

ROBERT M. TOMLINSON  
6TH DISTRICT

SENATE BOX 203006  
ROOM 302, MAIN CAPITOL BUILDING  
HARRISBURG, PA 17120-3006  
(717) 787-6072  
FAX: (717) 772-2991

654 WOODBOURNE ROAD  
LANGHORNE, PA 19047  
(215) 752-0763  
FAX: (215) 757-0547

3207 STREET ROAD  
BENSLEM, PA 19020  
(215) 638-1784  
FAX: (215) 638-1784

rtomlinson@psen.gov  
www.senatorforomlinson.com

L-2014-2409383  
+ L-2014-2409385



Senate of Pennsylvania

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March 18, 2014

Robert F. Powelson, Chairman  
Pennsylvania Public Utility Commission  
3<sup>rd</sup> Floor N, Commonwealth Keystone Building  
Harrisburg, PA 17105

CHAIRMAN'S OFFICE

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Dear Commissioner Powelson:

We have received numerous constituent complaints about high electric bills caused by electric rate spikes for customers on variable electric rates over this past winter. These constituents have voiced frustration at being trapped in these variable rate plans for one or two additional billing periods. We have also received constituent complaints about being unknowingly put on a variable rate plan at the end of a fixed rate plan. We recognize that the Commission has received many of these same complaints.

While the causes of these issues and complaints vary, these issues harm the public's confidence in the retail electric market. To help restore the public's confidence and to prevent the recurrence of these issues, we ask that the Commission seriously consider taking the following actions.

Immediately begin revising the regulations addressing the time it takes for customers to switch from one supplier to another supplier or default service. We believe that allowing customers to obtain a switch in no more than five days will not only relieve customer frustration but also increase competition, further strengthening the market and customer's confidence in the market. We strongly encourage the electric utilities to cooperate in this effort by providing cost-effective processes to allow customers to switch suppliers within five days and implementing these processes before the conditions that caused the recent price volatility occur again.

Immediately begin revising the regulations addressing the notification electric suppliers must provide to customers regarding variable rates and the end of fixed rate offerings. Customers must be fully informed of the potential risk of price increases and the extent of such increases that may occur on variable rate products. In addition, customers must be fully informed of what rates they will pay once their current plan ends. We ask that the Commission not only strengthen the requirements regarding the information to be provided to customers, but also the timing and type of notices customers receive. We believe that a fully informed public

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will increase competition, further strengthening the market and customer's confidence in the market. We strongly encourage the electric suppliers to cooperate in this effort by providing more complete disclosure of the risk of price volatility in the products they offer. We further strongly encourage the electric suppliers to provide more timely and complete notice of the terms and conditions of the product a customer is moved to at the end of a contract. These more robust disclosures, along with the significantly shortened switching period will restore the trust and confidence the public has in the retail electric market.

Review door-to-door sales practices of electric suppliers and explore ways to further regulate this type of marketing. Specifically, we ask that you explore ways to ensure that door-to-door sales representatives are properly trained and are providing adequate information about the products being offered and the customer's rights and options. One way to ensure appropriate door-to-door sales practices is to include additional licensing and bonding requirements of suppliers who use this marketing method to ensure that the supplier has the appropriate level of expertise, training and experience with such sales practices, as well as provide an additional level of protection to customers. Another way to ensure appropriate door-to-door sales practices is to require more complete and accurate disclosure information sales representatives are to provide customers. We believe that properly regulated door-to-door sales practices will provide a more pleasant customer experience and strengthen customer's confidence in the market.

We appreciate the Commission's immediate and diligent action on these requests as they will improve the customer experience, further in competition, and strengthen the retail electric market.

Sincerely,



Robert M. Tomlinson  
Chairman  
Senate Consumer Protection  
and Professional Licensure Committee



Lisa M. Boscola  
Democratic Chair  
Senate Consumer Protection  
and Professional Licensure Committee

cc: Commissioners, Public Utility Commission