



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

November 5, 2008

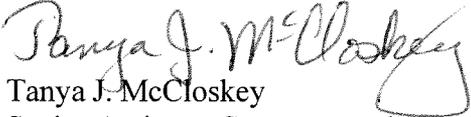
James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Revision of Guidelines for
Maintaining Customer Services
Establishment of Interim Standards
for Purchase of Receivables (POR)
Programs
Docket No. M-2008-2068982

Dear Secretary McNulty:

Enclosed are an original and fifteen (15) copies of the Comments of the Office of
Consumer Advocate, in the above-referenced proceeding.

Respectfully Submitted,


Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044

Enclosure

cc: Patricia Krise Burket, LAW – via e-mail only
Robert F. Young, LAW – via e-mail only
Paul Diskin, FUS – via e-mail only
Daniel Mumford, BCS – via e-mail only

00105981.docx

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Revision of Guidelines for Maintaining :
Customer Services: Establishment of : Docket No. M-2008-2068982
Interim Standards for Purchase of :
Receivables (POR) Programs :

COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE

Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TMcCloskey@paoca.org
Jennedy S. Johnson
Assistant Consumer Advocate
PA Attorney I.D. # 203098
E-Mail: jjohnson@paoca.org
Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891
E-Mail: CTunilo@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: November 5, 2008

TABLE OF CONTENTS

I. INTRODUCTION 1

II. DISCUSSION OF QUESTIONS PRESENTED..... 9

 A. Should An NGDC Be Allowed To Terminate Customers For The Failure To Pay
 Receivables Purchased By An NGS Pursuant To A Commission-Approved POR
 Program? 9

 B. Should The *Guidelines* Be Modified To Remove This Regulatory Uncertainty? 10

 C. Are There Other Related Consumer Protection Issues That Need To Be Addressed
 As A Result Of Any Changes To Utility Termination Rights? 11

 D. Are Any Statutory Amendments Necessary For This Type Of POR Program To
 Be Implemented? 11

III. MINIMUM CONSUMER PROTECTIONS REQUIRED IF GUIDELINES ARE
MODIFIED BY THE COMMISSION 13

IV. CONCLUSION..... 18

I. INTRODUCTION

On October 16, 2008, the Pennsylvania Public Utility Commission (PUC or Commission) issued a Secretarial Letter soliciting comments to the Commission regarding the revision of guidelines relating to customer service in order to implement Purchase of Receivables (POR) programs by Natural Gas Distribution Companies (NGDCs).

The OCA appreciates the opportunity to comment on the proposal to consider revision of the interim guidelines for POR programs that were established in 1999 as guidance for Companies during the transition to retail choice in natural gas supply. See Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. § 2206(a), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §§ 2207(b), 2208(e) and (f) and Addressing the Application of Partial Payments, Docket No. M-00991249F003 (Order entered August 26, 1999) (Guidelines). The OCA submits, however, that the Commission should not change the Guidelines. The Guidelines, as formulated in 1999, provide necessary consumer protections for essential natural gas service. The Guidelines carry out the consumer protections contained in the Public Utility Code, 66 Pa. C.S. § 1401 et seq., and those required by the General Assembly when it enacted Chapter 22, 66 Pa. C.S. § 2201 *et seq.* to allow residential and small commercial customers the choice of a retail natural gas supplier. The OCA submits that there is no reason to modify the Guidelines and place consumers at risk for loss of service due to unregulated supplier charges.

Through its questions in the Secretarial Letter and its SEARCH Order, Investigation into the Natural Gas Supply Market: Report on Stakeholders' Working Group (SEARCH); Action Plan for Increasing Effective Competition in Pennsylvania's Retail Natural Gas Supply Services Market, Docket No. I-00040103F002 (Order entered September 11, 2008),

the Commission suggests that it intends to allow for the development of a POR Program where a NGDC can terminate essential natural gas service based on the unregulated charges of a natural gas supplier (NGS). The OCA opposes this form of POR program. This form of POR program allows a customer to lose regulated, essential utility service based on charges that have not been found to be just and reasonable by the Commission, whose terms and conditions of service are unregulated and possibly unknown by the Commission, and which may contain more products and services than just the commodity cost of natural gas. While the OCA outlines a form of POR program in Section III of these Comments that would address some of these fundamental concerns, the OCA submits that no changes to the Commission Guidelines are necessary at this time.

