

MICHIGAN PUBLIC SERVICE COMMISSION

MINIMUM STANDARDS FOR DISCLOSURES, EXPLANATIONS, AND SALES INFORMATION FOR RETAIL ELECTRIC SERVICE

Effective Date: January 1, 2002

These standards are adopted pursuant to Section 10r(1) of 2000 PA 141, MCL 460.10r(1); MSA 22.13(10r)(1), and shall take effect on January 1, 2002. They are intended to govern the form and the content of all disclosures, explanations, and sales information disseminated by a person offering or selling retail electric service within the state of Michigan.

General Provisions Applicable to All Customers

1. These minimum standards shall not relieve a supplier of retail electric services from complying with all applicable federal, state, and local laws and actions of an administrative agency.
2. Electric utilities, alternative electric suppliers, and other persons selling, advertising, or marketing electric power to retail customers in the state of Michigan shall do all of the following:

- a. Provide information to customers in an understandable format that enables customers to compare prices, services, and the terms and conditions of service on a uniform basis.
- b. Comply with all unbundling requirements adopted by the Commission.
- c. Clearly delineate the services and conditions of service of both the delivery utility and the generation provider.
- d. Clearly outline prices for all service components in all advertisements, marketing materials, customer contracts, and bills and billing inserts to facilitate customer understanding of the entire cost of electric service.
- e. Prominently display its name, address, telephone number, internet address, and website (if applicable) on all of its marketing materials, contracts, and customer bills.
- f. Promptly direct customers who mistakenly contact the wrong supplier of the name, address, and telephone number of the appropriate contact.

3. Electric utilities, alternative electric suppliers, and other persons selling, advertising, or marketing electric power to retail customers in the state of Michigan shall not do any of the following:

- a. Engage in unfair, misleading, deceptive, or unconscionable acts, practices, or omissions related to, without limitation, the following activities:
 - i. Marketing, solicitation, sale, contracts, and billing for retail electric services.
 - ii. Administration of contracts for retail electric services.
 - iii. The provision of retail electric services, including all interactions with customers.

b. Suggest to a customer that the customer is obliged to switch his or her service to a new supplier.

c. Switch a customer's service in a manner that is inconsistent with the anti-slamming provisions to be adopted in Case No. U-12640.

d. Communicate to a customer or to the general public that the license granted it by the Commission pursuant to Section 10a(2) of Public Act 141 of 2000 constitutes the Commission's endorsement of its products over the products of any other supplier.

Marketing and Advertising

1. Electric utilities, alternative electric suppliers, and other persons selling, advertising, or marketing electric power to retail customers in the state of Michigan shall fully comply with the following requirements:

a. Use common and consistent terminology in customer communications, including all forms of marketing, billing, and disclosure statements.

b. Use terms as defined in the Commission's "Glossary of Terms" that appears on the Commission's website.

c. Whenever practicable, provide customers with educational information required pursuant to Section 10r(2) of 2000 PA 141.

d. When advertising or marketing electricity, indicate the rate to be charged in bold print, in the case of printed and internet materials, or through clear and deliberate speech in the case of television or radio advertisements. The supplier shall also disclose all of the following:

- i. The total price per kWh for generation if the supplier does not use demand charges or other similar charges.
- ii. The price of each energy component of generation service offered in kWh and the price of any demand components in kW, if the supplier uses demand or other similar charges.
- iii. The rates for delivery of the power by the local distribution utility.
- iv. Other costs and charges.

e. In all written marketing materials describing generation service, including newspaper, magazine, and other written advertisements, direct mail materials, and electronically-published advertising (including internet materials), prominently indicate that a customer may obtain information disclosure notifications in written form upon request. When generation service is marketed in non-print media, the marketing materials shall indicate that the customer may obtain information disclosure notifications in written form upon request.

f. When making a claim in its advertising concerning any aspect of its product offerings, including but not limited to, its fuel source or place of origin, provide written documentation of the authenticity of its advertising claims on demand to a customer or the Staff.

g. In all solicitations of new customers, prominently indicate that the supplier is not a representative of the customer's current electric supplier. Such disclaimer shall also indicate that any offers of savings made by the new supplier are not the responsibility of the customer's current supplier.

h. Provide all of the information required to be disclosed under Section 10r(1) of Act 141 to the Commission's Executive Secretary in an electronic digital format as prescribed by the Commission's Executive Secretary.

Disclosures

1. A supplier shall provide all of the following information in writing to its customers. The information shall be provided to a new customer before commencing service. The information shall be provided to existing customers as soon as practical after the effective date of these standards:

- a. The name, address, and account number of the customer.
- b. The name and address of the supplier of generation services.
- c. The name and address of the provider of distribution services, if different from the supplier of generation services.
- d. A clear delineation of the components of service provided by the supplier.
- e. The prices for each component of service offered, using standard terms.
- f. The demand charge, if any, required by the contract in cents per kW and a clear description of the method for determining demand.
- g. A statement of the duration of the contract, including its commencement and termination dates.
- h. An explanation of the termination provisions.
- i. An explanation of the renewal provisions, if any.

