



March 14<sup>th</sup>, 2014

Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Docket: M-2014-2406134

To Whom It May Concern,

Please find below the comments from American Power & Gas of PA LLC regarding the PUC Order of February 20<sup>th</sup>, 2014.

*Answers in italic.*

For variable-priced contracts without explicit formulaic pricing parameters

- Should EGSs be required to provide advance notice of price changes to customers?
  - *A: No. Prices change in 24 hour periods. It is feasibly impossible to inform a customer prior to the change. Customers resist the sharing of email addresses; hence US mail is the only other option which it is too slow and expensive. Plus, excluding this last January-February (a once in a lifetime event) prices rise for one or two days and then drop back down so by the time you did tell them, the price rise would be over.*
- Should the advance notice requirement be waived for minor contract price changes, within a certain bounds? If so, what bounds are appropriate?
  - *Yes. Market variations that would affect customers with a rate increase of only 50% or more. This should be in the form of a market alert on the PUC website. The posting should simply track the settle price of the “day ahead” and “real time” prices as posted by the PJM.*
- If advance notice is required, how far in advance of the meter read date should notice be provided and how can this notice be provided?
  - *There is no advance warning. Within 72 hours of seeing it occur, a notice should be posted on the PUC website. The reason being, meter reads occur throughout the month so there is no way to coordinate a “notice prior” to the billing. In addition, it’s too late to do anything proactive (load reduction wise) based on the billing cycle, so it has to be more “live” to be worth anything.*
- Do variable rate contracts without explicit pricing parameters provide consumers with the information needed to make informed decisions? If not, what is the remedy?

- *Yes. Under normal marketing conditions, it's very easy for customers to make informed decisions. No one in the industry could have predicted the unprecedented chain of events that led to what occurred this past winter. It factually was a once in a lifetime event. The remedy would be to bring the pressure to bear on the system operators (PJM) and generators to maintain the capacity market designed to protect everyone. All extant laws governing against this situation were disregarded. This action was the sole source of the recent price increase and exposed all EGS' and ultimately the rate payers to a worst case scenario.*

For variable-priced contracts with explicit formulaic pricing parameters

- Should EGSs be required to provide a historical pricing history for this formulaic rate structure?
  - *No. What happened in the past is zero indication of what will happen in the future.*
- If so, how many months should be provided, and where should this information be provided so as to be available to all participating customers?
  - *Not applicable*
- Should EGSs describe specifically how future formulaic prices are determined?
  - *No.*

For daily recorded and automatic meter reading capable electric utilities

- Under current plans, when will mid-cycle EGS switches be implemented?
  - *Unknown.*
- How much can these plans be accelerated, and at what additional cost?
  - *N/A*

Please let me know if you need anything further.

Sincerely,

Jim Bridgeforth, President  
American Power and Gas LLC

## Combined Residential/Small Business Customer Sales Agreement

### TERMS AND CONDITIONS – ELECTRIC

Price	Variable
How price is determined:	Electric Variable Price shall each month reflect the cost of electricity obtained from all sources (including energy, capacity, settlement, ancillaries), related transmission and distribution charges and other market-related factors, plus all applicable taxes, fees, charges or other assessments and AP&G's costs, expenses and margins
Length of the agreement and end date	Beginning on a date set by your utility for enrollment and will continue on a month-to-month basis
Process customer may use to rescind the agreement without penalty	Either a Residential or Commercial Customer may cancel this agreement at any time before midnight of the 3 <sup>rd</sup> business day after receipt of this disclosure by contacting AP&G at the above toll free number or in writing at the below address or via email at <a href="mailto:customerservice@americanpowerandgas.com">customerservice@americanpowerandgas.com</a>
Amount of Early Cancellation Fee and method of calculation	No early cancellation fee.

