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COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT DOCKET NO.

ALLISON NEWTON, on behalf of herself and all others similarly situated,

Plaintiff,

VS.

EVERSOURCE ENERGY,

Defendant.

CLASS ACTION COMPLAINT

Plaintiff Allison Newton ("Plaintiff"), on behalf of the putative Class, by their undersigned counsel, and for their Class Action Complaint against Defendant Eversource Energy allege as follows:

PRELIMINARY STATEMENT

- 1. This is a proposed class action seeking monetary damages, restitution, and public injunctive and declaratory relief from Defendant Eversource Energy ("Defendant" or "Eversource") arising from its unconscionable, unfair and deceptive and assessment of so-called "Reconnect Charges" on consumers.
- 2. Such fees are "junk fees" that disproportionately impact people who are already struggling to make ends meet. Further, the "Reconnect Charges" are deceptively named, insufficiently disclosed, and far in excess of the negligible costs to Defendant of restoring electric service that it has previously disconnected due to non-payment.

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other than profit—today. In the past, a private utility like Defendant had to come out to a property and physically disconnect/connect a wire or close/open a valve in order to disconnect or reconnect

Defendant's "Reconnect Charges" are relics of the past that serve no purpose—

utility service. Today, smart metering devices and computerized billing automation means service

can be suspended or reactivated electronically, with the push of a button at an office miles away.

4. As a result, Defendant's \$102 "Reconnect Charges" far exceed Eversource's actual

cost of reconnecting electric service and is nothing more than an expensive excuse to collect money

from struggling consumers who can afford it the least—who are already struggling to keep the

lights on. Indeed, paying Defendant's "Reconnect Charge" does not forgive any past due balance

- that amount is still due. It is merely a fee to provide consumers with the privilege of paying for

electricity again.

3.

5. That the "Reconnect Charge" bears no relationship to Eversource's actual costs is

further evidenced by other utilities around the nation. Many other utilities providers charge no fee

whatsoever for so-called "reconnection," or only a nominal \$5 fee. For example, Florida Power &

Light (FPL) and Ameren (operating in Missouri) each charge only \$5 for reconnection. Others

charge nothing.

6. In addition, Eversource's fine print disclosures failed to prominently and

adequately disclose such charges to new consumers, and in any event provided no clear contractual

authority for it to assess \$102 "Reconnect Charges" in all circumstances, as is its policy.

7. The "Reconnect Charge" can have devastating impacts, and itself contributes to a

further power shutoffs and consumers struggle to keep current with payments, creating a cycle of

disconnect then assessment of "Reconnect Charges" that becomes in essence a tax for being poor.

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- 8. The assessment of "Reconnect Charges" to access a basic human need, electricity, is unconscionable and punitive, and serves no valid public purpose. Such fees only add hardship to hardship and are unconscionable.
- 9. Thousands of Eversource customers like Plaintiff have been assessed "Reconnect Charges" for which they did not bargain and which were unlawful and unconscionable.
 - 10. Plaintiff seeks damages and, among other remedies, public injunctive relief.

PARTIES

- 11. Plaintiff Newton is a resident and a citizen of Lee, Massachusetts.
- 12. Defendant owns and operates electric utilities and is headquartered in Boston, Massachusetts.

JURISDICTION AND VENUE

- 13. This court has original jurisdiction over this action pursuant to G.L.c. 212§ 3 and § 4 because Plaintiff alleges damages in excess of \$50,000.
- 14. This Court has personal jurisdiction over Defendant because it has its principal place of business in Massachusetts and regularly engages in business in Massachusetts.
- 15. Venue is proper in Suffolk County, Massachusetts pursuant to M.G.L. c. 223 § 1 because Defendant's principal office is located in Suffolk County and a substantial part of the events or omissions giving rise to the claims asserted herein occurred in Suffolk County. Additionally, pursuant to Superior Court Administrative Directive No. 17-1, Plaintiff has also filed this action in the Business Litigation Session sitting in Suffolk County.

FACTUAL BACKGROUND AND GENERAL ALLEGATIONS

A. <u>Disconnection of Service</u>

16. When an electricity customer does not pay their electricity bill on time, a utility

company like Defendant may terminate service.

