

[energychoicematters.com](http://energychoicematters.com)

# **PUC Issues For Public Comment Settlement Under Which Retail Supplier Would Pay \$188,000 -- EnergyChoiceMatters.com**

10-12 minutes

---

PUC Issues For Public Comment Settlement Under  
Which Retail Supplier Would Pay \$188,000

Alleged Violations Include Use Of Phrase  
"Pennsylvania Public Utility Commission Notice" In  
Marketing Mailers

May 20, 2021

[Email This Story](#)

Copyright 2010-21 EnergyChoiceMatters.com

*Reporting by Paul Ring •*

*ring@energychoicematters.com*

*The following story is brought free of charge to readers by [EC Infosystems](#), the exclusive EDI provider of EnergyChoiceMatters.com*

The Pennsylvania PUC issued for public comment a settlement between Eligo Energy PA, LLC and the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement ('I&E') under which Eligo would pay a civil penalty of \$188,125 to resolve an investigation, "into Eligo's alleged misleading and deceptive marketing materials, which included references or quotes allegedly from the Commission that may have violated the Public Utility Code and Commission's regulations," as described in the settlement

The settlement had been [first reported by EnergyChoiceMatters.com last year](#)

At the time the settlement was first filed in October 2020, Eligo Energy provided the following statement to EnergyChoiceMatters.com concerning the matter:

"As a result of successful negotiations, we have reached an agreement on an appropriate outcome to the Pennsylvania PUC's Bureau of Investigation and

Enforcement ('I&E') informal investigation. No formal complaint will be issued against Eligo as a result of the negotiations.

"As part of its informal investigation, I&E determined 'that Eligo fully cooperated in the investigation' and that 'the conduct in this matter involves an administrative or technical error' of which Eligo became aware of 'prior to I&E's Informal Investigation.' Eligo then 'immediately addressed the oversight with the new formal process.' (Appendix A, I&E's Statement in Support of the Joint Petition for Approval of Settlement, pp. 7-9).

"As noted by I&E, 'no personal injury or property damage occurred as a result' of Eligo's actions. Id. at 7. Indeed, 'as of September 2020, eighty three percent (83%) of the customers enrolled as a result of the mailers at issue saved an approximate \$87,000 over the prices they would have paid to their local utilities during the same timeframe, and these customers are estimated to save more than \$246,000 over the lifetime of their multi-year supply contracts relative to default service.' (Joint Petition for Approval of Settlement, ¶ 41).

"Eligo thanks I&E for a cordial and quick resolution to this issue and is committed to complying with all PUC

rules and regulations while providing substantial savings to Pennsylvania customers.

--- Statement from Eligo Energy

The settlement addresses alleged misleading and deceptive marketing materials issued by Eligo from approximately January 2019 through approximately March 2020.

As stated in a set of stipulated facts included with the settlement, "In response to I&E Data Request-Set I, Eligo provided eleven (11) mailers that had the phrases 'Pennsylvania Public Utility Commission Notice' or 'Important PUC Notice' printed in bold letters.

Specifically, 'Pennsylvania Public Utility Commission Notice' was printed in bold on the front of the mailer above the customer address."

"Approximately 302,189 of these mailers were issued in the electric distribution territories of Met-Ed, Penelec, Penn Power, PPL, and West Penn," the settlement states

The settlement states that, "'Important PUC Notice' was printed in red bolded letters on the inside with the following quote: 'To avoid the possibility of 'sticker shock' from high bills during the coming cold months,

the Pennsylvania Public Utility Commission reminds consumers that the start of winter is an important time to compare prices for electric generation and evaluate competitive supplier options."

The settlement states that, "In response to I&E Data Request-Set I, Eligo provided twenty-two (22) mailers, which contained the phrase 'Final Electric Notice: Attn Recipient: Request for Immediate Action.'"

The settlement states that, "Approximately 867,499 mailers were issued with the phrase 'Final Electric Notice: Attn Recipient: Request for Immediate Action.'"

The settlement states that, "In response to I&E Data Request-Set I, Eligo provided thirty-four (34) mailers, which contained the phrase 'Rate Change Notice' in bolded red letters right below the customer address."

The settlement states that, "Approximately 1,200,000 mailers were issued with the phrase 'Rate Change Notice.'"

"In response to the mailers, one thousand one hundred ninety-three (1,193) customers enrolled with Eligo," the settlement states

The settlement states that, "Eligo is a relatively small EGS that supplies approximately 276,000 MWh of

electricity annually in Pennsylvania."

