



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

Original: 2116

June 14, 2000

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

RECEIVED
2000 JUN 20 AM 9:23
INDEPENDENT REGULATORY
REVIEW COMMISSION

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 is one (1) copy of comments received regarding the above regulation as required under Section 5(10)(b.1) of the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19).

Very truly yours,

Barbara Bruin
Executive Director

Comments submitted by:

Lawrence G. Spielvogel, Inc.

cc: Chief Counsel Pankiw
Regulatory Coordinator DelBiondo
Assistant Counsel Barth
Dr. Kaloko

LAWRENCE G. SPIELVOGEL, INC.

CONSULTING ENGINEERS

203 HUGHES ROAD · KING OF PRUSSIA, PA 19406-3786 · TELEPHONE 610-687-5370 · FAX 610-687-5370

514183

COPY
00 JUN - 5 AM 9:45

May 31, 2000

RECEIVED
SECRETARY'S BUREAU

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

Re: Docket Number L-00000149 Natural Gas Disclosure

Gentlemen:

Following please find my comments on the proposed rule in the May 27, 2000 Pennsylvania Bulletin.

Your definition of a "small business customer" is much too restrictive. Gas consumption of 300 MCF per year is a little more than it takes to heat a large house. For example, a typical 3,000 square foot McDonalds uses 3,000 MCF of gas per year. The average small church in Philadelphia, heated only on Sundays, uses 1,000 MCF per year. Therefore, the definition for a small business customer should be changed so that maximum consumption is 5,000 MCF per year.


Under standards for service, reference should be made to the minimum number of actual meter readings required each year.

Under bill format, meter readings should be included.

The supplier part of the bill format should also show the month and year in which the supplier contract expires. Most customers do not remember or have readily available information about when their contract with the supplier expires. Thus, they do not know when to shop for renewal. Also, for customers with multiple accounts, having the expiration date shown on the bills allows them to have ready access to that information, without having to go back to find the original contract.

Very truly yours,

LAWRENCE G. SPIELVOGEL, INC.



L. G. Spielvogel, P.E.

LGS:jca

cc: Pennsylvania Small Business Advocate

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2000 JUN 12 PM 3:11
PA P.U.C.
LAW BUREAU

CNG Retail Services Corporation

One Graham Center, Suite 700
Harrisburg, PA 17219
(412) 488-1400

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2000 JUL 13 AM 9:54
July 11, 2000

REVIEW COMMISSION

A G COMPANY
COPY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth & North Streets
North Office Building
Harrisburg, PA 17120

ORIGINAL: 2116

Re: Rulemaking Re: Customer Information Disclosure Requirements for Natural Gas
Distribution Companies and Natural Gas Suppliers; Docket No. L-00000149

Comments of CNG Retail Services Corporation

Dear Mr. McNulty:

In accordance with the Pennsylvania Public Utility Commission's order entered March 6, 2000 in the above-captioned proceeding, enclosed please find the original and 15 copies of the "Comments of CNG Retail Services Corporation." Please date-stamp and return the enclosed extra copy in the enclosed self-addressed, stamped envelope.

Please contact me at 412-316-7029 if you have any questions.

Sincerely,



Gary A. Jeffries
Senior Counsel

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Enclosures

JUL 11 2000

A PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

COPY

Rulemaking Re: :
Customer Information Disclosure :
Requirements for Natural Gas Distribution :
Companies and Natural Gas Suppliers : Docket No. L-00000149
:

COMMENTS OF
CNG RETAIL SERVICES CORPORATION

CNG Retail Services Corporation (“CNGR”), hereby respectfully submits the following comments on the Proposed Rulemaking Order and “Annex A” thereto entered on March 6, 2000 by the Pennsylvania Public Utility Commission (“Commission”) in the above-captioned matter (the “Proposed Order”).

CNGR is a licensed natural gas supplier in Pennsylvania. CNGR has been engaged in the marketing of natural gas to retail choice customers—primarily residential and small commercial customers—since 1997. At present, CNGR furnishes natural gas service to a total of over 125,000 customers on The Peoples Natural Gas Company, Equitable Gas Company, and Columbia Gas of Pennsylvania systems, making it one of the major natural gas retail choice providers in the Commonwealth. CNGR appreciates this opportunity to provide comments on the Proposed Order. Cited section references correspond to the section numbers in Annex A.

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1. §62.75 (g) (1)

Natural gas suppliers (“NGS”) would be required under this provision to include in their disclosure statements a provision obligating them to send customers under fixed term agreements advance written notice of contract expiration or term of service changes in any type of agreement at about 90 days and again at about 60 days prior to the effective date. This notice requirement makes good sense in the case of a customer with a lengthier, fixed term agreement of, say, greater than three months. However, with respect to those customers under fixed term deals of less than three months in length, it would be impractical to impose the 90-day/60-day notice requirement on the NGS. Accordingly, CNGR suggests the following revisions to §62.75 (g)(1):

“If you have a fixed term agreement with us **with a term greater than 3 months in length** 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 **with you of greater than 3 months in length**, we will send you advance written notices at about 90 days and 60 days before the effective date of the change....