- 17. During the early part of the Covid-19 pandemic, approximately 88% of residential electricity customers were protected temporarily from disconnection by state-issued disconnection moratoria or voluntary utility practices. But by the end of 2021, nearly all these pandemic-related moratoria had expired, and disconnections for nonpayment resumed across the country.
- 18. Disconnections have continued to increase as customers and utilities deal with arrearages accumulated when moratoria were in effect. Further, increased energy prices since 2021—especially for natural gas, a key input to electricity costs—have added significantly to affordability challenges.
- 19. U.S. researchers estimate that approximately 1% of households—over 1.25 million households—are disconnected from electric service each year. Broader measures of energy insecurity (e.g., foregoing other necessary expenses like food or medicine) are much higher, with approximately 30% of American households experiencing some form of energy insecurity.
- 20. This lawsuit concerns what happens next, once electric power has been turned off by a utility like Defendant.
- 21. When disconnection occurs, household members are essentially prevented from functioning in our modern society, and extreme risks to health, safety, and economic security occur. As one might expect, electricity disconnection begins a major, all-consuming crisis for the household affected—a mad scramble to try to get power turned back on, at any cost.
- 22. Defendant exploits these household crises to pad its bottom line, extracting "Reconnect Charges" that households have no choice but to pay under extreme duress.
 - B. The Advent of Smart Meters Means Utilities Disconnect and Reconnect Service Remotely, at No Extra Cost
 - 23. Electric utilities like Defendant have largely replaced old fashioned, analogue

electric meters with so-called "smart meters" over the last two decades.

- 24. A smart meter is an electrical device that measures the electricity consumption of a home or building. It allows for two-way communication between the electric meter and Eversource Energy, including to turn off and turn on electric service remotely.
- 25. Eversource's smart metering devices and computerized billing automation means service can be suspended or reactivated electronically, with the push of a button at an office miles away. There is, in other words, no "disconnection" of a meter at all, and thus no need to "reconnect" such a meter.
- 26. While in the past utilities like Eversource would send a metering service person to connect or disconnect the meter, with a smart meter electric service cessation or reactivation can be performed remotely. Eversource's cessation of electric service to a household occurs with a keystroke, and is little different that when a user of a subscription website is blocked from accessing the website when payment fails. Reactivation is as simple—and costless.

C. Eversource's Disclosures Fail to Adequately Inform Users of the "Reconnect Charge"

- 27. Eversource fails to adequately disclose the "Reconnect Charge" and does not provide itself contractual authorization to charge \$102 "Reconnect Charges" in all circumstances.
- 28. Further, Eversource's "Reconnect Charge" Fees are precisely the type of "Junk Fee" that has come under government scrutiny in recent years:

Junk fees are fees that are mandatory but not transparently disclosed to consumers. Consumers are lured in with the promise of a low price, but when they get to the register, they discover that price was never really available. Junk fees harm consumers and actively undermine competition by making it impractical for consumers to compare prices, a linchpin of our economic system.

The White House, <u>The Price Isn't Right: How Junk Fees Cost Consumers and Undermine</u>

<u>Competition</u>, March 5, 2024, available at https://www.whitehouse.gov/cea/written-

materials/2024/03/05/the-price-isnt-right-how-junk-fees-cost-consumers-and-undermine-competition/#_ftnref3

30. As the Federal Trade Commission said recently in its effort to combat Junk Fees:

[M]any consumers said that sellers often do not advertise the total amount they will have to pay, and disclose fees only after they are well into completing the transaction. They also said that sellers often misrepresent or do not adequately disclose the nature or purpose of certain fees, leaving consumers wondering what they are paying for or if they are getting anything at all for the fee charged.

Federal Trade Commission, <u>FTC Proposes Rule to Ban Junk Fees – Proposed rule would prohibit</u> <u>hidden and falsely advertised fees</u>, October 11, 2023, available at <u>https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-proposes-rule-ban-junk-fees</u>.

