**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

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|  | Public Meeting held December 18, 2014 |
| Commissioners Present:  Robert F. Powelson, Chairman  John F. Coleman, Jr., Vice Chairman  James H. Cawley  Pamela A. Witmer, Statement  Gladys M. Brown |  |
| Investigation of Pennsylvania’s Retail Natural Gas Supply Market | I-2013-2381742 |
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**FINAL ORDER**

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**BY THE COMMISSION:**

On August 21, 2014, the Pennsylvania Public Utility Commission (Commission) issued a *Tentative Order* at this Docket, announcing specific topics and issues that the Commission intends to pursue in this Investigation of Pennsylvania’s retail natural gas supply market (Investigation or Gas RMI).[[1]](#footnote-1) We issued that *Tentative Order* pursuant to the Natural Gas Choice and Competition Act, effective July 1, 1999, 66 Pa. C.S. §§ 2201-2212, which requires us to convene stakeholders and explore avenues to encourage increased competition in the natural gas supply market. *See* 66 Pa. C.S. § 2204(g). In the *Tentative Order*, we invited parties to comment on any additional important matters that were not already sufficiently discussed and developed in this Investigation. *See* *Investigation of Pennsylvania’s Retail Natural Gas Supply Market*, I-2013-2381742 (Order entered Sep. 12, 2013, initiating this Investigation). Through this Final Order, we outline our priorities and finalize specific action plans, including the establishment of working groups and our intent to propose regulations on specific issues.

# BACKGROUND

Upon reviewing recommendations from the Commission’s Office of Competitive Market Oversight (OCMO), we issued the *Tentative Order* analyzing informal comments submitted to OCMO in response to our September 12, 2013 Order, wherein we requested comments from interested parties on specific topics and issues. *See* September 12, 2013 Order, Docket No. I-2013-238174, at p. 3-4.

Through the *Tentative Order*, we indicated our tentative priorities on certain issues and highlighted additional issues to be addressed in the near future. We outlined 18 subject matter areas: 1) Next Steps for Pennsylvania’s Retail Natural Gas Market; 2) Provision of Supplier of Last Resort (SOLR) Service; 3) Rate Unbundling; 4) Assignment of Capacity and Use of Storage Assets; 5) Non-discrimination in Access Points on NGDC Systems; 6) System Balance, Tolerances and Penalties; 7) Creditworthiness Requirements; 8) Seamless Moves and Instant Connects; 9) Accelerated Switching Timeframes; 10) Standard Offer Program; 11) Low-Income Customer Shopping; 12) Expanded Consumer Education about Shopping; 13) Purchase of Receivables (POR) Programs; 14) Disclosure Requirements; 15) Joint Natural Gas Distribution Company (NGDC) – Natural Gas Supplier (NGS) Bill; 16) Account Number Access Mechanisms; 17) Migration Riders; and 18) Electronic Data Protocols. *See* *Tentative Order*, at p. 2.

In the *Tentative Order*, we sought, within 30 days, comments on additional issues not addressed by the comments to the September 12, 2013 Order. *See Id.* at 51. We invited opinions and perspectives from interested parties, but advised that OCMO would not be required to achieve consensus on every recommendation submitted. *See* *id.*

Comments to the *Tentative Order* were filed by Dominion Retail, Inc. d/b/a Dominion Energy Solutions, Shipley Energy Co., Rhoads Energy Corp., and AMERIgreen Energy (NGS Parties); the Energy Association of Pennsylvania (EAP); the National Energy Marketers Association (National Marketers); PECO Energy Company (PECO); the Pennsylvania Energy Marketers Coalition (PA Marketers); the Penn State Facilities Engineering Institute (PSU Engineers); the Retail Energy Supply Association (RESA); UGI Energy Services, LLC (UGIES); and Washington Gas Energy Services, Inc. (Washington Gas).

# DISCUSSION

We have reviewed the comments to the *Tentative Order*. Upon review of those comments and based on OCMO’s recommendations, we will narrow the focus of this Investigation, as provided through this Final Order, pursuant to our duty under the Natural Gas Choice and Competition Act, 66 Pa. C.S. §§ 2201-2212, and our authority under the Public Utility Code, 66 Pa. C.S. § 501. Below, we summarize the comments by subject area and render dispositions accordingly.

We reiterate that, while OCMO will consider all positions of interested parties in developing recommendations for this Commission’s consideration, it will not be required to achieve consensus on those recommendations before forwarding recommendations to the Commission. In addition, OCMO is directed to hold conference calls and/or conduct meetings with various stakeholders to ensure that Commission Staff has current knowledge of Pennsylvania’s retail natural gas market, including, but not limited to, gas distribution system operations and NGS/NGDC interactions. These meetings/conference calls should be the initial OCMO tasks in the Investigation.

## A. Next Steps for Pennsylvania’s Retail Natural Gas Market

In our *Tentative Order*, we noted our agreement with the views expressed by RESA in its informal comments that improvements to the current retail natural gas market in the Commonwealth are necessary to provide for a more robust shopping experience for Pennsylvania consumers. Therefore, we determined that we would forego an initial examination of the state of the market and tentatively directed OCMO to examine various issues that are designed to improve the retail natural gas market and stimulate consumer participation.

**1. Comments**

In moving forward, EAP emphasizes the importance of collaboration among the various stakeholders through discussions and reviews of the issues in a variety of forums, such as in-person meetings, conference calls, working groups and subgroups, as well as submission of comments and/or white papers on specific issues. EAP Comments at 3; *see also* NGS Parties’ Comments at 7 (asking Commission to identify investigative tools and processes). Accordingly, EAP asks that the Commission establish an outline or framework for resolution, but cautions against targeted completion dates for any aspect of the Investigation. EAP Comments at 3-4.

RESA recommends a three-phrase approach, entailing short-term, midterm and long-term action plans. In the short-term, RESA recommends examination of a joint NGDC-NGS bill; customer account look-up mechanisms; seamless moves and instant connects; improvements to www.PaGasSwitch.com;[[2]](#footnote-2) the quarterly NGDC reconciliation process; tariff rules and standard offer programs. In the midterm, RESA recommends examination of: the removal of the NGDCs from the SOLR role; NGS consolidated billing; cost of service studies; capacity assignment and storage; NGDC access points by NGSs; standardization of tariffs; creditworthiness requirements; accelerated switching; low-income shopping; disclosures; migration riders and electronic data protocols. For the final phase of the Gas RMI, RESA recommends examination of any issues that are not effectively resolved at that point. RESA Comments at 3-5.

**2. Disposition**

As discussed herein, we will rigorously review the issues in a variety of forums, including working groups, notice-and-comment rulemaking, conference calls and meetings. The following discussion will provide the scope of this Investigation, the general approaches to review each issue and the broad timelines for OCMO’s development of recommendations for the Commission’s consideration.

## B. Provision of Supplier of Last Resort Service

In our *Tentative Order*, we recognized many parties’ concerns with the current SOLR model implemented in Pennsylvania; however, we noted that, in our Electric RMI[[3]](#footnote-3) Final Order,[[4]](#footnote-4) we determined that the various revisions to the electric default service product, as well as the multiple initiatives for increasing customer participation in the market directed in that proceeding, were reasonable steps in the evolution of the competitive retail electric market. In the *Tentative Order*, we expressed the same opinion and proposed that this Investigation into the natural gas retail market focus on initiatives that can be implemented within the current SOLR structure to allow for a more competitive and beneficial retail natural gas marketplace for Pennsylvania ratepayers. We did note, however, that we may, at any point in time, revisit this decision. Additionally, we proposed that OCMO examine the current reconciliation process for SOLR service to determine whether improvements in the timing of the reconciliation process would improve the retail market.

**1. Comments**

Although we expressly stated in our *Tentative Order* that we would not consider elimination of the NGDC from SOLR service at this time, many parties commented on the subject and ask the Commission to reconsider examination of the subject. *See, e.g.,* National Marketers Comments at 2; RESA Comments at 6; NGS Parties Comments at 3-5. The National Marketers explain that many of the issues the Commission has identified in this Investigation would be ameliorated or eliminated if utilities were no longer performing SOLR service. National Marketers Comments at 2; *see also* RESA Comments at 2; *see also* NGS Parties Comments at 3-5. Washington Gas asks the Commission to consider rules that would phase out NGDCs as SOLR providers. Washington Gas Comments at 4.

RESA contends that the most effective way to engage customers in and ensure the success of a robust, competitive retail natural gas market requires removal of the NGDC from the SOLR function and allowing NGSs to assume procurement responsibilities for all customers on the distribution system. RESA Comments at 1-2. Contending that the ultimate end state for this Gas RMI should be removal of the NGDCs from the SOLR role, RESA discusses the current barriers to entry and the uneven playing field between the NGDCs and NGSs. RESA Comments at 6; *see also* NGS Parties Comments at 4-5. RESA explains that a system that places NGSs in the SOLR role will naturally encourage shopping and the development of an array of innovative products and services, leading to beneficial investments in Pennsylvania. RESA asks the Commission to establish a subgroup to explore this issue and offers to discuss the experiences of RESA’s members in other jurisdictions. If the Commission does not desire to seriously examine this issue at this time, RESA recommends that the Commission establish a date certain in the future to revisit this issue, examine the reconciliation process now, and implement programs that encourage customer migration away from default service. RESA Comments at 6-7.

Similar to RESA, the NGS Parties argue that robust competition is unlikely without addressing elimination of SOLR service by NGDCs, a “fundamental market design problem that has handicapped NGSs from the very beginning.” NGS Parties Comments at 3. The NGS Parties contend that NGDCs should be relabeled as the supplier of the *first* resort because the NGDC default service automatically receives all new customers upon signing up or during a move. The NGS parties observe that requiring new and transient customers to first take service from the NGDC SOLR “serves to entrench the misperception” that SOLR service is better or more advantageous than competitive service, thereby creating an initial burden for the NGS to “dislodge customers from default service.” As a first step to encouraging NGDCs to voluntarily exit from the merchant function, the NGS Parties recommend that the Commission consider promulgating regulations pursuant to 66 Pa. C.S. § 2207(f) (availability of the service of natural gas suppliers). NGS Parties Comments at 3-5.

