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The Democratic Leader



Senate of Pennsylvania

April 16, 2014

David Sumner
Executive Director
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Re: Final Omitted Rulemaking

- Regulation #57 – 305: Amending Regulations Regarding Disclosure Statement for Residential and Small Business Customers and the Provision of Notices of Contract Expiration or Changes in Terms for Residential and Small Business Customers
- Regulation #57 – 306: Amending Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier

Dear Mr. Sumner,

As the Senate Democratic Leader, I am writing on behalf of the Senate Democratic Caucus to express our strong support for the Pennsylvania Public Utility Commission's Final-Omitted Regulations that are currently before the Commission regarding electric consumer protections and urge the Commission's adoption of those regulations.

In the last several months, the Pennsylvania General Assembly has been inundated with desperate calls from constituents who had entered variable rate contracts with Electric Generation Suppliers and experienced extremely high electric bills during the 2014 winter season. These high rates, which were related to the record cold weather that Pennsylvania experienced in January and February, impacted a myriad of residential and small business customers and have resulted in a series of scathing media articles on the subject. Given that every Senator in the General Assembly has received numerous calls from constituents seeking help with this issue, we are very concerned and want to ensure that steps are taken to remedy the situation.

Two of the most common complaints legislators have heard from constituents are that they were not sufficiently informed or did not understand the details of their choice as presented to them by the company providing a variable rate contract. Further, this was exacerbated by the inability of customers to remedy their situation by switching suppliers due to the fact that the

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process takes so long to complete. In one case, a young mother incurred a \$2,400 electricity bill while she waited for PPL to move her back to default service because the switch took approximately 30 days.

The Pennsylvania Public Utility Commission has initiated two rulemakings designed to quickly address these issues. The first rulemaking will improve the disclosure statements that Electric Generation Suppliers provide to customers, so that people are more informed about their choices when shopping for electricity. The second rulemaking will accelerate the time it takes for customers to switch suppliers to 3 days, instead of the current 11 to 40 day switching period.

While the General Assembly debates legislative solutions to the problems with the retail electricity market, it is necessary that the PUC's regulations go into effect quickly. The electric distribution companies may argue that making changes to allow for accelerated switching will be burdensome, however these companies should have been upgrading their technology to allow for faster switching since the passage of Act 129 in 2008. Moreover, the cost of any upgrades will be recoverable through the EDC's next rate case filing.

The summer cooling season will be quickly upon us and I want to ensure that we have taken steps to protect electricity customers before that time so that Pennsylvania does not experience this issue again in a few months. As such, I respectfully urge IRRC to approve the PUC's regulations so that Pennsylvania's electricity customers can get some relief from this issue.

Sincerely,


Senator Jay Costa
The Democratic Leader

cc: Robert F. Powelson
John F. Coleman
James. H. Cawley
Pamela A. Witmer
Gladys M. Brown