**ANNEX A**

**TITLE 52. PUBLIC UTILITIES**

**PART I. PUBLIC UTILITY COMMISSION**

**Subpart C. FIXED SERVICE UTILITIES**

**CHAPTER 54: ELECTRICITY GENERATION CUSTOMER CHOICE**

**Subchapter A. CUSTOMER INFORMATION**

**§ 54.5. Disclosure statement for residential and small business customers.**

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(c) The contract’s terms of service shall be disclosed, including the following terms and conditions, if applicable:

 (1) Generation charges shall be disclosed according to the actual prices.

 (2) The variable pricing statement, if applicable, must include:

 (i) Conditions of variability (state on what basis prices will vary).

 (ii) Limits on price variability:

 (A) IF THERE IS A LIMIT ON PRICE VARIABILITY, SUCH AS A SPECIFIC PRICE CAP, A MAXIMUM PERCENTAGE INCREASE IN PRICE BETWEEN BILLING CYCLES OR MINIMUM/MAXIMUM CHARGES PER KILOWATT-HOUR FOR ELECTRICITY DURING THE TERM OF THE CONTRACT, THE EGS SHALL CLEARLY EXPLAIN THE APPLICABLE LIMITS.

 (B) IF THERE IS NO LIMIT ON PRICE VARIABILITY, THE EGS SHALL CLEARLY AND CONSPICUOUSLY STATE THAT THERE IS NO LIMIT ON HOW MUCH THE PRICE MAY CHANGE FROM ONE BILLING CYCLE TO THE NEXT BILLING CYCLE.

 (III) THE PRICE TO BE CHARGED, PER KILOWATT-HOUR, FOR THE FIRST BILLING CYCLE OF GENERATION SERVICE.

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 (10) An explanation of LIMITS ON PRICE VARIABILITY, penalties, fees or exceptions, printed in type size larger than the type size appearing in the terms of service.

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 (14) FOR CONTRACTS WITH VARIABLE PRICING, THE EGS SHALL PROVIDE:

 (I) A TELEPHONE NUMBER AND INTERNET ADDRESS AT WHICH A CUSTOMER MAY OBTAIN THE PREVIOUS 12 MONTHS’ AVERAGE MONTHLY BILLED PRICES FOR THAT CUSTOMER’S RATE CLASS AND EDC SERVICE TERRITORY. IF AN EGS HAS NOT BEEN PROVIDING GENERATION SERVICE IN A CUSTOMER RATE CLASS AND EDC SERVICE TERRITORY FOR 12 MONTHS, THE EGS SHALL PROVIDE THE AVERAGE MONTHLY BILLED PRICES FOR THE MONTHS AVAILABLE TO DATE.

 (II) IN PLAIN LANGUAGE, A STATEMENT THAT HISTORICAL PRICING IS NOT INDICATIVE OF PRESENT OR FUTURE PRICING.

 (III) INFORMATION REGARDING WHEN THE CUSTOMER WILL BE MADE AWARE OF EACH PRICE CHANGE.

 (IV) NOTICE TO CUSTOMERS OF A RATE INCREASE OF MORE THAN 50% OVER THE PRIOR BILLING CYCLE AS SOON AS THE EGS BECOMES AWARE THAT SUCH AN INCREASE WILL OCCUR. FOR CUSTOMERS WHO HAVE ELECTED TO RECEIVE ELECTRONIC COMMUNICATIONS FROM THE EGS, THE NOTICE OF THE RATE INCREASE WILL BE TRANSMITTED IN THE MANNER CHOSEN BY THE CUSTOMER. FOR ALL OTHER CUSTOMERS, NOTICE WILL BE PROVIDED BY DIRECT MAIL.

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(g) Disclosure statements must include the following customer notification: “IF YOU HAVE A FIXED TERM CONTRACT APPROACHING THE EXPIRATION DATE, OR WHENEVER WE PROPOSE TO CHANGE THE TERMS OF SERVICE IN ANY TYPE OF CONTRACT, YOU WILL RECEIVE WRITTEN NOTIFICATION IN SEPARATE MAILINGS THAT PRECEDE EITHER THE EXPIRATION DATE OR THE EFFECTIVE DATE OF THE PROPOSED CHANGES. THESE NOTIFICATIONS WILL EXPLAIN YOUR OPTIONS GOING FORWARD.”

 ~~(1) ‘‘If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you will receive written notification from us in each of our last three bills for supply charges or in corresponding separate mailings that precede either the expiration date or the effective date of the proposed changes. We will explain your options to you in these three advance notifications.’’~~

(h) If the default service provider changes, the new default service provider shall notify customers of that change, and provide customers with its name, address, telephone number and Internet address, if available.

(I) THE EGS SHALL PROVIDE, WITH THE DISCLOSURE STATEMENT, A SEPARATE EGS CONTRACT SUMMARY IN A FORMAT PROVIDED BY THE COMMISSION.

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**§ 54.10. NOTICE OF CONTRACT RENEWAL OR CHANGE IN TERMS**

(A) AN EGS SHALL PROVIDE THE FOLLOWING NOTICES TO CUSTOMERS UPON THE RENEWAL OF A FIXED TERM CONTRACT OR UPON A CHANGE IN CONTRACT TERMS:

 (1) AN INITIAL NOTICE SHALL BE PROVIDED TO EACH AFFECTED CUSTOMER 45 TO 60 DAYS PRIOR TO THE EXPIRATION DATE OF THE FIXED TERM CONTRACT OR THE EFFECTIVE DATE OF THE PROPOSED CHANGE IN TERMS. THE INITIAL NOTICE SHALL INCLUDE THE FOLLOWING:

 (I) A GENERAL DESCRIPTION OF THE PROPOSED CHANGE IN TERMS OF SERVICE.

