COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

August 31, 2026

Via Electronic Filing
Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement's Investigation of Spartacus Energy Services, LLC's Unauthorized Enrollment of Customers
Docket No. M-2026-3048680
Joint Petition for Approval of Settlement

Dear Secretary Homsher:

Enclosed for electronic filing is the Joint Petition for Approval of Settlement in the above-referenced proceeding as well as Appendices A through C consisting of: Appendix A – Proposed Ordering Paragraphs; Appendix B – the Bureau of Investigation and Enforcement's Statement in Support; and Appendix C – the Statement in Support of Spartacus Energy Services, LLC.

Copies have been served on the parties of record in accordance with the Certificate of Service. If you have any questions, please do not hesitate to contact me.

Sincerely,

Stephanie M. Wimer
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 207522
(717) 772-8839
stwimer@pa.gov

SMW/ac
Enclosures

cc: Allison C. Kaster, Director, I&E (*via email* – *akaster@pa.gov*)
Kathryn Liddell, BCS (*via email* – *kliddell@pa.gov*)
Office of Special Assistants (*via email* – *ra-OSA@pa.gov*)
As per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement's Investigation of Spartacus Energy Services, LLC's Unauthorized Enrollment of Customers	: : : : :	Docket No. M-2026-3048680

JOINT PETITION FOR APPROVAL OF SETTLEMENT

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to 52 Pa. Code §§ 5.41 and 5.232, the Pennsylvania Public Utility Commission's ("Commission") Bureau of Investigation and Enforcement ("I&E" or "Complainant") and Spartacus Energy Services, LLC ("Spartacus" or "Company") (hereinafter referred to collectively as the "Parties" or "Joint Petitioners") hereby submit this Joint Petition for Approval of Settlement ("Settlement," "Settlement Agreement," or "Joint Petition") to resolve all issues related to the unauthorized enrollment of residential and small commercial customers to Spartacus without their authorization ("Incident"). I&E and Spartacus respectfully request that the Commission approve the Joint Petition, without modification, for the compelling public interest reasons set forth, *infra*. Also attached are Proposed Ordering Paragraphs ("Appendix A") and Statements in Support of the Settlement expressing the individual views of I&E ("Appendix B") and Spartacus ("Appendix C"), respectively.

I. INTRODUCTION

1. The Parties to this Settlement Agreement are the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement, by its prosecuting attorneys, 400 North Street, Harrisburg, Pennsylvania 17120 and Spartacus, an electric generator supplier ("EGS"), with a principal place of business of 940 77th Street, Brooklyn, NY 11228.

2. The Pennsylvania Public Utility Commission is a duly constituted agency of the Commonwealth of Pennsylvania empowered to regulate public utilities within this Commonwealth, as well as other entities subject to its jurisdiction, pursuant to 66 Pa.C.S. §§ 101, *et seq*.

3. I&E is the entity established to prosecute complaints against public utilities and other entities subject to the Commission's jurisdiction pursuant to 66 Pa.C.S. § 308.2(a)(11); *see also* Implementation of Act 129 of 2008; Organization of Bureaus and Offices, Docket No. M-2008-2071852 (Order entered August 11, 2011) (delegating authority to initiate proceedings that are prosecutory in nature to I&E).

4. Section 501(a) of the Code, 66 Pa.C.S. § 501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Code.

5. Section 701 of the Code, 66 Pa.C.S. § 701, authorizes the Commission, *inter alia*, to hear and determine complaints alleging a violation of any law or regulation that the Commission has jurisdiction to administer.

6. Section 3301 of the Code, 66 Pa.C.S. § 3301, authorizes the Commission to impose civil penalties on any public utility or on any other person or corporation subject

to the Commission's authority for violations of the Code, the Commission's regulations, or both. Section 3301 allows for the imposition of a fine for each violation and each day's continuance of such violation(s). 66 Pa.C.S. § 3301.

7. Spartacus is a licensed EGS as defined by 66 Pa.C.S. § 2803. On July 14, 2022, at Docket No. A-2021-3029728, Spartacus was granted Commission approval to operate as an EGS offering services as a supplier to residential, small commercial (25 kW and under demand), large commercial (over 25 kW demand), and industrial customers in the electric distribution company service territories of PECO Energy Company and PPL Electric Utilities Corporation in the Commonwealth of Pennsylvania.

