



March 25, 2019

VIA ELECTRONIC FILING

Ms. Kavita Kale
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, MI 48917

**Re: Residents Energy, LLC's Alternative Gas Supplier License Application
Case No. U-20506**

Dear Ms. Kale:

Attached for filing is Residents Energy, LLC's Alternative Gas Supplier License Application. The required risk management policy is considered confidential and will be provided under separate cover, in hard copy format only.

Please do not hesitate to contact me with any questions or concerns.

Respectfully Submitted,

/s/ Avi Keilson

Director of Regulatory Affairs
973.438.3920
akeilson@genieretail.com

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

PART I - FITNESS

1. Name and Michigan office address, phone and fax numbers, e-mail address and company website:

Residents Energy, LLC
Michigan Address – Pending Qualification
Phone: (973) 438-3500
Fax (973) 438-1878
Email: contactus@residentsenergy.com
www.residentsenergy.com

2. Name of contact person, phone number, and E-mail address for this application process:

Avi Keilson
Director of Regulatory Affairs
(973) 438-3920
akeilson@genieretail.com

3. If principal place of business is outside Michigan, provide name, address, telephone number and e-mail:

Residents Energy, LLC
520 Broad Street
Newark, NJ 07102
(973) 438-3500
contactus@residentsenergy.com

4. Name and telephone number of a 24-hour contact person for customers:

Customer Care - (888) 828-7374
contactus@residentsenergy.com

5. Type of legal entity (Corporate, Limited Liability Company, Partnership, etc):

Limited Liability Company

a. Date and State legal entity was organized:

2010 – New York

b. Purpose for which the legal entity was organized:

Retail sales of Natural Gas and Electricity.

c. Please submit your Certificate for Authority to Transact Business in MI (if Foreign Corp, LLC, LPC).

See Certificate of Authority attached as Attachment A.

6. Specify type of provider (utility, marketer, utility affiliate, independent power producer):

Marketer

7. Business affiliation (whether utility or other):

Residents Energy is not affiliated with any regulated utility companies. However, Residents Energy is affiliated with the following suppliers of electricity and/or natural gas: IDT Energy, Inc., Evergreen Gas & Electric, LLC, Town Square Energy, LLC, Town Square Energy East, LLC, Mirabito Natural Gas, LLC, Southern Federal Power, LLC. Residents Energy is also affiliated with Diversegy, LLC, a commercial energy broker.

8. FERC authorization type(s) and number(s) if applicable

N/A

9. Broker's name, address, telephone number (if applicable list all)

N/A

10. Please list past or future planned name changes (if applicable)

Residents Energy was formerly known as New Energy Services, LLC. There are no future name changes planned.

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.

Please see Attachment B.

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.

Please see Attachment C.

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);

Residents Energy, LLC's ("Residents Energy") business is the supply of electricity and natural gas to residential, small commercial and some large commercial customers. Residents Energy does not generate its own power. Residents Energy has been an active retail energy supplier for several years, and currently serves more than 65,000 electric and natural gas meters in Delaware, Illinois, Massachusetts, New Jersey, New York, Ohio and Pennsylvania. Residents Energy plans to expand into additional states in the future. Residents Energy leverages the considerable experience of its executive leadership team and its dedicated back-office operations staff as it develops its brand.

Please see Biographies of Key Personnel on Attachment D.

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;**

See report of customer complaints attached as Attachment E.

- Residents Energy, its predecessors and affiliate entities have not had any violations or failures to perform on customer contracts, obligations to sell, serve or otherwise provide gas to customers.

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;

Residents Energy is not a publicly traded company but all its financial information is consolidated into the financial reports of its ultimate parent company, Genie Energy, Ltd., which reports are accessible online at: <https://genie.com/investors/sec-filings/>

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;

Residents Energy is active in several other markets and has generally utilized surety bonds to satisfy collateral and performance assurance requirements. Residents Energy intends and has the means to provide the same to ensure adequate service to customers in Michigan.