- 31. Eversource does not fairly and adequately disclose the presence of "Reconnect Charges" to its customers, and such fees are therefore a surprise.
- 32. Moreover, the "Reconnect Charge" bears no relationship to Eversource's actual costs is further evidenced by other utilities around the nation. Many other utilities providers charge no fee whatsoever for so-called "reconnection," or only a nominal \$5 fee. For example, Florida Power & Light (FPL) and Ameren (operating in Missouri) each charge only \$5 for reconnection. Eversource charges a staggering \$97 more for so-called reconnection.
- 33. Eversource fails to disclose the true nature of these fees, which are for its own profit and not truly for "reconnection."

D. Plaintiff's Experience

- 34. Plaintiff Newton is a Eversource Energy electricity customer, for her home in Lee, Mass. Her home has a Eversource smart meter.
- 35. In or around August, 2024, Eversource turned off Plaintiff Newton's electricity service. Desperate to have service turned back on, Plaintiff called and made payment arrangements

with Eversource to turn service back on.

- 36. Eversource did not inform Plaintiff that, on her next monthly bill, Eversource would assess her a \$102 "Reconnect Charge".
- 37. On Plaintiff's September, 2024 electricity bill, Eversource assessed a \$102 "Reconnect Charge".

CLASS ALLEGATIONS

38. Plaintiff brings this action on behalf of himself and a Class of similarly situated persons. The Class is defined as follows:

All consumers in Massachusetts who have a smart meter and, within the applicable statute of limitations preceding the filing of this action to the date of class certification paid Eversource a "Reconnect Charge".

- 39. Excluded from the Class is Defendant, any entities in which it has a controlling interest, any of its parents, subsidiaries, affiliates, officers, directors, employees and members of such persons' immediate families, and the presiding judge(s) in this case, and their staff. Plaintiff reserve the right to expand, limit, modify, or amend this class definition, including the addition of one or more subclasses, in connection with his motion for class certification, or at any other time, based upon, *inter alia*, changing circumstances and/or new facts obtained during discovery.
- 40. **Numerosity**: At this time, Plaintiff does not know the exact size of the Class; however, due to the nature of the trade and commerce involved, Plaintiff believes that the Class members are well into the thousands, and thus are so numerous that joinder of all members is impractical. The number and identities of Class members is administratively feasible and can be determined through appropriate discovery in the possession of the Defendant.
- 41. **Commonality**: There are questions of law or fact common to the Class, which include, but are not limited to the following:

- a. Whether during the class period, Defendant deceptively represented the true cost of its services;
- Whether Defendant's alleged misconduct misled or had the tendency to mislead consumers;
- c. Whether Defendant engaged in unfair, unlawful, and/or fraudulent business practices under the laws asserted;
- d. Whether Defendant's alleged conduct constitutes violations of the laws asserted;
- e. Whether Plaintiff and members of the Class were harmed by Defendant's unconscionable and unfair assessment of "Reconnect Charges";
- f. Whether Plaintiff and the Class have been damaged, and if so, the proper measure of damages; and
- g. Whether an injunction is necessary from assessing the complained-of fees.
- 42. **Typicality**: Like Plaintiff, many other consumers paid undisclosed, unfair, and unconscionable "Reconnect Charges". Plaintiff and the Class have suffered the same or similar injury as a result of Defendant's false, deceptive and misleading representations and unfair and unconscionable practices. Plaintiff's claims and the claims of members of the Class emanate from the same legal theory, Plaintiff's claims are typical of the claims of the Class, and, therefore, class treatment is appropriate.
- 43. **Adequacy of Representation**: Plaintiff is committed to pursuing this action and has retained counsel competent and experienced in prosecuting and resolving consumer class actions. Plaintiff will fairly and adequately represent the interests of the Class and do not have any interests adverse to those of the Class.

- 44. **The Proposed Class Satisfies Prerequisites for Injunctive Relief.** Defendant has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive and equitable relief with respect to the Class as a whole.
- 45. Specifically, Defendant should be ordered to cease from assessing excessive "Reconnect Charges" and to disclose the true nature of such fees.
- 46. Defendant's ongoing and systematic practices make declaratory relief with respect to the Class appropriate.
- 47. The Proposed Class Satisfies the Prerequisites for Damages. The common questions of law and fact enumerated above predominate over questions affecting only individual members of the Class, and a class action is the superior method for fair and efficient adjudication of the controversy. The likelihood that individual members of the Class will prosecute separate actions is remote due to the extensive time and considerable expense necessary to conduct such litigation, especially when compared to the relatively modest amount of monetary, injunctive, and equitable relief at issue for each individual Class member.

