

MICHIGAN PUBLIC SERVICE COMMISSION

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

Effective: January 1, 2002

These standards are adopted pursuant to Section 10r(1) of 2000 PA 141, MCL 460.10r(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 persons offering or selling any retail electric service within the state of Michigan.

General Provisions Applicable to All Suppliers

1. These minimum standards shall not relieve a person offering or selling retail electric service within the state of Michigan from complying with all applicable federal, state, and local laws and actions of administrative agencies.
2. An electric utility, alternative electric supplier, or other person selling, advertising, or marketing electric power to retail customers in the state of Michigan shall do all of the following:
 - b. 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.
 - c. Comply with all unbundling requirements adopted by the Commission.

- d. Clearly delineate the services and conditions of service that it offers to retail customers having a load of less than 20 kilowatts. If a supplier does not offer distribution service, it shall indicate in response to an inquiry that information about distribution service is available from the customer's local distribution utility.
 - e. Clearly outline its general pricing policies upon request of a prospective customer and provide complete and accurate pricing information in customer contracts and on bills to facilitate customer understanding of the cost of electric service.
 - f. Prominently display its name and any other contact information deemed appropriate by the supplier on its marketing materials.
 - g. Promptly direct customers who mistakenly contact the wrong supplier of the name, address, and telephone number of the appropriate contact, if known.
 - h. Provide all information required to be disclosed under Section 10r(1) of Act 141 to the Commission in a format prescribed by the Commission's Executive Secretary. This provision does not require any supplier to submit copies of its advertisements or marketing materials to the Commission's Executive Secretary.
3. An electric utility, alternative electric supplier, or other person 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, sales, 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. Communicate to a customer that the customer is obligated 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 adopted in Case No. U-12640.
- d. Communicate to a customer or to the general public that the Commission has endorsed its products or that the Commission favors its products over the products of any other supplier.

Marketing and Advertising

1. An electric utility, alternative electric supplier, or other person selling, advertising, or marketing electric power to retail customers in the state of Michigan shall:
 - a. Use common and consistent terminology in customer communications, including all forms of marketing, billing, and disclosure statements.
 - b. Be guided by the terms as defined in the Commission's "Glossary of Terms" that appears on the Commission's website.
 - c. Provide customers with educational information as required pursuant to Section 10r(2) of 2000 PA 141 and all Commission orders implementing that provision.

- d. Accurately portray pricing information or a description of its pricing mechanism when the supplier chooses to include such information in an advertisement or other marketing material.
- e. Indicate that a customer may obtain information in written form upon request in marketing materials describing generation service.
- f. Provide written documentation of the authenticity of an advertising claim related to the sale of electricity on demand to a customer or to the Commission Staff regarding any aspect of a product offering, including its fuel source or place of origin.
- g. Indicate in all direct solicitations of new customers whether or not the supplier is a representative of or otherwise affiliated with the customer's current electric generation or distribution supplier, and shall also indicate that any offers of savings made by the new supplier are not the responsibility of the customer's current supplier.
- h. Inform the Commission's Executive Secretary of the cities, villages, and townships where it intends to provide service to the general public and any changes to its service territory in a timely manner. If serving the entire service territory of an electric utility, it is sufficient for the notice to state that fact.

Disclosures

1. An alternative electric 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 alternative electric supplier.
 - c. The name and address of the supplier of distribution services.
 - d. A clear delineation of the components of service provided by the alternative electric supplier.
 - e. The price for each component of service offered, using standard terms.
 - f. The demand charge, if any, required by the contract in dollars 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 alternative electric supplier's policy regarding customer security deposits.

- l. A statement of the alternative electric supplier's policy regarding termination of service for nonpayment of a bill.
 - m. If applicable, a description of the right to rescind the contract pursuant to the retail open access tariffs approved by the Commission.
 - 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, to report a service outage or a downed wire or other emergency situation, the customer should contact the local distribution utility.
2. If an alternative electric supplier does not intend to renew a contract or intends to invoke a termination provision in a contract, the alternative electric supplier shall provide the customer with notification of the nonrenewal or termination of the contract at least 15 days before commencement of the notification period required by the retail open access tariff approved by the Commission. If the contract does not have a provision regarding notification of its nonrenewal, the notice shall be in writing, addressed to the customer's billing address, and mailed first-class.

Customer Bills

1. The bills rendered to customers by an alternative electric supplier 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 telephone number of the alternative electric supplier in bold print, identified as such.
- i. The telephone number of the local distribution utility, identified as such.

Additional Minimum Standards Applicable to Alternative Electric Suppliers Serving Residential and Small Commercial Customers

1. An alternative electric supplier selling electric power under a retail access program 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. An alternative electric supplier may also use additional methodologies to express prices.
 - b. The written disclosure statement provided to a residential or a small commercial customer before commencement of service shall use common and consistent terminology and shall be guided by the terms as defined in the “Glossary of Terms” that appears on the Commission’s website.

- c. The written disclosure statement provided to a residential customer shall list the cost of electricity at 500 kWh per month and 1,000 kWh per month, including all customer charges.
 - d. The written disclosure statement provided to a small commercial customer shall list the total cost of electricity at 1,000 kWh per month and 5,000 kWh per month, including all customer charges.
 - e. A written disclosure statement provided to a residential or 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 Act 141 and the Commission's orders in Case No. U-12487.
 - f. A written disclosure statement provided to a residential customer shall disclose the availability and details of the winter protection plan established by Section 10t of Act 141.
 - g. A written disclosure statement 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 distribution of electric service as well as any transition, implementation, or securitization charges."
2. The requirements of Section 1 shall not apply to the aggregation of the small loads of a single customer that exceed 20 kilowatts.

Records and Retention

1. An alternative electric supplier shall establish and maintain records and data sufficient to verify its compliance with these standards and to facilitate investigations by the Commission or its Staff.
2. Unless otherwise prescribed by the Commission, all records required by these standards shall be retained by the alternative electric supplier for not less than two years.
3. Upon request by the Commission or its Staff, an alternative electric 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 these standards may be subject to the remedies and penalties specified in Section 10c(1) of Public Act 141 of 2000 or other applicable law.