

Items for the 2009 Retail Annual Plan
to be addressed by the Business Practices
Subcommittee

Proposed addition to Annual Plan:

6. Supplier Marketing Practices

a. Develop Model Business Practices providing for a “Consumer Disclosure Statement” to be presented to residential and small commercial customers describing the Supplier’s service offering and related contract provisions. This statement would also identify how certain Supplier-Customer interactions are conducted.

Amongst the topics to be considered for inclusion on the statement would be the following:

- the most important terms of the Supplier agreement, such as the contract’s term and termination fee provisions;
- training and identification of Supplier marketing representatives;
- protocols for Supplier in-person and telephone contacts with customers;
- added measures for protecting non-English speaking customers; and
- processes for handling customer complaints and resolving disputes arising from Supplier marketing activities.

Proposed Completion: _____ **4th Quarter**

Applicable Text from New York Public Service Commission 10/15/2008 Press Release

**COMMISSION EXPANDS CONSUMER PROTECTIONS — ESCO Customer
Safeguards Strengthened and Improved —**

Albany, NY—10/15/08—The New York State Public Service Commission (Commission) today expanded consumer protections concerning the marketing of competitive energy services companies' (ESCOs) service offerings. The new and improved marketing practices approved by the Commission will provide reasonable standards of conduct for ESCOs to help ensure customer expectations of fair and accurate information are met.

"Today's action balances consumer needs for greater protection in the marketplace with the needs of ESCOs to avoid unnecessary barriers to entry and participation in the marketplace," said Commission Chairman Garry Brown. "The improvements we are making to ESCO marketing practices will provide even greater confidence and security to consumers."

The new marketing standards require, among other things: a "Consumer Disclosure Statement" on the first page of every sales agreement, which will include the most important terms of the ESCO agreement, such as the contract's term and termination fee provisions; training of ESCO marketing representatives; protocols for ESCO in-person and telephone contacts with customers; added measures for protecting non-English speaking customers; and processes for handling customer complaints and resolving disputes arising from ESCO marketing activities.

The revisions to the Uniform Business Practices (UBP) also create additional tools by which the Commission can respond to lapses in ESCO marketing practices. Until now, the only remedy available to respond to an ESCO's failure to comply with applicable regulatory requirements was the revocation of ESCO eligibility from participation in New York's retail energy markets. The new remedies afford the Commission with opportunities for more modulated responses so that ESCO customers need not lose, due to a revocation of ESCO eligibility, the benefits of ESCO services for which they may negotiate for.

In related actions today, the Commission granted, in part, the joint petition filed by the New York State Consumer Protection Board and the New York City Department of Consumer Affairs; rejected the tariff filing submitted by National Fuel Gas Distribution Corporation concerning ESCO marketing standards and enforcement mechanisms; and initiated a second phase to its proceeding to address additional issues raised by interested parties regarding ESCO marketing practices and enforcement mechanisms.

Once issued, the Commission's written decisions regarding Retail Access Business Rules (Case 98-M-1343), the New York State Consumer Protection Board and the New York City Department of Consumer Affairs Joint Petition (Case 07-M-1514), and National Fuel Gas Distribution Corp.'s Tariff Filing (Case 08-G-0078) can be obtained from the Commission's www.dps.state.ny.us Web site by accessing the "File Room" section of the homepage. Many libraries offer free Internet access. Commission decisions may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).

News from the Illinois Commerce Commission

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FOR IMMEDIATE RELEASE

For Immediate Release
January 13, 2009

Contact: Beth Bosch
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Consumer Protections Adopted for Alternative Gas Customers in Illinois

Legislation designed to protect Illinois natural gas customers from misleading sales pitches and excessive termination fees by companies offering alternative natural gas service to residential and small commercial customers won General Assembly approval today.

The Illinois Commerce Commission (ICC) urged passage of the legislation which tightens the marketing, managerial and certification requirements for alternative natural gas marketers who want to offer competitive natural gas service in the state.

The legislation provides customers the right to rescind an agreement without penalty within ten business days if they choose to, requires the alternative supplier to disclose the customer's right to rescind a switch by notifying the utility or the alternative supplier, limits early termination fees to \$50 and incorporates new verification procedures to confirm a customer's choice of supplier.

The ICC worked closely with the Illinois Attorney General, the alternative gas suppliers and the Citizens Utility Board to enhance consumer protections as well as managerial oversight and certification requirements that serve as the basis of the new legislation.

New consumer protections:

- Prohibit the alternative gas supplier from soliciting consumers listed on the gas utilities "Do Not Contact" list;
- Prohibit suppliers from misrepresenting its affiliation with a gas utility, governmental bodies or consumer groups;
- Prohibit unauthorized switching or "slamming" and requires that if any solicitation, agreement, contract or verification is translated to another language, all of the documents must be translated into the same language;
- Require all sales solicitations to clearly disclose the prices, terms and conditions of all products and services; and
- When salespersons solicit in person, including door-to-door sales, the marketer must disclose the salesperson's name and the company's address, phone number and website, as well as contact information for the ICC and the customer's right to rescind the contract within ten business days.

As a condition of certification by the ICC, alternative gas suppliers must disclose whether they have been denied a license in any other state, whether their license has been suspended or revoked in another state, whether they are subject to lawsuits for formal complaints with a regulatory body in another state and any material change to their business that would adversely affect their ability to provide service to customers.

The ICC will develop and maintain information to assist residential and small commercial customers in understanding their gas supply options and post various product offers to allow consumers to compare prices and terms at the ICC website: www.icc.illinois.gov.

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