

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)	
to require REALGY, LLC, d/b/a REALGY)	
ENERGY SERVICES , to show cause why it should)	Case No. U-21077
not be found in violation of Public Act 634 of 2002,)	
the Commission’s Gas Customer Choice program,)	
MCL 460.9 <i>et seq.</i>)	

In the matter, on the Commission’s own motion,)	
of the investigation into the marketing and business)	
practices of REALGY, LLC, d/b/a REALGY)	Case No. U-20978
ENERGY SERVICES.)	

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 December 22, 2021 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Tremaine L. Phillips, Commissioner
Hon. Katherine L. Peretick, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

Background

During 2020 and into 2021, the Commission Staff (Staff) became aware of a number of complaints by customers of Realgy, LLC, d/b/a Realgy Energy Services (Realgy) raising concerns about Realgy’s marketing and business practices and operations under the Commission’s Gas

Customer Choice program, MCL 460.9 *et seq.*, and under Realgy's alternative gas supplier (AGS) license which the Commission granted in an order dated April 1, 2008, in Case No. U-15419 (April 1 order).

On February 18, 2021, the Commission issued an order in Case No. U-20978 which opened a formal investigation into the marketing and customer service policies and practices of Realgy (February 18 order). In that order, the Commission directed Realgy to submit a proposed action plan to the Staff detailing the company's procedures and methods addressing the alleged problems that had arisen under the company's marketing efforts. On March 17, 2021, Realgy timely filed its proposed action plan in the docket for Case No. U-20978, on which the Staff provided its views in a response filed May 18, 2021.

On June 16, 2021, Realgy filed its first three-month update as required by the February 18 order, which included statistics concerning number of complaints filed to date in 2021. On June 23, 2021, the Commission opened a show cause proceeding in Case No. U-21077 (June 23 order) and concluded that an evidentiary/show cause proceeding was necessary to examine the issue of Realgy's alleged tariff violations and to obtain accurate information regarding the nature and extent of the complaints that had occurred and whether they had been resolved. In the June 23 order, the Commission directed Realgy to file testimony describing the extent and nature of complaints that occurred from February 2021 to June 2021 and to show cause why it should not be considered to have violated any provision of the license tariffs and AGS rules.

On July 9, 2021, Realgy filed direct testimony and exhibits. On July 21, 2021, a prehearing conference was held before Administrative Law Judge Martin D. Snider. Realgy and the Staff filed direct testimony and exhibits on September 30, 2021. Subsequently, the parties submitted a settlement agreement resolving all issues in Case No. U-21077.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that the settlement agreement in Case No. U-21077, attached as Exhibit A, is approved.

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. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General – Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Tremaine L. Phillips, Commissioner

Katherine L. Peretick, Commissioner

By its action of December 22, 2021.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion, to require **Realgy, LLC, d/b/a Realgy Energy Services** to show cause why it should not be found in violation of Public Act 634 of 2002, the Commission's Gas Customer Choice program, MCL 460.9 et seq.

Case No. **U-21077**
(e-file paperless)

STIPULATION AND SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969 ("APA"), as amended, MCL 24.278 and Rule 431 (R 792.10431) of the Rules of Practice and Procedure before the Michigan Public Service Commission ("MPSC" or "Commission"), the undersigned parties agree as follows:

This Stipulation and Settlement Agreement ("Settlement Agreement") between Realgy, LLC, dba Realgy Energy Services ("Realgy") and the Michigan Public Service Commission Staff ("Staff"), (collectively, the "Parties") is intended by the Parties as a final settlement and satisfaction of all issues related to the Commission's Order to Show Cause opening Docket No. U-21077.

On June 23, 2021, the Commission issued an Order in Case Nos. U-15419, U-20978, and U-21077 (the "June 23 Order") "directing" Realgy "to file testimony describing the extent and nature of complaints that occurred from February 2021 to the present and to show cause why it should not be considered to have violated any provision of the license tariffs and [Alternative Gas Supplier ("AGS")] rules." June 23 Order at 4.

In response to the June 23 Order, Realgy filed testimony with other documentation on July 9, 2021. As also directed in the June 23 Order, Realgy appeared at the July 21, 2021, prehearing conference, at which a stipulated case schedule was reached and set by the Administrative Law Judge. On August 11, 2021, through counsel, Realgy filed supplemental testimony and exhibits consistent with the case schedule.

WHEREAS, during the course of its investigation regarding potential violations of the Commission's Gas Customer Choice program, MCL 460.9 et seq, Staff reviewed related issues identified during the investigation.