2. §62.77 (b)(1)

This provision would require an NGS making a fixed price offer to include a table in the NGS’s marketing materials breaking out the costs per ccf for usages of 15, 80 and 120 ccf per month. CNGR questions the need to require the NGS to illustrate charges for *fixed* price deals at these varying usage levels, since the price per unit will not change based on usage. In CNGR’s view, the NGS should only be required to show a single per unit price if it is charging a fixed price. Indeed, unless an NGS’s pricing proposal is variably-priced, in which case the 15, 80 and 120 ccf usage cost comparisons must be shown pursuant to subsection (2)

of this section, or tiered in some fashion—with the cost declining as usage increases—it makes little sense to give the customer usage-based cost information if his price per unit will not change regardless of how much gas he uses. Thus, CNGR suggests that the word “fixed” be removed from §62.77(b)(1) and the word “tiered” substituted instead.

Respectfully submitted,



Gary A. Jeffries
Senior Counsel
CNG Retail Services Corporation
One Chatham Center, Suite 700
Pittsburgh, PA 15219
(412) 316-7029

Dated: July 11, 2000

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BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JUL 10 2000

2000 JUL 13 AM 9:54

ORIGINAL: 2116

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

REVIEW COMMISSION

**PROPOSED RULE MAKING ORDER REGARDING
CUSTOMER INFORMATION DISCLOSURE
REQUIREMENTS FOR NATURAL GAS DISTRIBUTION
COMPANIES AND NATURAL GAS SUPPLIERS**

:
:
:Docket No. L-00000149
:

COPY

COMMENTS OF COMMUNITY LEGAL SERVICES, INC.

Community Legal Services, Inc. (CLS) is a non-profit corporation which provides free legal assistance and representation to Philadelphia low-income residents in a wide variety of areas including gas, electric and water service, and serves as the Public Advocate on behalf of the Philadelphia Gas Works' half million residential customers in matters within the jurisdiction of the Philadelphia Gas Commission. CLS submits these comments in its capacity as an institution with an interest in assuring that low income residential gas customers receive information and customer protections which are reasonably calculated to serve the needs of persons living close to the poverty line, who often face substantial educational, financial and cultural barriers in their efforts to fully participate in deregulated energy markets.

I. §§ 62.75 (a), 62.75(b). The "disclosure statement" or "written disclosure" referred to in these provisions should be fully defined and included as a defined term (Disclosure Statement) in §62.72.

Section 62.75(a) makes reference to "the disclosure statement" and Section 62.75(b) refers to "written disclosure of the terms of service." This use of different terms for the same document is confusing, and does not give sufficient guidance to any party concerning a document which is

central to this whole set of regulations. The definition of “Disclosure Statement” should identify the disclosure statement as a distinct document, and identify at least by reference to other parts of this Subchapter all the elements to be included in the statement. The term “Disclosure Statement” should be used uniformly throughout these regulations. The Disclosure Statement should include a description of the customer’s right to rescind the contract within three business days after receipt of the Disclosure Statement from the NGS as required by law.

II. § 62.74(b)(5). Section 56.15 of Chapter 56, 52 Pa.Code § 56.15 (Billing information), fully applies to a bill rendered by an NGS or NGDC for metered residential service.

The Natural Gas Choice and Competition Act requires that the “Commission...ensure that natural gas suppliers comply with applicable provisions of 52 Pa. Code Ch. 56.” 66 Pa.C.S. §2208(f). Chapter 56 presently requires that NGDC’s in their billing functions comply with Chapter 56’s Section 56.15. This requirement is without qualification by such words as “to the extent they apply.” Although there may be other provisions of Chapter 56 which the Commission may determine are not applicable to NGS’s, Section 56.15 is not one of them. The words “to the extent they apply” in this context are not necessary (in the sense that regulations by definition only apply to situations covered by the regulations). Moreover, since there is no billing situation which is not subject to Section 56.15, the words “to the extent they apply” creates uncertainty, and might be interpreted to allow an NGS to claim exemption from certain of Section 56.15’s requirements. Consequently the words “...to the extent that they apply.” should be stricken from §62.74 (b)(5).

III. §§ 62.75 (c)(9), 62.75(c)(11), and 62.75(c)(13). SLR's, NGDC's, and NGS's operating in Pennsylvania should provide a toll-free phone number for all customers seeking information and/or disputing their billing.

The expense of toll calls is a deterrent to the development of the free flow of information concerning the conditions of natural gas supply. This is true for all customers, and especially for low income customers who do not have the resources for engaging in toll calls. In practice, when a customer seeks information from a natural gas supplier by telephone, several calls, often quite lengthy, are required to obtain the necessary information. Calling a company outside the caller's own immediate phone area is often a long distance or toll call for the customer. In many cases, a customer placing a toll call to an NGS gets a lengthy automated phone answering system. Just as often the customer is put on hold repeatedly until they can be put in contact with the proper service person. Frequently, billing problems or disputes require several calls, all at the customer's expense. This expense has a chilling effect on the free flow of information, and deters participation in the deregulated natural gas market by residential customers wary of expenses for toll calls for basic customer information, billing queries, and initiation of customer disputes. The expense to NGS's to provide toll-free calling is minimal, in relation to the cost to the individual customer. The Commission can support the development of a natural gas market by ensuring that consumer contacts with NGS's are not impaired by the lack of toll free phone access.