PECO and OCA agree with the Commission’s decision to keep the NGDC as the SOLR at this time. PECO Comments at 2 (emphasizing that the Commission should remain consistent with the Electric RMI); OCA Comments at 2-3.

**2. Disposition**

As we expressly stated in the *Tentative Order*, we will not consider elimination of the NGDC from SOLR service at this time. While we acknowledge that many of the sub-issues that we have identified in this Investigation may be ameliorated or may be unnecessary to address if we remove the NGDC from SOLR service, we continue to believe that this Investigation should first focus on implementing reasonable steps and initiatives within the current SOLR structure to increase NGS and customer participation in order to allow for a more competitive and beneficial marketplace.

As implementation of these initiatives begins to remove barriers to competition and as the market matures, we may more fully examine removing the NGDC from SOLR service. As suggested by RESA, we will consider establishing a working group to explore this issue and discuss with RESA the experiences of its members in other jurisdictions.

## C. Rate Unbundling

In our *Tentative Order*, we agreed with OCA that the review of rate unbundling would be better examined at a later time, after recommendations which arise from this Investigation are implemented and have an opportunity to impact the retail natural gas market. Additionally, we noted OCA’s argument that, in our *Revised Final Rulemaking Order* at Docket No. L-2008-2069114 (Order entered June 23, 2011), we directed NGDCs to unbundle certain gas procurement charges from their distribution base rates, as well as to modify their prices to compare (PTCs) to ensure that they accurately reflect commodity procurement costs in order to provide a better comparison model for customers. We agreed with OCA that these modifications should be given a chance to operate before we embark on additional rate unbundling efforts and, therefore, we proposed that OCMO not examine rate unbundling at this time. However, we proposed that we continue to monitor this issue and revisit it in the event that we determine further unbundling is warranted.

**1. Comments**

PECO and OCA agree with the Commission that rate unbundling should not be examined in this Investigation. PECO Comments at 3 (noting that NGDCs were recently directed to unbundle natural gas procurement costs from base rates and to revise their PTC to accurately reflect unbundled costs); OCA Comments at 2-3 (“no further unbundling is needed at this time”).

Concerned that NGSs have an unfair burden to ensure that all NGDC procurement costs are included in the PTC by presenting alternative cost of service studies and expert witnesses in each NGDC’s rate proceeding, RESA recommends that the Commission direct OCMO to gather input from NGSs regarding the general cost categories they currently pay to provide service. Per OCMO’s recommendation, the Commission could then issue a policy statement indicating the types of costs that NGDC PTCs should include so that all procurement costs (beyond demand and commodity costs) will be reflected in PTCs, thereby enabling “a true apples-apples comparison to NGS prices.” RESA Comments at 16-17.

**2. Disposition**

As we expressly stated in the *Tentative Order*, the Commission still believes and agrees with PECO and OCA that rate unbundling should not be examined at this time. We understand RESA’s concerns regarding the burden on NGSs to present cost of service studies and expert witnesses. To that end, we will take under advisement RESA’s request for a Commission policy statement that indicates the types of appropriate costs that should be reflected in an NGDC’s PTC.

## D. Assignment of Capacity and Use of Storage Assets

Section 2204(d)(1) of the Natural Gas Choice and Competition Act provides the NGDC with the option to release, assign or otherwise transfer capacity or Pennsylvania supply in whole or in part on a nondiscriminatory basis to suppliers or industrial customers on its system. 66 Pa. C.S. § 2204(d)(1). Section 2204(d)(4) of the Natural Gas Choice and Competition Act requires a licensed NGS to accept such release, assignment or transfer of capacity. 66 Pa. C.S. § 2204(d)(4). However, Section 2204(5) provides NGSs with a mechanism to petition the Commission to avoid such mandatory capacity assignments. 66 Pa. C.S. § 2204(5)(ii). Also, Section 2204(e) provides NGSs and others the opportunity, under certain circumstances, to renew expiring NGDC contracts or to provide alternative contracts to meet system requirements. 66 Pa. C.S. § 2204(e).

The Commission received many varying viewpoints on the assignment of capacity and use of storage assets and, in our *Tentative Order*, acknowledged the role and importance of NGDCs in ensuring system reliability. However, we noted that this does not preclude us from exploring this issue. We noted our belief that possible reforms are available for consideration that would not endanger reliability. Therefore, we proposed that OCMO conduct an examination of capacity assignment and storage assets, with specific emphasis on how capacity assignment and the use of storage assets impact system reliability.

**1. Comments**

            PECO emphasizes that system reliability is an essential and statutorily-mandated distribution system function.  PECO Comments at 3-4 (citing 66 Pa. C.S. § 2205(a)(1)).  PECO explains that it can effectively manage swings in demand and provide reliable service during winter heating periods due to its capacity and storage assets.  PECO avers that its firm storage and transportation contracts, procured through a competitive bidding process, allow it to address seasonal swings in demand.  Since PECO’s liquefied natural gas (LNG) and propane facilities must be managed in a very specialized manner in order to meet the peak day needs of firm customers, PECO contends that the NGDC is best situated to maintain system reliability.  *Id.* at 4-5 (contracts and facilities need not be shifted to NGSs).  PECO recommends that OCMO examine PECO’s Character of Service Tariff, Rule 18.2, and investigate whether a tariff of this nature could work in other service territories.  PECO Comments at 3-5.

            The National Marketers ask the Commission to determine the “equitable division of capacity between utilities and competitive suppliers,” including the assets released to the competitive suppliers and the capacity retained by the utilities.  National Marketers Comments at 3.  The National Marketers, in referencing Columbia Gas’s most recent 1307(f) proceeding at Docket No. R-2014-2408268, suggest that the Commission consider similarly directing the other NGDCs to submit information related to the appropriate allocation of revenues between choice customers and PTC customers.  National Marketers Comments at 3-4.

            The PA Marketers emphasize that any capacity or storage asset held by a utility, regardless of migration level, must be made available on an equal and competitively-neutral basis to the applicable supplier.  PA Marketers Comments at 5.

The PSU Engineers believe mandatory acceptance of NGDC-owned capacity is anti-competitive and restricts the ability of small non-residential customers from enjoying the potential benefits of competitive third-party retail gas supply.  Accordingly, the PSU Engineers ask the Commission to end this practice by the NGDCs.  PSU Engineers Comments at 1.

Washington Gas requests that the Commission examine current NGDC procedures to ensure firm interstate pipeline capacity, firm pipeline storage and NGDC storage assets are sufficient to serve loads during peak demand in the winter heating season.  Washington Gas suggests that the Commission consider rules that do not mandate that NGSs take assignment of pipeline capacity if an NGS can demonstrate that it has sufficient capacity under contract.  Washington Gas Comments at 4.

            In light of available local gas resources in the Marcellus Shale, RESA proposes that the Commission conduct a fresh, in-depth examination of NGDC capacity/storage issues.  RESA Comments at 18 (asking OCMO to examine New York State’s collaborative efforts).

**2. Disposition**

Our review of the comments summarized above indicates that this Investigation should include an examination of the current practices involving capacity assignment and management of storage assets. We believe that all stakeholders in the market, including NGDCs, NGSs, interstate and intrastate pipelines, as well as local producers, have a role in system reliability. Accordingly, a review of current practices is warranted. However, as emphasized in the *Tentative Order*, the examination of the use of capacity and storage assets must include the issues of reliability, costs and the relevance of NGSs’ expertise and asset management opportunities.

Therefore, we agree with RESA that the Commission should conduct a fresh, in­-depth examination of capacity/storage use and/or mandatory assignment of such assets. To accomplish this task, we will establish a working group of industry stakeholders to study potential changes or standardization of the use of capacity and storage assets that could improve competition. At a minimum, the working group should explore ending mandatory “acceptance” of NGDC-owned capacity, as mentioned by PSU Engineers and Washington Gas; fair or “equitable division of capacity between utilities and competitive suppliers,” as highlighted by the National Marketers and PA Marketers; and revenue sharing between default and shopping customers when capacity is released by NGDCs. This list is not intended to be exhaustive, but we concur with these parties that these are areas for further investigation in Pennsylvania, noting that 66 Pa. C.S. § 2204(d) specifically sets rules on capacity release, assignment of transfer, etc. Once potential issues and/or remedies are identified, the working group should also establish a cost/benefit analysis that weighs the potential change/standardization against its impact on reliability, cost, competition, etc. In this fashion, we heed calls for the exploration of cost recovery within this working group (cost recovery is later discussed as an individual issue within this order).

We recognize that, by investigating the use of capacity/storage assets, other related issues will need to be explored. Therefore, the working group established to address capacity will also be tasked with investigating system balance, tolerances and penalties and creditworthiness requirements. Among the tasks for this working group will be the possibility of standardizing supplier tariffs. These additional issues (i.e., system balancing, tolerances and penalties; creditworthiness requirements; and standardization of supplier tariffs) will be discussed in greater detail later within this order. Noting that the working group will be examining several interrelated issues, we expect OCMO to submit a report outlining its recommendations at the latest by the fourth quarter of 2015.

## E. Nondiscrimination in Access Points on NGDC Systems

In our *Tentative Order*, we recognized the potential issue of discriminatory access to interconnections – the possibility of NGDCs providing favorable access to local production for the purposes of obtaining default supply while preventing such access to NGSs. We noted that this is a relevant concern as local Marcellus Shale production becomes more available and plays an ever-increasing role in the Commonwealth’s natural gas supply. Additionally, we recognized that, if such discrimination allegations are true, it could indicate practices contrary to statutory prohibitions against discrimination found in the standards of conduct in the Natural Gas Choice and Competition Act, 66 Pa. C.S. § 2209(c), and Commission regulations at 52 Pa. Code § 62.142. Therefore, we proposed that OCMO examine the issue of allocating system access points and recommend whether changes are needed to permit non-discriminatory access to locally-produced natural gas.

**1. Comments**

Although PECO does not own any natural gas production or have any available in its service territory, it supports an investigation into whether NGDCs obtain local default supply to the disadvantage of NGSs. PECO Comments at 6.