CAUSES OF ACTION

COUNT I

Breach of Contract, Including the Covenant of Good Faith and Fair Dealing (On Behalf of Plaintiff and the Class)

- 48. Plaintiff incorporates the preceding allegations by reference as if fully set forth herein.
 - 49. Plaintiff and Defendant have contracted for electricity services.
- 50. Defendant mischaracterized in the contract its true practices when electricity service is turned off and then turned back on.
 - 51. No contract provision authorizes Defendant to charge \$102 Meter Reconnection

fees in all circumstances.

- 52. Under Massachusetts law, the covenant of good faith and fair dealing is an implied promise contained in every contract that neither party shall do anything which will have the effect of destroying or injuring the right of the other party to receive the fruits of the contract.
- 53. Good faith and fair dealing, in connection with executing contracts and discharging performance and other duties according to their terms, means preserving the spirit—not merely the letter—of the bargain. Put differently, the parties to a contract are mutually obligated to comply with the substance of their contract in addition to its form. Evading the spirit of the bargain and abusing the power to specify terms constitute examples of bad faith in the performance of contracts.
- 54. Subterfuge and evasion violate the obligation of good faith in performance even when an actor believes their conduct to be justified. A lack of good faith may be overt or may consist of inaction, and fair dealing may require more than honesty. Examples of violations of good faith and fair dealing are willful rendering of imperfect performance, abuse of a power to specify terms, and interference with or failure to cooperate in the other party's performance.
- 55. Defendant has breached the covenant of good faith and fair dealing through its overdraft policies and practices as alleged herein.
- 56. Defendant harms consumers by abusing its contractual discretion in a number of ways that no reasonable customer could anticipate.
- 57. Plaintiff and members of the Class have performed all, or substantially all, of the obligations imposed on them by the Contract.

COUNT II <u>Unjust Enrichment</u> (On Behalf of Plaintiff and the Class)

- 58. The preceding allegations are incorporated by reference.
- 59. To the detriment of Plaintiff and the Class, Defendant has been, and continues to be, unjustly enriched as a result of its wrongful conduct alleged herein.
- 60. Plaintiff and the Class conferred a benefit on Defendant when they paid Defendant the "Reconnect Charges", which they did not agree to and could not reasonably avoid.
- 61. Defendant unfairly, deceptively, unjustly, and/or unlawfully accepted said benefits, which under the circumstances, would be unjust to allow Defendant to retain.
- 62. Defendant's unjust enrichment is traceable to, and resulted directly and proximately from, the conduct alleged herein.
- 63. Plaintiff and the Class, therefore, seek disgorgement of all wrongfully obtained fees received by Defendant as a result of its inequitable conduct as more fully stated herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff and the members of the Class seek an Order:

- 1. Certifying the proposed Class;
- 2. Declaring that Defendant is financially responsible for notifying the Class members of the pendency of this suit;
 - 3. Declaring the Defendant has committed the violations of law alleged herein;
 - 4. Providing for any and all public injunctive relief the Court deems appropriate;
- 5. Awarding monetary damages, including but not limited to any compensatory, incidental, or consequential damages in an amount that the Court or jury will determine, in accordance with applicable law;

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- 6. Providing for any and all equitable monetary relief the Court deems appropriate;
- 7. Awarding punitive or exemplary damages in accordance with proof and in an amount consistent with applicable precedent;
- 8. Awarding Plaintiff their reasonable costs and expenses of suit, including attorneys' fees;
 - 9. Awarding pre- and post-judgment interest to the extent the law allows; and
 - 10. Providing such further relief as this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff and all others similarly situated hereby demand trial by jury on all issues in this complaint that are so triable as a matter of right.

Dated: December 9, 2024 Respectfully submitted,

/s/ Jonathan M. Hixon
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ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Class Action Lawsuit Alleges Eversource's</u> \$102 Electricity Reconnection Fee Is Unfair