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April 11, 2014

**VIA FEDERAL EXPRESS**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

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APR 11 2014

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: Pennsylvania Public Utility Commission, Bureau of Investigation and  
Enforcement v. ResCom Energy LLC  
Docket No. M-2013-2320112**

Dear Secretary Chiavetta:

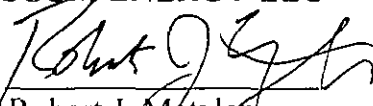
Enclosed for filing please find the original of the Supplemental Statement of ResCom Energy LLC ("ResCom") in Support of the Settlement Agreement between ResCom and the Bureau of Investigation and Enforcement relative to the above-referenced matter. Copies of this filing have been served in accordance with the attached Certificate of Service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

RESCOM ENERGY LLC

By

  
Robert J. Metzler  
Cohn Birnbaum & Shea P.C.  
100 Pearl Street  
Hartford, CT 06103

Enclosure

cc: As per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility</b>	:	
<b>Commission Bureau of</b>	:	
<b>Investigation and Enforcement</b>	:	
	:	
v.	:	<b>Docket No. M-2013-2320112</b>
	:	
<b>ResCom Energy LLC</b>	:	

**SUPPLEMENTAL STATEMENT OF RESCOM ENERGY LLC  
IN SUPPORT OF SETTLEMENT AGREEMENT**

RESCOM ENERGY LLC, a limited liability company formed under the laws of the State of Connecticut and a licensed electric generation supplier with the Pennsylvania Public Utility Commission (“ResCom” or the “Company”) hereby submits its Supplemental Statement in Support of the Settlement Agreement (“Settlement”) of the informal investigation by the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”).

This Supplemental Statement responds to the Opinion and Order of the Commission entered on March 19, 2014 (the “Opinion and Order”), in which the Commission seeks information in addition to the information contained in the initial Statements of Support of the proposed Settlement Agreement by ResCom and I&E and filed by I&E on December 2, 2013. In particular, the Opinion and Order requested “information on how ResCom has revised its operating procedures so as to safeguard against future slamming incidences.”<sup>1</sup>

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<sup>1</sup> Opinion and Order, p. 9.

As ResCom indicated to I&E in the investigative process, during the period of time under investigation, ResCom maintained and improved a number of marketing and operational procedures to safeguard against slamming. Specifically, ResCom instituted a computerized “gating” system that does not allow a customer’s enrollment to be sent to the utility unless the enrollment is electronically matched to that specific customer’s recorded third party verification (“TPV”) or signed letter of authorization (“LOA”). This has been highly effective in ensuring that no customer is enrolled without evidence of the customer’s authorization.

ResCom also recognized that simply having a TPV or LOA in hand does not guarantee that a potential slamming incident has not occurred in a marketing program that relies on third party marketing organizations.<sup>2</sup> Accordingly, ResCom instituted an auditing team that regularly audits, on a weekly basis, a random sample of sales from each third party marketing organization currently engaged in a dialing campaign on ResCom’s behalf.<sup>3</sup> The auditing team checks to make sure the third party marketing organization is identifying itself properly and is adhering to ResCom’s marketing standards including adherence to the script and internal Do Not Call List maintenance. In addition, ResCom and Positive Energy Electricity Supply LLC (“Positive

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<sup>2</sup> Please note that the corrective actions undertaken by ResCom that were already included in the proposed Settlement Agreement dated December 2, 2013, described ResCom’s upgrade of the TPV script to require that the person giving the verification confirm that he or she was the authorized party on the account. See Section 33(b) of the proposed Settlement Agreement at p. 11. That corrective action was clearly related to attempting to safeguard against future alleged slamming incidents.

<sup>3</sup> Every new third party Call Center is placed on ResCom’s Pilot Program which is basically a probationary status. Under the Pilot Program, the call center is required to submit its first 20 sales calls for an in-depth review by an experienced reviewer. If the sales do not meet ResCom’s initial quality standard, the call center may be terminated. If the initial sales are acceptable and after feedback is given, the call center must submit its next 50 sales for an in-depth review by an experience reviewer. If these calls are acceptable, then 20 of the next 100 sales calls are reviewed. If these are acceptable, the call center is graduated to become part of our regular weekly audit program whereby between 10-20% of the week’s sales are reviewed on a random basis for quality. If during the general weekly audit, the third party marketing organization is found to have an unsatisfactory review, it is provided with the necessary information to make corrections. The third party marketing organization is required to sign the audit form confirming that the necessary changes will be implemented immediately. If the third party marketing organization is found to have a second unsatisfactory audit, they will be required to re-enroll in the Pilot Program. If improvement is not made immediately, the third party marketing organization is terminated. In addition, if a sales agent was found to violate the Code of Conduct in any way, the sales agent is terminated immediately.

Energy”), ResCom’s exclusive marketing partner, now require each third party marketing organization to execute, and to require that each of its sales agents execute, Positive Energy’s Code of Conduct.<sup>4</sup> While improved marketing procedures do not in themselves prevent slamming, they do create a focus on compliance and accountability that helps safeguard against slamming and eliminate any third party marketing organizations that do not conduct themselves appropriately.

