

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
SOUTHSTAR ENERGY SERVICES LLC)	
d/b/a GRAND RAPIDS ENERGY for a license)	Case No. U-17228
as an alternative gas supplier.)	
_____)	

At the July 11, 2013 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Greg R. White, Commissioner
Hon. Sally Talberg, Commissioner

ORDER GRANTING LICENSE

On March 12, 2013, SouthStar Energy Services LLC d/b/a Grand Rapids Energy (SouthStar), applied for a license to operate as an alternative gas supplier (AGS) within Michigan pursuant to 2002 PA 634, MCL 460.9 *et seq.* (Act 634). A redacted application was filed on April 12, 2013. As part of its application, SouthStar 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 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 then must recommend appropriate action regarding that application to the

Commission. The Staff reviewed the license application and the information submitted by SouthStar and recommends that this company be granted a license to operate as an AGS in Michigan.

The application shows that SouthStar is a subsidiary of Georgia Natural Gas Company, a wholly-owned subsidiary of AGL Resources, an energy holding company, and Piedmont Energy Company, a wholly-owned subsidiary of the natural gas distribution utility Piedmont Natural Gas Company. SouthStar is licensed to market and serve natural gas to retail residential and commercial customers in Georgia, Ohio, Maryland, New York, Florida, North Carolina, South Carolina, and Tennessee. It currently services approximately 600,000 retail customers in these jurisdictions and has reliably served customers for over 15 years.

SouthStar is a Limited Liability Company organized in Delaware on July 13, 1998, and registered with the Michigan Corporations Division on August 16, 2012, ID # D9321U, with the assumed name of Grand Rapids Energy.

The Staff reviewed SouthStar's personnel descriptions and histories and observes that its key personnel have over 150 combined years of experience in the energy industry from managing and overseeing operations to marketing, sales, and customer service. SouthStar will respond to customer inquiries and complaints in a manner consistent with its proven response protocols through its current customer call center. The Staff has determined that SouthStar is well qualified with sufficient experience and expertise to serve customers in Michigan's Gas Customer Choice Program.

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

SouthStar has provided the Staff with a surety bond in the amount of \$100,000. Based on its review of the confidential financial documents, the public U.S. Securities and Exchange Commission filings for AGL Resources, and the satisfied bond requirement, the Staff determined that SouthStar's financial capabilities and availability meet Act 634 requirements. The Commission agrees.

Act 634 requires SouthStar to maintain an office within the state of Michigan. SouthStar has an established office in Lansing, Michigan. The Staff determined that SouthStar has met the office requirements for licensing. The Commission agrees.

Based upon the submissions and all of the information provided, the Commission finds that SouthStar'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. The April 12, 2013 redacted application filed and the requested relief sought by SouthStar Energy Services LLC d/b/a Grand Rapids Energy is approved.

B. SouthStar Energy Services LLC d/b/a Grand Rapids Energy is granted a license as an alternative gas supplier.

C. SouthStar Energy Services LLC d/b/a Grand Rapids Energy 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

Greg R. White, Commissioner

Sally Talberg, Commissioner

By its action of July 11, 2013.

Mary Jo Kunkle, Executive Secretary

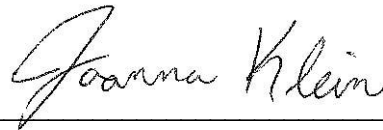
P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-17228

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on July 11, 2013 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.



Joanna Klein

Subscribed and sworn to before me
This 11th day of July 2013

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

Service List U-17228

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