RESA, in citing statutory prohibitions on discrimination at 66 Pa. C.S. § 2209(c) and the Commission’s regulations at 52 Pa. Code § 62.142, also supports an investigation into this issue. RESA asks OCMO to consider requiring NGDCs to submit information regarding historical and current use, as well as the availability, of NGS access points on NGDC systems. RESA Comments at 18. RESA recommends that OCMO focus its examination on access issues by NGSs to new gathering and midstream systems affiliated with the NGDC that interconnect with the NGDC’s distribution system. *Id.* at 19 (noting that these new, developing systems, that are neither Federal Energy Regulatory Commission nor Commission-regulated, do not have nondiscrimination access obligations).

**2. Disposition**

As stated in our *Tentative Order* and as supported by the comments filed by PECO and RESA, we will direct OCMO to examine the issue of allocating system access points and provide a recommendation as to whether changes are needed to permit non-discriminatory access to locally-produced natural gas. As RESA commented, there are statutory prohibitions relating to discrimination so the Commission does have the authority to review and remedy such situations. However, to fully investigate this area, we must review two separate but interrelated areas: pre-existing access points and potential future access points. First, there are historical access points that are already established. In these cases, we note that local production companies or affiliates may have historical access points to an NGDC that only serve to provide locally-produced natural gas to the distribution system. In this fashion, the local producer is not connected to any other systems/pipelines that an NGS could utilize to bring supply into NGDC’s system. However, the fact that a local producer has an access point that an NGS cannot use is not, in and of itself, a case of discrimination. As OCMO moves forward in this area, issues such as feasibility of use, alternative access points (present and future) enabling NGS access to local gas and the like should be examined.

The second area of inquiry will involve an examination of procedures for future new or innovative access points. Such access points are not yet established or used for supplying competitive natural gas. In particular, as Marcellus Shale production increases, the Commonwealth’s natural gas resources must be transported to the market resulting in additional entry points into interstate pipelines, distribution systems, etc. Therefore, the Commission wants to ensure that discrimination does not occur while establishing access points on NGDCs’ jurisdictional systems.

Based on the foregoing, we will direct OCMO to initiate an inquiry into the allocation of existing access points, as well as procedures to be used to provide access to future access points. Initially, OCMO’s task will require gathering information from the NGDCs. Subsequent to that effort, OCMO will investigate potential discrimination regarding access points through the working group tasked with exploring capacity and system balance issues.[[5]](#footnote-5) As previously discussed, this working group will provide recommendations to the Commission no later than the fourth quarter of 2015.

## F. System Balance, Tolerances and Penalties

The type of relationship established between the NGDC and the NGS dictates the frequency of daily information exchanges regarding nominations and deliveries. In a partnership type of relationship, where an NGS is expected to manage supply, capacity and storage assets, information exchange is expected on a more routine and regular basis. In situations where the NGDC acts as the controlling party and is expected to manage the array of assets, there is less interaction. Under the latter arrangement, the NGS is expected to deliver daily requirements for its customers each day and the NGDC manages the movement of gas among the assets on its system to make the delivery to the customer while maintaining system reliability. Under a partner relationship, the NGDC provides the NGS with outlooks for its customer pool, based upon weather forecasts and consumption activity. The NGS then uses this information to prepare its daily nominations.

Generally, the NGS is expected to deliver an amount of supply to the NGDC citygate within tolerance bands as specified in the supplier tariff or operations manual. Tolerance bands establish the permissible variations between nominations and actual deliveries over a period of time. To accommodate these variations, NGDCs must retain some gas supply assets, such as storage, without using the gas supply assets of other users of the system. Penalties are assessed by NGDCs to discourage the failure to meet tolerance bands. In many cases sizable penalties are assessed for under-delivery while excess gas delivered is subject to a cash-out transaction, where the cash-out payment to the NGS is usually below the market price of the excess gas delivered.

NGSs have traditionally expressed a preference for wider tolerance bands and the opportunity to roll balances over time rather than cash out or incur penalties over short periods of time. Alternatively, some NGSs have requested that a more equitable share of storage be assigned to NGSs in order to enable them to more effectively manage daily load swings. It is also a source of frustration for NGSs when system balancing requirements can vary considerably between the NGDCs.

In our *Tentative Order*, we acknowledged that system balancing is a complex and contentious issue. The Commission unsuccessfully attempted to address some of these issues via a rulemaking that it withdrew in December 2011. Upon withdrawing the rulemaking, the Commission declared that the “use by NGDCs of a common set of business practices and standards should increase efficiency in industry operations and may increase the participation of NGSs in the retail natural gas supply market” and that the Commission would explore these issues again. Consistent with that statement, we proposed that OCMO include, in this Investigation, an examination of system balancing issues, including scheduling, nominations, tolerances, penalties and cash-outs. We proposed that OCMO’s examination include the issue of whether these provisions may be imposing an unreasonable barrier to entry into the retail market. OCMO’s recommendation on this issue would also include an analysis of best practices which properly balance the reliability needs of NGS and NGDC customers and the true costs of imbalances, as well as an analysis of the extent that standardization of these requirements across all NGDCs is appropriate.

**1. Comments**

           PECO believes that OCMO’s examination of tolerance bands and penalties should focus on maintaining system reliability and integrity.  PECO suggests that its Supplier Coordination Tariff, Rule 10.7, could potentially be applied more broadly throughout the Commonwealth.  PECO Comments at 6-7.

            In strongly urging the Commission to examine standardization of these balancing issues, RESA recommends the adoption of best practices and general standards, but acknowledges the need for flexibility for narrowly drawn exceptions in more atypical situations.  RESA Comments at 19-20.

**2. Disposition**

In our discussion of capacity and system storage above, we stated that we will establish a working group to explore various factors related to system balancing, tolerances and penalties. These discussions should also include any applicable recommendations regarding scheduling and nomination provisions, pooling fees and related provisions, as well as imbalance trading provisions and cash-out provisions. This working group will be tasked with examining the interplay among these issues to see if changes can be made to improve the competitive landscape while ensuring system reliability. For instance, would a more tolerant/lower penalty environment necessitate a higher creditworthiness requirement or does acceptance of mandatory capacity assignment diminish the need for stringent system balancing requirements? In addition, we agree with RESA and PECO that there is the potential for greater standardization of specific tariff requirements. Ultimately, the working group should strive to identify best practices that could be applied statewide. In this context, we note RESA’s comment that, to the extent that system differences may impact standardization, exceptions should be narrowly drawn and tailored to the specific difference(s) at issue. As previously discussed, the working group will provide its recommendations to the Commission no later than the fourth quarter of 2015.

## G. Creditworthiness Requirements

In our *Tentative Order*, we proposed that OCMO examine the issue of creditworthiness requirements for NGSs operating on NGDCs’ systems. Our proposal was developed, in part, by the Commonwealth Court’s decision in *UGI Utilities, Inc. – Gas Division v. Pa. Public Util. Comm’n*, 878 A.2d 186 (Pa. Cmwlth. 2005), which upheld the Commission’s decision finding that an NGDC’s creditworthiness requirements were unrelated to the risk involved and acted as a barrier to NGS market entry. 878 A.2d at 192-93. We also noted our determination in *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers; Acceptable Security Instruments*, Docket No. M-2013-2393141 (Order entered July 24, 2014), that creditworthiness requirements for electric generation suppliers (EGSs) overstated the risks being secured and our recent reduction in the requirements.

**1. Comments**

            PECO stresses that security amounts must be sufficient in form and amount to address situations of non-delivery, but should not be unreasonably overstated and create a barrier to market participation.  PECO, as an NGDC, believes its own creditworthiness requirements for NGSs are reasonable and do not create barriers to market participation.  PECO Comments at 7.

            In the same vein as the Commission’s efforts regarding security and bonding requirements in the electric industry, RESA recommends that the Commission examine the reasonableness of the security amount and consider allowance of more flexible security instruments, such as parental guarantees.  RESA Comments at 20.

**2. Disposition**

We recognize that structural, system and operational differences between the electric and gas industries might necessitate different approaches to creditworthiness requirements for competitive suppliers.  For EGSs, the Commission is statutorily directed to establish standards for security instruments, which EGSs file and are approved by the Commission.  See 66 Pa. C.S. § 2809(c); 52 Pa. Code § 5.40.  In contrast, NGSs furnish bonds or securities with an NGDC in a form and amount determined by each NGDC, as set forth in each NGDC’s restructuring filing.  See 66 Pa. C.S. § 2208(c).  The form and amount of the bond/security may be mutually agreed upon by the NGS and NGDC, or upon failure of mutual agreement, “shall be determined by criteria approved by the Commission.”  *Id*.  In this form, the Natural Gas Choice and Competition Act provides avenues for recourse in the event a party believes a creditworthiness standard is onerous. Regarding these standards, we agree with PECO that security amounts must be sufficient to address non-delivery but should not create a barrier to market participation.

As discussed in the *Tentative Order*, we believe this issue is ready for re-examination; however, we contend that 66 Pa. C.S. § 2208(c) provides some protection for NGSs from creditworthy standards that may hinder competition. Therefore, we agree with RESA that the reasonableness of creditworthy amounts and flexible security instruments should be explored. However, as stated earlier, we believe creditworthiness requirements are intertwined with other issues like system balancing, penalties, tolerances, mandatory capacity assignments, etc. Therefore, the working group should explore whether more standardization of creditworthiness requirements is advisable as the companion issues are explored and provide recommendations to the Commission no later than the fourth quarter of 2015.

## H. Seamless Moves and Instant Connects

In the Electric RMI Final Order,[[6]](#footnote-6) the Commission directed the electric distribution companies (EDCs) to file, by the end of 2013, plans for implementing in their service territories, by June 2015, *seamless moves* and *instant connects*. A *seamless move* is the ability to move a customer’s choice of supplier with the customer to a new address without interruption of service from that supplier. An *instant connect* is the ability of competitive supply service to start on “day one” of new utility service, without the customer first being entered into default service.

