

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held January 8, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Investigation of Pennsylvania's Retail Natural Gas
Supply Market – Interim Guidelines Regarding
Standards For Changing a Customer's Natural Gas
Supplier

I-2013-2381742

TENTATIVE ORDER

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) is a recommendation from the Commission's Office of Competitive Market Oversight (OCMO) to continue the five-day waiting period when a customer chooses a natural gas supplier (NGS) or returns to natural gas distribution company (NGDC) service and, therefore, to maintain the waiver of the Commission's regulations at 52 Pa. Code §§ 59.93(2) (relating to customer contacts with NGSs) and 59.94 (relating to time frames for switching), to the extent necessary. Specifically, OCMO recommends that the Commission waive its Regulations at 52 Pa. Code §§ 59.93(2) and 59.94 for an additional three years.

BACKGROUND

Based on electric customer complaints and supplier concerns, as well as a review of laws, regulations and electric distribution company (EDC) and electric generation supplier (EGS) procedures, in October of 2012, this Commission determined that interim

guidelines were necessary to facilitate the timely transfer of a customer's account from EDC default service to an EGS, from one EGS to another, or from an EGS back to EDC default service.¹ Specifically, we found that the 16- to 45-day timeframe to switch a customer's account led to customer frustration, disappointment and a negative opinion of electric competition.² Based on these concerns, we established interim guidelines to reduce the confirmation period for customers to a five-day waiting period beginning no later than the next business day upon an EDC's receipt of a switch request.³ We found that the interim guidelines would provide temporary relief of customer dissatisfaction with switching timeframes while maintaining due regard for the Commonwealth Documents Law. *See* 45 P.S. §§ 1102 *et seq.* We recognized in the Guidelines Final Order that more substantial actions should be reserved for a rulemaking process; therefore, we narrowed the application of the interim guidelines to a three-year period.⁴

Furthermore, in the Guidelines Final Order, we addressed the applicability of the interim guidelines to the natural gas market.⁵ We noted the value in maintaining similar rules between the electric and natural gas industries in an effort to reduce confusion and frustration between the customer, supplier and utility, especially in instances where a utility provides both natural gas and electricity services.⁶ Accordingly, we implemented a waiver of 52 Pa. Code §§ 59.93(2) and 59.94, to the extent necessary, to provide for a five-day waiting period for customers switching from an NGDC's service to an NGS, from one NGS to another, or from an NGS to NGDC service. The Regulation, 52 Pa. Code § 59.93(2), states:

¹ *See Interim Guidelines Regarding Standards for Changing a Customer's Electricity Generation Supplier* Final Order, Docket No. M-2011-2270442 (Order entered Oct. 25, 2012) (hereinafter Guidelines Final Order).

² *Id.* at 3.

³ *Id.* at 47.

⁴ *Id.*

⁵ *See* Guidelines Final Order at 48-49.

⁶ *Id.* at 49.

Upon receipt of this notification, the NGDC shall send the NGDC ratepayer of record a confirmation letter noting the proposed change of NGS. This letter shall include notice of a 10-day waiting period in which the order may be canceled before the change of the NGS takes place. The notice shall include the date service with the new NGS will begin unless the customer contacts the NGDC to cancel the change. The 10-day waiting period shall begin on the day the letter is mailed. The letter shall be mailed by the end of the next business day following the receipt of the notification of the customer's selection of a NGS.

Additionally, 52 Pa. Code § 59.94 states:

When a customer has provided the NGS with oral confirmation or written authorization to change NGSs, the NGDC shall make the change at the beginning of the first feasible billing period following the 10-day waiting period, as prescribed in § 59.93 (relating to customer contacts with NGSs).

In waiving these Regulations, the Commission's interim guidelines provided the following:

Upon receipt of the notification required by 52 Pa. Code § 59.93(1), the NGDC shall send the NGDC ratepayer of record a confirmation letter noting the proposed change of NGS. This letter should include notice of a 5-day waiting period in which the order may be canceled before the change of the NGS takes place. The notice shall include the date service with the new NGS will begin unless the customer contacts the NGDC to cancel the change. The 5-day waiting period shall begin on the day the letter is mailed. The letter shall be mailed by the end of the next business day following the receipt of the notification of the customer's selection of an NGS.

Guidelines Final Order at 49.

