

STATE OF NEW YORK

Public Service Commission

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COMMISSION CRACKS DOWN ON ENERGY MARKETER

— Strong Steps Taken to Protect Consumers From “Slamming” —

Albany, NY—08/15/13—The New York State Public Service Commission (Commission) today warned energy service company Buy Energy Direct LLC that it may revoke the company’s eligibility to serve consumers in New York State. A Commission investigation determined that Buy Energy, which primarily serves the New York metropolitan market, appears to have engaged in misleading marketing practices, including “slamming,” and that its sales representatives may have misrepresented their identity to gain customers.

“Over a period of six months, we have received dozens of complaints against this company,” said Commission Chairman Garry Brown. “As a result of the complaints, Commission staff took immediate action and directed Buy Energy to change its marketing practices. However, it has been determined that the company continues to exhibit a pattern of marketing that includes misrepresentations and unauthorized account transfers. Therefore, we are left with no choice but to require the company to tell us why its eligibility to sell energy in New York should not be revoked.”

The majority of the complaints received by the Commission were from customers who stated they had not intended to become a Buy Energy customer. Upon review of the complaints, it appeared that Buy Energy’s marketers had engaged in misleading marketing practices or that representatives had misrepresented their identity in attempting to enroll customers without authorization, a process known as “slamming”. In addition to the 21 complaints received by the

Commission, Consolidated Edison Company of New York, Inc. received 48 allegations of unauthorized switches by Buy Energy during the month of April 2013 alone.

In 2009, Commission staff deemed Buy Energy eligible to serve as an energy service company, or ESCO. Buy Energy serves customers in the service territories of Con Edison and Brooklyn Union Gas Company. The majority of electric customers are in Con Edison's territory and the majority of gas customers are in Brooklyn Union's service territory.

In reviewing the slamming complaints, staff also discovered that not only did it appear Buy Energy had switched customers to Buy Energy without explicit permission to do so, but in at least one complaint the marketer claimed he was from the Consolidated Edison's tax rebate department. Commission rules prohibits such a misrepresentation.

With the Commission's decision today, the company has seven days from the issuance of the final order to demonstrate why its eligibility to offer services as an energy service company in the New York should not be revoked or, in the alternative, have other consequences, imposed upon it.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 13-M-0331 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.