We acknowledge that there are several procedural, programming and, possibly, regulatory changes that may be required to implement seamless moves. It has been pointed out that the concept may be contrary to the regulation at 52 Pa. Code § 62.75(c)(7), relating to disclosure statements.[[7]](#footnote-7)

In the *Tentative Order*, the Commission expressed its desire that seamless moves and instant connects should be implemented – something that has only been prevented to date by the current limitations of NGDC account information systems. Requiring all customers to be first enrolled in SOLR service before obtaining service from a competitive supplier inappropriately makes the SOLR service the “primary” service. Under the current model, the SOLR automatically obtains customers who may remain with default service simply out of inertia. Furthermore, the current practice may frustrate customers who wish to enjoy the benefits of competitive supply service immediately, rather than waiting one or more billing periods to enjoy such benefits. This is especially relevant in the heating season – when a delay of a month or two may mean missing the peak months of the heating season. Therefore, we proposed that OCMO investigate the feasibility of seamless moves and instant connects within the retail natural gas market.

**1. Comments**

RESA, PSU Engineers and OCA support, as a short-term initiative of this Investigation, the implementation of seamless moves and instant connects in order to enhance competition and shopping. RESA Comments at 13; OCA Comments at 3; *see also* PSU Engineers Comments at 2.

PECO states that it will evaluate necessary changes to its billing system to allow for seamless moves and instant connects for its gas customers. PECO Comments at 7.

RESA and the NGS Parties offer similar measures for transitioning the NGDC out of the SOLR function. RESA Comments at 11; NGS Parties Comments at 5-6. The NGS Parties suggest a “First Choice” program wherein a customer would be asked to choose their gas supplier whenever a customer moves or initiates service for the first time. Customers would be given a list of eligible suppliers, including default service, and would be asked to affirmatively choose their supplier. The NGS Parties stated that similar programs can be found in other jurisdictions. NGS Parties Comments at 5-6. Asserting that the NGDC currently serves as the supplier-of-first-resort as all new NGDC customers are automatically enrolled in default service, RESA recommends a paradigm shift wherein the customer must affirmatively select from a list of competitive suppliers. However, that eligible list would not include default service from the NGDC; the customer would only be enrolled in NGDC gas supply service if the customer specifically asks for it. RESA Comments at 11.

**2. Disposition**

We continue to believe that seamless moves and instant connects are a desired feature of the competitive natural gas market and, therefore, we direct OCMO to explore their implementation. OCMO should examine this issue no later than the second quarter of 2015.[[8]](#footnote-8)

Regarding the NGS Parties’ suggestions about what they call a “First Choice” program, wherein a customer would be asked to make a choice as to their gas supplier whenever the customer moves or initiates service for the first time, we can discuss this kind of mechanism as we explore both seamless moves/instant connects and Standard Offer Programs.

## I. Accelerated Switching

In our *Tentative Order*, we explained that a review of the natural gas switching timeframes was needed in light of the significant difference in timeframes between switching in the retail electric industry under the new regulations and the current practices and guidance in the retail natural gas industry. We noted our belief, and agreement with OCA, that there is value in keeping the regulations as consistent as possible across both industries – especially considering that there are a number of consumers who obtain both competitive retail electric and natural gas supply service from the same supplier. Inconsistencies in rules, procedures and timeframes can cause confusion and complicate compliance for suppliers. While acknowledging the differences in metering technology that make identical rules and timeframes difficult, we noted our belief that there was plenty of room for improvement in the natural gas industry and directed OCMO to explore this issue during the Investigation.

**1. Comments**

Generally, RESA supports accelerated switching, but notes that back office issues for NGDCs and NGSs will need to be addressed. RESA Comments at 22. OCA also supports accelerated switching, but asks the Commission to carefully balance the costs and benefits throughout its investigation. OCA Comments at 3.

UGIES recommends that the Commission wait to implement accelerated switching in the retail natural gas industry until after this winter and the Commission’s evaluation of accelerated switching in the electric industry. In its comments, UGIES specifically discusses complications of implementing accelerated switching for “daily balanced customers.” UGIES Comments at 2.

PECO, which will implement accelerated switching for its electric customers per Commission regulations by December 15, 2014, states that it will evaluate whether accelerated switching may be applied to its natural gas customers. PECO Comments at 7.

**2. Disposition**

Upon review of the parties’ comments, we remain convinced that there is value in keeping the regulations as consistent as possible across both the electric and natural gas industries. Although we acknowledge that inconsistencies in rules, procedures and timeframes can cause confusion and complicate compliance for suppliers, we still believe that there is plenty of room for improvement in the natural gas industry.

We also recognize the concerns expressed by RESA and UGIES regarding the impacts on back office systems and gas nomination processes. However, we believe there are areas, such as the verifications process and ten-day waiting period found in 52 Pa. Code § 59.93 (relating to customer contacts with NGSs), that may warrant changes to align them with the associated electric service regulations. In addition, some changes, adjustments or advances in the NGS and NGDC back office processes may also be available to shorten the time it takes an NGDC to make a switch at an earlier billing period, while at the same time recognizing and minimizing the associated costs of such changes.

Accordingly, we direct OCMO to explore this issue during the Investigation and provide recommendations to the Commission no later than the second quarter of 2015.

## J. Standard Offer Program

In the Electric RMI Final Intermediate Work Plan Order, the Commission directed EDCs to file, as part of their default service plans that would be effective June 1, 2013, a proposed Standard Offer Customer Referral Program (Standard Offer Program) to be provided to residential customers.[[9]](#footnote-9) The Standard Offer Program would be a voluntary program in which a residential customer would be enrolled with a participating EGS who would provide that customer with a fixed-price product, lasting between four months and one year, at a seven percent (7%) discount from the PTC effective at the time of enrollment. Participating customers would not be subject to the imposition of a termination penalty or fee at any time during the effective period of the standard offer. At the conclusion of the standard offer period, absent affirmative customer action to enter into a new contract with the EGS, the customer’s enrollment with a different EGS or the customer’s return to default service, the customer would remain with the EGS on a month-to-month basis and would not be subject to any termination penalty or fee.  
  
 During the proceedings regarding the EDCs’ default service plans[[10]](#footnote-10) to become effective June 1, 2013, the Commission determined that the Standard Offer Programs should also be available for small commercial customers. Additionally, the Commission determined that the appropriate term length of the standard offer product should be 12 months. The Standard Offer Programs began in August of 2013 and, as of October 31, 2014, have enrolled over 280,000 residential and over 9,700 small commercial electric customers with a competitive supplier.[[11]](#footnote-11)

In our *Tentative Order*, we recognized the benefits of the electric Standard Offer Programs, but expressed concern that the current retail natural gas market may not provide the environment needed to attract suppliers and/or consumers to a Standard Offer Program. Therefore, we proposed that OCMO move consideration of the Standard Offer Programs for the natural gas industry to the later phases of the Investigation.

**1. Comments**

OCA agrees with the Commission’s observation in the *Tentative Order* that exploring Standard Offer Programs in the retail natural gas market should be a lower priority at this time. OCA Comments at 4.

In contrast, RESA believes the Commission should examine the development of Standard Offer Programs in the retail natural gas industry, in light of the Commission’s successful, award-winning Standard Offer Program in the electric industry. RESA Comments at 8-9. RESA believes a Standard Offer Program would realize even greater success “if the NGDC could simply enroll a customer who wishes to participate rather than transferring the customer to a participating NGS.” *Id.* at 9. RESA contends that programs like the standard offer will educate consumers and attract more suppliers, yielding the development of a more diverse range of innovative product offerings to Pennsylvania customers. *Id.* at 10.

**2. Disposition**

We are persuaded by RESA regarding the benefits of reviewing the potential provision of Standard Offer Programs in the retail natural gas market earlier in this Investigation than proposed in our *Tentative Order*. While we remain concerned that the current natural gas market may not provide sufficient incentive for NGS participation in Standard Offer Programs, we agree with RESA that this concern, in and of itself, is not a reason to delay reviewing the establishment of these Programs in the natural gas market. Therefore, we direct OCMO to explore the potential for the establishment of Standard Offer Programs in the retail natural gas market earlier in this Investigation and provide a report to the Commission no later than the second quarter of 2015. Due to the operational differences between the retail electricity and retail natural gas markets, OCMO should schedule at least one conference call involving any interested stakeholders, the sole purpose of which is to provide recommendations regarding the possible implementation of retail natural gas Standard Offer Programs. OCMO may determine, following that first discussion, whether additional calls and/or the development of a working group may be appropriate in aiding in its development of Standard Offer Program recommendations.

## K. Low-Income Customer Shopping

In our *Tentative Order*, we expressed our belief that the participation of low-income customers in the competitive market, including those participating in their EDC’s Customer Assistance Program (CAP), should be addressed within this Investigation, as we believe this group is most in need of ensuring that its statutorily-created right to shop is protected.[[12]](#footnote-12) Therefore, we proposed that OCMO conduct a survey of the NGDCs on their CAP customer participation in the retail natural gas market and to then recommend any enhancements, as needed, in order to improve these programs.

**1. Comments**

OCA agrees with the Commission’s proposal to direct OCMO to conduct a survey of NGDCs regarding the participation in the retail gas market by CAP customers. OCA Comments at 4.

PULP requests that the Commission require OCMO to “engage in a comprehensive, balanced investigation to assess all aspects of low-income customer shopping” and that merely surveying NGDCs regarding CAP customer participation is inadequate to yield sufficient results. PULP Comments at 4. PULP stresses that rates for low-income shoppers, a vulnerable population, must remain consistent with the Commission’s Universal Service requirements. PULP recommends that OCMO, when seeking data regarding low-income shopping, obtain specific information, such as the number of shopping CAP customers and low-income customers who have paid rates above the NGDC PTC and the number of those shopping customers whose service was terminated at one point in the past three years. PULP Comments at 4 and 7.

RESA believes the Commission should not bar low-income customers from shopping for retain natural gas supply and should not regulate the price of NGS offerings to low-income customers. RESA Comments at 23.

PECO observes that the Commonwealth Court’s review of an appealed Commission Order[[13]](#footnote-13) regarding PECO’s CAP shopping for low-income electric customers may have an impact on PECO’s CAP design. Accordingly, PECO expects the Commonwealth Court’s decision will have a broader impact and application to any natural gas CAP design. PECO Comments at 8; *see* *McCloskey v. Pa. PUC*, 596 CD 2014 (Pa. Cmwlth. Ct. 2014).

