
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2104 Session of
2014

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SCAVELLO, SWANGER, THOMAS, TOEPEL, TOOHL, WHITE AND WATSON,
MARCH 17, 2014

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MARCH 17, 2014

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, providing for retail electric consumer
3 protection.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 66 of the Pennsylvania Consolidated
7 Statutes is amended by adding a chapter to read:

8 CHAPTER 28-A

9 RETAIL ELECTRIC CONSUMER PROTECTION

10 Sec.

11 2801-A. Scope of chapter.

12 2802-A. Definitions.

13 2803-A. Variable rate product contract terms.

14 2804-A. Fixed rate product contract terms.

15 2805-A. Contract provisions.

16 2806-A. Variable rate changes.

1 2807-A. Variable rate and fixed product rates.

2 2808-A. Contract formation.

3 2809-A. Duties of electric generation suppliers and electric
4 distribution companies.

5 2810-A. Consumer education information.

6 § 2801-A. Scope of chapter.

7 This chapter relates to retail electric consumer protection.

8 § 2802-A. Definitions.

9 The following words and phrases when used in this chapter
10 shall have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Cancellation fee or early termination fee." An amount
13 specified in a contract that permits an electric generation
14 supplier to assess and collect a fee or other similar charge
15 from a residential or small commercial customer who terminates a
16 contract before the end of the contract term, regardless of:

17 (1) how the fee or other similar charge is identified in
18 the contract; or

19 (2) whether or not the fee or other similar charge is
20 fixed or subject to calculation based on market factors.

21 "Contract." The terms and conditions of service provided by
22 an electric generation supplier.

23 "Default service provider." An electric distribution company
24 within its certified service territory or an alternative
25 supplier approved by the commission that provides generation
26 service to retail electric customers who:

27 (1) contract for electric power, including energy and
28 capacity, and the chosen electric generation supplier does
29 not supply the service; or

30 (2) do not choose an alternative electric generation

1 supplier.

2 "Electric distribution company." A public utility that
3 provides facilities for the jurisdictional transmission and
4 distribution of electricity to retail customers, except building
5 or facility owners or operators that manage the internal
6 distribution system serving a building or facility and that
7 supply electric power and other related electric power services
8 to occupants of the building or facility.

9 "Electric generation supplier." A person or corporation,
10 including a municipal corporation that chooses to provide
11 service outside the municipal corporation's municipal limits,
12 except to the extent provided before January 1, 1997, brokers
13 and marketers, aggregators or any other entity, that sells to
14 end-use customers electricity or related services utilizing the
15 jurisdictional transmission or distribution facilities of an
16 electric distribution company or that purchases, brokers,
17 arranges or markets electricity or related services for sale to
18 end-use customers utilizing the jurisdictional transmission and
19 distribution facilities of an electric distribution company. The
20 term does not include an electric distribution company or any of
21 the following:

22 (1) A building or facility owner or operator that
23 manages the internal distribution system serving the building
24 or facility and that supplies electric power and other
25 related power services to occupants of the building or
26 facility.

27 (2) An electric cooperative corporation, except as
28 provided in 15 Pa.C.S. Ch. 74 (relating to generation choice
29 for customers of electric cooperatives).

30 (3) A default service provider.

1 "Fixed rate product." A retail electric generation product
2 when the rate charged per kilowatt hour for each billing period
3 of the contract term is the same.

4 "Residential customer." Any of the following:

5 (1) An individual:

6 (i) who enters into a contract to receive service
7 from an electric generation supplier;

8 (ii) whose name is listed on a residential service
9 account; and

10 (iii) who is primarily responsible for payment of
11 bills rendered for the service.

12 (2) An occupant of a residence receiving service who is
13 18 years of age or older and whose name appears on the
14 mortgage, deed or lease of the residence.

15 "Small commercial customer." A nonresidential customer who
16 enters into a contract to receive electric generation service
17 from an electric generation supplier and has a peak demand of
18 less than 50 kilowatts during any 12-month period.

19 "Switch." The transfer of a residential or small commercial
20 customer from any of the following:

21 (1) An electric generation supplier's service to another
22 electric generation supplier's service.

23 (2) A default service provider's service to an electric
24 generation supplier's service.

25 (3) An electric generation supplier's service to a
26 default service provider's service.

27 "Variable rate product." A retail electric generation
28 product for which the rate may vary based upon fluctuations in
29 wholesale electric market prices.

30 § 2803-A. Variable rate product contract terms.

1 (a) Contract duration.--A contract for a variable rate
2 product offered by an electric generation supplier to a
3 residential or small commercial customer may be for a term of no
4 less than six months.

5 (b) Fees prohibited.--A contract under subsection (a) may
6 not contain a cancellation fee or an early termination fee.

7 § 2804-A. Fixed rate product contract terms.

8 (a) Contract duration.--A contract for a fixed rate product
9 offered by an electric generation supplier to a residential or
10 small commercial customer may not be for a term of less than 12
11 months.

12 (b) Fees prohibited.--A contract for a fixed rate product
13 for a term of less than 24 months offered by an electric
14 generation supplier to a residential or small commercial
15 customer may not contain a cancellation fee or an early
16 termination fee.

17 (c) Contract expiration.--

18 (1) Upon the expiration of a contract for a fixed rate
19 product, an electric generation supplier may not switch a
20 residential or small commercial customer to a contract for a
21 variable rate product.

22 (2) The electric generation supplier shall provide
23 service to a residential or small commercial customer whose
24 contract for a fixed rate product has expired at the fixed
25 rate posted on the PA Power Switch Internet website on the
26 date when the contract expired.

