



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CUSTOMER ASSISTANCE

IN THE MATTER OF THIRD PARTY SUPPLIERS-)
N.J.A.C. 14:4 ET SEQ. THE BOARD'S REVIEW OF) ORDER
CONSUMER PROTECTION PROVISIONS OF ITS)
RULES CONCERNING THIRD PARTY SUPPLIERS) DOCKET NO. EX14060579

Parties of Record:

Mark A. Lazaroff, Esq., Cozen O'Connor on behalf of FirstEnergy Solutions Corp.
Stefanie A. Brand, Esq., Director, Division of Rate Counsel
Divesh Gupta, Esq., Constellation NewEnergy, Inc.
Evelyn Liebman, AARP
Murray E. Bevan, Esq., Bevan, Mosca, Giuditta & Zarillo on behalf of the Retail Energy Supply Association
Craig Goodman, National Energy Marketers Association
Alexander C. Stern, Esq., PSEG Services Corporation on behalf of PSE&G, ACE, E'Town Gas, JCP&L, RECO, and SJG
Andrew K. Dembia, Esq., New Jersey Natural Gas Company
Jodi Larison, UGI Energy Services, LLC
Ambrosio Casarez, Ambit Northeast, LLC
Lauren M. Lepkoski, Esq., on behalf of Jersey Central Power & Light Company

BY THE BOARD:

Since 1999, through the Electric Discount and Energy Competition Act ("EDECA"), New Jersey deregulated the State's energy industry for residential, as well as commercial and industrial, customers. EDECA allows all New Jersey energy consumers to shop and chose the energy provider that best suits their budgets and service requirements. The New Jersey Board of Public Utilities ("Board") developed energy competition rules at N.J.A.C. 14:4 et seq., to ensure that consumer protection safeguards, inherent to traditional public utility regulation, were maintained, without unduly impeding competitive markets.

This past winter saw historic cold snaps in the North Eastern United States. These cold snaps resulted in price spikes in wholesale natural gas and electricity prices. Many New Jersey energy consumers who had exercised their right to shop for gas and/or electric supply through third party suppliers ("TPSs") and selected variable rate contracts, have asserted that they found themselves with utility bills that went up far beyond their expectations. According to

information that has been provided to the Board, in some cases, this may have been due to complicated contract terms, terms that were not sufficiently brought to customers' attention at the time they signed up with the TPSs, or lack of understanding regarding the impact that volatility in the energy market could have on their utility bills.

The Board is now reviewing its rules at N.J.A.C. 14:4 et seq. to ensure that sufficient consumer safeguards are in place for customers who shop for their energy supplier(s). As part of this process, the Board held stakeholder meetings on July 17, 2014 and September 4, 2014 to obtain input from the public, the utilities and the TPSs. Several possible modifications to the current rules were presented, commented on, and in some cases critiqued, by the stakeholders. However, there was a general consensus that it would be helpful for shopping customers to receive a standardized TPS contract summary in addition to the actual TPS contract when they sign up with a TPS for gas or electric supply.

Based upon Staff's review and the aforementioned stakeholder process, Staff recommends the Board require the TPS to provide the attached TPS Contract Summary to all TPS residential customers along with the TPS contract upon initiation or renewal of service. As a rulemaking process could not be completed by this upcoming winter, Staff recommends that the Board require the TPS to begin providing the TPS Contract Summary to customers now, rather than waiting for the completion of the rulemaking process.

DISCUSSION

The Board has reviewed this matter and, based on the information provided to the Board to date **FINDS** that a TPS Contract Summary should assist customers in understanding the terms of their TPS contracts and serve to highlight and summarize the most relevant contract terms, which could otherwise be overlooked in the fine print of a long contract. Therefore, the Board **DIRECTS** Staff to initiate a rulemaking proceeding to review the current consumer protections for customers who shop for their energy supply and, as part of that rulemaking process, to require TPSs to include a TPS Contract Summary to all residential shopping customers.

As the rulemaking process will not be completed by this winter and the Board believes it is beneficial for switching customers to begin receiving the TPS Contract Summary as soon as possible, the Board **HEREBY ORDERS** all TPSs to complete the attached TPS Contract Summary for each residential customer that they sign up or renew for service on or after November 15, 2014. The TPSs **SHALL** conspicuously display the completed TPS Contract Summary at the front of the proposed residential customer's contract, and provide it to the customer when the customer signs up for service or contracts for a renewal of service, using the delivery method selected by the customer.

