

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

<b>Proceeding on Motion of the Commission to</b>	)	<b>Case 12-M-0476</b>
<b>Assess Certain Aspects of the Residential and</b>	)	
<b>Small Non-Residential Retail Energy Markets</b>	)	
<b>in New York State</b>	)	
<b>In the Matter of Retail Access Business Rules</b>	)	<b>Case 98-M-1343</b>
<b>In the Matter of Energy Service Company</b>	)	<b>Case 06-M-0647</b>
<b>Price Reporting Requirements</b>	)	
<b>In the Matter of Electronic Data Interchange</b>	)	<b>Case 98-M-0667</b>

**PETITION FOR CLARIFICATION AND/OR REHEARING  
OF THE  
NATIONAL ENERGY MARKETERS ASSOCIATION**

The National Energy Marketers Association (NEM)<sup>1</sup> hereby submits this Petition for Clarification and/or Rehearing of the Commission’s, “Order Taking Actions to Improve the Residential and Small Non-Residential Retail Access Markets,” issued on February 25, 2014. NEM and its members are committed to the provision of fair and necessary consumer protections to New York State energy customers. This Petition is filed to effectuate that commitment – to permit the ESCO community and other stakeholders the opportunity to develop and implement the business practices and processes to best effectuate the Commission’s rules proscribed in the Order to ensure consumers are afforded adequate protections. We submit this Petition for Clarification and/or Rehearing to provide all stakeholders, including but not limited to the ESCO community, with an adequate opportunity to understand and comply with the new rules, to

---

<sup>1</sup> The National Energy Marketers Association (NEM) is a non-profit trade association representing both leading suppliers and major consumers of natural gas and electricity as well as energy-related products, services, information and advanced technologies throughout the United States, Canada and the European Union. NEM’s membership includes independent power producers, suppliers of distributed generation, energy brokers, power traders, global commodity exchanges and clearing solutions, demand side and load management firms, direct marketing organizations, billing, back office, customer service and related information technology providers. NEM members also include inventors, patent holders, systems integrators, and developers of advanced metering, solar, fuel cell, lighting and power line technologies.

maximize the efficient use of stakeholder resources, and to permit the development of business processes and EDI transactions that are a prerequisite to compliance with many of the Commission directives.

The Commission directed that a sweeping set of regulatory changes be implemented in the New York retail energy markets. Some of these changes represent a complete reversal of prior Commission policy. Other changes add significant layers of new compliance obligations to existing Commission requirements. Still other changes were not raised in the Commission's original questions for comment. Significant changes of the type adopted here have historically been vetted first through a stakeholder process that reveals all of the layers of complexity associated with any potential change. However, a stakeholder process was not utilized here. Nor was the typical notice and comment period employed for proposed Uniform Business Practice provision changes. All of which raises significant concern about the lack of adherence to fundamental administrative law principles and the inadequacy of due process that was afforded to the parties.

These market-altering changes were premised on a finding that residential and small non-residential customers were generally not being offered energy-related value-added services by ESCOs and/or were not realizing sufficient savings from ESCO offerings. This underlying finding is faulty and belies the fact, as explained in NEM's comments in the record in this and other Commission proceedings, that: 1) ESCOs have been prevented from offering time of use rates and other innovative products because of the lack of utility bill ready billing; and 2) current utility rate structures that lack transparency, do not reflect current market conditions and are permitted to include utility rate deferrals, prohibit any sort of meaningful comparison between utility and ESCO product offerings. Moreover, the Order appears to have largely dismissed the

value provided by ESCOs to consumers in current value-added offerings, such as rebates, incentives, gift cards, the ability to convert a variable rate product to a fixed rate product to provide known future prices, and the like. That it may be hard to monetize the value to consumers of these products relative to the overall rate that is paid, is not an adequate or equitable basis to dismiss or devalue ESCO offerings of this nature. This will not encourage or incent ESCO innovation going forward. It will discourage it.

ESCOs have not been provided with many of the necessary underlying tools to effectuate the Commission's goals of increased consumer engagement and participation in energy decisions, foremost among them being utility bill ready billing and market-based, unbundled utility rates as well as anticipated future utility rates that consumers could reference for cost comparisons. These are a condition precedent to incenting the type of consumer market participation that the Commission envisions with its Utility of the Future. The structure of the new retail market rules is underpinned with an emphasis on energy-related value-added services. Yet, ESCOs are severely limited by current utility business process restraints from providing these services. As such, the goals of the Order are misaligned with current market realities and a more realistic timeframe for implementation of the myriad requirements should be developed to permit ESCO good faith compliance.

