

**ALTERNATIVE GAS SUPPLIER APPLICATION
FOR THE MICHIGAN PUBLIC SERVICE COMMISSION
RETAIL ACCESS PARTICIPATION AGREEMENT**

Public Act 634 of 2002 (Act 634), MCL 460.9 et seq., which became effective on December 23, 2002, requires an Alternative Gas Supplier (AGS) selling natural gas at unregulated retail rates in Michigan to obtain a license from the Michigan Public Service Commission (Commission). Transportation gas customers are outside the retail choice program.

<http://www.legislature.mi.gov/documents/2001-2002/publicact/pdf/2002-PA-0634.pdf>

Section 9b of Public Act 634 states:

- (1) An alternative gas supplier shall not do business in this state without first receiving a license under this act.
- (2) An alternative gas supplier shall maintain an office within this state.
- (3) The Commission shall assure that an alternative gas supplier doing business in this state has the necessary financial, managerial, and technical capabilities and require the supplier to maintain records that the commission considers necessary.
- (4) The Commission shall require an alternative gas supplier to collect and remit to state and local units of government all applicable users, sales, and use taxes if the natural gas utility is not doing so on behalf of the supplier.

A license can be obtained by satisfactory completion of this application form referred to as the Retail Access Participation Agreement. Information must be supplied prior to processing a license request. All terms and conditions must be adhered to by applicant as a condition of maintaining a license. The applicant's signature on this form attests to the accuracy of the information submitted and commits applicant to adhere to the attached terms and conditions as set forth in the Commission's orders in Case Nos. U-11915, U-13694 and U-17580.

Failure to provide accurate information on this form, to furnish any required supporting information including required affidavits or to comply with the attached terms and conditions can result in denial or revocation of a license.

After an AGS submits its application:

1. The Commission Staff (Staff) reviews the application and the AGS's Terms and Conditions Agreement submission and consults with any needed experts and the applicant before making a recommendation to the Commission for approval or non-approval of the license.
2. The Staff's review process time will vary depending on initial application contents, additional information requirements and necessary meetings with the applicant to validate proprietary documentation.
3. The Commission will issue an ex parte order approving the issuance of a license if it is satisfied that the application meets the licensing criteria.

PART I – FITNESS

1. Name, Michigan office address, phone and fax numbers, e-mail address and company website:	6. Specify type of provider (utility, marketer, utility affiliate):
2. Name of contact person, phone number and e-mail address for this application process:	7. Business affiliation (whether utility or other):
3. If principal place of business is outside Michigan, provide name, address, telephone number, and e-mail:	8. FERC authorization type(s) and number(s) if applicable:
4. Name, telephone number and e-mail of 24-hour contact person for customers:	9. Broker’s name, address, telephone number, and e-mail (if applicable list all):
5. Type of legal entity (Corporate, Limited Liability Company, Partnership, etc.): a) Date and State legal entity was organized: b) Purpose for which the legal entity was organized: c) Please submit your certificate of Authority to Transact Business in MI (if Foreign Corp, LLC, LPC).	10. Please list past or future planned name changes (if applicable):

11. State specifically whether the applicant, an affiliate or subsidiary of the applicant, or a predecessor in interest of the applicant, or an owner, shareholder, principal, officer, executive or director associated with the applicant ever:

- Misled a potential customer and thereby induced that potential customer to sign a contract;
- Defaulted on a contract;
- Did not abide by the terms of the contract;
- Exited the market due to the imposition of any energy related penalties or finings;
- Committed any violations of law or business ethics in connection with the provision of energy or energy-related products and services anywhere in the United States that resulted in a criminal or civil conviction or agreement to pay a penalty including any settlement imposed by a court or administrative agency?

If the answer is yes to any of the above, please explain in detail. Subsequent violations must be disclosed within 30 days to the Michigan Public Service Commission.

12. **Please submit a separate legal affidavit**, signed by a corporate officer with proper authority, which shall attest to the competence of the company's employees to market natural gas as an AGS.

