

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
DILLON POWER, LLC,)	Case No. U-17723
for a license as an alternative electric supplier.)	
_____)	
)	
In the matter, on the Commission’s own motion,)	
regarding the regulatory reviews, determinations,)	Case No. U-17769
and/or approvals necessary for DILLON POWER,)	
LLC, to fully comply with Public Act 295 of 2008.)	
_____)	

At the January 13, 2015 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

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

ORDER

On September 24, 2014, Dillon Power, LLC (Dillon) submitted an application pursuant to the “Customer Choice and Electricity Reliability Act,” 2000 PA 141, MCL 460.10 *et seq.* (Act 141), 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, Dillon 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 Commission order in Case No. U-11915 requires AESs to maintain an office within Michigan.

On October 6, 2008, Public Act 295 of 2008, MCL 460.1001 *et seq.*, the “Clean, Renewable, and Efficient Energy Act,” was signed into law (Act 295). The Commission issued an order in Case No. U-15800 on December 4, 2008, which provides requirements for implementing Act 295. Among other things, Act 295 requires all providers of electric service in this state, including AESs, to establish renewable energy programs.

Act 295 also requires the Commission to establish a statewide net metering program. Pursuant to Section 173(1) of Act 295, the Commission promulgated rules entitled “Electric Interconnection and Net Metering Standards,” which were effective May 27, 2009. AESs are required to comply with the net metering requirements of Act 295 and the Commission’s rules.

The Commission Staff (Staff) is responsible for review of the application and for making a recommendation regarding a license. The Staff reviewed the information submitted by Dillon and recommends that the Commission grant Dillon a license to operate as an AES in Michigan.

Dillon is a wholly owned subsidiary of Dillon Energy Services, Inc. (DES) and is registered with the Michigan Corporations Division, ID number E5171K. Dillon is located in St. Clair Shores, Michigan and is involved in providing end-users full energy management services and supply. DES was founded to market natural gas and electricity and currently provides electric broker services, serves Michigan gas choice and transportation customers, and also provides energy consulting services and energy-efficient products, including lighting to many Michigan commercial and industrial customers. DES currently has 67 brokered customers with 182 locations served under electric choice.

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

The Staff reviewed Dillon's audited financial statements for the last three years and two most recent tax returns. Dillon also provided the Staff with a surety bond in the amount of \$100,000. Based upon their review of the financial statements and the bond, the Staff determined that Dillon's financial capabilities meet the Act 141 requirements. The Commission agrees.

The Commission requires AESs to maintain an office in Michigan. Dillon is a Michigan-based company and has an established office in St. Clair Shores, Michigan. The Staff determined that Dillon has complied with the Michigan office requirements. The Commission agrees.

After review of Dillon's application, 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 also finds that, as a licensed AES in Michigan, Dillon is required by Act 295 to file a renewable energy plan (REP) with the Commission. However, the Commission notes that the original deadline set by Act 295 and the order in Case No. U-15800 for filing a REP has

passed. Therefore, in consideration of the fact that Dillon's AES license was granted, the Commission has opened a separate docket for Dillon's REP, which shall be filed in Case No. U-17769 by April 13, 2015.

THEREFORE, IT IS ORDERED that:

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

B. Dillon Power, 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. Dillon Power, LLC, is required to comply with the net metering requirements of 2008 PA 295 and the Commission's rules.

D. Dillon Power, LLC, shall file its initial renewable energy plan in Case No. U-17769 by April 13, 2015.

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

John D. Quackenbush, Chairman

Greg R. White, Commissioner

Sally A. Talberg, Commissioner

By its action of January 13, 2015.

Mary Jo Kunkle, Executive Secretary

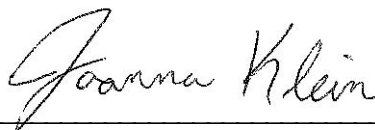
P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-17723
U-17769

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on January 13, 2015 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 13th day of January 2015

Steven J. Cook
Notary Public, Ingham County, Michigan
As acting in Eaton County
My Commission Expires: April 30, 2018

Service List U-17723 *et al.*

Dillon Energy Services, Inc.
22100 Greater Mack Ave., Suite 1
St. Clair Shores MI 48080-2330

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

STATE OF MICHIGAN)

Case No. U-17769

County of Ingham)

Lisa Felice being duly sworn, deposes and says that on January 13, 2015 A.D. she electronically notified the attached list of this **Commission Order (Commission's Own Motion) via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

Lisa Felice

Subscribed and sworn to before me
this 13th day of January 2015

Steven J. Cook
Notary Public, Ingham County, Michigan
As acting in Eaton County
My Commission Expires: April 30, 2018

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