

TO: Hearing Officer Gregg Wade

FROM: Competitive Supplier Working Group

RE: D.P.U. 19-07 Investigation into Initiatives to Promote and Protect Consumer Interests in the Retail Electric Competitive Supply Market MA Supplier Working Group Assignments – Language/format for the written and oral disclosure of product information

DATE: September 20, 2019

## **INTRODUCTION**

Our working group was tasked with developing a proposal from a competitive supplier standpoint for “b. Language/format for the written and oral disclosure of product information” See Department of Public Utilities (“Department”) July 2, 2019 Hearing Officer Memorandum at p. 2; see also June 24, 2019 Hearing Officer Memorandum outlining goals for June 26, 2019 Department Working Group meeting. On August, 6 2019 Suppliers, Stakeholders and the Department discussed the proposals and agreed to return with revised proposals on by September 20, 2019.

As discussed in more detail below, the Competitive Supplier Working Group’s (“Working Group”) revised proposal is to require Competitive Suppliers to provide customers with standardized, summarized, contract information at the point of enrollment.

## **PRODUCT INFORMATION RECOMMENDATION**

### **A. Introduction and General Observations.**

1. In order to provide customers with the best information, in an easily digestible format, which allows them to readily compare offers amongst suppliers, the Working Group recommends that Competitive Suppliers be required to provide a Contract Summary (“Summary”) to all customers at the point of enrollment.

Suppliers propose that the Summary, shown as Appendix A, with a Competitive Supplier’s product-specific information be required accompany the Terms of Service provided to the customer at the point of enrollment (see also attachment 2, tab 2 redlined). The Summary shall appear as the first page(s) of the contract, be in plain language and in a font no less than 10pt. All material information contained within the Summary shall be communicated to the customer during the enrollment process whether the enrollment is conducted in person, electronically or via telephone. In addition, as discussed at the August 6 working group meeting, Suppliers contend that the contract summary should be applicable to all product types, including fixed price offers, but also, variable, index or otherwise. Suppliers have various types of pricing structures and all residential customers should receive a similar template of summarized contract information. To that end, suppliers contend that while the format and structure should be consistent among suppliers, the various types of products may not fit squarely into mandatory disclosure language. Therefore, Suppliers support allowing for some flexibility with respect to the descriptions of their products. Note that Appendix A is shown only for a sample fixed price product and would need to be adapted to accommodate other various pricing structures products.

2. In its August 15, 2019 memo, the DPU requested suppliers provide feedback on how this information should be presented to customers whose primary language is not English. Suppliers recognize that many Massachusetts residents do not speak English as their first language. Suppliers, therefore, recommend that any written materials regarding, including contract summaries, contracts, marketing materials, must be provided to the customer in the same language utilized to solicit the customer. Where it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the supplier marketing representative or where the customer or another third party informs the supplier marketing representative of this circumstance, the marketing representative shall either find another representative who is fluent in the customer's language or terminate the contact with the customer.

**Appendix A**

**[Supplier Name] Electric Supplier Contract Summary**

<p align="center">You have purchased an electric supply product from [Supplier Name]. Your electric utility will continue to deliver the electricity you use to your home.</p>	
Price	<i>[xx] cents per kWh (this does not include the price that your electric utility will charge you for the delivery component of your electric service)</i>
Term	<i>The above price will remain constant for [xx] months</i>
Cancellation/Early Termination Fees [Any other applicable fees; i.e. enrollment fee]	<p><i>If you cancel your contract prior to the end of its term, you will be charged a fee of [\$] OR [\$] per month remaining on the contract. OR indicate No Cancellation Fee applies</i></p> <p><i>[Include amount and description of any other fees if applicable]</i></p>
Automatic Renewal Terms (if applicable)	<i>Your contract will automatically renew to a new price at the end of the contract term unless you inform [Supplier Name] otherwise. We will contact you no later than 30 days before that time to discuss your supply options with you.</i>
Renewable Energy	<i>The state of Massachusetts requires that all electric supply products include a minimum of [Mandatory minimum RPS compliance %] renewable energy resources. This product meets the minimum requirement [OR] This product includes [xx]% renewable energy resources, an amount that exceeds the minimum requirement (Supplier may include resource specific information)</i>
Incentives/Value Added Products and Services	<i>Any bonuses, discounts, cashback, etc. offers and any associated terms, in plain language.</i>
Electric Supplier Information	<i>Name, DPU License number, telephone number, website, etc. Plain language statement that Competitive Supplier is responsible for generation/supply charges</i>
Electric Distribution Company Information	<i>[Name of Electric Distribution Company] will continue to deliver the electricity that you use to your home, and is responsible for the delivery charges that appear on your monthly bill. If you have questions about the delivery portion of your bill, contact your electric utility at [telephone number], or by visiting its website at ....</i>
<p><i>The Massachusetts Department of Public Utilities recommends that consumers visit the Energy Switch website to view the broad range of available electric supply products. You can visit the website at <a href="http://www.energyswitchma.gov">www.energyswitchma.gov</a></i></p>	