

Senator Jay Costa's Electric Choice Forum

Chairman Gladys Brown
May 19, 2017

The PUC



- Created in 1937
- 5 commissioners
- 500 employees

- Electricity
- Natural gas
- Water
- Telecommunications
- Transportation

electric charges

Your average daily electricity use

kWh
7.5
6
4.5

PAPowerSwitch 

Pennsylvania Public Utility Commission

Shopping for Electricity

www.PAPowerSwitch.com

PA Electricity Generation Choice and Competition Act of 1996

- Intent:
 - Traditional electric utilities would deliver (distribute) the electricity, maintain the distribution system, and provide “default” electricity supply for those who did not switch to a competitive supplier, all under PUC regulation
 - Competitive suppliers would sell the electricity
- Duquesne Light, West Penn Power = Electric Distribution Companies (the WIRES companies)
- Competitive suppliers = (the SELLER of electricity)

By the Numbers

- Statewide, more than 2 million customers have switched to a competitive supplier
- Duquesne Light
 - About 600,000 electric customers
 - About 189,000 customers using a competitive supplier, about 163,000 of those are residential customers
 - Electric shopping has dropped nearly 28% since Jan. 2014
 - DLC PTC expected to go up on June 1 from 7.83 cents to 8.4 cents per kWh

By the Numbers

- West Penn Power
 - About 715,000 electric customers
 - About 217,000 customers are using a competitive supplier, about 176,000 of those are residential customers
 - Electric shopping has dropped 8.5% since Jan. 2014
 - WPP PTC expected to go up on June 1 from 5.97 cents to 6.6 cents per kWh

