

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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| In the matter of the application of           | ) |                  |
| <b>CENTERPOINT ENERGY SERVICES, INC.,</b>     | ) | Case No. U-16527 |
| for a license as an alternative gas supplier. | ) |                  |
| <hr/>   | ) |                  |

At the May 26, 2011 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman  
Hon. Monica Martinez, Commissioner  
Hon. Greg R. White, Commissioner

**ORDER**

On January 19, 2011, CenterPoint Energy Services, Inc. (CES), 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 application, CES 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). The March 12 order established the AGS licensing procedure.

Act 634 requires an AGS to have the necessary financial, managerial, and technical capabilities to serve customers within the state of 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 must then recommend appropriate action regarding that application to the Commission.

The Staff reviewed the license application and the information submitted by CES and has recommended this company be granted a license to operate as an AGS.

The application shows that CES provides comprehensive natural gas sales and services to industrial and commercial customers, and is actively marketing these sales in 18 states. CES serves a combined total of over 11,000 gas supply customers in these states and in 2009 it marketed 504 billion cubic feet (Bcf) of natural gas to its customers. CES is presently a licensed AGS in Indiana and Pennsylvania and currently has 42 transportation customer accounts in Michigan.

CES is registered with the Michigan Corporation Division, ID # 649392. The Staff reviewed CES's personnel descriptions and histories and observes that CES's key personnel have well over 50 combined years of experience in the energy industry and in business services. Based upon that review, the Staff determined that CES has sufficient experience and expertise to manage risk and to reliably supply natural gas in Michigan's gas customer choice market.

Based upon the information provided and the recommendation of the Staff, the Commission finds that CES possesses the appropriate managerial and technical capabilities to serve customers within the state of Michigan.

In its review of CES's financials, the Staff found that the company's balance sheet and income statement were satisfactory. CES has provided the Staff with a bond of \$100,000. Based upon its review of the financial statements and the satisfied bond requirement, the Staff determined that CES's financial capabilities meet Act 634 requirements. The Commission agrees.

Act 634 requires CES to maintain an office within the state of Michigan. CES does not currently have a Michigan office, but will establish one upon becoming licensed in the state and will notify the Staff in writing of the address prior to engaging in any marketing activity. The Staff supports CES's proposal. The Commission agrees.

Based upon the submissions and other information provided, the Commission finds that CES's request to be licensed as an AGS is reasonable and in the public interest, and that it should be approved. However, the grant of the license is conditioned upon 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.

THEREFORE, IT IS ORDERED that:

- A. CenterPoint Energy Services, Inc. is granted a license as an alternative gas supplier.
- B. CenterPoint 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 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 after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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Orjiakor N. Isiogu, Chairman

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Monica Martinez, Commissioner

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Greg R. White, Commissioner

By its action of May 26, 2011.

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Mary Jo Kunkle, Executive Secretary

# P R O O F O F S E R V I C E

STATE OF MICHIGAN )

Case No. U-16527

County of Ingham )

Mignon Middlebrook being duly sworn, deposes and says that on May 26, 2011 A.D. she served a copy of the attached Commission orders 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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Mignon Middlebrook

Subscribed and sworn to before me  
This 26<sup>th</sup> day of May 2011

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Gloria Pearl Jones  
Notary Public, Ingham County, MI  
My Commission Expires June 5, 2016

Service List U-16527

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