

# Residential Supplier Workshop Harrisburg, PA



PENNSYLVANIA OFFICE OF  
**CONSUMER ADVOCATE**

COMMITTED TO PROTECTING THE INTERESTS OF  
PENNSYLVANIA UTILITY CONSUMERS SINCE 1976

Tanya J. McCloskey, Acting Consumer Advocate

January 31, 2018



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# Pennsylvania Office of Consumer Advocate

- The PA Office of Consumer Advocate (OCA) was established in 1976. OCA is an independent state office, administratively within the Pennsylvania Office of Attorney General.
- The OCA represents the interests of Pennsylvania utility consumers in legal proceedings before the Public Utility Commission, federal regulatory agencies, and state and federal courts, as well as non-governmental agencies such as the PJM Interconnection.



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# MISSION STATEMENT

“OCA is committed to advocating for the interests of Pennsylvania consumers and to keeping consumers informed about their utility service.”



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# OCA Functions

- Participates in all major PUC cases that affect the interest of consumers. Some examples include:
  - Default Service Cases
  - Rulemakings
  - Policy statements
  - Investigations
  - Complaints
  - Rate Cases
- Initiates proceedings- Complaints, Petitions for Declaratory Order, Petitions for Relief
- Appeals adverse PUC decisions, when warranted





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# OCA Consumer Complaint Process

- OCA has a call center with 3 full time Consumer Service Representatives.
- The OCA Consumer Service Representatives assist individual customers who have questions and complaints regarding electric, natural gas, telephone, water and wastewater service.
- During Fiscal Year 2016-2017, we had a total of 9,576 consumer contacts in the call center.



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# OCA Consumer Complaint Process

When OCA receives a complaint regarding a supplier:

- Obtain consumer account and contact information as well as pertinent information related to the complaint.
- Contact the supplier (preferably by e-mail) regarding the nature of the complaint and the desired information or resolution we are seeking for the consumer.
- The supplier responds and answers OCA questions, resolves the complaint or provides other information related to the complaint.



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# OCA Consumer Complaint Process

When OCA receives a complaint regarding a supplier  
(continued):

- The OCA contacts the consumer with the information obtained from the supplier and discusses next steps if the consumer is not satisfied.
- Please note regardless of whether OCA is able to assist the consumer and/or satisfy their complaint, the consumer retains the right to contact the PUC or OAG and file a complaint with the PUC or OAG.
- Contact Heather Yoder to verify supplier contact information related to complaints.



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# Consumer Education and Outreach

- Each year, the OCA staff attends senior fairs and outreach events to provide consumers with information regarding their utility service (approximately 65 in Fiscal Year 2016-2017).
- We also make presentations to a variety of groups and at Legislator-sponsored Town Halls. Topics: How to Shop, Consumer Rights and Responsibilities, Supplier Responsibilities, Prohibited Supplier Activities, Energy Efficiency, Utility Scams, and Consumer Protections.



# OCA Electric And Natural Gas Shopping Guide

- The OCA provides a monthly electric and natural gas shopping guide that compares prices charged by the utilities and competitive suppliers on an apples-to-apples basis.
- Guides can be obtained from the OCA free of charge by calling our toll-free number. They are also published on our website: [www.oca.state.pa.us](http://www.oca.state.pa.us)
- In the 2017 calendar year, the OCA received approximately 900 requests for paper electric and natural gas shopping guides and received over 49,000 hits for these guides on the website.



# OCA Electric and Natural Gas Shopping Guide

- OCA contacts suppliers by e-mail each month and provides an offer information sheet to fill out and return. The supplier may also submit prices in another format as long as it includes all pertinent information about the offer(s).
- Listings can also be updated throughout the month by contacting the OCA via e-mail at [shopping@paoca.org](mailto:shopping@paoca.org).
- Contact Heather Yoder to verify supplier contact information or to establish a listing in the OCA electric and/or natural gas shopping guide.



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# OCA Electric Shopping Guide

## Licensed Electric Generation Supplier Prices:

Electric Generation Supplier prices are for **NEW** customers of the Electric Generation Supplier. Existing customers of an Electric Generation Supplier should contact their supplier to obtain the rate they are being charged.