**2. Disposition**

We will continue to monitor the Commonwealth Court’s review of the Commission Order in *McCloskey v. Pa. PUC*, 596 CD 2014. The Commission Order had rejected PECO’s proposal to impose a limit on the shopping price for electric supply for CAP customers at or below PECO’s prevailing PTC.[[14]](#footnote-14) The Commission Order also rejected OCA’s proposal to add a prohibition of termination or cancellation fees to PECO’s CAP Shopping Plan.[[15]](#footnote-15) The Commission had found that it lacked the statutory authority under the Electric Generation Customer Choice and Competition Act to regulate EGS rates. *See* 66 Pa. C.S. §§ 2806, 2809. In light of the pending judicial determination at Commonwealth Court, we will not move forward on any initiatives that could affect an NGDC’s CAP design. While we appreciate PULP’s requests to perform surveys to determine the level of low-income and CAP customer shopping, we believe it appropriate to await the outcome of the pending Commonwealth Court proceeding before moving forward.

## L. Expanded Consumer Education

In its *Tentative Order*, the Commission proposed enhanced consumer education to increase awareness of retail natural gas competition in Pennsylvania and to educate gas customers on the products and services in the competitive marketplace. The Commission proposed that its Office of Communications, in coordination with OCMO, undertake a comprehensive review and analysis of PAGasSwitch.com and to explore potential improvements that would make PAGasSwitch.com comparable to [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com).[[16]](#footnote-16)

The Commission continuously improves PAPowerSwitch.com to enhance the shopping experience for consumers in the retail electric market. Recent efforts include: giving small business customers the ability to shop in the same manner as residential customers; the ability to sign up for consumer alerts directly on the homepage; more in-depth information on fixed versus variable rates; new headers and links to simplify navigation within the website; new ways for consumers to sort and filter offers; new educational videos and fact sheets; and the launch of a mobile device site.

Additionally, in its *Tentative Order*, the Commission proposed a comprehensive statewide consumer education plan on retail natural gas competition, similar to the process established in the Electric RMI, wherein the Commission will seek input from stakeholders, in an effort to better inform Pennsylvania’s residential and small business retail natural gas customers.

In evaluating consumer education initiatives, the Commission will carefully consider the allocation of costs to NGSs, NGDCs, ratepayers and the Commission.

**1. Comments**

PECO asserts that increasing consumer education requires improvements to PAGasSwitch.com, including columns for “Contract Length” and “Contract Term” so that customers would more easily understand their contracts. PECO also recommends discussion of variable priced contracts. PECO Comments at 8; *see also* Washington Gas Comments at 3; UGIES Comments at 3. PECO believes the costs of a comprehensive consumer education plan to enhance the retail natural gas supply market should be allocated 50-50 between NGDCs and NGSs, recoverable through a non-bypassable surcharge mechanism. PECO Comments at 9.

            OCA asks the Commission to conduct a survey, possibly in coordination with a survey regarding participation by CAP customers in the retail natural gas market, as to customer satisfaction with the retail natural gas marketplace.  OCA Comments at 4.

The PA Marketers ask the Commission to mandate joint consumer education for both retail electric and natural gas customers. The PA Marketers recommend collaboration with the American Coalition of Competitive Energy Suppliers, which could provide the Commission, at no cost, content and information at no cost. PA Marketers Comments at 4.

PULP asks OCMO to develop consumer education programs specifically targeted to low-income customers and households. PULP Comments at 8-9.

Aside from enhancements to PaGasSwitch.com, RESA recommends a statewide consumer education campaign, assigning the costs to the NGDCs who can then allocate them amongst all distribution customers (who would benefit from the education campaign). RESA also recommends call center scripts that advise consumers of their ability to choose an NGS when calling the NGDC to initiate gas service or raising a dispute. RESA Comments at 12.

**2. Disposition**

As noted in the *Tentative Order*, many parties, including representatives from NGDCs, NGSs and consumer groups, consistently have expressed support for enhanced consumer education, including heightened visibility for PAGasSwitch.com. In anticipation of market improvements resulting from this Investigation, the Commission believes that enhanced consumer education efforts must proceed simultaneously with this Investigation.

Consistent with the *Tentative Order*, the Commission directs its Office of Communications, in coordination with OCMO, to explore enhancing consumer education statewide. The immediate priority will be improving PAGasSwitch.com’s functionality to more closely mirror PAPowerSwitch.com in order to provide consumers with greater access to shopping information.

Planned improvements will include, but not be limited to, allowing small business customers to shop in the same manner as residential customers and providing more in-depth information on fixed versus variable rate products. We will also consider PECO’s recommendations to include columns for “Contract Length” and “Contract Term” to assist customers in more easily understanding their contracts.

To best achieve these results, the Commission orders its Office of Communications to undertake a comprehensive review and analysis of PAGasSwitch.com in order to determine: the current level of consumer, NGDC and NGS engagement with PAGasSwitch.com; the strengths and weaknesses of the website in its existing format; and ways to improve the website for residential, small business and large commercial and industrial customers. The Office of Communications’ analysis should begin in early 2015.

Additionally, we direct the Office of Communications, with input from OCMO, to develop for the Commission’s consideration a detailed implementation plan for a statewide consumer education campaign on natural gas competition. This plan should be completed no later than the fourth quarter of 2015. Consistent with the Electric RMI, the plan will center on outreach to residential and small business natural gas customers and will identify ways to more effectively reach low-income customers and households. Furthermore, the Commission requests that the plan address whether the campaign should include pre- and post-benchmarking surveys; radio, television, print and online ads and media buys; social media; educational videos; and consumer events. If staff determines surveying should be included in a statewide campaign, the Commission requests that consideration be given to the OCA’s recommendation of a market survey to determine existing customer satisfaction with the current marketplace.

In developing a comprehensive consumer education plan, the Office of Communications should seek input from industry leaders, consumer advocates and Pennsylvania’s small business customers.

In directing these initiatives, the Commission recognizes additional costs will be incurred during both the development and implementation phases of the statewide campaign. The Commission is also keenly aware of the differing opinions of stakeholders on how best to fund a comprehensive statewide campaign. In developing its plan, the Office of Communications and OCMO should make a recommendation for the Commission’s consideration on how the costs of any new consumer education initiatives will be allocated, including the allocation of costs to NGSs, NGDCs, ratepayers and the Commission.

## M. Purchase of Receivables Programs

POR programs, through which the NGDC buys the NGSs’ receivables and then collects the monies due from the customers, facilitate customer participation in the competitive natural gas market by making it possible for the customer to continue to receive one combined bill from their utility for all services and to continue to pay the NGDC directly for all services. This makes the competitive supply service more “seamless” from the customer’s perspective and also allows customers to more easily shop for supply service by avoiding supplier credit screening. Suppliers likewise benefit because they are relieved of the burdens associated with billing, collecting and credit screening.

In the 2008 SEARCH *Final Order*,[[17]](#footnote-17) the Commission concluded that “POR programs can promote efficiencies, reduce costs to consumers and reduce barriers to market entry by alternative natural gas suppliers”[[18]](#footnote-18) and encouraged NGDCs to file proposals to implement voluntary POR programs. As a result, many NGDCs currently operate POR programs. However, because POR programs in the natural gas industry are usually litigated and authorized through the NGDCs’ base-rate filings (in contrast to the electric industry, where POR programs are usually the subject of default service plan filings),[[19]](#footnote-19) POR programs in the natural gas industry are somewhat less uniform than those found in the retail electric industry. This lack of consistency among programs and the operational difficulties this can cause has been identified as a concern by NGSs. For these reasons, the Commission proposed that OCMO examine, through the course of this Investigation, the POR programs in the retail natural gas industry and determine which best practices may be applied in a more consistent manner to all NGDCs’ POR programs.

**1. Comments**

RESA agrees that the Commission should examine POR programs in the retail natural gas industry to determine “best practices” that should be applied more consistently statewide. RESA Comments at 23. PECO also recommends that the Commission determine best practices and asks the Commission to review PECO’s current POR program for electric and natural gas as a potential model. PECO Comments at 9.

Washington Gas recommends examining consolidated billing with POR to create rules that allow suppliers to bill non-commodity products and services. Washington Gas Comments at 2.

UGIES supports standardization of bill formats, but believes the POR percentage should continue to remain specific to each NGDC based on current tariff calculations that best reflect actual uncollectable accounts. UGIES Comments at 2.

**2. Disposition**

We agree with RESA and PECO that we should examine current POR programs to determine which “best practices” should be more widely adopted and, likewise, which practices should possibly be avoided. This examination can include expanding POR as WGES suggests, with the understanding that this could be somewhat more controversial and may ultimately have to be addressed via more formal mechanisms.

Given that POR programs, while imperfect, are widely available, we do not see this as an immediate issue for consideration. We also believe that waiting to explore this issue could be advantageous as it will allow us to consider POR changes in the context of other market enhancements that may flow from the earlier stages of this Investigation. Therefore, we plan to delay discussion of POR until no later than the third quarter of 2015.

## N. Disclosure Requirements

On April 3, 2014, the Commission adopted a Final-Omitted Rulemaking Order,[[20]](#footnote-20) extensively revising the disclosure regulations in the electric industry, especially in the context of variable pricing. These new regulations, which became effective July 14, 2014, are now significantly different than the analogous natural gas industry regulations at 52 Pa. Code § 62.75 (Disclosure statement for residential and small business customers). These natural gas disclosure rules at § 62.75 went into effect in April 2001 and have not been formally reviewed since.[[21]](#footnote-21) In our *Tentative Order*, we proposed a comprehensive review of these rules, similar to our 2014 review of the electric rules, for a variety of reasons.

Many of the concerns with variable rates that led us to change the electric rules may also be relevant to the natural gas industry. This includes the availability of historical pricing information, notice of price changes and explicit disclosure of limits or the lack of limits on price variability.

Other changes to the electric rules, in addition to those concerning variable rates, are also worth examining to determine their applicability to the natural gas industry. These include the use of a supplier contract summary page and supply contract expiration notices.