Accordingly, we request Commission clarification and/or rehearing of the following issues:

- 1) The effective date for marketer compliance with the Order should be extended, or in the alternative, a safe harbor for marketer good faith compliance efforts should be expressly granted.
- 2) The definition of "small non-residential customer" permeates the compliance obligations established in the Order and clarification of this term is critical to the Order's proper implementation.

- 3) The explanation of permissible ESCO offerings to low income consumers should be clarified. ESCOs need to have prior notice of a consumer's low income program status to properly form compliant offers and to manage the costs of customer acquisition.
  - 4) The intended connotation of "value-added" throughout the Order should be clearly explained, defined and consistently applied, as appropriate.
  - 5) Additional explanation of the historical ESCO pricing data filing requirement is needed with respect to what constitutes a "historical price," the timing of quarterly reporting, and how to define "geographic areas."
  - 6) Renewal notice requirements should follow a reasonable timeframe and not be applicable to any month-to-month contracts, whether currently in existence or entered into in the future.
  - 7) The concept of utility "charge back" in Purchase of Receivables programs should be explained and should not permit the utility to receive a double payment for the same ESCO charges twice.
  - 8) ESCOs should not be responsible for the marketing and sales activities of non-exclusive third parties. The Commission should examine the issues attendant with some type of certification of third party entities that represent or act on behalf of consumers.
  - 9) ESCOs should be permitted to perform either internal or independent TPVs for door-to-door and telephonic enrollments.
  - 10) Network marketing practices are not encompassed within the Commission definition of door-to-door and telephonic solicitations.
- 
- 1) The Effective Date for Marketer Compliance with the Order Should be Extended, Or in the Alternative, a Safe Harbor for Marketer Good Faith Compliance Efforts Should Be Expressly Granted**

We respectfully request that the Commission extend the effective date for marketer compliance with the provisions the Order to commence at least 90 days after Commission issuance of a final Order on Rehearing in the instant case in order to permit all stakeholders with the requisite time and certainty to implement the new requirements. In the alternative, we suggest that the

Commission expressly adopt a safe harbor for marketers' good faith efforts to comply with the new rules. This safe harbor should remain in effect until at least 90 days after an Order on Rehearing is issued in this case.

An extension of the effective date for marketer compliance with the Order is appropriate in order to allow all of the stakeholders with an adequate amount of time to analyze and implement the myriad new requirements and to do so in a reasoned and efficient fashion. While the stakeholders were on notice that the Commission was considering certain changes to the retail market and ESCO compliance obligations, the final form of what was ultimately adopted and the extent of these far-reaching changes was not known until February 25, 2014. Moreover, requiring marketers to comply with all of the requirements, many of which require additional clarification on issues as broad and time-intensive as a clear delineation of which consumers are affected by the new rules; development of EDI transactions and utility business processes; and various notices to customers; is not practically possible without further Commission guidance, notwithstanding ESCOs' good faith efforts and commitment to do so. And, indeed, it would not have been rational for marketers to take actions to anticipate, in advance of the February issuance, what would be finally set forth in the Order. ESCOs cannot reasonably have been expected to foresee the exact final determinations of this Commission, nor to conform their operations without clear guidance. In asking for an extension of the effective date, we are asking for an opportunity to adhere to these standards in a reasonable and fully informed manner and with the requisite EDI transactions and utility business processes in place.

NEM suggests that ESCOs and all stakeholders would benefit from the establishment of a compliance date that allows everyone to act on rules that have been finally reviewed and clarified by this Commission, as required by principles of due process. Otherwise, we are

concerned that the Order will have exponentially increased the regulatory costs and risks of doing business in the State, without providing ESCOs with necessary guidance on how to fulfill all of their compliance obligations.

If, notwithstanding the above, the Commission declines to extend the effective date for marketer compliance with the Order, we alternatively suggest that the Commission expressly adopt a safe harbor for ESCOs' good faith efforts to comply. Such safe harbor should be provided for a minimum of ninety days after the Commission adopts a final Order on Rehearing in this case. As noted above, given the diversity and novelty of the issues covered by the new rules as well as the complexity involved in ensuring that all aspects of ESCO activities and utility activities encompassed by the rules have been implemented, we submit that a safe harbor for marketers' good faith efforts to comply is appropriate. There is a high degree of risk and regulatory uncertainty until the rules are finally settled. The Commission's express adoption of a safe harbor would appropriately mitigate this risk and concomitantly allow marketers to continue to make product offerings to New York consumers in a responsible fashion in the interim. We believe this approach will limit confusion and challenges to the Commission regarding the clear understanding and proper implementation with the critical provisions of the Order. The safe harbor would not indemnify ESCOs and marketers from compliance with proper conduct, but would enable them to make the best effort to comply.