- j. An itemization of and the amount of all recurring and nonrecurring charges, using standard terms.
 - k. A statement of the supplier's policy regarding customer security deposits.
 - l. A statement of the supplier's policy regarding termination of service for nonpayment of a bill.
 - m. A description of the customer's unconditional right to rescind the contract without charge or penalty within 10 business days.
 - n. A statement of all other terms and conditions of service.
 - o. A clear explanation of sign-up bonuses, add-ons, limited time offers, and exclusions, if applicable.
 - p. A clear explanation of penalties, fees, and exceptions, if applicable.
 - q. A statement that the customer is not obligated to choose a new supplier for generation service and that the customer may continue to receive service from a regulated utility under its regulated rates and existing terms and conditions.
 - r. A statement that, to report a service outage or a downed wire or other emergency situation, the customer should contact the local distribution utility.
2. All licensed alternative electric suppliers shall file informational tariffs with the Commission that delineate the information required to be disclosed pursuant to parts d, e, f, h, i, j, k, l, n, o, and p of paragraph 1 of the disclosure standards.
3. To the extent applicable, all existing electric utilities shall include the information required to be disclosed pursuant to parts d, e, f, h, i, j, k, l, n, o, and p of paragraph 1 of the disclosure standards in their approved tariffs, unless their tariffs already contain such information.

4. If a supplier does not intend to renew a contract, the supplier must provide the customer with written notification of the termination of the contract not less than 45 days prior to the expiration of the contract. Such notification must be in writing, addressed to the customer's billing address, and mailed first-class.

5. If a supplier intends to invoke a contract termination provision that would relieve the supplier from fulfilling its obligations before the contract expiration date, then the supplier must provide the customer with written notification of the termination of the contract not less than 45 days prior to the date upon which the supplier intends to cease providing service under the contract.

This notification shall also inform the customer of any advance notice requirement that the customer provide to a regulated utility before the customer may return to service with a regulated utility under regulated rates. Such notification must be in writing, addressed to the customer's billing address, and mailed first-class.

Customer Bills

1. The bills rendered to customers by a person selling retail electric service within the state of Michigan shall disclose all of the following information:

- a. The total amount of the bill and the due date.
- b. Components of the bill as ordered by the Commission.
- c. Total consumption on a kWh basis.
- d. Any demand component in kW.
- e. The period covered by the bill.
- f. The unit cost of energy and demand per kWh and kW, respectively.

- g. Whether the usage is actual or estimated.
- h. The toll-free telephone number of the generation supplier in bold print.
- i. The toll-free telephone number of the local distribution utility.
- j. An indication of which rates are regulated by the Michigan Public Service Commission.
- k. The toll-free telephone number of the Michigan Public Service Commission and its website address for filing complaints.
- l. A statement that, to report a service outage or a downed wire or other emergency situation, the customer should contact the local distribution utility.

Additional Minimum Standards Applicable to Residential and Small Commercial Customers

1. Electric utilities, alternative electric suppliers, and other persons selling, advertising, or marketing electric power to retail customers in the state of Michigan shall fully comply with the following requirements when dealing with residential and small commercial customers:

- a. All prices shall be stated on a cents per kWh or dollars per kW basis.
- b. The written disclosure form provided to a residential or a small commercial customer before commencement of service shall use common and consistent terminology and shall use terms as defined the Commission's "Glossary of Terms" that appears on the Commission's website.
- c. The "fact sheet" or "label" attached to the written disclosure form provided to a residential customer shall list the total cost of electricity at 250 kWh per month, 500 kWh per month,

750 kWh per month, 1,000 kWh per month, and 2,000 kWh per month, including all customer and delivery charges.

d. The “fact sheet” or “label” attached to the written disclosure form provided to a small commercial customer shall list the total cost of electricity at 1,000 kWh per month, 5,000 kWh per month, 10,000 kWh per month, and 20,000 kWh per month, including all customer and delivery charges.

e. All marketing materials directed to residential and small commercial customers by a supplier of retail electric services and all written disclosure forms provided to a residential customer or a small commercial customer shall contain the most recently available data concerning the environmental characteristics of the supplier’s electricity products displayed in the format required by Section 10r(3) of Public Act 141 of 2000 and the Commission’s orders in Case No. U-12487.

f. A written disclosure form provided to a residential customer shall disclose the availability and details of the winter protection plan established by Section 10t of Public Act 141 of 2000.

g. A written disclosure form provided to a residential customer shall contain the following statements:

- i. “Electric supply prices and charges for generation services are set by the electric supplier you have chosen.”
- ii. “The Michigan Public Service Commission regulates prices and charges for services related to the physical delivery of electric service as well as any transition, implementation, or securitization charges.”

Records and retention

1. Each supplier of retail electric service shall establish and maintain records and data sufficient to verify its compliance with these minimum standards and to facilitate investigations by the Commission or its Staff of complaints by customers.
2. Unless otherwise prescribed by the Commission, all records required by these standards shall be retained by the supplier for not less than two years.
3. Upon request by the Commission or its Staff, a supplier shall provide to the Commission's Executive Secretary an exact copy of a record required to be retained by these standards within 5 business days of the request for its production.

Remedies and Penalties

Violations of the standards may be subject to the remedies and penalties specified in Section 10c(1) of Public Act 141 of 2000 or other authorities available to the Commission.