PART II – COMPLIANCE COMMITMENT

A supplier must demonstrate that it has the necessary technical and managerial capabilities to ensure adequate service to customers in Michigan. Please provide a complete summary of information covering the applicant's:

1. Corporate/Company history with Biographies of Key Personnel (this may include experience as a supplier of retail energy, including natural gas or electricity);
2. All service quality and reliability issues:
 - The total number of customer complaints;
 - Any and all violations or failures to perform on customer contracts, obligations to sell, serve or otherwise provide gas to customers by the applicant or any predecessor or affiliate entity;
3. Audited financial statements of the applicant for its two most recent fiscal years or other documentation, by affidavit, providing detailed factual data pertaining to applicant's financial standing. Please submit financials under separate cover if considered confidential;
4. Please provide the means for the required \$100,000 bond or letter of credit to ensure adequate service to customers in Michigan. Draft language will be provided at a later date;
5. Overview of business plan including risk management strategy or policy;
6. Outline of staffing and procedures for responding to customer inquiries and customer complaints.

PART III - COMPLIANCE COMMITMENT

By signing this application and providing the affidavit letter required in item 12 of this application, the applicant and its representatives (1) certify that the information provided herein is accurate and complete and (2) agree to abide by the provisions of this agreement including the Terms and Conditions for a Michigan alternative natural gas supplier.

Signature: _____

Date: _____

Name and Title: _____

Date: _____

APPLICATION, SUBMISSION, AND LICENSE PROCESS:

1. The application may be downloaded in PDF or Word format. Responses to Part I may be attached or the Part I items may be reformatted by expanding the application and inserting responses.
2. The compliance commitment must be signed and dated as indicated.
3. The Staff will contact you via email or phone to acknowledge receipt of application. The Staff also will notify you regarding any clarifications or needed additional materials. Once the Staff determines that the initial application materials are complete, the Staff will meet with principals of applicant to cover and discuss Application Part II information.
4. The financial information that is regarded as confidential will be archived at the Commission.
5. Upon completion of the application process, the Staff will make a recommendation to the Commission regarding the license. Granting of the license is by Commission order.

Terms and Conditions

1. **Supplier contact information.** An AGS shall notify the Staff of any change in the AGS's name, corporate structure, Michigan address, telephone number, contact person or agent.
2. **Michigan office.** An AGS shall maintain a Michigan office. An AGS representative, toll free telephone number, e-mail address, and website must be made available at all times to enable customers to contact or make inquiry with the AGS.
3. **FERC authorization.** An AGS shall obtain any authorizations required by the FERC, including any authorization required by the FERC to become a natural gas retail marketer. An AGS shall notify the Staff within 30 days of any FERC determination regarding the AGS's provision of natural gas to retail customers.
4. **Business practices and ethics disclosure.** An AGS shall follow all state and federal laws, as well as Commission policies and practices that may be established. Violations of law or business ethics by an AGS, AGS's agent, affiliate or subsidiary of the applicant, or a predecessor in interest of the applicant, or an owner, shareholder, principal, officer, executive, or director associated with the applicant in connection with provision of energy or energy-related products or services anywhere in the United States that results in a conviction or acceptance of a penalty for said behavior must be disclosed to the Michigan Public Service Commission within 30 days of any conviction or penalty determined or imposed by a court or an administrative agency.
5. **Product/Service disclosures.** An AGS shall conform to all customer disclosure requirements set by the Commission under authority of Act 634.
6. **Product/Service marketing and contract practices.** An AGS shall ensure fair and truthful representation of all products or services provided under the gas customer choice program in Michigan.

