



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

September 21, 2016

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Toni Loper, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF LIFEENERGY, LLC FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED JULY 27, 2016; FILED SEPTEMBER 20, 2016) - PSC DOCKET No. 16-0810

Background

On September 20, 2016, LifeEnergy, LLC (the “Company”) filed an application (the “Application”) with the Delaware Public Service Commission (“Commission”) for an Electric Supplier Certificate (“ESC”) to act as a Supplier 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”).¹

Application

The Company’s original filing was submitted on July 26, 2016, but the submitted Application did not meet the minimum filing requirements (“MFR’s”). Staff requested the Company file the following additional documentation: a) a copy of the Delaware business license, b) a signed, sworn verification letter of all supplemental filings as required, and c) directed the Applicant to publish public notice of the filing and provided the form of notice. Follow-up documentation was received which satisfied the MFR’s.

Review and Analysis

Authority to do Business in Delaware

The Company is a limited liability company formed under the laws of Delaware and has provided proof issued by the Delaware Secretary of State and the Delaware Division of Revenue 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 Corporation Service Company, Wilmington, DE.

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

Performance Bonds

The Company currently does not have a performance bond but is aware that if a bond is required by the Electric Distribution Company (“EDC”) the Company will secure the bond as required and provide the required documentation to the Commission.

Compliance with Regional Requirements

The Company provided proof of PJM membership. The Company provided a copy of the FERC approval as a marketer.

Financial, Operational, Managerial and Technical Ability

The Company provided officer verified confidential financial statements and the required attestation for LifeEnergy, LLC as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules.² The Company also provided proof of a minimum of \$100,000 of assets in excess of encumbrances as required in Section 2.1.1.5.8 of the Supplier Rules in the form of a cash or cash equivalents.³ Staff believes that the financial statements and proof of liquidity show substantial evidence of the Applicant’s financial ability to provide services as an Electric Supplier in the State of Delaware.

The Company anticipates acting as a Supplier serving residential, small commercial, large commercial and industrial customers for the sale or purchase of electricity throughout the State of Delaware. The Application states that the Company is presently licensed to sell electricity in Pennsylvania and has pending applications in Illinois, New Jersey, Maryland, and Ohio. Staff confirmed that the Company is licensed in those states by conducting an internet search of the Public Utility Commission Websites for the states listed. The Application states that the Company has not been denied approval nor had its authority revoked by any state commission. The Company provided a toll-free customer service telephone number. Staff believes that this information shows substantial evidence of the Applicant’s operational ability to provide services as an Electric Supplier in the State of Delaware.

The Application included a summary of the key operating personnel of the Company responsible for Delaware operations. Mr. Robert Stibolt, Vice President of Strategy, has over thirty years’ of experience in the wholesale oil, gas, and power markets. Mr. Stibolt has held several management level positions where his responsibilities included enterprise financial and administration, profit and loss responsibilities, development of hedging and scheduling strategies, as well as strategy and risk management. Mr. Neil McKellar, Vice President of Operations, has over thirty years of experience in the energy industry. His work experience includes roles in enterprise financial analysis, power purchase agreements, and implementation of billing and advanced metering infrastructures, as well as establishing key metrics, buying and selling in the wholesale markets, forecasting supply requirements, scheduling, and pricing for retail products. Mr. Joe Parapilly, Director of Strategy, Supply and Risk, has over fifteen years’ experience in the power and gas markets. His work experience includes responsibilities such as forecasting, hedging, financial modeling and ISO settlements, development of buying and selling strategies with multiple RTO’s, enterprise financial analysis, and evaluation of risk measures. The Company also provided detailed resumes for other key operating personnel in support of their Application. Staff believes that the Company has demonstrated substantial evidence that its staff

² 26 Del. Admin. C. §§ 1001-1.11.1, 1.11.3 of the Rules of Practice and Procedure of the Delaware Public Service Commission requires the party seeking proprietary treatment shall submit for filing one copy of the document without the confidential information, LifeEnergy, LLC filed a redacted copy of the financial statements as required.

³ See amendment to the filing submitted by the Applicant in DelaFile on September 20, 2016.

has the operational, managerial, and technical abilities to perform as a Supplier in the State of Delaware. Staff performed an internet review of the key operating personnel and found no outstanding issues.

Surety Bond

The Company did not post a surety bond since it does not require Customers to provide deposits, prepayments, financial guarantees or the like.

Verification of Application

The Application and all subsequent filings were verified by Mr. McKellar, Vice President Operations.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company did provide a sample residential and small commercial contract for Staff to review as a part of the Application. Staff reviewed the contract and believes that it is consistent with the Supplier Rules.

Statement of Criminal Activity

The Applicant stated that they have not been charged or convicted of any criminal activity nor have any of its principals or corporation offices. An internet review of the Company and its principals revealed no issues.

Public Notice

LifeEnergy, LLC was advised that, pursuant to Section 2.2 of the Supplier Rules, the Company was required to publish notice of its filing in two general circulation newspapers in Delaware. The Company provided the appropriate affidavits of publication. Notice was published in both the Delaware State News and The News Journal on August 10, 2016. There were no interventions, protests, or comments filed in the docket within the 20-day comment period.

Legal Review

On September 21, 2016, following Staff's completed review and analysis of the Application, Staff forwarded its final analysis to the assigned attorney to confirm that all required documentation requested and received from the Company was in compliance with 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 and an Electric Supplier based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.