**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

Public Meeting held May 23, 2013

Commissioners Present:

 Robert F. Powelson, Chairman

John F. Coleman, Vice Chairman

James H. Cawley

 Wayne E. Gardner

 Pamela A. Witmer

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| Re-establishment of Commission’s Annual Consumer Education Mailing |  I-2011-2237952 |

**FINAL ORDER**

**BY THE COMMISSION:**

 By this Order, the Pennsylvania Public Utility Commission (“Commission”) dispenses with the mailing of a Commission-endorsed consumer education postcard in 2013 and re-establishes an annual mailing of this postcard beginning in 2014, as previously directed in the Final Order and Intermediate Work Plan entered on March 2, 2012, *Investigation of Pennsylvania’s Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2237952 (*March 2 Order*), and consistent with the Commission’s Secretarial Letter of December 20, 2012 (*December 20 Letter*).

**DISCUSSION**

**History of the Proceeding**

In its Secretarial Letter of December 15, 2011, the Commission directed eight electric distribution companies (EDCs) to produce and mail a Commission-endorsed postcard by February 29, 2012, encouraging residential and small business customers to shop for a competitive electric generation supplier as well as promoting the Commission’s website for electric shopping, [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com). The mailing was undertaken by the following EDCs: Duquesne Light Company, Metropolitan Edison, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation, Pike County Light and Power, and West Penn Power Company.

At the conclusion of this mailing, the Commission issued its *March 2 Order*, which established the mailing of a Commission-endorsed postcard on an annual basis and directed the one-time distribution of two other consumer education mailings to residential and small business customers, including:

* a [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) tri-fold flyer, which provides consumers with a detailed walk-through of the steps involved when shopping for a competitive supplier as well as potential savings from shopping for generation supply; and,
* an EDC letter and a “frequently asked questions” (FAQ) document, which will encourage consumers to shop, direct consumers to www.PAPowerSwitch.com and reinforce the notion that all consumers, regardless of who supplies their electricity, continue to receive safe and reliable distribution service from their EDCs.

Through its Final Order on June 21, 2012, the Commission moved back the mailing of the tri-fold flyer from May 2012 until November 2012, but no later than February 2013, and the mailing of the EDC letter/FAQ from October 2012 until 2013. The primary reason for directing these delays was feedback the Commission had received from consumers about the high volume of mail they receive from a variety of sources related to electric shopping. The Commission was concerned about overwhelming consumers and giving them a negative impression of electric choice – the exact opposite of what is intended.

Given these circumstances, the Commission then proposed in the Secretarial Letter of December 20, 2012, to dispense with the mailing of the annual postcard in 2013 and resume with the mailing of the postcard in 2014.

**Comments**

 In the *December 20 Letter*, the Commission provided for interested parties to file comments to the proposed changes. The following parties filed comments: Duquesne Light Company (DLC), the FirstEnergy Companies (Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn), (collectively, the Companies), and the Office of Consumer Advocate (OCA).

None of the parties that filed comments opposed dispensing with the mailing of the annual postcard in 2013, for the reasons described in the *December 20 Letter*, and resuming with the mailing in 2014. While supportive of the annual postcard mailing in the realm of continued consumer education, each party commented on the costs associated with such a mailing. OCA affirms that residential customers will bear the costs of the mailing, while the EDCs want assurance of full and current recovery of the costs associated with the annual mailing through existing cost recovery mechanisms.

DLC requested cost recovery through its consumer education surcharge because DLC does not recover any consumer education costs through base rates. The Companies commented they intend to recover costs associated with consumer education, including the postcard mailing, through reconcilable riders, such as the Default Service Support Riders that were filed in the Companies’ most recent default service proceedings at Docket Nos. P-2011-2273650, P-2011-2273668, P-2011-2273669 and P-2011-2273670 and approved on August 16, 2012. Moreover, the FirstEnergy Companies believe that EDCs should be permitted to maintain their existing customer education cost recovery riders for purposes of recovering Commission-mandated customer education in the absence of an alternative mechanism allowing for full and current cost recovery.