IV. §§ 62.75 (d)(1), 62.75(d)(2), and 62.75(d)(3). The customer's three business day Right of Rescission should be included in the contract.

The customer should receive a contract that prominently displays in large, bold type a description of the three business day right of rescission. Inclusion of notice of the right of

rescission in the contract provides the best record that efforts were made to inform the customer of the right to cancel the contract within the time frame allowed by law. The Commission should require that consumer contracts include this statement of the three business day right of rescission

V. § 62.75(d)(2). The “written disclosure” should be identified as the Disclosure Statement.

This section states that the customer’s three business day right of rescission begins when that customer receives the “written disclosure” from the NGS. The term “written disclosure” is vague and subject to confusion. Since receipt of the “written disclosure” triggers the running of the three business day right of rescission, this basic document should be designated by the use of the defined term (“Disclosure Statement”) as set forth in Section I, supra.

VI. § 62.79. Complaint Handling Process. All NGDC’s and NGS’s should be required to have toll-free phone lines sufficient to handle customer complaints.

As set forth in Section III, supra, telephone calls to NGS and NGDC phone listings outside a customer’s immediate telephone service area are costly, and deter potential customers, especially those at the lower end of the income scale, from participating in a deregulated energy market. The Commission should require that all NGDC’s and NGS’s provide toll free numbers for all customers for whom telephone contact is a toll call.

VII. § 62.79 (2). Complaint Handling Process. The term “applicable standards” is not necessary.

The Natural Gas Choice and Competition Act requires that the “Commission...ensure that

natural gas suppliers comply with applicable provisions of 52 Pa. Code Ch. 56.” 66 Pa.C.S. §2208(f). Subchapter F of Chapter 56 (Disputes; Termination Disputes; Informal and Formal Complaints), 52 Pa.Code §§ 56.141-181, presently requires that NGDC’s in their complaint handling functions comply with the requirements contained therein. This requirement is without qualification by such words as “applicable standards.” The presumption is that with regard to the complaint handling process, Subchapter F applies. Although there may be other provisions of Chapter 56 which the Commission may determine are not applicable to NGS’s, the provisions of Subchapter F are not among them. The words “applicable standards” in this context are not necessary (in the sense that regulations by definition only apply to situations covered by the regulations). Moreover, since there is no complaint handling situation which is not subject to Subchapter F, the words “applicable standards” create uncertainty, and might be interpreted to allow an NGS or an NGDC to claim exemption from certain of Subchapter F’s requirements. Consequently, the words “the applicable standards in” should be stricken from §62.74 (b)(5).

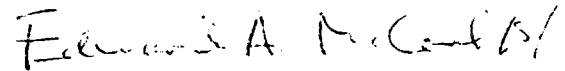
VIII. § 62.80. The PUC’s distribution rate setting function should be included in the description of the PUC contained in the section providing “common natural gas competition terms.”

In addition to providing oversight, policy guidance and direction to public utilities and suppliers, the PUC also sets distribution rates. Specific reference to the PUC’s role in setting distribution rates is particularly important in the context of these proposed regulations, which seek to educate the public concerning natural gas retail competition, and the various components of natural gas bills. The Commission should amend the proposed regulations accordingly.

Conclusion. For all the foregoing reasons, Community Legal Services, Inc. requests that the Commission make the requested changes as outlined above.

Respectfully submitted,

July 10, 2000



EDWARD A. McCOOL, ESQUIRE
PHILIP A. BERTOCCHI, ESQUIRE

COMMUNITY LEGAL SERVICES, INC..
1424 Chestnut Street, 4th Floor
Philadelphia, PA 19102
215-981-3777

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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2000 JUL 13 AM 9:54

Customer Information Disclosure Requirements :
For Natural Gas Distribution Companies and :
Natural Gas Suppliers :
52 Pa. Code Ch. 62 :

REVIEW COMMISSION

Docket No. L-00000149



COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE

00 JUL 11 PM 3:57
SECRETARY'S BUREAU

I. INTRODUCTION

On May 27, 2000, the Proposed Rulemaking Order regarding Customer Information Disclosure Requirements For Natural Gas Distribution Companies and Natural Gas Suppliers (Docket No. L-0000149) was published in the Pennsylvania Bulletin. *Pennsylvania Bulletin*, Vol. 30, No. 22. In this Proposed Rulemaking, the Pennsylvania Public Utility Commission (Commission or PUC) proposes to implement regulations in compliance with Section 2206(c) of the Natural Gas Choice and Competition Act which made it clear that information provided to consumers must be adequate, accurate and enable consumers to make informed choices by presenting information on a comparable and uniform basis. 66 Pa.C.S. §2206(c). Under Section 2206(c), the Commission has oversight responsibility over the provision of information to consumers and is charged with establishing requirements by order or regulation to implement this oversight responsibility. Id. The Commission's Proposed Rulemaking is based upon its Final Order at Docket No.

