

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

INFORMAL REVIEW – ELIGO ENERGY MA, LLC (CS-164)

SETTLEMENT AGREEMENT

Eligo Energy MA, LLC (“Company”) and the Delegated Commissioner of the Massachusetts Department of Public Utilities (“Delegated Commissioner”) (collectively, the “Settling Parties”) enter into this settlement agreement (“Settlement Agreement”), dated as of August 4, 2022, regarding the Delegated Commissioner’s November 24, 2021 notice of her initiation of an informal review of the Company (“Informal Review”).

RECITALS

WHEREAS, the Informal Review was issued pursuant to G.L. c. 30A, 220 CMR 11.07, 14.06(5), and Order Establishing Final Interim Guidelines for Competitive Supply Investigations and Proceedings, D.P.U. 16-156-A (2017), including Attachment A thereto (“Interim Guidelines”);

WHEREAS, unless otherwise defined herein, capitalized terms shall be given the meanings set forth in Section 2 of the Interim Guidelines;

WHEREAS, the Settling Parties have engaged in multiple informal conferences;

WHEREAS, the Company has responded to multiple requests for information issued by the Delegated Commissioner during the course of the informal review process;

WHEREAS, the Settling Parties have raised or may have raised competing and disputed claims regarding various matters contained in the Informal Review, but wish to resolve all matters contained in the Informal Review and all matters raised or that could have been raised during the informal review process, on the mutually agreeable terms specified in Article 1 and Article 2, and without establishing any new precedent or principle applicable to any other proceedings;

NOW THEREFORE, in consideration of the exchange of promises and covenants contained herein, the legal sufficiency of which is hereby acknowledged, the Settling Parties agree to the following:

ARTICLE I: TERMS OF SETTLEMENT

Section 1.1 Overview.

- (a) This Settlement Agreement constitutes an “informal remedial plan,” as those words are used in Section 3 of the Interim Guidelines.
- (b) The “Effective Date” of this Settlement Agreement is August 4, 2022.

- (c) Compliance with this informal remedial plan resolves and settles all claims alleged by the Delegated Commissioner in the Informal Review or which the Delegated Commissioner alleged or could have alleged, whether known or unknown, against the Company, its parent corporations, affiliates, subsidiaries and subdivisions, officers, employees or shareholders, as well as any of its successors, assigns, and/or purchasers of all or substantially all of its assets, based on facts contained in documents and responses provided by the Company to the Delegated Commissioner up to the Effective Date and facts regarding the Company's actions regarding the marketing and sale of electricity supply that are publicly available as of the Effective Date.

Section 1.2 Residential Service Plan.

- (a) Except for the customers covered by Section 1.2(b) and 1.2(c) below, the Company will submit the electronic data interchange ("EDI") transactions for the return of residential customers to basic service no sooner than forty-five (45) days and no later than ninety (90) days after the Effective Date.
 - (i) At least thirty (30) days prior to returning residential customers to basic service, the Company shall send a notice letter to all customers under contract, providing an explanation for termination of their supply service agreements. This notice letter, which is included as Attachment 1 to this Settlement Agreement, will be sent to customers using the same or similar method of communication that the Company uses to provide those customers notices of contract term expiration.
 - (ii) Prior to returning residential customers to basic service, the Company shall inform each electric distribution company of the number of customers being returned in the applicable service territory. The Company shall communicate this to each electric distribution company via email and copy lauren.morris@mass.gov and dpu.electricsupply@mass.gov on such emails.
 - (iii) Except for customers identified in 1.2(b) and 1.2(c) below, the Company shall not enroll nor supply residential customers for a period of two (2) years starting from the date on which the last customer is returned to basic service under this subsection 1.2(a) ("Moratorium Period").
 - (iv) The Company shall not be required to provide customer refunds.
- (b) For residential customers under contract with the Company that are supplied at a price below the basic service rate, the Company shall return these customers to basic service at the end of the current term of the

customer's contract. The Company shall notify these customers 45 to 90 days prior to their return to basic service in the form of the notice included as Attachment 2.

- (c) Notwithstanding any other term of this Settlement Agreement to the contrary, the Company may serve residential customers through municipal aggregation, as well as incidental residential accounts (*i.e.*, accounts that are identified as residential meters by the electric distribution company but are under a contract with a commercial counterparty). Further, such accounts are not required to be returned to basic service under subsection 1.2(a).

Section 1.3 Civil Penalties. The Company shall not be subject to civil penalties for any violation alleged to have occurred up to the Effective Date.

Section 1.4 Notification.

- (a) Within seven (7) days of returning the last customer to the utility's basic service pursuant to Section 1.2(a), the Company shall notify the Department. In this notification, the Company shall provide the number of residential customers by each electric distribution company that were sent to basic service.
- (b) Within a reasonable amount of time of returning the last customer to the utility's basic service pursuant to Section 1.2(b), the Company shall notify the Department.

ARTICLE II: SETTLEMENT CONDITIONS

Section 2.1 This Settlement Agreement shall not be deemed in any respect to constitute an admission by any Settling Party that any allegation or contention made in the informal review process is true or false. Nothing in this Settlement Agreement shall constitute an admission by the Company that any violation of any law or other form of wrongdoing has occurred, or that any liability to any Settling Party or third party exists, and any such liability is expressly denied by the Company.

