

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
XOOM ENERGY MICHIGAN, LLC,)	Case No. U-16802
for a license as an alternative gas supplier.)	
_____)	

At the August 25, 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 GRANTING LICENSE

On May 27, 2011, Xoom Energy Michigan, LLC (XEM), 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). As part of its application, XEM 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 in 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 the application to the Commission.

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

The application shows that XEM is a start-up retail energy entity managed by its single-member company manager, Xoom Energy, whose key personnel will serve both companies. Although XEM has not yet provided any energy services, Xoom Energy currently has pending applications for retail gas service in California and Massachusetts and pending applications for retail electric service in Connecticut, Texas, and Massachusetts.

XEM is a privately held, domestic limited liability company registered on March 24, 2011, ID # D5545Q. The Staff reviewed XEM's personnel descriptions and histories and observed that XEM's key personnel have over 50 combined years of experience in the energy industry and in building and managing both start-up companies and companies operating in mature business environments. XEM will grow its staff as it continues to grow in Michigan. Based upon that review, the Staff determined that XEM is well qualified with sufficient experience and expertise to serve customers in Michigan's gas customer choice market.

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

In its review of XEM's financials, the Staff found that the company does not have audited financial statements because it is a start-up company. BlueGreen Holding, L.L.C., the investment vehicle of the private investors who own Xoom Energy and Xoom Global Holdings, L.L.C., has pledged additional financial support to Xoom Energy in the event it is needed. The Staff has reviewed confidential financial documents and concluded that the financial resources available are sufficient for licensing. XEM has provided the Staff with a letter of credit in the amount of

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

Act 634 requires XEM to maintain an office in the state of Michigan. XEM has a Michigan office in Sterling Heights. The Staff determined that XEM has met the office requirements for licensing. The Commission agrees.

Based upon the submissions and all of the information provided, the Commission finds that XEM'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. Xoom Energy Michigan, L.L.C., is granted a license as an alternative gas supplier.
- B. Xoom Energy Michigan, L.L.C., 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

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Greg R. White, Commissioner

By its action of August 25, 2011.

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-16802

County of Ingham)

Mignon Middlebrook being duly sworn, deposes and says that on August 25, 2011 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 25th day of August 2011

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

Service List U-16802

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