STATE OF DELAWARE

PUBLIC SERVICE COMMISSION
861 SILVER LAKE BLVD.
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

November 13, 2014

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Toni Loper, Public Utility Analyst

SUBJECT: IN THE MATTER OF THE APPLICATION OF MY CONSULTING GROUP, LLC D/B/A ME & YOU CONSULTING GROUP FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED FEBRUARY 21, 2014; FILED AUGUST 25, 2014) - PSC DOCKET No. 14-86

Background

On February 21, 2014, MY Consulting Group, LLC d/b/a Me & You Consulting Group (the "Company") filed an application (the "Application") with the Delaware Public Service Commission ("Commission") for an Electric Supplier Certificate ("ESC") to act as a Broker in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the "Act") and 26 *Del. Admin. C.* §3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").[1]

Application

The Company's original filing was submitted February 21, 2014. The submitted application did not meet the minimum filing requirements (MFRs). Staff requested the Company prepare a subsequent filing with additional documentation and include the following information: a) a list the states currently selling supply service and/or have applications pending, b) a list of states in which Applicant or its affiliated interests has been denied approval by a State Commission to sell electricity to Retail Electric Customers or has had its authority revoked, c) the relevant operational experience of each principal office responsible for Delaware operations, d) a statement that the supplier consents to the jurisdiction of the Delaware courts for acts or omissions arising from their activities in the State, e) the legal name of the business, f) the state of formation for the Company and the address of each principal officer, g) a signed, sworn verification by principal or agent of the Applicant verifying that the information contained in the application and subsequent filings is true and correct. Follow up documentation was received but after further review Staff determined that the subsequent filing did not correct the deficiencies. Staff contacted the Company and requested documentation to clear all above deficiencies and conveyed to the Applicant verbally what the deficiencies were and what Staff required to satisfy the MFRs. The Company sent its response but the responses combined with several discrepancies in the original application prompted Staff to conduct a more detailed review, a more comprehensive explanation is given in Exhibit A of the staff memorandum.

[1] Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

Review and Analysis

Authority to do Business in Delaware

The Company is a limited liability company formed under the laws of Delaware and the Company has provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the state. The Company supplied a Certificate of Good Standing issued on February 2, 2014 by the Delaware Secretary of State. The Applicant supplied a copy of the Registration of Trade, Business, & Fictitious Name from all Delaware counties proving that the fictitious name, MY Consulting Group, LLC, is registered with all three counties.

Resident Agent

The Company lists itself as the Resident Agent; the Company is based in Magnolia, DE.

Compliance with Regional Requirements

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

Financial, Operational, Managerial and Technical Ability

The Company provided bank statements for MY Consulting Group, LLC as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules. The Company was able to remit payment for all required filings with the Commission.

The Company stated in its application that it has been a going concern as a Marketing Representative in the areas of security, marketing, merchant processing and security sales for business and residential accounts via telemarketing, referrals, and door-to-door sales since 2009. The Company anticipates acting as a Broker serving residential, small commercial, commercial, and industrial customers for the sale or purchase of electricity throughout the State of Delaware. The Company's subsequent filings stated that it is not presently licensed in any other state nor had its authority to do business revoked by any state commission.

The Application included a summary of the key operating personnel of the Company. Mr. Mustafah Abdullah stated in the application that he is the Chief Executive Officer and sole owner of the Company. Mr. Abdullah details in the application his work experience where he stated he has 6 plus years' experience in sales in various industries and 7 plus years' experience in management in the banking industry. Mr. Abdullah stated in the application that he has been self-employed as a marketing representative since 2009. The Company has secured a channel partner agreement with World Energy Solutions, Inc., in which they agree to provide certain ongoing services in support of MY Consulting Group, LLC. World Energy Solutions, Inc. has been a Delaware certified electric supplier since 2006.

Surety Bond

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

Verification of Application

The Application and all subsequent filings contained a signed, sworn verification letter by Mr. Abdullah who is the sole owner of the limited liability corporation.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company also did not provide any sample contracts for Residential, Small Commercial, Commercial or Industrial Customers because it is a Broker only and does not and will not have contracts with Retail Electric Customers to provide Electric Supply Service.

Statement of Criminal Activity

The Applicant stated in the application that he has not been charged or convicted of any criminal activity nor have any of its principals or corporation officers. The Applicant has no affiliated interests. An internet review of the Company and its principal revealed an issue with the principal's financial history detailed below in the staff recommendation.