Section 2.2 The making of this Settlement Agreement establishes no principles and shall not be deemed to foreclose any Settling Party from making any contention in any future proceeding or investigation, except as to those issues that are stated in this Settlement Agreement as being resolved by this Settlement Agreement.

Section 2.3 This Settlement Agreement is the product of settlement negotiations. The Settling Parties agree that the content of those negotiations (including any workpapers or documents produced in connection with the negotiations) are confidential, that all offers of settlement are without prejudice to the position of any Settling Party or participant presenting such offer or participating in such discussion, and, except to enforce rights related to this Settlement Agreement or defend against claims made under this Settlement Agreement, and that they will not use the content of said

negotiations in any manner in this or any other matter involving one or more of the Settling Parties, or otherwise.

- Section 2.4 The provisions of this Settlement Agreement are not severable. Should any government agency or court of competent jurisdiction declare any provision to be unenforceable, the Settling Parties shall renegotiate such terms in good faith to restore the intended effect of the provision to the extent permitted by law.
- Section 2.5 This Settlement Agreement is contingent upon the provision of accurate and truthful information by the Settling Parties during the settlement negotiation process.
- Section 2.6 The Delegated Commissioner may permit deviation from any Company performance obligation under this Settlement Agreement for good cause shown.
- Section 2.7 The terms of this Settlement Agreement shall be governed by Massachusetts law and not the law of some other state.
- Section 2.8 The signatories listed below represent that they are authorized on behalf of their principals to enter into this Settlement Agreement.
- Section 2.9 This Settlement Agreement may be signed in counterparts each of which shall be deemed an original and all of which together shall constitute one in the same document.

{SIGNATURES ON FOLLOWING PAGE}

CECILE M. FRASER
DELEGATED COMMISSIONER
DEPARTMENT OF PUBLIC UTILITIES
By her attorney,

/s/

Lauren Morris, Esq.
Prosecuting Officer
Department of Public Utilities
One South Station
Boston, MA 02110

ELIGO ENERGY MA, LLC

DocuSigned by:

Alexander Rozenblat

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Alexander Rozenblat, Esq.
General Counsel
Eligo Energy MA, LLC
201 W Lake Street, Ste 151
Chicago, IL 60606

ATTACHMENT 1

Notice Date: «CurrentDate»

«ContactName»
«Cust_Address_1»
«Cust_City», «Cust_State» «Cust_Zip»

Dear «ContactName»,

Thank you for selecting Eligo Energy MA, LLC (“Eligo”) as your competitive supplier. It has been our pleasure to serve your residential electrical supply needs.

Eligo has recently entered into a Settlement Agreement with the Delegated Commissioner of the Massachusetts Department of Public Utilities (“Department”). The Agreement calls for us to return to your electric utility those residential customers that have a supply rate that is above the utility’s basic service. We will not be serving most residential customers for a period of 2 years. We will continue to serve municipal aggregation and commercial customers during this period. In accordance with the aforementioned Settlement Agreement, this letter shall serve as notice that Eligo is modifying your electric supply agreement to terminate supply service within 30 to 90 days.

In the next 30 to 90 days, we will submit a request to your utility to have your electric supply transitioned to your utility’s basic service. You will not be subject to any early cancellation fees. This process may require 1-2 billing cycles based on your specific billing cycle. You may choose another licensed competitive supplier if you do not wish to receive basic service from the utility.

We do apologize for any inconvenience this transition may cause. If you have any questions about this notification, you may contact our customer care representatives by telephone at 888-744-8125 Monday through Friday from 8:00 a.m. – 5:30 p.m. or via e-mail at customerservice@eligoenergy.com. Once again, please know we have appreciated your business.

The Eligo Team

P.S. The Department recommends that consumers visit the Energy Switch website to view the broad range of available electric supply products, including your electric utility’s basic service price. You can visit the website at <https://energyswitchma.gov>.

ATTACHMENT 2

Notice Date: «CurrentDate»

«ContactName»
«Cust_Address_1»
«Cust_City», «Cust_State» «Cust_Zip»

Dear «ContactName»,

Thank you for selecting Eligo Energy MA, LLC (“Eligo”) as your competitive supplier. It has been our pleasure to serve your residential electrical supply needs.

Eligo has recently entered into a Settlement Agreement with the Delegated Commissioner of the Massachusetts Department of Public Utilities (“Department”). We will not be serving most residential customers through <date two years after last customer under § 1.2(a) was returned>. We will continue to serve municipal aggregation and commercial customers during this period. In accordance with the aforementioned Settlement Agreement, this letter shall serve as notice that Eligo is terminating your supply service at the end of the current term of your contract.

In the next 30 to 90 days, we will submit a request to your utility to have your electric supply transitioned to your utility’s basic service. You will not be subject to any early cancellation fees. This process may require 1-2 billing cycles based on your specific billing cycle. You may choose another licensed competitive supplier if you do not wish to receive basic service from the utility.

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The Eligo Team

P.S. The Department recommends that consumers visit the Energy Switch website to view the broad range of available electric supply products, including your electric utility’s basic service price. You can visit the website at <https://energyswitchma.gov>.