



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**  
861 SILVER LAKE BLVD.  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500  
FAX: (302) 739-4849

March 29, 2016

**MEMORANDUM**

TO: The Chair and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF BROADLEAF, LLC (D/B/A BROADLEAF ENERGY COMPANY, LLC) FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED: JULY 17, 2015, FILED MARCH 22, 2016) - PSC DOCKET No. 15-1127

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**Background**

On July 17, 2015 Broadleaf, LLC (the “Company”) submitted an application (the “Application”) with the Delaware Public Service Commission (the “Commission”) for an Electric Supplier Certificate (“ESC”) to act as a Broker in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the “Act”) and 26 *Del. Admin. C.* §3001, the Commission’s Rules for Certification and Regulation of Electric Suppliers (the “Supplier Rules”).<sup>1</sup>

**Application**

The Company’s original filing was submitted on July 17, 2015 but the submitted Application did not meet the minimum filing requirements (MFR’s). In a letter dated August 27, 2015, Staff requested the Company file documentation from the Delaware Secretary of State and/or the Delaware Division of Revenue that it is legally authorized and qualified to do business in the State of Delaware issued within the last 12 months. Staff also requested audited financial statements, a professional resume for the Company’s officers, and a Delaware business license. Follow up documentation was received from the Company in a letter dated September 30, 2015 but the response did not contain the Delaware business license. The temporary Delaware business license was received from the Company on October 1, 2015. Upon further review, it was determined that additional documentation would be required to satisfy the Application’s MFR’s. On February 23, 2016, Staff requested an updated business license, fictitious name filings for each county that the Company intended to operate within, and updated officer certified financial statements. The Company’s response to this request was received March 11, 2016 and included a temporary business license. The permanent business license, including a business name modification, was received March 22, 2016. The receipt of this documentation completed the Application’s MFR’s.

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<sup>1</sup> Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

## **Review and Analysis**

### **Authority to do Business in Delaware**

The Company is a limited liability company formed under the laws of the Commonwealth of Pennsylvania. On September 8, 2015 and March 22, 2016, the Company provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware.

### **Resident Agent**

The Company supplied the contact information for a Delaware Registered Agent listed in the application as Business Filings Incorporated located at 108 West 13<sup>th</sup> Street, Wilmington, DE 19801.

### **Compliance with Regional Requirements**

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

## **Financial, Operational, Managerial and Technical Ability**

The Company provided a copy of the audited equivalent of the Balance Sheet and Income Statement for the periods ended December 31, 2014 and December 31, 2015 as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules. Staff believes that the financial statements show substantial evidence of the Applicant's ability to provide services as a Broker in the State of Delaware.

The Company anticipates acting as a Broker serving Large Commercial, and Industrial customers for the sale or purchase of electricity throughout the State of Delaware. The Company's Application states that it is presently licensed in Ohio. Staff confirmed that the Company is licensed in Ohio by conducting an internet search of the Public Utilities Commission of Ohio. The Company is also authorized to do business in the states of Ohio, Pennsylvania, New Jersey, and Maine according to the Secretary of State Websites for those states listed. The Company has license applications pending in Pennsylvania, New Jersey, and Maine. The Application states that the Company has not been denied approval nor had its authority revoked by any state commission. Staff believes that this information shows substantial evidence of the Applicant's operational ability to provide services as a Broker in the State of Delaware. The Application included a summary of the key operating personnel of the Company. Michael Meehan serves as Managing Member of Broadleaf, LLC. Mr. Meehan has held this position since August 2012. Prior to August 2012, Mr. Meehan served as an analyst for Advanced Energy Solutions for two years. He has interned at PECO Energy from June 2009-August 2009 and the U.S. House of Representatives from January 2004-May 2004. He's also been employed as a Client Processing Associate for Vanguard from November 2005-June 2008. Staff believes that the Company has demonstrated substantial evidence that its staff has the operational, managerial and technical abilities to perform as a Broker. Staff also performed an internet review and check of the key operating personnel. The search did not reveal any issues.

### **Surety Bond**

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

### **Verification of Application**

The Application did contain a sworn verification signed by Michael Meehan, Managing Member.

### **Consent to Jurisdiction**

The Company consents to the jurisdiction of the Delaware courts.

#### Contracts

The Company also did not provide any sample contracts for Residential, Commercial, or Industrial Customers as it is a Broker only and does not and will not have contracts with Retail Electric Customers to provide Electric Supply Service.

#### Statement of Criminal Activity

The Applicant stated that it has not been charged or convicted of any criminal activity nor have any of its principals or company officers. Applicant has no affiliated interests. An internet review of the Company and its principals revealed no outstanding issues.

#### Legal Review

Staff submitted this Memo for review by the Attorney on March 29, 2016 to ensure that all required documentation requested and received from the Company was in compliance of Delaware law and the Supplier rules and regulations.

#### Staff Recommendation

Based on Staff's review and analysis of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The Company resolved all outstanding issues with Staff and the completed Application supports the Company's request for certification. Staff's review and analysis of the Application submitted by the Company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.