Termination of essential utility service is an extraordinary measure that can jeopardize the health, safety and welfare of individual consumers as well as the public. Indeed, the Commission has an obligation to protect the health, safety and welfare of the public. Fundamental to the questions raised by the Commission here are several provisions of the Public Utility Code, beginning with the requirement that every rate demanded by a public utility be just and reasonable. See 66 Pa. C.S. § 1301. Section 1301 of the Public Utility Code, in relevant part, provides as follows:

Every rate made, demanded, or received by any public utility, or by any two of more public utilities jointly, shall be just and reasonable, and in conformity with the regulations or orders of the commission.

66 Pa. C.S. § 1301.

Based on the requirements of the Public Utility Code, the Commission has developed specific policies and procedures to protect customers and to ensure that termination of regulated utility service results only from failure to pay rates found to be just and reasonable and,

then, only as the last resort when the customer has been unable to meet its obligations to the regulated public utility for the regulated service. See 52 Pa. Code Chapter 56. The Commission and the General Assembly have made clear that the regulated utility may not use the regulated process of termination as a collection device for charges or as a means to collect charges for unregulated products and services. For example, the General Assembly in Section 509 of the Public Utility Code—relating to regulation of appliances—makes clear that utility customers may not be terminated for failure to pay for non-regulated charges—such as the price of an appliance. 66 Pa. C.S. § 509(1). Specifically, Section 509 states:

It is unlawful for any public utility engaged in the manufacture, sale, or lease of any appliance or equipment offered by such public utility for sale to the public to:

- (1) Discontinue service to any consumer for failure of such consumer to pay the whole, or any installment, of the purchase price, or rental, of any appliance or equipment sold to such consumer.

Id. Section 56.83 of the Commission’s regulations also prohibits termination of service for:

...nonpayment, in whole or in part, for leased or purchased merchandise, appliances or special services including but not limited to merchandise and appliance installation fees, rental and repair costs, of meter testing fees or special construction charges and of other nonrecurring charges that are not essential to delivery or metering of service, except as provided in this chapter.

52 Pa. Code § 56.83(3). The rates charged by a utility for the types of items and services listed in Section 56.83(3) of the Commission’s regulations are not subject to just and reasonable review by the Commission.

Additionally, the Commission’s own regulations make clear that the regulated termination procedure is not to be used as a credit and collection device. Section 56.99 of the Commission’s regulations provides:

A utility may not threaten to terminate service when it has no present intent to terminate service or when actual termination is prohibited under this chapter; notice of the intent to terminate shall be used only as a warning that service will in fact be terminated in accordance with the procedures set forth by this chapter, unless the ratepayer or occupant remedies the situation which gave rise to the enforcement efforts of the utility.

52 Pa. Code § 56.99.

These are the very protections, many of them protections from termination for charges that are not regulated by the Commission, that the General Assembly sought to preserve in the move to allow retail competition for natural gas service. Chapter 22 of the Public Utility Code, which introduced retail natural gas competition for residential and small commercial customers, specifically states in Section 2206(a):

Quality. – A natural gas distribution company shall be responsible for customer service functions consistent with the orders and regulations of the commission, including, but not limited to, meter reading, installation, testing and maintenance and emergency response for all customers, and complaint resolution and collections related to the service provided by the natural gas distribution company. Customer service and consumer protections and policies for retail gas customers, shall, at a minimum, be maintained at the same level of quality under retail competition as in existence on the effective date of this chapter.

66 Pa. C.S. § 2206(a) (emphasis added). See also 66 Pa. C.S. § 2807(d).

When first implementing Chapter 22, the Commission considered the use of the regulated termination process in a POR program and recognized that it would be inconsistent with existing consumer protections and unsound public policy. The Commission, in considering a proposal to revise its Guidelines stated the following:

We will not revise the generic guideline relating to receivables purchased by NGDCs to allow NGDCs to use the Chapter 56 termination process as a device to collect debts which the NGDC chooses to purchase. There is no requirement that NGDCs purchase NGS accounts receivables. A NGDC's use of the

