

**BEFORE THE
U.S. DEPARTMENT OF ENERGY
Washington, D.C. 20585**

In the Matter of:)
)
Northland Corporation) Case Number: 2014-CE-23002
d/b/a AGA Marvel)
(conventional cooking products))
)

NOTICE OF PROPOSED CIVIL PENALTY

Date issued: June 23, 2014

Number of alleged violations: 3650 (10 basic models, 365 days)

Maximum possible assessment: **\$ 730,000**

Proposed civil penalty: **\$ 182,500**

The U.S. Department of Energy (“DOE”) Office of the General Counsel, Office of Enforcement, alleges that Northland Corporation d/b/a AGA Marvel (“AGA Marvel”) has violated certain provisions of the Energy Policy and Conservation Act, 42 U.S.C. § 6291 *et seq.* (“the Act”), and 10 C.F.R. § 429.12.

Specifically, DOE alleges:

1. AGA Marvel has manufactured¹ conventional cooking products² including basic models 4210CD****, 5210CD****, 720000****, 920000****, ACMP*****, ALEG36DF*****, ALEG44DF*****, AMPRO36DF**, A2ODVMODNG***, and A3OSVMODNG*** under the brand names “Heartland” and “AGA.”
2. AGA Marvel has distributed for at least 365 days, and continues to distribute, basic models 4210CD****, 5210CD****, 720000****, 920000****, ACMP*****, ALEG36DF*****, ALEG44DF*****, AMPRO36DF**, A2ODVMODNG***, and A3OSVMODNG*** in commerce in the U.S.

¹ “Manufacture” means to manufacture, produce, assemble, or import. 42 U.S.C. § 6291(10).

² DOE has determined that conventional ranges, conventional cooking tops, and conventional ovens are all classes included within the type designated by EPCA as “kitchen ranges and ovens” at 42 U.S.C. § 6292(a)(1). *See* 42 FR 65576, 65576 (Dec. 30, 1977); 43 FR 20108, 20119 (May 10, 1978). DOE collectively refers to these products as “conventional cooking products.”

3. All of the basic models listed in paragraphs 1 and 2 are “covered products.” *See* 42 U.S.C. §§ 6291(2), 6292(a)(10); 10 C.F.R. § 430.2.
4. On May 3, 2011, AGA Marvel agreed to pay \$6,000 after failing to submit certification reports for dishwashers. As part of that agreement, AGA Marvel also agreed to certify all basic models of all covered products that it distributed in the U.S.
5. AGA Marvel failed to submit a certification report for basic models ACMP*****, ALEG36DF*****, ALEG44DF*****, AMPRO36DF**, A2ODVMODNG***, and A3OSVMODNG*** before distributing these basic models in commerce in the U.S., as required by 10 C.F.R. §§ 429.12 and 429.23.
6. AGA Marvel failed to submit annual certification reports in 2012 and 2013 for basic models 4210CD****, 5210CD****, 720000****, and 920000**** before distributing these basic models in commerce in the U.S., as required by 10 C.F.R. §§ 429.12 and 429.23.

Failure to submit a certification report for a covered product as required by 10 C.F.R. Part 429 is a prohibited act pursuant to 10 C.F.R. § 429.102(a)(1) and subject to civil penalty as described in 10 C.F.R. § 429.120.

The following information is provided in question and answer format to help explain AGA Marvel’s legal obligations and options.

What do I do now?

DOE is offering a settlement of **\$16,000** if you submit the signed Compromise Agreement within thirty (30) calendar days of the date of this Notice. As part of that settlement, you must pay the fine within thirty (30) calendar days of the date of issuance of an order adopting the Agreement (“Adopting Order”) and within sixty (60) calendar days of the date of the Adopting Order properly certify all models that you manufacture and distribute in commerce in the U.S. If you do not submit the required certification documents within sixty (60) calendar days of the date of the Adopting Order, you will be subject to the maximum penalty of \$200 per day per basic model for every day you do not certify each basic model.

You may settle the case for **\$32,000** if you submit the signed compromise agreement between 31 and 60 calendar days after the date of this notice. As part of that settlement, you must pay the fine within thirty (30) calendar days of the date of the Adopting Order and within sixty (60) calendar days of the date of the Adopting Order properly certify all models that you manufacture and distribute in commerce in the United States. If you do not submit the required certification documents within 60 calendar days of the date of the Adopting Order, you will be subject to the maximum penalty of \$200 per day per basic model for every day you do not certify each basic model.

If you do not choose to settle the case, DOE may seek the **maximum penalty (\$730,000)** authorized by law. You have other options as described below.

What are my other options?

If you do **not** agree to DOE's settlement offer, you must select Option 1 or Option 2, below, within thirty (30) calendar days.

Option 1: You may elect to have DOE issue an order assessing a civil penalty. Failure to pay the assessed penalty within sixty (60) calendar days of the date of the order assessing such penalty will result in referral of the case to a U.S. District Court for an order affirming the assessment of the civil penalty. The District Court has the authority to review the law and the facts *de novo*.

Option 2: You may elect to have DOE refer this matter to an Administrative Law Judge ("ALJ") for an agency hearing on the record. Upon a finding of violation by the ALJ, DOE will issue an order assessing a civil penalty. This order may be appealed to the appropriate U.S. Court of Appeals.

When must I respond?

You must submit the signed Compromise Agreement within thirty (30) calendar days of the date of this Notice to pay the **lowest fine (\$16,000)**. If you do not wish to settle AND you wish to choose Option 1 as described above, you must notify DOE of your selection of Option 1 within thirty (30) calendar days of the date of this Notice. Otherwise, if you do not settle the case, DOE will refer the case to an ALJ as described in Option 2.

How should I submit my response?

To assure timely receipt, DOE strongly encourages you to submit your response by e-mail. DOE accepts scanned images of signed documents (such as PDFs). You may respond by any of the following methods:

By email to: kenneth.michaels@hq.doe.gov

By fax to: (202) 586-3274

By private carrier to: K.C. Michaels
Attorney-Adviser (GC-32)
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

What happens if I fail to respond?

If you fail to respond within thirty (30) calendar days of the date of this Notice, or by the time of any extension granted by DOE, DOE will refer the case to an ALJ for a full administrative hearing (Option 2, above).

What should I include in my response?

1) If you wish to accept DOE's settlement offer, you should submit the signed Compromise Agreement (which is enclosed). If you do not wish to accept DOE's settlement offer, you should