**1. Background.** This is an Agreement between you, the "Customer" and American Power & Gas of Pennsylvania, LLC ("AP&G"), to supply your home and/or business with all the energy you need subject to the eligibility requirements of your electric distribution company ("EDC"), and acceptance by AP&G ("Agreement"). The Public Utility Commission of Pennsylvania ("PUC") has authorized AP&G to act as an Energy Service Company (Commission License # A-2013-2355561 and has entered into a service agreement with the EDC. AP&G is a retail energy marketer and not my EDC. The PUC does not regulate the price of energy or other charges found in this Agreement. You are at least 18 years old and fully authorized to enter into this Agreement. AP&G sets the generation prices and charges that you pay. The PUC regulates distribution prices and services. The Federal Regulatory Commission regulates transmission prices and services. You will receive a single bill from your EDC for both its charges and AP&G's charges. Either a Residential or Commercial Customer may cancel this agreement at any time before midnight of the 3<sup>rd</sup> business day after receipt of this disclosure by contacting AP&G at (800) 205-7491 or in writing at 411 Cleveland Street #299, Clearwater, FL 33755 or via email at [customerservice@americanpowerandgas.com](mailto:customerservice@americanpowerandgas.com).

#### 2. Definitions.

Generation Charges. Charge for production of electricity.

Transmission Charges. Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.

**3. Term.** This Agreement shall commence as of the date the change of Customer's provider to AP&G is deemed effective by the EDC. This Agreement will continue on a month-to-month basis.

**4. Pricing & Billing.** The price for all electricity sold under this Agreement shall be a variable price which shall each month reflect the cost of electricity obtained from all sources (including energy, capacity, settlement, ancillaries), related transmission and distribution charges and other market-related factors, plus all applicable taxes, fees, charges or other assessments and AP&G's costs, expenses and margins. Your price per kWh for your initial bill for electric generation services is stated on the Welcome letter. Your prices will then vary from month to month and are calculated on a blend of PJM settled wholesale prices and any hedges, if applicable, bought for AP&G's aggregated load plus all applicable taxes, fees, charges or other assessments and AP&G's costs, expenses and margins. These prices include Transmission Charges and Estimated Total State Taxes, including Gross receipts Tax, but excludes applicable state and local Sales Taxes. Optional Green Energy: The price for green energy will be comprised of the AP&G varying price plus an amount up to three (3) cents per kilowatt-hour delivered. Customer can cancel the green option at any time by calling AP&G at 1.800.205.7491. The requested drop of the green supply will be processed immediately by AP&G, and will become effective on the soonest date your utility's bill-processing system allows. AP&G will invoice Customer monthly for electricity supplied under this Agreement, as measured by the EDC. Customer will receive a single bill for Generation charges and delivery costs from your local utility company/EDC.

**4.5 Renewal Provisions/Agreement Expiration/Change in Terms.** If you have a fixed term agreement and it is approaching the expiration date or if we propose to change our terms of service, we will send you two (2) advance notices either in your bill or in separate mailings between 45 and 90 days before either the expiration date or the effective date of the changes. We will explain your options in these two advance notices.

**5. Information.** For inquiries and information regarding energy suppliers and the competitive retail energy market, you can contact the PUC at 800-692-7380.

**6. Emergency Service.** In an emergency, you should immediately call Duquesne Light at (888) 393-7000, PECO Energy Company at (800) 841-4141, Pike County Light & Power Company at (877) 434-4100, PPL Electric Utilities at (800) 342-5775 or West Penn Power at (800) 255-3443 and local emergency personnel. If you experience service related problems, you should contact your utility.

**7. Dispute Resolution.** If you have a question or concern about your bill, you may contact AP&G in writing at 411 Cleveland Street #299, Clearwater, FL 33755, or by telephone at (800) 205-7491. AP&G will refer all complaints to a representative in their customer service center who, in good faith, will use reasonable efforts to reach a mutually satisfactory solution. If you are still not satisfied, you may call the PUC toll free at 800-692-7380, or write the PUC, Bureau of Consumer Services, P.O. Box 3265, Harrisburg, PA 17105-3265.

#### 8. Cancellation Procedures.

Non-Payment: If your electric service is terminated by your electric distribution company, then this agreement is cancelled on the date that your electric service is terminated. You will owe us for amounts unpaid for our charges for electric generation service supplied up to the date of termination.

Company-Initiated Cancellation: If we cancel this agreement for any reason other than for customer non-payment, we will follow applicable rules in providing notice to you.