5. Overview of business plan including risk management strategy or policy;

Residents Energy plans to market its natural gas supply products to Michigan customers through a variety of channels including direct mail, internet advertising, and the use of telemarketing and door-to-door marketing teams. Outside marketing vendors will be cautiously selected after a substantial vetting process. The individual sales representatives hired by the vendors for door-to-door marketing will be subjected to background checks. All sales representatives will be required to be properly trained before they will be permitted to participate in any marketing campaigns on behalf of Residents Energy. Lists for telemarketing campaigns will be appropriately scrubbed against the "do-not-call" registry. Marketing activities of all outside vendors will be heavily monitored by an in-house Quality Assurance team and an inspector in the field. Misrepresentations or deceptive communications regarding Residents Energy's products and offers, or any similar violations of rules and regulations, will not be tolerated. With respect to billing, customers will be billed by their local utility companies, pursuant to Commission-

approved tariffs, for both the utility's delivery charges and Residents Energy's supply charges.

Please see Risk Management Policy attached as Confidential Attachment F.


6. Outline of staffing and procedures for responding to customer inquiries and customer complaints.

All customer inquiries and complaints are handled through the company's call center in Jamestown, New York. The call center is capable of handling a large volume of calls during regular business hours and has a computerized system to take messages after-hours. Customers may also send Email messages to contactus@residentsenergy.com. All messages (voice and email) are responded to expeditiously.

Customer Service Representatives (CSRs) are trained to treat each inquiry and complaint in a professional manner, reviewing all information that may pertain to the particular inquiry or complaint. In the event a CSR is unable to resolve the customer's issue, the CSR will escalate the issue to the management team for assistance.

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: 3/19/19
Name and Title: Pres + COO

ATTACHMENT A

Business Registration in Michigan

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMERCIAL SERVICES

Date Received:
MAR 22 2013

(FOR BUREAU USE ONLY)
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

FILED

APR 28 2013

by Administrator
Corporation Division

Name
Corporation Service Company
Address
2711 Centerville Road Ste. 400
City State Zip Code
Wilmington, DE 19808

EFFECTIVE DATE:

Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office.

D92474

APPLICATION FOR CERTIFICATE OF AUTHORITY
TO TRANSACT BUSINESS IN MICHIGAN
For use by Foreign Limited Liability Companies
(Please read information and instructions on last page)

Pursuant to the provisions of Act 23, Public Acts of 1993, the undersigned limited liability company executes the following Application:

1. The name of the limited liability company is:
RESIDENTS ENERGY, LLC

2. (Complete this item only if the limited liability company name in item 1 is not available for use in Michigan.)
The assumed name of the limited liability company to be used in all its dealings with the Bureau and in the transaction of its business in Michigan is:

3. It is organized under the laws of NEW YORK
The date of its organization is March 04, 2010
The duration of the limited liability company if other than perpetual is PERPETUAL

4. The address of the office required to be maintained in the state of organization or, if not so required, the principal office of the limited liability company is:
550 BROAD STREET, NEWARK, NJ 07102
(Street Address) (City) (State) (ZIP Code)

Handwritten signature/initials

Handwritten mark

5. a. The address of its registered office in Michigan is:

601 Abbot Road, East Lansing, Michigan 48823
(Street Address) (City) (ZIP Code)

b. The mailing address of the registered office if different than above:

_____, Michigan _____
(Street Address or P.O. Box) (City) (ZIP Code)

c. The name of the resident agent at the registered office is:

CSC-Lawyers Incorporating Service (Company)

6. The Department is appointed the agent of the foreign limited liability company for service of process if no agent has been appointed, or if appointed, the agent's authority has been revoked, the agent has resigned, or the agent cannot be found or served through the exercise of reasonable diligence.

The name and address of a member or manager or other person to whom the administrator is to send copies of any process served on the administrator is: **(Must be different than agent shown in Item 5c)**

GEOFFREY ROCHWARGER, IDT ENERGY, INC.
(Name)
550 BROAD STREET, NEWARK, NJ 07102
(Street Address) (City) (State) (ZIP Code)

7. The specific business which the limited liability company is to transact in Michigan is as follows:

RESELL ENERGY

The limited liability company is authorized to transact such business in the jurisdiction of its organization.