WHEREAS, the Parties have agreed to enter into a full settlement of this case and request that the Commission enter an order accepting and approving this Settlement Agreement.

NOW THEREFORE, for purposes of settlement of case U-21077, the Parties agree as follows:

1. Realgy agrees that it will not use a third-party answering service to handle customer calls ("Calls"). Calls will be answered by voice mail or by employees or designated individuals who are able to make real-time changes, including cancellations, to the customer's account during normal business hours. The Parties agree that Calls answered by a live representative is the goal under normal course periods. Realgy will maintain voice mail and queuing (first in) and will add virtual hold/queue callback features to its customer service processes. Realgy will respond to Calls within one (1) business day during non-emergency periods. During emergency periods, Realgy will post conspicuously on its website, phone system, and through email, text, and social media the anticipated response time frame and will inform Staff of same. Realgy will continue to invest in its contact/phone system to bring on advance service to include interactive voice response, self-

service phone options, and online customer portal. The Parties agree that this obligation exceeds the obligations of the Gas Customer Choice Tariff.

2. Realgy agrees that it will send out customer communication two times a year (on or about April and October) for two years following Commission approval of this settlement agreement, explaining to customers that they are a Realgy customer and if they are on a variable rate, the communication must explain what that means. Communication to the Customer may be made by voicemail, email, or letter. This communication must be reviewed by Staff prior to Realgy sending it to customers. The Parties agree that this obligation exceeds those of the Gas Customer Choice Tariff.

3. Realgy agrees to respond to all customer complaints within ten (10) business days as required by the Gas Customer Choice Tariff/MPSC Administrative Rules and will strive to respond within five (5) business days or less.

4. Realgy agrees to suspend marketing to and enrolling new customers for ninety (90) calendar days after the date of the Commission's approval of this Settlement Agreement to allow Staff to review, test, and verify the changes to which the Parties have agreed in this Settlement Agreement as being implemented over the course of the last two years as documented in Docket U-20978. The review can be conducted after the date of Commission approval of this Settlement Agreement and Realgy affirmation by filed affidavit that it has completed implementation of each of its duties under this Settlement Agreement. The review and testing by Staff shall not last more than ninety (90) calendar days after the date of the Commission's approval of this Settlement Agreement. The Parties agree that these obligations exceed those of the Gas Customer Choice Tariff.

5. Within ten (10) business days after the date of Commission approval of this Settlement Agreement, Realgy agrees to submit all current and marketing materials to Staff for review and final approval and to continue to wait for Staff approval before use of any new marketing materials for one additional year. Staff will respond within 5 business days of submittal. The Parties agree that the obligation to wait for Staff approval before use of new marketing materials exceeds the obligations of the Gas Customer Choice Tariff.

6. Realgy agrees to attend and to participate in quarterly meetings with Staff.

7. Realgy agrees to deliver quarterly reporting (January, April, July, October) to MPSC Resource Adequacy & Retail Choice Section including the following information, beginning within ten (10) business days after the Commission enters an order approving the Settlement Agreement”:

a. Cancellation statistics:

- i. Number of customers that cancelled with Realgy (phone, email, or letter);
- ii. How long the cancellation took to submit to the utility; and
- iii. How long until utility confirmed cancellation was complete.

b. Complaints numbers including:

- i. Total customer base numbers;
- ii. Number of new enrollments year to date;
- iii. Length of time (business days) before complaint received response;
and
- iv. Cause of the complaint.

- c. Reporting shall take place for a probationary period of two (2) years from the date the Commission issues an order approving the Settlement Agreement.

8. During the probationary period, the Parties agree that the Staff may, of its own accord, upon motion and affidavit based on objective information and good cause shown, move to reopen the show cause proceeding.

9. If any person files a request under the Freedom of Information Act with the MPSC or the Michigan Attorney General in this case, the MPSC's Executive Secretary, Staff, or the Attorney General shall promptly notify Realgy, and Realgy may take whatever legal actions it deems appropriate to protect information from disclosure. In light of Section 5 of the Freedom of Information Act, MCL 15.235, the notice must be given at least five (5) business days before the MPSC, Staff, and/or the Michigan Attorney General grant the request in full or in part.

10. Once marketing begins, all sales calls must be recorded and saved for the full duration of time that the customer remains with Realgy.

11. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties. All offers of settlement and discussions relating to this Settlement Agreement are considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the Parties to this settlement nor the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided however, such references may be made to enforce or implement the terms of the Settlement Agreement and the order approving it.

12. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement, including commitments phrased in firm language (such as “shall” or “will”) in the attachments, constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, and shall not constitute any part of the record in this proceeding or be used for any other purpose and shall not operate to prejudice the pre-negotiation positions of any party.

