Energy Choice Matters

September 2, 2010

ICC Finds Tenaska Taylorville Costs "Substantially Higher" Than Other Generation

After careful review of the Tenaska Taylorville Energy Center (TEC) Facility Cost Report, the Illinois Commerce Commission reported to the General Assembly that the Tenaska clean coal plant, "features high costs to ratepayers with uncertain future benefits, and uncertainties that potentially add to already-significant costs."

The ICC, in voting on the report earlier this week, stressed that the report, consistent with statutory direction, is an analysis and is not an up or down recommendation. The decision to move forward with the plant resides with lawmakers.

The ICC does make several recommendations should legislators elect to move forward with the plant, including recommendations to ensure that the competitive retail electric market is not harmed by the current disparity in the obligations of different types of load serving entities to purchase output from the plant.

The ICC's report concludes that, "[t]he cost associated with electricity generated by the TEC is substantially higher than that which is associated with other types of generation facilities - as described more fully herein, the TEC's expected base case electricity cost of $212.73 per MWh (or over 21 cents per kWh) would cost significantly more than wind ($88.80 to $121.97), nuclear ($101.45 to $128.03), traditional coal ($141.08 to $153.03), or combined cycle combustion turbine ($154.05 to $160.78) facilities."

Furthermore, the ICC said that the rate impacts on residential and small business customers will

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All Bypassable Charges to be Included in Md. SOS Price Comparisons

Applicability to Type II Customers Unclear

The Maryland PSC ordered all the investor-owned utilities to include all bypassable charges in the newly required SOS Supply Price Comparison Information to be included on bills and on utility websites, but introduced new confusion into the process regarding the applicability of the price comparisons to Type II and larger customers.

At its administrative meeting yesterday, the Commission agreed that the SOS Supply Price Comparison Information shall include all charges that the customer will avoid by

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Gateway Says Agents in PLAN Sales Call Had No Affiliation with Gateway

Gateway Energy Services said that three agents which allegedly misrepresented themselves as being from PPL in a door-to-door solicitation to the Pennsylvania Legal Aid Network (PLAN) were in no way associated with Gateway Energy Services, and the agents misrepresented such an association. According to a sworn affidavit from PLAN's Controller Karen Stokes, who received the sales call, the sales agents allegedly identified themselves as with PPL, and then Gateway, before eventually producing a contract from Champion Energy Services.

The Pennsylvania Utility Law Project (PULP) filed the affidavit as part of the record in the PUC's marketing standards rulemaking (M-

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PECO Electric Rate Case Settlement to Make Additional Costs Bypassable

A settlement among parties in PECO's current electric distribution rate case would remove certain generation and transmission costs from base rates and place such costs into new bypassable riders to ensure competitive neutrality with respect to electric generation suppliers (R-2010-2161575).

Currently, transmission costs charged to PECO by PJM are included in base rates. Under the settlement, PECO would create a bypassable Transmission Service Charge, and associated bypassable rider, to collect these costs, rather than including them in base rates. These costs include network service charges and regional transmission enhancements plan charges, and other load-serving entity transmission-related charges not paid by energy suppliers under the default service Supply Master Agreements.

The Transmission Service Charge would be included in the price to compare.

Costs under the Transmission Service Charge would be allocated to customer classes in the same manner as under base rates, based upon the network service peak load of the default service customer. For residential customers, the Transmission Service Charge would be a kWh charge. For commercial and industrial customers, the Transmission Service Charge would be a kW charge.

The settlement also calls for PECO to transfer certain generation and transmission related working capital costs from base rates into bypassable charges.

PECO is to include a Generation Supply Working Capital charge in its bypassable Generation Supply Adjustment, and a Transmission Cost Working Capital charge in its bypassable Transmission Service Charge. As such, each charge would be included in the price to compare.

The Generation Supply Working Capital charge would be a kWh based charge that will be the same for all classes.

The Transmission Cost Working Capital charge would be allocated in the same manner as the Transmission Service Charge.

The settlement leaves to litigation the Office of Trial Staff's push to unbundle uncollectibles from base rates and include them in the Price to Compare, and add an uncollectibles component to the Purchase of Receivables discount rate. The PUC previously rejected this approach to recovering uncollectible costs in PECO's recently adjudicated POR proceeding.

