



Public Utilities Commission

Mike DeWine, Governor
Sam Randazzo, Chairman

Commissioners

M. Beth Trombold
Lawrence K. Friedeman
Dennis P. Deters
Daniel R. Conway

FILE

April 16, 2016

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: *In the Matter of the Commission's Investigation into PALMco Power OH, LLC, dba Indra Energy and PALMco Energy OH, LLC dba Indra Energy's Compliance with the Ohio Administrative Code and Potential Remedial Action.*

Dear Docketing Division:

Enclosed please find the Staff letter to be filed in case Nos. 10-0139-EL-CRS and 10-0138-GA-CRS.

Respectfully submitted by,

Rob Fadley
Director, Service Monitoring and Enforcement Dept.
Public Utilities Commission

PUCO

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RE: In the Matter of the Commission's Investigation into PALMco Power OH, LLC, dba Indra Energy and PALMco Energy OH, LLC dba Indra Energy's Compliance with the Ohio Administrative Code and Potential Remedial Action.

Dear Docketing Division:

On May 2, 2018, PALMco Power OH, LLC, dba Indra Energy (PALMco) received a renewal certificate as a competitive retail electric service (CRES) provider to provide power marketer and power broker services within the State of Ohio. *See* case number 10-0139-EL-CRS. On May 2, 2018, PALMco Energy OH, LLC, dba Indra Energy (PALMco) also received a renewal certificate as an Ohio competitive retail natural gas service (CRNGS) marketer. *See* case number 10-0138-GA-CRS. Therefore, PALMco is subject to the jurisdiction the Public Utilities Commission of Ohio (Commission) pursuant to R.C. 4928.16 and 4929.24.

Between December 1, 2018 and April 15, 2019, Staff of the Commission's Service Monitoring and Enforcement Department (Staff) received 486 customer contacts regarding PALMco's provision of CRES and CRNGS. Of these 486 customer contacts, 373 customer contacts (approximately 76 percent) are related to complaints of high billing, billing inquires, misleading and deceptive practices, enrollment disputes and contract inquiries. Through these customer contacts, Staff discovered PALMco's unfair, misleading, deceptive and unconscionable marketing, solicitation, and sales acts and practices when PALMco committed to provide customers with "competitive" and "the best" rates, when in reality, PALMco charged customers quadruple the price to compare.

For example, one complaint arose from a PALMco customer who stated that after his first two months of a 5.2 cents per kilowatt hour (cents/kWh) rate, he was charged between 19 and 24 cents/kWh. Staff reviewed the PALMco sales call and discovered the customer was advised "it will just ensure you will get a competitive rate," and "the rate will be 5.2 cents/kWh for two months and then after that we shop the market every single month to make sure that you get the best possible rate." The price to compare for AEP Ohio at that time was 5.4 cents/kWh. The median variable price on the Energy Choice Ohio website for February was in the 7 cents/kWh

range, and the highest rate of any supplier other than PALMco was close to 11 cents/kWh for the month of February. PALMco's charge of 23.766043 cents/kWh for the customer's January bill resulted in a charge of \$533.31. If the customer was receiving service on a median rate, his bill would have been approximately \$157.00, and on his AEP Ohio price to compare rate, his bill would have been approximately \$121.00.

In another case, a customer was advised, that the "...program allows you to drop that rate down to a 5.2 cents/kWh rate for the first two months and then you're entitled to receive a competitive variable rate each and every month thereafter." In that instance, the customer was charged a rate of 21.154164 cents/kWh on her third month's bill, which resulted in a charge of \$563.97. Furthermore, Staff has received similar customer contacts on PALMco's provision of CRNGS.

As of April 15, 2019, 22 percent of supplier-related investigations open for review and resolution with Staff are complaints against PALMco. Upon review of these investigations and following receipt of responses from PALMco, Staff believes that PALMco was using unfair, misleading, deceptive, and unconscionable acts and practices to market and enroll customers, in violation of Ohio Administrative Code (Ohio Adm.Code) 4901:1-21 and 4901:1-29, including Ohio Adm.Code 4901:1-21-03(A), 4901:1-21-05(C), 4901:1-29-03(A), 4901:1-29-05(D), and 4901:1-29-10(A).

Due to the egregious nature of PALMco's acts and practices, Staff recommends that a case be opened with a case code of "Commission Ordered Investigation" (COI) in order for Staff to continue a thorough review of PALMco's provision of competitive services in Ohio. During the pendency of Staff's investigation, Staff also recommends that the Commission consider one of the following actions: a suspension of PALMco's certificates; conditional rescission of its certificates; or rescission of its certificates, in accordance with Ohio Adm.Code 4901:1-21-15(A)(2), 4901:1-24-13, 4901:1-27-13 and 4901:1-34-08(D).

Sincerely,

A handwritten signature in black ink, appearing to read "R. Fadley", written in a cursive style.

Robert Fadley

Director, Service Monitoring and Enforcement Department

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Case No(s). 19-0957-GE-COI

Summary: Text Staff Letter added to case per entry dated 4/17/2019 electronically filed by
Docketing Staff on behalf of Docketing