13. This Settlement Agreement is reasonable, in the public interest, and will reduce the time and expense of the Commission, its Staff, and the Parties.

14. The Parties agree to waive Section 81 of 1969 PA 306 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

15. This Settlement Agreement may be executed in any number of counterparts, each considered an original, and all counterparts that are executed shall have the same effect as if they were the same instrument.


IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed by their respective authorized officers as of the date first written below.

REALGY, LLC, D/B/A REALGY ENERGY SERVICES

By:  Digitally signed by Sean P. Gallagher
Date: 2021.11.17 16:51:58 -05'00' Dated: _____, 2021

Its Attorney
Sean P. Gallagher (P73108)
Gallagher Law
321 West Lake Lansing Road
East Lansing, Michigan 48823
(517) 999-5440

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

By:  Monica M. Stephens
2021.11.29 08:50:02 -05'00' Dated: _____, 2021

Monica Stephens (P73782)
Daniel Sonneveldt (P58222)
Assistant Attorneys General
7109 West Saginaw Hwy, 3rd Fl
Lansing, MI 48917
(517) 241-6680

PROOF OF SERVICE

STATE OF MICHIGAN)

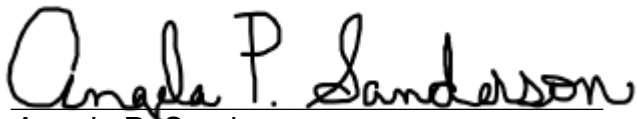
Case No. U-21077 *et al.*

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on December 22, 2021 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 22nd day of December 2021.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-21077

Name	Email Address
Daniel E. Sonneveldt	sonneveldtd@michigan.gov
Martin Snider	sniderm@michigan.gov
Michael Vrtis	michael.vrtis@realgy.com
Monica M. Stephens	stephensm11@michigan.gov
Realgy LLC d/b/a Realgy Energy Services	michael.vrtis@realgy.com
Sean P. Gallagher	sean@legalspg.com

Service List for Case: U-20978

Name	Email Address
Michael Vrtis Realgy LLC d/b/a Realgy Energy Services	michael.vrtis@realgy.com michael.vrtis@realgy.com

Service List for Case: U-15419

Name

Email Address

Michael Vrtis

michael.vrtis@realgy.com

GEMOTION DISTRIBUTION SERVICE LIST

kadarkwa@itctransco.com	ITC
sejackinchuk@varnumlaw.com	Energy Michigan
awallin@cloverland.com	Cloverland
bmalaski@cloverland.com	Cloverland
mheise@cloverland.com	Cloverland
vobmgr@UP.NET	Village of Baraga
braukerL@MICHIGAN.GOV	Linda Brauker
info@VILLAGEOFCLINTON.ORG	Village of Clinton
jgraham@HOMEWORKS.ORG	Tri-County Electric Co-Op
mkappler@HOMEWORKS.ORG	Tri-County Electric Co-Op
psimmer@HOMEWORKS.ORG	Tri-County Electric Co-Op
frucheyb@DTEENERGY.COM	Citizens Gas Fuel Company
mpsc.filings@CMSENERGY.COM	Consumers Energy Company
jim.vansickle@SEMCOENERGY.COM	SEMCO Energy Gas Company
kay8643990@YAHOO.COM	Superior Energy Company
vickie.nugent@wecenergygroup.com	Upper Michigan Energy Resources Corporation
jlarsen@uppc.com	Upper Peninsula Power Company
estocking@uppc.com	Upper Peninsula Power Company
dave.allen@TEAMMIDWEST.COM	Midwest Energy Coop
bob.hance@teammidwest.com	Midwest Energy Coop
tharrell@ALGERDELTA.COM	Alger Delta Cooperative
tanderson@cherrylandelectric.coop	Cherryland Electric Cooperative
bscott@GLEENERGY.COM	Great Lakes Energy Cooperative
sculver@glenergy.com	Great Lakes Energy Cooperative
kmarklein@STEPHENSON-MI.COM	Stephenson Utilities Department
debbie@ONTOREA.COM	Ontonagon County Rural Elec
ddemaestri@PIEG.COM	Presque Isle Electric & Gas Cooperative, INC
dbraun@TECMI.COOP	Thumb Electric
rbishop@BISHOPENERGY.COM	Bishop Energy
mkuchera@AEPENERGY.COM	AEP Energy
todd.mortimer@CMSENERGY.COM	CMS Energy
igoodman@commerceenergy.com	Just Energy Solutions
david.fein@CONSTELLATION.COM	Constellation Energy
kate.stanley@CONSTELLATION.COM	Constellation Energy
kate.fleche@CONSTELLATION.COM	Constellation New Energy
mpscfilings@DTEENERGY.COM	DTE Energy
bgorman@FIRSTENERGYCORP.COM	First Energy
rarchiba@FOSTEROIL.COM	My Choice Energy
greg.bass@calpinesolutions.com	Calpine Energy Solutions
rabaey@SES4ENERGY.COM	Santana Energy
cborr@WPSCI.COM	Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)
gpirkola@escanaba.org	City of Escanaba
crystalfallsmgr@HOTMAIL.COM	City of Crystal Falls
felice@MICHIGAN.GOV	Lisa Felice
mmann@USGANDE.COM	Michigan Gas & Electric
mpolega@GLADSTONEMI.COM	City of Gladstone
dan@megautilities.org	Integrays Group
lrgustafson@CMSENERGY.COM	Lisa Gustafson

