

INVESTIGATION INTO TOWN
SQUARE ENERGY, LLC –
MARKETING

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DOCKET NO. 10-03-11RE03

JULY 28, 2021

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance (the “Assurance”) is provided to Michelle H. Seagull, Commissioner of the Department of Consumer Protection of the State of Connecticut (the “Commissioner” and the “Department” respectively), William Tong, Attorney General for the State of Connecticut (“AG”), the Office of Consumer Counsel (“OCC”), and the Public Utilities Regulatory Authority’s Office of Education, Outreach, and Enforcement (“EOE”), by Town Square Energy, LLC (“TSE”), pursuant to the provisions of the Connecticut Unfair Trade Practices Act (“CUTPA”), Conn. Gen. Stat. § 42-110b, *et seq.*, and more particularly Conn. Gen. Stat. § 42-110j.

I. BACKGROUND

1. The Commissioner has the authority to enforce CUTPA and to enter into this Assurance.
2. TSE is a limited liability company with a principal place of business at 3950 East Riggs Road, Suite 1, Chandler, Arizona 85249.
3. TSE is a Connecticut licensed competitive electricity supplier, marketing and selling residential and commercial electric supply to end users throughout the state.
4. On September 26, 2018, the Public Utilities Regulatory Authority (“PURA”) opened Docket No. 10-03-11RE03 to investigate a variety of customer complaints against TSE, including alleged marketing violations related to: a) unauthorized switching of customers; b) TSE employees misrepresenting potential savings; c) delaying

enrollments; d) TSE employees purporting to be representatives of Eversource Energy; and e) other violations of Conn. Gen. Stat. § 16-245o by making unfair, misleading, and deceptive misrepresentations in its marketing.

II. NON-ADMISSION

5. This Assurance operates to settle and resolve issues relating to PURA Docket No. 10-03-11RE03 in full and final settlement of all allegations and claims set forth in such investigation. TSE, without making any admission of wrongdoing, agrees to abide by the terms and conditions of this Assurance.

6. This Assurance is made without trial or adjudication of fact or law and neither the fact of, nor any provision contained in, this Assurance shall constitute, or be construed as an admission by TSE for any purpose, of any fact or of any violation of any state law, rule, or regulation. This Assurance does not constitute evidence of any liability, fault, or wrongdoing by TSE; or an approval, sanction, or authorization by the Department of any act or practice of TSE.

7. The effective date of this Assurance ("Effective Date") shall be the date that the Commissioner executes this Assurance, which shall be accomplished following PURA approval of this Assurance resolving claims raised by PURA and other parties in Docket 10-03-11RE03.

III. COMPLIANCE PROVISIONS

8. TSE shall comply with Conn. Gen. Stat. §§ 16-245 through 16-245u and PURA's May 6, 2020 Final Decision in Docket No. 14-07-20RE01, *PURA Development and Implementation of Marketing Standards and Sales Practices by Electric Suppliers – Revised Standards*, which promulgates standards relating to abusive switching practices,

solicitations and renewals by electric suppliers, the hiring and training of sales representatives, and door-to-door sales and telemarketing practices by electric suppliers, pursuant to Conn. Gen. Stat. § 16-245o(l)(2).

9. TSE shall comply with CUTPA and its related regulations.

10. TSE shall voluntarily cease all in-person marketing, including door-to-door and tabletop sales, for a period of fifteen (15) months after the Effective Date.

11. TSE shall file a Compliance and Monitoring Program with PURA for PURA's review and approval within ninety (90) days of the Effective Date. The Compliance and Monitoring Program shall describe TSE's proposed policies and procedures to ensure that it complies fully with PURA's Connecticut Electric Supplier Marketing Standards issued in a Decision dated May 6, 2020 in Docket No. 14-07-20RE01 ("PURA's Marketing Standards") and Conn. Gen. Stat. §§ 16-245 through 16-245u, when conducting telephonic (incoming and outgoing), door-to-door, and tabletop marketing as well as all other methods of marketing to Connecticut consumers. The Compliance and Monitoring Program shall also describe TSE's proposed procedures for marketing agent training, management, discipline, and quality control.

