

## PROPOSED GUIDELINES FOR EGS REFERRAL PROGRAMS

### 1.) Effect of EGS Participation.

An EGS's participation in an EGS referral program shall not restrict its freedom to continue making offers and enrolling customers outside of the requirements of the program.

### 2.) Selection of an EGS.

Customers participating in a referral program ~~may~~shall be permitted to affirmatively choose a specific EGS. Customers that do not ~~choose a specific EGS~~express a preference will be assigned at random, on a rotating basis, to an EGS drawn from the list of participants in the program.

### 3.) Eligibility

Eligible customers for the program shall be those customers under utility rate schedules for residential and small ~~commercial~~business, as defined in 52 Pa. Code § 54.2 and determined at the customer account level.

### 4.) Enrollment.

Utilities shall enroll customers into a referral program on behalf of EGSs, and may accomplish enrollment through a toll-free telephonic process implemented by their call centers. Utilities shall retain, for a period of six months, a recording of the conversation where the customer agrees to participate in the program. Utilities ~~should~~may also accomplish this enrollment via a dedicated webpage to the referral program and through a bill-insert postage paid mailer. ~~F~~for customers who do not have internet access so that they can participate via, ~~those customers may be offered~~ an available hard copy direct mailing providing the options available under the programs. Within three days of enrollment, utilities shall send the customer a letter, drafted in conformance with the standards established in the Referral Program Enrollment Letter, confirming enrollment, and shall, in an EDI transaction, notify the EGS of the enrollment.

The Utility shall offer customers the option to learn about the referral program when a customer contacts the utility to;

- Initiate new service
- Reinstate service following a change of location
- Make an inquiry regarding rates
- Make an inquiry regarding billing issues
- Seek information on energy efficiency
- Create an online account with the utility

### 5.) The Introductory Period.

EGSs participating in a referral program shall offer all customers referred to them the introductory discount of 7% for the introductory period of two months. This discount will be based on the existing default service rates of the utility. Customers may withdraw from the program during the introductory period upon notice. Customers shall be eligible for one introductory offer every three years.

#### 6.) The EGS Contract

The utility will enroll the customer and the EGS will, within five days of utility notice of enrollment, provide the customer with a disclosure statementsales agreement governing both the introductory and post-introductory periods. That contract must conform to the principles established in the EGS Contract Option Requirements, and will take effect unless cancelledrescinded telephonically, electronically, or in writing, by the customer by the end of the first month of service under the EGS after the 2 month introductory period. The deadline date for a decision to cancelrescind the contract must be conspicuously listed in the disclosure statementsales agreement.

#### 7.) EDI Confirmation of Transactions.

Under the EGS Contract approach, at the time the EGS sends the utility an EDI price change, the EGS will be deemed to affirm and represent that it has given its customer proper notice of the price change.

#### 8.) Incremental Costs

For a sufficient transition period, Ccosts for the administration and promotion of this program by the utilities shall be recovered through a Retail Markets Surcharge. This charge shall be non-bypassable and shall applicable to all customers within the residential and small businesscommercial rate classes.

#### 9.) Website

Utilities shall create and run a dedicated webpage for the referral program. This webpage shall contain utilities' existing rates (or PTC), a list of the EGSs participating in the referral program, the EGSs' introductory discount rate, and post-introductory period rate offerings for each EGS. The website shall be technologically sufficient to enroll customers into the referral program online, including the ability to randomly assign customers who do not choose a specific EGS to an EGS participating in the programwho do not desire to pick a specific supplier.

#### 10.) Promotion

Utilities and EGSs shall promote referral programs by providing customers with accurate information through the Internet, a dedicated toll-free telephone line, media advertising, direct mailings and other appropriate means. All informational materials promoting a referral

program must conspicuously disclose that the savings offered during the introductory period are not guaranteed beyond that period. Utilities should consult with and solicit input from PaPUC Staff, OCA, OSBA and participating EGSs prior to finalizing any promotional materials.

## REFERRAL PROGRAM ENROLLMENT LETTER

A utility's enrollment confirmation letter to a customer participating in a referral program shall include the following:

1. The effective date of the enrollment, and the name of the EGS that will provide the service.
2. A description of the introductory discount, including the method of calculation, and the length of the introductory period.
3. Identification of the location of the discount on the customer's bill, and a notice that utility budget billing arrangements for residential customers will continue or can be initiated through utility consolidated billing.
4. A notice informing the customer that the EGS will contact the customer soon to offer ~~it~~ a disclosure statement~~sales agreement~~, and describing the effect of the ~~contract~~sales agreement under the EGS Contract approach to the referral program, including the provisions for remaining with the EGS, selecting another rate or product from the same EGS, selecting another EGS, or returning to utility default service.
5. A notice informing the customer of its right to withdraw from the program during the introductory period upon notice.
6. A description of the utility's roles and responsibilities as the delivery service provider and the utility's contact information.
7. A description of the Commission's consumer complaint procedures available to EGS residential customers, and information on contacting the Commission with a complaint about an EGS.

## EGS CONTRACT OPTION REQUIREMENTS

The contract the EGS provides the customer under the EGS Contract approach must provide for the option to ~~cancel~~rescind service (past the 2 month introductory period) by the end of the first month of service ~~from under~~ the EGS, conform to the provisions of the utility enrollment letter that are effective during the introductory period, and reflect the following principles for the period after the introductory period ends.

1. The term of the ~~contract sale agreement~~ shall be month-to-month, allowing either party to cancel upon notice consistent with that term to permit the customer to choose another rate or product from the same EGS or another EGS, or to return to utility default service.
2. The price for electric commodity service shall be set under an "open price" provision allowing the EGS to change its price upon 15 day's notice to the customer, with that notice provided at least 30 days prior to the customer's next scheduled meter read.
3. Notwithstanding any other provision of the contract, the customer shall be allowed to cancel the contract within the 15 day notice period of a price change from an EGS.
4. The customer may cancel the contract without payment of a penalty or termination fee to the EGS. If notice of cancellation is not given at least 15 days prior to the next scheduled meter reading, the customer may request a special meter reading, which is typically subject to a service charge.
5. The EGS must give 30 days notice, provided at least 30 days before ~~before~~ prior to the customer's next scheduled meter read, before ~~the EGS~~ may assign a customer's contract to another service provider.

6. Any change to the contract, other than to the open price provision, shall require the customer's affirmative consent, documented either by telephone, electronically or in writing.