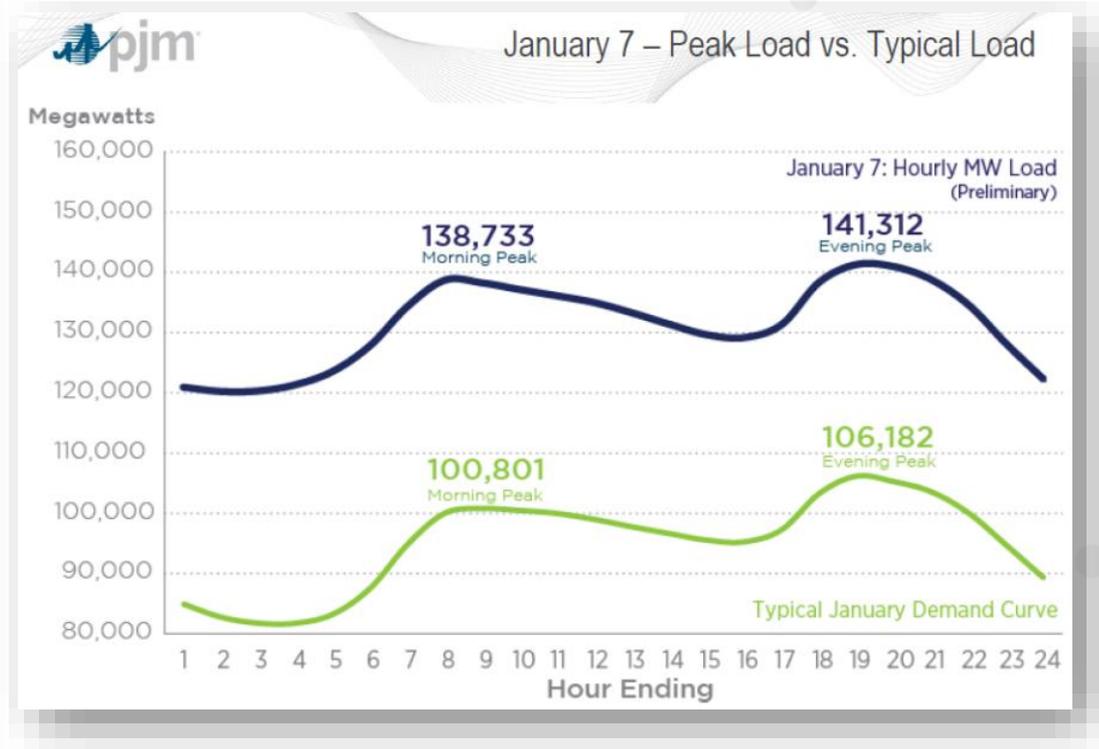
Cold Temps = High Energy Demand

Lessons Learned

Pittsburgh Jan. Temps

DY	MAX	MIN
1	34	24
2	30	12
3	16	6
4	37	8
5	46	20
6	50	-7
7	4	-9
8	23	2
9	33	18
10	46	31
11	54	37
12	37	30
13	55	30
14	48	32
15	40	23
16	32	17
17	38	22
18	22	11
19	33	17
20	37	23
21	23	2
22	12	-5
23	13	4
24	19	0
25	26	12
26	36	7
27	43	1
28	7	-8
29	17	-5
30	33	2
31	38	32

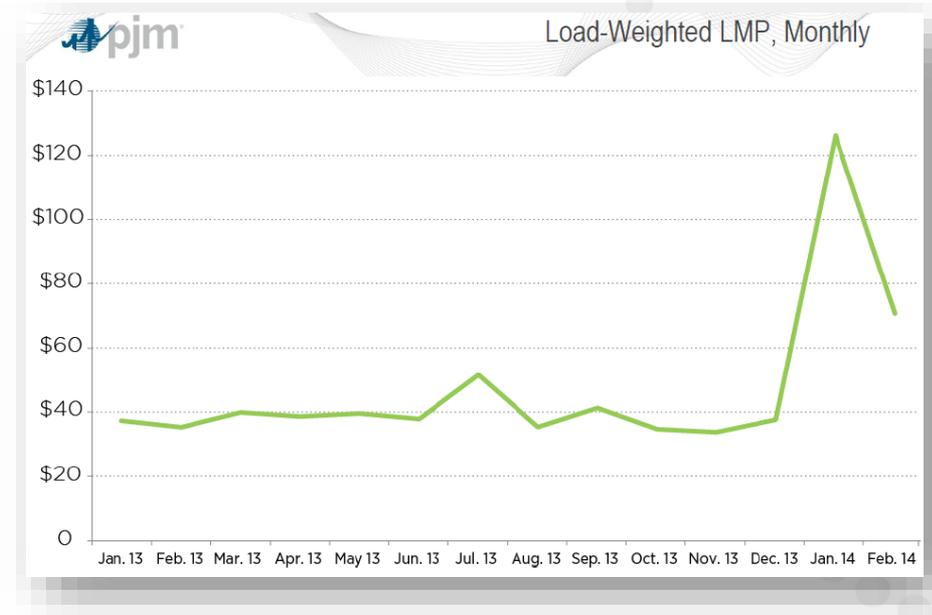
Electric Grid Demand



Cold Temps = High Energy Demand

Lessons Learned

- Many variable rate customers saw electric bills increase significantly
- Many competitive suppliers increased variable rates to recover the higher wholesale electric energy costs they paid in Jan. 2014



PUC Responds Consumer Alerts

- Consumer Alerts on both puc.pa.gov, PAPowerSwitch.com
- Issued press releases with same “alert” message

The screenshot shows the homepage of PA Power Switch. At the top, there is a navigation bar with links: Home, Switching Power, Stop for Electricity, Fixed & Variable, Your Rights & Protections, Ways to Save Energy, and FAQs. The main content area features a large banner with the headline "Switching power is easier than ever." Below this, text explains that depending on where you live, you may be able to save money by switching your electric supplier. It states that in Pennsylvania, you can choose the company that generates your electricity, also known as your electric supplier. This means that you have the power to switch to a competing supplier who can offer the lowest price or provide a specific service you want, such as green/renewable energy. A call to action says "See what options are available to you!" followed by a form with a "ZIP CODE" input field and a "GO" button. Below the banner, there are three sections: "Education" with a magnifying glass icon, "Ways to Save" with a lightbulb icon, and "Rate Change Alerts" with a lightbulb icon. Each section has a brief description and a "Learn How to Save" or "Get Educated Now" link. At the bottom, there is a footer with links for "Your Rights & Protections", "About PA PUC", "Contact the PUC", "Terms & Conditions", and "Copyright ©2017 Pennsylvania Public Utility Commission. All Rights Reserved."

