

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>ENERGY SERVICES PROVIDERS, INC., d/b/a</b>	)	
<b>MICHIGAN GAS &amp; ELECTRIC</b>	)	Case No. U-16912
for a license as an alternative electric supplier.	)	
_____	)	

In the matter, on the Commission’s own motion,	)	
regarding the regulatory reviews, determinations,	)	
and/or approvals necessary for <b>ENERGY SERVICES</b>	)	Case No. U-17010
<b>PROVIDERS, INC., d/b/a MICHIGAN GAS &amp;</b>	)	
<b>ELECTRIC</b> to fully comply with Public Act 295	)	
of 2008.	)	
_____	)	

At the April 6, 2012 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman  
Hon. Orjiakor N. Isiogu, Commissioner  
Hon. Greg R. White, Commissioner

**ORDER**

On December 21, 2011, Energy Services Providers, Inc., d/b/a Michigan Gas & Electric (ESPI) submitted an application pursuant to the “Customer Choice and Electricity Reliability Act,” 2000 PA 141, MCL 460.10 *et seq.* (Act 141), for a license as an alternative electric supplier (AES). An AES is a person selling electric generation service to retail customers in this state, other than a person who physically delivers electricity directly to retail customers. MCL 460.10g(a). With its application, ESPI submitted information designed to show its compliance with the statutory requirements for an AES.

Act 141 requires the Commission to ensure that AESs have the necessary financial capability, possess technical competence to engage in energy transactions, are capable of meeting safety requirements for electric operations, and comply with all other lawful obligations. Additionally, the June 19, 2000 Commission order in Case No. U-11915 requires AESs to maintain an office within Michigan.

On October 6, 2008, Public Act 295 of 2008, MCL 460.1001 *et seq.*, the “Clean, Renewable, and Efficient Energy Act,” was signed into law (Act 295). The Commission issued an order in Case No. U-15800 on December 4, 2008, which provides requirements for implementing Act 295. Among other things, Act 295 requires all providers of electric service in this state, including AESs, to establish renewable energy programs.

Act 295 also requires the Commission to establish a statewide net metering program. Pursuant to Section 173(1) of Act 295, the Commission promulgated rules entitled “Electric Interconnection and Net Metering Standards,” which were effective May 27, 2009. AESs are required to comply with the net metering requirements of Act 295 and the Commission’s rules.

The Commission Staff (Staff) is responsible for review of the application and for making a recommendation regarding a license. The Staff reviewed the information submitted by ESPI and recommends that the Commission grant ESPI a license to operate as an AES.

ESPI is a corporation with its headquarters at 290 N.W. 165<sup>th</sup> Street, PH5, North Miami Beach, Florida. ESPI was incorporated in New York on October 21, 2002 and is a registered corporation in Michigan.

According to the application, EPSI is a licensed Competitive Retail Electric Supplier, which has focused primarily on residential and commercial markets served by utilities in Illinois, Maryland, New Jersey, New York, and Pennsylvania. ESPI has approximately 90,000 customers

in 12 utility territories. ESPI is wholly-owned by U.S. Gas & Electric (USGE), which is partially owned by MVC Capital, a New York Stock Exchange traded company. The rest of USGE is owned by a group of individuals consisting of USGE's management and legacy investors. USGE is a Michigan alternative gas supplier licensed in Case No. U-15490 and is also doing business in Michigan as Michigan Gas & Electric.

After reviewing ESPI's personnel descriptions and histories, the Staff determined that ESPI has sufficient experience and expertise to manage risk and to reliably supply electricity in Michigan's electric choice market. Based on the information provided and the recommendation of the Staff, the Commission finds that ESPI possesses the appropriate managerial and technical capabilities to serve customers within Michigan.

The Staff reviewed ESPI's financials for the last two years. ESPI also provided the Staff with a bond in the amount of \$100,000. Based upon their review of the financial statements and the bond, the Staff determined that ESPI's financial capabilities meet the Act 141 requirements. The Commission agrees.

The Commission requires AESs to maintain an office in Michigan. ESPI has its principal location at 1030 State Road, Ste. 10H, Harbor Springs, MI 49740.

After review of ESPI's application, the Commission finds that approval of the application is in the public interest. On numerous occasions, the Commission has found that competition can be advantageous to the citizens of the state. Approval of the request for a license as an AES will expand the opportunities for competition. Accordingly, the application should be approved. The grant of an AES license is conditioned on compliance with all applicable provisions of the statute and the Commission's orders. Failure to comply fully may result in revocation of the license or

other penalties. Further, the grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in revocation of the license.

The Commission also finds that, as a licensed AES in Michigan, ESPI is required by Act 295 to file a renewable energy plan (REP) with the Commission. However, the Commission notes that the original deadline set by Act 295 and the order in Case No. U-15800 for filing a REP has passed. Therefore, in consideration of the fact that ESPI's AES license was granted today, the Commission today opens a separate docket for ESPI's REP, which shall be filed in Case No. U-17010 by July 6, 2012.

THEREFORE, IT IS ORDERED that:

A. Energy Services Providers, Inc., d/b/a Michigan Gas & Electric is granted a license as an alternative electric supplier.

B. Energy Services Providers, Inc., d/b/a Michigan Gas & Electric shall operate as an alternative electric supplier in compliance with the regulatory requirements specified in the "Customer Choice and Electricity Reliability Act," MCL 460.10 *et seq.*, and the Commission's orders.

C. Energy Services Providers, Inc., d/b/a Michigan Gas & Electric is required to comply with the net metering requirements of Public Act 295 of 2008 and the Commission's rules.

D. Energy Services Providers, Inc., d/b/a Michigan Gas & Electric shall file its initial renewable energy plan in Case No. U-17010 by July 6, 2012.

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 pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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John D. Quackenbush, Chairman

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Orjiakor N. Isiogu, Commissioner

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Greg R. White, Commissioner

By its action of April 6, 2012.

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Mary Jo Kunkle, Executive Secretary

# P R O O F O F S E R V I C E

STATE OF MICHIGAN )

Case No. U-16912

County of Ingham )

Mignon Middlebrook being duly sworn, deposes and says that on April 6, 2012 A.D. she served a copy of the attached Commission orders by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

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Mignon Middlebrook

Subscribed and sworn to before me  
this 6<sup>th</sup> day of April 2012

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Lisa Felice  
Notary Public, Eaton County, MI  
My Commission Expires April 15, 2014

Service List U-16912

Energy Services Providers, Inc.  
290 N.W. 165th Street, PH5  
North Miami Beach FL 33169

Energy Services Providers, Inc. d/b/a Michigan  
Gas & Electric  
1030 State Road, Suite 10H  
Harbor Springs MI 49740