

**Minutes of the
Pennsylvania Public Utility Commission's
Consumer Advisory Council**

Meeting of September 23, 2014

P.O. Box 3265

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Harrisburg, PA 17105-3265

Call to Order and Introductions

Chairman Tim Hennessey called the meeting to order at 10 a.m. in the Jr. Executive Chambers of the Public Utility Commission.

The Council approved the July 22, 2014, minutes.

Attendance

The following members of the Council were present:

Tim Hennessey, Chairman
Harry Geller, Vice Chairman
Michael Bannon
Ralph Douglass

George Silvestri (telephone)
Lee Tolbert (telephone)
Javier Toro

The following members of the Council were unable to be present:

Lillian Carpenter
Rick Hicks
Chad Quinn

Tina Serafini
Bill Sterner
Joe Toner

Public Utility Commission Staff Present:

Brett Rendina, Chairman Powelson's Office
Matt Totino, Vice Chairman Coleman's Office
Terri Slocomb, Commissioner Cawley's Office
Pat McDonnell, Commissioner Witmer's Office
Joe Witmer, Commissioner Brown's Office
Tom Charles, Office of Communications
Lori Shumberger, Office of Communications
Dave Hixson, Office of Communications
Colin Scott, Law Bureau
Krystle Sacavage, Law Bureau
Dan Mumford, Bureau of Consumer Services

Guests Present:

Nicole Grear, Energy Association of Pennsylvania (telephone)
Heather Yoder, Office of Consumer Advocate

George Silvestri wanted to comment on the Marcellus Shale and fracking that was mentioned at the July meeting about earthquakes in Oklahoma. After investigating this issue, there is a major fault line where the earthquakes are happening. The Philadelphia Inquirer did not report about the fault line. George Silvestri said after multiple attempts to email and calling the reporter, he finally got to talk with the reporter. The reporter said that he had included the information about the Oklahoma fault line in the article, but when it went to print, that information was removed.

Tim Hennessey asked if George Silvestri had the original article. George Silvestri said no, but he would try to get a copy.

Ralph Douglass thanked George Silvestri for investigating this issue.

Lee Tolbert said if the Philadelphia Inquirer is not reporting correct information, something should be done. Tom Charles said the Council should not be randomly contacting reporters. The information should be sent to the Office of Communications, to be looked into.

Ralph Douglass asked if the Council could have someone in to discuss fracking. Tom Charles said the PUC does not have jurisdiction over fracking. He could have someone give another Marcellus Shale presentation on what the PUC does regulate.

Natural Gas Retail Market Investigation (RMI) Update

Dave Hixson, from the PUC's Office of Communications, was asked to give an update on Natural Gas Retail Market Investigation (RMI).

Dave Hixson said, as 2014 winds down, the PUC is ramping up its statewide investigation on natural gas – which will run into 2015 and possibly into 2016.

By way of background, there was the Natural Gas Choice and Competition Act of 1999. In 2005, after several years, the PUC issued a report on the status of Pennsylvania's natural gas market. At that time, there was effectively no competition.

In 2006, the PUC convened a Natural Gas Stakeholders Working Group/SEARCH Committee. The committee was to prepare a report by 2008, with a Final Order and an Action Plan. On some fronts, the PUC saw progress, but not all the desired changes could be implemented, especially the changes with NGDC practices.

The 2008 plan included a future milestone review after five years, which was in 2013.

The official launch of the Natural Gas RMI was September 2013, through a Joint Motion from Commissioner Witmer and Commissioner Cawley.

At this time, only 14 percent of all natural gas customers have switched, and only 13 percent of residential customer have switched.

Part of the first phase is a list of eight questions to which interested parties submitted answers, ranging from views on current status of the market to exploring opportunities with natural gas exploration and production companies. There were 21 parties that submitted comments.

Based on the PUC reviewing the answers to the comments, the PUC now is moving into the next phase of the investigation -- issuing a Tentative Order on Aug. 21, 2014.

The PUC directed the Office of Competitive Market Oversight (OCMO) to lead the statewide investigation on assessing the current market conditions and identifying ways to remove barriers and spur greater competition. Comments were requested to identify any additional issues not outlined in the Tentative Order. The comments are due 30 days after Notice of the Tentative Order is posted in the Pennsylvania Bulletin. The Tentative Order was published on Sept. 13, 2014. Those comments are due on Oct. 13, 2014.

The PUC issued a press release on Aug. 21, 2014, that included more than a dozen issues that will be examined.