The screenshot shows the "Your results" page. At the top right, there is a "Close Results" link. The main content area is divided into several sections. On the left, it displays "117 Offers" and a breakdown: "96 Fixed", "21 Variable", and "41 Renewable Energy". To the right, it shows the distributor "PPL ELECTRIC UTILITIES" and the rate "\$66.45 per kWh" (Estimated on 700 kWh Per Month), with a comparison rate of "\$0.09493 per kWh". Below this, there is a section titled "SOME OFFERS COULD SAVE YOU UP TO:" showing "35% That's \$23.05/mo or \$276.60/year". To the right of this is a section titled "FIND THE RIGHT SUPPLIER FOR YOU:" with the text "Every PA resident has the right to change." and a "See Full Results" button. At the bottom, there are three sections: "Education" with a magnifying glass icon, "Ways to Save" with a lightbulb icon, and "Rate Change Alerts" with a lightbulb icon. Each section has a brief description and a "Learn How to Save" or "Get Educated Now" link. At the bottom, there is a footer with links for "Your Rights & Protections", "About PA PUC", "Contact the PUC", "Terms & Conditions", and "Copyright ©2017 Pennsylvania Public Utility Commission. All Rights Reserved."

Highlighting Fixed v. Variable Action Taken to Educate Consumers

- Fixed rate option highlighted in green
- Variable rate option highlighted in orange
- Sort function on left side made more prominent

The screenshot displays the PA PowerSwitch website interface. On the left, a sidebar contains a search filter for 'Price' with 'Fixed' and 'Variable Term' options. The 'Fixed' option is highlighted in green, and the 'Variable Term' option is highlighted in orange. A 'Sort' function is also visible in the sidebar. The main content area lists three electricity rate options:

Provider	Unit Price (per kWh)	Estimated Per Month	Price Structure
Duquesne Light	\$0.0659	\$46.13	Fixed
AEP Energy	\$0.0819	\$57.33	Fixed
AEP Energy	\$0.0789	\$55.23	Fixed
Ambit Energy	\$0.08392	\$58.74	Variable

Red circles highlight the 'Narrow Your Choices' button in the sidebar, the 'Price Structure: Fixed' label for the AEP Energy option, and the 'Price Structure: Variable' label for the Ambit Energy option.

Highlighting Fixed v. Variable

- Developed a fact sheet/page on PAPowerSwitch.com specifically on “fixed” vs. “variable” rates
- Added fixed vs. variable rate info to “Shopping for Electricity” and “Frequently Asked Questions” sections

The screenshot displays the PAPowerSwitch.com website interface. At the top, the logo for PAPowerSwitch and the Pennsylvania Public Utility Commission is visible, along with navigation links for Site Map, Glossary, Rate Change Alerts, Tell A Neighbor, and En Español. A social media icon for Facebook and Twitter is also present. The main navigation bar includes Home, Switching Power, Shop For Electricity, Fixed & Variable (highlighted), Your Rights & Protections, Ways to Save Energy, and FAQs. The content area features a sidebar with links to Find an Electric Supplier, How to Shop for Electricity, Understanding Fixed & Variable Rates, Questions to Ask Suppliers, The Switching Process, and Clean Energy Suppliers. Below these are two featured articles: 'How to choose an electric supplier' and 'Ways to Save Energy'. The main content area is titled 'Understanding Fixed & Variable Rates' and includes a video player for 'Fixed vs. Variable Rates'. The video player shows a play button and the title 'Fixed vs. Variable Rates' over a background image of a power outlet. Below the video, there is a section titled 'Fixed & Variable Rates' with introductory text and a 'NOTE' about temperature effects on energy bills. A 'Fixed Price' section follows, defining it as an all-inclusive per kWh price that remains constant for a certain period.

PA PowerSwitch
Pennsylvania Public Utility Commission

Site Map Glossary Rate Change Alerts Tell A Neighbor En Español

Home Switching Power Shop For Electricity **Fixed & Variable** Your Rights & Protections Ways to Save Energy FAQs

Find an Electric Supplier

How to Shop for Electricity

Understanding Fixed & Variable Rates

Questions to Ask Suppliers

The Switching Process

Clean Energy Suppliers

How to choose an electric supplier

Ways to Save Energy

Find quick and easy tips that will save you money while conserving energy.