12. PURA may modify or revise TSE's proposed Compliance and Monitoring Program as it deems necessary to ensure consistency with Connecticut law. TSE shall adhere to any modifications or revisions that PURA may require in its final approval of TSE's Compliance and Monitoring Program.

13. For a period of two (2) years from the resumption of marketing with respect to in-person sales as defined in paragraph 10 hereof, and two years from the Effective Date for other TSE services subject to this Assurance, TSE shall provide public quarterly

reports in Docket No. 10-03-11RE03 not later than forty-five (45) days after the end of each quarter to PURA, EOE, OCC, and the AG either: (i) certifying that to the best of its knowledge and belief there have been no violations of the Compliance and Monitoring Program, this Assurance, PURA's Marketing Standards, and/or Conn. Gen. Stat. §§ 16-245 through 16-245u relating to the performance of its outbound and incoming telemarketing, door-to-door marketing, and tabletop marketing as well as all other methods of marketing to Connecticut consumers; or (ii) separately and specifically listing all violations of the Compliance and Monitoring Program, this Assurance, PURA's Marketing Standards, and/or Conn. Gen. Stat. §§ 16-245 through 16-245u relating to the performance of its outbound and incoming telemarketing, door-to-door marketing, and tabletop marketing as well as all other methods of marketing to Connecticut consumers within that quarter including a detailed description of each incident, the current state of the investigation, and the measures taken and proposed to remedy the violation and prevent recurrence. These two-year reporting requirements may be extended an additional year upon a finding by PURA of material non-compliance with the Compliance and Marketing Program.

14. For a period of two years from the resumption of marketing with respect to in-person sales as defined in paragraph 10 hereof, and two years from the Effective Date for other TSE services subject to this Assurance, PURA, EOE, OCC, or the AG shall have the right to request audio recordings of any of TSE's marketing solicitations and sales to Connecticut consumers for such applicable two year period for such services, at TSE's expense and, should PURA or the Commissioner of Consumer Protection find appropriate, written transcripts thereof. TSE shall use reasonable efforts to produce any

requests for audio recordings within fourteen days (14) and any requests for transcripts thereof within thirty (30) days, or as otherwise agreed to by the parties. Upon request of PURA or the Commissioner of Consumer Protection, TSE shall provide the dates, times, any third-party marketing company involved, and locations (for in-person marketing) at which it will or has conducted any form of marketing to Connecticut consumers within fourteen (14) days of such request.

15. While PURA, EOE, OCC, and the AG will not seek to impose future penalties on TSE for the alleged violations that are the subject of this Assurance, PURA may use the alleged violations that are the subject of this Assurance as evidence of past violations in any possible future actions brought against TSE only in assessing the penalty pursuant to Conn. Agencies Regs. § 16-245-6(3), which directs PURA to consider "[t]he number of past violations by the person charged" in determining the appropriate sanction for violation of any licensing requirement. For the sake of clarity, to the extent PURA seeks to use any alleged violation that is the subject of this Assurance as evidence of past violations in any future action, TSE retains all rights to respond to any such alleged violations and proffer evidence as to the number and extent of violations, all of which TSE expressly denies.

16. Nothing in this Assurance shall be construed to prohibit TSE from engaging in lawful business in Connecticut in compliance with this Assurance and all applicable Connecticut laws, nor shall this Assurance be construed as relieving TSE of the obligation to comply with all applicable Connecticut laws.

