

GABRIELLE A. FIGUEROA
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April 14, 2015

VIA FEDERAL EXPRESS (773366275868)

Pennsylvania Public Utility Commission
Rosemary Chiavetta
Secretary
Keystone Building, 2nd Floor Room N201
Harrisburg, PA 17120

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APR 14 2015

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: *Choice Energy LLC d/b/a 4 Choice Energy, A-2012-2337893*
Updates to EGS Application Granted July 16, 2013

Dear Secretary Chiavetta:

On behalf of Choice Energy, LLC d/b/a 4 Choice Energy ("Choice"), and pursuant to 52 Pa. Code § 54.34, we are providing additional materials to the Pennsylvania Public Utility Commission ("PUC") to update Choice's previously approved license application. The following information updates Section 5 of the Application, pertaining to Compliance.

c.-d. **CUSTOMER/REGULATORY/PROSECUTORY ACTIONS & SUMMARIES**
CT Docket 14-07-15

Choice offered Connecticut customers an annual effective rate guarantee during the 2011 and 2012 calendar years. The aforementioned Connecticut guarantee was formally terminated with proper notice to all customers in January and March 2013. The Connecticut guarantee provision was that for "each year that a customer was with us, his/her effective rate would compare favorably against utility standard offer of a similar product for the same 12 month period". In late March/early April 2014 (more than a year after the guarantee program has terminated) four related accounts (two residential and two commercial with common ownership) complained to the Connecticut Public Utilities Regulatory Authority ("PURA") that they were charged rates greater than standard offer during certain months. These customers asserted they were unaware that the guarantee program has ended over a year earlier, and argued that the guarantee should have been a saving for each and every month individually instead of cumulatively each year. Based on a single complaint, and notwithstanding that the guarantee program has terminated, PURA opened a formal docket (14-07-15) on July 14, 2014 with the specific purpose of reviewing if the guarantee program was annual or month to month. Choice provided records to substantiate that the guarantee was indeed on "effective rate each year" basis, and that all related marketing and billing practices were operated in full compliance with

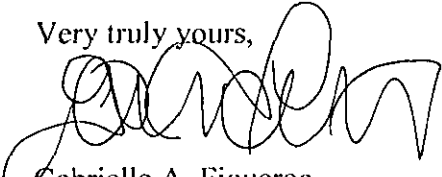
Connecticut law and in a customer-focused manner. After extensive hearings and interrogatories throughout which Choice answered all questions and produced all records requested, Choice filed a brief on November 6, 2014 requesting that PURA close the review docket without final decision, or alternatively issue a final Decision supporting the propriety of Choice's implementation of the former Connecticut guarantee program. Currently the case is pending PURA final decision. A copy of the docket is attached.

CT Docket 10-04-03RE01

The Connecticut legislature adopted a new statute in mid-2013 to be effective September 2013, requiring that a supplier is to provide notice of renewal provision 30 to 60 days in advance of a fixed rate term. Since PURA was to provide guidance on compliance requirement, and given that Choice's fixed rate contracts in effect at the time clearly, prominently, and unambiguously provided for an automatic renewal provision, Choice did not provide notice on contracts with fixed rate terming in December 2013 assuming the requirement did not apply. Choice has since decided to provide notices to all subsequent fixed rate customers even when the contract contained the automatic renewal provision. On October 22, 2014 PURA opened a docket (10-04-03RE01) to review Choice's compliance with the aforementioned Connecticut statute and to determine the appropriate remedies. Currently the case is pending PURA final decision. A copy of the docket is attached.

Choice takes the allegations in the actions very seriously and endeavors to resolve these issues with the Connecticut PURA. Choice will provide updates to the PUC as needed regarding the status of these actions.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Gabrielle A. Figueroa

Enclosures

cc: Dan Mumford (via electronic mail only w/enc.)
Theresa Mingarell (via electronic mail only w/enc.)
Moses Cheung, Co-Managing Member, Choice Energy (via electronic mail only, w/enc.)



STATE OF CONNECTICUT

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PUBLIC UTILITIES REGULATORY AUTHORITY
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKET NO. 10-04-03 APPLICATION OF CHOICE ENERGY, LLC FOR AN
ELECTRIC SUPPLIER LICENSE - REOPENING

October 22, 2014

DECISION

The Public Utilities Regulatory Authority (PURA or Authority), on its own motion, established Docket No. 14-05-38, PURA Investigation Into Electric Suppliers' Compliance with Conn. Gen. Stat. §16-245o(g)(1), to (a) investigate whether every electric supplier doing business in Connecticut has complied with §16-245o(g)(1) of the Connecticut General Statutes (Conn. Gen. Stat.), and (b) determine the appropriate remedies for customers and/or penalties for any electric supplier that has failed to comply with §16-245o(g)(1).

Conn. Gen. Stat. §16-245o(g)(1) (formerly §16-245o(f)), as amended by Public Act 14-75, provides in pertinent part:

Between thirty and sixty days, inclusive, prior to the expiration of a fixed price term for a residential customer, an electric supplier shall provide a written notice to such customer of any change to the customer's electric generation price.