Understanding Fixed & Variable Rates

The Public Utility Commission (PUC) wants you to be able to make an informed decision when choosing an electric generation supplier (supplier). While the PUC does not have the authority to tell suppliers what products to offer or prices to charge customers, we do encourage licensed suppliers to list their products and prices on PAPERPOWERSWITCH.

PAPERPOWERSWITCH provides much of the information that you need right at your fingertips. Before approving any agreement with a supplier, you should always read the contract thoroughly and understand the product you are purchasing, its price, when the contract ends, cancellation or other fees, and any other terms and conditions that apply, including if and when the price may change.

Here is a short video explaining the differences between fixed and variable rates when shopping for electricity.

Fixed vs. Variable Rates

When choosing your supplier, one of your most important decisions is whether to go with a fixed- or variable-rate product.

Fixed & Variable Rates

There is a difference between fixed and variable rates. You will want to find out if the supplier offers fixed or variable rates, and understand the advantages and disadvantages of each. [Fact Sheet](#).

NOTE: Cold and hot temperatures may increase the use of your heating and cooling units which, in turn, will translate into higher energy bills whether you are on a fixed or variable rate.

Fixed Price

An all-inclusive per kWh price that will remain the same for at least three billing cycles or the term of the contract, whichever is longer.

Commission Action

- Review of rules, policies and consumer education measures on retail electric products – asks:
 - Advanced notice of price changes
 - Customers receiving enough information to make informed decisions
 - Historical pricing history on variable-rate products
 - Re-examining supplier disclosure statements; requiring Supplier Contract Summary of key terms and conditions (detailed in PUC Fact Sheet and webpage)

Commission Action (cont'd)

- Accelerated Switching
 - Shoppers can now switch suppliers, or return to default service in as little as 3 business days
 - Requires EDCs to do off-cycle meter readings
 - Supplier, with consent of the customer, can “hold” the enrollment for a longer time period
 - Utility still sends a “confirmation letter” to the customer confirming the change of supplier



When you enter into a contract with a new supplier for electric generation, make sure that you understand all terms and conditions contained in the contract. The terms and conditions are found in the contract's disclosure statement. Once a contract is in place, both the supplier and the customer must follow all terms and conditions, which may include:

- If the product has a fixed rate, which remains the same for the length of the contract, or a variable rate, which can change by the hour, day or month, as stated in the contract:
 - The price per kilowatt hour (kWh), including the price for the first billing cycle of service for variable rate contracts;
 - If there is an introductory price ranging between one and three billing cycles, before the price changes to a fixed or variable rate;
 - If a variable rate product, if there is a limit or specific price cap, or are there no limits on price variability;
 - If the supplier charges monthly fees for ongoing service of the customer's account;
 - If there are cancellation or other fees if the customer terminates the contract early; and
 - The length of the contract, and when the contract expires.

WHAT HAPPENS AS MY CONTRACT IS ENDING?

You should look for two notices from your supplier. The supplier will send an initial notice between 45 and 60 days before the contract expires. You will be notified either by mail or electronically (should you choose) that your contract is ending. The supplier will send a second notice, or Options Notice, no less than 30 days prior to the expiration date. The Options Notice will be sent via first class mail, not electronically, in an envelope clearly marked that the inside contains important information regarding your contract. The Options Notice outlines the actions that you may take, including remaining with your current supplier, switching to another supplier, or returning to your electric utility.

IF I AM ON A VARIABLE RATE, WILL I BE NOTIFIED OF CHANGES IN PRICE OR OTHER TERMS AND CONDITIONS?

Variable rate customers may or may not be notified of changes in price. Regulators require suppliers to provide the customer with the price for the first billing cycle only, as well as specify in the contract whether there are limits on price variability. After that, suppliers may choose whether to notify their customers of price changes.

For any other changes in service, suppliers must notify customers in the same manner and timeframe as when a contract is ending. Suppliers send customers both the Initial Notice and Options Notice, including information on customer options that include remaining with the supplier, selecting another supplier, or returning to your electric utility.