M-00991249F005 which set forth the Interim Customer Information Disclosure Requirements For Natural Gas Distribution Companies and Natural Gas Suppliers. The OCA participated in the working group leading up to the establishment of the Interim Customer Information Disclosure Requirements and filed Comments regarding the Commission's proposal before entry of the Final Order. The OCA submits that the Interim Customer Information Disclosure Requirements provide a sound basis for the establishment of the regulations. Importantly, the interim requirements and the proposed regulations require that information to consumers be provided using the standard pricing unit of the Natural Gas Distribution Company (NGDC) so that the consumer can directly compare price information with the price to compare of the NGDC. Additionally, the interim requirements and the regulations require that prices for supply service be presented in a table format for various levels of usage so that customers can see the effect on their bill. The OCA submits that this is critical information for the consumer that will enable the consumer to make an informed choice.

The OCA submits that the Commission's proposed regulations are sound. The OCA supports the Commission's regulations and makes only a few brief comments below.

II. SPECIFIC COMMENTS

A. Section 62.75(g). Disclosure Statement–Notice to Customers

Section 62.75(g) contains a required customer notification that addresses notification of customers when a fixed term agreement is approaching the expiration date and when an NGS proposes to change any terms of service in the agreement. The disclosure statement provides for 90 days and 60 days notice to the customers in these circumstances. The OCA agrees that a 90 day and 60 day notice are appropriate under these circumstances. The OCA submits, however, that it should be made clear that if an NGS proposes to stop serving a customer before the expiration of the fixed term agreement, this constitutes a change in the term of service that triggers the 90 day and 60 day notice. If an NGS is going to stop serving a customer, the customer will require sufficient time to arrange for another supplier before being returned to the supplier of last resort. Shopping for and then completing arrangements for a supplier can take the 60 or 90 day period. Experience in the electric choice program has demonstrated that 30 days notice is clearly inadequate for consumers. The OCA recommends that the Commission Order clearly state that a cessation of service to the customer, either at the expiration of the fixed term agreement or during the fixed term agreement, requires the 90 day and 60 day notice to the customer.

B. Section 62.77(b). Marketing/sales activities.

In Section 62.77(b), the Commission sets forth a requirement that NGS marketing materials offer terms of service to the customer that includes prices in a table format reflecting different usage levels. The OCA strongly supports this requirement and believes that this type of information is critical to the customer in making an informed

choice. The OCA submits, however, that the regulation is unclear in certain respects. In the regulation, the Commission specifies the different levels of usage per month in ccf of natural gas, but then adds the language "or equivalent." The OCA interprets this language to mean that the table with the proper usage levels should appear in the same standard pricing units of the NGDC. In other words, if the NGDC bills in Mcf, the table should utilize Mcf levels of usage and prices. It is only in this way that the regulation is consistent with the Commission requirement in other sections that all pricing be provided to the customer in the standard pricing unit of the NGDC.

To clarify the regulation so that there is no misunderstanding as to this important point, the OCA recommends that the Commission replace the language "or equivalent" with a phrase such as "or the equivalent measures of usage and pricing units that are standard for the NGDC".

C. Customer Choice Letters/Price To Compare Information

The Commission has not yet established firm requirements for informing customers of the applicable "price to compare" over the course of the natural gas choice program. The "price to compare" representing the current gas supply price is one of the most important pieces of information that a customer requires to make an informed choice. Without knowing the "price to compare," the customer is unable to evaluate the offers that have been made. The OCA submits that the Commission could address the question of how and when customers will be informed of the "price to compare" on an on-going basis in this rulemaking.

Of particular concern for natural gas choice, the gas supply price of the NGDC has already changed due to the elimination of the gross receipts tax. In addition, almost all of the NGDCs have proposed quarterly adjustments to the gas supply price. Thus, the "price to compare" will change frequently and may have an impact upon the customer's purchasing decisions with each change. This situation differs from electric choice where the "price to compare" changes on an annual basis.

Given the frequent changes to the gas supply price, the OCA has recommended that the NGDC be required to send a price to compare letter to customers once per year and that customers be informed of all quarterly or monthly changes within the year by placing a notation of the NGDC price change on the bill or in a bill insert. The OCA submits that the customer is entitled to receive the most current information available to assist in making an informed choice.

The OCA recommends it may be preferable for the monthly or quarterly change in price to appear on the customer's bill with the proper bill message. Customers would then be able to review their bill and any charges from an alternative supplier with the new price to compare. These regulations could be modified to include this requirement in the bill format section of the regulations. The regulations should also include a requirement that a price to compare letter be sent at least once per year to the customer.

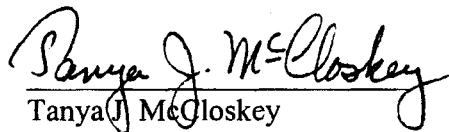
If the Commission determines that it will not modify these regulations to address this issue, the OCA strongly recommends that the Commission promptly address this issue through a separate order or through an Implementation Committee, similar to the Phase-In Implementation Committee (PIC) that has been set up for electric choice. A similar

PIC committee for natural gas choice could aid the Commission in resolving many of these implementation issues.