8. Spartacus, as a licensed provider of electric generation supply service, is subject to the power and authority of this Commission pursuant to Sections 501(c) and 2809 of the Public Utility Code, 66 Pa.C.S. §§ 501(c) and 2809.

9. Pursuant to the provisions of the applicable Commonwealth statutes and regulations, the Commission has jurisdiction over this subject matter and the actions of Spartacus in its capacity as an EGS serving customers in Pennsylvania.

II. FACTUAL BACKGROUND

10. Between December of 2023 and January of 2024, Spartacus and a third-party marketing agent acting on behalf of Spartacus, 360 Marketing, enrolled customers to Spartacus without authorization (i.e. slamming).

11. Spartacus hired 360 Marketing to conduct commercial and residential sales in Pennsylvania and 360 Marketing began marketing on behalf of Spartacus in December 2023.

12. Since December of 2023, the Pennsylvania Public Utility Commission's Bureau of Consumer Services ("BCS") has received approximately forty (40) complaints from individuals who claim that their electricity supplier was switched without authorization to Spartacus.

13. BCS initiated an informal investigation of Spartacus in January of 2024, as a result of the complaints received from individuals relating to allegations of slamming.

14. On January 22, 2024, Spartacus suspended 360 Marketing's operations and terminated 360 Marketing on January 31, 2024 from conducting marketing on behalf of Spartacus.

15. On April 12, 2024, BCS referred this matter to I&E for further investigation.

16. As part of its investigation, I&E served an Informal Investigation Letter and Data Request – Set I to Spartacus on November 19, 2024.

17. In its response, Spartacus indicated that the erroneous enrollments in question occurred as a result of an internal error where the customer's account number was entered incorrectly by a 360 Marketing agent during the enrollment process.

18. In its response, Spartacus indicated that it had cancelled the accounts in question and offered the customers of those accounts complete refunds of supplier charges.

19. Additionally, Spartacus has implemented a two-point sales verification process to guarantee that all future enrollments are authorized before they are integrated into their platform.

III. ALLEGED VIOLATIONS

20. Had this matter been fully litigated rather than resolved through this Settlement, I&E would have proffered evidence and legal argument that Spartacus violated certain provisions of the Public Utility Code and/or Commission regulations in that:

a. Spartacus is responsible for any fraudulent or deceptive or other unlawful marketing or billing acts performed by the licensee, its employes, agents or representatives. If proven, this is a violation of 52 Pa. Code § 54.43(f) (Standards of Conduct and Disclosure for Licensees);

b. Spartacus, as an EGS, is responsible for fraudulent, deceptive or other unlawful marketing acts performed by its agent. If proven, this is a violation of 52 Pa. Code § 111.3 (Supplier Liability for Its Agent); and

c. Spartacus failed to obtain customer authorization to switch service. If proven, this is a violation of 52 Pa. Code § 57.173 (Customer Contacts the EGS to Request a Change in Electric Supply Service).

21. Had this matter been fully litigated rather than resolved through this Settlement, Spartacus would have contended that it did not violate provisions of the Public Utility Code and/or Commission regulations.

IV. SETTLEMENT TERMS

22. Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest, as set forth at 52 Pa. Code § 5.231(a), I&E and

Spartacus held a series of discussions and meetings that culminated in this Settlement. I&E and Spartacus desire to: (i) terminate I&E's informal investigation; and (ii) settle this matter completely without litigation. The Parties recognize that this is a disputed claim and given the inherent unpredictability of the outcome of a contested proceeding, the Parties further recognize the significant and more immediate benefits of amicably resolving the disputed issues through settlement as opposed to time-consuming and expensive litigation.

23. The Parties recognize that their positions and claims are disputed and further recognize the significant and more immediate benefits of amicably resolving the disputed issues through settlement as opposed to time-consuming and expensive litigation.

24. The terms and conditions of the Settlement Agreement, for which the Parties seek Commission approval, are set forth below.

25. I&E and Spartacus, intending to be legally bound and for consideration given, desire to fully and finally conclude this investigation and agree that a Commission Order approving the Settlement without modification will create the following rights and obligations:

A. <u>Civil Penalty</u>:

Spartacus will pay a civil penalty in the amount of Twenty-Eight Thousand Dollars ($28,000.00) pursuant to 66 Pa.C.S. § 3301(c). Said payment will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement and will be made payable to the "Commonwealth of Pennsylvania." The docket number of this proceeding will be indicated with the payment and sent to:

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

The civil penalty will not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f).

