

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105**

**Rulemaking Regarding
Electricity Generation Customer
Choice, 52 Pa. Code Chapter 54.**

**Public Meeting: December 7, 2017
2628991-LAW
Docket Nos. L-2017-2628991**

STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE

Before us for consideration is the Notice of Proposed Rulemaking Order (Rulemaking) seeking comments on certain revisions to our customer information regulations concerning electric generation suppliers (EGSs) at 52 Pa. Code §§ 54.3, 54.5, 54.7 and 54.10. The sections provide for standards and pricing practices for retail electricity services; a disclosure statement for residential and small business customers; marketing/sales activities; and the provision of notices of contract expiration or changes in terms for residential and small business customers. As part of this Proposed Rulemaking, the Commission seeks to remove some inconsistencies between the extensive changes to the Natural Gas Supplier (NGS) disclosure rules in 2016 and the analogous EGS disclosure rules.

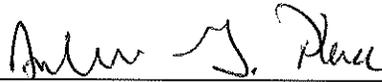
As stakeholders review the proposed changes, I wish to emphasize two specific provisions that I believe can benefit from comments from the interested parties. The proposed change at 52 Pa. Code § 54.3(2) prohibits the imposition of early termination fees (ETFs) once a supplier has provided the contract expiration notices required by 52 Pa. Code § 54.10. The Commission is proposing this requirement to be enforceable on all supplier contracts entered into after the effective date of this regulation. This proposed revision is in response to consumers who object to having an ETF assessed upon them simply because they acted on the expiration notices sent by the supplier.

Secondly, the Commission is proposing several disclosure requirements, including a requirement that generation charges shall be disclosed according to the actual prices per kilowatt hour. The proposed revisions at Section 54.5(c)(4) also state that “if the unit price changes based on customer usage or if the product includes fees in addition to the unit price, the price per kWh shall factor in all costs associated with the rate charged to the customer and show the average price per kWh for usages of 500, 1,000 and 2,000 kWh of electricity in a table format.” I wish to highlight this issue to solicit comments that consider the continued deployment of advanced meters that can enable more sophisticated supply products, including spot pricing based on locational marginal price, Time-of-Use products, Critical Peak Pricing products, and Peak Time Rebate products. Additionally, demand-based products could be offered which enable greater incentives to reduce usage on peak summer days, in exchange for a lower long term allocation of wholesale capacity

costs or transmission costs. In instances like this, is it appropriate to express prices in cents/kwh? When providing costs at various usage levels, how can the Commission best avoid customer confusion, or meet customer pricing expectations if customer billings are higher (or lower) than indicated due to changes of when and how much customers use electricity?

I want to emphasize that this is a *proposed* rulemaking, and actively encourage parties to provide comments to assist the Commission in providing the necessary guidance and rules to ensure that customers are fully informed regarding the purchase of electricity, including the associated contract terms and conditions.

DATE: December 7, 2017



Andrew G. Place, Vice Chairman