

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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| In the matter of the application of |) | |
| CONSTELLATION NEWENERGY, INC., |) | Case No. U-13660 |
| for a license as an alternative electric supplier. |) | |
| _____ |) | |

At the December 20, 2002 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On October 25, 2002, Constellation NewEnergy, Inc., (Constellation) submitted an application, pursuant to the Customer Choice and Electricity Reliability Act, MCL 460.10 et seq., for a license as an alternative electric supplier. An alternative electric supplier is a person selling electric generation service to retail customers in this state, other than a person who physically delivers electricity directly to retail customers. MCL 460.10g(a). With its application, Constellation submitted information designed to show its compliance with the statutory requirements for an alternative electric supplier. The Commission Staff has reviewed that information, and concluded that Constellation should be granted a license.

After a review of the applicant's submission, the Commission finds that approval of the application is in the public interest. On numerous occasions, the Commission has found that competition can be advantageous to the citizens of this state. Approval of the request for a license as an alternative electric supplier will expand the opportunities for competition. Accordingly, the

application should be approved. The grant of a license is conditioned on compliance with all applicable provisions of the statute and the Commission's orders. Failure to comply fully may result in revocation of the license or other penalties. Further, the grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in revocation of the license.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.

b. Constellation has satisfied the statutory requirements to obtain a license as an alternative electric supplier.

THEREFORE, IT IS ORDERED that:

A. Constellation NewEnergy, Inc., is granted a license as an alternative electric supplier.

B. Constellation NewEnergy, Inc., shall operate as an alternative electric supplier in compliance with the regulatory requirements specified in the Customer Choice and Electricity Reliability Act, MCL 460.10 et seq., and the Commission's orders.

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, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of December 20, 2002.

/s/ Dorothy Wideman
Its Executive Secretary

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Commissioner

Commissioner

By its action of December 20, 2002.

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated December 20, 2002 granting Constellation NewEnergy, Inc., a license as an alternative electric supplier, as set forth in the order.”