Signed this 21 day of MARCH, 2013

By  _____
(Signature)

JOYCE MASON, SECRETARY
(Type or Print Name) (Type or Print Title)

State of New York
Department of State } ss:

I hereby certify, that NEW ENERGY SERVICES LLC a NEW YORK Limited Liability Company filed Articles of Organization pursuant to the Limited Liability Company Law on 03/04/2010, and that the Limited Liability Company is existing so far as shown by the records of the Department.

A Certificate of Amendment NEW ENERGY SERVICES LLC, changing its name to RESIDENTS ENERGY, LLC, was filed 03/13/2013.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 20th day of March
two thousand and thirteen.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
Special Deputy Secretary of State

ATTACHMENT B

Residents Energy has not been the subject of any formal investigations or disciplinary proceedings in any state or federal jurisdictions, however, two of Residents Energy's affiliates, IDT Energy, Inc. ("IDT Energy") and Town Square Energy East, LLC ("Town Square"), have been involved in the following matters.

A. **IDT Energy -**

- i. IDT Energy was named as a defendant in three class action lawsuits filed in New York, Pennsylvania and New Jersey, respectively. The cases were consolidated. After several years of litigation, the parties participated in mediation, and subsequently entered into a Settlement Agreement which received final approval from the Federal Court on October 18, 2018. More information regarding each of the lawsuits can be found at the respective dockets:

McLaughlin v. IDT Energy, Inc. – US District Court EDNY – Case No: 14-cv-4107

Ferrare v. IDT Energy, Inc. – US Dist Court EDPA – Case No: 2:14-cv-04658-AB

Aks v. IDT Energy, Inc. – Superior Court of NJ – Docket No. L-04936-14

- ii. In the Matter of IDT ENERGY, INC. – NJ BPU Docket No. EO17080888U

In October 2015, the New Jersey Board of Public Utilities and the New Jersey Department of Law and Public Safety, Division of Consumer Affairs, commenced an investigation into IDTE's activities in New Jersey. Although no formal complaint was ever filed, in May 2018, IDTE entered into a consent order with the investigating authorities, without any admission of wrongdoing. IDTE agreed to make certain modifications to its business practices and to make the following payments: \$1,225,722.21 in restitution payments to its New Jersey customers, \$100,000.00 in civil penalties and \$38,775.00 in reimbursement of the State's attorneys' fees and costs.

- iii. PA Public Utility Commission Bureau of Investigation and Enforcement v. IDT Energy, Inc. - Docket No. M-2013-2314312

In 2012, the Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (PAPUC) conducted an informal investigation into twenty-one consumer complaints against IDT Energy that had been brought to the PAPUC's Bureau of Consumer Services. All of the complaints related to marketing contacts initiated by IDT Energy's independent, third-party sales agents.

IDT Energy fully cooperated with I&E throughout the course of the investigation and the parties negotiated the terms of a settlement agreement which was filed with the PAPUC on May 16, 2013. The settlement agreement, with some modifications, was approved by the PAPUC in an order issued on October 17, 2013.

iv. Office of PA Attorney General and Office of PA Acting Consumer Advocate vs. IDT Energy, Inc. - Docket No. C-2014-2427657

In January and February of 2014, as a result of the unprecedented “Polar Vortex” price spikes on the wholesale electric markets, IDT Energy’s customers in Pennsylvania who were on variable rate agreements, experienced significant increases in their billing rates. Many customers were upset with these increases and filed formal complaints with the Pennsylvania Public Utility Commission and the offices of the Attorney General and the Consumer Advocate. IDT Energy worked diligently with its customers to resolve these complaints in an amicable fashion and Certificates of Satisfaction were filed in almost every case.