Toll-free Customer Service Number

The Company provided a Delaware telephone number in the Amended Application and requested a waiver of the toll-free telephone number. Section 2.5 of the Electric Suppler Rules provides for a Waiver of Certification Requirements and states that "Upon the request of any Applicant, the Commission may, for good cause, waive any requirements of these Rules that are not required by statute. The waiver may not be inconsistent with the purpose of these Rules or Chapter X of Title 26 of **Del. C.**" Staff recommends that the Commission grant the waiver requested by MY Consulting Group, LLC because the Company has a Delaware telephone number. The Company is seeking an Electric Supplier Certificate as a Broker and will not have contracts with end use Customers. Customers will be able to contact their Electric Supplies using a toll-free number as required by the Electric Supplier Rules.

Legal Review

During the review and analysis process and each phase of the requests for additional documentation for this Application, Staff communicated with the assigned attorney to ensure that all required documentation requested and received from the Company was in compliance with Delaware law and the Supplier Rules. Staff submitted this Memo for review by the attorney on October 1, 2014.

Staff Recommendation

Staff conducted an internet review of key operating personnel. Staff discovered that there were four civil judgments against Mr. Abdullah for defaulting on personal credit cards and a personal mortgage between 2001 and 2014. Of the four judgments against the principal one was vacated, and three had monetary awards and were executed upon, including one that was satisfied through garnishment of the principal's wages. While disclosure of this information is not required by the Supplier Rules, Staff believes this information in conjunction with the discrepancies and misstatements regarding the principal's work history and resume do not demonstrate substantial evidence of financial, operational, managerial, and technical ability to operate as a Broker in Delaware consistent with good business practices. Therefore, Staff recommends the Commission deny the application.

Exhibit A

Staff spent a significant amount of time addressing deficiencies and discrepancies in this application. The following issues were identified by Staff and the responses from the applicant to address these issues are provided:

1. 2.1.1.5.3 **States presently selling supply service and/or application pending.** In the original application the Company stated that it was licensed to procure energy in all 48 states plus Washington DC
    a. After written and verbal communication with the Applicant it was determined that this was a misunderstanding, the Applicant stated that it was his understanding that because the Company had an agreement with World Energy (a Delaware certified Broker) the Company was able to operate in all deregulated states. Staff communicated with the Applicant that the application for Delaware was only for certification in this state and gave no authority to the Applicant to procure and market energy brokerage services in any other state. After further clarification the Applicant made a subsequent filing in which it was stated that the Company is not certified/licensed in any other state, nor does it have applications pending in any other state. An internet review of surrounding states revealed no issues.

2. 2.1.1.5.4 **A list of all states in which Applicant or any of its affiliated interests has been denied approval by a State Commission to sell electricity to Retail Electric Customers or has had its authority revoked.** In the original application the Company stated that World Energy, with which the Applicant has secured a channel partner agreement with, had already provided this information.
    a. Again after written and verbal communication with the Applicant it was determined that this was a misunderstanding, the Applicant believed that by working with World Energy it was not necessary to provide this information. Staff communicated that all the regulations should be addressed from the perspective of the Company and not from the perspective of the agreement the Company has with World Energy. Again the Applicant made a subsequent filing in which it was asserted that the Company has not been denied approval in any other state nor had its authority revoked by any other state.

3. 2.1.1.5.5 **Relevant operational experience of each principal officer responsible for Delaware operation.** In the original application it was stated that the principal officer Mr. Mustafah Abdullah was self-employed from 2009-present with MY Consulting Group, LLC as an independent marketing representative, acquiring customers in the areas of security, utilities, marketing, etc. but the supporting documentation (i.e. Department of State Certificate of Good Standing) indicated that this Company was formed in January 3, 2013.

When asked by Staff about this discrepancy the Applicant indicated that the information was not entirely accurate, and that the time frame should have been broken down into two entries on the resume provided. The Applicant made a subsequent filing in which he detailed that he worked as an independent marketer from 2009 to present, acquiring customers for other licensed companies in the above mentioned sectors, and that MY Consulting Group, LLC was formed in 2013 in an effort to diversify. It was stated that the Company did provide services in the area of telecommunications, for

which broker license is not required, but not for energy which is the reason for his application to become a Broker in Delaware at this time.