IV. PAYMENT TO OPERATION FUEL

17. Without any admissions of wrongdoing and without the Department making any findings of wrongdoing, TSE shall make a voluntary payment of four hundred thousand dollars (\$400,000.00) to Operation Fuel via electronic funds transfer within (30) days of the Effective Date and shall make a compliance filing in Docket No. 10-03-11RE03 showing receipt of such payment by Operation Fuel within three (3) business days of receiving the payment receipt therefrom. Upon electronic funds transfer, TSE shall directly inform Operation Fuel of the transfer by emailing the Director of Finance, Johanna Reyes, at finance@operationfuel.org, or other Operation Fuel designee.

V. GENERAL PROVISIONS

18. This Assurance shall not create any private rights or causes of action in any third parties. Nothing herein shall be construed as a general waiver of any private right, cause of action, or remedy of any private person against TSE. Similarly, nothing contained herein shall waive the right of TSE to assert any lawful defenses in response to a complaint or inquiry from any consumer or any other matter.

19. This Assurance is the final, complete, and exclusive agreement on the matters contained herein, and it supersedes, terminates, and replaces any and all previous negotiations and agreements, injunctions, orders, and instruments as may exist. No change or modification of this Assurance shall be valid unless in writing and signed by the Department and TSE. This Assurance shall neither create nor waive any private rights or remedies in any third parties nor shall it waive any rights, remedies, or defenses of TSE in respect to any third party. The Department and TSE shall each bear their own

costs in connection with the negotiation, execution, and implementation of this Assurance. If any of the substantive laws cited in this Assurance change due to amendment, repeal, or disposition by the legislature, an agency, or court where such change permits any action prohibited by any provision of this Assurance, that provision shall be deemed severed and of no further force or effect, and the remaining terms and conditions shall remain enforceable as if such provision had not been contained herein.

20. This Assurance shall not become part of the official record unless and until it is accepted by the Commissioner.

21. This Assurance shall become binding after PURA approval of this Assurance as a full resolution of the issues presented in PURA Docket No. 10-03-11RE03, and upon acceptance and approval by the Commissioner.

22. Except as expressly set forth herein, the acceptance of this Assurance shall not be deemed in any way to waive the right of the Commissioner to take any and all appropriate action pursuant to his/her powers under CUTPA and more particularly Conn. Gen. Stat. § 42-110j.

23. The Parties further agree that:

- a. The record of this proceeding provides sufficient evidence on which PURA can rely to determine the Assurance is reasonable and in the public interest;
- b. The Parties waive the right to submit briefs prior to PURA approving this Assurance;
- c. The Parties shall support the Assurance before PURA or any other public forum and any court to which appeal shall be taken, shall do nothing to undermine the integrity of the Assurance, and shall take all such action(s)


necessary to secure the approval and implementation of the provisions of this Assurance; and

- d. The discussions that produced this Assurance were conducted with the understanding that all offers of settlement and discussions relating thereto are and shall remain privileged and confidential.

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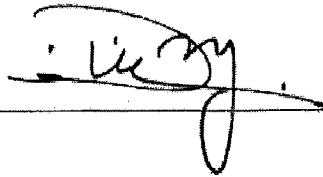
Town Square Energy, LLC

Dated: 7/26/21

By: 
Name: Alan Schwab
Title: President

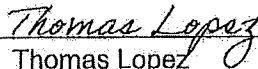
William Tong
Attorney General

Dated: 7/27/2021

By: 

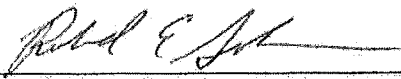
Office of Education, Outreach, and
Enforcement

Dated: 7/26/2021

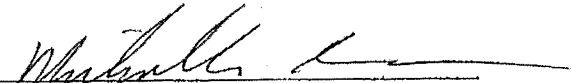
By: 
Name: Thomas Lopez
Title: Director

Office of Consumer Counsel

Dated: 7/27/2021

By: 
Name: Richard E. Sobolewski
Title: Acting Consumer Counsel

Accepted and approved this 28th day of July, 2021.



Michelle H. Seagull
Commissioner