Finally, we think that there are many benefits to both consumers and suppliers in having consistent cross-industry rules. The current inconsistencies between the two set of rules can lead to customer confusion and inefficiencies for suppliers – especially for those customers who obtain both gas and electric service from the same supplier.[[22]](#footnote-22)

**1. Comments**

OCA contends that regulatory changes to the current disclosure requirements should be a higher priority in this investigation. OCA Comments at 3.

The PA Marketers believe the electric disclosure requirements, with appropriate changes in the EGS Contract Summary to account for market differences, may be applied to the natural gas industry. PA Marketers Comments at 3; *see* 52 Pa. Code §§ 54.5, 54.10. UGIES also supports general applicability of the electric disclosure requirements and asserts that historical variable rate pricing information should be available for residential and small business customers. UGIES Comments at 2. RESA supports uniformity between gas and electric disclosure requirements, but recommends re-examination of the requirements in the electric industry before simply applying those requirements to the gas industry. RESA Comments at 24.

**2. Disposition**

We agree with OCA that this should be a high-priority item and, with this order, we will initiate an immediate exploration of this topic and a call for comments. We believe that an immediate initiation of this action is needed given that, in order to effectuate any substantial changes, a rulemaking will be required. Such a rulemaking may take several months, making an early start to this discussion all the more appropriate. In effect, this order will be similar to an Advanced Notice of Proposed Rulemaking Order (ANOPR), where we will solicit comments from all parties and then use those comments to frame the issues in a Notice of Proposed Rulemaking Order (NOPR) that we will issue in early 2015. It is also possible that, if upon reviewing the comments, parties raise new issues or arguments, OCMO may first convene a stakeholder group to discuss the matter before proceeding with a NOPR. However, given the urgency of this issue, combined with the fact that these are generally not “new” issues - they have already been discussed in the electric industry - we direct OCMO to proceed with a NOPR as soon as possible. The NOPR will be a conventional rulemaking order that will provide parties with the opportunity to comment on specific proposed regulatory language.

To assist parties in framing their comments, we direct them to the regulations at 52 Pa. Code § 62.75 (Disclosure statement for residential and small business customers) and to our recent revisions of the analogous electric rules mentioned above.[[23]](#footnote-23) Parties are free to discuss any aspect of these rules and suggest any changes they believe are needed that are specific to the natural gas industry, but we are especially interested in the following areas that were addressed prior to the formation of these rules:

* Enhanced disclosure concerning variable prices; explanation and disclosure of any limits or caps.
* Explicit statement of no limits if there are no limits to a variable price.
* The price charged for the first billing period (a “starting price” if the price is variable).
* Explanation of when the customer becomes aware of their variable price for the billing period (before the billing period, at the time of billing, etc.).
* The provision of historical pricing information for variable products. If so – how much history and how should it be made available to consumers?
* The use of a contract summary that includes, in a simple, easy-to-read format the key contract provisions. If so, what format is needed and what provisions should be included – keeping in mind that a summary, to be effective, has to be brief, in plain language, and prominent?
* What changes, if any, are needed to contract expiration notices and the rules that should apply if a consumer fails to respond to the notices? Please refer specifically to 52 Pa. Code § 62.75(g)(1) and (2). Are additional rules needed for those consumers that are rolled onto variable-priced products upon expiration of their original contract similar to what is now in place for the electric industry, such as prior notice of price changes?

We invite interested parties to comment on these and any related issues. Comments must be formally submitted, under this docket number, to the Commission’s Secretary’s Bureau within 30 days of the date the notice of this order is published in the *Pennsylvania Bulletin*. OCMO is then directed to review the comments and prepare a NOPR in the first quarter of 2015 seeking to revise the regulations at 52 Pa. Code § 62.75.

## O. Joint Natural Gas Distribution Company – Natural Gas Supplier Bill

In the Electric RMI Final Order, the Commission directed OCMO to provide recommendations on how the electric utility-consolidated bill could be made more supplier-oriented.[[24]](#footnote-24) The Commission noted that these recommendations could include, but were not limited to, making the EGS’s information more prominent; including the EGS’s logo on the EDC bill; providing increased spacing for supplier messaging and potentially allowing for the inclusion of supplier inserts with the bill. In its May 21, 2014 Final Order, the Commission directed the EDCs to develop a number of bill formatting changes, including the inclusion of the EGS’s logo on the bill; the expansion of EGS bill messaging space from two to four lines with up to 80 characters each; and the inclusion of a Shopping Information Box.[[25]](#footnote-25) The Commission believed the inclusion of this information would aid customers in not only developing a stronger recognition of, and relationship with, their supplier, but would also increase customer awareness when participating in the competitive retail energy market.

In our *Tentative Order*, we expressed a belief that these same rationales may apply to the retail natural gas industry and proposed that OCMO examine the concept of a joint NGDC-NGS bill within this Investigation.

**1. Comments**

Since a joint NGDC-NGS bill would result in higher customer awareness of the supplier through the inclusion of NGS logos and other pertinent product information, RESA believes this construct should be examined and implemented quickly. RESA Comments at 15-16. PECO supports a joint NGDC-NGS bill and plans to implement one for both electric and natural gas customers in December 2014. PECO Comments at 9. Washington Gas recommends inclusion of non-commodity products and services in a consolidated bill. Washington Gas Comments at 3.

RESA also strongly urges the Commission to examine the prospects of an NGS-consolidated bill that would allow the NGS to establish a relationship with the customer and to offer various value-added products and services. RESA Comments at 14. Similarly, Washington Gas requests examination of NGS consolidated billing rules. Washington Gas Comments at 4.

**2. Disposition**

The Commission maintains its belief that a joint NGDC-NGS bill may provide customers with an increased recognition of their suppliers, as well as aiding in the development of the relationship between those two parties. Additionally, we maintain our belief that the inclusion of supplier information on the utility-consolidated bill may increase customer awareness when participating in the competitive retail natural gas market. Therefore, we direct OCMO to develop recommendations, no later than the second quarter of 2015, regarding the applicability of a joint NGDC-NGS bill. To aid OCMO in developing its recommendations, we direct interested stakeholders to submit to OCMO, via its [ra-ocmo@pa.gov](mailto:ra-ocmo@pa.gov) electronic mail address, informal comments regarding those supplier-related elements and requirements that would be most appropriate for inclusion on the utility-consolidated bill. These informal comments should be submitted no later than February 28, 2015.

Regarding the requests of RESA and Washington Gas to examine the possibility of supplier-consolidated billing in the retail natural gas market, the Commission declines to examine this issue at this time.

## P. Account Number Access Mechanisms

During its Electric RMI, the Commission directed the EDCs to develop mechanisms that allow suppliers to obtain customer account numbers from the utility to facilitate the enrollment of customers. In a Final Order adopted July 16, 2013,[[26]](#footnote-26) the Commission directed EDCs to develop secure internet portals that suppliers could access to obtain account numbers. The portals are intended to facilitate supplier marketing in public places (e.g., malls, community events, fairs, etc.) where consumers are unlikely to have their utility bill or their account number. EDCs were directed to develop portals with a variety of security features. The portals are password-protected, secure websites that require a supplier to submit the customer’s full name, service street address and five-digit postal code. The mechanisms also document the supplier’s attestation that the supplier is enrolling the customer in a public location and has obtained photo identification and a signed letter of authorization from the customer. The mechanism also tracks the usage of the system and identifies who accessed what data and when. This information has to be retained for three years and maintained in a fashion which can be easily provided to the Commission upon its request.

In our *Tentative Order*, the Commission expressed its belief that this type of secure portal mechanism may also be useful in the natural gas industry, especially for those suppliers that are selling both electric and gas service to consumers. We also expressed an interest in any initiative that encourages supplier marketing in more public venues with the hope that this will diminish the use of marketing techniques (door-to-door and telemarketing for example) that risk bothering consumers in the privacy of their homes. We proposed that OCMO examine the use of account number access mechanisms within the natural gas marketplace, as we believed that initiatives that encourage supplier marketing in public venues may diminish the use of what may be considered more intrusive marketing measures, such as door to door marketing.

**1. Comments**

Before adopting account number access mechanisms for the natural gas industry, PECO recommends that OCMO examine the use and benefit of these portals in the electric industry. PECO Comments at 9.

RESA believes these portals are beneficial in the electric industry and applicable to the natural gas industry. RESA Comments at 25. RESA recommends password-protected portals and suggests that this tool could be utilized for all sales beyond those in public venues, as the enrollment process is often more convenient for customers at home, who likely would not have their bill available at a public venue. *Id.*

PULP recommends that the Commission initiate a separate investigatory proceeding before an Administrative Law Judge to explore “the efficacy and legality” of the current supplier portal in the electric market before examining a portal in the gas market. PULP Comments at 9-13. PULP’s concerns revolve around data security, privacy invasion and identity theft. PULP believes current policies do not sufficiently protect customers, as a supplier or contractor can easily access an individual’s social security number, interval usage data, service address and payment history. *Id.* at 9. In light of a flurry of federal and state policymaking and proposed legislation regarding consumer privacy and protection resulting from data breaches and consumer concerns, PULP asserts that failure to effectively address consumer privacy concerns will “undermine consumer confidence in and the ultimate success of the competitive market.” *Id.* at 13.

**2. Disposition**

Upon review of the comments, we are convinced that this is not only a worthy topic of investigation, but that it should be an immediate, priority item. As such, we will use this order to immediately initiate OCMO’s exploration of this issue and call for formal comments. We think this is an important, immediate concern because we want consumers to be able to shop for natural gas service at public locations like malls and community events the same as they may shop for many other goods and services. We want energy shopping to be as common, easy and ubiquitous as shopping for wireless phone service. But to make this happen, suppliers need access to consumer account numbers. The simple fact is, as RESA points out, that consumers do not walk around in public with their utility account number, nor do they memorize their account number like they memorize their wireless phone number. Again, our hope is that by facilitating more marketing in public areas – where it is the consumer that decides when and how to engage with a supplier - suppliers will rely less on marketing methods that consumers may find more intrusive. To make this vision a reality, there must be some sort of mechanism suppliers can use to access consumer account numbers when necessary.

