

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of REALGY,)	
LLC, d/b/a REALGY ENERGY SERVICES,)	Case No. U-15419
for a license as an alternative gas supplier.)	
_____)	

At the April 1, 2008 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER GRANTING LICENSE

On September 21, 2007, Realgy, LLC, d/b/a Realgy Energy Services (Realgy) applied for a license to operate as an alternative gas supplier (AGS) in Michigan pursuant to 2002 PA 634 (Act 634), MCL 460.9 *et seq.* As part of its submission, Realgy provided information to demonstrate compliance with the AGS license requirements under Act 634 and under the Commission’s March 12, 2003 order in Case No. U-13694 (March 12 order). That order established the AGS licensing procedure.

Act 634 requires an AGS to have the necessary financial, managerial, and technical capabilities to serve customers within the state of Michigan. The act also requires an AGS to maintain an office within the state. Under the March 12 order, the Commission Staff (Staff) must review the application of the AGS for conformance with the act and with the Commission’s orders. The Staff then recommends appropriate action regarding that application to the Commission.

The Staff reviewed the license application and the information submitted by Realgy and recommends that Realgy be granted a license to operate as an AGS.

The application shows that Realgy is a Connecticut limited liability company and that, while Realgy has not operated as a supplier in either the Michigan electric-choice or gas-choice markets, it has significant energy experience operating back office support programs in those markets. Realgy also has been serving the gas-choice markets in Indiana since 2003 and Illinois since 2004. Realgy's application demonstrated that its personnel have significant experience and expertise in the natural gas industry. Realgy also provided a detailed outline of its risk-management strategy and its procedures for responding to customer contacts. Based upon the information provided and the recommendation of the Staff, the Commission finds that Realgy possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

With respect to its financial capability, Realgy is a privately held company that currently serves commercial, industrial, and residential customers in Indiana and commercial and industrial customers in Illinois. Realgy has provided the Staff with a bond in the amount of \$100,000. Based upon its review of the financial statements and the bond, the Staff determined that Realgy's financial capabilities meet Act 634 requirements. The Commission agrees.

Act 634 requires Realgy to maintain an office within the state of Michigan. Realgy has outlined a proposed Michigan office but its plans are incomplete. The Staff has reviewed Realgy's application and recommends that it be granted a license to operate as an AGS on the condition that Realgy cannot begin marketing activities in Michigan until the office is established and the Staff has been officially notified in writing. After verification, the Staff will post notice of the establishment of the Michigan office in this docket, at which point Realgy may commence its intrastate marketing activities. The Commission finds that this is a reasonable condition, because many

corporations choose to locate their main headquarters outside the boundaries of Michigan, and it would be unreasonable to require that the expense of an office be incurred with the potential risk that a license might not be granted.

Based upon the submissions and all of the information provided, the Commission finds that Realgy's request to be licensed as an AGS is reasonable and in the public interest, and that it should be approved. However, the grant of the license is conditioned upon compliance with all of the applicable provisions of Act 634, the Commission's orders and administrative rules, and each of the delivering natural gas utilities' tariffs. Failure to comply with any of these provisions may result in revocation of the license or other penalties.

THEREFORE, IT IS ORDERED that:

A. Realgy, LLC, d/b/a Realgy Energy Services, is granted a license as an alternative gas supplier subject to the conditions established in this order, including establishing a Michigan office before commencing marketing operations.

B. Realgy, LLC, d/b/a Realgy Energy Services, shall comply with the regulatory requirements specified in 2002 PA 634, MCL 460.9 *et seq.*; the Commission's orders and administrative rules; and each of the delivering natural gas utilities' tariffs.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of April 1, 2008.

Mary Jo Kunkle, Executive Secretary

PROOF OF SERVICE

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County of Ingham)

E. David Lechler being duly sworn, deposes and says that on April 1st, 2008, A.D. he served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

E. David Lechler

Subscribed and sworn to before me
this 1st day of April 2008

Sharron A. Allen
Notary Public, Ingham County, MI
My Commission Expires August 16, 2011

SERVICE LIST FOR DOCKET # U - 15419-
DATE OF PREPARATION: 04/01/2008

CASE #

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