26. Upon Commission approval of the Settlement in its entirety without modification, I&E will not file any complaints or initiate other action against Spartacus at the Commission with respect to the allegations that were the subject of I&E's instant investigation.

27. I&E and Spartacus jointly acknowledge that approval of this Settlement Agreement is in the public interest and fully consistent with the Commission's Policy Statement regarding Factors and Standards for Evaluating Litigated and Settled Proceedings, 52 Pa. Code § 69.1201. The Parties submit that the Settlement Agreement is in the public interest because it effectively addresses I&E's allegations and avoids the time and expense of further litigation, which entails hearings, travel for out-of-state witnesses, and the preparation and filing of briefs, exceptions, and reply exceptions, as well as possible appeals. Attached as **Appendices B** and **C** are Statements in Support submitted by I&E and Spartacus, respectively, setting forth the bases upon which the Parties believe the Settlement Agreement is in the public interest.

V. CONDITIONS OF SETTLEMENT

28. This document represents the Settlement Agreement in its entirety and constitutes a negotiated resolution solely of the above-referenced investigation. No

changes to obligations set forth herein may be made unless they are in writing and are expressly accepted by the Parties involved. This Settlement Agreement shall be construed and interpreted under Pennsylvania law, without regard to its conflict of laws provisions.

29. The Parties agree that this Settlement may be executed in one or more counterparts, each of which will be deemed an original, and all of which taken together constitute one and the same agreement that is binding upon the Parties as if they executed a single petition.

30. In order to effectuate this Joint Petition, the undersigned Parties request that the Commission issue a Final Order approving the Joint Petition without modification.

31. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Joint Petition for Approval of Settlement without modification. If the Commission modifies this Settlement Agreement, any party may elect to withdraw from this Settlement Agreement and may proceed with litigation or take such other action as deemed appropriate and, in such event, this Settlement Agreement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission, and served upon all parties within twenty (20) business days after entry of an Order modifying the Settlement.

32. The consequence of any party withdrawing from this Joint Petition as set forth above is that all issues associated with the requested relief presented in the proceeding may be fully litigated by the filing of a Formal Complaint or such other action may be taken as deemed appropriate unless otherwise stipulated between the Parties and

all obligations of the Parties to each other set forth herein are terminated and of no force and effect.

33. The Parties agree that the underlying allegations were not the subject of any hearing and that there has been no Order, findings of fact, or conclusions of law rendered in this Complaint proceeding. It is further understood that, by entering into this Settlement Agreement, Spartacus has made no concession or admission of fact or law and may dispute all issues of fact and law for all purposes in any other proceeding, including but not limited to any civil proceedings, that may arise as a result of the circumstances described in this Joint Settlement Petition, nor may this Settlement be used by any other person or entity as a concession or admission of fact or law.

34. The Parties acknowledge that this Settlement Agreement reflects a compromise of competing positions, does not necessarily reflect any party's position with respect to any issues raised in this proceeding, and does not in any way constitute a finding or an admission of guilt.

35. This Settlement Agreement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner that is fair and reasonable and in the public interest. This Settlement is presented without prejudice to any position that any of the Parties may have advanced and without prejudice to the position any of the Parties may advance in the future on the merits of the issues in any other proceedings, except to the extent necessary to effectuate or enforce the terms and conditions of this Settlement Agreement. This Settlement does not preclude the Parties from taking other positions in any other proceeding but is conclusive in this proceeding and may not be

reasserted in any other proceeding or forum except for the limited purpose of enforcing the Settlement by a party.

36. Spartacus does not admit to any violations of laws or regulations with respect to the Incident.

37. The Parties agree that upon the filing of the Settlement, the three year requirement to bring a prosecution for this matter, found at 66 Pa.C.S. § 3314, shall be tolled until twenty (20) days after such time the Commission issues an Order approving or rejecting the Settlement Agreement or a Party files its election to withdraw from the Settlement Agreement, whichever occurs later in time.

38. In the event the Commission rejects the Settlement or approves the Settlement with modifications or conditions, Spartacus may raise affirmative defenses in any formal proceeding brought by I&E in connection with the Incident, including but not limited to, defenses based on state statutes of limitation.