### Monthly Generation & Transmission Bill If You Use:

Fixed/ Variable	Type of Price	Price per kWh	Cancellation Fee	Renewable/Green Energy Details	500 kWh	1,000 kWh	2,000 kWh
<b>WGL Energy</b> 1-844-428-9945 www.wglenergy.com Updated January 17, 2018							
<b>V</b>	Intro Price for the First Month: Monthly Variable	7.60 ¢ per kWh	No	5% Local Wind Power	\$ 38.00	\$ 76.00	\$ 152.00
<b>F</b>	Fixed Price: 12 Month Term	7.20 ¢ per kWh	Yes: \$10 per month for each month remaining in contract term	5% Local Wind Power	\$ 36.00	\$ 72.00	\$ 144.00
<b>F</b>	Fixed Price: 12 Month Term	7.80 ¢ per kWh	Yes: \$10 per month for each month remaining in contract term	50% Local Wind Power 	\$ 39.00	\$ 78.00	\$ 156.00
<b>F</b>	Fixed Price: 12 Month Term	8.40 ¢ per kWh	Yes: \$10 per month for each month remaining in contract term	100% Local Wind Power 	\$ 42.00	\$ 84.00	\$ 168.00



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# OCA Electric Shopping Guide

<b>F</b>	Fixed Price: 12 Month Term*	10.89 ¢ per kWh	No	n/a	\$ 54.45	\$108.90	\$ 217.80
*Free nights 7 pm to 11 pm. Contact Direct Energy for details.							
<b>F</b>	Fixed Price: 12 Month Term	*** ¢ per kWh	No	n/a			
***Peak savings plan: 11.39 ¢ peak/8.19 ¢ off-peak. Contact Direct Energy for details.							
<b>F</b>	Fixed Price: 12 Month Term*	8.59 ¢ per kWh	No	n/a	\$ 42.95	\$ 85.90	\$ 171.80
*Web only.							
<b>F</b>	Fixed Price: 18 Month Term*	8.89 ¢ per kWh	No	n/a	\$ 44.45	\$ 88.90	\$ 177.80
*Web only.							
<b>F</b>	Fixed Price: 18 Month Term*	8.79 ¢ per kWh	No	n/a	\$ 43.95	\$ 87.90	\$ 175.80
*Web only. Military plan available to active or inactive military personnel. Verification required.							
<b>F</b>	Fixed Price: 24 Month Term*	8.89 ¢ per kWh	\$150 Device Cost Recovery Fee	n/a	\$ 44.45	\$ 88.90	\$ 177.80
*Includes Hive smart home services. Contact Direct Energy for more information.							



# Complaints from Around the Commonwealth

## Four Major Areas of Concern:

1. Door-to-Door Marketing
2. Disclosure Statements/End of Agreement Procedures
3. Misleading Marketing Materials
4. Telemarketing





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# Door-to-Door Marketing

- High pressure sales tactics
- Identification as an EDC employee
- Misleading attire
- Language barriers
- Requiring account number or review of bill





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# Door-to-Door Marketing

- Failing to disclose important terms such as termination fees, variable rates, etc.
- Not providing the disclosure statement prior to the agreement and Right of Rescission
- TPV process





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# Door-to-Door Marketing





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# Disclosure Statement: Areas of Customer Confusion

- Introductory rates
- Termination fees
- Description of variable rates and conditions of variability
- Enrollment fees





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# End of Agreement Procedures

- Early termination fees
- Options notice
- Failure to honor requests to hold enrollments
- Confusing the distinction between month to month renewals under the regulation and variable rates

See, 52 Pa. Code Section 54.10(2)(ii)(A)(I)





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# Misleading Marketing Materials