The settlement states that, "Eligo avers that, during the time-period of the alleged deceptive and misleading information, Eligo's marketing team was comprised of two (2) persons, one of whom created the marketing materials."

The settlement states that, "The mailers that are the subject of I&E's Informal Investigation were sent for printing and distribution by Eligo without review by Eligo's legal department. Eligo became aware of the allegedly deceptive mailers prior to I&E's Informal Investigation and immediately implemented a formal review process applicable to mailers. This formal review process, among other things, now prevents any marketing material from being sent for printing unless approved by Eligo's legal department."

The settlement states that, "Eligo avers that, as of September 2020, eighty-three percent (83%) of the customers enrolled as a result of the mailers saved an approximate \$87,000 over the prices they would have paid to their local utilities during the same timeframe, and these customers are estimated to save more than \$246,000 over the lifetime of their multi-year supply contracts."

The settlement states that, "Under Section 111.8(d) of the Commission's regulations, a public utility shall not use the name of a governmental agency in a way that suggests a relationship that does not exist. 52 Pa. Code § 111.8(d)."

The settlement states that, "Pursuant to Sections 54.122(3), 111.12(d)(1), and 111.12(d)(2), an electric generation supplier may not engage in misleading or deceptive conduct or representations. 52 Pa. Code § 54.122(3)"

The settlement states that, had the matter been litigated, I&E would have alleged violations of the above rules

The settlement states that, "Had this matter been fully litigated, Eligo would have denied each of the alleged violations of the Commission's Regulations, the Code, or Commission's Orders, raised defenses to each of these allegations, and defended against the same at hearing. However, at no time during this Informal Investigation has Eligo denied the content of the mailers sent to prospective customers."

The civil penalty of \$188,125.00 to be paid by Eligo under the settlement reflects the following:

- a. A civil penalty of \$1,000.00 for each of the 11 mailers with the phrases 'Pennsylvania Public Utility Commission Notice' or 'Important PUC Notice,' totaling \$11,000.00.
- b. A civil penalty of \$500.00 for each of the 22 mailers with the phrase 'Final Electric Notice: Attn Recipient: Request for Immediate Action,' totaling \$11,000.00.
- c. A civil penalty of \$500.00 for each of the 34 mailers with the phrase 'Rate Change Notice,' totaling \$17,000.00.
- d. A civil penalty of \$125.00 for each of the 1,193 customer enrollments, totaling \$149,125.00.

In a statement in support of the settlement filed with the PUC, Eligo stated, "Eligo has put into effect appropriate measures to ensure that the issuance of potentially misleading or deceptive mailers is not likely to reoccur. Indeed, Eligo became aware of the allegedly deceptive mailers prior to I&E's Informal Investigation, immediately stopped the use of such mailers, and implemented a formal review process applicable to mailers. This formal review process, among other things, now prevents any marketing material from being sent for printing and distribution to prospective



customers unless approved by Eligo's legal department in advance."

Had the matter been litigated, Eligo said in a statement filed with the PUC that, "Eligo would have argued at hearing, among other things, that its conduct here (i) was inadvertent and not intended to be misleading and deceptive; (ii) was immediately identified as improper and remediation and prophylactic measures were promptly instituted to minimize – if not eliminate – the likelihood of this situation from reoccurring; and (iii) any civil penalty imposed by the Commission should reflect these facts, the amount of customer savings, and other potential mitigation factors specified in the Commission's regulations at 52 Pa. Code Section 69.1201."

Docket No. M-2020-3019204

## ADVERTISEMENT

### [\*\*NEW Jobs on RetailEnergyJobs.com:\*\*](#)

- [\*\*NEW! -- Senior Energy Intelligence Analyst\*\*](#)
- [\*\*NEW! -- Energy Advisor\*\*](#)
- [\*\*NEW! -- Energy Operations Analyst -- Retail Supplier\*\*](#)
- [\*\*NEW! -- New Product Strategy and Development Sr. Associate -- Retail Supplier -- DFW\*\*](#)
- [\*\*NEW! -- Sales Development Representative \(SDR\) --\*\*](#)

## Houston

- [\*\*NEW!\*\* -- Senior Analyst - Pricing & Structuring --](#)

## Retail Supplier -- Houston

- [\*\*NEW!\*\* -- Sr. Analyst, Structuring -- Retail Supplier](#)

- [\*\*NEW!\*\* -- Account Operations Manager -- Retail](#)

## Supplier

## Email This Story

## HOME

Copyright 2010-21 Energy Choice Matters. If you wish to share this story, please email or post the website link; unauthorized copying, retransmission, or republication prohibited.