

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
SPARTAN RENEWABLE ENERGY, INC.,) Case No. U-15309
for a license as an alternative electric supplier.)
_____)

At the September 18, 2007 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 May 16, 2007, Spartan Renewable Energy, Inc. (Spartan) 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, Spartan 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 Spartan and recommends that the Commission grant this company a license to operate as an AES.

The application shows that Spartan is a Michigan corporation and a member of Wolverine Power Supply Cooperative, Inc. (Wolverine Power). Other Wolverine Power members include four regulated distribution cooperatives and one AES cooperative.

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

With respect to its financial capability, Spartan is a newly formed company and its financials are combined with that of its parent company, Wolverine Power. Spartan has 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 Spartan's financial capabilities meet Act 141 requirements. The Commission agrees.

The Commission requires suppliers, including Spartan, to maintain an office in Michigan. Spartan has an established office in Cadillac, Michigan. The Staff determined that Spartan 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 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. Spartan has satisfied the statutory requirements to obtain a license as an alternative electric supplier.

THEREFORE, IT IS ORDERED that:

A. Spartan Renewable Energy, Inc., is granted a license as an alternative electric supplier.

B. Spartan Renewable Energy, Inc., 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/ Orjiakor N. Isiogu
Chairman

(S E A L)

/s/ Monica Martinez
Commissioner

/s/ Steven A. Transeth
Commissioner

By its action of September 18, 2007.

/s/ Mary Jo Kunkle
Its Executive Secretary

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

Chairman

Commissioner

Commissioner

By its action of September 18, 2007.

Its Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-15309

|

County of Ingham)

E. David Lechler being duly sworn, deposes and says that on September 18, 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.

E. David Lechler

Subscribed and sworn to before me
this 18th day of September 2007

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

SERVICE LIST FOR DOCKET # U - 15309- CASE #
DATE OF PREPARATION: 09/18/2007

MR. CRAIG BORR
SPARTAN RENEWABLE ENERGY, INC.
10125 W. WATERGATE ROAD
P.O. BOX 209
CADILLAC MI 49601

MR. ALBERT ERNST
DYKEMA GOSSETT PLLC
200 CAPITOL VIEW
201 TOWNSEND ST., STE. 900
LANSING MI 48933

**SUBSCRIPTION LIST
ALL ELECTRIC ORDERS**

MR. LARRY LEWIS
GENERAL SERVICES ADMINISTRATION
670 MORRISON ROAD, ROOM 209
COLUMBUS OH 43230

MR. MICHAEL BYRNE
SENATE DEMOCRATIC STAFF
ROMNEY BUILDING
LANSING MI **ID MAIL**

MR. JOHN PESTLE
VARNUM, RIDDERING, SCHMIDT & HOWLETT
BRIDGEWATER PLACE
P.O. BOX 352
GRAND RAPIDS MI 49501 0352