

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of )	
<b>UNITED ENERGY TRADING, LLC, d/b/a KRATOS</b> )	
<b>GAS &amp; POWER</b> , for a license as an alternative gas )	Case No. U-17526
supplier. )	
_____ )	

At the April 15, 2014 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 GRANTING LICENSE**

On January 17, 2014, United Energy Trading, LLC, d/b/a Kratos Gas & Power (Kratos), 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, Kratos 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 has reviewed Kratos' license application and the information submitted and recommends that the company be granted a license to operate as an AGS in Michigan.

The application shows that Kratos is a privately held wholly-owned limited liability company and has its headquarters at 225 Union Blvd., Suite 200, Lakewood, Colorado. Kratos was organized in North Dakota on September 3, 2002 and was registered with the Michigan Corporations Division on October 23, 2012, ID Number D92107.

According to the application, Kratos is licensed to market and serve natural gas to retail residential and commercial customers in Georgia, Ohio, and California. It currently serves approximately 93,000 retail customers throughout these jurisdictions.

The Staff reviewed Kratos' personnel descriptions and histories and observes 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. Kratos will respond to customer inquiries and complaints during regular business hours in a timely manner through its current customer call center. The Staff has determined that Kratos is well qualified with sufficient experience and expertise to serve customers in Michigan's Gas Customer Choice Program.

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

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

Act 634 requires Kratos to maintain an office within the state of Michigan. Kratos' Michigan office is located at 701 Stickel Road, Gladwin, Michigan 48624. The Staff determined that Kratos has met the office requirements for licensing. The Commission agrees.

Based upon the submissions and all of the information provided, the Commission finds that Kratos'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. United Energy Trading, LLC, d/b/a Kratos Gas & Power, is granted a license as an alternative gas supplier.

B. United Energy Trading, LLC, d/b/a Kratos Gas & Power, 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




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John D. Quackenbush, Chairman



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Greg R. White, Commissioner



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Sally A. Talberg, Commissioner

By its action of April 15, 2014.



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Mary Jo Kunkle, Executive Secretary

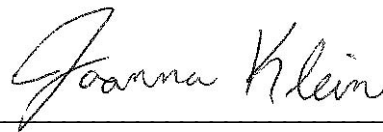
# P R O O F O F S E R V I C E

STATE OF MICHIGAN )

Case No. U-17526

County of Ingham )

Joanna Klein being duly sworn, deposes and says that on April 15, 2014 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.



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Joanna Klein

Subscribed and sworn to before me  
This 15<sup>th</sup> day of April 2014

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

Service List U-17526

Kratos Gas and Power  
701 Stickel Road  
Gladwin MI 48624

United Energy Trading, LLC d/b/a Kratos Gas and  
Power  
Michael Huggins, Managing Director  
225 Union Boulevard, Suite 200  
Lakewood CO 80228