Despite IDT Energy’s valiant efforts to amicably resolve all issues directly with its customers, in June 2014, the Office of the Pennsylvania Attorney General (“OAG”) and the Office of the Acting Consumer Advocate (“OCA”) filed Joint Complaints against five energy suppliers, including IDT Energy.

On August 4, 2015, the parties filed a Joint Petition for Settlement which provided for a comprehensive resolution of the issues without the admission of wrongdoing by any party. On November 19, 2015, the Administrative Law Judges issued their Initial Decision approving the proposed settlement. On June 30, 2016, the PUC issued a Tentative Order which adopted the Initial Decision of the ALJs, approving the settlement agreement between the parties, subject to some clarifications and modifications. The Tentative Order became a Final Order as of July 8, 2016. Pursuant to the settlement agreement, IDT Energy paid a civil penalty of \$25,000, made a \$75,000 contribution to the utilities’ hardship funds, and paid \$2,400,000 into a refund pool for distribution to customers in amounts to be determined by the OCA and OAG. IDT Energy also agreed not to sell variable rate electricity products in Pennsylvania for a period of 21 months and to make other changes to its business practices in accordance with the terms of the settlement agreement.

- B. **Town Square** – Town Square was the subject of a recent investigation by the Staff of the Public Utility Commission of Ohio (“PUCO”) in response to a few customer complaints regarding Town Square’s “table-top” marketing practices. Town Square and the PUCO Staff entered into a settlement agreement which was approved by the PUCO Commissioners on February 27, 2019. Under the terms of the agreement, Town Square will pay a forfeiture of \$150,000 to the State of Ohio. In addition, Town Square will work with the PUCO Staff and take steps to ensure full compliance with PUCO rules and orders, including updating customers, providing the PUCO with updated information, and submitting quarterly reports for a one-year period.

ATTACHMENT C

Affidavit

AFFIDAVIT

STATE OF NEW JERSEY :
COUNTY OF ESSEX:

ALAN SCHWAB, affirms under penalties of perjury and says:

I am the President and COO of Residents Energy, LLC (“Residents Energy”) and I submit this affidavit in support of Residents Energy’s application for an Alternative Gas Supplier license.

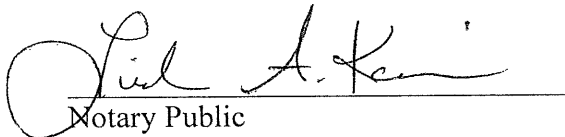
Residents Energy has been serving as a supplier of electricity and natural gas to residential and small commercial customers for several years now and the company currently operates in seven (7) states.

Residents Energy’s managerial staff-members and employees have substantial experience in the industry and are certainly qualified and competent to market natural gas as an Alternative Gas Supplier in the State of Michigan.



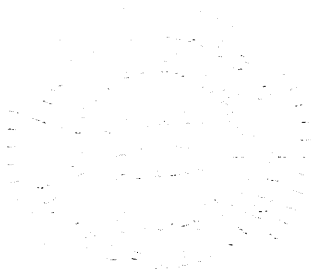
Alan Schwab, Pres. & COO

Affirmed to and subscribed before me
this 19th day of March, 2019



Notary Public

LINDA A. KARCIC
COMMISSION # 2404635
NOTARY PUBLIC-STATE OF NEW JERSEY
MY COMMISSION EXPIRES
FEBRUARY 16, 2021



ATTACHMENT D

Biographies of Key Personnel:

Michael Stein, CEO

Michael Stein is the CEO of Genie Retail Energy, Inc. and its subsidiary, Residents Energy, LLC. Previously, he served as Executive Vice President of Operations and then Senior Vice President of Operations of Genie Energy Ltd. Prior to assuming responsibility for these energy related initiatives, Mr. Stein was Senior Vice President of Business Development of IDT Telecom and was an analyst at Belstar Investment Management. He holds a BA in Psychology from Yeshiva University.