Accordingly, the Board **HEREBY DIRECTS** that each TPS serving residential customers **SHALL** fill out the attached TPS Contract Summary as follows:

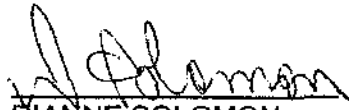
1. The TPS shall fill out the Contract Summary using plain language.
2. The TPS shall fill out the Contract Summary with a font size no smaller than 12 point.
3. The TPS shall fill out the sheet in a manner that it will fit on a single 8.5" x 11" page.
4. The TPS shall list the customer's name, address, and local distribution company account number at the top of the Contract Summary as shown.
5. The TPS shall utilize all of the exact headings shown in the boxes on the left side of the Contract Summary, except that the first box shall use the word "electric" or "gas" as appropriate instead of "electric/gas."

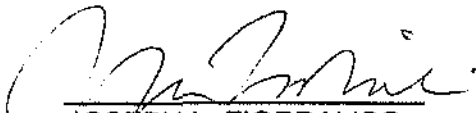
6. The TPS shall put the appropriate information in all of the boxes on the right side of the Contract Summary based upon the instructions shown in the boxes on the right side of the Contract Summary.
7. The TPS shall use gas or electric terminology as appropriate when filling out the sheet.

This Order shall be effective October 10, 2014.

DATED: 9/30/14

BOARD OF PUBLIC UTILITIES
BY:


DIANNE SOLOMON
PRESIDENT

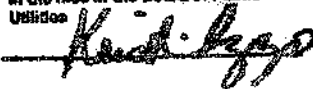

JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



IN THE MATTER OF THIRD PARTY SUPPLIERS - N.J.A.C. 14:4 ET SEQ. THE BOARD'S
REVIEW OF CONSUMER PROTECTION PROVISIONS OF ITS RULES CONCERNING
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**Include individual customer name, address & local distribution company
account number**

Third Party Supplier Contract Summary

Third Party Supplier Information: By entering into this contract, you are agreeing to purchase your electric/gas¹ supply from this supplier.	Name, telephone number, website, email, New Jersey mailing address and BPU license #. Plain language statement that TPS is responsible for your supply.
Price Structure	Fixed, or variable. If fixed then variable, indicate the time frame of the fixed rates. If variable for any portion of the contract, state whether or not there are any applicable ranges/ceilings and whether a price change is tied to a published index or the utility Price to Compare, or what other method the supplier will use to change the variable rate.
Generation/Supply Price	Cost per therm or kilowatt hour. If variable rate, the first billing cycle's rate. Any introductory rate with length of term.
Statement Regarding Savings	Plain language that the supply price may not always provide savings to the customer. If the contract provides for a specified level of savings, how that will be calculated (description of reference price).
Amount of time required to change from TPS back to default service or to another TPS	Provide an estimated time frame in which a consumer can expect to be switched back to the EDC/GDC or to another TPS if the consumer cancels service with the current TPS - 30 days, one billing cycle, etc.
Incentives	Any bonuses, discounts, cashback, offers, etc., and any associated terms, in plain language.
Right to Cancel/Rescind	Plain language statement that customer will have seven calendar days from the date of the LDC's confirmation notice to contact its LDC and cancel this contract.
Contract Start Date	Plain language regarding expected start of TPS service (meter reads/billing cycles/etc.)
Contract Term/Length	In months, billing cycles, or provide exact end date, etc.
Cancellation/Early Termination Fees	Yes or no. If yes, describe the amount of the fee and how to avoid that fee, if possible.
Renewal Terms	Explain what the customer's options are at the end of the contract in plain language. Also explain what happens at the end of a contract when affirmative consent is not obtained for renewal.
Distribution Company Information	Name, emergency and toll-free customer service telephone numbers, and website. Plain language statement that the GDC/EDC will continue to deliver the gas/electric and that the customer will continue to pay the GDC/EDC for this service. Plain language statement that the customer should call the GDC/EDC in the event of any emergencies/outages/etc.

¹ This document shall be prepared by the TPS using gas or electric terminology as appropriate, not both. If a customer contracts for both gas and electric supply service, a separate Contract Summary shall be completed for each service.