Customer-Initiated Cancellation: If you cancel this agreement at any time, you will owe us for amounts unpaid up to the date of cancellation.

Customer Move: If customer moves from their current address, this agreement is cancelled.

**9. Energy Supply Quantity.** The EDC will determine all energy quantities supplied under this Agreement and all such amounts will be accepted as accurate and conclusive by both parties and shall constitute the amount of the sale.

**10. Agency & Power of Attorney.** You appoint AP&G as your agent and grant AP&G a power of attorney to act on your behalf in acquiring the supplies necessary to meet your energy needs, contracting for and administering transportation, transmission and related services over interstate facilities and any EDC services necessary to deliver energy to your premises. AP&G provides these services to you at no additional charge, as they are already included in the price noted above.

**11. Invoicing and Payment.** Unless otherwise agreed to in writing, the EDC will invoice you monthly for energy supplied to you under this Agreement.

**12. Title.** All energy sold under this Agreement shall be delivered to a location considered the "Point of Delivery," which shall be a location determined by AP&G, and shall constitute the point at which, upon delivery thereto, the sale occurs and title passes from AP&G to you.

**13. Liability.** The remedy in any claim or suit by Customer against AP&G will be solely limited to direct actual damages (which will not exceed the amount of Customer's single largest monthly invoice amount in the immediately preceding 12 months). All other remedies at law or in equity are hereby waived. In no event will either AP&G or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.

**14. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement, or to construe the terms hereof shall be exclusively in the Commonwealth of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the Commonwealth of Pennsylvania.

**15. Assignment.** After providing you a 30 day notice, AP&G may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financial agreement and may assign this Agreement to another energy supplier, energy services company, or other entity in accordance with the PUC rules and procedures, if any, governing such transactions.

**16. Severance.** If a court or regulatory agency of competent jurisdiction deems any provision of this Agreement to be invalid, or unenforceable, the remaining provisions shall continue in full force without being invalidated in any way.

**17. No Warranties.** Unless otherwise expressly set forth in this Agreement, AP&G provides and I shall receive no warranties, express, or implied, statutory, or otherwise and AP&G specifically disclaims any warranty of merchantability or fitness for a particular purpose.

**18. Delay or Failure to Exercise Rights.** No partial performance, delay or failure on the part of AP&G in exercising any rights under this Agreement and no partial or single exercise thereof shall constitute a waiver of such rights or of any other rights hereunder.

**19. Force Majeure and Other Circumstances.** AP&G will make commercially reasonable efforts to provide natural gas and/or electricity hereunder but AP&G does not guarantee a continuous supply of electricity to Customer. Certain causes and events out of the control of AP&G ("Force Majeure Events") may result in interruptions in service. AP&G will not be liable for any such interruptions caused by a Force Majeure Event, and AP&G is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbance, acts of any governmental authority, accidents, strikes, labor disputes or problems, required maintenance work, inability to access the local distribution utility system, non-performance by the EDC (including, but not limited to, a facility outage on its gas distribution lines or electric facilities), or any other cause beyond AP&G's control.

**20. Taxes and Laws.** Except as provided in this Agreement or by law, all taxes, levies, assessments and fees of whatsoever kind, nature and description, due and payable with respect to the delivery of energy under this Agreement, shall be paid or reimbursed by you except for federal, state or local taxes imposed on the net taxable income of AP&G. The parties' obligations under this Agreement are subject to present and future legislation, orders, rules, or regulations of a duly constituted governmental authority having competent jurisdiction.

**21. Entire Agreement.** This Agreement and the Enrollment Confirmation set forth the entire agreement between the parties with respect to the terms and conditions of this transaction; any and all other agreements, understandings and representations by and between the parties with respect to the matters addressed herein and therein are superseded by this Agreement.

**22. Contact Information.** Customer may contact AP&G's Customer Service Center at 1-800-205-7491, Monday through Friday 9:00 a.m. – 5:00 p.m. EST. Customer may write to AP&G at: 411 Cleveland Street #299, Clearwater, FL 33755 or send an email to [customerservice@americanpowerandgas.com](mailto:customerservice@americanpowerandgas.com).

