall include in the customer's bill the name of the NGS where the NGS charges appear.

(10) For customers who have chosen to receive gas supply from a competitive supplier, the customer's bill shall include the following statements which may appear together in a paragraph:

(i) "Commodity prices and charges are set by the natural gas supplier you have chosen."

(ii) "The Public Utility Commission regulates distribution prices and services."

(c) The billing entity shall provide samples of customer bills to the Commission for review prior to issuance to customers.

§ 62.75. Disclosure Statement for Residential and Small Business Customers.

(a) The agreed upon prices in the disclosure statement shall reflect the marketed prices and the billed prices.

(b) The NGS shall provide the customer written disclosure of the terms of service at no charge whenever:

(1) The customer requests that an NGS initiate service.

(2) The NGS proposes to change the terms of service.

(c) The contract's terms of service shall be disclosed, including the following terms and conditions, if applicable:

(1) Commodity charges shall be disclosed according to the actual prices and be presented in the standard pricing unit of the NGDC or other Commission-approved standard pricing unit. Commodity charges shall include estimated total state taxes. Commodity charges exclude state sales tax and county tax.

(2) The variable pricing statement (if applicable) shall include:

(i) Conditions of variability (state on what basis prices will vary).

(ii) The starting price and the ceiling price.

(3) An itemization of basic and nonbasic charges distinctly separate and clearly labeled.

(4) The length of the agreement, which includes:

(i) The starting date.

(ii) The expiration date, if applicable.

(5) An explanation of sign-up bonuses, add-ons, limited time offers, other sales promotions and exclusions, if applicable.

(6) An explanation of prices, terms and conditions for special services, if applicable.

(7) The cancellation provisions, if applicable.

(8) The renewal provisions, if applicable. Automatic renewal is allowed at the same terms and conditions as long as the new agreement is month-to-month.

(9) The name and telephone number of the supplier of last resort.

(10) An explanation of penalties, fees or exceptions, printed in type size larger than the type size appearing in the terms of service. Penalties shall be disclosed in actual dollars or a specific method for determining the actual dollars must be disclosed.

(11) Customer contact information that includes the name of the NGDC and NGS, and the NGS's address, telephone number, Commission license number and Internet address, if available. The NGS's information shall appear first and be prominent.

(12) A statement that directs a customer to the Commission if the customer is not satisfied after discussing the terms of service with the NGS.

(13) The name and telephone number for universal service program information.

(d) Customers shall be provided a 3-day right of rescission period following receipt of the disclosure statement from the NGS.

(1) The 3-day right of rescission is three business days.

(2) The 3-day right of rescission begins when the customer receives the written disclosure from the NGS.

(3) The customer may cancel in writing, orally or electronically, if available, by contacting the NGS.

(4) Waivers of the 3-day right of rescission are not permitted.

(e) The definition for commodity charges is required on natural gas disclosure statements and shall be defined in accordance with the Commission's "Common Natural Gas Competition Terms," 66 Pa. C.S. § 62.80. Definitions for other basic charges, if applicable, are required. Definitions for each of the nonbasic services, if applicable, are required. The definition section of the bill shall be distinctly separate.

(f) The NGS shall include in the customer's disclosure statement the following statements which may appear together in a paragraph:

(1) "Commodity prices and charges are set by the natural gas supplier you have chosen."

(2) "The Public Utility Commission regulates distribution prices and services."

(g) Disclosure statements shall include the following customer notification:

(1) "If you have a fixed term agreement with us and it is approaching the expiration date, we will send you advance written notices at about 90 days and 60 days before the expiration date. If we propose to change our terms of service in any type of agreement, we will send you advance written notices at about 90 days

and 60 days before the effective date of the change. If we are billing you directly for our services, then we will provide the notices as a bill message, a bill insert, or in a separate corresponding mailing. If the NGDC is billing our charges for us, then we will provide the notices in separate corresponding mailings. We will explain your options to you in these two advance notifications.” The NGS may add appropriate language in the notice so that the notice may serve as an amendment to the original agreement in the event that the customer affirmatively reselects the NGS. After a customer affirmatively reselects the NGS, the NGS is relieved of its obligation to fulfill any outstanding notice requirements. If the change in terms notice is for a reduction in the price of the commodity charges, then the NGS is required to send only one written notice at least 60 but not more than 90 days prior to the effective date of the price change.

