

March 20, 2014



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

John Raisch
Alphabuyer Cofounder
1410 Russel Rd.
Paoli, PA 19301

CC:

Chairman Powelson
Vice Chairman Coleman
Commissioner Cawley
Commissioner Witmer
Commissioner Brown
Chief Counsel Pankiw
Office of Competitive Market Oversight

Response to L-2014-2409385 - Rulemaking to Amend the Provisions of 52 Pa. Code, Section 54.5 Regulations Regarding Disclosure Statement for Residential and Small Business Customers and to Add Section 54.10 Regulations Regarding the Provision of Notices of Contract Renewal or Changes in Terms.

Background & Overview

As a licensed energy broker and Pennsylvania's largest residential and small business broker of electricity & natural gas, Alphabuyer plays an important role in supporting Energy Choice throughout the Commonwealth. The Alphabuyer.com business and marketing platform has processed approximately 10,000 electricity and natural gas enrollments with alternative suppliers.

Over the period of 3 years, Alphabuyer has proven attainable savings by residents and small business owners. Both segments, having used our service continuously over the course of 3 consecutive years, have seen significant savings. For example, Pennsylvania PECO Electric residents who use our service save on average \$180 per year.

Alphabuyer supports the Commission's proposed rule-making to amend the provisions of 52 Pa. Code, Section 54.5 regulations regarding disclosure statement for residential and small business customers and to add section 54.10 regulations regarding the provision of notices of contract renewal or changes in terms. Additionally, Alphabuyer calls for additional supplier requirements relating to end of fixed terms messaging, notifications and outreach for reasons related to continued customer apathy and perceived cost savings even after the initial switch away from default supply.

Alphabuyer's Market Observations and Analytics

After having reviewed in detail Appendix A of the Draft Proposed Regulations document, Alphabuyer fully supports recommendations provided, specifically those related to 54.10. NOTICE OF CONTRACT RENEWAL OR CHANGE IN TERMS. While acknowledging the Commission's request for comments from suppliers regarding the proposed changes, implementation and costs, Alphabuyer's unique role and perspective in the market allows us to provide both commentary and insights specifically on policies and consumer behavior related to expiration of fixed rate contract terms.

Over the past 3 years, Alphabuyer customers predominantly signed up for fixed rate electricity agreements. In the natural gas market however, the opposite is true – most customers have signed up for variable natural gas rates at the guidance of Alphabuyer. In both cases, customers having used our service over **consecutive** years have saved money vs. remaining with default supply. From our perspective, saving is highly unlikely when gaps in selecting competitive fixed rate contracts exist. It is imperative for customers to pay close attention to contract expiration date and take immediate action prior to expiration.

Alphabuyer's concern regarding this regulatory matter is related to contract expiration for electricity agreements

with alternative suppliers specifically the general policy of moving customers to “hold over” rates aka variable rates. Without commenting on the competitiveness of supplier “hold over” rates after contract expiration, Alphabuyer would like to provide insight into levels of customer apathy and in-action at the end of fixed rate agreements.

In October of 2011, Alphabuyer presented at a PUC Nov. 10 hearing featuring various statewide poll results on electric shopping from Pollster Terry Madonna, Alphabuyer, Zogby and Tarrance Group. At the hearing, Alphabuyer conveyed facts to the commission related to consumer perception of potential savings not worth the time and effort. Now, after 3 years of continued promotion of Energy Choice in the Commonwealth, having helped thousands of residents select alternative suppliers, Alphabuyer's data continues to show consumer apathy even after having switched AND attained savings.

For customers using our service to switch to 12+ month fixed rate electricity agreement, analysis of customer behavior related to renewals can be summarized as follows:

- 25% renewed early or on time
- 7% renewed late
- 68% never renewed

Alphabuyer's Role as a Broker and the Role of the Regulatory/Consumer Protection Groups

In essence, the role of energy brokers, consumer advocacy groups and state regulatory bodies, all have a common goal – to look out for and protect the best interest of consumers. Alphabuyer's concern is that while energy deregulation awareness remains high among consumers, and switching rates have steadily been increasing since 2010, more has to be done to keep customer satisfaction high among those who have **ALREADY** switched to alternative supply. Otherwise, we will see a continued trend back to default supply, as we have occasionally seen in the recent past.

Any business out competing for customers today in any market or industry focuses on 2 simple marketing goals – acquiring AND retaining customers. As noted in the data above, Alphabuyer is extremely concerned about the 68% of customers who remain with alternative suppliers on hold-over rates. While the actual number of Alphabuyer customers on hold-over rates is likely less than 68%, the numbers are alarming to us as we proceed into our third year of operation.

In summary and based on the analytics and observations made here, Alphabuyer asks the commission to continue aggressively on its path to proposed rule-making regarding contract expiration and changes in terms. Additionally, Alphabuyer asks the commission and the market at large to very specifically include contract expiration and renewal messages within ALL consumer education initiatives.

The longevity of Energy Choice will only be successful when fair, competitive customer acquisition AND retention practices are commonplace, and when high levels of customer satisfaction can be attained for both new switchers and old.