Chapter 56 termination process in such instances would be solely as a collection device since additional revenue loss could be prevented through cancellation of the supply contract. Since Chapter 56 at §56.99 prohibits the use of termination notices solely as a collection device, we believe allowing NGDCs to use the termination process to collect NGS charges would be inconsistent with this provision. Moreover, this practice, if allowed, would complicate and confuse the NGDC's role as supplier of last resort. A residential customer who falls behind in payment to a NGS and has supply canceled would revert to the SOLR, whereas a residential customer who becomes delinquent on supply charges purchased by the NGDC would be treated as if he was already receiving SOLR service. Additionally, if NGDCs are allowed to use the Chapter 56 termination process as a collection device for NGS charges they purchase while all other parties are prohibited from using this process, then the NGDCs billing and collection operations would appear to have an unfair competitive advantage over all other billing and collection services. For these reasons, we have not altered the guideline as requested.

See Guidelines, at 18 (emphasis added). A similar rationale was set forth by the Commission in its order setting forth the guidelines for the parallel provision in the Electric Choice Act, 66 Pa.C.S. § 2801 et seq. The Commission also in that order made note of the following:

... Moreover, there would be a mixing of monies that may result in termination of regulated services for nonpayment of unregulated charges since the accounts receivables could include charges for non-basic services, or even totally unrelated monies for things such as cable televisions, VISA charges, etc.

See, Final Order Re: Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. §2807(D), and Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §2809(E) and (F), Docket No. M-00960890F.0011 at 44 (Order entered July 10, 1997) (Electric Order).

As the Commission recognized in these Orders, there is a distinction between the service provided by an NGS and that of the supplier of last resort, the NGDC. A POR program that allows for termination of service confuses these two roles. Of critical importance, the

NGDC must serve all customers, unless and until the customers do not meet their obligations to the regulated provider. An NGS, on the other hand, does not have a public service obligation, can select the customers that it will serve, can offer the services that it wishes to sell to customers, and can end contracts with customers based on the terms of the contract. A program that results in confusion as to these roles does not serve the interests of consumers or the public.

Under Chapter 22 of the Public Utility Code, the remedy for an NGS that is not receiving payment for its unregulated charges is the cancellation of the NGS contract pursuant to the terms of the contract. Upon cancellation, the customer has a right to receive service from the supplier of last resort (SOLR). Section 2208(e) describes the NGS's ability to cancel its contract with a customer without affecting that customer's ability to receive service from the SOLR:

(e) FORM OF REGULATION OF NATURAL GAS SUPPLIERS... Subject to the provisions of section 2207 (relating to obligation to serve), nothing in this section shall preclude a natural gas supplier, upon appropriate and reasonable notice to the retail gas customer, supplier of last resort and the natural gas distribution company, from canceling its contract with any customer for legal cause, subject to the customer's right to have continued service from the supplier of last resort.

66 Pa. C.S. § 2208(e) (emphasis added). The proposal under consideration, to allow a customer to be terminated from service for failure to pay an NGS charge, would disrupt this basic tenet of Chapter 22.

While the OCA submits that the statutory requirements are clear on this point, the Commission seeks comment on whether to change the rules in an attempt to further retail natural gas competition. The OCA submits there is no evidence that requiring POR programs with termination provisions will increase competition. A POR program was recently put in place by Duquesne Light Company in its service territory. That program contains a limited right to terminate customers where unpaid, unregulated generation charges are no higher than the

customer would pay under regulated POLR service. Since its implementation in early 2008, to the OCA's knowledge, no new suppliers have entered the Duquesne market. In the recent Columbia Base Rate case where modifications to the POR program were considered to allow for termination based on unregulated purchased receivables, the record was devoid of evidence that such a termination program would, or had, broadened competition in any state. The decisions of marketers to enter a particular market are based on many factors, not the least of which is the price of wholesale commodity purchases that it can make. It is also important to note that the NGS already receives a benefit from the NGDC issuing bills on its behalf. Unlike other competitive services, the NGS does not have to pay for back office billing systems and support when it serves customers in Pennsylvania as the Pennsylvania NGDC will provide this billing service if requested to do so by an NGS.

Allowing termination of essential utility service for commodity charges that are neither regulated by the Commission nor found to be just and reasonable, or for NGS charges that may include bundles of other products and services (such as gas furnace maintenance contracts, weatherization service or even credit card payments), would impermissibly reduce the consumer protections built into the Public Utility Code and would disrupt the basic framework that allowed retail natural gas choice to be introduced in Pennsylvania. The OCA urges the Commission to reject the notion that such a change is necessary based on the untested assertion that such termination rights will bring more competitors into the market. Utility service is too important to the health, safety and welfare of the residents of the Commonwealth to take such a chance.