Public Utility Commission (PUC) Address:	P. O. Box 3265 Harrisburg, PA 17105-3265
Choice Hotline Number:	800-692-7380
EDC name/Supplier of last resort: Address:	Duquesne Light 411 Seventh Avenue (6-1) Pittsburgh, PA 15219
Phone number: Universal Service Information:	(888) 393-7000 (888) 393-7000
EDC name/ Supplier of last resort: Address:	PECO Energy Company 2301 Market Street P.O. Box 8699 Philadelphia, PA 19101
Phone number: Universal Service Information:	(800) 494-4000 (800) 494-4000

EDC name/ Supplier of last resort: Address:	Pike County Light and Power Company 390 W. Route 59 Spring Valley, NY 10977
Phone number: Universal Service Information:	(877) 434-4100 (877) 434-4100
EDC name/ Supplier of last resort: Address:	PPL Electric Utilities 827 Hausman Road Allentown, PA 18104
Phone number: Universal Service Information:	(800) 342-5775 (800) 342-5775
EDC name/ Supplier of last resort: Address:	West Penn Power 800 Cabin Hill Drive Greensburg, PA 15601
Phone number: Universal Service Information:	(800) 255-3443 (800) 255-3443

Combined Residential/ Small Business Customer Sales Agreement

TERMS AND CONDITIONS –NATURAL GAS

Price	Variable
How price is determined:	Gas Variable Price shall reflect each month the wholesale cost of natural gas (including commodity, capacity, storage and balancing), transportation to the Delivery Point, and other market-related factors, plus all applicable taxes, fees, charges or other assessments and AP&G's costs, expenses and margins.
Length of the agreement and end date	Beginning on a date set by your utility for enrollment and will continue on a month-to-month basis
Process customer may use to rescind the agreement without penalty	Either a Residential or Commercial Customer may cancel this agreement at any time before midnight of the 3 <sup>rd</sup> business day after receipt of this disclosure by contacting AP&G at the above toll free number or in writing at the below address or via email at customerservice@americanpowerandgas.com
Amount of Early Cancellation Fee and method of calculation	No early cancellation fee.

**1. Background.** This is an Agreement between I, the "Customer" and American Power & Gas of Pennsylvania, LLC ("AP&G"), to supply your home and/or business with all the energy you need subject to the eligibility requirements of your Natural Gas Distribution Company ("NGDC"), and acceptance by AP&G ("Agreement"). The Public Utility Commission of Pennsylvania ("PUC") has authorized AP&G to act as an Energy Service Company (Commission License # A-2013-2364337 and has entered into a service agreement with the NGDC. AP&G is a retail energy marketer and not your NGDC. The PUC does not regulate the price of energy or other charges found in this Agreement. You are at least 18 years old and fully authorized to enter into this Agreement. AP&G sets the commodity prices and charges that you pay. The PUC regulates distribution prices and services. You will receive a single bill from your NGDC for both its charges and AP&G's charges. Either a Residential or Commercial Customer may cancel this agreement at any time before midnight of the 3<sup>rd</sup> business day after receipt of this disclosure by contacting AP&G at (800) 205-7491 or in writing at 411 Cleveland Street #299, Clearwater, FL 33755 or via email at [customerservice@americanpowerandgas.com](mailto:customerservice@americanpowerandgas.com).

**2. Definitions.**

Commodity Charge – The charges for basic gas supply service.

Natural Gas. The actual fuel used to produce heat.

Interstate pipelines. The pipeline system used to transport natural gas from where it is removed from the ground to where it is delivered to your local utility company.

**3. Term.** This Agreement shall commence as of the date the change of Customer's provider to AP&G is deemed effective by the NGDC. This Agreement will continue on a month-to-month basis.