With a September 17, 2015 Tentative Order,⁷ the Commission sought to extend the waivers of its Regulations at 52 Pa. Code §§ 59.93(2) and 59.94, to the extent

⁷ See *Investigation of Pennsylvania's Retail Natural Gas Supply Market - Interim Guidelines Regarding Standards*

necessary, and to maintain and continue the five-day waiting period for a duration of three years through the end of October 2018. Parties were provided ten days to file any adverse comments to the Commission's proposal. No adverse comments were filed, and a Final Order⁸ was entered on October 5, 2015, extending the guidelines through October 2018.

On December 22, 2016, the Commission adopted an Advanced Notice of Proposed Rulemaking (ANOPR) to solicit comments about amending and adding to the provisions of 52 Pa. Code §§ 59.91 - 59.99 regarding standards for changing a customer's natural gas supplier.⁹ These regulations address the process for transferring a customer's account from a supplier of last resort (SOLR) provider to a competitive natural gas supplier (NGS or supplier), from one supplier to another supplier and from a supplier to SOLR service. The ANOPR was followed by an April 20, 2017 Order (April 2017 Order) seeking additional comment,¹⁰ then by a March 29, 2018 in-person Technical Conference (March 2018 Technical Conference).¹¹

On October 25, 2018, the Commission entered a Tentative Order which proposed, subject to public comments, to tentatively extend, through the end of October 2021, the waivers of its Regulations at 52 Pa. Code §§ 59.93(2) and 59.94 to maintain the five-day waiting period during which an NGS switch request may be canceled before the switch

For Changing a Customer's Natural Gas Supplier, Docket No. I-2013-2381742 (Order Entered September 17, 2015).

⁸ See *Final Order re Investigation of Pennsylvania's Retail Natural Gas Supply Market - Interim Guidelines Regarding Standards For Changing a Customer's Natural Gas Supplier*, Docket No. I-2013-2381742 (Order Entered October 5, 2015).

⁹ See *Advanced Notice of Proposed Rulemaking to Amend the Provisions of 52 Pa. Code Chapter 59 Regulations Regarding Standards for changing a Customer's Natural Gas Supplier*, Docket L-2016-2577413 (Order entered December 22, 2016).

¹⁰ See *Order re Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 59 Regulations Regarding Standards For Changing a Customer's Natural Gas Supplier*. Docket L-2016-2577413 (Order entered April 20, 2017).

¹¹ See the February 27, 2018 Secretarial Letter announcing the Natural Gas Technical Conference at Docket Nos. L-2016-2577413 and L-2017-2619223.

takes place.¹² The Order provided that if no adverse comments were filed within ten days from the entry date of the Order, the Order would become final without further action by the Commission. No adverse comments were filed, and a Secretarial Letter was issued on November 16, 2018, confirming that the Commission's waivers of its Regulations at 52 Pa. Code §§ 59.93(2) and 59.94 would extend through October 25, 2021.¹³

On August 26, 2021, the Commission entered a Tentative Order which proposed, subject to public comments, to tentatively extend, through the end of October 2024, the waivers of its Regulations at 52 Pa. Code §§ 59.93(2) and 59.94 to maintain the five-day waiting period during which an NGS switch request may be canceled before the switch takes place.¹⁴ The Order provided that if no adverse comments were filed within ten days from the entry date of the Order, the Order would become final without further action by the Commission. Comments, judged not to be adverse, were filed by the Retail Energy Supply Association on September 20, 2021, and a Secretarial Letter was issued on October 19, 2021, confirming that the Commission's waivers of its Regulations at 52 Pa. Code §§ 59.93(2) and 59.94 would extend through October 25, 2024.¹⁵

DISCUSSION

The Commission's existing waiver of 52 Pa. Code §§ 59.93(2) and 59.94 and extension of the interim guidelines pursuant to its August 26, 2021 Tentative Order at this

¹² See *Investigation of Pennsylvania's Retail Natural Gas Supply Market - Interim Guidelines Regarding Standards For Changing a Customer's Natural Gas Supplier*. Docket No. I-2013-2381742 (Order Entered October 25, 2018).

¹³ See *Secretarial Letter re Investigation of Pennsylvania's Retail Natural Gas Supply Market – Interim Guidelines Regarding Standards for Changing a Customer's Natural Gas Supplier*. Docket No. I-2013-2381742 (Served November 16, 2018).

¹⁴ See *Investigation of Pennsylvania's Retail Natural Gas Supply Market - Interim Guidelines Regarding Standards For Changing a Customer's Natural Gas Supplier*. Docket No. I-2013-2381742 (Order Entered August 26, 2021).