(h) If the supplier of last resort changes, the new supplier of last resort shall notify customers of that change, and shall provide customers with their name, address, telephone number and Internet address, if available.

§ 62.76. Request for Information.

(a) Natural gas providers shall respond to reasonable customer requests for efficiency information by indicating that these materials are available upon request from the Commission or the NGDC.

(b) Residential and small business customers, upon request from the customer, are entitled to receive at no charge and at least once a year, historical billing data from whoever reads the meter for billing purposes. If the customer is receiving

competitive natural gas supply service from an NGS, and receiving a separate bill from the NGS, the NGS will provide dollar amounts billed.

(1) The NGDC is only obligated to provide information that is readily available in its billing system.

(2) The historical billing data shall be conveyed in terms of the NGDC's standard pricing unit, i.e., ccfs, Mcfs or Dths, and associated charges for the current billing period and for the year preceding the current billing period.

(3) The historical billing data will be updated with each billing cycle.

(c) Natural gas providers shall notify consumers not less than once per year either in advertising materials, disclosure statements or bills that information on energy efficiency and historical billing data is available upon request.

§ 62.77. Marketing/Sales Activities.

(a) NGSs' advertised prices shall reflect prices in disclosure statements and billed prices and shall be presented in the standard pricing unit of the NGDC.

(b) NGSs' marketing materials that offer terms of service for acceptance by customers shall include prices, as follows:

(1) If using a fixed price, the NGS shall show charges for supply service per ccf for usages of 15, 80 and 120 ccf of natural gas or equivalent, per month, in a table format.

(2) If using a variable price mechanism, the NGS shall factor in all costs associated with the rate charged to the customer, and show the average price for

supply service per ccf for usages of 15, 80 and 120 ccf of natural gas or equivalent, per month, in a table format.

(3) The NGS shall note the effective date of the prices shown in the table provided under paragraphs (1) or (2).

(c) Advertising materials targeted for residential and small business sales shall be made available upon request of the Commission.

§ 62.78. Privacy of Customer Information.

(a) No NGDC or NGS may release private customer information to a third party unless the customer has been notified of such intent and has been given a convenient method of notifying the entity of the customer's desire to restrict the release of the private information. If the customer does not choose to restrict the release of one of the two restriction options in (1) and (2) below, then all of the customer's private information may be released to a third party except for the telephone number. If the customer chooses to restrict the release of private customer information, the customer may restrict information released according to one of the following two restriction options:

(1) Restrict the release of only the customer's historical billing data in the NGDC's standard pricing unit, i.e., as denominated by the NGDC, or

(2) Restrict the release of all private customer information including name, billing address, service address, rate class, rate sub-class, account number and historical billing data in the NGDC's standard pricing unit, i.e., as denominated by the NGDC.

(b) Customers shall be permitted to restrict information as specified in subsection (a) by returning a signed form, or by oral or electronic communication.

(c) Nothing in this section prohibits the NGS and NGDC from performing their mandatory obligations to provide natural gas service as specified in the disclosure statement and in the Code.

(d) Telephone numbers may not be released to third parties under any circumstances.

§ 62.79. Complaint Handling Process.

NGDCs and NGSs shall disclose to customers the following with respect to the rights of customers in the handling and resolution of complaints:

(1) Residential and small business customers shall directly contact the party responsible for the service in question as an initial step for complaint and problem resolution. If the customer mistakenly contacts the wrong entity, the customer shall be promptly referred to the appropriate contact. In the event of an unexpected loss of firm gas service, the customer shall be directed to the NGDC.

(2) Complaints that pertain to 52 Pa. Code Chapter 56 (relating to standards and billing practices for residential utility service) matters shall be handled and resolved in accordance with the applicable standards in Chapter 56.

(3) NGDCs and NGSs shall give the Commission access to disclosure statements, billing and other customer information resources for compliance reviews as deemed necessary by the Commission. When complaints arise and are

brought before the Commission for resolution, the obligation of the NGS shall be extended to the provision of pricing information.

§ 62.80. Common Natural Gas Competition Terms.

Burner Tip - The point at which natural gas is used such as a furnace, water heater or range.

ccf - 100 cubic feet of gas. This is a measure of gas usage.

Chapter 56 - The PUC regulations that govern metering, billing and collections for residential gas and electricity service.

City Gate - The point where interstate pipelines deliver gas into natural gas distribution company facilities.