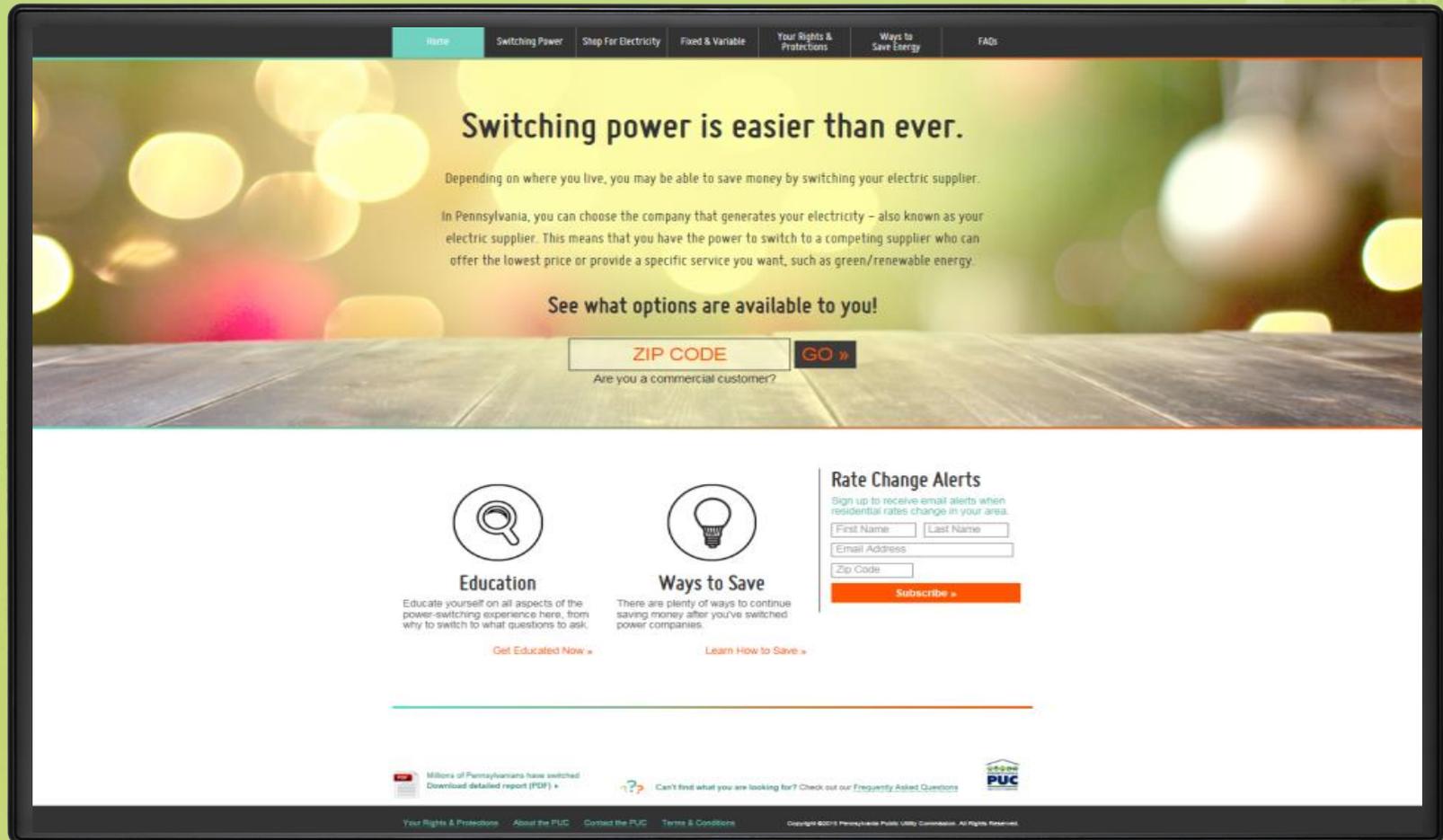
WHAT IF MY CURRENT CONTRACT HAS A CANCELLATION FEE?

You should always be aware if you will be charged a cancellation fee for early contract termination. As the contract is ending, suppliers must notify customers if there is a cancellation fee; if so, how much is the fee; and how to avoid the fee. The information should include the date when the customer can choose a different product from the current supplier, switch to another competitive supplier or return to default service.

