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August 16, 2010

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**RE: Interim Guidelines on Marketing and Sales Practices for Electric Generation
Suppliers and Natural Gas Suppliers
Docket No. M-2010-2185981**

Dear Secretary Chiavetta:

Enclosed please find the Comments of PPL Electric Utilities Corporation to the Tentative Order Regarding Interim Guidelines on Marketing and Sales Practices for Electric Generation Suppliers and Natural Gas Suppliers for the above-referenced proceeding. Copies have been provided as directed in the Tentative Order.

Respectfully Submitted,

Anthony D. Kanagy

ADK/skr

Enclosures

cc: Office of Competitive Market Oversight (*via email*)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interim Guidelines on Marketing and Sales :
Practices for Electric Generation Suppliers : Docket No. M-2010-2185981
and Natural Gas Suppliers :

**COMMENTS OF PPL ELECTRIC UTILITIES
CORPORATION TO THE TENTATIVE ORDER
REGARDING INTERIM GUIDELINES ON
MARKETING AND SALES PRACTICES FOR ELECTRIC
GENERATION SUPPLIERS AND NATURAL GAS SUPPLIERS**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

By Tentative Order entered July 15, 2010, the Pennsylvania Public Utility Commission (“Commission”) requested comments from interested parties on proposed interim guidelines applicable to the marketing and sales practices of electric generation suppliers (“EGSs”) and natural gas suppliers (“NGSs”). Herein, PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) provides its comments in response to the Tentative Order.

PPL Electric is a “public utility” and an “electric distribution company” as those terms are defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2803, subject to the regulatory jurisdiction of the Commission. PPL Electric furnishes electric distribution, transmission and default service provider (“DSP”) electric supply services to approximately 1.4 million customers throughout its certificated service territory, which includes all or portions of twenty-nine counties and encompasses approximately 10,000 square miles in eastern and central Pennsylvania.

PPL Electric's rate caps expired on January 1, 2010. Since that time, the Company has experienced a high level of shopping in its service territory and a high level of participation by EGSs. PPL Electric fields calls on a daily basis regarding EGS activity in the Company's service territory and expects that this will continue in the future. In addition, customer perceptions of EGS activities can impact customer perceptions of PPL Electric, other EGSs and electric competition in general. Therefore, PPL Electric has a strong interest in ensuring that EGSs market their services in the Company's service territory in a reasonable manner that protects the reputation of all parties. For these reasons, PPL Electric fully supports the Commission's efforts to establish specific guidelines that govern EGS marketing activities.

PPL Electric was a participant in the Commission's Committee Handling Activities For Retail Growth in Electricity ("CHARGE") working group, which held discussions that led to development of the positions set forth in the proposed guidelines. As noted in the Tentative Order, the Commission's working groups developed a consensus position on many of the issues addressed by the guidelines. Below, PPL Electric has a few clarifying comments on the consensus issues. In addition, in its Tentative Order, the Commission noted that there were three non-consensus issues. PPL Electric supports the Commission's position on all three of the non-consensus issues and explains why it supports the Commission on these issues. Further, as explained below, due to the potential significant adverse impacts that could result from non-compliance with the Commission's guidelines, PPL Electric requests that the Commission affirm that non-compliance with the guidelines could result in the imposition of civil penalties under Section 3301 of the Public Utility Code, 66 Pa. Code § 3301.

II. DISCUSSION

A. CONSENSUS ISSUES

PPL Electric has clarifying comments with respect to several of the consensus issues set forth in the Commission's interim guidelines.

1. Background Checks

PPL Electric fully supports the Commission's decision to require suppliers performing door-to-door marketing to conduct criminal background checks and screenings to determine if individuals present a possible threat to the health and safety of the public. PPL Electric does not believe that it is appropriate for individuals that pose a threat to the health and safety of the public to conduct door-to-door sales activities.

In the Tentative Order, the Commission notes that conducting criminal background checks includes checking the "Megan's Law" registry. PPL Electric believes that this is a good first step and requests that the Commission develop other specific, concrete steps that suppliers must take to conduct criminal background checks and screenings such as checking state and federal criminal databases and checking driving records.

In addition, PPL Electric notes that 18 Pa.C.S. § 9125 addresses the use of criminal history information when hiring individuals. In this regard, PPL Electric suggests that the Commission clarify that the use of criminal history information must be consistent with applicable law.

