



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

January 30, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement v.
Verde Energy USA, Inc.
Docket No. C-2020-
Formal Complaint (Non-Proprietary Version)

Dear Secretary Chiavetta:

Enclosed for electronic filing is the **Formal Complaint (Non-Proprietary Version)** of the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission in the above-referenced matter. The exhibits have been omitted from this filing since they contain proprietary information.

Copies have been served on the parties of record in accordance with the Certificate of Service. If you have any questions, please do not hesitate to contact me.

Sincerely,

Kayla L. Rost
Prosecutor
Bureau of Investigation & Enforcement
PA Attorney ID No. 322768
(717) 787-1888
karost@pa.gov

KLR/jfm
Enclosure

cc: Per Certificate of Service
Daniel Mumford, Office of Competitive Market Oversight
Michael J. Shafer, Esq., PPL Electric Utilities Corporation

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement, :
Complainant :

v. :

Verde Energy USA, Inc. :
Respondent :

Docket No. C-2020-

FORMAL COMPLAINT

Non-Proprietary Version

Notice

A. You must file an Answer within 20 days of the date of service of this Complaint.

The date of service is the mailing date as indicated at the top of the Secretarial Letter. *See* 52 Pa. Code § 1.56(a). The Answer must raise all factual and legal arguments that you wish to claim in your defense, include the docket number of this Complaint, and be verified. You may file your Answer by mailing an original to:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Or, you may eFile your Answer using the Commission's website at www.puc.pa.gov. The link to eFiling is located under the Filing & Resources tab on the homepage. If your Answer is 250 pages or less, you are not required to file a paper copy. If your Answer exceeds 250 pages, you must file a paper copy with the Secretary's Bureau.

Additionally, please serve a copy on:

Kayla L. Rost, Prosecutor
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
karost@pa.gov

- B. If you fail to Answer this Complaint within 20 days, the Bureau of Investigation and Enforcement will request that the Commission issue an Order imposing the request relief.
- C. You may elect not to contest this Complaint by paying the civil penalty within 20 days. Send only a certified check or money order made payable to the "Commonwealth of Pennsylvania," with the docket number indicated, and mailed to:
- Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
- D. If you file an Answer which either admits or fails to deny the allegations of the Complaint, the Bureau of Investigation and Enforcement will request that Commission to issue an Order imposing the requested relief set forth in this Complaint.
- E. If you file an Answer which contests the Complaint, the matter will be assigned to an Administrative Law Judge for hearing and decision. The Judge is not bound by the penalty set forth in the Complaint and may impose additional and/or alternative penalties as appropriate.
- F. If you are a corporation, you must be represented by legal counsel. *See* 52 Pa. Code § 1.21.
- G. Alternative formats of this material are available for persons with disabilities by contacting the Commission's ADA Coordinator at 717-787-8714.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2020-
	:	
Verde Energy USA, Inc.	:	
Respondent	:	

FORMAL COMPLAINT

(Non-Proprietary Version)

NOW COMES the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement (“I&E”), by its prosecuting attorneys, pursuant to Section 701 of the Public Utility Code, 66 Pa.C.S. § 701, and files this Formal Complaint against Verde Energy USA, Inc. (“Verde” or “Company” or “Respondent”), alleging violations of the Public Utility Code and/or Pennsylvania Code. In support of its Formal Complaint, I&E respectfully represents the following:

I. Commission Jurisdiction and Authority

1. The Pennsylvania Public Utility Commission (“Commission”), with a mailing address of the Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120, is a duly constituted agency of the Commonwealth of Pennsylvania empowered to regulate public utilities within the Commonwealth pursuant to the Public Utility Code, 66 Pa.C.S. §§ 101, *et seq.*
2. The Commission has delegated its authority to initiate proceedings that are prosecutory in nature to I&E and other bureaus with enforcement

responsibilities. *Delegation of Prosecutory Authority to Bureaus with Enforcement Responsibilities*, Docket No. M-00940593 (Order entered September 2, 1994), as amended by Act 129 of 2008, 66 Pa.C.S. § 308.2(a)(11). Complainant's attorneys are as follows:

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(717) 787-1888
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Matthew C. Fallings
Prosecutor
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3. Respondent is Verde Energy USA, Inc. which maintains a business address of 12140 Wickchester Lane, Suite 100, Houston, TX 77079.
4. Verde is a jurisdictional electric generation supplier ("EGS")¹ licensed by the Commission at Docket No. A-2010-2151038 to operate in the Pennsylvania electric distribution company ("EDC") service territories of Allegheny Power ("West Penn Power Company"), Duquesne Light

¹ "Electric generation supplier" is defined in Section 2803 of the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801-2812 ("Competition Act"); *see also*, 52 Pa. Code § 57.171.

