

# PENNSYLVANIA ENERGY MARKETERS COALITION

April 15, 2013

Rosemary Chiavetta  
Secretary, Pennsylvania Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

Dear Secretary Chiavetta:

Please find enclosed the Comments of the Pennsylvania Energy Marketers Coalition ("PEMC"), in response to the Pennsylvania Public Utility Commission's Advanced Notice of the Final Rulemaking Order revising the Commission's existing regulations on licensing requirements for natural gas suppliers (Docket No. L-2011-2266832).

Please do not hesitate to contact me with any questions or concerns regarding our Comments.

Sincerely,



Frank Caliva, III  
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Enclosures

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Rulemaking on Licensing Requirements            )  
For Natural Gas Suppliers    )     Docket No. L-2011-2266832

**COMMENTS OF THE PENNSYLVANIA ENERGY MARKETERS COALITION**

**INTRODUCTION**

Pursuant to Docket No. L-2011-2266832, the Pennsylvania Public Utility Commission (“PUC,” or “Commission”) seeks comments on an Advanced Notice of Final Rulemaking (“final rulemaking”), reviewing the Commission’s licensing requirements for natural gas suppliers (“NGSs”). The final rulemaking was adopted by the Commission on February 28, 2013, after consideration of comments filed by the Pennsylvania Energy Marketers Coalition (PEMC), Retail Energy Supply Association (RESA), National Energy Marketers Association (NEM), Washington Gas Energy Services, Inc. (WGES), and Spark Energy Gas, LP, and other parties, on the Commission’s Proposed Rulemaking Order (“proposed rulemaking”) considering the scope of NGS licensing requirements at 52 Pa. Code § 62.101 (relating to definitions) and § 62.102 (relating to scope of licensure).

The PEMC appreciates the opportunity to comment on the revisions to the final rulemaking as well as provide comments on the costs that would be incurred, and any savings that might be achieved, by affected parties as a result of the proposed amendments. The PEMC greatly appreciates the Commission’s commitment to ensuring consumers continued protection from deceptive practices and further enabling a robust, competitive marketplace with an array of value-added products and services meeting consumer needs. As a result, and to an extent, the final rulemaking is reflective of this. The Commission’s final rulemaking sets forth the following amendments to the NGS licensing regulations: (1) that the definition of marketing service consultants be eliminated; (2) that the definition of “broker” and “aggregator” as used in the electric supplier licensing regulations be incorporated into the natural gas supplier licensing regulations; and (3) that the exemption from

licensing requirements be modified to include entities two new categories – “non-traditional marketers” and “non-selling marketers.”

#### PEMC Comments

The PEMC appreciates the reasoning behind the decision of the PUC to incorporate the definition of “broker” and “aggregator” from the electric supplier licensing regulations into the natural gas supplier regulations. From a regulatory certainty standpoint, this will provide new entrants into the Pennsylvania marketplace with clear guidance about whether or not they need to apply for a license. We strongly support the Commission’s decision to leave intact the licensing exemptions for “non-selling marketers” that provide marketing and sales support services on behalf of only one natural gas supplier. Without this exemption, there would be significant costs for suppliers who rely on services from a range of partner firms to sell and deliver natural gas to retail customers, not to mention a burden on Commission staff that will already face a large tranche of new license applications for brokers and aggregators. Requiring licensing for non-selling marketers that work with multiple suppliers in Pennsylvania also makes sense, as it ensures a single entity can be held responsible for any violations of consumer protection or sales and marketing rules.

The PEMC is also appreciative that the Commission will keep a licensing exemption for “non-traditional marketers” which work on behalf of the members of a civic or other community-based organization. For those suppliers that use relationship marketing channels and work with organizations to provide tailored services to specific communities, this exemption will continue to ensure that barriers for innovative marketing approaches remain low while lines of responsibility and accountability back to the supplier are clear.

#### Conclusion

The PEMC appreciates the Commission’s commitment towards increasing the competitive marketplace for natural gas, while ensuring consumer protection and allowing for an increased amount of valued-added products and services that meets the customers’ needs. The PEMC emphatically supports strong consumer protections, robust licensing requirements for true NGSs, and

swift sanctions for market actors who break the rules. We believe that when it comes to misbehavior by NGS employees and agents, "the buck stops with the supplier." We renew our continued commitment to work with the Commission, Staff, and other stakeholders to building a marketplace which empowers consumers so that they have the ability to take control of their energy purchases with products that best fit their individual needs.

April 15, 2013

Respectfully submitted,

PENNSYLVANIA ENERGY MARKETERS COALITION



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CC: PEMC Distribution List (below)

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