

PETER J. DALEY, MEMBER

3054



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May 15, 2014

The Honorable John F. Mizner, Chairman  
Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17101

Re: Proposed Regulation L-2014-2409383  
Proposed Regulation L-2014-2409385

Dear Chairman Mizner:

On April 8, 2014, the Pennsylvania Public Utility Commission (PUC) submitted two proposed regulations for the Independent Regulatory Review Commission to consider under a Final-Omitted Proposed Rulemaking Process. The PUC has proposed L-2014-2409383 and L-2014-240-9385 in response to consumer outrage over unexpected high electric bills during the first three months of 2014. These high bills were experienced by many customers enrolled with an Electric Generation Supplier. As Democratic Chairman of the House Consumer Affairs Committee, I respectfully request that the Independent Regulatory Review Commission (IRRC) disapprove or delay consideration of the above referenced regulations proposed by the Public Utility Commission (PUC).

I applaud the Public Utility Commission for recognizing the need for increased disclosures by Electric Generation Suppliers that will allow consumers to make an informed decision on what supplier or rate plan fits their budget and lifestyle. I believe that suppliers do not currently provide adequate information to consumers, which has led tens of thousands of Pennsylvanians to financial hardship in recent months. Furthermore, I commend the PUC for their desire to act quickly to provide consumers access to more information regarding electric rate plans offered in the state and seeing the potential benefits providing consumers access to accelerated switching of

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generation suppliers, instead of a switching time that is dependent on their individual meter read date.

Currently, more than 2.1 million households in Pennsylvania purchase electricity from an Electric Generation Supplier licensed by the PUC. The business model of many electric generation suppliers is to purchase power for their customers daily and even hourly. Like the regulated Electric Distribution Companies, this power is purchased from wholesale generators through the PJM Interchange. The PUC has a limited regulatory role over electric generation suppliers. Currently, the PUC is responsible for licensing suppliers to sell electricity to Pennsylvania residents and for setting parameters on marketing practices.

I share the PUC's concern for consumers that may be misled or misinformed when shopping for an electric supply company. However, do not believe the two proposed regulations are assured to provide sufficient consumer protections to shopping customers. Proposing these regulations through the rarely used tool of a Final-Omitted Proposed Rulemaking does not allow for adequate discourse and review of whether or not these regulations will be in the public's best interest. Specifically, criteria cited in Section 5.2 of the Regulatory Review Act (Act 181 of 1982) should be reviewed further with adequate opportunity for public input. The criteria in question include the economic or fiscal impact of the regulations on the Commonwealth/electric ratepayers, regulated utility companies, and small businesses. Additionally, the reasonableness of the requirements, implementation, and timetables for Electric Distribution Companies to comply should be reviewed. Lastly, I believe that these regulations represent policy decisions of such a substantial nature and require legislative review, as the PUC does have limited regulatory oversight of the electric supply industry.

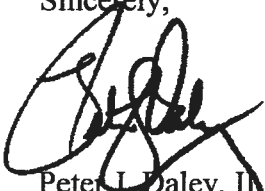
The General Assembly has the ability and responsibility to specifically address many of the issues that led to skyrocketing electric bills for consumers across Pennsylvania. Over the last eight weeks, the House Consumer Affairs Committee held two public hearings and conducting dozens of meetings with consumer advocates, regulated electric utility companies, and unregulated electric generation supply companies. The purpose of these public hearings and stakeholder meetings was to determine what consumer protections are lacking in Title 66 for consumers that shop for electricity. Issues such as transparency and restrictions on 30-day "teaser" rates, prohibition on complicated index-based products typically offered to industrial customers, and a cap on how much a variable rate product can increase in a 30-day period are some of the protections included in House Bill 2104, which the full House of Representatives is poised to vote on in June.

As Democratic Chairman of the House Consumer Affairs Committee and, more importantly, as State Representative for approximately 60,000 people in Western Pennsylvania, I have a responsibility to work towards and ultimately support policy that is in the consumer's best interest. Accordingly, I believe it is our duty to require companies doing business in the Commonwealth to provide accurate and detailed information to customers so they can make educated decisions and not be financially burdened with requirements on the Electric Distribution Companies—companies that did not play a role in consumers receiving skyrocketing electric bills. It is with this in mind, and more, that I respectfully request that IRRC

move to disapprove Regulation L-2014-2409385 and L-2014-240-9383 or delay consideration of the regulations until after House Bill 2104 moves through the legislative process.

Thank you for your consideration of my comments on this important matter. Do not hesitate to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Daley, II". The signature is stylized and somewhat cursive, with a large loop at the beginning.

Peter J. Daley, II  
Democratic Chairman  
House Consumer Affairs Committee

Cc: George D. Bedwick, Vice Chairman  
W. Russel Faber, Commissioner  
Lawrence J. Tabas, Esq., Commissioner  
Dennis A. Watson, Esq., Commissioner