III. CONCLUSION

The OCA appreciates this opportunity to comment on the Commission's proposed regulations regarding customer information disclosure requirements. As set forth above, the OCA strongly supports the Commission's efforts in this regard and submits that its regulations provide a sound framework for providing necessary information to customers. The OCA submits these limited comments to clarify certain points within the regulations and to urge the Commission to clarify the important issue of providing information to natural gas consumers about the "price to compare" on an on-going basis.

Respectfully submitted,


Tanya J. McCloskey
Senior Assistant Consumer Advocate

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Dated: July 11, 2000
59080

CERTIFICATE OF SERVICE

**Re: Customer Information Disclosure Requirements
For Natural Gas Distribution Companies and
Natural Gas Suppliers
Docket No. L-00000149**

I hereby certify that I have this day served a true copy of the foregoing document, OCA's Comments, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 11th day of July, 2000.

SERVICE IN PERSON OR INTER-OFFICE MAIL

Lawrence F. Barth, Esq.
Law Bureau
PA Public Utility Commission
Room 203, North Office Bldg.
P. O. Box 3265
Harrisburg, PA 17105-3265

Charles Hoffman, Esq.
Office of Trial Staff
PA. Public Utility Commission, CEEP
P.O. Box 3265
Harrisburg, PA 17105

Hon. Lisa Boscola
Senate Consumer Protection
Main Capitol Bldg., Room 183
Harrisburg, PA 17120

Ahmed Kaloko, Director
PA. Public Utility Commission, CEEP
P.O. Box 3265
Harrisburg, PA 17105

Diane Warriner
Room 628 Main Capitol Bldg.
Harrisburg, PA 17120-2036

Hon. John McGinley
Independent Regulatory Review Commission
14th Floor Harristown II
333 Market Street
Harrisburg, PA 17101

Hon. Chris Wogan
House Consumer Affairs Committee
3 East Wing
Harrisburg, PA 17120

Honorable Clarence Bell
Senate Consumer Protection
East Wing, Room 20E
Harrisburg, PA 17120

Hon. Keith McCall
House Consumer Affairs Committee
South Office Bldg., Room 313
Harrisburg, PA 17120

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Delia Stroud, Asst. General Counsel
PECO Energy Co.
2301 Market Street., S23-1
Philadelphia, PA 19101

Laureto Farinas, Senior Attorney
Philadelphia Gas Works
Legal Department
800 W. Montgomery Avenue
Philadelphia, PA 19122

Abby Pozefsky,
Senior Vice President & General Counsel
Philadelphia Gas Works
Legal Department
800 W. Montgomery Avenue
Philadelphia, PA 19122

Anthony C. Adonizio, Esq.
250 North 24th Street
Camp Hill, PA 17011

T. W. Merrill, Jr.
Competitive Energy Strategies Co.
Foster Plaza 10
Suite 200
680 Anderson Drive
Pittsburgh, PA 15220

L. G. Spielvogel, PE
Consulting Engineers
230 Hughes Road
King of Prussia, PA 19406-3785

Mr. Robert M. Hovanec,
Vice President and Chief Financial Officer
T. W. Phillips Gas and Oil Co.
205 North Main Street
Butler, PA 16001

Louis D'Amico, Executive Director
The Independent Oil & Gas Association of PA
115 VIP Drive
Wexford, PA 15090-7906

John M. Monley
Level 12
Williams-Transco
2800 Post Oak Boulevard
Houston, TX 77251-1396

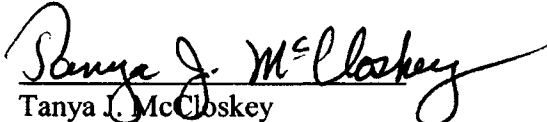
Mark C. Morrow
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406

David Beasten
100 Kachel Boulevard
Suite 400
Green Hills Corporate Center
Reading, PA 19607

Bernard A. Ryan, Jr., Esq.
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 North Second Street
Harrisburg, PA 17101

Carl Meyers
UGI Energy Services, Inc.
Vice President and General Manager
1100 Berkshire Boulevard
Suite 305
Wyomissing, PA 19610

John F. Kell, Jr.
Vice President Financial Services
PG Energy Inc.
One PEI Center
Wilkes-Barre, PA 18711-0601


Tanya J. McCloskey
Senior Assistant Consumer Advocate

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

53467



Pennsylvania Gas Association

800 NORTH THIRD STREET, HARRISBURG, PA 17102-2025 (717) 233-5814 FAX (717) 233-7946

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July 11, 2000

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Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
P.O. Box 3265
Harrisburg, Pa 17105-3265

VIA HAND DELIVERY

Re: Docket No. L-00000149: Customer Information Disclosure Requirements for Natural Gas Distribution Companies and Natural Gas Suppliers

Dear Mr. McNulty:

Pursuant to the Proposed Rulemaking Order adopted by the Commission on March 2, 2000, and published in the May 27, 2000 issue of the *Pennsylvania Bulletin* (30 Pa.B. 2805), the Pennsylvania Gas Association ("PGA"), on behalf of its members, submits this letter for consideration in lieu of formal comments. Per Ordering Paragraph 7 (*id.* at 2806) the original and 15 copies of this letter are tendered for filing.

