David A. Paterson
Governor

Michael J. Burgess
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May 27, 2008

Honorable Jaclyn Brilling, Secretary
NYS Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Case 98-M-1343, In the Matter of Retail Access Business Rules; Case 07-M-1514, Petition of New York State Consumer Protection Board and the New York City Department of Consumer Affairs Regarding the Marketing Practices of Energy Service Companies; Case 08-G-0078, Ordinary Tariff Filing of National Fuel Gas Distribution Corporation to establish a set of commercially reasonable standards for door-to-door sales of natural gas by ESCOs.

Dear Secretary Brilling:

The New York State Office for the Aging (NYSOFA) is submitting this letter in response to initial comments filed in this proceeding which suggest that the Public Service Commission's decision in these cases will have significant implications for senior citizen consumers. NYSOFA would like to express its concern over the growing number of complaints surrounding the marketing practices of energy service companies (ESCOs). While this issue reaches all age groups, it can have a greater effect on older New Yorkers who many times are more susceptible to falling victim to questionable marketing practices as they may not be aware of or understand the recent changes in the structure of the energy industry. In addition, many older New Yorkers live on fixed incomes and as a result experience far more difficulty recovering from the financial loss caused by deceptive marketing practices.

Consumers should be made aware of contractual terms such as early termination fees and savings guarantees. Unfortunately, older New Yorkers do not take the time to read contracts or do not understand them. For this reason, NYSOFA supports a requirement that ESCO sales agreements include on the first page, a chart identifying critical terms such as price, term, termination charges, and savings guarantees (if any).

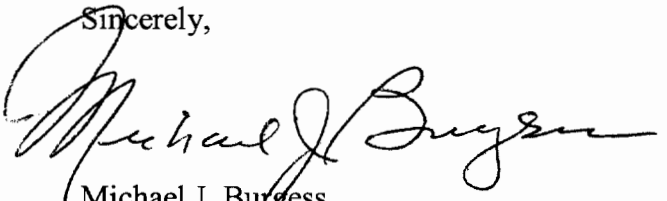
In addition, consumers should have a clear understanding of the ESCOs complaint process and be provided the name of the person or department who handles complaints on behalf of the ESCO. Nothing is more frustrating than calling a company only to be transferred to many different departments without resolution. Older New Yorkers need clear instructions as to which individual or department handles complaints and that individual or department should be able to handle the consumer's complaint without additional telephone transfers or delays.

Marketing practices by ESCO should be conducted in a way that does not confuse or mislead the customer. ESCO marketing representatives should be very clear that they do not represent the distribution utility.

The customer should be provided with any and all information in writing upon request and all information should be delivered in a manner that is easily understood by the consumer. Consumers, especially, older New Yorkers succumb to pressure sales and supposed time sensitive offers. Consumers should not be pressured into making an immediate decision, nor should they be denied the opportunity to read through any and all information that is pertinent to the consumer making a business decision.

The original and five copies of this letter are enclosed. Copies have been served electronically on all parties included on the current Active Parties List for this proceeding.

Sincerely,



Michael J. Burgess
Director