PUCT Defers Action on Switch Hold Rule, to Review Disconnect Notice for Delinquent DPP Customers

PUCT Commissioners agreed to defer action on the proposed switch hold and deferred payment plan rule (36131) to further discuss several issues raised by Commissioner Donna Nelson in a memo filed on Tuesday (Only in Matters, 9/1/10), as well as additional concerns raised by Commissioner Kenneth Anderson.

During yesterday's open meeting, Anderson said that he remains concerned with the provision that allows a REP to disconnect a customer who fails to meet the terms of a deferred payment plan without sending the customer an additional 10-day disconnection notice, if the REP informs the customer on their bill that the customer will be disconnected for non-payment without additional notice. This 10-day notice is required under the current rule, and Anderson said that he is hesitant to include a lower level of protection in the amended rule.

Anderson said that the additional notice period granted by the letter is critical in providing customers with time to come up with money to pay the bill, or to seek help from various assistance agencies.

Anderson reiterated that granting the REPs a switch hold on deferred payment plan customers is a large concession to REPs, and said that he is not convinced that REPs need the additional protection of being able to disconnect delinquent deferred payment plan customers without additional notice. Anderson noted REPs' bad debt data, aside from a few publicly traded companies, is not disclosed or known by the Commission.

Nelson said that she was willing to revisit the 10-day notice issue, but is not convinced that it needs to be modified as Anderson

suggests. Nelson stressed that the rule is a package, and that one item which is modified cannot be taken in isolation as an indication that the amended rule offers a lower level of protection, because customer protections, such as eligibility for deferred payment plans, are expanded in other areas of the amended rule.

Though Anderson conceded that the issue is not before the Commission in the instant rulemaking, his concerns about the additional 10-day notice were raised given that REPs may require payment of bills as soon as 16 days after issuance. Anderson said that he often receives bills for other services with dates that are well before the date on which he receives them, presumably due to processing and transit time. Thus, Anderson is concerned that the 16-day payment period may, in effect, be shorter.

Nelson responded that if REPs are not providing customers with 16 days for payment, that's an issue for enforcement, and not an issue with the rule itself.

It is important to note that per Subst. R §25.480, a bill due date shall not be less than 16 days after issuance. Per the rule, "[a] bill is considered to be issued on the issuance date stated on the bill or the postmark date on the envelope, whichever is later."

Accordingly, some of the lag Anderson is concerned about is already addressed in the rule; that is, if there is any lag between the date the bill is dated, and the date it is postmarked, such lag is nullified by the rule and does not impact the customer's 16-day payment window, which starts with the postmark. There will still be some lag between the postmark date and the delivery date to the customer's mailbox, which is likely why the rule is 16 days after bill issuance, rather than an even 14 days or two weeks.

Anderson also proposed that REPs who would be fined a maximum of $5,000 per day per violation for placing an inadvertent switch hold on a customer, or failing to timely remove a switch hold, should be permitted to make restitution to the customer for any savings on electric costs that the customer lost as a result of not being able to switch, with the amount of such restitution, plus a potential adder of 5-10%, deducted from the fine that the Commission would impose on the supplier.

The Commission is to consider the amended rule again at the September 15 open meeting.

Conn. DPUC Issues Notice of Intent to Revoke Turris Associates Aggregator License

The Connecticut DPUC issued a notice of its intent to revoke the aggregator license of Turris Associates LLC, and its intent to assess a civil penalty of $360,000, for what the Department called the fraudulent collection of aggregation fees by Turris for a 36-month period (10-02-08, Only in Matters, 2/10/10). Turris has the right to request a hearing to contest the notice.

The notice is based on the allegation that a Turris client, the Connecticut Association of Independent Schools, signed a contract with an aggregator fee of $.001 per kWh, but that this contract was not submitted to the chosen supplier for CAIS. Instead, it is alleged that the contract submitted to CAIS's supplier, which authorized an aggregator fee of $.0025 per kWh, was not signed by CAIS, as the signature on this contract appears to be different from the document actually executed by CAIS.

Based on the evidence in the proceeding, the Department, "finds that Turris fraudulently collected excess aggregator fees for 36 months. Therefore the Department considers that Turris committed 36 distinct violations of Conn. Gen. Stat. §16-245(l)(5)."

The notice would fine Turris $10,000 per violation, for the $360,000 total.

Turris's aggregation license is currently suspended pending the DPUC's investigation.