John Raisch
Co-founder
Alphabuyer.com
jraisch@alphabuyer.com
215 704-1556

Attached you will find reference collateral relating to standardizing terms and conditions put forth in an apples-to-apples manner.

Alphabuyer Practice of Standardizing Supplier Terms and Conditions

Alphabuyer.com Terms and Conditions Standardization

The Fine Print
How This Deal Works
About the Supplier
How to Compare

Now is the time to lock in a great low rate for your next 36 months of electricity supply. Alphabuyer is bringing you the best deal you can find anywhere. Check out the details below.

Price Plan	Fixed Price - Your price won't change for the term of the agreement.
Price per kWh*	8.76 ¢ per kWh
Term of Agreement	36 Months
After Agreement Term Ends	Alphabuyer will contact you 60 days prior to Agreement Term ending, so that you can sign up for a new deal. Otherwise, your price may switch to a variable plan at the discretion of TriEagle Energy.
Early Cancellation Fee	\$10 for each month remaining in the agreement
Monthly Administrative Fee	NONE
Switching Fees	NONE
Agreement Effective Date	This agreement will begin after your first meter reading once the deal closes to enrollment and your utility company processes the switch-over. Your first bill after that meter reading will reflect your new rate.
Billing	You will continue to be billed by your utility and your new price will appear on that bill.

* Alphabuyer will notify you of your rate via e-mail one business day after the end of the open enrollment period as noted on the offer details page of this offer at Alphabuyer.com. Your rate will also be provided under My Account at Alphabuyer.com.

[Read full Terms and Conditions of this offer](#)

Renewable Electricity Deals

	AMERIGreen PA Green	AMERIGreen Total PA Wind
Description	PECO region - 100% PA Renewable - Fixed price for 12 months	PECO region - 100% PA Wind - Fixed price for 12 months
Street Price	8.77¢/kWh	8.77¢/kWh
Our Price	10.28¢/kWh	10.78¢/kWh
Savings		
Term Length	12 months	12 months
Rate Type	Fixed	Fixed
Environmental Benefit	25.5% Tier 1, 74.5% Tier II PA alternative energy	100% PA Wind Farms
Cancellation Fee	None!	None!
Monthly Fee	None!	None!
Billing Method	Unchanged (PECO)	Unchanged (PECO)
Automatic Transition	Yes	Yes
Automatic Renewal	No	No
Fee to Switch	None!	None!

Alphabuyer.com Comparison Grid of Rates, Terms and Conditions

Market Benchmark of Standardization (ChooseEnergy.com)

 <p>PUCT # 10064</p> <p>Read Reviews</p> <p><input type="checkbox"/> click to compare</p>	Eagle 36			<p style="font-size: 24pt; color: orange;">9.2¢</p> <p style="color: orange;">per kWh</p> <p style="background-color: orange; color: white; padding: 5px; font-weight: bold; margin-top: 10px;">SELECT</p>
	<p>\$4.95 monthly base charge applies. New TriEagle customers only. Avoid potential price spikes for 3 years!</p>			
	36 months fixed	5% renewable	Chosen 946 times in the last 30 days	
	Terms of Service 	Your Rights as a Customer 	Electricity Facts Label 	

Market Benchmark of Standardization (Texas Electricity Facts Label)

Electricity Facts Label (EFL)
TriEagle Energy, LP
 Eagle 36
 Oncor (TXU)
 3/9/2014

Average Monthly Use:	500 kWh	1000 kWh	2000 kWh
Average price per kWh:	10.2¢	9.7¢	9.4¢

This price disclosure is based on the following prices:

Electricity Price	Energy Charge:	9.2¢	per kWh
	Base Charge:	\$4.95	per billing cycle

Some customers will be subject to a special charge for underground service or similar charge that may apply in a part of their TDSP service area that is not included in the total average price for electric service stated above. Please see the tariff of the TDSP listed above for details of these charges.

Other Key Terms and questions

Excluded from the price per kilowatt-hour are reimbursements for the Public Utility of Texas (PUCT) Assessment, the State Miscellaneous Gross Receipts Tax (GRT), and Sales Tax (if applicable).

See Terms of Service Agreement for a full listing of fees, deposit policy, and other terms.

Disclosure Chart	Type of Product	Fixed Rate
	Contract Term	36 Months
	Do I have a termination fee or any fees associated with terminating service?	Yes - in the amount of \$20.00 for each month remaining in agreement. See Section 8.1 Obligations (b) of the Terms of Service Agreement.
	Can my price change during contract period?	Yes - see below
	If my price can change, how will it change, and by how much?	The overall price can change to incorporate changes in regulatory charges or law and as may otherwise be permitted by the Public Utility Commission of Texas rules.
	What other fees may I be charged?	Please see Terms of Service Agreement Sections: (2.4) Switching Charge - amounts vary by TDSP; (2.5) Additional Pass Through Charges or Credits; (5.1) Billing, Payment, and Interest, including a Late Fee (5%), a \$30.00 NSF fee; and (5.2) Disconnection of Service - amounts vary by TDSP.
	Is this a pre-pay or pay in advance product?	No
Does the REP purchase excess distributed renewable generation?	No	
Renewable Content:	This product is 5% renewable.	