



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

IN REPLY PLEASE  
REFER TO OUR FILE  
L-2015-2465942

July 6, 2016

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IRRC

To: All Licensed Natural Gas Suppliers

Re: Rulemaking to Amend and Add Regulations to Title 52 of the Pennsylvania Code, Sections 62.72, 62.75, and 62.81 Regarding Customer Information Disclosure Requirements for Natural Gas Suppliers Providing Natural Gas Supply to Residential and Small Business Customers

Docket No.: L-2015-2465942

The purpose of this Secretarial Letter is to inform licensed Natural Gas Suppliers (NGSs) of the procedure to submit for review by Commission staff the "NGS Contract Summaries" referred to in the above-referenced Commission Order and in 52 Pa Code § 62.75(i). This new regulation was adopted by the Commission at the April 21, 2016 Public Meeting and approved by the Independent Regulatory Review Commission on June 30, 2016. The new regulation will become effective upon publication in an upcoming issue of the *Pennsylvania Bulletin*. This new regulation specifies that:

*(i) The NGS shall provide, with the disclosure statement, a separate NGS contract summary in a format provided by the Commission.*

The NGS Contract Summary is discussed on pages 15 – 18 and 28 – 41 of the April 21, 2016 order and a format was included as Attachment A of this same Order (also attached to this Secretarial Letter). Further, the Commission, in ordering paragraph seven, directed:

*That the Commission's Office of Competitive Market Oversight shall provide further direction to currently licensed natural gas suppliers serving residential and/or small business customers regarding the submission of NGS Contract Summaries to the Commission for informal review.*

Through this Secretarial Letter, the Commission's Office of Competitive Market Oversight (OCMO) is providing this direction. The intent of this directive is to assist NGSs with complying with this new requirement. Commission staff from OCMO and the Bureau of Consumer Services (BCS) will be reviewing the summaries to provide

informal feedback and advice to assist NGSs in their efforts to comply with the new regulations.<sup>1</sup>

All NGSs that are actively soliciting residential and small business customers<sup>2</sup> are directed to submit a draft sample of the Contract Summary they intend to use. NGSs should submit one sample for each product *type* they intend to offer: *e.g.* fixed price, variable price and introductory price products. NGSs are not required to send a sample for every product offered - it is expected that NGSs will apply the feedback received to all of their Contract Summaries.<sup>3</sup> We also note that, with the exception of NGSs going through the initial licensing process, it is not necessary to seek Commission review of all Contract Summaries going forward. However, NGSs are expected to apply the feedback received to future summaries.

We ask NGSs to submit electronic versions of the Contract Summaries to the Office of Competitive Market Oversight at [RA-OCMO@pa.gov](mailto:RA-OCMO@pa.gov) by July 29, 2016. We intend for the review to be informal and accomplished through the exchange of emails and phone calls; therefore, we request that NGSs include with their submission(s) accurate contact information including phone numbers and email addresses.

It is our intent to review and provide an expeditious response. However, NGSs should comply with the new regulation upon its effective date – meaning that Contract Summaries should be provided to all new residential and small business customers regardless of whether or not Commission staff has completed its review of the submitted summaries. We understand that certain NGSs may want to first receive the results of the staff's informal review before using the summaries, and as such, we encourage those NGSs to submit their sample summaries as soon as possible.

Questions about this Secretarial Letter can be directed to one of the following:

- Dan Mumford, Office of Competitive Market Oversight, [dmumford@pa.gov](mailto:dmumford@pa.gov), (717) 783-1957

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<sup>1</sup> Please note that staff review and feedback is considered informal advice and is provided pursuant to 52 Pa Code § 1.96 solely as an aid to NGSs. It is not binding upon the Commonwealth or the Commission and informal opinions are subject to withdrawal or change at any time to conform with new or different interpretations of the law or regulation.

<sup>2</sup> As defined at 52 Pa Code § 62.72: *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.

<sup>3</sup> To the extent NGSs subsequently develop new natural gas products, or have additional questions on how to effectively communicate any terms and conditions, Commission staff encourage ongoing dialogue and feedback on Contract Summary text.

- Matthew Hrivnak, Bureau of Consumer Services, [mhrivnak@pa.gov](mailto:mhrivnak@pa.gov),  
(717) 783-1678

Thank you for your attention and cooperation.

Sincerely,

A handwritten signature in cursive script, reading "Rosemary Chiavetta".

Rosemary Chiavetta  
Secretary

cc: Office of Consumer Advocate  
Office of Small Business Advocate  
Jan Freeman, Executive Director  
Mary Beth Osborne, Director of Regulatory Affairs  
Bohdan Pankiw, Chief Counsel  
Paul Diskin, Director, Technical Utility Services  
Tom Charles, Director, Office of Communications  
Alexis Bechtel, Director, Bureau of Consumer Services  
Office of Competitive Market Oversight

### ATTACHMENT: Natural Gas Supplier Contract Summary

Natural Gas Supplier Information	<i>Name, telephone number, website, etc. Plain language statement that NGS is responsible for gas commodity/supply charges.</i>
Natural Gas Price Structure	<i>Fixed, variable or other. If variable, based on what? If variable, how often is the price expected to vary? If variable, give any applicable ranges/ceilings. If no ranges/ceilings, a plain language statement indicating this fact. If variable, describe when the customer will receive notification of price changes in relation to time of month, final monthly meter read, billing cycle or when the price takes effect.</i>
Natural Gas Supply Price	<i>\$/unit or ¢/unit. If variable price, the first billing cycle's rate. Full disclosure of any introductory rate.</i>
Statement Regarding Savings	<i>Plain language that the supply price may not always provide savings to the customer.</i>
Deposit Requirements	<i>Any deposit requirements necessary for a customer and any terms associated with that deposit, in plain language.</i>
Incentives	<i>Any bonuses, discounts, cashback, offers, etc. and any associated terms, criteria and conditions, in plain language.</i>
Contract Start Date	<i>Plain language regarding the approximate start of NGS service.</i>
Contract Duration/Length	<i>In months, billing cycles, etc.</i>
Cancellation/Early Termination Fees	<i>Yes or no. If yes, describe the amount of the fee and how to avoid that fee, if possible.</i>
End of Contract	<i>Treatment of customer at the end of contract in plain language.</i>