**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

Public Meeting held June 21, 2012

Commissioners Present:

Robert F. Powelson, Chairman

John F. Coleman, Vice Chairman

James H. Cawley

Wayne E. Gardner

Pamela A. Witmer

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| Investigation of Pennsylvania’s  Retail Electricity Market:  Revised Schedule for Statewide  Consumer Education Mailings | I-2011-2237952 |

**FINAL ORDER**

**BY THE COMMISSION:**

By this Order, the Pennsylvania Public Utility Commission (“Commission”) issues a revised scheduled for the mailing of certain consumer education materials as previously directed in the Final Order and Intermediate Work Plan adopted on March 1, 2012, and consistent with the Commission’s Secretarial Letter of May 21, 2012.

**DISCUSSION**

**History of the Proceeding**

On July 28, 2011, the Commission issued an Order initiating the second phase of the *Investigation of Pennsylvania Retail Electricity Market (RMI),* Docket No. I-2011-2237952 (Order entered July 28, 2011). As part of the second phase of the Investigation, the Commission directed the Office of Competitive Market Oversight (OCMO) to identify intermediate steps involving changes to the existing market model and to present an Intermediate Work Plan. On March 1, 2012, the Commission adopted a Final Order and Intermediate Work Plan designed to improve competition in the retail electricity market. The Intermediate Work Plan contains a number of measures intended to encourage and increase customer participation in the competitive retail electricity market in the Commonwealth, including three coordinated educational mailings to residential and small business electric consumers.

Pursuant to a Secretarial Letter issued on December 15, 2011, electric distribution companies (EDCs) mailed a Commission-endorsed postcard in February 2012 encouraging consumers to shop for a competitive supplier and highlighting the Commission’s website for electric shopping, [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com). The Commission’s call center received significant inquiries from consumers following those mailings, including many requests for shopping information. Additionally, the number of visitors to [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) doubled during the month following the mailings.

The March 1, 2012 Final Order directed the mailing of a PAPowerSwitch.com tri-fold flyer in May 2012. This flyer has been developed and places a strong emphasis on [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) and provides consumers with a detailed walk-through of the steps involved when shopping for a competitive electric generation supplier. It also highlights the potential savings that can be achieved by consumers when shopping for generation supply. Both the postcard noted above and the tri-fold flyer have been posted on [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) so that consumers may reference them when they visit the website.

The Final Order further directed a third mailing in October 2012, consisting of a letter from the EDCs encouraging consumers to shop, directing consumers to [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) and reinforcing the notion that all consumers, regardless of who supplies their electricity, will continue to receive safe and reliable distribution service from their EDCs. Attached to this letter will be a “frequently-asked questions” document. Language has been drafted for this mailing.

On May 21, 2012, the Commission issued a Secretarial Letter proposing to delay the mailing of the [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) tri-fold flyer until November 2012 and to delay the mailing of a letter and a “frequently-asked questions” document until 2013.

**Comments**

Despite the apparent effectiveness of the postcard in driving consumers to www.PAPowerSwitch.com and in raising awareness about shopping opportunities, the Commission proposes to delay the mailing of the tri-fold flyer and the EDC letter by approximately six months each. The primary reason for proposing these delays is feedback the Commission has received from consumers about the high volume of mail they receive from a variety of sources related to electric shopping. The Commission is concerned about overwhelming consumers and giving them a negative impression of electric choice – the exact opposite of what is intended. Also, while the mailings are viewed as a cost-effective way of educating consumers, the Commission has a responsibility to ensure that ratepayer funds are used as effectively as possible.

In the Secretarial Letter of May 21, 2012, the Commission provided for interested parties to file comments to the proposed changes. The following parties filed comments: the Energy Association of Pennsylvania (EAP), the First Energy Companies (Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn)), FirstEnergy Solutions Corp. (FES), Office of Consumer Advocate (OCA), the Pennsylvania Energy Marketers Coalition (PEMC), and the Retail Energy Supply Association (RESA).

