

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

NOTICE OF PUBLIC INTEREST HEARING

FORMAL CASE NO. 1105, IN THE MATTER OF THE INVESTIGATION INTO THE BUSINESS AND SOLICITATION PRACTICES OF STARION ENERGY IN THE DISTRICT OF COLUMBIA

The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice, pursuant to Section 130.11 of the Commission’s Rules of Practice and Procedure, of a public interest hearing to consider the Settlement Agreement filed by the Office of the People’s Counsel and Starion Energy PA, Inc. (“Settling Parties”).¹ The public interest hearing will convene Thursday, January 9, 2014, at 11:15 a.m. in the Commission Hearing Room, 1333 H Street, N.W., East Tower, Suite 700, Washington, DC 20005.

BACKGROUND

On May 30, 2013, the Commission issued Order No. 17148, granting in part the petition of the Office of People’s Counsel (“OPC”) to open an investigation into the business and solicitation practices of retail energy suppliers.² On July 12, 2013, the Commission held a public hearing to gather information from consumers regarding the business and sales practices of retail energy suppliers, marketers and brokers serving residential and commercial electricity and natural gas customers in the District of Columbia (“District”).³ Twenty-two District consumers testified during the hearing, 21 of whom complained about allegedly unlawful, misleading, and deceptive sales practices of Starion Energy (“Starion”).

Following the public hearing, the Commission issued Order No. 17206, opening *Formal Case No. 1105*, to investigate the business practices of Starion and directed Starion to cease and desist any practices that violate the D.C. Code and the Commission’s rules regarding consumer protection standards applicable to energy suppliers.⁴ Additionally, the Commission set an evidentiary hearing for October 3, 2013, to consider OPC’s claims regarding Starion’s sales

¹ *Formal Case No. 1105, In the Matter of the Investigation into the Business and Solicitation Practices of Starion Energy in the District of Columbia* (“*Formal Case No. 1105*”), Joint Motion of Starion Energy and the Office of People’s Counsel (“Settling Parties”) for Approval of a Full and Unanimous Settlement Agreement, filed December 9, 2013 (“Joint Motion”); and *Formal Case No. 1105*, Starion Energy and the Office of People’s Counsel’s Unanimous Settlement Agreement and Voluntary Compliance Plan, filed December 9, 2013.

² *General Docket No. 117, In the Matter of the Petition of the Office of the People’s Counsel for an Investigation into the Business Practices of Alternative Energy Suppliers in the District of Columbia* (“*General Docket No. 117*”), Order No. 17148, ¶ 8, rel. May 30, 2013.

³ *General Docket No. 117 and Formal Case No. 1105*, Hearing Transcript, rel. July 16, 2013.

⁴ *Formal Case No. 1105*, Order No. 17206, ¶ 7, rel. July 30, 2013.

practices, and established a procedural schedule for resolving this matter.⁵ On August 29, 2013, in response to an unopposed motion filed by Starion,⁶ the Commission issued Order No. 17232 which amended the procedural schedule for resolving this matter and set a new date for the evidentiary hearing of November 14, 2013.⁷ On November 13, 2013, at the request of Starion and OPC, the Commission suspended the procedural schedule to allow the parties' time to finalize a settlement.⁸

PROPOSED SETTLEMENT AGREEMENT

According to the Settling Parties, the Settlement Agreement:

Sets for[th] a comprehensive plan that: (1) Ensures consumers who have submitted substantiated complaints against Starion related to slamming or misrepresentation are remediated; (2) sets forth an action plan going forward whereby the Settling Parties commit to working together and meeting on a quarterly basis for one year to evaluate and edit, as appropriate, the various marketing materials and processes to be implemented by Starion; and (3) Starion agrees to make a voluntary contribution of \$100,000 to the Utility Assistance Program of the Greater Washington Urban league to provide assistance to consumers in need.⁹

PUBLIC INTEREST HEARING

The purpose of this public interest hearing is to determine if the proposed Settlement Agreement is in the public interest pursuant to Section 130.11 of the Commission's Rules of Practice and Procedure.¹⁰ During the course of the hearing, the settling parties will present witnesses to testify regarding the proposed Settlement Agreement and Pepco, as the non-signatory party, will have an opportunity to cross-examine witnesses.¹¹

The hearing will be broadcast live on the Commission's website, www.dcpsc.org, and the video archived at http://www.dcpsc.org/public_meeting/index.asp.

⁵ *Formal Case No. 1105*, Order No. 17206, ¶¶ 7, 8, rel. July 30, 2013.

⁶ *Formal Case No. 1105*, Starion Energy PA, Inc. Motion to Amend Procedural, filed August 26, 2013 ("Starion's Motion").

⁷ *Formal Case No. 1105*, Order No. 17232, ¶ 6, rel. August 29, 2013.

⁸ *Formal Case No. 1105*, Order No. 17297, ¶ 8, rel. November 13, 2013. *See also*, *Formal Case No. 1105*, Joint Motion of Starion Energy PA, Inc. and the Office of the People's Counsel to suspend the current procedural schedule established by Order No. 17232, filed November 6, 2013 ("Joint Motion").

⁹ *Formal Case No. 1105*, Joint Motion at 3.

¹⁰ 15 DCMR § 130.11 (July 10, 1992).

¹¹ 15 DCMR § 130.12 (July 10, 1992).

ADDITIONAL INFORMATION

Copies of the proposed Settlement Agreement may be obtained by contacting the Office of the Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, N.W., West Tower, Suite 200, Washington, DC 20005 or by visiting the Commission's website at www.dcpssc.org. The proposed Settlement Agreement is located on the Commission's eDocket system in *Formal Case No. 1105*, item no. 37 or can be obtained online at http://www.dcpssc.org/edocket/docketsheets_pdf_FS.asp?caseno=FC1105&docketno=37&flag=D&show_result=Y.