Another reason we believe this matter can be addressed at this time is that it is not a “new” matter. As noted above, EDCs are already in the process of developing account number access mechanisms. Some of them have already made this available to suppliers. As such, parties can look at what has been done in the electric industry and use that experience to address the same matter in the natural gas industry. Additionally, it may take the NGDCs significant time to develop a mechanism – all the more reason to start the exploration of this issue now.

We acknowledge the concerns expressed by PULP concerning customer privacy and data security. We take these issues seriously. When ordering account number access mechanisms in the electric industry, the Commission, as discussed above, required numerous safeguards intended to protect the security and privacy of customer information. However, we think PULP’s concerns are somewhat overstated in that the mechanisms we are discussing are intended to provide a supplier with a customer’s account number and nothing more. Even if we read PULP’s comments in the wider context of the eligible customer list (ECL), which cannot be accessed via the mechanisms we are talking about, we still think the concerns are overstated. The ECL does not include a customer’s phone number, or their social security number, or their payment history.[[27]](#footnote-27) Further, we note that consumers have the right to withhold all of their information from the ECL, with the Commission requiring all NGDCs to remind their customers of this right at least once every three years. Having said this, if parties think more is needed to address consumer privacy and security when considering account number access mechanisms, we request that they address those concerns in their comments.

To assist parties in framing their comments, we direct them to the Commission’s September 23, 2013 Order mentioned above. Parties are free to raise any related issue, but we are especially interested in the following areas:

* The technological platform to be used. EDCs were directed to develop web-based portals. Is the same appropriate for the natural gas industry or are their alternatives we should consider?
* What security mechanisms should be utilized to protect consumer privacy? This includes the possible use of password-protections, and minimum customer information requirements for using the mechanism (customer’s full name, service street address and five-digit postal code, etc.). The use of customer photo identification and a letters of authorization should also be addressed.
* Should the mechanisms only be available at public locations, not consumer homes or businesses? And if so, how should this be documented?
* What capabilities should be required of the mechanism to track the usage of the system and identification of users? What should be the record retention requirement for this information - three years as in the electric industry?

We invite interested parties to comment on these and any related issues. Comments must be formally submitted under this docket number within 30 days of the date the notice of this Order is published in the *Pennsylvania Bulletin*. If, upon reviewing the comments, OCMO believes there are further issues that require discussion, it is free to convene stakeholders for such. Regardless, we expect OCMO to prepare, in the first quarter of 2015, recommendations for the Commission’s consideration.

## Q. Migration Riders and Reconciliation

In our *Tentative Order*, the Commission noted that NGDCs use a migration rider to help reconcile differences in the actual versus projected costs of providing SOLR service. We also noted that the migration rider is a rate mechanism that applies to each customer account, even after the customer is enrolled with an NGS. Regarding the observation by both OCA and OSBA that the current use of migration riders by NGDCs makes the shopping experience more confusing, we proposed that these concerns warrant an examination of the migration rider during the course of this investigation. We noted that an examination of the migration rider in the context of this Investigation would be helpful and would take into account any legislative activity.

**1. Comments**

PECO asserts that any revisions to migration riders, which are critical for the proper recovery and allocation of Purchased Gas Costs (PGC) attributable to SOLR customers, must comply with the Public Utility Code, 66 Pa. C.S. § 1307(f)(ii), the Commission’s regulations, and any legislation that is enacted. PECO Comments at 10.

In contrast, RESA believes migration riders are anti-competitive and confusing for customers. Therefore, RESA recommends the Commission examine this issue unless the matter is resolved legislatively. RESA Comments at 26. The PSU Engineers also believe the migration rider is anti-competitive and confusing for customers. The PSU Engineers observe that a migration fee is sometimes high enough to dissuade an informed customer from purchasing gas supply from a competitive supplier. Therefore, the PSU Engineers suggest that NGDCs provide current natural gas cost adjustments to their monthly utility bills instead of a historical purchased gas cost reconciliation. PSU Engineers Comments at 2.

**2. Disposition**

Moving forward, the Commission will continue to monitor the legislative activity on migration riders and act in accordance with any enactment of such legislation. We also recognize the requirements of Sections 1307(f)(1)(ii) and 1307(f)(6) of the Public Utility Code, 66 Pa. C.S. §§ 1307(f)(1)(ii) and (6), as well as our regulations at 52 Pa Code §§ 53.61 – 53.69 (relating to recovery of fuel costs by gas utilities). However, we believe there may be issues relating to the calculation, timing and imposition of migration riders within the current statutory requirement that may reduce the impact of migration riders on the retail market. For example, in our *Tentative Order*, we proposed that OCMO examine the current reconciliation process for SOLR service to determine whether improvements in the timing of the reconciliation process would improve the retail market. Accordingly, we direct OCMO to review current practices for determining migration rider amounts, the timing of adjustments to the riders and the application of the riders by the NGDCs to determine if there are potential changes that may reduce the impacts of the riders on all customers and identify avenues to accomplish such changes. OCMO should submit, no later than the third quarter of 2015, recommendations for the Commission’s consideration.

## R. Electronic Data Protocols

Currently, NGDCs use a variety of different communication protocols to transmit customer billing and enrollment data back and forth with the NGSs. This is in contrast with the electric industry, where this data is transmitted via an electronic data interchange (EDI) system that is uniform across all EDCs. The Commission believes that these uniform data transaction protocols have helped facilitate success in the retail electric market. In our *Tentative Order,* we asked if this issue should be examined to determine if changes toward more uniformity in the natural gas industry are needed.[[28]](#footnote-28)

**1. Comments**

PECO requests approval of its EDI system as an allowable standard in Pennsylvania, as PECO has successfully used its EDI system to exchange data with both natural gas and electric suppliers. PECO Comments at 10.

RESA recommends examining this issue, but believes the current system of customer data exchange between the NGDCs and NGSs is working effectively. RESA Comments at 26.

**2. Disposition**

The lack of uniformity in data transmission mechanisms across the state may impose costs upon NGSs. Current market participants have engineered their systems to accommodate the variety of data exchange mechanisms and have already paid the costs in so doing. Based on the minimal comments received from the NGS community regarding uniformity in data exchange mechanisms, it appears that this may not, at this time, be negatively impacting the current participants in Pennsylvania’s retail natural gas market. However, we recognize that this is an issue that may impact entities that have yet to enter the market and that are not represented by any of the current parties in this proceeding. The costs of accommodating the variety of different data exchange mechanisms may be a barrier to entry for these entities. So, while we do not think this is a priority issue for this Investigation, we still believe it may warrant further examination. Therefore, we direct OCMO to investigate this issue later in this Investigation - toward the end of 2015.

## S. Standardization of Supplier Tariffs among NGDCs

While the Commission did not address, within its *Tentative Order*, the potential standardization of NGDC supplier tariffs, we did receive comments requesting that this issue be raised within the context of the Gas RMI. We address this request below.

**1. Comments**

RESA requests that the Commission examine potential standardization of supplier tariffs for NGDCs. RESA avers that the lack of standardization among tariff provisions creates barriers for NGSs to operate statewide and interferes with NGSs’ ability to offer competitive prices and certain product offerings to customers. Accordingly, RESA asks the Commission to consider requiring all NGDCs to aggregate their NGS requirements in a separate supplier tariff as an industry best practice. RESA Comments at 21.

**2. Disposition**

As we mentioned earlier in this order, we agree with RESA that this Investigation will include the exploration of standardization in tariff provisions. We believe this process is best addressed by a working group addressing various provisions, like capacity assignment, creditworthiness, system balancing, penalties, etc. that are found in NGDCs tariffs. While some provisions within the Natural Gas Choice and Competition Act provide for flexibility and/or NGDC specific requirements (see 66 Pa. C.S. §2204(d)(1) and § 2208(c)), there is opportunity to discuss standardization to alleviate confusion, market barriers or regional/geographic constraints where applicable. As previously noted, the working group should provide its recommendations to the Commission no later than the fourth quarter of 2015.

## T. Encouragement of Environmentally-Friendly Natural Gas Supply Products

While the Commission did not address, within its *Tentative Order*, the provision of environmentally-friendly retail natural gas supply products we did receive comments requesting that this issue be raised within the context of the Gas RMI. We address this request below.

**1. Comments**

Washington Gas requests that the Commission encourage NGSs to offer diversified products with green attributes, such as carbon dioxide offsets. Washington Gas Comments at 3.

**2. Disposition**

We believe there is a place for “green” offerings within Pennsylvania and encourage the marketplace to offer products/services in which customers are interested. However, it is not appropriate for the Commission to promote or endorse a particular product. Instead, we will explore avenues to include these types of offerings on PAGasSwitch.com, as discussed earlier in this order.

## U. Incentives for NGDC Infrastructure Expansion

While the Commission did not address, within its *Tentative Order*, the potential provision of incentives to induce the expansion of NGDC infrastructure, we did receive comments requesting that this issue be raised within the context of the Gas RMI. We have addressed this request below.

**1. Comments**

Washington Gas requests OCMO to examine tariff provisions that would provide NGDCs with incentives to expand their distribution infrastructure. Washington Gas Comments at 4.

**2. Disposition**

While increasing the number of customers served by NGDCs could improve competition, expanding distribution infrastructure is outside the scope of this investigation. Various NGDCS have received approval or are awaiting pending action by the Commission for various tariff provisions aimed at extending natural gas service in their service territories. *See* UGI Utilities, Inc., UGI – Peoples Natural Gas Company, and UGI – Central Penn Gas Company at P-2013-2356232; Peoples Natural Gas Company, LLC. at R-2014-2429610; Peoples Natural Gas Company, LLC. – Equitable Division at R-2014-2429606; Peoples TWP, LLC. at R-2014-2429613; Columbia Gas Company of Pennsylvania, Inc. at R-2014-2407345; and for PECO Energy Company at P-2014-2451772.

# CONCLUSION

We expressly note that, as OCMO moves forward with its examination of the issues identified herein, it will consider all positions of interested parties when developing its recommendations for this Commission’s consideration. However, OCMO will not be required to achieve consensus on its recommendations prior to forwarding recommendations to the Commission. Based on the foregoing discussions, and pursuant to our authority in Sections 501 and 2204 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 501 and 2204, we will proceed with this Investigation of Pennsylvania’s Retail Natural Gas Supply Market.

