

CHAPTER 4**ENERGY COMPETITION STANDARDS****Authority**

Electric Discount and Energy Competition
Act of 1999, P.L. 1999, c.23.

Source and Effective Date

R.1999 d.257, effective July 9, 1999.
See: 31 N.J.R. 2228(a).

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Chapter 4, Energy Competition Standards, expires on January 9, 2001.

Chapter Historical Note

Chapter 4, Autobus and Trolley, was filed and became effective prior to September 1, 1969.

Chapter 4, Autobus and Trolley, was recodified as N.J.A.C. 16:52 by an administrative change, effective November 3, 1995. See: 27 N.J.R. 4906(a).

Chapter 4, Energy Competition Standards, was adopted as new rules by R.1999 d.257, effective July 9, 1999. See: Source and Effective Date.

CHAPTER TABLE OF CONTENTS**SUBCHAPTER 1. INTERIM ANTI-SLAMMING STANDARDS**

- 14:4-1.1 Scope
- 14:4-1.2 Definitions
- 14:4-1.3 Change orders for gas or electric service
- 14:4-1.4 TPS billing
- 14:4-1.5 TPS change order procedures
- 14:4-1.6 Unauthorized service termination and transfer (slamming)
- 14:4-1.7 Enforcement

SUBCHAPTER 2. INTERIM LICENSING AND REGISTRATION STANDARDS

- 14:4-2.1 Scope
- 14:4-2.2 Definitions
- 14:4-2.3 Electric power supplier and gas supplier license application process
- 14:4-2.4 License renewal
- 14:4-2.5 Electric power supplier and gas supplier application requirements
- 14:4-2.6 Condition for maintaining a license in good standing
- 14:4-2.7 Energy agent registration process
- 14:4-2.8 Private aggregator registration process
- 14:4-2.9 Confidentiality
- 14:4-2.10 Enforcement

SUBCHAPTER 3. INTERIM RETAIL CHOICE CONSUMER PROTECTION STANDARDS

- 14:4-3.1 Scope
- 14:4-3.2 Definitions
- 14:4-3.3 Advertising standards
- 14:4-3.4 Marketing standards
- 14:4-3.5 Credit
- 14:4-3.6 Contracts
- 14:4-3.7 Customer bills
- 14:4-3.8 Customer information

- 14:4-3.9 Complaints
- 14:4-3.10 Termination

SUBCHAPTER 1. INTERIM ANTI-SLAMMING STANDARDS**14:4-1.1 Scope**

The following standards are to protect against unauthorized changes in a customer's electric power supplier or natural gas supplier as required by "The Electric Discount and Energy Competition Act," P.L. 1999, c.23, Section 37. These standards also apply to the unauthorized switch of a customer away from basic generation service or basic gas supply service provided by an authorized electric or natural gas utility.

14:4-1.2 Definitions

The following words and terms, when used in these standards, shall have the following meanings unless the context clearly indicates otherwise.

"Act" refers to the "Electric Discount and Energy Discount and Energy Competition Act," (P.L. 1999, c.23).

"Board" means the New Jersey Board of Public Utilities or its successor agency.

"Change Order" means a request made by an electric power supplier or a natural gas supplier to an LDC to have the supplier of record of a customer changed.

"Customer" means any person that is an end user and is connected to any part of the transmission and distribution system within an electric public utility's service territory or a gas public utility's service territory within this State.

"Electric power supplier" means a person that is duly licensed pursuant to the provisions of the Act to offer and to assume the contractual and legal responsibility to provide electric generation service to retail customers, and includes load serving entities, marketers and brokers that offer or provide electric generation service to retail customers. The term excludes an electric public utility that provides electric generation service only as a basic generation service pursuant to section 9 of the act.

"Electric public utility" means a public utility, as that term is defined in R.S. 48:2-13, that transmits and distributes electricity to end users within this State.

"Gas public utility" means a public utility, as that term is defined in R.S. 48:2-13, that distributes gas to end users within this State.

"Gas supplier" means a person that is duly licensed pursuant to the provisions of the act to offer and assume the contractual and legal obligation to or provide gas supply service to retail customers, and includes, but is not limited to, marketers and brokers. A non-public utility affiliate of a public utility holding company may be a gas supplier, but a gas public utility or any subsidiary of a gas utility is not a gas supplier. In the event that a gas public utility is not part of a holding company legal structure, a related competitive business segment of that gas public utility may be a gas supplier, provided that related competitive business segment is structurally separated from the gas public utility, and provided that the interactions between the gas public utility and the related competitive business segment are subject to the affiliate relations standards adopted by the Board pursuant to subsection k. of section 10 of the Act.