2. Training

PPL Electric fully supports the consensus position that marketing agents must have appropriate training prior to conducting marketing activities. PPL Electric believes that proper training will help prevent customer complaints regarding sales activities. As a point of clarification, PPL Electric believes that it may be appropriate for the Commission to develop

specific training criteria for marketing employees of EGSs and NGSS. Possible examples include requiring newly hired individuals to: (1) pass a written test prior to conducting sales and marketing activities; (2) shadow a senior sales and marketing agent for a two week period; and/or (3) require a signed training certificate from a senior sales and marketing agent. In addition, PPL Electric believes that it would be appropriate for the Commission to consider requiring marketing employees to attend refresher training on an annual basis.

B. NON-CONSENSUS ISSUES

In the Tentative Order, the Commission noted that the proposed guidelines represented the consensus positions of the CHARGE and Stakeholders Exploring Avenues to Remove Competitive Hurdles (“SEARCH”) working groups except for three issues. These three exceptions include: (1) the requirement that door-to-door sales agents must physically exit a customer’s residence before verifying the customer’s consent to the sale; (2) the designation of the hours for door-to-door sales activities from 9:00 a.m. to 7:00 p.m.; and (3) the need for the supplier to contact the distribution company prior to the supplier initiating marketing or sales activities which may result in telephone calls to the Commission. As explained below, PPL Electric fully supports the Commission’s proposed resolution of these three issues.

1. Confirming The Customer’s Consent To A Sale

PPL Electric fully supports the Commission’s decision to require door-to-door agents to physically exit a customer’s residence before initiating the verification process confirming a customer’s consent to the sale. PPL Electric believes that it is essential for sales agents to obtain express confirmation from customers regarding a sales transaction. This should help prevent situations where customers are signed up for services they did not agree to take. In addition, it is also very important that this verification process takes place after the sales agent has exited the

customer's home. This should minimize high pressure sales tactics and any impression by customers that they must sign up to get a sales agent to leave their residence.

2. Hours For Door-To-Door Sales Operations

PPL Electric fully supports the Commission's decision to limit door-to-door sales activities to the period between 9:00 a.m. and 7:00 p.m. This provision is especially important for families with young children who are preparing their children for bed in the evening, as it will prevent unannounced sales agents for EGSs and NGSs from disturbing families after 7:00 p.m. In addition, PPL Electric believes that this guideline provides sufficient and reasonable time periods for sales agents to meet with customers, including early evening hours and weekend hours for those customers that work during the day.

3. Supplier Contact With Distribution Companies

PPL Electric fully supports the Commission's decision to require suppliers to contact distribution companies prior to the supplier initiating marketing or sales activities that the supplier anticipates may result in telephone calls to the Commission. PPL Electric believes that this requirement is very important. PPL Electric has received many calls when suppliers conduct door-to-door sales activities or when they conduct marketing activities in general. Advance notice will give PPL Electric and other distribution companies the opportunity to prepare for calls from customers regarding these activities. Advance notice will also allow PPL Electric and other distribution companies to proactively contact the supplier when complaints are received from targeted regions of their service territory.

C. ENFORCEMENT ISSUES

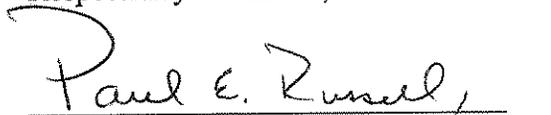
PPL Electric notes that the Tentative Order provides that the procedures set forth therein are "guidelines" that are applicable to EGSs and NGSs that perform sales and marketing activities. However, PPL Electric also notes that the "guidelines" are written as mandatory

requirements for EGSs and NGSs. PPL Electric believes that the Commission should enforce the guidelines as mandatory requirements for all EGSs and NGSs. Therefore, in order to avoid any uncertainty, PPL Electric requests that the Commission expressly provide that the guidelines are mandatory requirements and violations of the guidelines could result in the imposition of civil penalties under Section 3301 of the Public Utility Code, 66 Pa.C.S. § 3301. PPL Electric notes that under Section 3301, the Commission may impose civil penalties of \$1,000 per day, per violation for failure to comply with “any regulation or final direction, requirement, determination or order made by the commission....” Given the importance of the guidelines and the potential impact on customers if marketers or marketing agents violate the guidelines, PPL Electric believes that it is important for the Commission to strictly enforce them.

III. CONCLUSION

As stated above, PPL Electric supports the efforts of the Commission to adopt guidelines that are applicable to marketing and sales practices of EGSs and NGSs. PPL Electric fully supports the Commission’s guidelines as set forth in the Tentative Order and further requests that the Commission adopt the clarifications explained herein.

Respectfully submitted,



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Date: August 16, 2010

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