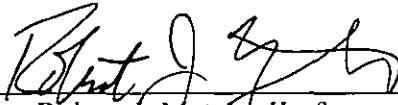
It is ResCom’s understanding that I&E will address the Commission’s questions concerning “the total universe of potential customers that were affected by ResCom’s actions in question.” ResCom wishes to note that, although I&E and the proposed Settlement Agreement have identified a number of allegations of potential violations by marketers engaged on behalf of ResCom, ResCom disputes the underlying factual allegations with respect to most, and, particularly with respect to allegations of slamming, disputes any allegations that any customers were actually slammed or that any of ResCom’s marketers attempted to slam any customers but were foiled by a customer rescission.

In light of the foregoing, ResCom’s original Statement in Support and the Commission’s policy to promote settlements and the desire of both parties to resolve this matter without formal litigation, ResCom respectfully requests that the Commission adopt an order approving the terms and conditions of the Settlement as being in the public interest.

Dated: April 11, 2014

Respectfully submitted,

RESCOM ENERGY LLC

By  \_\_\_\_\_  
Robert J. Metzler II of  
Cohn Birnbaum & Shea P.C.  
Its Attorneys

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<sup>4</sup> Positive Energy’s form of Code of Conduct is attached as Exhibit A.

100 Pearl Street – 12<sup>th</sup> Floor  
Hartford, CT 06103  
Telephone: (860)493-2254  
Facsimile: (860)727-0361  
E-mail: [rmetzler@cbshealaw.com](mailto:rmetzler@cbshealaw.com)

## Positive Energy Code Of Conduct For Sales Representatives

( \_\_\_\_\_ )

\_\_\_\_\_ [Type or print full name of Sales Representative]

By signing below, I (a) acknowledge having read the following Positive Energy Code of Conduct and (b) understand that while I represent Positive Energy and Positive Energy's licensed electricity suppliers as a Sales Representative ("Representative"), I must comply with, among other obligations that may be communicated to me from time to time, certain expectations contained in the Code of Conduct, as follows:

1. Each Representative will truthfully identify himself or herself to the prospective customer, stating his or her name and the company he or she represents.
2. No Representative will state, imply, or knowingly allow a prospective customer to believe, that the Representative is a representative of the local utility or any other retail electric provider.
3. No Representative will make any representations or statements to the effect that the prospective customer must switch his or her electric supplier in order to continue receiving power.
4. No Representative will make any representations, either orally or in writing, regarding contracts, rights, or obligations unless those representations are contained in the terms of the offer being presented.
5. No Representative will enroll any customer unless the Representative is sure that the person with whom the Representative is speaking with is authorized to make that decision.
6. No Representative will place undue pressure on the prospective customer to enroll with Positive Energy's licensed electricity supplier, nor shall any Representative act in a rude or abusive manner.
7. No Representative will "slam" a prospective customer, that is, no Representative shall take any action to causing a prospective customer's electricity service to be switched to another supplier without the prospective customer's proper authorization.
8. Each Representative will perform his or her activities in compliance with all applicable local, state and federal laws, ordinances, regulations and orders relating to the solicitation of retail sales of electricity generation service (by telemarketing, door-to-door sales, or otherwise).

\_\_\_\_\_ [Signature of Sales Representative] \_\_\_\_\_ [Date]

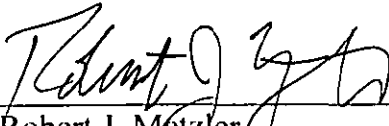
## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon the persons listed and in the manner indicated below:

**Notification by first class mail addressed as follows:**

Michael L. Swindler, Esquire  
Prosecutor  
Bureau of Investigation and  
Enforcement  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105

Cheryl Walker Davis, Director  
Office of Special Assistants  
Pa Public Utility Commission  
P.O. Box 3265  
Harrisburg PA 17105

  
\_\_\_\_\_  
Robert J. Metzler  
Counsel to ResCom Energy LLC

Cohn Birnbaum & Shea P.C.  
100 Peal Street  
Hartford, CT 06103  
(860) 493-2254

Dated: April 11, 2014

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APR 11 2014  
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SECRETARY'S BUREAU

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 Carol Lane  
 Cohn Birnbaum & Shea  
 100 Pearl Street

Hartford, CT 06103

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**PA Public Utility Commission**  
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 HARRISBURG, PA 17120

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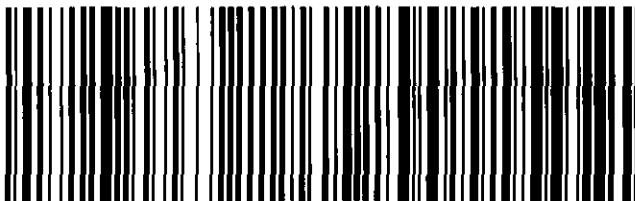
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