Company (“Duquesne Light”), Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, PECO Energy Company (“PECO”), PPL Electric Utilities, Inc. (“PPL”), and UGI Utilities, Inc.

5. Verde, as an EGS in Pennsylvania, is a public utility as defined by Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, only for the limited purposes as described in Sections 2809 and 2810 of the Competition Act, 66 Pa.C.S. §§ 2809-2810.
6. Verde, as a provider of electric generation service for compensation, is subject to the power and authority of the Commission and must observe, obey, and comply with the Commission’s regulations and orders pursuant to Section 501(c) of the Public Utility Code, 66 Pa.C.S. § 501(c).
7. Pursuant to the provisions of the applicable Commonwealth statutes and regulations, the Commission has jurisdiction over the subject matter and the actions of Verde in its capacity as an EGS serving consumers in Pennsylvania.
8. Section 501(a) of the Code, 66 Pa.C.S. § 501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Code.
9. Section 3301 of the Code, 66 Pa.C.S. § 3301, authorizes the Commission to impose civil penalties on any public utility or on any other person or corporation subject to the Commission’s authority for violations of the Code or Commission regulations or both. Section 3301 further allows for

the imposition of a separate fine of up to \$1,000.00 for each violation and for each day's continuance of such violation(s).

10. Section 54.42 of the Commission's regulations, 52 Pa. Code § 54.42(a)(7)-(9), authorizes the Commission to impose fines and/or suspend or revoke an EGS's license for violation of applicable provisions of the code, violation of Pennsylvania consumer protection law, and/or the transfer of a customer without the customer's consent.
11. Section 111.3 of the Commission's regulations, 52 Pa. Code § 111.3, provides that an EGS is responsible for fraudulent, deceptive, or other unlawful marketing acts performed by its agent.

II. Background

12. From February 2017 to present, Verde, and/or a third-party marketing agent acting on Verde's behalf, has conducted deceptive and misleading sales tactics, enrolled customers without authorization (i.e., slamming) and accessed customer accounts without authorization while participating in Pennsylvania's competitive supplier retail market.
13. On or about June 12, 2019, the Commission's Office of Competitive Market Oversight ("OCMO") held its routine monthly phone call with PPL. PPL alerted OCMO to its concerns of Verde's deceptive marketing practices and unauthorized account access and enrollment within PPL's service territory.

14. Of grave concern, PPL alerted OCMO to Verde's potential use of the Eligible Customer List to employ deceptive practices and access approximately 4,000 customer accounts on PPL's website without the customer's knowledge or authorization.
15. Pursuant to Sections 802 and 1307 of the Commission's Procedures Manual, OCMO brought PPL's concerns to I&E's attention for review and investigation.
16. I&E initiated an informal investigation of Verde on September 9, 2019, as a result of information provided by OCMO relating to allegations of deceptive and misleading telemarketing practices, deceptive and misleading door-to-door sales, unauthorized account access, and unauthorized enrollment.
17. As part of the investigation, I&E served two (2) sets of I&E data requests to Verde on September 9, 2019 and December 4, 2019, respectively.
18. Additionally, I&E served a data request letter to PPL on September 18, 2019.
19. After reviewing both data requests responses, I&E determined that the issues identified in PPL's responses were much broader and encompassed more customers than the responses provided by Verde.
20. Notably, in its response, PPL identified and provided 339 customer accounts that revealed deceptive or unauthorized behavior by Verde.

21. Of the 339 customer accounts affected/impacted by Verde's deceptive conduct, forty-one (41) identified as senior citizens, three (3) of the customers were deceased, twelve (12) of customers identified as infirmed/disabled or unwell, and at least twelve (12) of the customers alleged that Verde refused to cancel enrollments once the customer complained or brought the deceptive acts to its attention.²
22. The allegations set forth below are the result of I&E's investigation.