General Comment

As Proposed, Two of the Primary Sources of Customer Information – Section 62.80 and the Commission's Glossary of Gas Terms for the Consumer -- Would Be Needlessly Inconsistent with Each Other: Section 62.80 Should Be Conformed to the Glossary, or the Glossary Should be Conformed to Section 62.80.

A side-by-side comparison of Proposed Section 62.80 and the Glossary of Gas Terms for the Consumer reveals a discrepancy in virtually every definition:

Term	Proposed Section 62.80	Glossary
Burner Tip	The point at which natural gas is used such as a furnace, water heater or range.	The point at which natural gas is used, such as a furnace, water heater or range.
ccf (first sentence)	100 cubic feet of natural gas.	equals 100 cubic feet of natural gas.
Chapter 56	The PUC regulations that govern metering, billing and collections for residential gas and electricity service.	The PUC regulations that govern metering, billing and collections for residential gas and electric service.
City gate	The point where interstate pipelines deliver gas into NGDC facilities.	The point where interstate pipelines deliver gas into an NGDC's facilities.
Commodity charges	The charges for basic gas supply service which is sold either by volume (ccf or Mcf) or heating value (dekatherms).	The charges for basic gas supply service.

Customer charge	A monthly charge to cover NGDC costs such as maintaining the gas lines, meter reading and billing.	A monthly charge to cover NGDC costs to maintain the gas lines, and provide meter reading and billing.
Distribution charges	The charges for the delivery of natural gas from the point of receipt into the NGDC's system.	Charges for the delivery of natural gas from the point of receipt into the NGDC's system.
Dth (Dekatherm) (first sentence)	A measure of the heat content value of gas.	A measure of the heat content of 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.	The amount billed or credited each month to correct any differences between projected and actual gas supply costs of the natural gas distribution company.
NGDC--Natural gas distribution company	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).	A regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer, formerly called LDC (local distribution company).
NGS--Natural gas supplier	An entity that sells or arranges to sell natural gas to customers that is delivered through the distribution lines of an NGDC.	An entity that sells or arranges to sell natural gas to customers that are delivered through the distribution lines of an NGDC.
PUC--Pennsylvania Public Utility Commission	The State regulatory agency that provides oversight, policy guidance and direction to public utilities and suppliers.	The state regulatory agency that provides supervision , policy, guidance and direction to public utilities and suppliers
Storage	Placing natural gas into an underground facility for removal and use at a later date.	Keeping natural gas in an underground container for removal and use at a later date.
Transmission	The moving of natural gas through the interstate pipeline system for delivery to the NGDC.	The moving of natural gas through the interstate transportation system for delivery to NGDC's .

Many of these discrepancies are obviously minor, but why should they exist at all? Every difference carries the potential for customer confusion, dissatisfaction and complaint. Equally important, every difference generates uncertainty, delay and costs as NGDCs try to determine which definition should be printed in a bill insert, sent in response to a customer's E-mail, or quoted when a customer calls.

In the absence of any demonstrated need for these discrepancies, Section 62.80 and the Glossary should clearly be harmonized. PGA is certainly willing to assist the Commission in this effort, which is sure to benefit both consumers and NGDCs alike.

Section-by-Section Comments

Proposed Section 62.72: Definitions

Historical Billing Data. In its comments on the interim guidelines that preceded these proposed regulations, PGA argued that the defined term should be "Historical Usage Data," not "Historical Billing Data," and that the defined term should not include the "dollar amount billed." The Proposed Rulemaking Order does not explain why PGA's suggestion was rejected, and one can only assume that the proposed definition reads as it does out of a desire to maintain consistency with the counterpart definition adopted for electric choice (52 Pa. Code § 54.2).

Consistency in this regard is unnecessary, and, in fact, the approach suggested by PGA is consistent with how electric choice customer information is being provided in practice. In the actual implementation of electric choice, as illustrated by the Commission-endorsed determinations of the Electronic Data Exchange Working Group, "historical billing data" has come to be understood to refer to consumption data alone. This development is not surprising: for purposes of informing customers about their supply options, and enabling them to compare competing offers going forward, the critical data is the historical amount consumed. Providing dollar amounts billed only increases information handling costs, with no corresponding value to the customer. Moreover, to the extent historical billing data is released to NGSs, see, Proposed Section 62.78(a)(1) and (2), dissemination of dollar amounts billed would result in the disclosure of non-residential customers' commercially sensitive information.

The consumption-only connotation that correctly developed during electric choice should be incorporated expressly for natural gas. Accordingly, the defined term should be "historical usage data," defined as "The minimum of twelve (12) months of data as recorded by the NGDC, unless 12 months of this data is not available" Correspondingly, "historical usage data" should be substituted for "historical billing data" in Sections 62.76(b)(2), 62.76(b)(3), 62.76(c), 62.78(a)(1) and 62.78(a)(2).