Commodity Charges - The charges for basic gas supply service which is sold either by volume (ccf or Mcf) or heating value (dekatherms).

Customer Charge - A monthly charge to cover such natural gas distribution company (NGDC) costs as maintaining the gas lines, meter reading and billing.

Distribution Charges - The charges for the delivery of natural gas from the point of receipt into the NGDC's system.

Dth (Dekatherm) - A measure of the heat content value of gas. Gas usage is determined by multiplying the Mcf used by the heat content value of the gas.

Gas Cost Adjustment Charges - The amount billed or credited each month to account for differences between projected and actual gas supply costs of the natural gas distribution company.

Mcf - 1,000 cubic feet of gas. This is a measure of gas usage.

Natural Gas Distribution Company (NGDC) - A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. (Formerly called local distribution company)

Natural Gas Supplier (NGS) - An entity that sells or arranges to sell natural gas to customers that is delivered through the distribution lines of an NGDC.

Pennsylvania Public Utility Commission (PUC) - The state regulatory agency that provides oversight, policy guidance and direction to public utilities and suppliers.

Price to Compare – the dollar amount charged by the natural gas distribution company used by consumers to compare prices and potential savings with other natural gas suppliers.

Storage - Placing natural gas into an underground facility for removal and use at a later date.

Transmission - The moving of natural gas through the interstate pipeline system for delivery to the natural gas distribution company.



PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG, PENNSYLVANIA

THE CHAIRMAN

May 11, 2000

The Honorable John R. McGinley, Jr.
Chairman
Independent Regulatory Review Commission
14th Floor, Harristown II
333 Market Street
Harrisburg, PA 17101

Re: L-00000149/57-215
Proposed Rulemaking
Customer Information Disclosure Requirements
for Natural Gas Distribution Companies and
Natural Gas Suppliers
52 Pa. Code, Chapter 62

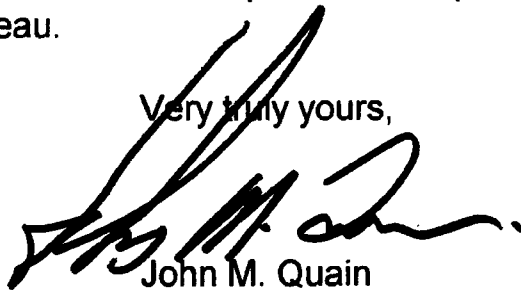
Dear Chairman McGinley:

Enclosed please find one (1) copy of the proposed rulemaking and the Regulatory Analysis Form prepared in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." Pursuant to Section 5(a) of the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. §§745.1-745.15) the Commission is submitting today a copy of the proposed rulemaking and Regulatory Analysis Form to the Chairman of the House Committee on Consumer Affairs and to the Chairman of the Senate Committee on Consumer Protection and Professional Licensure.

The purpose of this proposal is to establish regulations governing information provided on customer bills. The contact persons are Ahmed Kaloko, Bureau of Conservation, Economics and Energy Planning, 787-2139 and Lawrence Barth, Law Bureau 772-8579.

The proposal has been deposited for publication with the
Legislative Reference Bureau.

Very truly yours,

A handwritten signature in black ink, appearing to read 'John M. Quain', written over the typed name below.

John M. Quain
Chairman

Enclosures

cc: The Honorable Clarence D. Bell
The Honorable Lisa Boscola
The Honorable Chris R. Wogan
The Honorable Keith McCall
Legislative Affairs Director Perry
Chief Counsel Pankiw
Assistant Counsel Barth
Regulatory Coordinator DelBiondo
Director Kaloko
Mr. Zogby

IRRC
333 Market Street, 14th Floor
Harrisburg, PA 17101

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT
TO THE REGULATORY REVIEW ACT

received 5/11/00

ID Number: L-00000149/57-215

Subject: Customer Information Disclosure Requirements
for Natural Gas Distribution Companies and Natural
Gas suppliers

Pennsylvania Public Utility Commission

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted.
- Final Regulation
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor

FILING OF REPORT

<u>Date</u>	<u>Signature</u>	<u>Designation</u>
5/11/00		HOUSE COMMITTEE Consumer Affairs
MAY 11 2000		SENATE COMMITTEE Consumer Protection and Professional Licensure
5-11-00	Jessica Vaillancourt	Independent Regulatory Review Commission
_____	_____	Attorney General
_____	_____	Legislative Reference Bureau