39. I&E and Spartacus shall make good faith efforts to obtain approval of the Joint Petition by the Commission including, but not limited to, submitting Statements in Support of the Joint Petition. Both Parties' Statements in Support of the Joint Petition shall support the position that the agreed-to civil penalty to be paid by Spartacus is adequate and consistent with the Commission's Policy Statement on settlement of investigations and the Rosi Standards for civil penalties and thus in the public interest.

40. I&E and Spartacus jointly acknowledge that approval of this Settlement Agreement is in the public interest and is fully consistent with the Commission's Policy Statement for evaluating litigated and settled proceedings involving violations of the

Code and Commission regulations, 52 Pa. Code § 69.1201. The Commission will serve the public interest by adopting this Joint Petition for Approval of Settlement.

41. The Joint Petition avoids the time and expense of litigation in this matter before the Commission, which likely would entail the filing of a Formal Complaint, the preparation for and attendance at hearings, and the preparation and filing of testimony, briefs, reply briefs, exceptions, and reply exceptions. The Parties further recognize that their positions and claims are disputed and, given the inherent unpredictability of the outcome of a contested proceeding, the Parties recognize the benefits of amicably resolving the disputed issues through settlement.

42. Since the Parties agree to the terms of the Joint Petition, adopting it will eliminate the possibility of any appeal from a Commission Order, thus avoiding the additional time and expense that they might incur in such an appeal.

43. This Settlement consists of the entire agreement between I&E and Spartacus regarding the matters addressed herein. Moreover, this Settlement Agreement represents a complete settlement of I&E's informal investigation of the alleged violations of Commission regulations regarding the Incident, as discussed, *supra*.

44. The terms and conditions of this Settlement Agreement represent reasonably negotiated compromises on the issues addressed herein. Thus, the Settlement Agreement is consistent with the Commission's rules and practices encouraging negotiated settlements set forth in 52 Pa. Code §§ 5.231 and 69.1201.

WHEREFORE, the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement and Spartacus Energy Services, LLC respectfully request that the Commission issue an Order approving the terms of this Settlement Agreement in their entirety, without modification, as being in the public interest.

[Signature Page to Follow]

Respectfully Submitted,

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement

By: ______________________________

Stephanie M. Wimer, Esq.
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Date: August 31, 2026

Spartacus Energy Services, LLC

By: ______________________________

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Attorney for Spartacus Energy Services, LLC

Date:

Respectfully Submitted,

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement

By: ______________________________
Stephanie M. Wimer, Esq.
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Spartacus Energy Services, LLC

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Attorney for Spartacus Energy Services, LLC

Date: August 31, 2026

Appendix A

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement's Investigation of Spartacus Energy Services, LLC's Unauthorized Enrollment of Customers	:	Docket No. M-2026-3048680

<u>JOINT PROPOSED ORDERING PARAGRAPHS</u>

1. That the Joint Settlement Petition filed on August 31, 2026 between the Commission's Bureau of Investigation and Enforcement and Spartacus Energy Services, LLC is approved in its entirety without modification.

2. That, in accordance with Section 3301(c) of the Public Utility Code, 66 Pa.C.S. § 3301(c), within thirty (30) days of the date this Order becomes final, Spartacus Energy Services, LLC will pay a civil penalty of Twenty-Eight Thousand Dollars ($28,000.00). Said payment will be payable to "Commonwealth of Pennsylvania" and will be sent to:

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

3. That the civil penalty will not be tax deductible.

4. A copy of this Opinion and Order will be served upon the Financial and Assessment Chief, Bureau of Administration.

5. That upon receipt of the civil penalty the above-captioned matter shall be marked closed.

Appendix B

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and	:	
Enforcement's Investigation of Spartacus	:	Docket No. M-2026-3048680
Energy Services, LLC's Unauthorized	:	
Enrollment of Customers	:	

THE BUREAU OF INVESTIGATION AND ENFORCEMENT'S
STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF SETTLEMENT

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to 52 Pa. Code §§ 5.231, 5.232 and 69.1201, the Pennsylvania Public Utility Commission's ("Commission" or "PUC") Bureau of Investigation and Enforcement ("I&E"), a signatory party to the Joint Petition for Approval of Settlement ("Settlement" or "Settlement Agreement") filed in the matter docketed above, submits this Statement in Support of the Settlement Agreement between I&E and Spartacus Energy Services, LLC ("Spartacus" or "Company").[1] I&E avers that the terms and conditions of the Settlement are just and reasonable and in the public interest for the reasons set forth herein.

