

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., 2nd FLOOR, WEST TOWER
WASHINGTON, D.C. 20005**

CEASE AND DESIST ORDER

AND

ORDER CONVENING AN EVIDENTIARY HEARING

July 30, 2013

**FORMAL CASE NO. 1105, IN THE MATTER OF THE INVESTIGATION INTO THE
BUSINESS AND SOLICITATION PRACTICES OF STARION ENERGY IN THE
DISTRICT OF COLUMBIA, Order No. 17206**

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) directs Starion Energy (“Starion”) to cease and desist from all violations of the D.C. Code or the Commission’s rules regarding consumer protection standards applicable to energy suppliers. In addition, we shall convene an evidentiary hearing to consider the claims of the Office of the People’s Counsel (“OPC”) of allegedly unlawful acts and wrongdoing committed by Starion in its sales and customer solicitation practices. The hearing shall take place on October 3, 2013, in the Commission’s Hearing Room.

II. BACKGROUND

2. On May 30, 2013, the Commission issued Order No. 17148, granting in part OPC’s petition to open an investigation into the business and solicitation practices of Starion.¹ In Order No. 17148, the Commission directed Starion to submit responses to Commission queries regarding its customer solicitation practices and procedures, the nature of its relationship or affiliation with the Potomac Electric Power Company (“Pepco”), a listing of other states and jurisdictions where it is under investigation, and (if appropriate) an action or remedial plan. Starion filed its response on June 28, 2013.²

¹ *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, issued May 30, 2013.*

² *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”), Response of Starion Energy PA, Inc. in Compliance with Order No. 17148, filed June 28, 2013.*

3. On July 12, 2013, the Commission held a public hearing to gather information from consumers regarding the business and sales practices of alternative energy suppliers (“suppliers”).³ Twenty-two (22) District consumers testified during the hearing, and all but one complained about allegedly unlawful, misleading, and deceptive sales practices of Starion. The nature of complaints included allegations that Starion representatives falsely stated their affiliation with Pepco, and requested and acquired Pepco account numbers from potential customers in order to switch their accounts to Starion without express customer approval (commonly known as “Slamming”). Witnesses also testified that Starion representatives promised lower energy bills if they signed with Starion. Customers later realized that their bills were higher, not lower.

III. DISCUSSION

4. The information gathered by the Commission from Starion’s responses to the Commission’s questions posed in Order No. 17148 and from testimony during the informational hearing persuades us that Commission action is warranted. That action includes this Cease and Desist Order. We shall also convene an evidentiary hearing to determine whether and to what extent Starion may be in violation of the provisions in D.C. Code § 34-1507 (2001) and 15 DCMR § 327 (2008) concerning consumer protection. A market participant found, after notice and hearing, to be in violation of the statute or the Commission rules may be subject to the penalties outlined in D.C. Code § 34-1508 and 15 DCMR § 327.54, including the suspension or revocation of the supplier’s license and a fine of \$10,000 per violation. The Commission schedules this evidentiary hearing to take place in the Commission’s Hearing Room on October 3, 2013, at 10:00 a.m.

5. OPC and Starion may conduct discovery from August 9, 2013, to August 23, 2013, with final responses due September 9, 2013. OPC, as proponent of the investigation, shall submit a list of witnesses it proposes to testify at the hearing to the Commission and to Starion by September 20, 2013. If Starion intends to put on a case, it too shall submit a witness list by the same date. The parties may present written testimony and documentary evidence, including testimony and exhibits concerning Starion’s response to Order No. 17148. Witnesses shall testify under oath, and the parties shall have the right to examine and cross-examine witnesses. The hearing will be recorded and transcribed by a court reporter. Parties shall submit initial post-hearing briefs within 21 days from the date of the hearing and reply briefs 35 days from the date of the hearing.

6. To ensure that procedural issues do not impede parties’ hearing preparations, the Commission delegates to the General Counsel, for the purpose of this case, decisions regarding all procedural motions, such as motions for extension of time, motions to intervene, and motions for special appearance.

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

THEREFORE, IT IS ORDERED THAT:

7. Starion Energy is hereby **DIRECTED** to cease and desist from any activities in violation of D.C. Code § 34-1507 (2001) and 15 DCMR § 327 (2008);

8. On October 3, 2013, the Commission shall convene an evidentiary hearing to determine whether OPC's claims that Starion has committed unlawful, misleading, and deceptive sales and solicitation practices can be substantiated; and

9. For the purposes of this case, the Commission delegates to the General Counsel decisions regarding all procedural orders.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive style with a large initial 'B'.

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**