Natural Gas Supplier or Supplier (NGS). PGA appreciates the Commission's effort to conform these proposed definitions to their statutory counterparts in the Natural Gas Choice and Competition Act ("NGCCA"). Our review reveals one minor, perhaps inadvertent discrepancy. The first two sentences of the NGCCA definition of Natural Gas Supplier are as follows:

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. The term includes a natural gas distribution company that provides natural gas supply services outside its certificated service territories.

In attempting to compress these two sentences into one, the definition appearing in the Proposed Rulemaking Order misstates the statutory language. To correct this problem, PGA suggests amending the first sentence of the proposed regulatory definition as follows:

An entity other than an NGDC, but including NGDC marketing affiliates, which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of an NGDC, or an NGDC that provides natural gas supply services outside its certificated service territories.

Proposed Section 62.73: Standards and Pricing Practices for Retail Natural Gas Service

Proposed Sections 62.73(3) and (4) refer to a "Consumer's Dictionary for Natural Gas Competition" and the "Common Natural Gas Competition Terms" found in Proposed Section 62.80, but neither section, and indeed nowhere in the proposed regulations, is any reference made to the Glossary of Gas Terms for the Consumer. It is difficult to imagine this omission is intentional, particularly since the Commission has already taken the initiative of placing the Glossary on its web site. PGA respectfully requests the Commission confirm that the Glossary is in fact the "Consumer's Dictionary for Natural Gas Competition" referred to in Proposed Section 62.73(3).

Proposed Section 62.74: Bill Format for Residential and Small Business Customers

Proposed Section 62.74(a) states, "NGS prices billed shall reflect **the marketed prices** and the agreed upon prices in the disclosure statement." (emphasis supplied). It is not clear what distinction, if any, is intended between "billed prices," "marketed prices" and "the agreed upon prices in the disclosure statement," and PGA strongly urges deleting the bold language as unnecessary, confusing and potentially contentious. For example, assume that an NGDC is serving as an NGS's billing agent, and the NGS directs the NGDC to bill at a price that somehow differs from the "marketed price" (however defined). In this quite likely situation, the NGDC could face potential liability based on "marketed price" information it may not possess and which may come to light only as the result of an after-the-fact adjudication of the NGS's marketing practices. Since the only prices of legal consequence are those in the disclosure statement, eliminating the bold language will avoid potential conflicts without in any way compromising consumer protection.

Separately, while Proposed Section 62.74(b)(3) lists a number of "basic charges," the list omits one item many NGDCs place on their bills already: the "transition cost surcharges" approved by the Federal Energy Regulatory Commission and imposed on NGDCs through transportation rates paid to interstate pipelines. In that these charges currently appear on customer bills and are not affected by the NGCCA, they should be recognized in the regulations if only by adding "interstate pipeline transition cost surcharges, as applicable" to the items listed in Section 62.74(b)(3).

Proposed Section 62.75: Disclosure Statement for Residential and Small Business Customers

PGA has two comments.

First, Proposed Section 62.75(a) parallels Proposed section 62.74(a), and suffers from the same unfortunate reference to marketed prices: "The agreed upon prices in the disclosure statement shall reflect **the marketed prices and the billed prices.**" (emphasis supplied). Consistent with our position on Proposed Section 62.74(a), we advocate deleting the bold language.

Second, Proposed Section 62.75(c)(ii) provides, in effect, that variable pricing statements shall include "[t]he starting price **and the ceiling price.**" (emphasis supplied). To accommodate the possibility that there may not be a ceiling price, PGA urges adding ", as applicable" to the end of the proposed text.

Proposed Section 62.76: Request for Information

Under Proposed Section 62.76(a), "Natural gas providers shall respond to reasonable customer requests for efficiency information by indicating that these materials are available on request from the Commission or the NGDC." In its comments on the interim guidelines that preceded these proposed regulations, PGA noted that the electric counterpart to Proposed Section 62.76(a) deals with energy source

Mr. James J. McNulty, Secretary
Docket No. L-00000149
July 11, 2000
Page 5

information and, more specifically, "green power." There simply is no counterpart for natural gas, and in the absence of any demonstrated basis for this requirement, PGA urges the Commission to delete Proposed Section 62.76(a) in its entirety.

Proposed Section 62.77: Marketing/Sales Activities

Again, PGA has two comments.

First, under Proposed Section 62.77(b)(1), if an NGS is using a fixed price it must provide a table showing the price that would be billed for usages of 15, 80 and 120 ccf. This exercise in multiplication, which customers may not need or want, serves only to add yet an additional entry cost to potential marketers. It is not PGA's role to advocate on behalf of the NGSSs, but should parties lament the absence of marketer interest in Pennsylvania, they would do well to look at the costs imposed by these and similar regulations before alleging any improprieties on the part of NGDCs.

Second, and even more onerous, Proposed Section 62.77(b)(2) states that if an NGS uses a variable price mechanism, it must show the average price per ccf for usages of 15, 80 and 120 ccf. Where Proposed Section 62.77(b)(1) asks NGSSs to do the unnecessary, Proposed Section 62.77(b)(2) may well be asking them to do the impossible. How is one to calculate an average for prices that will change, unpredictably, each month? With requirements like these, one can hardly blame marketers for approaching Pennsylvania with circumspection.

