



STATE OF DELAWARE

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April 17, 2018

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF APOLLO EDISON LLC FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED DECEMBER 30, 2017; FILED APRIL 5, 2018) - PSC DOCKET No. 17-1160

Background

On December 30, 2017, Apollo Edison LLC (“Apollo” or the “Company”) submitted an application (the “Application”) with the Delaware Public Service Commission (the “Commission”) for an Electric Supplier Certificate (“ESC”) to broker electricity 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 December 30, 2017, but the submitted Application did not meet the minimum filing requirements (“MFR’s”). In a letter dated January 10, 2018, Commission Staff (“Staff”) requested the Company submit authorization to do business in the state of Delaware, a depiction of its corporate structure, references from financial institutions with whom the Company does business, and information related to the retail experience of the Company and its officers. The Company submitted a response on January 20, 2018, however, the submission was insufficient. Staff submitted a second deficiency letter dated March 2, 2018 requesting information to satisfy the MFRs for this Application. The Company’s submissions dated March 30, 2018 and April 5, 2018 satisfied the requirements of the MFR’s.

Review and Analysis

Authority to do Business in Delaware

The Company is limited liability company formed in the state of Delaware. 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. The Delaware certificate of good standing was issued November 28, 2017. The

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

current Delaware business license was issued November 29, 2017 and is valid from January 1, 2018 through December 31, 2018.

Resident Agent

The Company supplied the contact information for a Delaware Registered Agent listed in the application as Resident Agents Inc., located at 8 The Green, Suite R, Dover, DE 19901.

Compliance with Regional Requirements

The Company agreed to only work with an entity that complies with PJM's requirements and is a certified electric supplier in Delaware.

Financial, Operational, Managerial and Technical Ability

The Company was formed October 6, 2017 and had not generated financial transactions or financial statements at the time the Application was filed. The Company provided a letter of reference from PNC Bank stating its accounts have been handled in a satisfactory manner since December 14, 2017. The Company also provided a letter from Morgan Stanley referencing professional relationships with the employees and management of Apollo since 2009. The Morgan Stanley letter further states that the management of Apollo maintains a professional relationship that is in good standing. These letters of reference have been provided by the Company as indicia of financial capability under Section 2.2.16.2 of the Supplier Rules in its initial Application. Staff has reviewed the letters and believes the Company has satisfied the requirements of the Supplier Rules for purposes of brokering electric supply services in the State of Delaware.

The Company anticipates serving Large Commercial and Industrial customers throughout the State of Delaware. The Company's Application states that it is currently licensed in the states of Connecticut, Massachusetts, New York, Ohio, and Pennsylvania.

The Application included a summary of experience and qualifications for its officer. Kenneth S. Antos is the Principal Officer of Apollo. He has been an officer of the Company since 2017. He possesses over 12 years of managerial experience and energy industry experience.

Surety Bond

The Company did not post a surety bond because there are no service agreements between the Company and any Delaware Electric Distribution Company.

Verification of Application

The Application and subsequent filings to the Application contained a signed sworn verification of application with the signature of Kenneth Antos.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company has not submitted copies of customer contracts or marketing materials designed for use in the State of Delaware because it will operate as a broker and will not serve residential and small commercial customers.

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 corporation offices. An internet review of the Company and its principals did not return any incidents of criminal activity.

Legal Review

Staff submitted this Memo for review by the Attorney on April 17, 2018.

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 completed Application supports the Company's request for certification. Staff's review and analysis of the Application 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.