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[1] I&E and Spartacus are collectively referred to herein as the "Parties."

I. BACKGROUND

I&E, along with the Public Utility Commission's Bureau of Consumer Services ("BCS"), conducted investigations of informal complaints received by BCS between December of 2023 and January of 2024 related to the enrollment of customers to Spartacus without the customers' authorization (i.e. slamming). The results of the investigation formed the basis for the allegations set forth in the Settlement Agreement.

Between December of 2023 and January of 2024, Spartacus and a third-party marketing agent acting on behalf of Spartacus, 360 Marketing, enrolled customers to Spartacus without the customers' authorization (i.e. slamming). Spartacus had hired 360 Marketing to conduct commercial and residential sales in Pennsylvania and 360 Marketing commenced marketing activities on behalf of Spartacus in December of 2023. Since December of 2023, BCS received approximately forty (40) complaints from individuals who claim that their electricity supplier was switched without authorization to Spartacus. BCS initiated an informal investigation of Spartacus in January of 2024 as a result of the complaints received from individuals related to allegations of slamming. BCS then referred the matter to I&E to further investigate the matter on April 12, 2024. As part of the investigation, I&E served an Informal Investigation Letter and Data Request – Set I to Spartacus on November 19, 2024. In its response, Spartacus indicated that it had cancelled the accounts in question and offered the customers of those accounts complete refunds of supplier charges. Additionally, Spartacus has implemented a two-point sales verification process to guarantee that all future enrollments are authorized before they are integrated into their platform. Spartacus suspended 360 Marketing's operations on January 22, 2024 and terminated its contract with 360 Marketing on January 31, 2024.

Had this matter been fully litigated rather than resolved through this Settlement, I&E would have proffered evidence and legal argument that Spartacus violated certain provisions of the Public Utility Code and/or Commission regulations in that:

a. Spartacus is responsible for any fraudulent, deceptive or other unlawful marketing or billing acts performed by the licensee, its employees, agents or representatives. If proven, this is a violation of 52 Pa. Code § 54.43(f) (Standards of conduct and disclosure for licensees);

b. Spartacus, as an EGS, is responsible for fraudulent, deceptive or other unlawful marketing acts performed by its agent. If proven, this is a violation of 52 Pa. Code § 111.3 (Supplier Liability for Its Agent); and

c. Spartacus failed to obtain customer authorization to switch service. If proven, this is a violation of 52 Pa. Code § 57.173 (Customer Contacts the EGS to Request a Change in Electric Supply Service).

The Parties filed a Joint Petition for Approval of Settlement in the instant matter resolving all issues between I&E and Spartacus. This Statement in Support is submitted in conjunction with this Settlement Agreement.

II. THE PUBLIC INTEREST

Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest, the Parties held a series of settlement discussions. These discussions culminated in this Settlement Agreement, which, once approved, will resolve all issues related to I&E's informal investigation. Spartacus has been cooperative with I&E related to identifying policies and procedures, facilities, and training that can be further improved to assist Spartacus in enhancing the reliability of service and to satisfy the commitments that I&E has required in the settlement process. Specifically, Spartacus has implemented a two-point sales verification process to guarantee that future enrollments are authorized before they are integrated into Spartacus' platform. Spartacus also promptly addressed the misconduct committed by its agent by terminating its contract with 360 Marketing, prior to the initiation of I&E's informal investigation. Further, Spartacus offered affected customers full refunds of supplier charges that were billed as a result of the unlawful switch to Spartacus.

Had this matter been fully litigated rather than resolved through this Settlement, I&E would have proffered evidence and legal argument that Spartacus violated the Public Utility Code and/or Commission regulations to which Spartacus would have disputed. This Settlement Agreement results from the compromises of the Parties. I&E recognizes that, given the inherent unpredictability of the outcome of a contested proceeding, the benefits to amicably resolving the disputed issues through settlement outweigh the risks and expenditures of litigation. I&E submits that the Settlement constitutes a reasonable compromise of the issues presented and is in the public interest as it provides for a civil penalty. As such, I&E respectfully requests that the Commission approve the Settlement without modification.