Briefly:

University of Pennsylvania Seeks Pa. Electric License to Self-Supply

The University of Pennsylvania has applied for a Pennsylvania electric generation supplier license to self-serve its load which is in the PECO territory. UPenn's various supply functions, including procurement and technical requirements, will be managed by EnerNOC. UPenn requested expedited action by the PUC, with approval at its September 23, 2010 public meeting, in order to be EDI certified and ready

to flow before the expiration of rate caps on January 1, 2011.

Md. PSC Defers Consideration of Clearview Electric License

The Maryland PSC deferred consideration of Clearview Electric's application for an electric supplier license. Clearview's application was listed on the agenda to be considered at yesterday's administrative meeting, but the Office of People's Counsel urged further investigation of a prior fine against Clearview in Connecticut (Only in Matters, 8/31/10).

Coastal Energy Company Receives Expanded Md. Broker License

The Maryland PSC granted Coastal Energy Company, LLC an expanded electric broker license to include brokering of residential customers. Staff confirmed that Coastal Energy has not had any complaints since receiving its non-residential license, after the PSC asked Staff to verify the complaint status of any supplier seeking to serve residential customers (Matters, 8/26/10).

Nordic Energy Services Expands to Oil, Gas Production

Nordic Energy Services has partnered with Cunningham Energy, an independent oil and gas production company headquartered in Charleston, West Virginia, as part of its strategy to become a vertically integrated supplier. Expanding into oil and natural gas production, Nordic Energy Services holds a working interest in the Skinner #4 well in West Virginia that pumps oil and gas that eventually makes its way into the interstate pipeline network.

NOPEC, Border Seek Hearing on IGS Use of Columbia Retail Name

The Northeast Ohio Public Energy Council and Border Energy have both separately sought to intervene in Interstate Gas Supply's Ohio gas licensing docket, protesting Interstate's filed amendment to add the trade name Columbia Retail Energy to its supplier certificate. Both parties also requested a hearing (02-1683-GA-CRS). NOPEC raised a novel argument, not cited in a previous Ohio Consumers' Counsel protest (Matters, 8/24/10), asking PUCO to investigate whether the use of the "Columbia" name by an entity not affiliated with Columbia Gas violates R.C. 4905.35 which prohibits public utilities from giving undue or unreasonable preference or advantage to any entity.

PUCT Approves Prompt Payment Act Rules

The PUCT approved without modification Staff's recommended proposal for adoption regarding REPs' obligations under the Texas Prompt Payment Act (37981). A discussion of these obligations under the approved proposal is provided in our 8/30/10 issue.

PUCT Approves Affordable Power Settlement Relating to Customer Protection Compliance

The PUCT approved a settlement under which Affordable Power will pay $40,000 to resolve Staff's allegations that Affordable Power was not in compliance with seven provisions of the Substantive Rules (38396). Among other things, Staff alleged that Affordable Power's bills for variable rate products did not inform the customer about how to obtain information about the price that will apply to the next bill, and that certain Electricity Facts Labels did not provide an estimate for Energy Delivery Charges. The full extent of the settlement and Staff's allegations were first reported by *Matters* in our June 30, 2010 issue. Affordable Power has corrected all of the deficiencies.

PUCT Approves Andeler Corporation Settlement Relating to Customer Protection Compliance

The PUCT approved a settlement under which Andeler Corporation will pay $30,000 to resolve Staff's allegations that Andeler Corporation was not in compliance with 15 provisions of the Substantive Rules (38393). Among other things, Staff alleged that the 12-month price history for variable rate products was not publicly available on Andeler's website, and that Andeler's Electricity Facts Labels did not contain the actual recurring pricing information. The full extent of the settlement and Staff's allegations were first reported by *Matters* in our June 30, 2010 issue. Andeler Corporation has corrected all of the deficiencies.

PUCT Approves Bounce Energy Settlement Relating to Customer Protection Compliance

The PUCT approved a settlement under which Bounce Energy will pay $28,000 to resolve Staff's allegations that Bounce Energy was not in compliance with 10 provisions of the Substantive Rules (38395). Among other things, Staff alleged that Bounce's residential bill for a variable rate product did not indicate how to obtain information about the price that will apply on the next bill. The full extent of the settlement and Staff's allegations were first reported by *Matters* in our June 30, 2010 issue. Bounce Energy has corrected all of the deficiencies.

