



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**  
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October 12, 2016

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF AVIDXCHANGE, INC. FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED JANUARY 27, 2016, FILED OCTOBER 12, 2016) - PSC DOCKET No. 16-0108

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**Background**

On January 27, 2016 AvidXchange, Inc. (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 January 27, 2016 but the submitted Application did not meet the minimum filing requirements (MFRs). In a letter dated March 9, 2016, Staff requested the Company submit financial statements that have been certified within the last twelve months. Staff also requested a professional resume for Michael Praeger, the CEO of the Company and a signed Consent to Jurisdiction statement. On March 21, 2016, the Company submitted a letter stating that their certified statements would not be available until April of 2016. The Company advised that the requested documents would be submitted in its entirety upon receipt of the certified statements. The Company’s submitted a signed Consent to Jurisdiction statement, a resume for Michael Praeger, certified financial statements on May 2, 2016, and a request for a waiver of the contract requirement for small commercial customers on October 12, 2016. The receipt of this documentation completed the Application’s MFRs.

**Review and Analysis**

Authority to do Business in Delaware

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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.

The Company is a corporation formed under the laws of the State of Delaware. On January 27, 2016 and June 1, 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 Corporate Service Company located at 2711 Centerville Road, Wilmington, DE 19808.

#### 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 certified consolidated financial statements with supplementary information 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. The Company also provided a detailed payment history and risk assessment from DNBI Risk Management. 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 not presently licensed to broker electric supply services in other States, however it has applications pending in the following jurisdictions: Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Texas and Washington D.C. Staff was only able to confirm that the Company was authorized to do business within the following states, according to the Secretary of State Websites: Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, Ohio, Pennsylvania, and Rhode Island. Since filing the Application, Staff was able to confirm that the Company has been licensed in the state of New Hampshire. 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 Praeger serves as Chief Operating Officer ("CEO") of AvidXchange, Inc. Mr. Praeger has held this position since April of 2000. Prior to April 2000, Mr. Praeger co-founded PlanetResume.com ("Planet Resume") in 1997 and held the position of CEO until Planet Resume merged with two other companies in 1999. From 1996 through 1997, Mr. Praeger held the position of Principal and Co-Founder of InforVentures, L.P. He also co-founded InfoLink Partners, L.P. in 1995 where he served as the CEO. Mr. Praeger has also held the positions of Associate Director at SeaQuest Partners (1993-1995), District Manager at Summit Partners Venture Capital Partnership (1990-1993), and Comptroller at T.A.S.P. International (1988-1990). Robert Macksoud, CEP has been the Director of Energy Procurement & Rate Analysis at AvidXchange, Inc. since March of 2003. From November 1987 through March 2003, Mr. Macksoud was employed in a variety of capacities with NUS Consulting Group before becoming Assistant Vice President. Here, he performed numerous functions related to the energy market. Prior to his employment with NUS Consulting Group, Mr. Macksoud served as a financial analyst for Zeigelman Organization (1986-1987) and as Project Manager at Costco, Inc. (1985-1986). Vanessa Markota has been the Energy Procurement Analyst ("EPA") for AvidXchange, Inc. since September of 2014. Prior to becoming an EPA, Ms. Markota has served as an Account Administrator for AvidXchange, Inc. (2013-2014). Ms. Markota has also maintained her position as an Adjunct Instructor at Raritan

Valley Community College since 2008. 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 Ross Agre, Chief Legal Officer.

#### Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

#### Contracts

The Company did not provide any sample contracts as it is a Broker only and does not and will not have contracts with residential or small commercial customers to provide Electric Supply Service. The Company did request a waiver on October 12, 2016 for this requirement of the Supplier Rules.

#### 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 October 14, 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. Staff recommends that upon receipt of licenses from the jurisdictions in which applications are currently pending, the Company provides an updated listing to the Commission. Staff also recommends the Commission approve the Application.