

Questions and Answers from “Competitive Shopping 101” webinar

Q: Is it common practice for the EDC or EGS to charge an additional cost if you don't pay your bill on time? Not late fees but a "down payment?" I have a customer state that they keep adding additional cost when they are late with their payment.

A: **Many utilities impose late fees if the bill is not paid on time. The manner and method for charging these fees varies from utility to utility. Generally, a utility may not charge a fee which exceeds 1.5% interest per month on the overdue balance of the bill, and the charges must be on the overdue balance of the bill only.**

Regarding whether a “down payment” is required, utilities are also permitted to charge security deposits of up to 1/6th (2 months) of the customer’s annual bill. Security deposits can be assessed on customers of applicants for service who have past-due balances with the utility as well as those who are unable to establish credit worthiness.

There is also the possibility that the EGS is adding a fee of some sort, we cannot say if it is or is not a common practice. Since most of the billing is done through the utility, we have not seen these fees be passed through the utility to the customer, but it is possible. If these are EGS imposed charges, they should appear separately and be itemized as such because they are non-basic charges.

Q: Will the EDC provide payment arrangement if a consumer switches to a new supplier?

A: **Yes. Non-CAP Customers are entitled to one payment arrangement by the utility and one by the PUC. It does not matter if the arrears are utility default service charges or EGS charges. Since EGS charges are typically billed by the utility, these charges are subject to the collection procedures under the public utility code and regulations and are able to be placed on a payment agreement.**

As was discussed on the webinar, CAP customers are not entitled to a payment agreement from the PUC for arrears that accrued while they were in CAP regardless of whether they were utility default service arrears or EGS-provided service arrears. Some utilities do provide CAP customers with payment agreements but this is not typical.

Q: How does one enroll in CAP?

A: **CAP enrollment varies by utility. Please see the PUC's website for additional details:** http://www.puc.state.pa.us/consumer_info/electricity/energy_assistance_programs.aspx

Below is a list of telephone numbers to call to get the CAP enrollment process started:

Utility	Utility Assistance Programs
West Penn Power - formerly Allegheny Power (LIPURP)	(800) 207-1250
Duquesne (CAP)	(888) 393-7600
Met-Ed (PCAP)	(800) 962-4848
PECO (CAP Rate)	(800) 744-7040
Penelec (PCAP)	(800) 962-4848
Penn Power (PCAP)	(800) 720-3600
PPL (OnTrack)	(800) 358-6623
UGI-Electric (CAP)	(800) 844-9276
Columbia (CAP)	(800) 537-7431
Peoples Natural Gas (CAP)	(800) 400-WARM (9276)
Equitable (CAP)	(877) 577-8735
NFG (LIRA)	(800) 365-3234
UGI Penn Natural Gas (CAP)	(800) 490-8605
PGW (CRP)	(215) 235-1000
UGI Central Penn Gas (CAP)	(800) 652-0550
Peoples TWP (EHF)	(866) 276-4055
UGI - Gas (CAP)	(800) 844-9276

Q: Where can we get information on the CAP income guidelines?

A: **CAP programs are generally limited to households with income at or below 150% of the federal poverty guidelines. Each utility's program may have other eligibility requirements as well. You can find this information through the telephone numbers listed above.**

Q: If a CAP customer (with DL) signs up for an alternate supplier, are they then kicked off CAP?

A: **Currently, Duquesne Light rejects the enrollment of a CAP customer who tries to enroll with a supplier. If the customer wants to enroll with the supplier anyway they cannot remain on CAP and must tell Duquesne Light. Customers should be strongly discouraged from doing this because supplier discounts have not historically, over time, come anywhere close to those provided in CAP.**

Q: On the Duquesne Light bill example, it says the PTC is Supply + transmission. In the actual billing area, the supply and transmission costs added to close to the PTC shown. Can you clarify if the savings is actually about 1.5 cents/kWh?

A: **The bill example used was probably not as clear as it could be because it was designed to show all charges. It was not a real bill with real offers. That said, it was confusing and I apologize.**

Generally, the PTC will include all generation supply costs including transmission and generation. If you receive service from a supplier, these costs will include generation and transmission charges. On the bill example, the transmission costs were broken out. This is possible and appears on some bills, but the listed price by the supplier is supposed to be an all-inclusive price. If service is received from a supplier and there are separately listed transmission costs then yes they have to be added to the generation costs to make an apples to apples comparison with the PTC.

Q: I switched my gas once and was charged distribution surcharges that I was not previously charged. What authority do the suppliers have to charge these additional charges that are not charged by the EDC unless you are using another supplier?

A: **It is difficult to answer this question without additional context. The focus of this webinar was competitive *electric* shopping and gas competition issues were not addressed. However, generally, all charges imposed by suppliers are governed by the terms of the contract between the supplier and the customers. If the fee was authorized by the contract that is what would give them the authority. If these supplier imposed charges appeared on the utility bill, they should appear separately and be itemized as such because they are non-basic charges.**

Q: The surcharge was supposed to drop after one year. What was the point of charging the surcharge for one year and what was the surcharge for?

A: **It is difficult to answer this question without additional context, but I assume that it refers to the surcharge that was mentioned during the webinar that was imposed by a large supplier on its customers who have a fixed rate agreement. If so, the supplier is seeking to impose this fee because of the high costs and fees that it incurred during this winter. Their assertion is that they were assessed fees by the wholesale energy market that were extraordinary and unanticipated and thus had to be passed through. The reason the surcharge was imposed for this year and not future years was because of the assertion that it was extraordinary.**

Interestingly, after the webinar, the PUC scheduled this issue for consideration at its May 22, 2014 Public Meeting.

Q: Ambit Energy is canvassing our area. What can you tell us about them and how do they relate to this conversation?

A: **I do not have any information either good or bad about Ambit Energy. Generally, we are wary of door to door transactions and believe that they should not be permitted to occur.**