Alan Schwab, President and Chief Operating Officer

Alan Schwab is the President and Chief Operating Officer (COO) of Genie Retail Energy, Inc. and its subsidiary, Residents Energy, LLC. As President and COO, Alan is responsible for the day-to-day operations of the businesses including sales, operations, compliance and customer service. Under his leadership, Residents Energy has dramatically expanded its geographic footprint.

Prior to his foray into energy, Alan excelled in a succession of senior operations positions at IDT Corporation beginning at IDT Telecom, which he joined in 1996. As SVP at IDT Telecom, Alan managed the routing, provisioning and switching translations for IDT's global telecommunications network. Alan subsequently was named COO of IDT Capital, the division of IDT responsible for new business initiatives and incubation. In that capacity, he directed the development of over a dozen successful start-ups, including IDT Energy.

Alan holds an MBA from Barry University in Miami, Florida.

Avi Goldin, CFO

Avi Goldin has served as Chief Financial Officer of Genie Energy Ltd. since August 2011. He now also serves as CFO of Genie Retail Energy, Inc. and its subsidiary, Residents Energy, LLC. Prior to assuming these roles, Avi served as Vice President of Corporate Development of IDT Corporation from May 2009 through October 2011. He originally joined IDT in January 2004 and held several positions within IDT and its affiliates before leaving in January 2008 to join CayComm Media Holdings, a telecommunications acquisition fund, where he served as Vice President, Finance. Avi rejoined IDT in May 2009 as Vice President of Corporate Development. Prior to joining IDT, Avi served as an Investment Analyst at Dreman Value Management, a \$7 billion asset management firm and as an Associate in the Satellite Communications group at Morgan Stanley & Co.

Avi holds an MBA from the Stern School of Business of New York University, a B.A. in Finance from the Syms School of Business of Yeshiva University and is a Chartered Financial Analyst (CFA).

Brad Martin, VP of Marketing

Brad Martin is Vice President of Marketing for Genie Retail Energy, Inc. and its subsidiary, Residents Energy, LLC. He is responsible for the companies' marketing and customer acquisition strategy, including on- and off-line media plans, media partner development and new consumer offers.

Brad previously served as Senior Director of Marketing Programs at RCN Telecommunications, where he managed marketing, product development, sales, customer care, project management and back office operations. Brad rose through the leadership ranks in RCN's marketing group while serving various senior positions, earning the CEO's Award for Marketing Performance in 2005.

Prior to joining RCN, Brad was Marketing Director at SmartServ Online and i3 Mobile, both developers of mobile telephony applications. During his tenure he successfully launched applications with every major wireless carrier in North America.

Brad established his marketing career at Columbia House, Co. where he directed product management, business development and customer acquisition programs for one of the largest consumer software and video gaming clubs in North America.

Brad graduated with a Bachelor of Science in Marketing and Management Information Systems from Yeshiva University in New York.

Sam Ritter, Director of Supply

Sam Ritter came to Genie Retail Energy, Inc., and its subsidiary, Residents Energy, LLC, with more than twelve years of significant experience in the retail energy industry. Sam held a number of diverse positions with retail energy suppliers, energy trading companies and energy consulting companies. He is an expert in physical and financial commodity purchasing and in hedging risk through the use of swaps, futures, options, and other derivatives. At Genie Retail Energy, Inc., Sam oversees and develops the commodity supply and risk reporting aspects of the business. His duties include managing daily scheduling and forecasting, procurement, settlements, pricing models and risk management.

Sam earned an MS in Operations Research Engineering from Columbia University and a BS in Physics & Mathematics from Yeshiva University.

ATTACHMENT E

Customer Complaints

Residents Energy, LLC
Michigan Alternative Gas Supplier Application
Part II Section 2
Customer Complaints

Year	DE	IL	MA	NJ	NY	OH	PA	Total
2014	0	0	0	0	5	0	0	5
2015	0	0	0	3	54	0	7	64
2016	0	0	0	0	35	4	12	51
2017	0	79	0	2	41	13	20	155
2018	1	62	33	2	19	4	24	145

ATTACHMENT F

Risk Management Policy - CONFIDENTIAL