



New York State **Public Service Commission**

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

Becoming a Natural Gas Marketer in New York State

What Are the Requirements and Steps?

In 1996, the New York State Public Service Commission opened the natural gas industry to competition allowing consumers to choose who will deliver or purchase their natural gas -- either by continuing to buy through the local utility or from a nonutility supplier or marketer. The Commission's goal for a competitive market is to create an environment that will offer consumers more choices, lower costs and better services, and economic opportunities for New York. Marketers wishing to transport gas to residential and commercial customers must include specific information in their contracts. By doing so, customers will be able to make fully informed choices about their energy needs and marketers will be able to actively participate in an open, competitive market.

How to Become a Marketer

The following information is intended to serve as a guide for potential marketers. If you have specific questions, you may call the local utility company or the Department of Public Service's Office of Consumer Education & Advocacy for assistance.

- **Any potential marketer will need to provide information to both the Department of Public Service's Office of Consumer Education & Advocacy and the local utility in whose service territory it plans to serve customers.**

All marketers must file a copy of their standard contract with the Department of Public Service's Office of Consumer Education & Advocacy . A separate standard contract is required for residential and commercial customers. Staff initially reviews the contract to determine if the Commission's requirements have been met. A marketer will be contacted if additional information or changes to the contract need to be made.

The marketer then will forward the revised contract for further review. If all compliance elements are met, a letter will be sent to the marketer advising that the contract is in compliance with the Commission's requirements. The marketer will then present the letter and required financial information to the local utility company for determination of creditworthiness before it can offer services. Each local utility company has separate criteria for creditworthiness.

After utility acceptance, marketer information will be placed on the Department's

WEBSITE and made available to any consumer upon request. Consumers will also be able to obtain marketer information from the local utility.

Marketers must provide the Department of Public Service updates of changes of corporate names, addresses, telephone numbers and the contact persons.

The Department of Public Service will continue to maintain its regulatory authority over the transmission and distribution of natural gas. More important, the Department will monitor the transition process, and identify and remove barriers that may impede the growth of a competitive market.

Contract Requirements

Marketers must demonstrate that they are in compliance with specific requirements for residential and commercial customers before they can provide natural gas supplies or services.

Gas marketer contracts must comply with Commission requirements to qualify for a letter of contract compliance from the Department of Public Service.

Supplying Residential Customers

Specific information is required in all contracts of marketers seeking to supply natural gas to residential customers in New York State. Each marketer must file a copy of its standard contract with the Commission's Office of Consumer Education & Advocacy.

- 1. *Customer Information:* Contracts between marketers and customers must contain specific language advising customers of any protections that have been waived in the transaction.**
- 2. *Dispute Resolution Process:* Marketers must have an operational dispute resolution process in place to address customer complaints. Customers will be provided with a business and/or toll-free number for the marketer and information on how to contact the Department of Public Service's Office of Consumer Education & Advocacy. The contract can be silent on the venue (meaning New York State law and the Commission's rules and regulations automatically apply). However, the contract must provide consumers with access to Small Claims Court or any other legal redress. The contract's arbitration clause should specify which arbitration rules will be used (e.g., American Arbitration Association), that it is to be made available at the customer's request and in the customer's county of residence. A line for the customer's initials should be placed next to the arbitration clause to indicate the customer's acknowledgment of his or her arbitration rights.**
- 3. *Plain Language:* All contracts and bills must be written in clear and plain language, and the marketer will file a copy a sample billing to the Office of Consumer Education & Advocacy . No contract may have excessive blank spaces**

between operational clauses and the clauses should carry an identifying header to allow customers easier reference of the terms and conditions.

4. ***Notice of Discontinuing Service:*** Procedures must be in place to ensure that marketers' customers, will receive notice in writing, at least 15 business days prior to discontinuing service to allow the customers the opportunity to pay the overdue bill, resolve any dispute or request services from another supplier.

Supplying Nonresidential Customers

The following requirements apply to all marketers that seek to supply natural gas to commercial customers. Each marketer will file a copy of its standard contract with the Department of Public Service's Office of Consumer Education & Advocacy.

1. ***Customer Information:*** Contracts between marketers and customers must contain a statement advising the customers of protections that have been waived in the transaction.
2. ***Dispute Resolution Process:*** An operational dispute resolution process must be established. Customers will be provided with a business and/or toll-free number for the marketer and include information on how to contact the Department of Public Service's Office of Consumer Education & Advocacy. The contract can be silent on the venue (meaning New York State law and the Commission's rules and regulations automatically apply).

Utility Requirements

Each local utility company in New York State has separate standards for marketer activity in its service territory. It is important that the marketer consult the local utility about specific requirements prior to offering services to potential customers.

1. ***Letter of Compliance and Creditworthiness:*** The marketer must provide the local utility company with the Department of Public Service's compliance letter and financial information to demonstrate creditworthiness as defined by the local utility.
2. ***Access to Customer Information:*** Each local utility company has a different procedure in place to coordinate the exchange of information with a marketer and a customer. To address confidentiality concerns, the customer must first provide the local utility with authorization to provide information to the marketer. Then the local utility will provide the marketer with background about the customer's account, including consumption and billing histories.
3. ***Changing Suppliers:*** The local utility company will verify supplier changes directly with the customer before switching to another marketer.
4. ***Access to Local Utility Information:*** Utility tariffs are available through the

local utility or the Department of Public Service's File Office, located at Three Empire State Plaza, Albany, New York 12223; Phone - (518)474- 2500.

Need More Information?

Contact the PSC:

For general information about the New York State Public Service Commission's goals for competition in the natural gas market, including current market activity, please write to us at the following address: Office of Consumer Education & Advocacy, Three Empire State Plaza, Albany, NY 12223; or access the Commission's WEBSITE at <http://www.dps.state.ny.us>. For specific information about contracts or compliance issues, please contact Honor Marie Kennedy, Office of Consumer Education & Advocacy, at 1-800-355-4418, or e-mail to honor_kennedy@dps.state.ny.us for assistance.

Contact the Local Utility Company:

For information on how to provide services in a specific local utility company's service territory, please contact the following gas marketing representatives:

CENTRAL HUDSON GAS & ELECTRIC CORPORATION - Lisa Cerone,
Phone: (845)486-5814, Fax: (845)486-5514,
E-mail: lcerone@cenhud.com

CONSOLIDATED EDISON COMPANY of NEW YORK, INC. - Michelle Doyle,
Phone: (212)460-8172, Fax: (212)529-1452,
E-mail: doylem@coned.com

CORNING NATURAL GAS CORPORATION - Russell Miller,
Phone: (607)936-3755 ext. 206, Fax: (607)962-2844,
E-mail: rmiller@corninggas.com
Tom Roye, Phone: (607)936-3755 ext 247, Fax: (607)962-2844,
E-mail: webmaster@corninggas.com

KEYSPAN ENERGY DELIVERY of LONG ISLAND and KEYSpan ENERGY DELIVERY of NEW YORK
Mike Bauer,
Phone: (516)545-3855, Fax: (516)545-3252,
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NATIONAL FUEL GAS CORPORATION - Mike Reville
Phone: (716)857-7313 Fax: (716)857-7687
E-mail: revillem@natfuel.com

NEW YORK STATE ELECTRIC & GAS CORPORATION - Donna C.

Vandenberg,
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NATIONAL GRID/NIAGARA MOHAWK - James Dillon,
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ORANGE & ROCKLAND UTILITIES, INC. - Roberta Scerbo,
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ROCHESTER GAS & ELECTRIC CORPORATION - Linda Dent,
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ST. LAWRENCE GAS CORPORATION - Sharon Gaines,
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