The PUC hopes parties that will be issuing comments will build upon answers submitted last fall, including the identification of any additional issues. At the end of the comment period, OCMO will begin its review of the comments and identify the manner in which it wants to proceed with the investigation.

The PUC plans to model the Gas RMI after the Electric RMI. Many of the issues for each investigation are similar. At this time, a timeline has not been established.

The PUC also will model the PAGasSwitch website after the PAMPowerSwitch website. The PUC also is considering a comprehensive statewide consumer-education campaign with strong consideration on how the costs of the campaign would be paid.

Michael Bannon asked if the gas suppliers' solicitation would follow the same requirements as the electric suppliers. Dave Hixson said the gas suppliers would need to follow the same regulations on solicitation. Michael Bannon asked if there would be door-to-door sales. Dave Hixson said yes.

Suppliers Contract Summaries/Terminations & Reconnections Update

Dan Mumford, from the Bureau of Consumer Services, was asked to give an update on suppliers' contract summaries and terminations.

Dan Mumford said the terminations for August 2014 were less than August 2013. For 2014, some of the utility companies' numbers are up and some are down. The numbers for the year-to-date for August 2013 and 2014 are about the same. Given last year's winter season, the terminations are not as high as expected.

The cold weather survey will be due to the PUC in December. This requires the utility company to contact households without service and that have not been reconnected during

the year. The utility must make four attempts to contact the consumers without heating service. The first three attempts can be done by a letter or a phone call. If no contact has been made, the fourth attempt must be done in person. The utility companies must send a report to the PUC by Dec. 13. The report must list how many households are still without service.

Dan Mumford said Chapter 14 will sunset in December after 10 years. The PUC is waiting to see what the legislation is going to do. Michael Bannon asked what will happen if Chapter 14 is not reenacted. Dan Mumford said the PUC is looking into this. This could cause some issues while some regulations.

Dan Mumford said, if Chapter 14 is reauthorized, there may be some changes to the rules that will need to be done quickly. Some regulations may need to be changed in a 60-day time period.

Harry Geller stated that the termination numbers had not increased since last winter, but, if you look at 2012 numbers, the numbers have increased about 25 percent. Dan Mumford said it is a good point, but the PUC expected to see a large jump due to the Polar Vortex, and that has not happened yet.

Dan Mumford said the Chapter 14 Biennial report is due at the end of the year. This report has historical data for the last 10 years. Dan Mumford said he will send the Council copies of the report.

Ralph Douglass asked if the data was broken down by neighborhoods. Dan Mumford said no, but PECO services the Philadelphia area and neighboring counties.

Joe Toner asked why PPL has the highest termination numbers. Dan Mumford said over the last couple years, PPL has ramped up their terminations. PPL's uncollectible accounts have been climbing. PPL's terminations have been up, but, during the cold weather survey, PPL gets most of their terminated customers reconnected for the winter.

Dan Mumford said there are copies of the contract summaries in the packets. These were discussed at the last meeting. The new regulations are due to the Polar Vortex. The past supplier's contract had too much legal wording for customers. Most people do not read everything. The new contract summary sheet will explain the most important information. These are designed after the credit card summary sheets.

The suppliers must follow a certain format when creating the summary sheet. The samples show that the first block must have the supplier's name, address and phone numbers. The supplier must list their price structure, if it is a variable rate or a fixed rate, what the price is and for how many months that price is good for.

The summary sheet also must list the contract start date, cancellation and early termination fees.

The Commission plans to carefully monitor these summary sheets. Michael Bannon said this is a step in the right direction.

Harry Geller asked if the Commission has provided feedback to the suppliers that have submitted their summary sheets. Dan Mumford said there has been some feedback, and some of the summary sheets are still in discussion. In the end, the suppliers will benefit by developing the summary sheets.

Michael Bannon asked about the hearing on variable prices due to the Polar Vortex. Dan Mumford said that the Office of Consumer Advocate (OCA) and the Attorney General's Office (AG) have both filed formal complaints against five suppliers. We cannot comment on those cases at this time. The Commission also has filed formal complaints against two suppliers, and both are pending before the Administrative Law Judges. There is information on these cases on the PUC website. Dan Mumford said, if someone would like to review the cases, he would get them the docket numbers.

Michael Bannon asked about consumers who had high electric bills and if they were billed too much. Dan Mumford said that some of the informal complaints filed by customers have been given a discount, but the suppliers are not saying they did anything wrong.

