

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the Michigan Public Service)
Commission Staff's request for commencement)
of a formal complaint proceeding to administer)
sanctions against **UNIVERSAL GAS & ELECTRIC**)
CORPORATION for the alleged unauthorized) Case No. U-15577
customer switching resulting from a failure to provide)
timely confirmation letters to customers and other)
alleged wrongdoings.)
_____)

At the July 1, 2009 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER DENYING REHEARING

On February 22, 2008, the Commission issued an order in Case No. U-15509 commencing an investigation into the marketing practices of Universal Gas & Electric Corporation (UGE), an alternative gas supplier, due to the receipt of an unusual number of customer contacts raising concerns about UGE's marketing practices. On May 6, 2008, the Commission Staff (Staff) filed a report in Case No. U-15509, along with a request for commencement of a formal complaint proceeding against UGE, which was docketed as Case No. U-15577.

On May 20, 2008, the Commission issued an order in Case Nos. U-15509 and U-15577 commencing a contested case proceeding to consider the Staff's allegations regarding the

marketing and customer service practices of UGE. On August 1, 2008, the Staff filed a complaint in Case No. U-15577.

In April 2009, the parties negotiated and filed a settlement agreement. On April 16, 2009, the Commission issued an order in Case Nos. U-15509 and U-15577 approving the settlement agreement. In the April 16 order, the Commission determined that the docket in Case No. U-15509 should remain open until the settlement agreement is fully implemented.

On May 15, 2009, UGE filed a petition for rehearing of the April 16 order pursuant to Rule 403 of the Commission's Rules of Practice and Procedure, 1999 AC, R 460.17403. In the petition for rehearing, UGE argues that the decision to allow Case No. U-15509 to remain open has the unintended consequence of negatively impacting UGE's parent company Universal Energy Group Ltd. (Universal), because Universal is required to disclose pending regulatory matters on its financial reports. UGE contends that this disclosure may negatively affect Universal's stock value and ability to raise capital.

UGE points out that paragraph 23 of the settlement agreement states that the agreement shall become void, and a scheduling conference will be held, if the Commission does not adopt the agreement in its entirety, and that paragraph 26 provides that if the agreement is not adopted without modification, then it shall be withdrawn. UGE states that "rather than electing to exercise these provisions," UGE "trusted that the Commission would reconsider its decision." Petition for rehearing, p. 5. UGE concedes that reports submitted directly to the Staff rather than to the docket are still public reports, but objects to submitting the reports to the docket. UGE requests that the Commission rehear the case and close the docket in Case No. U-15509.

In paragraph 20 of the settlement agreement “the Parties recommend that Case U-15509 will be closed.” April 16 order, Exhibit A, p. 5. In the April 16 order, p. 6, the Commission declined to adopt this recommendation, stating that:

[I]n light of the serious matters raised in the complaint and addressed in the settlement agreement, the Commission is not persuaded that its investigation in Case No. U-15509 should be closed at this time. Rather, the Commission finds that the docket in Case No. U-15509 should remain open until the Commission is satisfied that the terms of the settlement agreement have been fully implemented. In addition, Case No. U-15509 shall serve as a repository for the semi-annual reports to be submitted by UGE to the Staff pursuant to paragraph 20 of the settlement agreement.

UGE, in its petition for rehearing, provides no basis for altering this decision. The language of the settlement agreement addressing the closing of Case No. U-15509 was clearly a recommendation, not a requirement. Thus, the Commission’s decision to reject the recommendation neither voided nor modified the settlement agreement. UGE’s petition does not meet the standards of Rule 403, because it fails to show any claim of error, newly discovered evidence, or unintended consequence resulting from the April 16 order. The Commission finds that the petition for rehearing should be denied.

THEREFORE, IT IS ORDERED that the petition for rehearing is denied.

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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of July 1, 2009.

Mary Jo Kunkle, Executive Secretary