If, however, the Commission determines to proceed further with this initiative, the OCA submits that it must proceed only in a manner that provides the necessary consumer

protections. In Section III of these Comments, the OCA outlines a mechanism to secure the necessary consumer protections and ensure that consumers do not lose essential natural gas service based on charges that are higher than those the Commission has found to be just and reasonable or based on charges that should not be part of a utility bill. The OCA does not view this mechanism as optimal, however, and urges the Commission to leave the current Guidelines in place.

In the OCA's view, the Commission should maintain its existing Guidelines and continue the voluntary POR programs in existence today that do not rely on termination of service for unregulated charges. These programs, discussed more in Section III below, have been in place for many years. There is no need to order changes that compromise consumer protections, particularly in these difficult financial times.

II. DISCUSSION OF QUESTIONS PRESENTED

A. Should An NGDC Be Allowed To Terminate Customers For The Failure To Pay Receivables Purchased By An NGS Pursuant To A Commission-Approved POR Program?

Suggested Answer: No.

The Public Utility Code and its accompanying regulations are clear that termination of an essential service, such as electric or gas service should only occur if a customer does not pay Commission-approved rates that have been found to be just and reasonable. See 66 Pa. C.S. §§ 1301, 1406; 52 Pa. Code Chapter 56. Section 1301 of the Public Utility Code sets forth the fundamental principle as follows:

Every rate made, demanded, or received by any public utility, or by any two of more public utilities jointly, shall be just and reasonable, and in conformity with the regulations or orders of the commission.

66 Pa. C.S. § 1301.

The Pennsylvania General Assembly sought to continue the consumer protections outlined in the Public Utility Code and Chapter 56 of the Commission's regulations in the introduction of competition in the electric and natural gas industries. Specifically, the regulations states:

- (a) Quality. – A natural gas distribution company shall be responsible for customer service functions consistent with the orders and regulations of the commission, including, but not limited to, meter reading, installation, testing and maintenance and emergency response for all customers, and complaint resolution and collections related to the service provided by the natural gas distribution company. Customer service and consumer protections and policies for retail gas customers, shall, at a minimum, be maintained at the same level of quality under retail competition as in existence on the effective date of this chapter.

66 Pa. C.S. § 2206(a) (emphasis added). See also 66 Pa. C.S. § 2807(d).

NGS rates are not approved by the Commission as just and reasonable. Therefore a demand by a regulated utility for the payment of these charges, which may include charges for products and services other than the commodity service, is not consistent with the Public Utility Code. An NGS can cancel contracts with customers based on non-payment, and it can pursue other unregulated credit and collection services for the collection of outstanding balances. But, neither an NGS nor an NGDC can threaten the termination of essential regulated natural gas service for failure to pay unregulated charges that have not been found to be just and reasonable by the Commission.

Such a proposal is particularly inappropriate when the unregulated NGS charges are higher than the NGDC rates that have been found to be just and reasonable. The OCA would note that its concern here is not hypothetical. A review of the offers of NGSs in the Columbia Gas service territory in 2007 and 2008 showed that NGSs were charging higher gas prices than those in effect under Columbia's price to compare for most of the quarters. The same held true for Dominion Peoples. Under a program that allows termination for non-payment of NGS receivables, customers could have been terminated for charges that were higher than regulated charges. The loss of essential natural gas service can pose a significant health and safety risk to the customer and the public. Allowing termination for higher priced service could unreasonably place the health, welfare and safety of customers and the public at risk.

B. Should The *Guidelines* Be Modified To Remove This Regulatory Uncertainty?

Suggested Answer: No.

As discussed above, the Public Utility Code and accompanying regulations clearly state that termination of essential utility service for failure to pay receivables purchased from an unregulated entity is not permitted. Therefore, there is no regulatory uncertainty.

C. Are There Other Related Consumer Protection Issues That Need To Be Addressed As A Result Of Any Changes To Utility Termination Rights?

Suggested Answer: Yes.