2-1-1 Update

Tom Charles said he received an email from the PA 2-1-1 Southeast about their website. A copy of this email is in the packets.

Tom Charles said Rick Hicks was involved with the 2-1-1 program in the past and will try to get an update at a future meeting.

Pat McDonnell said this 2-1-1 is in the southeastern part of the state while the group that Rick Hicks was dealing with was from the southwestern part.

Legislative Update

Tom Charles said that June Perry could not be at the meeting due to legislative hearings.

Harry Geller said the House Consumer Affairs Committee had a hearing today and asked if the Council could receive an update.

Tim Hennessey asked if the Council could receive an update via email since there was only 10 days left in session.

Council's Subgroup Report on Future Agenda Recommendations

Tim Hennessey said the subcommittee participated in a conference call on Tuesday, Aug. 26.

Ralph Douglass said copies of the minutes are in the packet. On the phone was Harry Geller, Michael Bannon, Javier Toro, Tom Charles, Colin Scott and Ralph Douglass.

The subcommittee is discussing consumer concerns and would like the Council to bring back consumer concerns from their area. Then what is the best way to take these concerns to the PUC.

The subcommittee will hold conference calls on the off months when there is not a scheduled Council meeting.

Michael Bannon said, if someone has a recommendation, please email the subcommittee with that concern or recommendation.

The Council had an in-depth discuss about the subcommittee's objectives and their plan of action for concerns or issues. The subcommittee will take the concerns that the Council has brought to them and submit those concerns or issues to the Commission for future meetings.

Michael Bannon told the Council that everyone is welcome to participate in the subcommittee conference calls.

Lee Tolbert suggested the Council to go back to monthly meetings instead of the bimonthly meetings. Tom Charles said the Council is only mandated to meet quarterly. It is hard to get a quorum for the bimonthly meetings without sending multiple emails and calling members. Also the budget will not cover the cost of monthly meetings.

Tim Hennessey thanked everyone for their comments on the subcommittee. The Council will continue to hold bimonthly meetings. The subcommittee will help streamline concerns and information to the Council and help determine the best way to bring these topics to the Commission.

Future Meeting Topics

Michael Bannon asked for an update on the variable rate cases that OCA and AG's offices have filed. Could Heather Yoder give an update to the Council? Heather Yoder said that the cases are moving forward on the cases, and she would get someone to talk with the Council.

Harry Geller said the natural gas RMI have comments due by Oct. 13. Is this something the Council would like to submit comments on consumer education or solicitation?

Tim Hennessey requested an update on the ride-share companies. The Uber and Lyft drivers use their personal vehicles to pick up passengers. Tom Charles said a press release was sent out about the en banc hearings on this issue. At this time, Uber and Lyft have temporary authority to operate in Pennsylvania. The Commission has concerns about insurance and vehicle safety. Tim Hennessey said taxi cabs are against them due to the cost for a medallion. Lee Tolbert asked if the PUC regulated the Philadelphia taxi companies. Tom Charles said no, the Philadelphia Parking Authority regulates them.

Lee Tolbert requested an update on the LIHEAP program. Is there a better way to get the information to those that are in need? Philadelphia always gets different information on when or who can participate. Tom Charles said he would invite Grace McGovern to the next meeting.

Lee Tolbert brought up PGW and what role does the PUC have in the sale. Harry Geller said this is a topic that the Council should be updated on.

Lee Tolbert said there needs to be more competition in Philadelphia for water, natural gas and electricity. How can that happen? Tom Charles said there is electric competition in Philadelphia. Lee Tolbert said there also needs to be more competition on the distribution side as well. Tim Hennessey said there is no competition on the distribution side, only on the supplier side. It would cost too much to have new lines. Lee Tolbert said he wants the same competition that Pittsburgh has. Consumers do not have a choice on their distribution company only their supplier.

Harry Geller said LIHEAP, is a state ran program by Department of Public Welfare (DPW). It is a uniform regulated program. There are not different policies for Philadelphia compare to other areas. Both the crisis and grant program will open up on Nov. 3. Lee Tolbert said that last year's program did run better compare to prior years, but there are still problems with communication between LIHEAP and low income consumers. There needs to be more training for those who handle the program.

Harry Geller said the crisis grant is not an automatic grant to everyone. The grant must resolve the issue, if the utility will not take the grant as full payment, then the individual will not receive the crisis grant. Plus, each utility company has different policies.

The next meeting for the CAC will be held at 10 a.m. Nov. 25, 2014, in the Executive Chambers of the Commonwealth Keystone Building.

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