 (II) THE DATE A CHANGE SHALL BE EFFECTIVE OR WHEN THE FIXED TERM CONTRACT IS TO EXPIRE.

 (III) AN EXPLANATION OF WHY A CHANGE IS NECESSARY.

 (IV) A STATEMENT INDICATING WHEN A FOLLOW-UP OPTIONS NOTICE SHALL BE ISSUED WITH DETAILS REGARDING THE PROPOSED CHANGE.

 (V) A STATEMENT EXPLAINING THAT THE OPTIONS NOTICE SHALL DISCUSS THE CUSTOMER’S OPTIONS TO THE PROPOSED CHANGE IN TERMS OF SERVICE OR EXPIRING FIXED TERM CONTRACT.

 (VI) A STATEMENT INDICATING WHETHER THE EXISTING FIXED TERM CONTRACT HAS A CANCELLATION FEE, AND AN EXPLANATION OF THE FEE AMOUNT AND HOW TO AVOID THE FEE, IF POSSIBLE, INCLUDING NOTICE OF THE DATE WHEN THE CUSTOMER CAN CHOOSE AN ALTERNATIVE EGS AND AVOID THE FEE.

 (2) AN OPTIONS NOTICE SHALL BE PROVIDED TO EACH AFFECTED CUSTOMER AT LEAST 30 DAYS PRIOR TO THE EXPIRATION DATE OF THE FIXED TERM CONTRACT OR THE EFFECTIVE DATE OF THE PROPOSED CHANGE IN TERMS. THE OPTIONS NOTICE SHALL INCLUDE THE FOLLOWING:

 (I) A STATEMENT ADVISING THE CUSTOMER OF THE SPECIFIC CHANGES BEING PROPOSED BY THE EGS AND INFORMING THE CUSTOMER OF THE CUSTOMER’S OPTIONS, INCLUDING THE CUSTOMER’S ABILITY TO ACCEPT THE PROPOSED CHANGES, TO SELECT ANOTHER EGS WITHIN A CERTAIN TIME PERIOD, OR TO RETURN TO DEFAULT SERVICE.

 (II) INFORMATION REGARDING NEW PRICING OR RENEWAL PRICING INCLUDING THE PRICE TO BE CHARGED, PER KILOWATT-HOUR, FOR THE FIRST BILLING CYCLE OF GENERATION SERVICE:

 (A) IF THAT CUSTOMER DOES NOT RESPOND TO THE NOTICES AND IS CONVERTED TO A MONTH-TO-MONTH CONTRACT ANY SUBSEQUENT CHANGES IN PRICING SHALL BE PROVIDED TO THE CUSTOMER AT LEAST 30 DAYS PRIOR TO THAT NEW PRICE BEING CHARGED.

 (B) IF THE CUSTOMER FAILS TO RESPOND TO THE NOTICES AND IS ENTERED INTO A NEW FIXED PRICE CONTRACT, THE FIXED, PER KILOWATT-HOUR PRICE TO BE CHARGED AND TERM LENGTH OF THE CONTRACT SHALL BE PROVIDED.

 (III) INSTRUCTIONS ON HOW A CUSTOMER MAY EXERCISE THE CUSTOMER OPTIONS.

 (IV) THE TELEPHONE NUMBERS AND INTERNET ADDRESSES, AS APPLICABLE, FOR THE OFFICE OF CONSUMER ADVOCATE, THE COMMISSION AND PAPOWERSWITCH.COM.

 (V) THE FRONT OF THE ENVELOPE USED TO PROVIDE THE OPTIONS NOTICE WILL INCLUDE LANGUAGE STATING THAT IT CONTAINS IMPORTANT INFORMATION REGARDING THE EXPIRATION OR CHANGES IN TERMS OF THE CUSTOMER’S ELECTRIC SUPPLY CONTRACT.

 (3) WHEN A CUSTOMER DOES NOT RESPOND TO THE NOTICES, THE FOLLOWING SHALL APPLY:

 (I) A FIXED TERM CONTRACT SHALL BE CONVERTED TO ONE OF THE FOLLOWING:

 (A) A MONTH-TO-MONTH CONTRACT, EITHER AT THE SAME TERMS AND CONDITIONS OR AT REVISED TERMS AND CONDITIONS, AS LONG AS THE CONTRACT CONTAINS NO CANCELLATION FEES.

 (B) ANOTHER FIXED TERM CONTRACT, AS LONG AS THE NEW CONTRACT INCLUDES A CUSTOMER-INITIATED CANCELLATION PROVISION THAT ALLOWS THE CUSTOMER TO CANCEL AT ANY TIME, FOR ANY REASON, AND CONTAINS NO CANCELLATION FEES.

 (II) THESE REQUIREMENTS SHALL REMAIN IN PLACE UNTIL THE CUSTOMER AFFIRMATIVELY ENTERS INTO A NEW CONTRACT WITH ONE OF THE FOLLOWING:

 (A) THE CUSTOMER’S EXISTING EGS.

 (B) ANOTHER EGS.

 (C) THE DEFAULT SERVICE PROVIDER.