III. Misleading and Deceptive Telemarketing Conduct

23. The foregoing paragraphs are incorporated herein.
24. Of the referenced 339 consumer complaints against Verde received by PPL, 288 or 85% of the complaints alleged that Verde conducted misleading and deceptive telemarketing conduct.
25. The 288 telemarketing complaints alleged an average of five (5) regulations and/or code sections violated per customer account.
26. The misleading and deceptive telemarketing conduct includes but is not limited to:
- a) The Verde agent or agents failed to identify themselves, identify the supplier he or she represents, and failed to provide the reason for the phone call upon first contact.
 - b) The Verde agent or agents misrepresented themselves as PPL or other electric generation suppliers.

² I&E notes that not every customer provided identifying information as to age, social status, or capability in their complaint.

- c) The Verde agent or agents misrepresented a relationship with PPL or other electric generation suppliers that does not exist, such as:
 - i) Representing that Verde is affiliated or a part of PPL; or
 - ii) Representing that Verde is affiliated with or a part of other, unrelated electric generation suppliers.
- d) The Verde agent or agents provided false or misleading information as to the status of the customer's current electric generation supplier, such as:
 - i) Representing that the customer's current electric generation supplier was going out of business, bankrupt, or not providing services in Pennsylvania; or
 - ii) Representing that the customer's current electric generation supplier was bought out or merged with Verde.
- e) The Verde agent or agents provided false and misleading information as to the customer's current status with other electric generation suppliers by providing incorrect contract or rate information, misrepresenting that the customer's current electric generation supplier was overcharging the customer, or stating that a cancellation fee is illegal.
- f) The Verde agent or agents provided false and misleading representations of rates.

- g) The Verde agent or agents provided false and misleading representations of savings.
- h) The Verde agent or agents provided false and misleading representations of the charges incurred by the customer. The misrepresentations included stating that Verde's rate contained all charges including the distribution charge or stating that some of the charges, such as the distribution or customer charge, are illegal.
- i) The Verde agent or agents threatened to disconnect the customer's services.
- j) The Verde agent or agents spoofed PPL's or other local phone numbers.
- k) The Verde agent or agents made misrepresentations suggesting that the customer is required to switch or choose Verde.
- l) The Verde agent or agents misrepresented that Verde is a discount program.

IV. Misleading and Deceptive Door-to-Door Sales Conduct

- 27. The foregoing paragraphs are incorporated herein.
- 28. Verde did not provide notice to the local distribution company with general, non-proprietary information about door-to-door sales and marketing activity pursuant to 52 Pa. Code § 111.14(b). Specifically, Verde failed to provide notice to PPL for the periods of June 1, 2019 through June 30,

2019; July 1, 2019 through July 31, 2019; and August 1, 2019 through August 31, 2019.

29. Of the referenced 339 consumer complaints against Verde received by PPL, 39 of the complaints indicated that Verde conducted misleading and deceptive door-to-door sales conduct.
30. The 39 door-to-door complaints alleged an average of six (6) regulations and/or code sections violated per customer account.
31. The misleading and deceptive door-to-door sales conduct includes but is not limited to:
 - a) The Verde agent or agents did not identify themselves nor their representation of Verde upon first contact.
 - b) The Verde agent or agents misrepresented themselves as PPL representatives, employees, personnel, or as being from PPL. Some customers alleged that the Verde agent wore clothing with the PPL logo or provided documentation with the PPL logo.
 - c) The Verde agent or agents suggested a relationship with PPL that does not exist, such as misrepresenting that Verde is affiliated or a part of PPL.
 - d) The Verde agent or agents provided false or misleading information as to the status of the customer's current electric generation supplier, stating that Verde acquired or merged with the electric supplier.

- e) The Verde agent or agents made misrepresentations suggesting that the customer is required to switch or choose Verde.
- f) The Verde agent or agents provided false and misleading representations of rates.
- g) The Verde agent or agents provided false and misleading representations of savings and/or rebates.
- h) The Verde agent or agents refused to leave the customer's premises after the customer expressed no interest in the service.
- i) The Verde agent or agents failed to terminate contact with a potential customer after being informed of a language barrier and the customer's inability to understand and respond to the information.
- j) The Verde agent or agents used deceptive tactics to contact and solicit the customer. Examples include representing that the agent was sent or contracted by PPL to check the meters or was checking the customer's rate/bill to ensure the customer was not being overcharged.

