

PENNSYLVANIA ENERGY MARKETERS COALITION

October 13, 2014

Rosemary Chiavetta
Secretary, Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Dear Secretary Chiavetta:

Please find enclosed the comments of the Pennsylvania Energy Marketers Coalition ("PEMC"), in response to the Pennsylvania Public Utility Commission's Tentative Order filed on August 21, 2014, seeking further public comment on any issues or market enhancements that have not already been discussed and/or identified as matters to be addressed in the Pennsylvania's retail natural gas market investigation (Docket No. I-2013-2381742).

Please do not hesitate to contact me with any questions or concerns regarding our Comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Caliva III', with a horizontal line extending to the right.

Frank Caliva III
Regulatory Consultant
Pennsylvania Energy Marketers
Coalition (PEMC)

President
P.R. Quinlan Associates Inc.
1012 14th Street NW, Suite 1106
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Enclosure

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Investigation into the Retail Natural Gas)
Supply Market) Docket No. I-2013-2381742
)

COMMENTS OF THE PENNSYLVANIA ENERGY MARKETERS COALITION

The Pennsylvania Energy Marketers Coalition (“PEMC”)¹ appreciates this opportunity to submit comments in response to the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) tentative order of August 21, 2014, seeking further public comment any issues that have not already been discussed or identified as matters to be addressed in the Pennsylvania’s retail natural gas supply market investigation (“RMI-Natural Gas”).

The PEMC commends the Commission on its significant progress over the years in advancing the competitive marketplace for both electricity and natural gas, and for the ongoing atmosphere of dialogue which exists at the Commission and facilitates collaboration with energy suppliers.

The PEMC seeks to only highlight a few issue areas that the PEMC finds critical to advancing the competitive natural gas marketplace in Pennsylvania. More specifically, the PEMC will briefly address the following topics:

- (1) Applicability of new electricity customer disclosure rules (contract summaries, notifications, etc.) to natural gas customers;
- (2) Suggestions for consumer education improvements, including new content for PAGasSwitch.com, enhanced formatting of supplier offers on

¹ For purposes of this filing, the PEMC consists of Agway Energy Services, LLC (“Agway”), Pennsylvania Gas & Electric (“PAG&E”), and SouthStar Energy Services, LLC (“SouthStar”).

- PAGasSwitch.com (particularly compared with PAPowerSwitch.com), and other initiatives (like a PAPUC-endorsed, utility-issued postcard campaign);
- (3) Specific issues or improvements related to capacity, storage, and balancing;
- and
- (4) POR and consolidated bill issues and opportunities for improvements.

1. Applicability of new electricity customer disclosure rules (contract summaries, notifications, etc.) to natural gas customers.

New customer disclosure rules were recently implemented in Pennsylvania's electricity supply market.² The PEMC recommends maximizing customer understanding of their retail choice options and minimizing confusion by applying the same customer disclosure rules for electricity to the natural gas market as well. With appropriate edits to account for differences in the markets, we believe the new EGS Contract Summary could be adapted and implemented for use by natural gas suppliers, rather than developing an entirely different customer disclosure statement.

2. Suggestions for consumer education improvements, including new content for PAGasSwitch.com, format of supplier offers on PAGasSwitch.com (particularly compared with PAPowerSwitch.com), and whether other initiatives (like a PAPUC-endorsed, utility-issued postcard campaign) should be adopted.

The PEMC greatly appreciates the Commission's call for action to increase consumer education statewide, including heightened visibility for PAGasSwitch.com. The Commission has directed the Office of Communications, in coordination with OCMO, to explore enhancing consumer education statewide with a strong emphasis on enhancements to PAGasSwitch.com.

² PAPUC Docket No. L-2014-2409385, PAPUC Final Omitted Rulemaking of April 3, 2014.

The PEMC believes customer education is vital to maintaining a competitive marketplace. We strongly support this initiative, and pledges to offer any and all resources it can provide to assist in these efforts.

The PEMC recommends the establishment of a collaborative to discuss additional consumer education efforts. Additionally, we believe this collaborative would be most effective if the PUC gives it the mandate to consider consumer education for both electricity and natural gas customers jointly.

In this regard, the PEMC notes that another organization, the American Coalition of Competitive Energy Suppliers (to which several PEMC members also belong) has developed content which it would be willing to share in whole or part with the PUC for the purposes of this campaign, at no cost.

3. Specific issues or improvements related to capacity, storage, and balancing

The PEMC supports the Commission's decision to direct OCMO to conduct an examination of capacity assignment and storage assets, with specific emphasis on how capacity assignment and the use of storage assets impact system reliability.

The PEMC would like to reiterate that as a fundamental principle, the assets of gas pipeline and storage capacity should follow the customers of each utility, regardless of where they purchase their natural gas supply. These assets should be maintained by the utility only to the extent needed to serve those consumers who do not choose to migrate to a competitive supplier, or who choose to return to the default service (as long as the default service status quo persists). No additional optimizing opportunities with gas pipeline capacity should be allowed for a natural gas utility, and incentives should not be provided by ratemaking that encourages the natural gas utility to desire to manipulate that responsibility.

To be clear, any capacity or storage asset that a utility continues to hold regardless of migration level must be made available on an equal and competitively neutral basis to the supplier serving the commodity needs of that customer (which includes all assets, known as a “slice of the system,” as well as use of all delivery points on an equal non-discriminatory basis) to ensure that the customer is not negatively impacted simply for having made a choice regarding commodity supply.

4. POR and consolidated bill issues and opportunities for improvements

The PEMC further supports the Commission’s action to have OCMO further examine Purchase of Receivables (POR) in the natural gas industry and determine which best practices should be applied in a more consistent manner to all utility POR programs.

The PEMC strongly supports POR and recommends that utilities currently without POR should implement such programs. The PEMC is in full agreement with the Commission on the benefits of POR to the customer; it facilitates customer participation in the competitive natural gas market, making it possible for the customer to continue to receive one combined bill from their utility for all services and to continue to pay the utility directly for all services. This helps streamline the process of customer shopping and avoids any confusion by having the customer receive only one bill rather than two bills, one bill from the supplier and one bill from the utility.

CONCLUSION

The PEMC believes the Commission has a major opportunity to appropriately address the key issues identified in this proceeding in order to significantly strengthen the retail natural gas supply market in the state of Pennsylvania. Ultimately the customers will benefit from a market reflective of a competitive structure, providing customers with a wider range

of options to choose from in order to best meet their energy needs. This investigation further represents an opportunity to demonstrate a commitment to competitive energy markets that not only will impact the Commonwealth for years to come, but will reverberate across the entire North American energy landscape. We recognize that much more work lies ahead and we therefore pledges to the Commission our continued support to help with these efforts.

October 13, 2014

Respectfully submitted,

PENNSYLVANIA ENERGY MARKETERS COALITION



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