

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1276 Session of 2011

INTRODUCED BY STURLA, BISHOP, CALTAGIRONE, COHEN, D. COSTA,
FABRIZIO, GEORGE, HORNAMAN, JOSEPHS, KAVULICH, MYERS,
READSHAW AND STABACK, APRIL 5, 2011

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, APRIL 5, 2011

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, further providing for requirements for
3 natural gas suppliers and for requirements for electric
4 generation suppliers.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Sections of 2208 and 2809 of Title 66 of the
8 Pennsylvania Consolidated Statutes are amended by adding
9 subsections to read:

10 § 2208. Requirements for natural gas suppliers.

11 * * *

12 (h) Prohibitions.--The following shall apply:

13 (1) Natural gas suppliers are prohibited from charging,
14 levying and imposing on its affiliated subsidiaries,
15 employees, contractors, subcontractors, third-party marketers
16 or third-party sales agents a cost, expense or fee for the
17 purpose of engaging in direct or indirect marketing activity
18 on behalf of the natural gas suppliers for the purpose of

1 soliciting customers for natural gas supply.

2 (2) Natural gas suppliers are prohibited from charging,
3 levying and imposing on its affiliated subsidiaries,
4 employees, contractors, subcontractors, third-party marketers
5 or third-party sales agents a cost, expense or fee for the
6 purchase of marketing materials, distributorships, binders of
7 sales and training materials and the creation of a marketing
8 Internet website.

9 (3) Natural gas suppliers shall not compensate
10 distributors, employees, contractors, subcontractors, agents
11 or third parties to recruit other distributors, employees,
12 contractors, subcontractors, agents or third parties.

13 (i) Customer protections.--The following shall apply:

14 (1) Natural gas suppliers and their affiliated
15 subsidiaries engaged in door-to-door or multilevel marketing
16 activity shall post security of \$1,000,000.

17 (2) Natural gas suppliers and their affiliated
18 subsidiaries shall conduct criminal background investigations
19 of every employee, contractor, subcontractor, third-party
20 marketer or third-party sales agent engaged in the sale or
21 promotion of their energy supply service, including a check
22 of the Megan's Law registry, prior to the individual's
23 conducting door-to-door marketing or other sales activities.

24 (3) Natural gas suppliers and their affiliated
25 subsidiaries, employees, contractors, subcontractors, third-
26 party marketers, or third-party sales agents engaged in
27 multilevel marketing and door-to-door marketing and sales
28 activities shall file annually with the commission a
29 certificate of liability. The certificate of liability shall
30 include a description of sales and marketing activity being

conducted and an acceptance of civil liability for actions of
its employees, subcontractors, agents and representatives
while engaged in sales and marketing activity.

§ 2809. Requirements for electric generation suppliers.

* * *

(g) Prohibitions.--The following shall apply:

(1) Electric generation suppliers are prohibited from
charging, levying and imposing on its affiliated
subsidiaries, employees, contractors, subcontractors, third-
party marketers or third-party sales agents a cost, expense
or fee for the purpose of engaging in direct or indirect
marketing activity on behalf of the electric generation
suppliers for the purpose of soliciting customers for natural
gas supply.

(2) Electric generation suppliers are prohibited from
charging, levying and imposing on its affiliated
subsidiaries, employees, contractors, subcontractors, third-
party marketers or third-party sales agents a cost, expense
or fee for the purchase of marketing materials,
distributorships, binders of sales and training materials and
the creation of a marketing Internet website.

(3) Electric generation suppliers shall not compensate
distributors, employees, contractors, subcontractors, agents
or third parties to recruit other distributors, employees,
contractors, subcontractors, agents or third parties.

(h) Customer protections.--The following shall apply:

(1) Electric generation suppliers and their affiliated
subsidiaries engaged in door-to-door or multilevel marketing
activity shall post security of \$1,000,000.

(2) Electric generation suppliers and their affiliated

1 subsidiaries shall conduct criminal background investigations
2 of every employee, contractor, subcontractor, third-party
3 marketer or third-party sales agent engaged in the sale or
4 promotion of their energy supply service, including a check
5 of the Megan's Law registry, prior to the individual's
6 conducting door-to-door marketing or other sales activities.

7 (3) Electric generation suppliers and their affiliated
8 subsidiaries, employees, contractors, subcontractors, third-
9 party marketers or third-party sales agents engaged in
10 multilevel marketing and door-to-door marketing and sales
11 activities shall file annually with the commission a
12 certificate of liability. The certificate of liability shall
13 include a description of sales and marketing activity being
14 conducted and an acceptance of civil liability for actions of
15 its employees, subcontractors, agents and representatives
16 while engaged in sales and marketing activity.

17 Section 2. This act shall take effect in 60 days.