Additionally, we direct OCMO to develop an electronic mail (email) distribution list dedicated to this proceeding. This email distribution list should include any and all interested parties and will be used for notifying parties of actions associated with this Investigation, including, but not limited to, meetings, conference calls, Commission approval of recommendations, etc. In order to be included in this distribution list, interested parties should email their contact information to OCMO at [ra-ocmo@pa.gov](mailto:ra-ocmo@pa.gov) on or before January 9, 2015. The subject line of those emails should include the Docket Number for this proceeding: I-2013-2381742.

**THEREFORE,**

**IT IS ORDERED:**

1. That this Final Order shall be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Retail Energy Supply Association, the Energy Association of Pennsylvania, and all Parties of record at this Docket.

2. That the Secretary shall deposit a notice of this Final Order with the Legislative Reference Bureau for publication in the *Pennsylvania Bulletin*.

3. That the Office of Competitive Market Oversight shall initiate a working group composed of Natural Gas Distribution Companies, Natural Gas Suppliers and other interested parties to investigate potential changes or standardization of the use of capacity and storage assets; issues regarding system balance, tolerances and penalties; amendments to creditworthiness requirements; and issues regarding nondiscrimination in access points on distribution systems.

4. That interested parties shall have 30 days from the date the notice is published in the *Pennsylvania Bulletin* to file, with the Pennsylvania Public Utility Commission, written comments regarding Natural Gas Supplier disclosure requirements. Parties should reference Docket Number I-2013-2381742 when submitting their comments. Interested parties may submit comments (an original with no copies), to the Secretary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265. Comments may also be filed electronically through the Commission’s e-File System. No reply comments shall be permitted.

5. That interested parties shall, by February 28, 2015, file informal comments with the Office of Competitive Market Oversight, at [ra-OCMO@pa.gov](mailto:ra-OCMO@pa.gov), regarding supplier-related elements that would be appropriate for inclusion on the utility-consolidated bill. Parties should reference Docket Number I-2013-2381742 when submitting their informal comments.

6. That interested parties shall have 30 days from the date the notice is filed in the *Pennsylvania Bulletin* to file, with the Pennsylvania Public Utility Commission, written comments regarding the development of account number access mechanisms. Parties should reference Docket Number I-2013-2381742 when submitting their comments. Interested parties may submit comments (an original with no copies), to the Secretary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265. Comments may also be filed electronically through the Commission’s e-File System. No reply comments shall be permitted.

7. That interested parties shall, by January 9, 2015, email their contact information to the Office of Competitive Market Oversight, at [ra-ocmo@pa.gov](mailto:ra-ocmo@pa.gov), in order to be included on an email distribution list dedicated to this proceeding.

8. That a copy of this Final Order shall be posted on the Commission’s website at the Office of Competitive Market Oversight’s Gas RMI web page, available at the following address: <http://www.puc.pa.gov/utility_industry/natural_gas/natrual_gas_rmi.aspx>.

9. That the contact persons for this Investigation are H. Kirk House, [hhouse@pa.gov](mailto:hhouse@pa.gov) or 717-772-8495 and Dan Mumford, [dmumford@pa.gov](mailto:dmumford@pa.gov) or 717-783-1957. Inquiries regarding this Investigation may also be emailed to the Commission’s Office of Competitive Markets Oversight at [ra-ocmo@pa.gov](mailto:ra-ocmo@pa.gov).

**BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: December 18, 2014

ORDER ENTERED: December 18, 2014

1. *See Investigation of Pennsylvania’s Retail Natural Gas Supply Market* Tentative Order, at Docket No. I-2013-2381742 (Aug. 21, 2014) (hereinafter *Tentative Order*). [↑](#footnote-ref-1)
2. [www.PaGasSwitch.com](http://www.PaGasSwitch.com) (hereinafter PaGasSwitch.com) is a public website offered by the Commission that allows Pennsylvania’s retail natural gas customers to review competitive offers available in their utility’s service territory. The introduction of PAGasSwitch.com was announced via a January 28, 2013 Commission press release, available at [www.puc.pa.gov](http://www.puc.pa.gov). [↑](#footnote-ref-2)
3. “Electric RMI” is a reference to the Commission’s Investigation of Pennsylvania’s Retail Electricity Market, at Docket No. I-2011-2237952, initiated by Order entered April 29, 2011, at the aforementioned Docket. [↑](#footnote-ref-3)
4. *See Investigation of Pennsylvania’s Retail Electricity Market: End State of Default Service* Final Order, at Docket No. I-2011-2237952 (Feb. 15, 2013) (hereinafter Electric RMI Final Order), at p. 20. [↑](#footnote-ref-4)
5. Investigations into discrimination as it relates to local production access should include both NGDC and affiliated NGS discrimination. [↑](#footnote-ref-5)
6. *See* Electric RMI Final Order, pp 69-75, 112. [↑](#footnote-ref-6)
7. 52 Pa. Code § 62.75(c) (7) The cancellation provisions, if applicable. When a customer moves from one location to another, even if the move is within an NGDC’s service territory, the agreement is cancelled. [↑](#footnote-ref-7)
8. This does not prohibit an NGDC from advancing a Seamless Move or Instant Connect if it is actively updating its information technology assets. [↑](#footnote-ref-8)
9. *See Investigation of Pennsylvania’s Retail Electricity Market: Intermediate Work Plan* Final Order, Docket No. I-2011-2237952 (Mar. 2, 2012) (hereinafter Electric RMI Final Intermediate Work Plan Order), pp 30-33. [↑](#footnote-ref-9)
10. *See Petition of Duquesne Light Company for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2013 through May 31, 2015*, at Docket No. P-2012-2301664 (Jan. 25, 2013), pp. 144; 195-196. *See Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Program*, at Docket Nos. P-2011-2273650; P-2011-2273668; P-2011-2273669; P-2011-2273670 (Aug. 12, 2012), pp. 103-104; 144. *See Petition of PECO Energy Company for Approval of its Default Service Program II*, at Docket No. P-2012-2283641 (Feb. 14, 2013), pp. 19-20; 114. *See Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2013 through May 31, 2015*, at Docket No. P-2012-2302074 (Jan. 24, 2013), p. 170. [↑](#footnote-ref-10)
11. The Commission provides, at the following link, statistics regarding the EDCs’ Standard Offer Programs: <http://www.papowerswitch.com/standard-offer-program>. [↑](#footnote-ref-11)
12. *See* 66 Pa. C.S. § 2203(2). [↑](#footnote-ref-12)
13. *See* *Petition of PECO Energy Company for Approval of its Customer Assistance Program Shopping Plan*, Docket No. P-2012-2283641 (Petition filed with Commission May 1, 2013) (Commission Orders entered Jan. 24 and Mar. 12, 2014). The case pending before the Commonwealth Court is *McCloskey v. Pa. PUC*, 596 CD 2014 (Pa. Cmwlth. Ct. 2014). [↑](#footnote-ref-13)
14. Docket No. P-2012-2283641 (Commission Order entered Jan. 24, 2014). [↑](#footnote-ref-14)
15. *Id.* [↑](#footnote-ref-15)
16. [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) (hereinafter PAPowerSwitch.com) is a public website offered by the Commission which allows Pennsylvania’s retail electricity customers to review competitive offers available in their utility’s service territory. PAPowerSwitch.com was launched during the first quarter of 2010. [↑](#footnote-ref-16)
17. *See* *Investigation into the Natural Gas Supply Market: Report on Stakeholders’ Working Group (SEARCH); Action Plan for Increasing Effective Competition in Pennsylvania’s Retail Natural Gas Supply Services Market,* Docket No. I-00040103F0002, (entered August 21, 2014). [↑](#footnote-ref-17)
18. *Ibid*, p.11. [↑](#footnote-ref-18)
19. *See also* the Policy Statement at 52 Pa. Code § 69.1814 (Purchase of receivables). [↑](#footnote-ref-19)
20. *See Final-Omitted Rulemaking Order: Rulemaking to Amend the Provisions of 52 Pa. Code, Section 54.5 Regulations Regarding Disclosure Statement for Residential and Small Business Customers**and to Add Section 54.10 Regulations Regarding the Provision of Notices of Contract Renewal or Changes in Terms*. Docket Number L-2014-2409385 (Order entered Apr. 3, 2014). [↑](#footnote-ref-20)
21. *See Final Rulemaking Order: Customer Information Disclosure Requirements for Natural Gas Distribution Companies and Natural Gas Suppliers,* Docket Number L-00000149 (Public Meeting November 29, 2000). [↑](#footnote-ref-21)
22. We note that the Commission has already examined some of the issues resulting from the current inconsistency between the electric and gas disclosure rules. *See Final Order on Request for Clarification on Notice Requirements for Combined Electricity & Natural Gas Disclosure Statements,* Docket No. L-2014-2409385 (Order entered October 2, 2014). [↑](#footnote-ref-22)
23. *See Final-Omitted Rulemaking Order: Rulemaking to Amend the Provisions of 52 Pa. Code, Section 54.5 Regulations Regarding Disclosure Statement for Residential and Small Business Customers**and to Add Section 54.10 Regulations Regarding the Provision of Notices of Contract Renewal or Changes in Terms*. Docket Number L-2014-2409385 (Order entered Apr. 3, 2014). [↑](#footnote-ref-23)
24. *See* End State Final Order at pp. 66-69. [↑](#footnote-ref-24)
25. *See Investigation of Pennsylvania’s Retail Electricity Market: Joint Electric Distribution Company – Electric Generation Supplier Bill* Final Order, at Docket No. M-2014-2401345 (May 23, 2014). [↑](#footnote-ref-25)
26. *See Final Order on EDC Customer Account Number Access Mechanism for EGSs* – Docket No. M-2013-2355751 (Order entered July 17, 2013). [↑](#footnote-ref-26)
27. *See Interim Guidelines for Natural Gas Distribution Company Eligible Customer Lists Final Order, at Docket No. M-2012-2324075 (Sept. 23, 2013)*

    [↑](#footnote-ref-27)
28. *Ibid*, p. 50. [↑](#footnote-ref-28)