**2) The Definition of "Small Non-Residential Customer" Permeates the Compliance Obligations Established in the Order and Clarification of This Term is Critical to the Order's Proper Implementation**

An important point of clarification that touches upon all aspects of ESCO compliance is the definition of "small non-residential customer" for purposes of the Order. Footnote 1 of the Order

states that for the purposes of the Order that a “small non-residential customer” is, “an electricity customer in a utility service classification that does not have a demand rate element, and/or a natural gas customer in a service classification that provides firm service.” (Order at 1). Defining small non-residential natural gas customers in this fashion would encompass nearly all but the very largest customers. It would include sophisticated business consumers for which the retail rule and program changes were not contemplated and for whom the extra layer of consumer protections would be inappropriate and unnecessary.

For example, application of the independent third party verification requirement for enrollment of a sophisticated business customer, after a contract has been negotiated, reviewed and a wet signature obtained, would be unnecessarily burdensome. The business customer may have ten, twenty, or more meters associated with their ESCO account, and shouldn’t be subject to an independent TPV for each meter when they have already signed a contract which includes a written addendum listing the same. To do so would be highly inefficient. The business owner should be left to the details of running their business, and not subject to repeated, unnecessary verifications of their intent to shop. Likewise, the new ESCO price data reporting requirement includes service to small non-residential customers. This reporting requirement should be narrowly circumscribed to effectuate the Commission’s intent without imposing an overly expansive and burdensome reporting obligation on ESCOs.

With respect to defining small non-residential electric customers in the manner set forth in Footnote 1, the utilities have not uniformly provided demand meters to consumers. For instance, some small businesses may have received such meters while others have not. As such, the rules would appear to arbitrarily apply to service to some consumers, and not others, thereby limiting

their available choice options. We do not believe it was the Commission's intent to adopt a definition that would be subject to arbitrary application to otherwise similarly situated customers.

**3) The Explanation of Permissible ESCO Offerings to Low Income Consumers Should Be Clarified. ESCOs Need Prior Notice of Consumer Low Income Program Status to Properly Form Complaint Offers and to Manage Costs of Customer Acquisition**

The Order adopted new requirements applicable to ESCO service to customers in utility low income assistance programs. Specifically, the Order sets forth limitations on ESCO offerings to low income consumers as follows:

ESCOs serving customers participating in utility low income assistance programs must do so with products that guarantee savings over what the customer would otherwise pay to the utility. To comply with this guarantee, an ESCO must be able to compare actual customer bills to what the customer would have been billed at the utility's rates and, on at least an annual basis, provide any required refund as a credit on the customer's bill. Alternatively, ESCOs may also provide these customers energy-related value-added services that are designed to reduce customers' overall energy bills as described above." (Order at 24).

Additionally, the Order provides at footnote 32 that, "The ESCO must only show that it can offer the customer value beyond what the utility would provide, either through savings or value-added services." (Order at 25). Our reading of this language is that ESCO offerings to low income consumers will be compliant if they: 1) result in the consumer receiving a price savings from the utility rate; or, 2) if the product is intended to reduce demand or consumption as a result of energy efficiency, demand response or other value-added service. NEM requests clarification that this reading of the Order language is consistent with the Commission's intent.

An issue that should be addressed and resolved at the beginning of the transition to the new requirements attendant with ESCO service to low income customers, in order to allow effective ESCO compliance, is the prerequisite that ESCOs be informed as to whether a customer is a low



income consumer *before* the solicitation takes place. The utilities production and dissemination of an eligible customer list to EGSs, such as is used in Pennsylvania and Maryland, would serve this purpose. The Order notes that ESCOs will need to be able identify whether “prospective customers qualify as low income.” (Order at 25). Use of this language implies that the ESCO would be provided with low income status information before the solicitation. However, the business process changes enumerated to provide ESCOs with low income customer enrollment status are focused on providing the information only after the ESCO would have taken the steps and incurred the acquisition costs to acquire the customer. (Id.) In Order for the ESCO to make compliant offerings to low income consumers, they need to be able to identify these customers before-the-fact, not after, and ESCOs should be provided with EDI tags up-front to accomplish this. Notifying the ESCO after the transaction is insufficient because they will have already entered into the contract with the customer. We do not believe the Commission intended to institutionalize or condone a system that interferes with customer contracts that have been consensually executed on an after-the-fact basis.

