

CITIZEN POWER

Public Policy Research Education and Advocacy

April 3, 2014

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Review of Rules, Policies and Consumer Education Measures Regarding Variable
Rate Retail Electric Products: Docket M-2014-2406134**

Dear Secretary Chiavetta:

Enclosed please find Citizen Power's Comments, in the above referenced proceeding.

Sincerely,



Theodore Robinson
Counsel for Citizen Power

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Review of Rules, Policies and Consumer :
Education Measures Regarding Variable : **Docket No. M-2014-2406134**
Rate Retail Electric Products :

COMMENTS OF CITIZEN POWER, INC.

I. INTRODUCTION

Citizen Power, Inc. (“Citizen Power”) respectfully submits these Comments in response to the Pennsylvania Public Utility Commission’s (“Commissions”) Order entered March 4th, 2014 in Docket M-2014-2406134.

II. COMMENTS

As noted in the Order, wholesale prices for hourly energy supply in both the day ahead and real time markets were unusually high during January of 2014. This resulted in much higher electric bills for some Pennsylvania retail electric customers with variable rates, along with an unusually high number of related consumer complaints. Some of the impacted customers were not aware that they had signed up for a variable rate product, while some others had been on a fixed rate product and had been switched to variable rates at the end of their contract. In response to the large number of consumers who were

In addition, the Commission opened this proceeding to investigate the rules, policies, and consumer education materials related to variable priced electric products and requested comments on specific issues. Citizen Power responds to the information requests as follows:

For variable-priced contracts without explicit formulaic pricing parameters

- Should EGSs be required to provide advance notice of price changes to customers?

In the April 3rd, 2014 Final-Omitted Rulemaking Order at Docket L-2014-2409385 at 21, the Commission declined to require the provision of notices surrounding variable price changes as well as notice of when price increases will rise above a fixed percentage. Instead, the Commission believes that each EGS should include information on the EGS Contract Summary regarding when customers may realize a price change as well as how they will be notified of the price change. Although we agree that such information should be included in the Contract Summary, Citizen Power respectfully disagrees with the position that each EGS should individually determine the means and timing of price change notifications. We are specifically concerned with the situation where a consumer is not aware of a price increase until they receive their bill for the month. Although in some cases it may be impractical to provide specific advance notice of price changes because of the fluid nature of energy markets, we believe that there should be some notice provided in cases where the EGS has reason to believe that there may be a significant increase in prices in the future, even if the exact price change is unknown. In addition, even if prior notification is not possible, the EGS should be required to provide customers with the option to obtain notification as soon as a price increase is known through texts and email instead of having to wait for the bill.

- Should the advance notice requirement be waived for minor contract price changes, within a certain bounds? If so, what bounds are appropriate?

If an EGS is aware that generation prices will increase by 30% or more, they should be required to provide advance notice of the price increase.

- 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?

Notice should be provided as soon as the exact price is known through instantaneous methods such as text messages and emails. All customers should have the option to subscribe to such a service. All other customers should be informed of significant price changes by first class mail. In addition, if an unusually large price increase is expected, notice should be sent to customers even if the exact price increase is not yet known.

For variable-priced contracts with explicit formulaic pricing parameters

- Should EGSs be required to provide a historical pricing history for this formulaic rate structure?

Yes. In fact, Citizen Power believes that a historical pricing history should be required for all variable-priced contracts, including those that do not have explicit formulaic pricing parameters.

- If so, how many months should be provided, and where should this information be provided so as to be available to all participating customers?

36 months of information should be included in order for consumers to have a good understanding of the nature of variable rates. Price spikes can in some circumstances be a rare event, and a 36 month history will be more likely to warn customers of this possibility. These historical prices should be included in the Contract Summary. They should also be provided on the www.PAPowerswitch.com website in a graph form since this information is important to consumers when deciding which product to choose.

- Should EGSs describe specifically how future formulaic prices are determined?

Yes. Each EGS should describe their formula as well as give examples of what the rate would be in different circumstances.

Respectfully Submitted,

By: 
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Dated: April 3, 2014