III. TERMS OF SETTLEMENT

Under the terms of the Settlement Agreement, I&E and Spartacus have agreed to a civil penalty that directly responds to the allegations raised by I&E:

1. Spartacus will pay a civil penalty Twenty-Eight Thousand Dollars ($28,000.00), which will not be tax deductible.

In consideration of Spartacus's payment of a civil penalty, I&E agrees that it has released Spartacus from all past claims that were or could have been made for monetary and/or other relief based on allegations associated with slamming between December 2023 and January 2024.

IV. LEGAL STANDARD FOR SETTLEMENT AGREEMENTS

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense that the Parties must expend on litigating a case and conserve precious administrative resources. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. "The focus of inquiry for determining whether a proposed settlement should be recommended for approval is not a 'burden of proof' standard, as is utilized for contested matters." *Pa. Pub. Util. Comm'n, et al. v. City of Lancaster – Bureau of Water*, Docket Nos. R-2010-2179103, *et al*. (Order entered July 14, 2011) at p. 11. Instead, the benchmark for determining the acceptability of a settlement is whether the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. Philadelphia Gas Works*, Docket No. M- 00031768 (Order entered January 7, 2004).

I&E submits that approval of the Settlement Agreement in the above-captioned matter is consistent with the Commission's Policy Statement regarding *Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations* ("Policy Statement"), 52 Pa. Code § 69.1201; *See also Joseph A. Rosi v. Bell-Atlantic-Pennsylvania, Inc.*, Docket No. C- 00992409 (Order entered March 16, 2000). The Commission's Policy Statement sets forth ten (10) factors that the Commission may consider in evaluating whether a civil penalty for violating a Commission order, regulation, or statute is appropriate, as well as whether a proposed settlement for a violation is reasonable and in the public interest. 52 Pa. Code § 69.1201.

The Commission will not apply the factors as strictly in settled cases as in litigated cases. 52 Pa. Code § 69.1201(b). While many of the same factors may still be considered, in settled cases, the Parties "will be afforded flexibility in reaching amicable resolutions to complaints and other matters as long as the settlement is in the public interest." *Id*.

The first factor considers whether the conduct at issue was of a serious nature, such as willful fraud or misrepresentation, or if the conduct was less egregious, such as an administrative or technical error. Conduct of a more serious nature may warrant a higher civil penalty while conduct that is less egregious warrants a lower amount. 52 Pa. Code § 69.1201(c)(1). I&E submits that the conduct alleged in the Complaint does not rise to the level of willful fraud or misrepresentation but is of a more serious nature than a mere administrative error due to the amount of complaints received by BCS in a short amount of time. Therefore, I&E submits that the civil penalty is warranted in this case. The seriousness of the conduct at issue has been addressed in the pre-investigation corrective measures that the Company has already taken, as well as the payment of the agreed-upon civil penalty.

The second factor considers whether the resulting consequences of Spartacus alleged conduct were of a serious nature. When consequences of a serious nature are involved, such as personal injury or property damage, the consequences may warrant a higher penalty. 52 Pa. Code § 69.1201(c)(2). In this case, Spartacus has provided complete refunds of supplier charges to all impacted customers. No personal injury or property damage is involved in this matter. Slamming, however, is serious in that it undermines the integrity of the retail electricity market. The civil penalty reflects the seriousness of the conduct.

The third factor to be considered under the Policy Statement is whether the alleged conduct was intentional or negligent. 52 Pa. Code § 69.1201(c)(3). "This factor may only be considered in evaluating litigated cases." *Id*. Whether Spartacus's alleged conduct was intentional or negligent does not apply since this matter is being resolved by settlement of the Parties. Additionally, Spartacus is taking responsibility for the conduct of its third-party marketing agent by entering into the Settlement.

The fourth factor to be considered is whether Spartacus has made efforts to change its practices and procedures to prevent similar conduct in the future. 52 Pa. Code § 69.1201(c)(4). In response to this incident, Spartacus provided complete refunds of supplier charges to all impacted customers. Additionally, Spartacus has implemented a two-point sales verification process to guarantee that all future enrollments are authorized before they are integrated into their platform, which will help prevent a similar incident from occurring again. Furthermore, Spartacus swiftly terminated its contract with 360 Marketing upon learning of the consumer complaints. These actions demonstrate that Spartacus is taking measures to improve its quality control and reliability of its operations.