"Local Distribution Company (LDC)" means an electric public utility or a gas public utility.

"Marketer" means a duly licensed electric power supplier that takes title to electric energy and capacity, transmission and other services from electric power generators and other wholesale suppliers and then assumes contractual and legal obligation to provide electric generation service, and may include transmission and other services, to an end-use retail customer or customers, or a duly licensed gas supplier that takes title to gas and then assumes the contractual and legal obligation to provide gas supply service to an end-use customer or customers.

"Slamming" means an unauthorized change in a customer's electric power supplier or gas supplier.

"Third Party Supplier (TPS)" means an electric power supplier or a gas supplier as those terms are defined herein, or a person acting on behalf of such suppliers.

14:4-1.3 Change orders for gas or electric service

(a) No TPS shall submit to a LDC, an order requesting a change of a customer's electric or gas supplier unless the order is in accordance with these rules. The only acceptable change order that an LDC will process is from an Electronic Data Interchange (EDI) transaction, in a Board approved format.

(b) A change order shall be deemed to be unauthorized unless the customer has authorized the change affirmatively and voluntarily and the supplier has obtained the customer's approval either through a signed contract or such other alternative forms of verification as the Board may permit, pursuant to its consumer protection standards or Board Order.

(c) Each change order submitted to an LDC on behalf of an electric or gas supplier must be subject to verification procedures, in accordance with these rules and Board Orders prior to the change being effectuated by the LDC. A separate verification for an electric power supply and gas supply change order must be undertaken, even if the same company is chosen to provide both electric and natural gas services.

(d) Records of customer authorization changes shall be retained by the TPS for a minimum of three years. In the event that a customer disputes a change order, either before or after a switch is effectuated by the LDC, the TPS shall produce the customer switch authorization within (3) business days of a request by the customer or the Board.

14:4-1.4 TPS billing

(a) In addition to all other information required to be included in the customer's bill pursuant to regulations and/or Board Order, any bill submitted to a customer by or on behalf of a gas supplier or an electric power supplier shall contain the name and telephone number of each party for which the billing is provided, the name and telephone number of each billing aggregator acting on behalf of a customer's TPS, the LDC's emergency phone number and any other information deemed appropriate by the Board, as well as the name, address and telephone number of the Board of Public Utilities at (973) 648-2350 and 1-800-624-0241.

14:4-1.5 TPS change order procedures

(a) Notwithstanding the time frame for execution of TPS customer change requests as set forth by regulation and/or Board Order, all TPS change orders received and verified in compliance with existing standards, shall be executed as soon as possible and without unreasonable delay.

(b) When an authorized change of a supplier is requested, the LDC shall be responsible for sending notification to the customer of the ordered change in writing, within one business day or such other a time frame as prescribed by the Board.

(c) The LDC responsible for implementing the TPS change orders must make available to customers upon written or verbal request, confirmation of their supplier change orders, to the extent the LDC has received such an order, electronically from a TPS.

14:4-1.6 Unauthorized service termination and transfer (slamming)

(a) In construing and enforcing the provisions of these standards, the act of any person, firm or corporation, acting as an agent or representative acting on behalf of a TPS or electric or gas public utility shall be deemed to be the act of that TPS, gas or electric public utility.

(b) A TPS contract shall clearly and conspicuously state that the purpose of this document is to authorize a change in the customer's TPS, and includes explicit terms and conditions which shall include, at a minimum:

i. a clear statement of the duration of the contract;

ii. the price per kWh or therm or, if a fixed pricing arrangement is not made, a clear and unambiguous statement of the precise mechanism or formula by which the price will be determined; if the contract contains no particular pricing terms, but rather, expresses the charges for service rendered on a percentage savings basis, the contract language must clearly and conspicuously state the percentage savings being guaranteed, as well as the price or charges to which the percentage savings is being compared;

iii. A complete list of any other fees, including but not limited to, early termination penalties, due date for payment, late payment fees and the number of days after which a late payment fee may be applied, and interest charges, which will or can be imposed on residential customers, including but not limited to the specific conditions under which such penalties and/or fees can be imposed.

iv. A statement of the residential customer's rights, which shall provide that the customer will receive a confirmation notice of its choice of supplier and that, at a minimum, the customer will have 14 calendar days from the date of the confirmation notice to contact its LDC and rescind its selection. Furthermore, that a contract for electric generation or gas supply service shall not be legally binding upon the residential customer until the 14 day confirmation period has expired, and the customer has not, directly or indirectly, rescinded his/her selection.

v. A statement of the TPS' termination rights, which shall explain the specific conditions under which the TPS may terminate service, and that at a minimum the TPS provide the customer with at least a separate 30 days' written notice of the termination and opportunity to remedy the termination condition.

vi. No statement which asks that any customers waive any rights they have under New Jersey or federal Consumer Protection laws.

