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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE** |

MARCH 25, 2011

To: Electric Generation Suppliers and Electric Distribution Companies

Re: Requirements Applicable to Mixed Meter Scenarios

Docket No.: M-2009-2082042

The Commission is aware of questions that have arisen about whether an electric generation supplier (EGS) must be licensed to serve residential or small commercial customers in mixed meter situations. These questions have been raised and discussed during conference calls of the Committee Handling Activities for Retail Growth in Electricity, which are hosted by our Office of Competitive Market Oversight (OCMO).

The term “mixed meter,” as used in the context of these inquiries, refers to a situation where an EGS, which is licensed to serve large commercial, industrial or governmental customers, also provides service through multiple meters to one or more residential or small commercial customers. The EGS has contracted with the large commercial, industrial or governmental customer, and the service provided to residential or small commercial customers through separate meters is part of or incidental to that contract or account.

Several examples of mixed meter scenarios have been provided, including the following:

* An EGS contracts with a university to provide electric supply through multiple meters, and the president’s home is served as part of that account through a residential meter;
* An EGS contracts with a military base and provides supply through multiple meters including commercial, such as hospitals and storage depots, and residential, such as dwellings for commanding officers;
* An EGS contracts with a parish and the rectory is served as part of the account;
* An EGS contracts with a bank that has several branches and receives service as a large commercial customer, while automated teller machines are metered as small commercial customers; and
* An EGS contracts with an industrial complex that is a large commercial customer, with maintenance sheds and parking lot lights being served through small commercial meters.

By this Secretarial Letter, we clarify that an EGS licensed to serve large commercial, industrial or governmental customers must also apply for and obtain authority to serve residential

or small commercial customers in mixed meter scenarios. This clarification is consistent with the Commission’s licensing regulations at 52 Pa. Code §54.33, which require applicants to identify the classes of customers they intend to serve. Also, our licensing orders and the licenses issued to EGSs specify the classes of customers to whom service may be provided, including

residential, small commercial (25 kW and under demand), large commercial (over 25 kW demand) and governmental. *See, e.g*. *License Application of Planet Energy (Pennsylvania) Corp for Approval to Offer, Render, Furnish or Supply Electricity or Electric Generation Services as a Supplier of Retail Electric Power*, Docket No. A-2011-2223534 (Order adopted February 24, 2011; *Amendment to Electric Generation Supplier License of Premier Power Solutions, LLC*, Docket No. A-110170 (Order adopted February 24, 2011).

Therefore, regardless of who the contracting party is or whether the service to residential or small commercial customers is incidental to service provided to a large commercial, industrial or governmental customer, EGSs are required to obtain amendments to their licensing authority to serve all classes of customers who will receive supply from them. In filing such amendments to change only the type of customers who are served, it is not necessary to publish notice in newspapers of general circulation, as required for original applications or requests to amend the geographic area to be served, pursuant to 52 Pa. Code §54.35. Further, EGSs filing such applications to amend their licenses to serve residential or small commercial customers need not submit disclosure statements required by 52 Pa. Code §54.5 until such time as they would begin interacting directly with such customers.

As to the provisions of Chapter 56 of the Commission’s regulations in Title 52 of the Pennsylvania Code and the specific customer protections in 52 Pa. Code §§54.4-54.9, which are normally applicable to EGSs serving residential and small commercial customers, as outlined in the above licensing orders, we note that EGSs serving such customers in mixed meter scenarios would generally be exempt from compliance with these provisions. Our understanding of those situations is that all of the EGS’s interactions, including extending an offer, conducting negotiations, executing a contract and issuing bills, are exclusively with the large commercial, industrial or governmental customer, and that the provision of service to a residential or small commercial customer is merely incidental to the sale of that supply. Since the EGS would have no interactions with a small commercial or residential customer served as part of such a mixed meter account, it would be impractical to require compliance with provisions intended to protect those consumers during contract negotiations and the billing process.

Also, we note that electric distribution companies (EDCs) serving residential customers as part of a large commercial customer account likewise do not comply with Chapter 56 provisions except when terminating service. Since the EGS cannot terminate service but rather only has the option of returning the customer to the EDC for non-payment, no residential customer’s service can be terminated until after the EDC has complied with the notification requirements of Chapter 56.

We emphasize that the clarifications provided by this Secretarial Letter are not intended to apply to affinity group marketing situations where an EGS that is licensed to serve commercial, industrial or governmental customers offers to provide service to the customer’s employees or customers for use at their individual residences. The relevant provisions of Chapters 54 and 56 would apply to these accounts.

While it is not possible to provide clarification for every possible scenario the Commission’s guidance here is based on use of good judgment and common sense. As such, it should be capable of being applied to most situations. Questions about whether it is necessary to extend Chapter 54 or 56 protections to residential or small commercial customers who are served incidental to or as part of a large commercial, industrial or governmental contract should be

raised with the Commission’s OCMO. In responding, OCMO will consider the nature of the service and the extent, if any, of interactions with the residential or small commercial customers

and seek further guidance from the Law Bureau or the Commission as necessary. These inquiries should be sent to [ra-ocmo@state.pa.us](mailto:ra-ocmo@state.pa.us).

 Very truly yours,

Rosemary A. Chiavetta

Secretary

cc: Office of Competitive Market Oversight