

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
AMERICAN POWERNET MANAGEMENT, L.P.,) Case No. U-14818
for a license as an alternative electric supplier.)
_____)

At the May 25, 2006 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

OPINION AND ORDER

On March 16, 2006, American PowerNet Management, L.P. (American PowerNet), submitted an application pursuant to the Customer Choice and Electricity Reliability Act, 2000 PA 141, MCL 460.10 *et seq.*, for a license as an alternative electric supplier (AES). An AES is a person selling electric generation service to retail customers in this state, other than a person who physically delivers electricity directly to retail customers. MCL 460.10g(a). With its application, American PowerNet submitted information designed to show its compliance with the statutory requirements for an AES. Act 141 requires the Commission to ensure that AESs have the necessary financial capability, possess the technical competence to engage in energy transactions, are capable of meeting safety requirements for electric operations, and comply with all other lawful obligations. Pursuant to the June 19, 2000 order in Case No. U-11915, AESs are required to maintain an office within Michigan.

The Commission Staff (Staff) is responsible for review of the application and for making a recommendation regarding a license for an applicant. The Staff reviewed the information submitted by American PowerNet and has recommended that this company be granted a license to operate as an AES.

The application shows that American PowerNet is a privately held Pennsylvania limited partnership company. American PowerNet is licensed and operates in the wholesale and retail markets as a retail supplier in three states. American PowerNet currently serves customers in Maryland, Virginia, and New Jersey. The Staff has reviewed American PowerNet's personnel descriptions and histories. Based upon that review, the Staff determined that American PowerNet has sufficient experience and expertise to manage risk and to reliably supply electricity in Michigan's electric choice market. Based on the information provided and the recommendation of the Staff, the Commission finds that American PowerNet possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

With respect to its financial capability, American PowerNet's financials were reviewed by the Staff; they are reported in combination with its wholly-owned affiliate, American PowerNet Services, L.P., a Pennsylvania limited partnership, that provides energy management services. American PowerNet also provided the Staff with a letter of credit in the amount of \$100,000. Based upon its review of the financial statements and the letter of credit, the Staff determined that American PowerNet's financial capabilities meet the Act 141 requirements. The Commission agrees.

The Commission requires suppliers, including American PowerNet, to maintain an office in Michigan. American PowerNet has an office in Escanaba, Michigan, with its main headquarters outside the boundaries of Michigan in Wyomissing, Pennsylvania.

After a review of the applicant's submission, the Commission finds that approval of the application is in the public interest. On numerous occasions, the Commission has found that competition can be advantageous to the citizens of the state. Approval of the request for a license as an AES will expand the opportunities for competition. Accordingly, the application should be approved. The grant of license is conditioned on compliance with all applicable provisions of the statute and the Commission's orders. Failure to comply fully may result in revocation of the license or other penalties. Further, the grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in revocation of the license.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 *et seq.*; 1919 PA 419, as amended, MCL 460.51 *et seq.*; 1939 PA 3, as amended, MCL 460.1 *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 *et seq.*
- b. American PowerNet has satisfied the statutory requirements to obtain a license as an alternative electric supplier.

THEREFORE, IT IS ORDERED that:

- A. American PowerNet Management, L.P., is granted a license as an alternative electric supplier.
- B. American PowerNet Management, L.P., shall operate as an alternative electric supplier in compliance with the regulatory requirements specified in the Customer Choice and Electricity Reliability Act, MCL 460.10 *et seq.*, and the Commission's orders.

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.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chairman

(S E A L)

/s/ Laura Chappelle

Commissioner

/s/ Monica Martinez

Commissioner

By its action of May 25, 2006.

/s/ Mary Jo Kunkle

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of May 25, 2006.

Its Executive Secretary