

ORDER NO. 90558

The Complaint of the Staff of the Public
Service Commission of Maryland against
SFE Energy Maryland, Inc., d/b/a SFE or
SFE Energy

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND**

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CASE NO. 9690

Issue Date: March 27, 2023

DELEGATION ORDER

1. On January 26, 2023, the Commission’s Technical Staff (“Staff”) filed a complaint against SFE Energy Maryland, Inc., d/b/a SFE Energy (“SFE”) alleging that SFE had violated Maryland law governing retail suppliers’ activities by engaging in deceptive practices and failing to comply with the Commission’s customer protection regulations contained in Code of Maryland Regulations (“COMAR”) 20 Subtitles 53 and 59. On January 30, 2023, the Commission ordered the Company to file an Answer to Staff’s Complaint and to file evidence to show just cause as to why the Company’s license to provide electricity or electricity supply services should not be suspended or revoked, or in the alternative, why the Company should not be precluded from soliciting additional customers, and why the Company should not be subject to a civil penalty under Public Utilities Article, *Ann. Code of Maryland*, §§ 7-507(1) and 13-201 based on the violations of Maryland law cited in Staff’s complaint.¹ On February 27, 2023, Staff filed an amendment by interlineation to the Staff Complaint.²

¹ See Order No. 90488.

² Maillog No. 301792.

2. The January 30 order also directed the Company to appear at the Commission’s March 1, 2023 Administrative Meeting for a hearing on the Complaint.³ On February 21, 2023, the Company filed its Answer and Response. On March 16, 2023, the Maryland Office of People’s Counsel (“OPC”) filed comments in response to SFE’s Answer.⁴

3. During the March 22 show cause hearing, Staff Counsel, OPC and SFE provided testimony, evidence and argument addressing the allegations made by Staff covering the complaint period – January 1, 2020 – September 30, 2022.

4. Upon reviewing the record, the Commission finds that the submissions provided by the parties are insufficient to resolve the issues set forth in Staff’s Complaint and the Company’s Answer and Response. Specifically, the Commission finds that there are genuine disputes of material fact and that further proceedings are warranted to determine whether the Company has violated Maryland laws and regulations in its marketing and contracting practices, or any other violations of the consumer protections, contained in the Public Utilities Article and the Commission’s regulations. Based on this finding, the Commission delegates this matter to the Public Utility Law Judge Division for further evidentiary proceedings according to the procedural directives in the transcript of the March 22 show cause hearing.

5. As a result of the hearing, the Commission did however find sufficient evidence to impose a moratorium on SFE’s door-to-door enrollments until the evidentiary proceedings in this matter are concluded.

6. The Commission, also at the hearing, found sufficient evidence that any residential customer who entered into a contract on or before November 26, 2021, shall not be subject to a cancellation fee if a customer so chooses to exit their contract.

³ The show cause hearing was eventually postponed to March 22, 2023, following requests for extension of time filed by SFE on February 7, 2023 (Maillog No. 301198), and February 28, 2023 (Maillog No. 301558).

⁴ Maillog No. 301850.

IT IS THEREFORE, this 27th day of March, in the year Two Thousand Twenty-Three, by the Public Service Commission of Maryland, **ORDERED**:

(1) that this matter is delegated to the Public Utility Law Judge Division for a finding of whether the matters as alleged in the Staff Complaint exist, and, if so, for a recommendation as to appropriate relief;

(2) that Staff, SFE and OPC may request admissions of fact, limited to no more than 25 data requests per party;

(3) that any CAD complainants covered in the complaint period are permitted to testify at the PULJ hearing(s) virtually;

(4) that OPC may request a subpoena from the Commission for examination of any sales agents involved in the CAD complaints.

(5) that SFE shall immediately cease its Maryland door-to-door solicitations until this matter is resolved; and

(6) that any residential contracts entered into on or before November 26, 2021, if canceled, shall not be subject to a cancellation fee.

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary