

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of )  
**GLACIAL ENERGY OF MICHIGAN, INC.,** ) Case No. U-15922  
for a license as an alternative electric supplier. )  
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At the June 2, 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

**OPINION AND ORDER**

On March 23, 2009, Glacial Energy of Michigan, Inc., (Glacial) submitted an application pursuant to the “Customer Choice and Electricity Reliability Act,” 2000 PA 141, MCL 460.10 *et seq.* (Act 141), 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, Glacial 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 technical competence to engage in energy transactions, are capable of meeting safety requirements for electric operations, and comply with all other lawful obligations. Additionally, the June 19, 2000 order in Case No. U-11915 requires AESs to maintain an office within Michigan.

On October 6, 2008, Governor Jennifer M. Granholm signed Public Act 295 of 2008, MCL 460.1001 *et seq.*, the “Clean, Renewable, and Efficient Energy Act,” into law (Act 295). Act 295 was to be implemented according to provisions set forth in a “temporary order” that was to be issued by the Commission within 60 days of the effective date of the new legislation. The Commission issued a temporary order in Case No. U-15800 on December 4, 2008.

Subpart “A” of Part 2 of Act 295 requires all providers of electric service in this state, including AESs, to establish renewable energy programs. On October 21, 2008, the Commission opened dockets for each licensed AES in Michigan and required them to file a plan for establishing a renewable energy program (REP) within 90 days after the Commission issued the temporary order.

The Commission Staff (Staff) is responsible for review of the application and for making a recommendation regarding a license. The Staff has reviewed the information submitted by Glacial and recommends that the Commission grant Glacial a license to operate as an AES.

According to the application, Glacial’s parent company, Glacial Energy Holdings, (Glacial Energy) was established in 2005 as a privately held Nevada corporation. Glacial Energy has grown significantly from \$5 million in revenues in 2005 to over \$170 million in revenues in 2008. Glacial Energy’s executives have over 30 years of deregulated energy experience in both domestic and international markets, and deliver the benefits of that experience in their unique products and competitive pricing. Glacial Energy serves commercial, industrial, and institutional interests in New York, Texas, New Jersey, Massachusetts, Maryland, Washington DC, Delaware, Illinois, Connecticut, Rhode Island, Maine, and New Hampshire. Glacial Energy’s business is strictly electricity, which is index based.

After reviewing Glacial's personnel descriptions and histories, the Staff determined that Glacial 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 Glacial possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

The Staff reviewed Glacial's financials for the last three years. Glacial 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 Glacial's financial capabilities meet the Act 141 requirements. The Commission agrees.

The Commission requires AESs to maintain an office in Michigan. Glacial has an established office in St. Clair Shores, Michigan. The Staff determined that Glacial has complied with the Michigan-office requirement. The Commission agrees.

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 an AES 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 also finds that, as a licensed AES in Michigan, Glacial is required by Act 295 to file a REP with the Commission. However, the Commission notes that the original deadline set by Act 295 and the temporary order in Case No. U-15800 for filing a REP has passed.

Therefore, in consideration of the fact that Glacial’s AES license was granted today, the Commission intends to open a separate docket, which shall set forth a new deadline for the submission of a REP to the Commission.

THEREFORE, IT IS ORDERED that:

A. Glacial Energy of Michigan, Inc., is granted a license as an alternative electric supplier.

B. Glacial Energy of Michigan, Inc., shall operate as an alternative electric supplier in compliance with the regulatory requirements specified in the “Customer Choice and Electricity Reliability Act,” 2000 PA 141, 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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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Orjiakor N. Isiogu, Chairman

By its action of June 2, 2009.

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Monica Martinez, Commissioner

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Mary Jo Kunkle, Executive Secretary

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Steven A. Transeth, Commissioner