PUCT Schedules DCRF Meeting/Hearing

PUCT Staff have scheduled an open meeting/hearing on the proposed Distribution Cost Recovery Factor for October 8 (Project 38298). As only reported in *Matters*, the DCRF would allow distribution service providers to recover new distribution costs from REPs outside of full rate cases (Only in Matters, 6/7/10). The proposed rule would permit distribution service providers to update the DCRF once annually, effective either March 1 or September 1

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likely approach or meet the full 2.015% rate impact cap. Should the rate impact cap be met, because there is no concurrent rate impact cap for alternative retail electric suppliers (ARES), additional project costs and cost overruns would be disproportionately borne by ARES and their largely commercial and industrial customer base, the ICC told lawmakers. "This scenario would make ARES less cost-competitive and could have a significant adverse impact on the retail competition model adopted by the General Assembly in 1997," the ICC said.

Further addressing retail market issues, the ICC continued that the disparate treatment of utilities and competitive suppliers under the clean coal act, "has the potential to conflict with the General Assembly's recent reiteration of 'its findings from the Electric Service Customer Choice and Rate Relief Law of 1997 that the Illinois Commerce Commission should promote the development of an effectively competitive retail electricity market that operates efficiently and benefits all Illinois consumers.'"

"The TEC proposal is not a competitively neutral option," the ICC said.

The Commission cited strong migration rates for business customers in Illinois, concluding that, "it is clear that Illinois businesses have incorporated the benefits that retail choice provides into their business model."

"The TEC proposal could hinder the recent success that has been seen in the Illinois competitive retail market, hindering choice options for customers and stifling the growth of retail competition in the state," the ICC said.

"In the event the General Assembly enacts authorizing legislation for the initial clean coal facility, the Commission recommends that the General Assembly give serious consideration to a cost impact cap for ARES customers," the ICC recommended.

"While the Clean Coal Act ('CCA') currently caps the rate impact on customers of investor-owned utilities, the General Assembly should also consider capping the cost that would be borne by customers of ARES. Absent such a cap for ARES customers, above market costs of energy produced from the TEC and potential cost overruns could stifle the competitive market and create significant adverse economic impacts," the ICC said.

The ICC report also concluded that the likelihood that the Tenaska plant could be commercially operable by 2016 is "uncertain," stating that, "missing elements and details from Tenaska's construction schedule cause the Commission to question the company's proposed timeline, and the start of construction is contingent on whether and when the Illinois General Assembly passes authorizing legislation."

"In addition, the lack of scheduling details for certain elements of the project in the construction schedule introduces further uncertainty about the completion date. These elements include (1) construction of carbon dioxide sequestration infrastructure, (2) construction of an electric transmission line interconnection to transport power from the TEC, (3) construction of a natural gas pipeline interconnection to bring natural gas into the TEC

for firing of 248 megawatts of its net capacity, (4) construction of a connection to a water source, (5) construction of the air separation plant, and (6) acquisition of required permits," the ICC said.

The Commission recommended that the General Assembly obtain information related to items 1 through 6 above before proceeding with the authorizing legislation.

The Commission also told lawmakers that the risk of cost overruns should not be disproportionately borne by ratepayers. "If the General Assembly approves the TEC project, the Commission requests clear authority to condition approval of the Sourcing Agreements and related Sourcing Tariffs on whatever changes the Commission finds just and reasonable, especially but not necessarily limited to changes in the following areas: aligning the company's allowed rate of return with its actual cost of capital, performance standards, risk sharing, remedies for non-performance and/or construction cost overruns, prudence reviews, and the provision of adequate long-term and short-term output forecasts to utilities, ARES, and the Illinois Power Agency," the ICC requested.

"The General Assembly should review the formula rates and the role of the ICC and FERC. The language should clearly state that the formula rate inputs are reviewed before any charges are assessed to utilities and ARES. It should be made clear that the obligation of utilities and ARES to purchase the output from the facilities is (1) subject to approval by the ICC on the justness, reasonableness and prudence of the inputs to the formula rates in the sourcing agreements, followed by (2) FERC acceptance of the ICC-approved inputs," the ICC added.