¹⁵ See *Secretarial Letter re Investigation of Pennsylvania's Retail Natural Gas Supply Market – Interim Guidelines Regarding Standards for Changing a Customer's Natural Gas Supplier*. Docket No. I-2013-2381742 (Served October 19, 2021).

docket sunset on October 25, 2024. We deem that an extension of the interim guidelines as set forth in Appendix A is warranted during the pendency of the NGS switching rulemaking at Docket No. I-2013-2381742. In our opinion, reverting back to the ten-day period in our current regulations from the five-day timeframe permitted under the existing waiver would be counterproductive and -confusing for customers, potentially leading to renewed customer frustration with the natural gas supply market. Additionally, to date, we have not received any adverse comments, complaints, concerns, or suggestions of problems with the five-day waiting period.

Therefore, we propose to waive 52 Pa. Code §§ 59.93(2) and 59.94 and adopt the interim guidelines in Appendix A to continue the five-day waiting period for an additional three years through January 9, 2028. The Commission finds that it is appropriate to maintain the interim guidelines while the NGS switching rulemaking proceeds. This three-year period, ending January 9, 2028, will allow the Commission additional time to address the pending rulemaking that may revise our Regulations at 52 Pa. Code §§ 59.91-59.99 to permanently change the switching waiting period.

CONCLUSION

With this Tentative Order, the Commission seeks to extend the waivers of its Regulations at 52 Pa. Code §§ 59.93(2) and 59.94, to the extent necessary, and to maintain and continue the five-day waiting period for a duration of three years through January 9, 2028. Parties may provide comments within ten days of the entry date of this Tentative Order. In the absence of any adverse comments, this Tentative Order will become final without further Commission action.

THEREFORE,

IT IS ORDERED:

1. That this Tentative Order shall be served on all jurisdictional Natural Gas Distribution Companies, all licensed Natural Gas Suppliers, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate.

2. That interested parties shall have 10 days from the entry date of this Tentative Order to file written comments referencing Docket Number I-2013-2381742. Comments must be e-filed at this docket number by opening and using an e-filing account through the Commission's website.

3. That, absent any adverse comments, this Order shall become final without further Commission action.

4. That, absent any adverse comments, the Pennsylvania Public Utility Commission hereby waives Sections 59.93(2) and 59.94 of its Regulations in Title 52 of the Pennsylvania Code, 52 Pa. Code §§ 59.93(2) and 59.94, as set forth in this Order and Appendix A, for three years until January 9, 2028.

5. That a copy of this Tentative Order shall be posted on the Pennsylvania Public Utility Commission's website at the Office of Competitive Market Oversight's web page.

6. That the Office of Competitive Market Oversight shall electronically serve a copy of this Tentative Opinion and Order on all persons on the contact list for the Committee Handling Activities for Retail Growth in Electricity.

7. That the contact person for technical issues related to this Tentative Order is Daniel Mumford, 717-525-2084 or dmumford@pa.gov. That the contact person for legal issues related to this Tentative Order is Kriss E. Brown, 717-787-4518 or kribrown@pa.gov.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is fluid and cursive, with the first name being particularly prominent.

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: January 8, 2025

ORDER ENTERED: January 8, 2025

APPENDIX A

A. Customer contacts with NGSs.

When a contact occurs between a customer and an NGS to request a change of the NGS, upon receiving direct oral confirmation or written authorization from the customer to change the NGS, the customer's new NGS shall:

(1) Notify the NGDC of the customer's NGS selection by the end of the next business day following completion of the application process. The NGDC shall verify the accuracy of the information provided by the NGS by matching at least two data elements such as name and account number, or address and account number, with NGDC records.

(2) Upon receipt of this notification, the NGDC shall send the NGDC ratepayer of record a confirmation letter noting the proposed change of NGS. This letter should include notice of a 5-day waiting period in which the order may be canceled before the change of the NGS takes place. The notice shall include the date service with the new NGS will begin unless the customer contacts the NGDC to cancel the change. The 5-day waiting period shall begin on the day the letter is mailed. The letter shall be mailed by the end of the next business day following the receipt of the notification of the customer's selection of a NGS.

B. Time-frame requirement.

When a customer has provided the NGS with oral confirmation or written authorization to change NGSs, the NGDC shall make the change at the beginning of the first feasible billing period following the 5-day waiting period, as prescribed in A(2) (relating to customer contacts with NGSs).