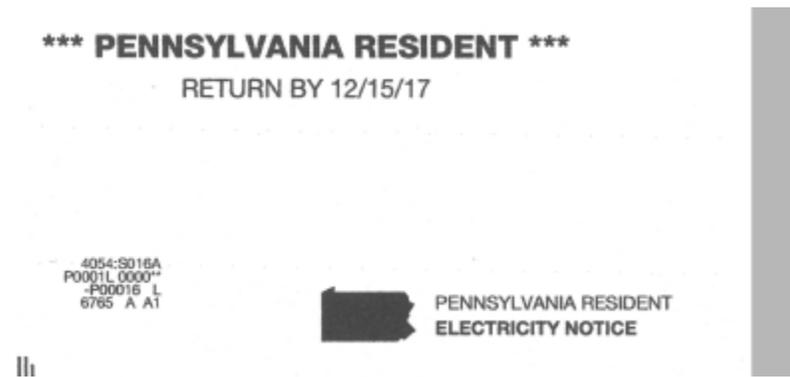
- Failure to clearly identify as EGS marketing material
- Promises of savings with unclear or unreadable disclaimers
- Confusing or unclear terms and conditions





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# Misleading Marketing Materials?



**PPL Customers**  
*Important Electricity Information Enclosed*  
P.O. Box 298 • Pittsburgh, PA 15230-0298

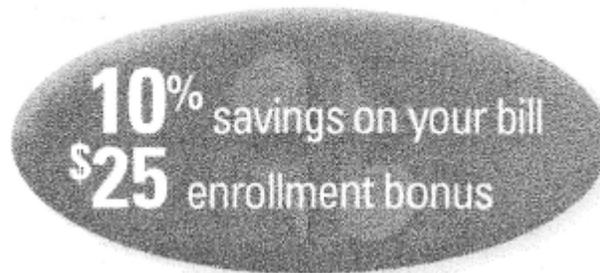
**LOWER**  
your electricity price  
to 7.19¢ per kWh  
through December 2015



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# Misleading Marketing Materials?

Page 1



- **\$25 enrollment bonus** after your second month as an [redacted] customer<sup>1</sup>
- **3% Cash Back for every \$1** you spend on the supply portion of your electric bill<sup>1</sup>
- **10% savings on your bill** with a rate that is approximately 10% lower than your local utility company<sup>2</sup>



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<sup>1</sup>The [redacted] rate as of January 2011 is approximately 10% below the generation rate posted by PECO, PPL Electric Utilities and Duquesne Light Company. The [redacted] rate is variable and therefore subject to change. Current and historical rates should not be taken as a guarantee of future rates and [redacted] makes no warranty, express or implied, regarding future savings.



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# Misleading Marketing Materials?

Page 1 (top)

Lock in a fixed rate  
**LOWER  
THAN PPL!**

Page 1  
(bottom)

\*Price comparison based on PPL Price-to-Compare Rate Calculator for June 1-Nov. 30, 2015, appearing on PPL Electric website as of 5/1/16 and PPL utility rates approved by the Pennsylvania Public Utilities Commission for Schedule RS for the same period. Actual differential over time will depend on individual consumption and future approved utility rates.



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# Telemarketing



- Do Not Call List violations
- Robo-Calls
- Hanging up when asked for contact information
- Misleading information regarding supplier relationship with EDC/NGDC
- Representation as a government agency or a name similar to a government agency
- Failure to disclose important terms and conditions



# Takeaways and Recommendations

- Training
- Monitoring
- TPV
- Consumer call center
- Addressing vendors with a history of violations



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# Contact Information

We'd love to hear from you regarding any new programs or rates and are happy to answer any questions you may have!

**Office of Consumer Advocate**  
**555 Walnut Street, 5<sup>th</sup> Floor Forum Place**  
**Harrisburg, PA 17101-1923**  
**Phone: 717-783-5048**

Tanya J. McCloskey  
Acting Consumer Advocate  
Email: [tmccloskey@paoca.org](mailto:tmccloskey@paoca.org)

Heather Yoder  
Consumer Liaison  
Email: [HYoder@paoca.org](mailto:HYoder@paoca.org)





# Website and Social Media Information

[www.oca.state.pa.us](http://www.oca.state.pa.us)



Twitter: @pa\_oqa



Office of Consumer Advocate or  
**pennoca**