

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
DILLON ENERGY SERVICES, INC.) Case No. U-16982
for a license as an alternative gas supplier.)
_____)

At the May 24, 2012 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Orjiakor N. Isiogu, Commissioner
Hon. Greg R. White, Commissioner

ORDER GRANTING LICENSE

On March 2, 2012, Dillon Energy Services, Inc. (Dillon), applied for a license to operate as an alternative gas supplier (AGS) in Michigan pursuant to 2002 PA 634, MCL 460.9 *et seq.* (Act 634). As part of its application, Dillon provided information to demonstrate compliance with the AGS license requirements under Act 634 and the Commission's March 12, 2003 order in Case No. U-13694 (March 12 order), which established the Commission's AGS licensing procedures.

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 for conformance with the act and the Commission's orders. The Staff then recommends appropriate Commission action.

The Staff reviewed Dillon's license application and other information and recommended that Dillon be granted a license to operate as an AGS in Michigan.

The application shows that Dillon is a privately held corporation founded in 2003 to market natural gas and electricity in deregulated markets. Dillon procures supply and manages the natural gas requirements for a broad range of large commercial and industrial customers. Dillon currently serves over 300 transportation gas meters within Michigan. Dillon also provides energy consulting services and energy-efficient products to many Michigan commercial and industrial customers.

Dillon was incorporated in Michigan on August 6, 2002, and is registered with the Michigan Corporations Division, ID number 34247C. The Staff reviewed Dillon's personnel descriptions and histories and observed that their key personnel have over 100 combined years of experience in the energy industry, from managing and overseeing operations to marketing, sales, and customer service. Based on its review, the Staff has determined that Dillon is well qualified, with sufficient experience and expertise to serve customers in Michigan's Gas Customer Choice Program.

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

Dillon has provided Staff with a bond in the amount of \$100,000. Based upon its review of the confidential financial documents and the satisfied bond requirement, the Staff determined that Dillon's financial capabilities and availability meet Act 634 requirements. The Commission agrees.

Act 634 requires Dillon to maintain an office in the state of Michigan. Dillon is a Michigan-based company and has an established office in St. Clair Shores, Michigan. The Staff determined that Dillon has met the office requirements for licensing. The Commission agrees.

Based upon the submissions and all of the information provided, the Commission finds that Dillon'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. Dillon Energy Services, Inc., is granted a license as an alternative gas supplier.
- B. Dillon 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

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Commissioner

Greg R. White, Commissioner

By its action of May 24, 2012.

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-16982

County of Ingham)

Mignon Middlebrook being duly sworn, deposes and says that on May 24, 2012 A.D. she 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.

Mignon Middlebrook

Subscribed and sworn to before me
This 24th day of May 2012

Gloria Pearl Jones
Notary Public, Ingham County, MI
My commission expires June 5, 2016
Acting in Eaton County

Service List U-16982

Dillon Energy Services, Inc.
22100 Greater Mack Ave., Suite 1
St. Clair Shores MI 48080