**4. Pricing & Billing.** The price for all natural gas sold under this Agreement shall be a variable price which shall each month reflect the cost of natural gas obtained from all sources, related interstate pipeline charges, storage and balancing fees and distribution charges and other market-related factors, plus all applicable taxes, fees, charges or other assessments and AP&G's costs, expenses and margins. Your price per CCF/therm on your initial bill for natural gas is stated on the Welcome letter. These prices will then vary from month to month based on the NYMEX index rate. This price includes: Interstate Pipeline Charges and Estimated Total State Taxes but excludes applicable state and local Sales Taxes. Optional Green Energy: The price for green energy will be comprised of the AP&G varying price plus an amount up to ten (10) cents per ccf/therm delivered. Customer can cancel the green option at any time by calling AP&G at 1.800.205.7491. The requested drop of the green supply will be processed immediately by AP&G, and will become effective on the soonest date your utility's bill-processing system allows. AP&G will invoice Customer monthly for natural gas supplied under this Agreement, as measured by the NGDC. Customer will receive a single bill for both commodity and delivery costs from your local utility company/NGDC.

**4.5 Renewal Provisions/Agreement Expiration/Change in Terms.** If you have a fixed term agreement and it is approaching the expiration date or if we propose to change our terms of service, we will send you two (2) advance notices either in your bill or in separate mailings between 60 and 90 days before either the expiration date or the effective date of the changes. We will explain your options in these two advance notices.

**5. Information.** For inquiries and information regarding energy suppliers and the competitive retail energy market, I can contact the PUC at 800-692-7380.

**6. Emergency Service.** In an emergency, you should immediately call UGI at (800) 276-2722, PECO Energy Company at (800) 494-4000, Columbia Gas of PA (888) 460-4332, Philadelphia Gas Works (215) 235-1212, and Peoples Natural Gas (800) 400-4271 for local emergency personnel. If you experience service related problems, you should contact your utility.

**7. Dispute Resolution.** If you have a question or concern about your bill, you may contact AP&G in writing at 411 Cleveland Street #299, Clearwater, FL 33755, or by telephone at (800) 205-7491. AP&G will refer all complaints to a representative in their customer service center who, in good faith, will use reasonable efforts to reach a mutually satisfactory solution. If you are still not satisfied, you may call the PUC toll free at 800-692-7380, or write the PUC, Bureau of Consumer Services, P.O. Box 3265, Harrisburg, PA 17105-3265.

**8. Cancellation Procedures.**

Non-Payment: If your gas service is terminated by your gas distribution company, then this agreement is cancelled on the date that your gas service is terminated. You will owe us for amounts unpaid for our charges for natural gas supplied up to the date of termination.

Company-Initiated Cancellation: If we cancel this agreement for any reason other than for customer non-payment, we will follow applicable rules in providing notice to you.

Customer-Initiated Cancellation: If you cancel this agreement at any time, you will owe us for amounts unpaid up to the date of cancellation.

Customer Move: If customer moves from their current address, this agreement is cancelled.

**9. Energy Supply Quantity.** The NGDC will determine all energy quantities supplied under this Agreement, including storage energy, and all such amounts will be accepted as accurate and conclusive by both parties and shall constitute the amount of the sale.

**10. Agency & Power of Attorney.** You appoint AP&G as your agent and grant AP&G a power of attorney to act on your behalf in acquiring the supplies necessary to meet your energy needs, contracting for and administering transportation, transmission and related services over interstate facilities and any NGDC services necessary to deliver energy to your premises. AP&G provides these services to you at no additional charge, as they are already included in the price noted above.

