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|  | **PENNSYLVANIA**  **PUBLIC UTILITY COMMISSION**  **Harrisburg, PA 17105-3265** | | | |  |
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|  | | Public Meeting held March 29, 2012 | | | |
| Commissioners Present: | | |  | | |
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| Robert F. Powelson, Chairman  John F. Coleman, Jr., Vice Chairman  Wayne E. Gardner  James H. Cawley  Pamela A. Witmer | | | | | |
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| Application of Major Energy Services, LLC to Amend its Natural Gas Supplier License | | | | A-2009-2118836 | |
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**TENTATIVE ORDER**

**BY THE COMMISSION:**

On November 22, 2011, Major Energy Services, LLC (Major Energy) filed an application to amend its natural gas supplier license to begin to offer, render, furnish, or supply natural gas supply services to residential, small commercial and large commercial customers in the additional natural gas distribution company (NGDC) service territories of PECO Energy Company, UGI Utilities, Inc., UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc.

On October 8, 2009, the Commission issued a license authorizing Major Energy the right to begin to offer, render, furnish or supply natural gas supply services to residential, small commercial and large commercial customers in the Commonwealth of Pennsylvania in the NGDC service territories of Columbia Gas of Pennsylvania, Inc. and National Fuel Gas Distribution Corporation.

Major Energy has provided a proof of service to the interested parties and proof of publication as required by the Commission.

Section 2208(c)(1), 66 Pa. C.S. § 2208(c)(1), provides that a natural gas supplier license shall not be issued unless the applicant furnishes a bond or other security in a form and amount to ensure its financial responsibility. The criteria used to establish the form and amount of the bond or other security is set forth in the NGDC’s tariff. The amount and form of the bond or other security may also be mutually agreed to between the NGDC and the natural gas supplier. Section 2208 also provides that should the parties fail to achieve an agreement, then the form and amount of bond or other financial security “shall be determined by criteria approved by the Commission.” Major Energy has provided documentation to evidence its compliance with the Section 2208(c) bonding requirement for the additional NGDCs in whose service territory it proposes to expand its operations.

Relating to Applicant’s fitness, we are concerned about the number of informal complaints in 2010 and 2011 filed against Major Energy compared to other natural gas suppliers. Also, there has been at least one informal complaint filed against Major Energy in 2012. While not all of the complaints conclusively demonstrate compliance problems or inappropriate behavior, enough of them include allegations or other indicators of possible problems so as to cause concern. We are also concerned about the company’s timeliness in responding to the Commission regarding the complaints. As a result, we intend to impose some additional conditions on Major Energy, particularly since Major Energy proposes to significantly expand its presence in Pennsylvania. We note that we have mandated conditions for other electricity generation suppliers and natural gas suppliers seeking licenses, including Just Energy Pennsylvania Corp. (JEP), at Docket Nos. A-2009-2098011 and A-2009-2097544.

These conditions are in addition to any commitments previously made to the Commission by Major Energy to address customer issues.

Upon full consideration of all matters of record, we tentatively find that approval of this request is necessary and proper for the service, accommodation and convenience of the public. Therefore, our decision in this matter is issued as a Tentative Order, in order to afford the applicant the opportunity to respond. Applicant may, within 10 days of the entry of this order, file comments; **THEREFORE,**

**IT IS ORDERED:**

1. That the application of Major Energy Services, LLC is hereby tentatively approved, consistent with this Order.

2. If Major Energy Services, LLC does not file comments within 10 days of the entry date of this Order, this Tentative Order shall become final, without further action by the Commission.

3. That upon this order becoming final, and without further action by the Commission, a license be issued authorizing Major Energy Services, LLC to begin to offer, render, furnish or supply natural gas supply services to residential, small commercial and large commercial customers in the additional natural gas distribution company service territories of PECO Energy Company, UGI Utilities, Inc., UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., subject to the following conditions, which will apply for a term of eighteen months from the date of entry of this Order (Term). To the maximum extent possible, these conditions shall be construed to be consistent with the Commission’s regulations. In the event of a conflict, the following conditions shall control:

a. Major Energy shall fully comply with the Commission’s supplier marketing guidelines (Order and Annex A on Interim Guidelines on Marketing and Sales Practices for Electric Generation Suppliers and Natural Gas Suppliers. Docket No. M-2010-2185981. November 4, 2010);

b. In its response to the Commission’s Bureau of Consumer Services (BCS) regarding a complaint alleging slamming, improper enrollment or deception, Major Energy shall provide BCS with copies of the documentation that Major Energy has supporting its position. The documentation can include written enrollment forms, disclosure statements, audio recordings, third party verification, marketing and sales materials and any other relevant documentation. Failure to provide documentation supporting an enrollment may result in a finding against Major Energy and possible referral to the Commission’s office responsible for enforcement action.

c. Major Energy will provide a report the first week of each calendar quarter to staff capturing: (i) the complaints by category; (ii) the resolution for each complaint and (iii) any process improvements/changes, organizational changes, etc. implemented to reduce and/or eliminate similar complaints going forward;

d. Major Energy will provide a single point of contact for Commission staff for resolution of consumer inquiries and/or complaints received by BCS.

e. Major Energy shall operate in accordance with BCS requirements for complaint management and handling. Notwithstanding the above;

Major Energy will send a written response, either via electronic mail, regular mail or by facsimile, to the BCS advocate assigned to mediate complaints filed against Major Energy, within 10 days of receipt of the complaint,

Major Energy will send a written response to the consumer who filed the complaint, within 10 days of receipt of the complaint,

Major Energy will respond to supplemental or new information referred by BCS, within 10 days of receipt of such information, and

Major Energy will provide final resolution in writing to BCS and notify the complaining consumer of same.

f. Not less than sixty days before the expiration of the Term, Major Energy Services LLC shall file a status report with the Commission describing its compliance with the Public Utility Code, Commission Orders and Regulations, and the conditions set forth herein. A copy of this status report shall be provided to the Commission’s Bureau of Technical Utility Services and the Commission’s Bureau of Consumer Services.

4. That if this order becomes final, the Commission’s Bureau of Technical Utility Services, with the assistance of the Bureau of Consumer Services and the Law Bureau, shall monitor Major Energy Services LLC’s compliance with the conditions set forth in this Order.

5. Upon receipt of the status report directed in Paragraph 3.f. above, the Bureau of Technical Utility Services, with assistance from the Bureau of Consumer Services and the Law Bureau, shall prepare a Staff recommendation regarding appropriate license conditions after the expiration of the Term. The Commission shall consider the recommendation at a subsequent Public Meeting.

6. That upon issuance of the Final Order this proceeding at Docket No. A-2009-2118836 be closed.

 **BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: March 29, 2012

ORDER ENTERED: March 29, 2012