The Commission further said that the plant's true generation capacity should be determined. "The Commission notes that the CCA requires the initial clean coal facility to have 'a nameplate capacity of at least 500 MW when commercial operation commences.' The TEC's maximum planned capacity, including the natural gas-fired capacity, exceeds 500 MW, implying that this requirement would be satisfied. However, if the TEC operated with only coal-derived fuel (i.e., without the contribution of pipeline natural gas), it would produce no more than 448 MW gross or 296 MW net of electric power. As the plant design may be updated to sequester more CO2 as a condition of recently received Federal investment tax credits, the plant design may change further still and the amount of coal-derived electricity could fall even further below 500 MW," the ICC said.

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migrating to competitive supply. The Commission explicitly said that these charges shall include generation, transmission, and any reconciliation component (such as the Energy Cost Adjustment or Procurement Cost Adjustment). As only noted in Matters, only BGE had included the reconciliation rider in its SOS Supply Price Comparison Information in response to the Commission's June order (Only in Matters, 8/3/10).

The reconciliation riders will only be included to the extent they are known. For months in which the reconciliation rider has not yet been established, it will not be included in the SOS Supply Price Comparison Information for that month. However, once new reconciliation rider amounts are established, the SOS Supply Price Comparison Information for those months shall be updated with the new information.

As previously reported, the Commission's efforts to establish a uniform price comparison methodology across all utilities was, though not explicitly, generally considered to apply to residential and Type I customers. In the Commission's June order establishing the new comparisons, the Commission directed each utility to replace its current "Price to Compare" message on its bill with the new "SOS Pricing Information."

At Baltimore Gas & Electric, Pepco, and Delmarva, the old Price to Compare only appeared on residential and Type I bills, and thus it was apparent that the new information would only be calculated for these customers.

At Allegheny Power, however, there was no generic Price to Compare established for each rate class. Instead, Allegheny produced a unique figure on all customer bills, including bills for large commercial customers, which simply divided all of the customer's supply costs for that specific month by the customer's usage, and labeled the resulting per kilowatt-hour supply

cost as the customer's Price to Compare. Unlike the other utilities, Allegheny did not previously have a uniform, class average price to compare.

When Allegheny made its compliance filing in response to the Commission's June order, it only included the new information for residential customers, citing the more frequent rate changes for commercial customers as making the comparison inapplicable. The other utilities provided the new comparisons for both residential and Type I customers.

At yesterday's administrative meeting, Commissioners raised the issue of SOS price comparisons for commercial customers at Allegheny, and said that this information should be provided, but without distinguishing any difference between commercial classes. The Commission then inquired if the other utilities had similar issues, and it was accepted that the other utilities are currently providing this information to commercial customers as set forth in their compliance plans. It was not stressed, however, that BGE, Pepco, and Delmarva are only providing comparison information for Type I commercial customers.

At this point, the Commission appeared to simply direct Allegheny to provide commercial price comparison information in the same manner as at the other utilities.

However, the Commission, after discussing other issues, returned to the Allegheny commercial comparison issue under a line of questioning from Commissioner Therese Goldsmith. In response, Allegheny explained the problem with providing price comparison information for customers whose rates change frequently (e.g. quarterly or hourly). However, Goldsmith asked whether knowing the bypassable rate would still be important for these larger customers, and Allegheny agreed. Allegheny also said that it cannot provide a comparison of the "current" SOS rate for hourly customers since such rates are not known, but can, as it had been doing previously, list the hourly customer's monthly cost per kilowatt-hour of all supply costs for a billing period by dividing total costs by total usage. After more discussion, the Commission ordered that Allegheny, specifically, shall include price comparison information for larger customers, specifically including Type II customers. The Commission did not explicitly state whether it expects hourly customers to have price comparison information at Allegheny.

Furthermore, the Commission, after discussing this large commercial issue at Allegheny alone, never addressed the fact that, under their compliance filings, BGE, Pepco, and Delmarva are not providing comparison information for Type II customers, and the PSC did not explicitly order these companies to change anything from their compliance plans with respect to the customer classes included. Accordingly, unless the utilities of their own volition elect to follow the Commission's example at Allegheny, there is no formal direction that BGE, Pepco, or Delmarva provide a Type II price comparison, though this information seems to be coming at Allegheny.

The issue will likely come up in a Staff review which will be conducted on the utilities' SOS price comparison websites, with a Staff report due October 29.

The Commission directed that this Staff review shall also consider changes to the weighted average price comparison currently provided. Originally, in the June order, the weighted average calculates an average for 12 months based on the most recently known summer and winter SOS price.