In response to interrogatories issued in Docket No. 14-05-38, Choice Energy, LLC (Choice) stated that it served 4,183 residential customers whose fixed price term expired between October 1, 2013 and June 15, 2014 (2,785 CL&P customers and 1,398 UI customers). Choice Response to Interrogatory AD-2. According to Choice, all customers had their initial fixed price expire by their respective December 2013 billing date and none had their initial fixed price expire after their December 2013 billing date. Choice stated:

the contract provision of fixed rate through December with automatic variable renewal was specifically called out to the customers' attention with a Schumer Box style disclosure in their welcome letters stating that

"[t]he rate that you pay is fixed through December 2013, after which it may vary from month to month based on market conditions and our wholesale supply costs."

Choice Response to Interrogatory AD-3. Choice claimed the information provided in its welcome letter is "a clear and unambiguous disclosure to the consumers of the pricing terms that would govern at the end of the fixed price period." Choice also noted that the Authority took no action to implement the notice required under Conn. Gen. Stat. §16-245o(g)(1), other than the inclusion of a statement in the July 12, 2013 opening memorandum¹ in Docket No. 13-07-18 indicating that it intended to "clarify the new legislative requirements and establish rules and guidelines" during the course of that docket. Choice stated that given the short time involved and the absence of new PURA guidance clarifying the content and form of the new notice, Choice did not develop and process a notice in time to meet the fall 2013 window for its 2013 expiring customers. Id.

Choice indicated that as of July 14, 2014, the response date to PURA Interrogatory AD-3, there had not been any customers with fixed rate contracts that have expired during 2014 and there will not be any such contract expiring until December 2014. As a result, Choice stated that required notices for current fixed price customers will not need to be finalized and transmitted to customers until fall 2014. Choice claims that it is developing the procedures "to ensure that current and future fixed price customers will receive timely notices as required by the new statute and regulations, in particular Conn. Gen. Stat. § 16-245o(f)" and indicates it will submit these notices to the Authority when finalized. Id.

Based on the foregoing, and pursuant to Conn. Gen. Stat. §§16-245o, 16-9, 42-110b and 16-41, the Authority hereby reopens Choice's current licensing docket to review Choice's compliance with Conn. Gen. Stat. §16-245o(g)(1) and to determine the appropriate remedies for the affected customers and/or civil penalties for Choice. The reopened proceeding is designated Docket No. 10-04-03RE01, Application of Choice Energy, LLC For An Electric Supplier License – Compliance with Conn. Gen. Stat. §16-245o(g)(1).

¹ Choice is referring to the Docket Initiation Form in Docket No. 13-07-18.

DOCKET NO. 10-04-03 APPLICATION OF CHOICE ENERGY, LLC FOR AN
ELECTRIC SUPPLIER LICENSE - REOPENING

This Decision is adopted by the following Commissioners:

Michael A. Caron

Arthur H. House

John W. Betkoski, III

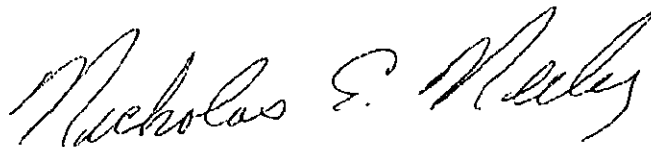
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SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Nicholas E. Neeley
Acting Executive Secretary
Public Utilities Regulatory Authority

October 22, 2014

Date

REQUEST TO ESTABLISH A NEW DOCKET ON PURA's OWN MOTION

FROM: Michael Coyle

DATE: July 14, 2104

PROPOSED TITLE: PURA Review of Choice Energy, LLC

REASON FOR REQUEST: The purpose of this proceeding is to review Choice Energy, LLC's marketing and billing practices in Connecticut. Specifically, Choice marketing materials guarantee savings in comparison with local EDC rates, but Choice maintains that those savings are only certain if the customer remains with Choice for a period of no less than one year.

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SECRETARY'S BUREAU

REVIEWED BY:

PAP: PAP

DATE: 7/14/14

SDC: SDC

DATE: 7/15/14

NEN: N.E. Neeley

DATE: 7/15/14

APPROVED BY:

AHH: AHH

DATE: 7/17/14

From: (908) 753-8300
Katherine Dailey
Bevan Mosca Giuditta
222 Mount Airy Road
Suite 200
Basking Ridge, NJ 07920

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Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commiss
Keystone Building
2nd Floor Room N201
HARRISBURG, PA 17120

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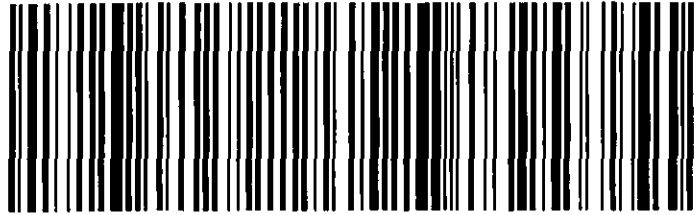
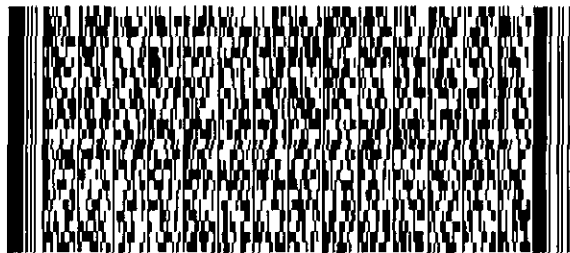
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