The Commission must address many issues if it makes changes to termination policies and procedures to ensure that appropriate consumer protections are afforded to ratepayers. In Section III below, the OCA outlines a possible POR program that would provide protections to all consumers if an NGDC proposes a POR program that allows for termination of regulated service based on the failure to pay NGS charges. Importantly, a key protection that must be provided to customers is that they only face termination for a level of rates that has been found by the Commission to be just and reasonable. Additionally, it is important that other ratepayers not be required to support, through uncollectible expense, the higher charges of NGSs or the provision of unregulated products or services by an NGS. The outline presented by the OCA in Section III addresses these issues.

D. Are Any Statutory Amendments Necessary For This Type Of POR Program To Be Implemented?

Suggested Answer: Yes.

The OCA submits that for the Commission to implement the type of POR Program contemplated by its questions, *i.e.*, one that allows termination of service for unregulated charges, significant changes would be required in Chapter 22 of the Public Utility Code. These modifications are in direct contrast to the fundamental underpinning of Chapter 22 that retail natural gas competition could be introduced in Pennsylvania, but not at the expense of essential protections for consumers. As noted in these Comments, Section 2206(a) of the Public Utility Code secures for consumers the protections that existed at the time of the passage of Chapter 22. Additionally, Section 2208(e) of the Public Utility Code provides that contract

cancellation is the NGS remedy for nonpayment, subject to the customer's right to return to the SOLR.

Additionally, Section 2205(c)(5) of the Public Utility Code states that no NGDC is required to forward payments to the NGS before it has received payment. Section 2205(c)(5) states:

(5) No natural gas distribution company shall be required to forward payment to entities providing services to customers and on whose behalf the natural gas distribution company is billing those customers before the natural gas distribution company has received payment for those services from customers. The commission shall issue guidelines addressing the application of partial payments.

66 Pa. C.S. § 2205(c)(5). The form of POR program contemplated by the Commission would implicate this provision, as well, if the Commission requires an NGDC to implement a mandatory POR program.

III. MINIMUM CONSUMER PROTECTIONS REQUIRED IF GUIDELINES ARE MODIFIED BY THE COMMISSION

The OCA does not oppose POR programs *per se*. In fact, there are three forms of POR programs currently being utilized in the Commonwealth. Two of these programs do not allow terminations based on unregulated supplier charges. The third only allows such terminations when the unregulated charges do not exceed the regulated, just and reasonable rate charged by the utility.

Under the first form, arising out of the restructuring settlements in the electric industry, the electric distribution company (EDC) pays the supplier the full amount of the supplier's charges (which are unregulated) for the first 90 days of any past-due billing regardless of what the EDC actually collects from the customer. At the end of the 90 days, if the customer has not paid the full amount of the supplier charges, the EDC's obligation to pay the supplier ends. The EGS then has two options: (1) to issue its own bills (i.e. dual billing) or (2) to turn the customer over to the EDC for enrollment in the POLR program. See, e.g., PECO Electric Generation Supplier Tariff, Pa. P.U.C. No. 1S, pg. 93 (PECO Energy Company Competitive Billing Specifications). The EDC cannot terminate the customer for non-payment of the EGS charges that accrued over the 90 day time frame, but can terminate the customer if the customer has an unpaid balance for regulated distribution charges or subsequently fails to pay its regulated default service charges.

The second form of receivables program is offered by Columbia Gas Company. Under the Columbia POR program, Columbia purchases the receivables of the NGS for a 5% discount, *i.e.*, Columbia remits to the NGS 95 cents of every dollar it bills on behalf of the NGS. Columbia absorbs any uncollected balances and does not pass any of the uncollectible costs on to

its other ratepayers. Columbia does not terminate customers based on NGS charges. This program has been in place at Columbia for several years.

The third form of POR program was recently put in place by Duquesne Light Company pursuant to a settlement. In this program, the Company pays the full supplier charges to the EGS, minus a negotiated discount rate, for the entire duration of the program. In other words, the EDC is buying the receivables of the EGS at a discounted rate. The EDC then has the right to collect any unpaid EGS charges from customers using its regulated credit and collection procedures—including termination of utility service—subject to certain customer protections. One of the most critical protections, though, is that Duquesne is not permitted to terminate service to a customer based on unregulated charges that are higher than the regulated default service rates.

In the OCA's view, the two forms of POR programs that do not rely on termination of regulated utility service based on NGS charges are the best model for NGDCs to pursue if they wish to implement a POR program. These two forms have been in use in Pennsylvania for several years.

