



PEOPLES NATURAL GAS™



PEOPLES TWP

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Via e-Filing

February 2, 2015

Rosemary Chiavetta, Secretary
Commonwealth Keystone Building
400 North Street 2nd Floor, Room-N201
Harrisburg, PA 17120

Re: Investigation of Pennsylvania's Retail Natural Gas Supply Market -
Disclosure Requirements
Docket No. I-2013-2381742

Dear Secretary Chiavetta:

Please accept for e-Filing the enclosed Joint Comments of Peoples Natural Gas Company LLC and Peoples TWP LLC on Disclosure Requirements in the above-referenced proceeding.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at (412) 208-6527.

Very truly yours,

Attorney for Peoples TWP LLC and
Peoples Natural Gas Company LLC

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania's)	Docket No. I-2013-2381742
Retail Natural Gas Supply Market)	
)	
)	

**JOINT COMMENTS OF PEOPLES NATURAL GAS COMPANY LLC
AND PEOPLES TWP LLC ON DISCLOSURE REQUIREMENTS**

I. INTRODUCTION

Peoples Natural Gas Company LLC (“Peoples”)¹ and Peoples TWP LLC (“Peoples TWP”) (sometimes hereinafter collectively referred to as the “Peoples Companies”) submit these Joint Comments in response to the invitation to file comments issued by the Public Utility Commission (“Commission”) in the Order entered in this matter on December 18, 2014 (“Final Order”). In that Final Order, the Commission affirmed its conclusion from the Tentative Order² that a comprehensive review should be undertaken in this proceeding of the customer information disclosure rules related to natural gas industry, which are found at 52 Pa. Code § 62.75 (“Disclosure Rules”). (Final Order, pgs. 38-39.)

The Commission noted that the Disclosure Rules were promulgated in 2001 and have not been formally reviewed since. The Commission also noted that the Disclosure Rules vary significantly from customer information disclosure rules promulgated early last year for the electric industry. While inviting comments on any aspect of the Disclosure Rules, the Final Order expressed special interest in the following areas:

¹ Reference to Peoples includes the operations of its Equitable Division.

² The Tentative Order was issued in this docket on August 21, 2014.

- 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?

The Commission directed the Office of Competitive Market Oversight (“OCMO”) to proceed with a Notice of Proposed Rulemaking (“NOPR”) on this subject matter as soon as possible, stating that the NOPR will be a conventional rulemaking order that will provide parties with the opportunity to comment on specific proposed regulatory language.

II. COMMENTS

While reserving the opportunity to file comments later in this proceeding after OCMO proceeds with a NOPR, the Peoples Companies take this immediate opportunity to express support for a comprehensive review of the current Disclosure Rules. Each year since 1997, at least 86,000 residential customers on the Peoples system have shopped for an alternative gas supply. Despite this long history, the Peoples call center still receives hundreds of calls each year from customers who are confused about who has offered them a supply service – often

mistakenly thinking the offer came from Peoples – or are confused about the supply service they have chosen. This proceeding will provide an opportunity to explore procedures that may reduce that confusion.

In general, the Peoples Companies support conforming the Disclosure Rules to the customer information disclosure rules promulgated early last year for the electric industry. With respect to the exact wording of any changes to the Disclosure Rules, the Peoples Companies defer at this time to comments of parties with more direct interest in this specific issue, such as the Natural Gas Suppliers (“NGSs”) and those specifically charged with consumer protection, and will await the issuance of any specific proposed rules in the NOPR before commenting on specific wording.

The Peoples Companies offer the following general comments on some of the issues identified by the Commission.

- **Enhanced disclosure concerning variable prices; explanation and disclosure of any limits or caps.**

The Peoples Companies agree that enhanced disclosure of variable pricing is critical to ensure consumers are fully informed.

In addition to clearly stating the price per unit and how often the price is subject to change, the disclosure should also clearly identify how subsequent pricing changes will be applied. For example, rather than simply stating the variable rate will change ‘monthly’, the disclosure should state, for example, ‘the variable rate is subject to change on the 1st of each month’ or ‘the variable rate will change with each monthly billing period’.

If the variable rate is based on a public industry index (e.g. NYMEX), the index should be identified and historical pricing for the prior calendar year or previous 12 month period should be included in the disclosure.

- **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?**

Use of an abbreviated contract summary will encourage customers to learn more about the important provisions of their NGS contract. The contract summary should identify the billing method (i.e., dual billing, NGDC combined billing, or NGS combined billing). All pricing should be in the unit of measurement that will be used in billing. The contract summary and the disclosure should advise the customer to contact the NGS regarding any pricing related questions or concerns.

III. CONCLUSION

WHEREFORE, the Peoples Companies respectfully request that the Commission accept these Joint Comments and give them due consideration in this proceeding.

Respectfully submitted,

PEOPLES NATURAL GAS COMPANY LLC
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Dated: February 2, 2015