

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn

James.denn@dps.ny.gov | 518.474.7080

<http://www.dps.ny.gov>

<http://twitter.com/NYS DPS>

13022/13-M-0139; 13-E-0062

PSC ACTS ON ENERGY SERVICE COMPANY COMPLAINTS

— **Another ESCO Scrutinized; Liberty Power Door-to-Door Sales Suspended** —

Albany, NY—04/18/13—The New York State Public Service Commission (Commission) today directed Family Energy, Inc. to show why the Commission should not revoke the company’s eligibility to enroll new customers or to offer services as an energy services company in New York given the company’s pattern of apparent marketing violations and numerous customer complaints. Family Energy operates mainly in the New York City energy market.

“While we facilitate retail competition in the energy business, energy service companies that violate marketing standards that we’ve established to ensure consumers are treated fairly and reasonably will be held accountable for their actions,” said Commission Chairman Garry Brown.

Last year, Commission staff received 93 initial customer complaints against Family Energy, as compared to 40 in 2011. The majority of complaints against the company involved misleading marketing practices and sales representatives misrepresenting their identity. Although all of these complaints were eventually resolved, upon further investigation it appears the company’s marketing representatives continued to violate the Commission’s Uniform Business Practices (UBP), despite committing to several corrective actions.

The Commission first adopted the UBP in 1999 and added marketing standards to the UBP in 2008. Energy service companies (ESCOs) are required to comply with the UBP to sell natural gas and electric service in New York. The UBP includes the basis upon which the Commission would revoke an ESCO’s eligibility to serve customers in New York.

Family Energy has been eligible to serve residential and non-residential natural gas customers across the state since June 2009. The majority of its customers are residential and are located in the territories of Consolidated Edison Company of New York, Inc. and National Grid USA's KeySpan Energy Delivery New York.

Within seven days of the issuance of the Commission's order, Family Energy must explain why it should not be prevented from enrolling new customers until the Commission decides otherwise. Further, Family Energy must, within 14 days of the order, show why its eligibility to act as an ESCO in New York should not be revoked or, alternatively, why the Commission should not impose other consequences.

Meanwhile, in separate action today, the Commission directed Liberty Power Holdings LLC, an energy service company operating mostly downstate, to suspend all door-to-door sales pending the development of longer-term solutions to address its marketing problems.

This action is the result of a March 14, 2013 Commission order directing Liberty to show cause why its eligibility to enroll new customers should not be suspended or why its eligibility to provide ESCO services in the State should not be revoked or other consequences imposed. On March 20, 2013 and April 4, 2013, Liberty notified the Commission of marketing practice changes it had implemented, and it addressed why its eligibility should not be revoked.

Liberty serves customers in the service territories of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange & Rockland Utilities, Inc., and Rochester Gas & Electric Corporation. The majority of its customers are in Con Edison's territory.

The Commission's decisions 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-0139 for Family Energy or 13-E-0062 for Liberty Power 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.