All six parties who filed comments to the May 21, 2012 Secretarial Letter support the re-scheduling of the consumer education mailings. PEMC notes in its comments that it is critical that choice empower customers, not overwhelm them, so on balance a delay in the second and third education mailings in reasonable. FES believes that the proposed delays are consistent with a well-coordinated and considered approach to consumer education and retail market enhancement. Meanwhile, OCA submits that the Commission’s proposal to spread the statewide mailings out over a longer period of time is reasonable, particularly in light of the concerns raised in the Secretarial Letter.

In unanimously supporting the revised schedule for the statewide consumer education mailings, several parties also asked the Commission to reconsider certain elements of the mailings, including timing, inclusion of an evaluation period, more flexibility to the EDCs in producing and mailing the consumer education materials, and even a reduction in the number of mailings to customers.

OCA cautions against setting specific dates for the next round of mailings and urged the Commission to continue monitoring feedback throughout the process. Similarly, PEMC cautions against definitively determining to postpone the next two mailings for six months and recommends that the Commission should re-evaluate the timeline for the mailings in three months.

In looking beyond the two remaining statewide mailings, FES urges the Commission to conclude the coordinated educational mailings early enough to allow for a reasonable pause before residential customers receive mailings related to the retail market enhancement programs – particularly the retail opt-in programs. FES went as far to suggest that the Commission consider reducing the campaign to only two mailings, at least in the case of residential customers, to allow for a sufficient pause between the last educational mailing and the opt-in mailings.

EAP believes that decisions on timing should also take into account the schedule for other agreed upon mailings, and should consider whether the content of the tri-fold or EDC letter/FAQ is redundant or may be combined with mailings committed to in various Commission proceedings or that are likely to occur as part of future opt-in and customer referral programs. Furthermore, EAP recommends that any revised Order provide sufficient flexibility for interested parties to work with the Commission.

From the standpoint of its four EDCs, FirstEnergy supported the postponement but made the case for greater flexibility for the EDCs in coordinating the timelines for all coordinated mailings. Additionally, and consistent with the comments of EAP, FirstEnergy noted in its comments that consideration should be given to the potential overlap of content in consumer education efforts.

RESA did not oppose the Commission’s proposed delay, but did encourage the Commission to continue less costly consumer education pending the next mailing, to including the posting of a monthly education fact sheet and other educational and issue specific messages on PAPowerSwitch.com to assist customers.

**Disposition**

We have thoroughly considered the comments and recommendations of the stakeholders and acknowledge the need to maintain a strong working partnership and open dialogue with them. Despite proposing to delay these mailings, we remain steadfast in our commitment to consumer education regarding electric choice and appreciate the similar sentiments expressed by all stakeholders. We agree with the commenters who stressed the importance of establishing timeframes for the mailings, but we also understand the need expressed by other commenters to have some flexibility on timing to take into consideration other mailings of individual EDCs. A coordinated approach to these mailings will ensure their optimum effectiveness, and we believe that the mailings will be more effective in promoting competition if they are spaced out over a longer period of time.

Based on the foregoing, we amend the Final Order and Intermediate Work Plan adopted on March 1, 2012 to delay the mailing of the [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) tri-fold flyer until November 2012. Individual EDCs are directed to work with our Office of Communications to implement this mailing as close to November 2012 as possible, but no later than February 2013. Further, we amend our prior order to direct the mailing of an EDC letter and “frequently-asked questions” document by the end of 2013; **THEREFORE,**

**IT IS ORDERED:**

1. That the mailing of the [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) tri-fold flyer be delayed until November 2012 but no later than February 2013, at which time to be completed consistent with direction provided in the Commission’s Final Order and Intermediate Work Plan of March 1, 2012;

2. That the mailing of the EDC letter and a “frequently-asked questions” be delayed until 2013 and sent no later than December 31, 2013, at which time to be completed consistent with direction provided in the Commission’s Final Order and Intermediate Work Plan of March 1, 2012.



**BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: June 21, 2012

ORDER ENTERED: June 21, 2012