- 11. Invoicing and Payment.** Unless otherwise agreed to in writing, the NGDC will invoice you monthly for energy supplied to you under this Agreement.
- 12. Title.** All energy sold under this Agreement shall be delivered to a location considered the "Point of Delivery," which shall be a location determined by AP&G, and shall constitute the point at which, upon delivery thereto, the sale occurs and title passes from AP&G to you.
- 13. Liability.** The remedy in any claim or suit by Customer against AP&G will be solely limited to direct actual damages (which will not exceed the amount of Customer's single largest monthly invoice amount in the immediately preceding 12 months). All other remedies at law or in equity are hereby waived. In no event will either AP&G or Customer be liable for consequential, incidental, indirect, special or punitive damages. These limitations apply without regard to the cause of any liability or damages. There are no third-party beneficiaries to this Agreement.
- 14. Choice of Laws.** Venue for any lawsuit brought to enforce any term or condition of this Agreement, or to construe the terms hereof shall be exclusively in the Commonwealth of Pennsylvania. This Agreement shall be construed under and shall be governed by the laws of the Commonwealth of Pennsylvania.
- 15. Assignment.** After providing you a 30 day notice, AP&G may sell, transfer, pledge, or assign the accounts, revenues, or proceeds hereof, in connection with any financial agreement and may assign this Agreement to another energy supplier, energy services company, or other entity in accordance with the PUC rules and procedures, if any, governing such transactions.
- 16. Severance.** If a court or regulatory agency of competent jurisdiction deems any provision of this Agreement to be invalid, or unenforceable, the remaining provisions shall continue in full force without being invalidated in any way.
- 17. No Warranties.** Unless otherwise expressly set forth in this Agreement, AP&G provides and I shall receive no warranties, express, or implied, statutory, or otherwise and AP&G specifically disclaims any warranty of merchantability or fitness for a particular purpose.
- 18. Delay or Failure to Exercise Rights.** No partial performance, delay or failure on the part of AP&G in exercising any rights under this Agreement and no partial or single exercise thereof shall constitute a waiver of such rights or of any other rights hereunder.
- 19. Force Majeure and Other Circumstances.** AP&G will make commercially reasonable efforts to provide natural gas and/or electricity hereunder but AP&G does not guarantee a continuous supply of natural gas and/or electricity to Customer. Certain causes and events out of the control of AP&G ("Force Majeure Events") may result in interruptions in service. AP&G will not be liable for any such interruptions caused by a Force Majeure Event, and AP&G is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbance, acts of any governmental authority, accidents, strikes, labor disputes or problems, required maintenance work, inability to access the local distribution utility system, non-performance by the NGDC (including, but not limited to, a facility outage on its gas distribution lines or electric facilities), or any other cause beyond AP&G's control.
- 20. Taxes and Laws.** Except as provided in this Agreement or by law, all taxes, levies, assessments and fees of whatsoever kind, nature and description, due and payable with respect to the delivery of energy under this Agreement, shall be paid or reimbursed by you except for federal, state or local taxes imposed on the net taxable income of AP&G. The parties' obligations under this Agreement are subject to present and future legislation, orders, rules, or regulations of a duly constituted governmental authority having competent jurisdiction.
- 21. Entire Agreement.** This Agreement and the Enrollment Confirmation set forth the entire agreement between the parties with respect to the terms and conditions of this transaction; any and all other agreements, understandings and representations by and between the parties with respect to the matters addressed herein and therein are superseded by this Agreement.
- 22. Contact Information.** You may contact AP&G's Customer Service Center at 1-800-205-7491, Monday through Friday 9:00 a.m. – 5:00 p.m. EST. Customer may write to AP&G at: 411 Cleveland Street #299, Clearwater, FL 33755 or send an email to [customerservice@americanpowerandgas.com](mailto:customerservice@americanpowerandgas.com)

Public Utility Commission (PUC)	
Address:	P. O. Box 3265 Harrisburg, PA 17105-3265
Choice Hotline Number:	(800) 692-7380

NGDC name/ Supplier of last resort:	
Address:	UGI 2525 North 12th Street Suite 360 Reading, PA 19605
Phone number:	(800) 276-2722
Universal Service Information:	(800) 276-2722

NGDC name/ Supplier of last resort:	
Address:	PECO Energy Company 2301 Market Street P.O. Box 8699 Philadelphia, PA 19101
Phone number:	(800) 494-4000
Universal Service Information:	(800) 494-4000

NGDC name/ Supplier of last resort:	
Address:	Colombia Gas of Pennsylvania 200 Civic Center Dr. Columbus Ohio 43215
Phone number:	(888) 460-4332
Universal Service Information:	(888) 460-4332

NGDC name/ Supplier of last resort:	
Address:	Peoples Natural Gas PO Box 535323 Pittsburgh, PA 15253-5323
Phone number:	(800) 764-0111
Universal Service Information:	(800) 400-4271

NGDC name/ Supplier of last resort:	
Address:	Philadelphia Gas Works P.O. Box 3500 Philadelphia, PA 1912
Phone number:	(215) 235-1212
Universal Service Information:	(215) 235-1212