Commission Action (cont'd)

- Enhanced Disclosure Requirements for Suppliers
 - Disclosure statements now more understandable and useful to consumers, especially with variable-priced products
 - EGS Contract Summary uniform across all suppliers containing a one-page overview, in plain terms, of the most important contract terms and conditions
 - Makes price change notices more prominent and provides EGS customers with important and timely information about options upon the expiration or change in terms of their contracts

Let's Take a Look at PAPowerSwitch.com



DOOR-TO-DOOR ENERGY SALESPEOPLE MUST WEAR AN ID BADGE

IDENTIFICATION BADGES MUST:

1. BE PROMINENTLY DISPLAYED
2. DISPLAY THE AGENT'S PHOTO
3. DISPLAY THE AGENT'S FULL NAME
4. ACCURATELY IDENTIFY THE SUPPLIER
5. DISPLAY A CUSTOMER-SERVICE PHONE NUMBER FOR THE SUPPLIER

UPON FIRST CONTACT WITH A CUSTOMER, AN AGENT MUST:

- 1. Identify himself by name, the energy supplier he represents, and the reason for the visit.
- 2. Make clear that he is not working for the customer's utility company or other supplier.



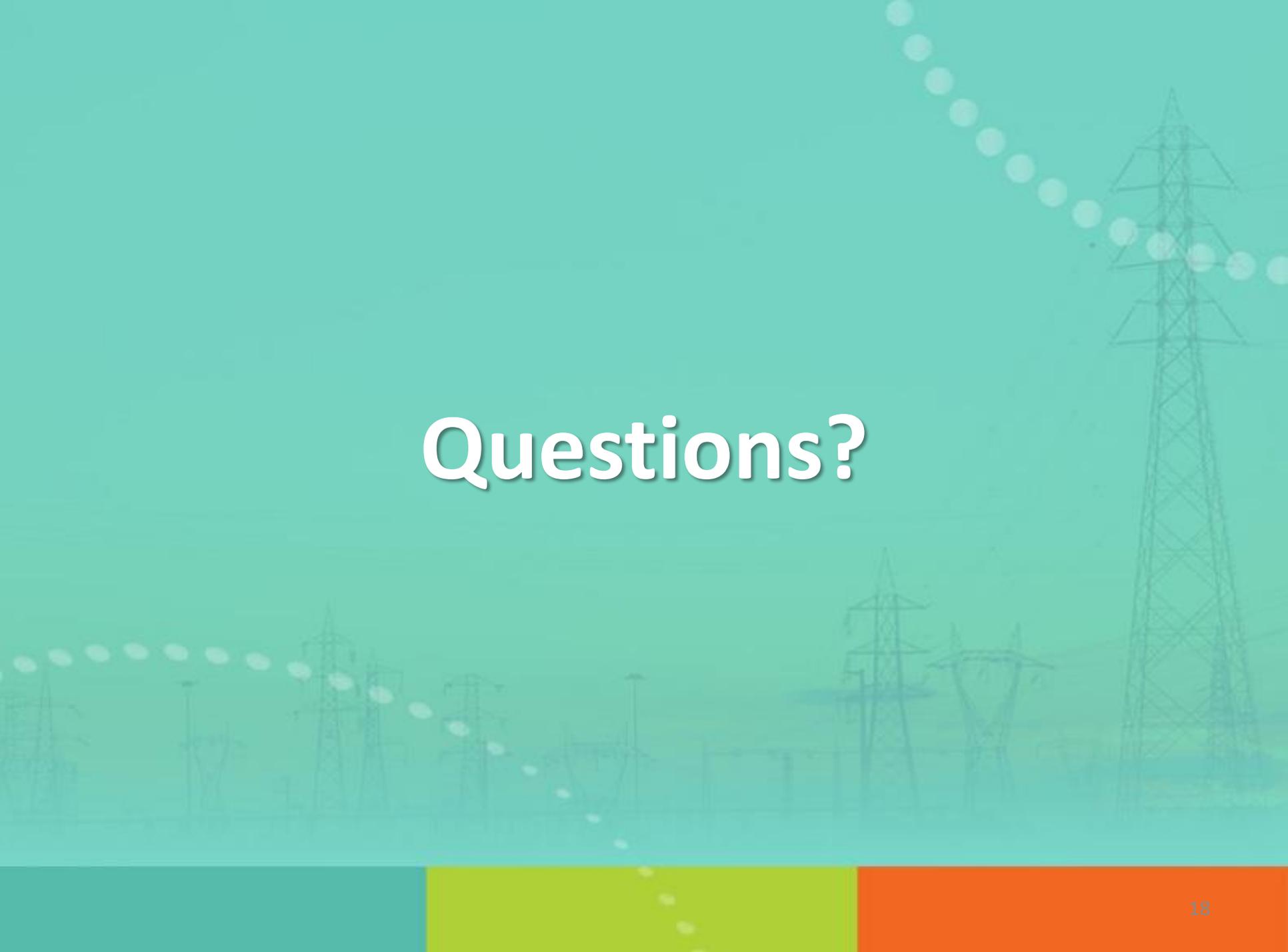
THE AGENT MAY NOT:

- 1. Claim an affiliation or partnership with a utility, government agency or other energy supplier.
- 2. Wear clothing or accessories, or carry equipment containing logos or branding elements for other utilities or agencies.



PUC Consumer Hotline
1-800-692-7380



The background features a teal gradient with a faint, semi-transparent image of a high-voltage power line tower and its associated transmission lines. The tower is positioned on the right side, with lines extending across the frame. A decorative arc of white dots is visible in the upper right corner, and a horizontal line of white dots runs across the middle of the image.

Questions?



electric charges
Your average daily electricity use

Consumer Rights, Responsibilities

Consumer Rights, Responsibilities

Title 52...Chapter 56: Standards and Bill Practices for Residential Consumers

- Applies to electric, gas, steam-heat, water, wastewater utilities
- Governs:
 - Termination process
 - Credit
 - Applications
 - Billing
 - Payment and dispute procedures

Payment Arrangements

- Your utility does have the discretion to offer more than one payment arrangement
- You must first contact your utility company to file a complaint or request payment arrangements
- You have the right to decline the company's payment arrangement.
- Under the law, a consumer can only establish one payment arrangement with the PUC
 - The law establishes payback periods based upon income level that the PUC must follow

Payment Arrangements

- If you break a PUC payment arrangement, the PUC cannot help you unless your income level changed or you have a significant change in circumstances, such as:
 - Onset of chronic or acute illness that results in a significant loss of income
 - Catastrophic damage to residence that resulted in significant cost to customer
 - Loss of customer's residence
 - Increase in the customer's number of dependents in the household

Customer Assistance Programs (CAP)

- Help to low-income, payment-troubled utility customers
- Customers enrolled in a CAP agree to make monthly payments based on household size and gross income
- Customers make regular monthly payments, which may be for an amount that is less than the current bill for utility service
- Customers need to follow certain rules to remain eligible for continued participation in the CAP
- In exchange for regular payments, some companies also may remove the amount consumers already owe
- Companies and/or human-service agencies work with customers to determine what customers can pay
- Call your local utility for more information about CAP, the eligibility requirements, and how you can apply

Other Programs

- **Third Party Notification** allows consumers to choose another person to receive copies of shut-off notices that are sent to them for non-payment of overdue utility bills.
 - That person (family member or close friend) is made aware of situation before shut-off.
 - The third party is not responsible for paying the bill.
- **Protection from Abuse (PFA)** orders also may provide special protections against termination
- **Medical Certificates** indicate that you or someone living in your home is certified in writing as seriously ill by a licensed physician or nurse practitioner, meaning your utility service will not be shut off if
 - The initial medical certification can be up to 30 days, with renewals possible

Utility Terminations

Your utility company can SHUT OFF your service if you FAIL to:

- Pay your bill
- Follow through on payment arrangements
- Pay a deposit when required
- Allow the company access to its equipment

Consumers can be shut-off even during winter months if your income exceeds 250% of poverty

Before your service is shut off, your utility company will take the following steps:

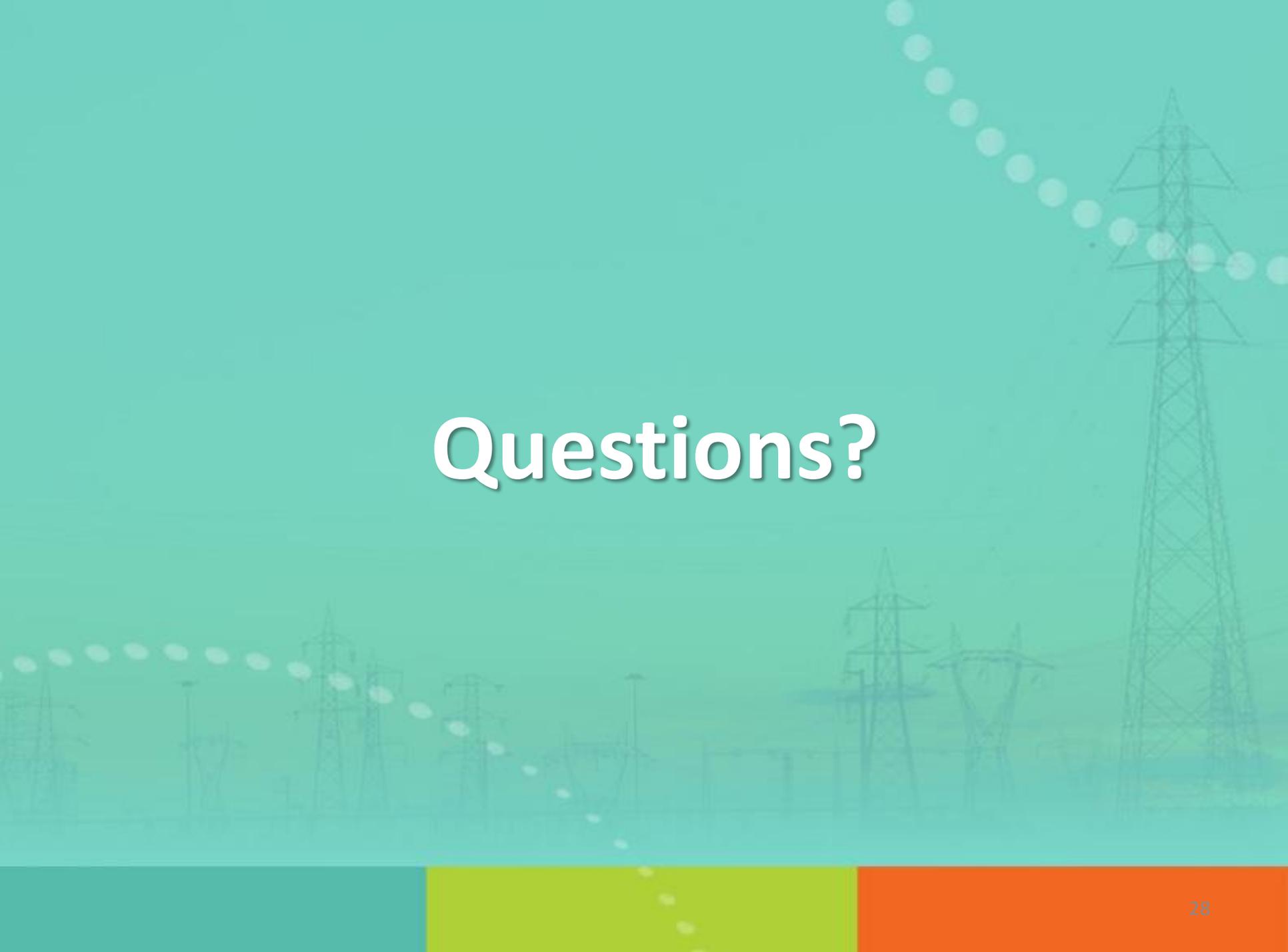
- Send you a 10-day notice. Once you get the notice, the utility company has up to 60 days to shut off your service.
- ATTEMPT to contact you, either once in person or on two different days by phone, 3 days before your shut-off date
- From Dec. 1 through March 31, if your utility company cannot reach you at the time of termination, they will leave a 48-hour notice at your residence

Utility Shut-Off Without Notice

- Your utility service can be terminated without notice if you are:
 - Stealing utility service
 - Getting service through fraud
 - Tampering with your meter
 - Using unsafe service conditions
 - Paying with a bad check to stop termination
- If your service is shut off, the utility company will leave a notice telling you what you need to do to get your service restored

Steps to Stop Shut-Off

- Customer made payment
- Customer has a serious medical condition
- A dispute is properly pending through the PUC
- Immediately after the shut-off, written notice must be posted



Questions?