7. **Customer enrollment and services.** Enrollment of customers in the Michigan retail access program shall strictly follow the procedures authorized by the Commission. Slamming (unauthorized switching) or cramming (unauthorized adding of additional products or services not requested by the customer) as outlined in subsections (2) and (4) of Act 634 constitute serious offenses in the enrollment process. An AGS shall not include or add products or services without authorization as outlined in Act 634 and shall conform to all state and federal laws and regulations regarding the retail sale of products and services.
8. **Termination of service to customer.** The delivery of natural gas is the sole province of the natural gas utility offering the gas customer choice program. Termination of service to a gas customer choice customer will be handled by the natural gas utility in conformity with all rules and procedures authorized by the Commission.
9. **Utility tariffs and rules of service.** AGSs shall comply with utility tariffs and rules of service established and authorized by the Commission or the FERC that are applicable to the AGS or its retail customers.
10. **Customer confidentiality.** Information obtained from a customer or a potential customer by an AGS or an agent of an AGS is to be held in strict confidence and shall not be disclosed unless disclosure of the information is necessary to service the customer or to verify the potential customer's credit information. In the event that a customer's or a potential customer's confidential information is disclosed to a third party for any purpose, the AGS shall ensure that the party to whom the information is disclosed is informed of the duty to maintain the confidentiality of such information in the future. Any other use of such confidential information is prohibited absent the express approval of the customer or potential customer. Solicitation for such approval shall not be commingled with other offers, contracts, or approvals.
11. **Customer data requests.** A customer shall have the right to obtain its own billing and natural gas consumption data that is in the possession of the AGS.
12. **Associated broker, aggregator, or marketer.** An AGS that relies on the services of brokers, aggregators, or marketers shall pledge a best faith effort to hold them in compliance with provisions of this agreement. AGSs shall supply the Staff with the address, telephone number, name of a contact, and business affiliation of any brokers, aggregators, or marketers used by the AGS.
13. **State taxes, fees and revenue collection.** An AGS shall collect and remit all applicable state taxes, fees, and charges levied on energy suppliers as a class of business providers, including those fees and charges established by the Commission to implement and enforce this program, unless the natural gas utility is doing so on behalf of the AGS.
14. **Reporting.** AGSs shall provide statistical data regarding their retail sales and wholesale transactions to the Commission and its Staff upon request. The books and records of an AGS shall be made available by the AGS so that the Commission and its Staff may verify the accuracy of the statistical data.
15. **Posting Offers on MI.gov/CompareMIGas.** AGSs shall post rate offers to the Commission's website and are subject to the following procedures and requirements:
 1. All MPSC licensed AGSs will be issued a user-id and password, which permits each AGS to submit such information through a web-based interface.

2. The AGS is responsible for accurate and timely postings. The AGS will submit offers for posting as frequently as they become available. The AGS will be required to honor all uploaded pricing for residential and small commercial customers to the website. The AGS will expire all offers that are no longer available to customers. The AGS submitted offers will be limited to five per offer type per utility. The AGS will not offer a higher rate in the marketplace than what is posted on the website.
3. An AGS that is marketing to residential and small commercial customers must post to the website its generally available pricing offers for each type of offer available (i.e. fixed or variable) within each utility territory in which the AGS is marketing.
4. The AGS is required to populate all informational fields for each offer on the website.
5. Staff will act as a moderator of each AGS submission for posting. Staff will perform a cursory review of each submission for obvious errors before it becomes live on the website.
6. Each AGS will be required to provide its company logo in an acceptable format at the request of the MPSC Staff for inclusion on the website.
7. Staff will provide an AGS with timely notice and opportunity to cure any alleged violation of these Terms & Conditions, including the failure to report information or for reporting inaccurate information to the website. After timely notice and opportunity to cure, Staff may suspend AGS customer enrollments within the impacted utility service territory by filing a letter in the AGS licensing docket. Staff and/or the Commission will be able to remove a Staff-issued suspension. The Commission may impose consequences for continuous and/or repeated failures to abide by these Terms & Conditions. These consequences may include, but are not limited to:
 - i. Suspend AGS customer enrollments (per Commission order or Staff) within the impacted utility service territory.
 - ii. Revoke AGS eligibility (per Commission order) within the impacted utility service territory.

Failure to comply with any of these Terms and Conditions can result in revocation of an AGS license by the Michigan Public Service Commission.

Revised: September 2014
F-01