The fifth factor to be considered relates to the number of customers affected by the Company's actions and the duration of the violations. 52 Pa. Code § 69.1201(c)(5). Approximately forty (40) customers had their electricity supplier switched without authorization to Spartacus. The duration of the violations occurred over approximately a two-month period of time.

The sixth factor to be considered relates to the compliance history of Spartacus. 52 Pa. Code § 69.1201(c)(6). An isolated incident from an otherwise compliant company may result in a lower penalty, whereas frequent, recurrent violations by a company may result in a higher penalty. *Id*. Spartacus does not have a compliance history with the Commission to be considered.

The seventh factor to be considered relates to whether the Company cooperated with the Commission's investigation. 52 Pa. Code § 69.1201(c)(7). "Facts establishing bad faith, active concealment of violations, or attempts to interfere with Commission investigations may result in a higher penalty." *Id*. As previously referenced, Spartacus cooperated with I&E's investigation, as well as BCS in its investigation.

The eighth factor to be considered is the appropriate settlement amount necessary to deter future violations. 52 Pa. Code § 69.1201(c)(8). I&E submits that given the nature of Spartacus's conduct and the nature of the resulting consequences, a civil penalty amount of $28,000.00, which is not tax deductible, is an appropriate penalty amount in this case. I&E further submits that this amount is sufficient to deter Spartacus from committing future violations.

The ninth factor to be considered relates to past Commission decisions in similar situations. 52 Pa. Code § 69.1201(c)(9). I&E submits that the instant Settlement provides comparable relief to prior enforcement matters involving similar slamming allegations[2] in that it provides for a civil penalty for the unauthorized switching, thus abiding by the Commission's zero tolerance policy for slamming. However, this matter is distinguishable from other slamming investigations that culminated in settlements in that Spartacus modified its practices, including promptly terminating its contract with the problematic agent, prior to I&E's involvement. Marketing 360's campaign on behalf of Spartacus in Pennsylvania endured for only two months. Spartacus also fully refunded the supplier charges of affected customers and has no previous history of non-compliance before this Commission. Further, Spartacus has no previous history of non-compliance. The instant Settlement Agreement should therefore be viewed on its own merits and is fair and reasonable, particularly due to the prompt proactive measures taken by Spartacus to fully address the misconduct.

The tenth factor considers "other relevant factors." 52 Pa. Code § 69.1201(c)(10). I&E submits that an additional relevant factor – whether the case was settled or litigated

[2] The Commission has previously imposed a $1,000 per account penalty in slamming matters where a customer's account was switched and received electric generation supply service from a company without the customer's authorization. *See Pa. Pub. Util. Comm'n, Law Bureau Prosecutory Staff v. MXenergy Electric, Inc.*, Docket No. M-2012-2201861 (Order entered August 29, 2013); *See also Pa. Pub. Util. Comm'n, Bureau of Investigation and Enforcement v. Energy Services Providers, Inc. d/b/a Pa. Gas & Electric and U.S. Gas & Electric, Inc. d/b/a Pa. Gas & Electric*, Docket No. M-2013-2325122 (Order entered October 2, 2014); *See also Pa. Pub. Util. Comm'n, Bureau of Investigation and Enforcement v. Reliant Energy Northeast LLC d/b/a Reliant Energy, NRG Business Solutions, Reliant-NRG, NRG Residential Solutions, NRG Retail Solutions, NRG Home and NRG Business*, Docket No. M-2020-3006647 (Order entered March 25, 2021); and *See also Pa. Pub. Util. Comm'n Bureau of Investigation and Enforcement v. Clearview Electric, Inc. d/b/a Clearview Energy*, Docket No. C-2020-3020127 (Order entered October 28, 2021).

– is of pivotal importance to this Settlement Agreement. A settlement avoids the necessity for the governmental agency to prove elements of each allegation. In return, the opposing party in a settlement agrees to a lesser fine or penalty, or other remedial action. Both Parties negotiate from their initial litigation positions. The fines and penalties, and other remedial actions resulting from a fully litigated proceeding are difficult to predict and can differ from those that result from a settlement. Reasonable settlement terms can represent economic and programmatic compromise while allowing the Parties to move forward and to focus on implementing the agreed upon remedial actions and enhancing public safety.

