

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of )  
**LIBERTY POWER HOLDING, LLC,** ) Case No. U-15139  
for a license as an alternative electric supplier. )  
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At the April 24, 2007 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 November 20, 2006, Liberty Power Holding, LLC (Liberty), submitted an application, pursuant to the Customer Choice and Electricity Reliability Act (Act 141), 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, Liberty 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.

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 Liberty and recommends that the Commission grant this company a license to operate as an AES.

The application shows that Liberty is a privately held Delaware corporation. Liberty is a leading independent supplier of retail electricity that supplies competitively priced power to thousands of businesses and governmental entities in the United States. A minority-owned company, Liberty currently operates in Texas, New York, Maryland, Washington D.C., Connecticut, New Jersey, Maine, Ohio, and Rhode Island.

The Staff has reviewed Liberty's personnel descriptions and histories. Based upon that review, the Staff determined that Liberty 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 Liberty possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

With respect to its financial capability, Liberty's financials were reviewed by the Staff. Liberty also provided the Staff with a Surety Bond in the amount of \$100,000. Based upon its review of the financial statements and the Surety Bond, the Staff determined that Liberty's financial capabilities meet the Act 141 requirements. The Commission agrees.

The Commission requires suppliers, including Liberty, to maintain an office in Michigan. Liberty requests that the Michigan office requirement be waived until after the issuance of the AES license. The Staff supports the license for Liberty, but with the reservation that Liberty cannot initiate service in Michigan until the office is established and the Staff has received official

written notice that a Michigan office has been established. That notice shall be placed in this docket.

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 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 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. Liberty has satisfied the statutory requirements to obtain an alternative electric supplier license.

THEREFORE, IT IS ORDERED that:

A. Liberty Power Holding, LLC, is granted a license as an alternative electric supplier.

B. Liberty Power Holding, LLC, 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.

C. Liberty Power Holding, LLC, may commence operations as a supplier in Michigan when it has established its Michigan office and the Commission Staff has filed a confirming memo in this docket.

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 April 24, 2007.

/s/ Mary Jo Kunkle  
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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Commissioner

By its action of April 24, 2007.

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Its Executive Secretary

# PROOF OF SERVICE

STATE OF MICHIGAN    )

**Case No. U-15139**

|  
  
County of Ingham        )

E. David Lechler being duly sworn, deposes and says that on April 24, 2007, A.D. he served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

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E. David Lechler

Subscribed and sworn to before me  
this 24<sup>th</sup> day of April 2007

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Sharron A. Allen  
Notary Public, Ingham County, MI  
My Commission Expires August 16, 2011

SERVICE LIST FOR DOCKET # U - 15139-  
DATE OF PREPARATION: 04/26/2007

CASE #

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