(c) A TPS contract shall include the TPS' local or toll-free telephone number, the LDC's emergency and toll-free customer service telephone numbers and the Board's Division of Consumer Relations toll-free telephone number;

(d) A TPS contract must state that the customer should call the LDC in the event that an electric/gas-related emergency, such as a gas leak or power outage, exists;

(e) A TPS contract shall explicitly permit a residential customer to terminate the contract, with 48 hour notice

without penalty, as a result of a relocation within or outside the LDC's franchise area, disability and/or death;

(f) A TPS contract must clearly and conspicuously display the TPS' name and license number issued by the Board;

(g) In compliance with the Licensing Standards, a TPS shall file a sample copy of its residential contract(s) with the Secretary of the Board, with a copy provided to the Division of Consumer Affairs and the Division of Ratepayer Advocate on a confidential basis; the initial filing of the sample copy of TPS contract(s) shall include a consumer complaint resolution process; a TPS shall file a sample copy of subsequent revisions of its contract(s) with the Secretary of the Board, with a copy provided to the Division of Consumer Affairs and the Division of Ratepayer Advocate on a confidential basis, within three (3) business days;

(h) In no event shall a TPS cease to deliver electric power supply, or natural gas supply, subject to the terms and conditions of the contract and the LDC tariff, to the LDC on behalf of a residential customer, upon less than the minimum 30 days' notice period;

(i) Where an affirmative written signature is not obtained for renewal of a residential electric generation service or gas supply service contract, the existing contract shall continue on a month-to-month basis under the current terms and condition and pricing.

14:4-3.7 Customer bills

(a) TPS bills must be in clear and conspicuous language and include the name, address and local and/or toll-free telephone number of the Board and TPS and toll-free customer service and emergency telephone numbers of the LDC.

(b) TPS bills must contain sufficient information to allow customers, to calculate their bills which information shall include but not be limited to kWh or therm usage billing period which shall include the start and end dates, billing date, next estimated meter reading date, remaining balance and payment(s) applied.

(c) A TPS or a LDC shall not charge a fee to residential customers to either commence and/or terminate electric generation service or gas supply service.

(d) If optional services are provided, the associated charge(s) shall be itemized separately on the customer's bill.

(e) The TPS and LDC's charges shall be separately identified on the bill if the customer chooses the one-bill option.

14:4-3.8 Customer information

(a) Customer information shall not be disclosed, sold or transferred to a third party without the affirmative written consent of the customer or alternative Board-approved con-

sent methodology, except under certain conditions, e.g., a third-party performing services directly for a TPS under a binding confidentiality agreement.

(b) In the case of a transfer or sale of a TPS, customer consent shall not be required to transfer customer information to the subsequent owner of the business in order to maintain continuity of electric generation service or gas supply service.

14:4-3.9 Complaints

(a) TPS shall use good faith efforts to respond to and resolve all complaints promptly.

i. If the TPS has been advised that the customer is not satisfied with the TPS' response, the TPS must advise the customer that customer can contact the Secretary of the Board, at 973-648-3426, to request an Alternate Dispute Resolution procedure or to file a formal complaint.

(b) TPS shall maintain a record of the complaints received, how resolved, and still pending, for review by the Board upon request, within 3 days' notice.

14:4-3.10 Termination

(a) A TPS shall not terminate a residential contract due to non-payment in cases where charges are in dispute, provided undisputed charges are paid and the TPS and customer agree to resolve the disputed charges within 30 days of the time that a customer has notified the TPS that charges are in dispute.

(b) Residential may be terminated for non-payment at the time of the next meter reading but with at least the minimum 30 days' written notice, which shall include a toll-free or local telephone number of the TPS and the Board, the effective date, the reason for the contractual termination, timetable for the residential to choose another TPS before defaulting to basic generation service or gas service, and 15 to 30 days' notice to the LDC.

(c) TPS shall not terminate a separate or independent residential contract due to non-payment of a non-residential contract.

(d) TPS shall not terminate a residential contract for gas supply service or electric generation service for non-payment of another service, including gas supply service, gas related service, electric generation service or electric related service.