The process established in the Order for existing ESCO low income customers to be transitioned to this new contractual framework (Order at 26) impermissibly interferes with these existing ESCO contracts and should be reconsidered. The Commission cannot retroactively impose a new regulated rate scheme upon ESCOs and then require them to apply it to existing customers in their valid executed contracts. And, even if this could be lawfully required, it will require ESCOs to restructure their commodity supply portfolios to design compliant products, imposing additional costs and risks to the costs of doing business in the State.

If, notwithstanding the legal implications of abrogating existing ESCO contracts, the regulatory framework is sought to be imposed on these existing ESCO customers, an additional point of

clarification is associated with the utility notice that is to be sent to them. (Order at 26). NEM notes the impropriety of interjecting the utility into the ESCO-consumer relationship by sending a utility notice about the terms of ESCO service. Notwithstanding this substantial problem, NEM requests clarification as to when the utilities will notify ESCOs as to which of their existing customers are low income consumers. ESCOs should be notified, in advance of the customer notice, as to which of the ESCO's current customers are low income consumers so they can develop compliant programs for them. The utilities' notices should not be sent to low income consumers prior to ESCOs being provided with this necessary information at least one hundred and twenty days in advance. In addition, the Commission must clarify the timeframe for ESCOs to transfer their existing low income customers to compliant programs.

A related concern is how an ESCO would be expected to comply if a customer were to enroll in LIHEAP or a similar program mid-contract with an ESCO. If an ESCO has hedged twelve months of gas based on the assumption (correct at the time of contracting) of the customer not being LIHEAP and that customer then subsequently qualifies for the program, the ESCO would be forced to sell hedged gas at a loss. A possible approach to this situation would be to follow the process established in the Order for existing ESCO low income customers. So, if a customer is on an ESCO variable rate at the time that they enroll in LIHEAP, the bill for that billing cycle should bill at the normal rate and the ESCO should be allowed to drop the customer as of the end of that billing cycle (or, at the latest, the next one), consistent with the ESCO's right to decline serving customers whose prices are regulated. If a customer is on an ESCO fixed (or other termed) rate at the time that they enroll in LIHEAP, they would be required to either pay the termination fee to exit the contract or to pay the contracted rate for the remainder of the term.

**4) The Intended Connotation of “Value-Added” Terminology Throughout the Order Should Be Clearly Explained, Defined and Consistently Applied, As Appropriate**

A significant emphasis of many of the programs in the Order, as well as many of the issues outstanding in the Notice Seeking Comments that has been issued in the instant case, is the facilitation of ESCO offerings of “value-added” products and services. However, the Order and the Notice do not consistently make use of the same terminology related to value-added ESCO offerings. It is not clear whether it was intended that these terms be interchangeable, or rather whether each separate reference is intended to carry a different connotation and associated ESCO compliance obligation. For example, in the discussion in the Order on renewal notice requirements on page 33, the renewal notice message pertaining to the availability of historic and current pricing information is required for mass market customers for services with no “energy-related value-added attributes.” In the section of the Order pertaining to permissible ESCO offerings to low income consumers it refers to, “energy-related value-added services.” (Order at 24). At times, the Order references “value-added services” without the qualifying term “energy-related.” For compliance purposes, it is imperative that ESCOs be provided with a clear understanding and definition of these terms. For instance, the Commission has not even addressed the most fundamental question concerning whether the contractual right of a variable rate customer to convert or lock-in to a fixed rate during the contract term is “value-added.” Moreover, the Commission mentions demand response and energy efficiency as energy related value services, but NEM urges that there is a range of billing, risk management and other supply related functions to be included as a starting point of a definition as well. NEM recognizes that any definition utilized must be flexible enough to allow for future innovations in ESCO product offerings. We do, however, believe that the Order language as currently stated is unclear and will inhibit informed ESCO compliance.

