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May 29, 2012

**Via Electronic Filing**

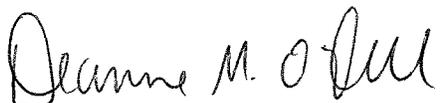
Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

Re: Investigation of Pennsylvania's Retail Electricity Market  
Docket No. I-2011-2237952

Dear Secretary Chiavetta:

On behalf of the Retail Energy Supply Association enclosed please find its Comments in Response to May 21, 2012 Secretarial Letter Regarding Consumer Education along with the electronic filing confirmation.

Sincerely,



Deanne M. O'Dell

DMO/lww  
Enclosure

cc: [ra-RMI@pa.gov](mailto:ra-RMI@pa.gov) w/enc.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation of Pennsylvania’s Retail Electricity Market: Intermediate Work Plan : Docket No. I-2011-2237952  
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**COMMENTS OF  
THE RETAIL ENERGY SUPPLY ASSOCIATION  
IN RESPONSE TO MAY 21, 2012 SECRETARIAL LETTER  
REGARDING CONSUMER EDUCATION**

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In the Commission’s *Intermediate Work Plan Final Order*, certain electric distribution companies (“EDCs”) were directed to mail consumer education pieces in May 2012 and October 2012 to residential and small business customers. The May 2012 mailing was to include a tri-fold flyer that was developed through the stakeholder process in this proceeding which places a strong emphasis on PAPowerSwitch.com and provides consumers a detailed walk-through of the steps involved when shopping for a competitive EGS. The October 2012 mailing was anticipated to include a letter from the EDC to encourage consumers to shop for a competitive supplier, direct consumers to PAPowerSwitch.com and reinforce that all consumers will continue to receive safe and reliable electric service from the EDC. The letter was also expected to include a list of Frequently Asked Questions (“FAQs”).<sup>1</sup>

By Secretarial Letter dated May 21, 2012, the Commission proposes to delay each mailing by six months. The reasons for the proposed delay are: (1) concerns about overwhelming consumers to inadvertently result in creating a negative impression about electric choice; and, (2) concerns about ensuring that ratepayer funds are used as effectively as possible. The Commission concludes that spacing out the timing of these mailings will make them more

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<sup>1</sup> *Investigation of Pennsylvania’s Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2237952, Final Order entered March 2, 2012 at 7-12.

effective in promoting competition. Thus, the new proposed mailing schedule would be as follows:

<b>Mailing Type</b>	<b>Originally Scheduled Mailing Date</b>	<b>Newly Proposed Mailing Date</b>
Tri-Fold	May 2012	November 2012
EDC Letter & FAQs	October 2012	April 2013

The Commission invites interested parties to submit comments. The Retail Energy Supply Association (“RESA”)<sup>2</sup> is a broad and diverse group of retail energy suppliers who share the common vision that competitive retail energy markets deliver a more efficient, customer-oriented outcome than a regulated utility structure. RESA has been actively involved in the stakeholder process of the Retail Markets Investigation (“RMI”) and continues to support the goal the Commission is seeking to achieve with this investigation which is to enact measures that will enable a larger number of customers to enjoy the benefits of retail competition. RESA agrees with the Commission that a robust consumer education effort is a critical piece of reaching that goal. Today, despite all of the consumer education undertaken, the number of consumers who still do not even know that they have the ability to choose a competitive supplier is unacceptably high (between 8 and 15%) and, for those who may have heard about it, they have not switched for reasons that are factually incorrect or based on inadequate information. For these reasons, appropriately structured and targeted statewide consumer education is critical to the Commission achieving its goals in this proceeding. RESA is also cognizant of the

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<sup>2</sup> RESA’s members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energetix, Inc.; Energy Plus Holdings LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; PPL EnergyPlus, LLC; Reliant; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P.. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

Commission's responsibility to ensure that ratepayer funds are used as effectively as possible. While RESA does not oppose the Commission's proposed delay, as explained further below, RESA suggests that the Commission: (1) continue less costly consumer education pending the next mailing; (2) incorporate specific EGS offers with the November 2012 tri-fold mailing; and, (3) coordinate the April 2013 EDC letter and FAQ mailing with consumer education about the retail opt-in auction. RESA believes that the implementation of these suggestions will achieve the goal of educating consumers in an effective and cost-efficient manner.

**A. On-Going Education Pending Next Consumer Education Mailing**

At the outset, the Commission rightly acknowledges the positive impact of the February 2012 Commission-endorsed postcard mailed by the EDCs. In addition to the increased traffic to the PAPowerSwitch.com and the Commission's call center, the increased number of customers electing to shop during this period could also be attributed to the mailing. Therefore, the positive impacts of mailing – and the consumer education that is being provided – are clear.

In consideration of this, RESA urges the Commission – in this interim period before the next mailing – to consider less expensive tools to continue the education messaging process. Similar to making the postcard and the tri-fold flyer available at [www. PAPowerSwitch.com](http://www.PAPowerSwitch.com) as the Commission does now, the Commission could focus on posting other educational and issue specific messages on its website to assist customers. For example, the Commission could implement a monthly educational fact sheet on its website that focuses on a specific issue or set of questions that the Commission is hearing from customers who either call or who participate in the Commission's shopping events held around the Commonwealth. One month could focus on helping customers understand how default service prices change versus how retail supply contract prices change. Another month could focus on helping customers understand how budget billing works when customers' shop, and so on. These monthly messages must be fairly

narrow and targeted on a single issue to be effective. Undertaking these or other types of cost efficient consumer education prior to the next mailing is a reasonable way to ensure that the public remains educated about electric choice.

**B. Incorporate Specific EGS Offers With The November 2012 Tri-Fold Mailing**

To maximize the effectiveness of these mailings when they resume, the Commission should consider replicating the direct mail program that is on-going for the Met-Ed and Penelec service territories.<sup>3</sup> Pursuant to this direct mail program, Met-Ed and Penelec issued mailers to all residential and small business customers which included specific retail offers from suppliers choosing to participate. The program offered significant flexibility to participating suppliers and allowed them to present a wide range of offers to customers. The participating suppliers designed marketing inserts that were included in the residential and small business customer mailers. Expanding the rescheduled next mailing to include these EGS offers would significantly maximize its value by providing consumers concrete information about the options available in their area. Further, the cost of the mailings is likely to be the same or perhaps only incrementally more than what has already been directed by the Commission. Thus, the end result would be a win-win for all involved.

**C. Coordinate The April 2013 Mailing With The Planned Implementation Of The Opt-In Auction**

Finally, the proposed new date for the October 2012 mailing of April 2013 would occur at the same time consumer education about the opt-in auctions is likely to be occurring since the Commission directed that opt-in auctions are to be implemented on June 1, 2013.<sup>4</sup> Thus, when

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<sup>3</sup> *Joint Petition of Metropolitan Edison Company and Pennsylvania Electric Company for Approval of Their Default Service Programs* Docket Nos. P-2009-2093053 and P-2009-2093054, Opinion and Order entered November 6, 2009 at 20-21.

<sup>4</sup> *Intermediate Work Plan Final Order* at 54.

undertaking this third mailing, the Commission should consider incorporating and coordinating consumer education about the opt-in auctions. By doing so, the Commission will be maximizing the benefit of the mailing which it has already directed to occur by providing more comprehensive information to consumers. Such a course is also likely to have the benefit of achieving cost efficiencies in the launching of the opt-in auction programs.

In conclusion, RESA appreciates the efforts of the Commission and interested stakeholders to date in working toward achieving its end goal of improving Pennsylvania's retail electricity market.

Respectfully submitted,



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