V. Slamming/Unauthorized Switch

- 32. The foregoing paragraphs are incorporated herein.
- 33. Of the referenced 339 consumer complaints against Verde received by PPL, 179 or 52% of the complaints indicated that Verde processed and

completed an unauthorized switch by slamming or upon false information.³

34. Eighty-three (83) of the complaints received by PPL relate to allegations of an unauthorized switch or slamming.

35. Ninety-six (96) of the complaints relate to allegations that the deceptive conduct and representation of the Verde agent resulted in the unauthorized switch or switch based upon false information.

36. Of grave concern, three (3) of the unauthorized switches involved Verde enrolling a customer who was deceased.

VI. Releasing Private Customer Information/Unauthorized Account Access

37. The foregoing paragraphs are incorporated herein.

38. Of the referenced 339 consumer complaints against Verde received by PPL, 29 of the complaints indicated that Verde released private customer information to a third party.

39. Of the referenced 339 consumer complaints against Verde received by PPL, 16 of the complaints indicated that Verde used private customer information to falsely report a power outage or falsely submit a disconnection of service request.

40. In addition to complaints received by customers, PPL identified 3,922 incidents where a Verde agent either attempted to or successfully accessed online customer accounts without the customer's consent or authorization.

³ It should be noted that while 177 customer accounts are identified in Propriety Exhibit A, two (2) accounts alleged that Verde completed an unauthorized switched on two (2) separate occasions, thus resulting in 179 total complaints.

VII. Failure to Maintain Verification Records

41. On December 4, 2019, I&E issued a letter advising Verde of the investigation and requesting information, hereinafter label “I&E’s Data Requests-Set II letter.”
42. In I&E’s Data Requests-Set II- Questions 12 and 13, I&E requested the record of verification for a list of customer accounts who were enrolled with Verde.
43. In its response, Verde admitted it could not produce the record of verification for five (5) customer accounts.

VIII. Violations

44. I&E identified 179 incidents where customers alleged slamming or an unauthorized switch in violation of 52 Pa. Code § 54.42(a)(9), 52 Pa Code §§ 57.171-57.180, and 52 Pa. Code § 111.7. See Proprietary Exhibit A for the affected customer accounts. The Commission has a zero-tolerance policy for slamming. *See, e.g., Pa. PUC v. Energy Services Providers, Inc. d/b/a Pennsylvania Gas & Electric, et al.*, Docket No. M-2013-2325122 (Order entered October 2, 2014); *Pa. PUC v. MXenergy Electric Inc.*, Docket No. M-2012-2201861 (Order entered December 5, 2013); *Pa. PUC v. AP Gas & Electric (PA), LLC, d/b/a APG&E*, Docket No. M-2013-2311811 (Order entered October 17, 2013); and *Pa. PUC v. IDT Energy, Inc.*, Docket No. M-2013-2314312 (Order entered October 17, 2013). I&E

proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$179,000.00.

45. I&E identified 35 incidents where Verde representatives released private customer information to a third party in violation of 52 Pa. Code § 54.8(a). See Proprietary Exhibit B for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$35,000.00.
46. I&E identified 91 days where Verde conducted door-to-door sales and marketing activity without providing notice to the local distribution company in violation of 52 Pa. Code § 111.14(b). See Proprietary Exhibit C. I&E proposes a civil penalty of \$1,000.00 per day, resulting in a civil penalty of \$91,000.00.
47. I&E identified 29 incidents where Verde representatives failed to prominently display an identification badge in violation of 52 Pa. Code § 111.9(c). See Proprietary Exhibit D for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$29,000.00.
48. I&E identified 29 incidents where Verde representatives failed to prominently display an identification badge in violation of 52 Pa. Code § 111.8(a)(4). See Proprietary Exhibit E for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$29,000.00.