PGA appreciates the opportunity to provide these comments, and urges the Commission to consider the points detailed above as it continues its deliberations.

Respectfully submitted,



Dan Regan
President

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The Pennsylvania Public Utility Commission

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FEDERAL REGULATORY
REVIEW COMMISSION

June 29, 2000

Original: 2116

Commonwealth of Pennsylvania
Public Utility Commission
P.O. Box 3265
Harrisburg PA 17105-3265

Attention: Secretary McNulty

Re: Comments on the Rulemaking Re Customer Information Disclosure
Requirements for Natural Gas Distribution Companies and Natural Gas
Suppliers.
L-00000149

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SECRETARY'S BUREAU

On behalf of the Consumer Advisory Council to the Pennsylvania Public Utility Commission (the "Council"), I am pleased to submit the following comments on the Commission's Proposed Rulemaking Order Regarding Customer Information Disclosure Requirements for Natural Gas Distribution Companies and Natural Gas Suppliers. These comments are based on discussion among members at the Council meetings held on April 25, 2000 and May 23, 2000.

For consumers to effectively participate in the competitive gas market they must be provided with the information necessary to arrive at informed choices about their service options. The Council appreciates the Commission's efforts in crafting regulations that balance the need for the consumer to be provided with complete information while avoiding unnecessary and burdensome requirements.

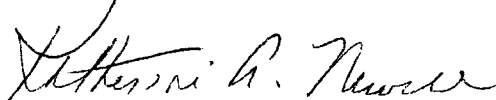
However, the Council does have some concerns it would like to bring to the Commission's attention:

- The proposed regulations require that the PUC review and approve of supplier disclosure statements as part of the supplier licensing procedure. Perhaps in addition to disclosure statement review, the supplier bill review process should also be included in the licensing procedure. As the proposed regulation stands now, the PUC only has the power to *review* bills, but cannot stop a supplier from being licensed due to an insufficient bill format.

- The Council is concerned about the lack of a standard, statewide pricing unit for gas service. Companies currently use either Mcfs, Ccfs, or dekatherms as units of gas measurement. While the Council understands that it may not be practical to mandate a single, statewide standard, it is concerned with the potential for customer confusion that this presents. This is especially a concern for customers who may be close to a neighboring natural gas distribution company territory; or maybe relocating to another company territory; or for commercial customers that operate across many different territories. The Commission may want to consider if information on these different units of measurement should be provided to all customers regardless of what service territory they currently reside in.
- The Council strongly supports the requirement that the price of individual services (gas, electric, non-basic charges, etc.) must be disclosed individually. Bundled prices encompassing many different services deprives the consumer of the pricing information they need about individual services necessary to make informed decisions.
- The Council believes that the status of the contract in the event of a customer moving to a new location must be made clear in disclosure statements. If relocating automatically voids the contract, this must be made clear to the customer.

The Council appreciates the opportunity to comment on this important matter and thanks the Commission for addressing an issue that is so important for the effective and fair working of a competitive gas market.

Very Truly Yours,



Katherine A. Newell Esq.
Chair
Consumer Advisory Council

LAWRENCE G. SPIELVOGEL, INC.

CONSULTING ENGINEERS

303 HUGHES ROAD · KING OF PRUSSIA, PA 19406-3786 · TELEPHONE 610-261-1100 · FAX 610-267-8370

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May 31, 2000

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Harrisburg, PA 17105-3265

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Re: Docket Number L-00000149 Natural Gas Disclosure

Gentlemen:

Following please find my comments on the proposed rule in the May 27, 2000 Pennsylvania Bulletin.

Your definition of a "small business customer" is much too restrictive. Gas consumption of 300 MCF per year is a little more than it takes to heat a large house. For example, a typical 3,000 square foot McDonalds uses 3,000 MCF of gas per year. The average small church in Philadelphia, heated only on Sundays, uses 1,000 MCF per year. Therefore, the definition for a small business customer should be changed so that maximum consumption is 5,000 MCF per year.

Under standards for service, reference should be made to the minimum number of actual meter readings required each year.

Under bill format, meter readings should be included.

The supplier part of the bill format should also show the month and year in which the supplier contract expires. Most customers do not remember or have readily available information about when their contract with the supplier expires. Thus, they do not know when to shop for renewal. Also, for customers with multiple accounts, having the expiration date shown on the bills allows them to have ready access to that information, without having to go back to find the original contract.

Very truly yours,

LAWRENCE G. SPIELVOGEL, INC.

L.G. Spielvogel
L. G. Spielvogel, P.E.

LGS:jca

cc: Pennsylvania Small Business Advocate

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PA. PUBLIC UTILITY COMMISSION LAW BUREAU FAX

Date: 6-14-00

of Pages: 2 (including transmittal sheet)

To: MARYLOU HARRIS

From: SHERU DELBIONDO

Telephone (voice): (717) 772-4597
(fax): (717) 783-3458

Comments: _____

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REVIEW COMMISSION

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