

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
WPS ENERGY SERVICES, INC. , for a)	Case No. U-14554
license as an alternative gas supplier.)	
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At the June 30, 2005 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

ORDER GRANTING LICENSE

On February 28, 2005, WPS Energy Services, Inc. (WPS Energy), applied for a license to operate as an alternative gas supplier (AGS) within Michigan pursuant to 2002 PA 634 (Act 634), MCL 460.9 *et seq.* As part of its submission, WPS Energy provided information to demonstrate compliance with the AGS license requirements under Act 634 and under the Commission's March 12, 2003 order in Case No. U-13694 (March 12 order). That order established the AGS licensing procedure.

Act 634 requires an AGS to have the necessary financial, managerial, and technical capabilities to serve customers within Michigan. The act also requires an AGS to maintain an office within the state. Under the March 12 order, the Commission Staff (Staff) must review the application of the AGS for conformance with the act and with the Commission's orders. The Staff then must recommend appropriate action regarding that application to the Commission.

The Staff has reviewed the license application and all of the information submitted by WPS Energy. Based on this review, the Staff recommends to the Commission that WPS Energy be granted a license to operate as an AGS.

The application shows that WPS Energy is a Wisconsin corporation and is a subsidiary of WPS Resources Corporation; Wisconsin Public Service Corporation and Upper Peninsula Power Company are also subsidiaries of WPS Resources. WPS Energy has operated as a licensed alternative electric supplier in the Michigan electric choice market since January 18, 2002.

The Staff reviewed WPS Energy's business plans and business history, and determined that the company has the expertise and competence to manage natural gas supplies for retail customers in the Michigan gas choice market. As part of its review, the Staff noted that WPS Energy presently operates as an alternative electric supplier within Michigan and that this provides significant experience to the company in handling Michigan customers and markets.

Based upon the managerial and business history of WPS Energy, as well as the Staff's recommendation, the Commission finds that WPS Energy possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

With respect to its financial capability, WPS Energy provided the Staff with a letter of credit in the amount of \$100,000. Based upon the letter of credit, the Staff determined that WPS Energy's financial capability meets Act 634 requirements. The Commission agrees.

Act 634 requires WPS Energy to maintain an office within Michigan. WPS Energy has a Michigan office based in Ann Arbor, Michigan. The Staff determined that WPS Energy has complied with the Act 634 Michigan-office requirement. The Commission agrees.

Based upon the submissions and all of the information provided, the Commission finds that WPS Energy's request to be licensed as an AGS is reasonable and in the public interest, and that it

should be approved. The Commission further finds that the AGS license should be conditioned upon WPS Energy's compliance with all of the applicable provisions of Act 634, the Commission's orders and administrative rules, and each of the delivering natural-gas utilities' tariffs. Failure to comply with any of these provisions may result in revocation of the license or other penalties.

The Commission FINDS that:

a. Jurisdiction is pursuant to 2002 PA 634, MCL 460.9 *et seq.*; 1909 PA 300, as amended, MCL 462.2 *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. WPS Energy has satisfied the statutory requirements to obtain a license as an AGS.

THEREFORE, IT IS ORDERED that:

A. WPS Energy Services, Inc., is granted a license as an alternative gas supplier, subject to the conditions contained within ordering paragraph B of this order.

B. WPS Energy Services, Inc., shall comply with the regulatory requirements specified in 2002 PA 634, MCL 460.9 *et seq.*; the Commission's orders and administrative rules for gas customer-choice programs approved by the Commission; and each of the delivering natural-gas utilities' tariffs.

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
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/ Robert B. Nelson
Commissioner

/s/ Laura Chappelle
Commissioner

By its action of June 30, 2005.

/s/ Mary Jo Kunkle
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of June 30, 2005.

Its Executive Secretary