49. I&E identified 6 incidents where Verde representatives wore apparel or carried items displaying the branding elements or logo of the local distribution company in violation of 52 Pa. Code § 111.8(c). See Proprietary Exhibit F for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$6,000.00.
50. I&E identified 66 incidents where Verde representatives failed to immediately identify themselves, the supplier the agent represents, the reason for the visit, and the fact that the agent is not working for the local EDC in violation of 52 Pa. Code § 111.9(d). See Proprietary Exhibit G for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$66,000.00.
51. I&E identified 2 incidents where Verde representatives failed to terminate contact with a potential customer after being informed of a language barrier and the customer's inability to understand and respond to the information in violation of 52 Pa. Code § 111.9(e). See Proprietary Exhibit H for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$2,000.00.
52. I&E identified 4 incidents where the customer informed the Verde agent that he or she was not interested in the service or requested that the agent leave the residence, but the agent did not terminate contact in violation of 52 Pa. Code § 111.9(g). See Proprietary Exhibit I for the affected customer

accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$4,000.00.

53. I&E identified 244 incidents where Verde failed to comply with the regulations governing marketing, consumer protection, and door-to-door sales in violation of 52 Pa. Code § 111.9(b). See Proprietary Exhibit J for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$244,000.00.
54. I&E identified 315 incidents where Verde representatives failed to identify the supplier he/she represents and/or failed to state that he or she is not working for and is independent of the local distribution company or other supplier in violation of 52 Pa. Code § 111.8(b). See Proprietary Exhibit K for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$315,000.00.
55. I&E identified 68 incidents where Verde representatives said or suggested that a customer is required to choose a supplier, such as threatening to disconnect service if the customer did not switch or providing false information relating to the current supplier to suggest that the customer must switch, in violation of 52 Pa. Code § 111.8(f). See Proprietary Exhibit L for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$68,000.00.
56. I&E identified 310 incidents where Verde representatives violated 52 Pa. Code § 111.10(b) by

- a) Failing to identify themselves;
- b) Failing to identify the supplier the agent represents and the reason for the call;
- c) Failing to state that the agent is not working for and is independent of the local distribution company or another supplier; and/or
- d) Stating or suggesting that the customer is required to choose a competitive energy supplier.

See Proprietary Exhibit M for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$310,000.00.

- 57. I&E identified 1,422 incidents where Verde failed to comply with the regulations governing marketing, consumer protection, and telemarketing sales in violation of 52 Pa. Code § 111.10(a). See Proprietary Exhibit N for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$1,422,000.00.
- 58. I&E identified 763 incidents where Verde representatives engaged in misleading and deceptive conduct in violation of 52 Pa. Code § 111.12(d)(1) (prohibiting suppliers from engaging in misleading or deceptive conduct as defined by state or federal law, or by Commission

rule, regulation, or order).⁴ See Proprietary Exhibit O for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$763,000.00.

59. I&E identified 755 incidents where Verde made false and misleading representations, including rates and savings, in violation of 52 Pa. Code § 111.12(d)(2). See Proprietary Exhibit P for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$755,000.00.
60. I&E identified 588 incidents where Verde representative engaged in false or deceptive advertising to customers to the retail supply of electricity in violation of 52 Pa. Code § 54.122(3). See Proprietary Exhibit Q for the affected customer accounts. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$588,000.00.
61. I&E identified 3,922 incidents where Verde representatives failed to maintain the confidentiality of customers' personal information by utilizing personal customer information to access or create the customer's online account without consent or authorization in violation of 52 Pa. Code §

⁴ Consumer Protection Law prohibits fraudulent or deceptive conduct which creates a likelihood of confusion or misunderstanding. 73 P.S. § 201-2(4)(ii), (iii), (v), (viii), (xi), (xvii), and (xxi). The Telemarketer Registration Act prohibits a telemarketer from initiating a telephone call to a person who previously stated that the person does not wish to receive the call. 73 P.S. § 2245(a)(2). The Telemarketer Registration Act also requires that telemarketers disclose the purpose of the call, the name of the telemarketer, the name of the business, and the nature of what the business is selling. 73 P.S. § 2245(a)(5). Federal law prohibits the transmission of inaccurate or misleading caller identification information, i.e., spoofing. 47 U.S.C. § 227(e); 47 C.F.R. § 64.1200; and 47 C.F.R. § 64.1604.

54.43(1)(d). I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$3,922,000.00.

62. I&E identified 5 incidents where Verde failed to maintain a record of verification in violation of 52 Pa. Code § 111.7(b)(4) and 52 Pa. Code § 111.13(b). See Proprietary Exhibit R for the customer accounts and dates of enrollment. I&E proposes a civil penalty of \$1,000.00 per incident, resulting in a civil penalty of \$5,000.00.