However, Commissioner Lawrence Brenner noted that as months expire, the weighted average price will provide stale information, and will not be an accurate comparison going forward. Brenner suggested removing months from the weighted average price as they expire, so that the price only gives a "going forward" weighted average. For example, if the weighted average was previously calculated as the weighted average SOS rate from June 1, 2010 through May 31, 2011, Brenner said that the price should now be recalculated as the weighted average SOS price from September 1, 2010 through May 31, 2011.

Chairman Douglas Nazarian expressed exasperation at trying to modify the content of the weighted average price from the bench in a compliance proceeding, since the Commission already weighed all the benefits and drawbacks of the full 12-month weighted average in its June decision. Both Nazarian and Commissioner Susanne Brogan acknowledged the drawbacks

of the 12-month weighted average, but noted that the Commission's June order was not intended to "fix" these problems inherent in a 12-month average, which is why the additional SOS price information, listing actual all-in bypassable rates paid for specific months, was added to the comparison information, in order to provide customers with more context on price movements throughout the year. However, Commissioners agreed that Staff may address Brenner's issue in their review process of the utility websites and recommend any improvements that Staff believe are appropriate.

Gateway ... from 1

2010-2185981). Gateway Energy Services CEO Steven Maslak sent the following letter to PULP, PLAN, the PUC, and *Matters*:

"All of us at Gateway Energy Services Corporation ('Gateway') were alarmed to read today's article in Energy Choice Matters reporting the sworn affidavit that the Pennsylvania Utility Law Project ('PULP') has submitted to the Public Utilities Commission from Ms. Karen Stokes and the Pennsylvania Legal Aid Network ('PLAN'). Until this morning, Gateway was not aware of the affidavit or the actions described in it. We have not seen the affidavit itself.

"The article in Energy Choice Matters states that neither PULP nor Ms. Stokes alleges that Gateway or its personnel actually were involved in the incident in any way, and we appreciate that disclaimer. However, the tone of the article implies the Gateway may have somehow been involved, and we want to make it abundantly clear that Gateway was not involved.

"Gateway does not know the identity of the sales agents who visited PLAN. They did not work for Gateway. Our residential door-to-door teams in Pennsylvania are located several hours away from Harrisburg. Our commercial account executives generally work alone, not in teams, and are not working in the Harrisburg area at this time. We have questioned our Pennsylvania sales teams and have absolutely no reason to believe that any of our people were involved in the incident in any way. Our door-to-door salespeople wear Gateway uniforms, our commercial account executives dress professionally, and all of them carry proper identification and an abundance of sales literature bearing our brand.

"We do not use independent contractors to sell in Pennsylvania. All of our Pennsylvania sales personnel are employees who sell only for us. We note that the agents in question produced a contract for Champion Energy Services. Gateway is not affiliated or associated with Champion in any way.

"We can only speculate why the agents initially claimed to represent Gateway. We would like to think that they were trying to piggyback on our excellent brand reputation, but we suspect it perhaps is a tactic to help cover their trail in the event a customer reports them to the authorities for their sales tactics or lack of identification. In any event, those are merely guesses, and they were not working for Gateway.

"Gateway employs stringent quality assurance and regulatory compliance measures to ensure that our people are trained and supervised appropriately. We have zero tolerance for unethical sales practices, we prevent abuses to the best of our ability and we remedy them immediately if we discover them. We expect out personnel to act professionally and ethically at all times.

"We regret to hear that PLAN and Ms. Stokes were exposed to unethical behavior by one of our competitors, but we sincerely hope that experience does not sour them on retail energy competition in general. There are retailers in Pennsylvania, like Gateway, who are committed to doing business the right way. We hope that the PUC will be able to take appropriate actions against the parties

> who are responsible for this incident so that retail choice remains vibrant in the Commonwealth while its citizens are protected appropriately.

Speaking with *Matters* yesterday, Maslak further added that aside from Gateway not using any independent contractors for sales in Pennsylvania, Gateway further does not provide pricing to any broker or consultant in the Pennsylvania market which solicits door-to-door with such pricing.

Maslak said that Gateway is "passionate" about adhering to the highest ethical standards when it comes to sales, and also reported that this is not the first instance in which an agent from a competitor has misrepresented themselves as being from Gateway. Maslak said that Gateway is aware of such prior misrepresentations in both Pennsylvania and other states.