



State of Michigan
Jennifer M. Granholm, Governor

Michigan Public Service Commission
J. Peter Lark, Chairman
Laura Chappelle, Commissioner
Monica Martinez, Commissioner

MEMORANDUM

Date: May 17, 2006
To: Robert Kehres, Director
Regulatory Affairs Division
From: Sue Devon, Director SD P SB
Regulated Energy Division
Subject: Alternative **Gas** Supplier Application: Constellation NewEnergy-Gas Division,
L.L.C., U-14867

History

On December 23, 2002, Public Act 634 of 2002 became effective. Public Act 634 directed the Michigan Public Service Commission (Commission) to establish a licensing program for all alternative natural gas suppliers operating under natural gas customer choice programs approved by the Commission. It charged the Commission to ensure that suppliers participating in Michigan natural gas choice programs meet certain requirements, including a demonstration of their financial, managerial, and technical capabilities. It also requires the supplier to maintain records the Commission considers necessary.

On March 12, 2003, in its order in Case No. U-13694, the Commission established a licensing procedure. Exhibit A to that order outlines the licensing process. This order directs Commission Staff to review the applications of prospective suppliers and make recommendations to the Commission regarding the licensing of applicants. Following the Staff review, the Commission issues an order on the matter of licensing for the applicant.

Recommended Action

On April 25, 2006 Constellation NewEnergy-Gas Division, L.L.C. (Constellation NewEnergy), submitted its e-filed application for an alternative gas supplier license. The Staff has reviewed the application and supplemental information and finds that Constellation NewEnergy satisfies the requirements established in PA 634 and U-13694. Staff's investigation did not find any outstanding complaints against Constellation NewEnergy. Constellation NewEnergy currently serves electric choice and transportation gas customers in Michigan. Therefore, the Staff recommends that the Commission approve the licensing of Constellation NewEnergy as an alternative gas supplier for natural gas customer choice programs in the State of Michigan.

Docket Opened

Constellation NewEnergy filed their application through the Commission's paperless electronic filing program and obtained the docket U-14867 for this license application.

Attached: Sheila Cornfield memo of May 17, 2006, to Sue Devon, with attachments
cc: Brian Ballinger