IX. Requested Relief

63. I&E seeks a civil penalty of \$1,000.00 for every violation identified above, resulting in a total civil penalty of \$8,833,000.00.
64. In addition to this monetary civil penalty, as a result of the egregious behavior described herein and in the best interest of the consumers of this Commonwealth, I&E seeks the revocation of Verde's license to provide electric generation services in Pennsylvania for failing to follow the principles of 52 Pa. Code § 54.43, violating multifarious applicable provisions of the Public Utility Code, violating the Pennsylvania consumer protection law, and transferring customer accounts without the customer's consent, i.e., slamming. *See* 52 Pa. Code § 54.42(a)(6)-(9).
65. Moreover, I&E proposes that Verde provide a refund for any bills rendered during the first two billing periods to any customer whose supplier was changed to Verde without the consent of the customer pursuant to 52 Pa. Code § 57.177(b).

66. I&E proposes that Verde reimburse any customer who was charged a cancellation fee from their prior supplier as a result of an unauthorized switch pursuant to 52 Pa. Code § 57.177(c).

WHEREFORE, the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement hereby requests that the Commission: (1) find Verde Energy USA, Inc. to be in violation of the Public Utility Code for each violation set forth herein; (2) impose a cumulative civil penalty upon Verde in the amount of \$8,833,000.00; (3) revoke Verde's license to provide electric generation services in Pennsylvania; and (4) order other such remedies as the Commission may deem appropriate.

Respectfully,

A handwritten signature in black ink that reads "Kayla L. Rost". The signature is written in a cursive, flowing style.

Kayla L. Rost
Prosecutor
PA Attorney ID No. 322768

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
(717) 787-1888
karost@pa.gov

Dated: January 30, 2020

Proprietary Exhibit A

(Omitted - Proprietary)

Proprietary

Exhibit B

(Omitted - Proprietary)

Proprietary Exhibit C

(Omitted - Proprietary)

Proprietary Exhibit D

(Omitted - Proprietary)

Proprietary

Exhibit E

(Omitted - Proprietary)

Proprietary

Exhibit F

(Omitted - Proprietary)

Proprietary Exhibit G

(Omitted - Proprietary)

Proprietary

Exhibit H

(Omitted - Proprietary)

Proprietary

Exhibit I

(Omitted - Proprietary)

Proprietary Exhibit J

(Omitted - Proprietary)

Proprietary Exhibit K

(Omitted - Proprietary)

Proprietary Exhibit L

(Omitted - Proprietary)

Proprietary Exhibit M

(Omitted - Proprietary)

Proprietary

Exhibit N

(Omitted - Proprietary)

Proprietary Exhibit O

(Omitted - Proprietary)

Proprietary Exhibit P

(Omitted - Proprietary)

Proprietary Exhibit Q

(Omitted - Proprietary)

Proprietary Exhibit R

(Omitted - Proprietary)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement,
Complainant

v.

Verde Energy USA, Inc.
Respondent

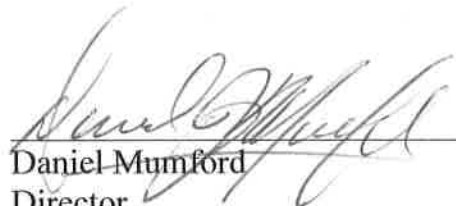
Docket No. C-2020-

VERIFICATION

I, Daniel Mumford, Director, Office of Competitive Market Oversight, hereby state that the facts above set forth are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date:

1/30/20



Daniel Mumford
Director
Office of Competitive Market Oversight
Pennsylvania Public Utility Commission
400 North Street
3rd Floor, North
Harrisburg, PA 17120

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement,
Complainant

v.

Verde Energy USA, Inc.
Respondent

Docket No. C-2020-

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **Formal Complaint (Non-Proprietary Version)** dated January 30, 2020, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

Served by Certified Mail

Nathan Kroeker
President, Chief Executive Officer
Verde Energy USA, Inc.
12140 Wickchester Lane
Suite 100
Houston, TX 77079

Served by Certified Mail and Electronic Mail

Michael A. Gruin, Esq.
Timothy K. McHugh, Esq.
Stevens & Lee
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