If, however, the Commission intends to pursue a POR program that would allow for the termination of essential utility service based on unregulated charges, the OCA submits that the following consumer protections, similar to those in the Duquesne proceeding, must be in place to try to meet the requirements of the Public Utility Code and to protect ratepayers and the public. Any program must include the following protections:

- The NGDC should only be permitted to purchase receivables for commodity service. The NGS must certify that the charges do not include any other products or service.

- The NGDC should purchase the receivables at a discount that allows for the recovery of the incremental NGS uncollectible expenses and recovery of the initial, and on-going, operating and administrative costs associated with the program.
- The NGDC would be permitted to conduct its normal collection activities for these customers, including termination of service for nonpayment pursuant to Chapter 14 of the Public Utility Code and Chapter 56 of the Commission regulations. The “right” to terminate, however, must be limited to that portion of the NGS receivables that are equal to or less than the amount the customer would have been billed for commodity service if the customer had received SOLR service from the NGDC during the non-payment period. In other words, the amount due stated on any termination notice issued by the NGDC must be no higher than the amount that would have been due to the NGDC for SOLR service.
- As a condition of the program, the NGS is required to agree not to reject a new customer based on credit-related issues. As a result, the NGS is not permitted to seek a separate security deposit.
- The NGDC is not permitted to recover retroactively from distribution ratepayers any difference between the discounts applied to NGS receivables and uncollected amounts resulting from the purchase of these receivables.
- The NGDC must agree to inform all customers affected by this policy change by separate bill insert that specifically describes this change in policy for termination of service.

- The enrollment letter issued by the NGDC must be changed to inform customers of this change in policy at the time of selection of the NGS.
- With regard to a customer's right to reconnection of service: if terminated for nonpayment, the customer may be reconnected upon paying the lesser of (a) the sum of unpaid distribution charges (plus any applicable reconnection fees or deposits) and the amount billed for NGS commodity service (or a payment arrangement required by applicable law); or (b) the sum of the unpaid distribution charges (plus any applicable reconnection fees or deposits) and the amount the customer would have been billed for commodity service if the customer had received default or POLR supply from the EDC during the non-payment period (or a payment arrangement required by applicable law).

See, e.g. Pa.P.U.C. v. Duquesne Light Co., Docket No. R-00061346 (Order entered December 1, 2006).

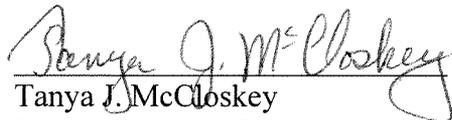
Fundamental to the protections listed above is the recognition that the utility may not terminate the customer for failure to pay charges that are in excess of the regulated SOLR rate that the Commission has found to be just and reasonable. The Commission, through its Section 1307(f) procedure, reviews the purchased gas cost charges of each NGDC serving as the SOLR and finds those rates to be just and reasonable. Additionally, allowing the purchase of receivables only for commodity service, *i.e.*, the charges do not reflect the purchase of other products and services, will allow the Commission to better ensure that the charges that form the basis of termination are aligned with rates the utility may place on their bills under the Public Utility Code.

As stated above, the OCA does not oppose a purchase of receivables program, *per se*. The OCA does, however, oppose compromising essential consumer protections. The General Assembly was clear in establishing retail competition in Pennsylvania that it was not to come at the expense of consumer protection or customer service. The OCA submits that any POR program must adhere to this requirement of proper consumer protections being in place.

IV. CONCLUSION

The OCA submits that the existing Guidelines are consistent both with the legislative intent of Chapter 22, other provision of the Public Utility Code and the Commission's own Regulations. Accordingly, the OCA submits that the Commission should maintain its existing Guidelines and continue the voluntary POR programs in existence today that do not rely on termination of service for unregulated charges.

Respectfully Submitted,



Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044

E-Mail: TMcCloskey@paoca.org

Jennedy S. Johnson

Assistant Consumer Advocate

PA Attorney I.D. # 203098

E-Mail: jjohnson@paoca.org

Candis A. Tunilo

Assistant Consumer Advocate

PA Attorney I.D. # 89891

E-Mail: CTunilo@paoca.org

Counsel for:

Irwin A. Popowsky

Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: November 5, 2008

00105820.doc