

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

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

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, 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,	)	
to commence formal alternative gas supplier	)	
license revocation proceedings against REALGY,	)	Case No. U-21247
LLC, d/b/a REALGY ENERGY SERVICES.	)	
_____	)	

At the March 24, 2023 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

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 Public Act 634 of

2002 (Act 634), MCL 460.9 *et seq.* On April 1, 2008, the Commission approved Realgy's license in Case No. U-15419 (April 1 order).

During 2020 and into 2021, the Commission Staff (Staff) became aware of a number of complaints by customers of 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 AGS license which the Commission granted in the April 1 order. As a result, the Commission opened a formal investigation into the marketing and customer service policies and practices of Realgy. *See*, February 18, 2021 order in Case Nos. U-20978 *et al.* (February 18 order). In response, Realgy timely filed its proposed action plan in the docket for Case No. U-20978, and its first three-month update as required by the February 18 order, which included statistics concerning a number of complaints filed to date in 2021.

On June 23, 2021, the Commission opened a show cause proceeding in Case Nos. U-21077 *et al.* 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. Subsequently, a settlement agreement resolving all issues was submitted in Case No. U-21077, which the Commission approved on December 22, 2021. *See*, December 22, 2021 order in Case Nos. U-21077 *et al.* (December 22 order).

On June 23, 2022, the Commission opened a revocation proceeding in Case Nos. U-21247 *et al.* (June 23 order). As detailed in the June 23 order, the Staff documented several violations of the settlement agreement and tariff provisions after the issuance of the December 22 order. *See*, June 23 order, pp. 3-4. The Commission also held that:

[u]nder Michigan law, a formal action to revoke an AGS license must be preceded by an informal notice and discussion with the licensee regarding the intended action, and providing an opportunity for the licensee "to show compliance with all

lawful requirements for retention of the license.” MCL 24.292; *Rogers v State Bd of Cosmetology*, 68 Mich App 751; 244 NW2d 20 (1976). On May 4, 2022, the Staff provided notice to Realgy of the alleged violations and Realgy’s right to an informal meeting with the Staff to show compliance on all issues. On May 18, 2022, the Staff met with Realgy to provide the company with an opportunity to demonstrate compliance with the terms of the settlement agreement, to discuss the welfare of its customers, and to initiate proceedings to consider whether the public interest required further administrative action concerning Realgy’s AGS license. Upon conclusion of the meeting, Realgy did not satisfy the Staff’s concerns regarding the continuing violations.

On the basis of these concerns and tariff violations, the Commission is not confident that the problems identified so far have been resolved and is concerned that Realgy continues to violate the Commission’s rules. The Commission finds that the preliminary steps for license revocation required in MCL 24.292 and *Rogers, supra*, have been completed and that the Commission may now commence formal proceedings to consider whether to revoke Realgy’s AGS license.

June 23 order, p. 4.

Subsequently, Realgy and the Staff engaged in confidential settlement discussions regarding the voluntary relinquishment of Realgy’s AGS license. As part of the discussions, Realgy sold its book of customers to another licensed AGS in Michigan. On February 23, 2023, Realgy requested the voluntary relinquishment of its AGS license. The Staff recommends approval of this request, noting that there are no longer any customers adversely affected by the license rescission.

The Commission finds that the request to terminate Realgy’s license as an AGS should be approved, along with the release of its \$100,000 bond. Further, the Commission finds that the dockets in Case Nos. U-15419, U-20978, U-21077, and U-21247 should be closed.

THEREFORE, IT IS ORDERED that:

- A. Realgy, LLC, d/b/a Realgy Energy Services’ license as an alternative gas supplier in the state of Michigan is rescinded.
- B. Realgy, LLC, d/b/a Realgy Energy Services’ \$100,000 bond obligation is released.
- C. The dockets in Case Nos. U-15419, U-20978, U-21077, and U-21247 are closed.

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 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 March 24, 2023.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

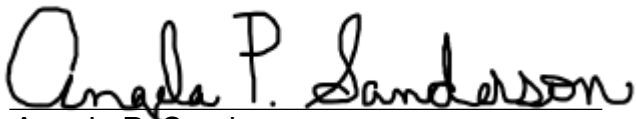
Case No. U-15419 *et al.*

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on March 24, 2023 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 24th day of March 2023.



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

Service List for Case: U-15419

Name	On Behalf of	Email Address
Michael Vrtis	Realgy Energy Services	michael.vrtis@realgy.com

Service List for Case:

U-20978

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

Service List for Case:

U-21077

Name	On Behalf of	Email Address
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Sean P. Gallagher	Realgy LLC d/b/a Realgy Energy Services	sgallagher@fraserlawfirm.com

Service List for Case: U-21247

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Realgy Energy Services

Santana Energy

Santana Energy

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Stephenson Utilities Department

Superior Energy Company

Texas Retail Energy, LLC

Thumb Electric Cooperative

Upper Michigan Energy Resources Corporation

Upper Peninsula Power Company

Upper Peninsula Power Company

Village of Baraga

Village of Clinton

Volunteer Energy Services

Wabash Valley Power

Wolverine Power

Wood, Amanda

Xcel Energy

Xcel Energy