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**TEXAS ELECTRIC COMPANY TO PAY NEARLY \$100,000 FOR MISLEADING
MASSACHUSETTS CONSUMERS IN MARKETING CAMPAIGN**

\$55,000 to Be Used for Consumer Education

BOSTON – Today, Attorney General Martha Coakley’s Office reached an agreement with Spark Energy LP (Spark), of Texas, to resolve allegations that the company violated Massachusetts consumer protection laws by misleading customers in the promotion of its electric supply service. As a result of the agreement, the Attorney General’s Office will offer mini-grants to Local Consumer Programs, or LCPs, for consumer education.

“True competition for retail electric supply service in the Commonwealth cannot take place when consumers are given misleading or confusing information about their options for competitive supply services,” Attorney General Martha Coakley said. “Our Agreement with Spark not only resolves the allegations in this case but sets the standard for what Massachusetts consumers should expect and deserve from competitive electric suppliers seeking their business.”

The agreement is the result of an investigation by the Attorney General’s Office into Spark’s telemarketing practices. Investigators found that Spark misinformed customers of a relationship between Spark and NSTAR Electric. Telemarketers for Spark misrepresented the company in way that confused customers into believing Spark was NSTAR, and that they were in fact doing business with NSTAR without realizing they were being switched to another company. The telemarketers also failed to clearly disclose a monthly service charge that consumers had to pay, and that savings attributed to switching to Spark were not properly described as required by the Commonwealth’s Consumer Protection laws.

Under the terms of the agreement and Assurance of Discontinuance filed in Suffolk Superior Court, Spark Energy must refrain from misleading or deceptive marketing activities, refund approximately \$44,000 in monthly charges to approximately 900 Spark customers, and waive early termination fees for any customer seeking to opt out of their current contract with Spark.

In addition, Spark agreed to pay \$55,000 to the Attorney General's Local Consumer Aid Fund. The Attorney General will distribute these funds to local and regional consumer assistance programs for the purpose of educating consumers on choosing a competitive supplier and to provide information on energy efficiency and low income assistance programs. These educational outreach efforts will cover such topics as: budget billing for home heating, tips for weatherization and energy efficiency, and programs and protections available to low-income consumers in the state.

Spark denied any wrongdoing and fully cooperated with the Attorney General's investigation.

Spark Energy is licensed by the Department of Public Utilities as competitive retail electric supplier in the Commonwealth of Massachusetts. Under the 1997 Electric Restructuring Act, consumers are able to switch to a competitive supplier for their generation services rather than be supplied through their distribution company. Customers choosing a competitive supplier are billed for these services through their distribution company. Approximately 340,000 residential consumers currently use competitive suppliers in Massachusetts.

Spark customers with questions about the agreement are encouraged to call the Attorney General's Consumer Protection Hotline at (617) 727-8400.

This matter was handled by Assistant Attorney General Jed Nosal, Chief of Attorney General Coakley's Energy and Telecommunications Division, with assistance from Assistant Attorney General Sandra Callahan Merrick. Assistant Attorney General Diane Lawton of the Attorney General's Consumer Protection Division also assisted with this case.

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