**Disposition**

 Throughout the recently completed Retail Markets Investigation, the Commission consistently supported initiatives that promote the benefits of electric competition and encourage customers to explore new opportunities in the competitive marketplace. To date, more than two million Pennsylvania electric customers have switched to a competitive supplier for their electric generation, including more than 85 percent of the Commonwealth’s large Commercial and Industrial (C&I) customers. However, the Commission acknowledges that electric shopping in the residential and small C&I rate classes has not been nearly as robust, standing at 35 and 45 percent, respectively.

The Commission believes that enhanced consumer education can continue to help increase consumer awareness and stimulate shopping activity in the residential and small C&I rate classes. As part of its future consumer education efforts, the Commission believes that the re-establishment of an annual Commission-endorsed mailing can be an effective source of information in highlighting [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) and how consumers can choose their electric generation supplier.

 Based on the foregoing, we hereby dispense with the mailing of a Commission-endorsed postcard in 2013 and direct the re-establishment of an annual mailing of this postcard beginning in 2014. Individual EDCs are directed to work with our Office of Communications to implement the annual mailings, which shall be distributed between January 1 and June 30 of each calendar year. Our Office of Communications will supply the layout as a digital file as well as printing specifications. Upon receipt of the digital file, EDCs will be responsible to have the postcards produced and mailed as expeditiously as possible, using current customer mailing lists to label and mail to all residential and smallest general service rate class customers. EDCs shall notify OCMO via email at ra-OCMO@pa.gov when the mailing is initiated and upon its completion.

Furthermore, the Commission recognizes that the expense of production and mailing of the annual Commission-endorsed postcard should be a recoverable cost for EDCs. With the expiration of consumer education plans directed in the Commission’s *Policies to Mitigate Potential Electricity Price Increases* Final Order, Docket No. M00061957, entered May 17, 2007, the Commission advises EDCs not to seek cost recovery for the annual Commission-endorsed postcard through filing new consumer education plans. EDCs may seek cost recovery through other avenues, including, but not limited to, inclusion as part of an EDC’s base-rate case pursuant to 66 Pa. C.S. § 1308(d).

**THEREFORE,**

**IT IS ORDERED:**

1. That beginning in 2014 the Commission shall re-establish the annual mailing of a Commission-endorsed postcard for distribution to all residential and small business customers served by the following eight EDCs: Duquesne Light Company; Metropolitan Edison; PECO Energy Company; Pennsylvania Electric Company; Pennsylvania Power Company; PPL Electric Utilities Corporation; Pike County Light and Power; and West Penn Power Company.
2. That the annual mailing shall by undertaken by the aforementioned EDCs between January 1 and June 30 of each calendar year.
3. That the Commission’s Office of Communications shall provide the EDCs with the layout of the postcard as a digital file as well as printing specifications by November 15 of the preceding calendar year.
4. That the EDCs be entitled to cost recovery for production and mailing costs associated with the annual mailing.
5. That this Final Order shall be served on all Electric Distribution Companies, all licensed Electric Generation Suppliers, the Office of Consumer Advocate, the Office of Small Business Advocate, the Energy Association of Pennsylvania, and all other parties who filed comments or testified in Phases I and/or II of the Retail Market Investigation.
6. That a copy of this Final Order shall be filed at Docket No. I-2011-2237952 and posted on the Commission’s website.

1. That the Office of Competitive Market Oversight shall electronically send a copy of this Final Order to all persons on the contact list for the Committee Handling Activities for Retail Growth in Electricity (CHARGE), and to all persons on its contact list for the *Investigation of Pennsylvania’s Retail Electricity Market.*



 **BY THE COMMISSION,**

 Rosemary Chiavetta

 Secretary

(SEAL)

ORDER ADOPTED: May 23, 2013

ORDER ENTERED: May 23, 2013