27 (3) The electric generation supplier shall charge the
28 rate under paragraph (2) until the earliest of the following:

29 (i) the customer enters into a new contract;

30 (ii) the customer switches to another electric

1 generation supplier; or

2 (iii) the customer returns to a default service
3 provider's service.

4 § 2805-A. Contract provisions.

5 (a) General rule.--An electric generation supplier shall
6 include the following provisions in no less than 12-point font
7 in a contract for a variable rate product or fixed rate product:

8 (1) The name, address, toll-free telephone number,
9 mailing address, e-mail address, Internet website and
10 commission certification number of the electric generation
11 supplier.

12 (2) The rate applicable to the contract term.

13 (3) The expiration date of the contract.

14 (4) A statement in all capital letters that authorizes
15 the customer to rescind the contract within three business
16 days of receipt of the contract without incurring a
17 cancellation fee or an early termination fee.

18 (b) Mailbox rule.--A contract provided to a customer via
19 first class mail shall be deemed received by the customer within
20 three business days of being placed in the mail.

21 (c) Variable rate product contracts.--An electric generation
22 supplier shall include the following provisions in no less than
23 12-point font in a contract for a variable rate product:

24 (1) An explanation of the method or formula used to
25 calculate rates for a variable rate product.

26 (2) A statement specifying that variable rates are
27 subject to change.

28 (3) An Internet website or toll-free telephone number
29 that a customer may call for current variable rate product
30 pricing information.

1 (d) Fee provisions.--An electric generation supplier shall
2 include the amount and terms of a cancellation or early
3 termination fee in no less than 12-point font in a contract for
4 a fixed rate product with a term of more than 24 months.

5 § 2806-A. Variable rate changes.

6 (a) Limitations on rate changes.--The kilowatt hour rate
7 charged to a residential or small commercial customer under a
8 contract for a variable rate product may not be increased:

9 (1) More than once every six months.

10 (2) More than 100% of the rate charged during the
11 preceding six-month period.

12 (b) Basis of changes.--An adjustment in the rate must be
13 based upon fluctuations in wholesale electric prices and the
14 actual costs incurred by an electric generation supplier to
15 provide service.

16 § 2807-A. Variable and fixed product rates.

17 (a) Rate notice.--

18 (1) No less than once every 30 days, an electric
19 generation supplier offering service to residential or small
20 commercial customers shall post the current rate for each
21 variable rate and fixed rate product on the PA Power Switch
22 Internet website and shall provide the rate information via a
23 toll-free telephone number.

24 (2) Upon request by a residential or small commercial
25 customer, the electric generation supplier shall provide the
26 current rate for each variable rate and fixed rate product in
27 writing to the customer. The rate shall be contained in the
28 electric generation supplier's marketing and sales materials,
29 including telephone solicitations.

30 (b) Charge prohibition.--A rate posted under subsection (a)

1 may not be an introductory or promotional rate. An electric
2 generation supplier may not charge a new residential and small
3 commercial customer more than the rate posted under subsection
4 (a) at the time the contract is formed.

5 (c) Rate history.--

6 (1) No later than January 30 of each year, an electric
7 generation supplier offering service to residential or small
8 commercial customers shall post a one-year price history for
9 each variable rate and fixed rate product for the preceding
10 year, or a history of each product offered for less than one
11 year, on the PA Power Switch Internet website and the
12 electric generation supplier's Internet website.

13 (2) Upon request by a residential or small commercial
14 customer, the electric generation supplier shall provide the
15 price history as required under paragraph (1) in writing to
16 the customer.

17 § 2808-A. Contract formation.

18 An electric generation supplier may not provide service to a
19 residential or small commercial customer without the customer's
20 written signature on a contract, authorization form or other
21 form of verification as permitted by the commission to initiate
22 service, renew service or switch service.

23 § 2809-A. Duties of electric generation suppliers and electric
24 distribution companies.

25 (a) Electric generation supplier.--An electric generation
26 supplier shall have the following duties:

27 (1) No later than one business day after a contract to
28 initiate service, renew service or switch service is
29 authorized to be formed under section 2808-A (relating to
30 contract formation), send a copy of the contract to the

1 customer. At the option of the customer, the electronic
2 generation supplier shall provide the copy to the customer
3 in-person, by first class mail or electronically.

4 (2) No later than one business day after expiration of
5 the three-day rescission period under section 2805-A
6 (relating to contract provisions), notify the electric
7 distribution company of a switch request by the customer.

8 (b) Electric distribution company.--No later than 14
9 business days after receiving notice under subsection (a) (2),
10 the electric distribution company shall process the switch
11 request. The electric distribution company may recover the
12 reasonable costs associated with processing the switching
13 request.

14 § 2810-A. Consumer education information.

15 (a) Information compilation.--The commission shall compile
16 the following information:

17 (1) A list of each electric generation supplier licensed
18 by the commission.

19 (2) The types of services offered by each electric
20 generation supplier and the advantages and disadvantages of
21 the services.

22 (3) The number of customer complaints filed against each
23 electric generation supplier and the disposition of the
24 complaints.

25 (4) Any information the commission determines will
26 assist customers in making informed decisions when choosing
27 an electric generation supplier.

28 (b) Publication of information.--The commission shall post
29 the information on the PA Power Switch Internet website and,
30 upon request of a customer, make the information available in

1 writing to the customer. The commission shall provide the
2 information in a standard format that is easily understandable
3 by a layperson.

4 Section 2. This act shall take effect in 60 days.