**5) An Additional Explanation of the Historical ESCO Pricing Data Filing Requirement is Needed with Respect to What Constitutes a “Historical Price,” the Timing of Quarterly Reporting, and How to Define a “Geographic Area”**

The Order requires ESCOs to file certain historic pricing information for public dissemination. (Order at 16). ESCOs are required to report a separate weighted average unit price for products with no energy-related value-added services for four groups of customers and by geographic area. (Order at 17). These include: “i) residential price fixed for a minimum 12 month period; ii) residential variable price; iii) small non-residential price fixed for a minimum 12 month period; and iv) small non-residential variable price.” (Id.) The imposition of this new reporting requirement raises a number of concerns and questions for Commission clarification.

As an initial matter, it is unclear from the Order exactly what the “historical price” is that the Commission intends to be reported. We request clarification as to whether it is intended to be the price paid by the consumer, or the price paid by the ESCO for the supply. NEM is concerned that the variations in supplier purchasing practices and timing could render a comparison of this data meaningless. The weighted average nature of the reported prices will result in misleading information to consumers comparing ESCO rates. This is because, when, on a weighted average basis, more or less customers enroll with different ESCOs over the course of a given month, the forward price curve utilized as the basis for term price deals changes over the course of the same month.

We also request clarification regarding the timing of the quarterly reporting. It is unclear if the timing is supposed to be computed based on when the commodity is billed, when it is flowed or when the commodity is contracted for. This distinction is important because customer switching delays act to make these dates different in practice.

Finally, the Order states the pricing information is to be filed by “geographic area.” The example given in Footnote 25 is that New York City and Westchester County would be separate geographic areas within ConEd’s service territory. However, additional examples were not listed. NEM therefore requests clarification of how the “geographic areas” are to be determined for reporting purposes. It is unclear what divisions between utility service territories are contemplated for this purpose aside from the single example given in the Order. Clearly, this will hamper ESCOs efforts to comply with the price reporting requirement in an accurate and standardized fashion.

**6) Renewal Notice Requirements Should Follow a Reasonable Timeframe and Not Be Applicable to Any Month-to-Month Contracts, Whether Currently in Existence or Entered into in the Future**

The Order instituted a number of additional ESCO renewal notice requirements. ESCOs will now be required to provide an additional notice to fixed rate customers renewing at a fixed rate prior to the issuance of the first bill under the renewed contract but not more than ten days prior to issuance of the bill. (Order at 33). NEM members report that compliance with this renewal notice window, as pegged to the utility bill, will be difficult. NEM requests that the Commission consider relaxing the timeframe for the notice to be provided to the customer.

NEM also requests clarification related to the requirement to publish the bolded statement on renewal notice envelopes that a renewal offer is enclosed. (Order at 34). Under current rules, customers on month-to-month rates do not receive these renewal notices. NEM does not believe the Commission intended to extend this requirement, including the bolded statement, to existing or future month-to-month contracts. However, it is unclear if that is the case. NEM notes that the application of the bolded statement requirement to month-to-month contracts would require the statement to be reprinted monthly, which would be burdensome and unnecessary.

**7) The Concept of Utility “Charge Back” in Purchase of Receivables Programs Should Be Explained and Should Not Permit the Utility to Receive a Double Payment for the Same ESCO Charges Twice**

The Commission determined that the utility Purchase of Receivable programs should be modified such that individual ESCO discount rates are calculated and applied. (Order at 37). Relatedly, the Commission also decided that consumers can have their service restored by paying the lesser of their ESCO commodity/utility delivery charges or what they would have paid as a full service utility customer. (Order at 20). In these circumstances, in footnote 36, it states that, “we require that the utility charge back to the ESCO any uncollected amounts.” (Order at 37). NEM requests clarification as to the intent and circumstances under which this utility “charge back” would apply. Indeed, this would seem to allow the utility to charge the ESCO for the differential from the nonpaying customer, even though the ESCO itself would not receive that amount from the customer. The utility should not be permitted to receive payment for the same ESCO charges twice. NEM also requests clarification that if a utility is permitted to defer current commodity charges into future periods, that the actual utility commodity charge incurred be computed for this purpose, along with full disclosure of anticipated future utility commodity rates.

**8) ESCOs Should Not Be Responsible for the Sales and Marketing Activities of Non-Exclusive Third Parties**

The Commission modified the definition of “ESCO marketing representative” to clarify the extent of ESCO responsibility for ensuring UBP compliant customer enrollments. (Order at 39).

