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Penalty Issued Against Retail Supplier in Case Brought by Office of People's Counsel

BALTIMORE – SunSea Energy, a retail energy supplier that deceptively enrolled more than 1,200 Maryland consumers and charged them excessive rates, must pay a civil penalty of \$400,000 but can continue to operate, the Public Service Commission ruled last week.

The Office of People's Counsel brought the case against SunSea after it attempted to enroll a member of OPC's staff by telephone, using false information and pretending to be calling on behalf of the staff member's utility. OPC investigated and learned that SunSea's deceptive sales practices were widespread. OPC had requested a fine of \$1.5 million and asked the Commission to revoke the supplier's license to sell in Maryland.

"This civil penalty vindicates our complaint against SunSea," said People's Counsel David S. Lapp. "But it falls short of the penalty we think the Commission should have ordered. And, unfortunately, the company will continue to operate in Maryland even though it engaged in numerous violations over the short time it has operated in Maryland."

At a hearing in October 2020, OPC presented evidence of SunSea's extensive violations of state consumer protection laws and regulations. The evidence included multiple sales calls to an OPC staff member. Although the company promised substantial savings, it actually charged an initial rate of almost 13 cents/kwh, substantially higher than the standard rate of less than 8 cents/kwh. The evidence showed that the deceptive sales practices were part of a pattern that affected all of SunSea's customers.

After the hearing, the Commission found numerous law violations, prohibited SunSea from further marketing, ordered all its customers disenrolled, and directed the company to issue partial refunds to all its customers. The Commission delayed deciding on a civil penalty and on license revocation pending SunSea's compliance with the refund and other orders.

SunSea largely complied with the Commission's orders, issuing tens of thousands of dollars in refunds to its customers. As a result of its compliance, OPC lowered its suggested civil penalty of \$2.5 million by \$1 million, to a total fine of \$1.5 million. Because the company's deceptive sales practices were so extensive, OPC recommended revoking SunSea's license to sell in the State. But the Commission ruled against OPC's recommendation. In contrast, the New York Public Service Commission in May revoked SunSea's ability to serve New York customers due to its deceptive marketing practices there.

"Retail suppliers engaged in these deceptive marketing practices need to hear the message that their conduct will not be permitted in Maryland," Lapp said. "Such practices should not be tolerated. The Commission should issue tougher penalties to deter future violators."

The Maryland Office of People's Counsel is an independent state agency that represents Maryland's residential consumers of electric, natural gas, telecommunications, private water and certain transportation matters before the Public Service Commission, federal regulatory agencies and the courts.

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