GEMOTION DISTRIBUTION SERVICE LIST

daustin@IGSENERGY.COM	Interstate Gas Supply Inc
krichel@DLIB.INFO	Thomas Krichel
cityelectric@BAYCITYMI.ORG	Bay City Electric Light & Power
jreynolds@MBLP.ORG	Marquette Board of Light & Power
bschlansker@PREMIERENERGYLLC.COM	Premier Energy Marketing LLC
ttarkiewicz@CITYOFMARSHALL.COM	City of Marshall
d.motley@COMCAST.NET	Doug Motley
mpauley@GRANGERNET.COM	Marc Pauley
ElectricDept@PORTLAND-MICHIGAN.ORG	City of Portland
kd@alpenapower.com	Alpena Power
dbodine@LIBERTYPOWERCORP.COM	Liberty Power
leew@WVPA.COM	Wabash Valley Power
tking@WPSCI.COM	Wolverine Power
ham557@GMAIL.COM	Lowell S.
BusinessOffice@REALGY.COM	Realgy Energy Services
jeinstein@volunteerenergy.com	Volunteer Energy Services
cmcarthur@HILLSDALEBPU.COM	Hillsdale Board of Public Utilities
mrzwiern@INTEGRYSGROUP.COM	Michigan Gas Utilities/Upper Penn Power/Wisconsin
Teresa.ringenbach@directenergy.com	Direct Energy
christina.crable@directenergy.com	Direct Energy
angela.schorr@directenergy.com	Direct Energy
ryan.harwell@directenergy.com	Direct Energy
johnbistranin@realgy.com	Realgy Corp.
kabraham@mpower.org	Katie Abraham, MMEA
mgobrien@aep.com	Indiana Michigan Power Company
mvorabouth@ses4energy.com	Santana Energy
suzy@megautilities.org	MEGA
tanya@meagutilities.org	MEGA
general@itctransco.com	ITC Holdings
lpage@dickinsonwright.com	Dickinson Wright
Deborah.e.erwin@xcelenergy.com	Xcel Energy
mmpeck@fischerfranklin.com	Matthew Peck
CANDACE.GONZALES@cmsenergy.com	Consumers Energy
JHDillavou@midamericanenergyservices.com	MidAmerican Energy Services, LLC
JCAltmayer@midamericanenergyservices.com	MidAmerican Energy Services, LLC
LMLann@midamericanenergyservices.com	MidAmerican Energy Services, LLC
karl.j.hoesly@xcelenergy.com	Northern States Power
kerri.wade@teammidwest.com	Midwest Energy Coop
dixie.teague@teammidwest.com	Midwest Energy Coop
meghan.tarver@teammidwest.com	Midwest Energy Coop
sarah.jorgensen@cmsenergy.com	Consumers Energy
Michael.torrey@cmsenergy.com	Consumers Energy
adella.crozier@dteenergy.com	DTE Energy
karen.vucinaj@dteenergy.com	DTE Energy
Michelle.Schlosser@xcelenergy.com	Xcel Energy
dburks@glenergy.com	Great Lakes Energy
kabraham@mpower.org	Michigan Public Power Agency

GEMOTION DISTRIBUTION SERVICE LIST

shannon.burzycki@wecenergygroup.com

kerdmann@atcllc.com

handrew@atcllc.com

phil@allendaleheating.com

tlundgren@potomaclaw.com

lchappelle@potomaclaw.com

Amanda@misostates.org

Michigan Gas Utilities Corporation

American Transmission Company

American Transmission Company

Phil Forner

Timothy Lundgren

Laura Chappelle

Amanda Wood