An ESCO marketing representative is now defined as,

An entity that is the ESCO, an employee of the ESCO, an agent of the ESCO, or a contractor/vendor conducting on behalf of the ESCO or ESCOs, any marketing activity that is designed to enroll customers with the ESCO. It also includes

subcontractors, employees, agents, vendors and representatives not directly contracted by the ESCO who conduct marketing or sales activities on behalf of the ESCO. (UBP, Section 1).

NEM submits that the Order and the revised definition of ESCO marketing representative have omitted the consideration of an important operative factor related to ESCO accountability for a third party's activities. This factor is the exclusivity or non-exclusivity of an ESCO's relationship with the third party. In the event that an individual or entity exclusively represents one licensed supplier in any given utility service territory, then that licensed supplier should be responsible for the actions of such an individual or entity as its agent. If an individual or entity owes a duty of loyalty to one licensed supplier in any given service territory such supplier has licensing and regulatory obligations and that individual or agent is clearly an agent of the supplier for both licensing and regulatory compliance purposes. However, once an individual or entity represents multiple suppliers and/or represents multiple purchasers to arrange the purchase and/or sale of natural gas or electricity with more than one supplier, within any given utility service territory, then it is no longer an exclusive agent of a single supplier. NEM requests that the Order and definition of "ESCO Marketing Representative" should be clarified such that an ESCO should not be responsible for the actions of non-exclusive third parties, for instance a broker that approaches a customer in the capacity of representing either the consumer itself or multiple ESCOs. Additionally, NEM suggests that the Commission examine the issues attendant with some type of certification of third party entities that represent or act on behalf of consumers.

#### **9) ESCOs Should Be Permitted to Perform Either Internal or Independent TPVs for Door-to-Door and Telephonic Enrollments**

In response to concerns raised in consumer complaints, the Order adopted a new requirement that sales resulting from door-to-door marketing be subject to an independent third party verification (TPV) after the sales agent leaves the customer's premises. (Order at 28). The

independent TPV requirement was also extended to telephonic enrollments. (Id.) NEM requests that the Commission reconsider this requirement and permit ESCOs the option to perform an internal TPV for door-to-door and telephonic enrollments. NEM submits that allowing ESCOs to perform internal TPVs would be consistent with and support the additional policy adopted in the Order of ESCO responsibility for sales and marketing activities of third parties undertaken on the ESCO's behalf. In other words, since the Commission has established a policy of ESCO responsibility for the actions of third parties, ESCOs should be granted the ability to retain a certain level of control over their enrollment processes and compliance measures.

NEM suggests that ESCOs be permitted the flexibility to perform the TPV either internally in-house or through an independent entity, consistent with their business model. Certain ESCOs already utilize their own internal verification group, which can identify problems in the verification call quickly and resolve them before they escalate. These ESCOs choose to perform this key compliance and quality control tool themselves and should continue to be permitted to do so. Other ESCOs may choose to perform this function with an independent third party entity that has developed its own compliance infrastructure. Either method can be utilized in a manner that satisfies the Commission's goal of protecting consumers and ensuring that contracts are executed in a consensual, informed manner.

#### **10) Network Marketing Practices are Not Encompassed Within the Commission's Definition of Door-to-Door and Telephonic Solicitation**

The Order makes use of broad language concerning what constitutes door-to-door and telephonic solicitations. (Order at 28-29). NEM does not believe that network marketing practices are encompassed within these solicitation methods, inasmuch as the network representative is making a "warm" contact with the people that it enrolls, in comparison to the "cold" contact



made in an unscheduled door-to-door sale or outbound telemarketing call. Indeed, NEM's Network Marketing Code of Conduct prohibits, and NEM's network marketing company members have agreed, that independent representatives shall not use telemarketing or door-to-door sales techniques for the purpose of acquiring customers. In addition, network marketing companies are to utilize a clear channel of accountability for the actions of its independent representatives and also a verifiable quality control process to ensure the integrity of consumer enrollments.

## **Conclusion**

For the foregoing reasons, we respectfully request the Commission clarify and/or rehear the issues discussed above associated with its Order of February 25, 2014.

Sincerely,

Craig G. Goodman, Esq.  
President  
Stacey L. Rantala  
Director, Regulatory Services  
National Energy Marketers Association  
3333 K Street, NW, Suite 110  
Washington, DC 20007  
Tel: (202) 333-3288  
Fax: (202) 333-3266  
Email: [cgoodman@energymarketers.com](mailto:cgoodman@energymarketers.com);  
[srantala@energymarketers.com](mailto:srantala@energymarketers.com)  
Dated: March 27, 2014.

CC: Service List