



STATE OF CONNECTICUT

## NEWS RELEASE

Consumer Counsel Elin Swanson Katz

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### **FOR IMMEDIATE RELEASE**

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### **STATE INVESTIGATION RAISES ALLEGATIONS OF DECEPTIVE MARKETING PRACTICES AGAINST ELECTRIC SUPPLIER PALMCO; CONSUMER COUNSEL ASKS PALMCO CUSTOMERS TO VOICE THEIR COMPLAINTS**

**NEW BRITAIN, Conn. (December 2, 2015)** – Consumer Counsel Elin Swanson Katz is advising Connecticut residents who are current or past customers of the third-party retail electric supplier Palmco Power CT, LLC (Palmco) that Palmco’s alleged deceptive marketing practices are being investigated by the Public Utilities Regulatory Authority (PURA), along with other terms of Palmco’s supplier license, and encouraging other Connecticut residents who believe they were affected by Palmco’s alleged overly aggressive solicitation tactics to participate in PURA Docket No. 10-01-24RE01, *Application of Palmco Power CT, LLC For An Electric Supplier License – Investigation of Marketing and Enrollment Practices*, in the ways specified below.

On April 16, 2015, PURA issued a [Cease and Desist Order](#) for Palmco’s door-to-door marketing practices, in response to [26 complaints](#) regarding Palmco’s door-to-door marketing practices since 2012, including two Eversource Energy (Eversource) customer complaints that Palmco agents misrepresented themselves as employees of Eversource, presented Palmco sales materials, and told customers that their electric service would be shut off if they did not sign contracts for service with Palmco.

“Palmco’s customers have complained of outrageous and intimidating marketing tactics by Palmco agents, including impersonating utility workers to gain access to customer bills, refusing to leave a resident’s home until she signed up with the company, and verbally abusing consumers with expletives while selling door-to-door,” said Consumer Counsel Katz. “Such tactics cannot be tolerated in Connecticut’s retail electric marketplace. I applaud PURA for opening Palmco’s licensing docket to examine the serious allegations against Palmco, which has an extensive record of complaints alleging consumer fraud and abuse here and in other states. Ironically, Palmco’s motto is ‘We treat you like family.’ This certainly isn’t how I’d want to be treated by my relatives.”

Similar allegations have been raised in other states. Palmco and its affiliates offer electric supply

service in New York, Illinois, Maryland, Massachusetts, New Jersey, Ohio, and Pennsylvania. Palmco and its affiliates have been or are being investigated in three out of their eight states of operation. In May 2014, the New Jersey Attorney General, the New Jersey Division of Consumer Affairs, and the New Jersey Board of Public Utilities filed a [lawsuit](#) against Palmco's New Jersey affiliates alleging similar overly aggressive sales tactics including utility company impersonation, slamming, and false promises of savings. That lawsuit is still pending. In addition, on April 20, 2011, the New York Attorney General announced a [settlement](#) with Palmco's New York affiliates, Columbia Utilities and Columbia Utilities Power LLC, under which the companies agreed to pay \$2 million to refund New York consumers; \$200,000 in state penalties; and an additional \$750,000 suspended penalty if the companies fail to comply with the settlement terms. The New York Attorney General found that the Palmco affiliates used deceptive marketing tactics to mislead thousands of New York residents, including allegations of utility company impersonation and false promises of savings.

In addition to the numerous complaints of abusive consumer practices in Connecticut, Palmco charges some of the highest electric rates in the Connecticut marketplace. In September 2015, Palmco charged 3,550 residential customers of Eversource and the United Illuminating Company (UI), approximately 90% of Palmco's customer base, a rate of 23.7 cents per kilowatt hour (cents/kWh). That is nearly three times the current standard service rate set through December 31, 2015: the standard service rate for Eversource customers is 8.2 cents/kWh, while the UI standard service rate is 9.12 cents/kWh. On average, Palmco customers of Eversource overpaid approximately \$116 in September as compared to what they would have paid on standard service. In aggregate, Palmco customers in Connecticut paid over \$412,000 more than the standard service rate for their electric generation in September alone.

**On December 15, 2015 at 9:00 a.m. and December 16, 2015 at 10:30 a.m.,** PURA will hold public hearings regarding Palmco's practices in Docket No. 10-01-24RE01 at its offices located at Ten Franklin Square, New Britain, Connecticut. Consumer Counsel Katz encourages Connecticut residents to provide public comment at the hearings regarding any experience they may have had with Palmco's alleged deceptive marketing practices. Those who are unable to attend the public hearings, but would like to provide written comments, may do so by filing a letter in either [electronic](#) or paper form with PURA's Executive Secretary at Ten Franklin Square, New Britain, Connecticut, or [PURA.ExecutiveSecretary@ct.gov](mailto:PURA.ExecutiveSecretary@ct.gov), or by calling 1-800-382-4586 (toll free within Connecticut); 1-860-827-2622 (outside Connecticut); or TDD 860-827-2837. Those submitting written comments should reference PURA Docket No. 10-01-24RE01. Questions about public or written comment, or about deceptive marketing practices, may be addressed to the Office of Consumer Counsel at 860-827-2900 or [occ.info@ct.gov](mailto:occ.info@ct.gov).

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*The Office of Consumer Counsel (OCC) is the State of Connecticut's advocate for consumers on issues relating to electricity, natural gas, water, and telecommunications. For more information, visit [www.ct.gov/occ](http://www.ct.gov/occ).*