

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
INTERSTATE GAS SUPPLY, INC., d/b/a)
IGS ENERGY for a license as an alternative electric) Case No. U-17243
supplier.)
_____)

In the matter, on the Commission’s own motion,)
regarding the regulatory reviews, determinations,)
and/or approval necessary for **INTERSTATE GAS**) Case No. U-17338
SUPPLY, INC., d/b/a IGS ENERGY to fully comply)
with Public Act 295 of 2008.)
_____)

At the June 28, 2013 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 April 1, 2013, Interstate Gas Supply, Inc., d/b/a IGS Energy (IGS) 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, IGS 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 the 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 became 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 IGS and recommends that the Commission grant IGS a license to operate as an AES in Michigan.

IGS is a privately held wholly-owned corporation and has its headquarters at 6100 Emerald Parkway, Dublin, Ohio. IGS was incorporated in Ohio in 1989 and is a registered corporation in Michigan since November 16, 2001.

According to the application, IGS is a licensed competitive retail electric supplier in many states, which has focused primarily on residential and commercial gas and electric markets served by utilities in Ohio, Illinois, Pennsylvania, Indiana, Michigan, Virginia, Maryland, California,

Texas, New York, and Kentucky. IGS has approximately 255,000 electric customers and over 1,000,000 natural gas and electric residential customers in 11 states and multiple utility territories. IGS is a Michigan alternative gas supplier licensed in Case No. U-14075 and is also doing business in Michigan as IGS Energy.

After reviewing IGS's personnel descriptions and histories, the Staff determined that IGS 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 IGS possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

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

The Commission requires AESs to maintain an office in Michigan. IGS has its principal location at 120 North Washington Square, Suite 805, Lansing Michigan 48933. The Staff determined that IGS has complied with the Michigan office requirements. The Commission agrees.

After review of IGS'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, IGS 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 IGS's AES license was granted, the Commission has opened a separate docket for IGS's REP, which shall be filed in Case No. U-17338 by September 27, 2013.

THEREFORE, IT IS ORDERED that:

A. Interstate Gas Supply, Inc., d/b/a IGS Energy, is granted a license as an alternative electric supplier.

B. Interstate Gas Supply, Inc., d/b/a IGS Energy, 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. Interstate Gas Supply, Inc., d/b/a IGS Energy, is required to comply with the net metering requirements of Act 295 of 2008 and the Commission's rules.

D. Interstate Gas Supply, Inc., d/b/a IGS Energy, shall file its initial renewable energy plan in Case No. U- 17338 by September 27, 2013.

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

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Commissioner

Greg R. White, Commissioner

By its action of June 28, 2013.

Mary Jo Kunkle, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-17243

County of Ingham)

Sharron A. Allen being duly sworn, deposes and says that on June 28, 2013 A.D. she 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.



Sharron A. Allen

Subscribed and sworn to before me
this 28th day of June 2013

Gloria Pearl Jones
Notary Public, Ingham County, MI
My Commission Expires June 5, 2016
Acting in Eaton County

Service List U-17243

John M. Dempsey
Dickinson Wright, PLLC
301 E. Liberty Street, Suite 500
Ann Arbor MI 48104

Interstate Gas Supply Inc.
3106 Greenway Drive
Midland MI 48642-4017