In conclusion, I&E fully supports the terms and conditions of the Settlement Agreement. The terms of the Settlement Agreement reflect a carefully balanced compromise of the interests of the Parties in this proceeding. The Parties believe that approval of this Settlement Agreement is in the public interest. Acceptance of this Settlement Agreement in its entirety avoids the necessity of further administrative and potential appellate proceedings at what would have been a substantial cost to the Parties.

WHEREFORE, I&E supports the Settlement Agreement as being in the public interest and respectfully requests that the Commission approve the Settlement in its entirety without modification.

Respectfully submitted,

Stephanie M. Wimer
Deputy Chief Prosecutor
PA Attorney ID No. 207522

Pennsylvania Public Utility Commission
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Dated: August 31, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement's Investigation of Spartacus Energy Services, LLC's unauthorized enrollment of customers	:	Docket No. M-2026-3048680

STATEMENT IN SUPPORT OF SETTLEMENT OF SPARTACUS ENERGY SERVICES, LLC

Spartacus Energy Services, LLC ("Spartacus" or "Company") hereby submits its Statement in Support of the Joint Petition for Settlement ("Settlement) of the above-referenced informal investigation of the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement ("I&E"). For the reasons set forth below, Spartacus believes that the Settlement is in the public interest and should be approved.

Background

This settlement relates to enrollments performed by a third-party marketing vendor conducting commercial sales on behalf Spartacus. All of the enrollments in question were commercial customers whose enrollments were submitted by the vendor as in-person enrollments, based on digitally signed enrollment confirmations.

On January 9, 2024, approximately 27 days after the vendor began marketing, Spartacus received a complaint from a customer disputing an enrollment. Spartacus contacted the vendor to express its concerns with the vendor's processes. Shortly thereafter, Spartacus received additional complaints regarding enrollments performed by the vendor. Upon receiving these additional complaints, Spartacus suspended the vendor's operations on January 22, 2024 and formally terminated the vendor on January 31, 2024.

For each complaint it received, Spartacus reviewed the complaint form received from the Bureau of Consumer Services, and confirmed that the customer information matched Spartacus's records, and pulled all enrollment information regarding the account. For complaints in which the customer sought cancellation of their service, Spartacus immediately cancelled the enrollment by sending a drop request to the utility. Spartacus attempted to contact each complaining customer to gather additional information regarding their enrollment and the relief they were requesting. In situations where a customer's enrollment was completed and they actually received supply service from Spartacus, Spartacus worked with the customer to confirm the amount of the refund that would be provided to satisfy their complaint. Notably, Spartacus took all of these actions and terminated the vendor long before being contacted by I&E.

Support for Approval

Spartacus believes that the civil penalty agreed to in the Settlement is reasonable under the circumstances. As reflected in the Settlement, Spartacus fully cooperated with I&E's investigation of the incident and took immediate remedial action in response to the complaints related to the enrollments done by its vendor. Spartacus took quick action to suspend and then terminate its vendor upon receiving complaints of unauthorized enrollments. Spartacus also investigated the complaints to ensure that all affected customers had their incorrect enrollments cancelled. While Spartacus did not directly conduct the enrollments in question, Spartacus recognizes that it is responsible for the actions of its sales agents, even if they are employed by a third party marketing vendor. Accordingly, Spartacus is willing to accept a $28,000 civil penalty as a result of the incident.

The resolution of I&E's investigation through the Settlement is in the public interest. The Settlement allows this investigation to be completed without the need for a formal proceeding and the associated time and cost of fully litigating this matter, while still providing consequences for the inappropriate actions of a sales vendor operating on behalf of a licensed supplier. This is in the public interest because it will conserve both Spartacus and the Commission resources to focus attention on their responsibilities of assuring safe, adequate and reliable utility service to the citizens of the Commonwealth, and of ensuring that the Commission's electricity supplier sales and marketing regulations are adhered to. Spartacus therefore believes that the Joint Petition for Settlement is in the public interest and should be approved by the Commission.

Respectfully Submitted,

Spartacus Energy Services, LLC

By: Eric Edwards

Eric Edwards
Chief Operating Officer

Date: 8/4/36

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement's Investigation of Spartacus Energy Services, LLC's Unauthorized Enrollment of Customers	: : : : :	Docket No. M-2026-3048680

<u>CERTIFICATE OF SERVICE</u>

I hereby certify that I have this day served a true copy of the foregoing **Joint Petition for Approval of Settlement** upon the Parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

<u>Service by Electronic Mail:</u>

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Dated: August 31, 2026