

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Source Power & Gas LLC :
: :
Application for Certificate of : Docket No. 14 -
Service Authority under Section :
16-115 of the Public Utilities Act. :

APPLICATION

Source Power & Gas LLC (“Applicant” or “Source Power”), hereby submits this application (the “Application”) requesting that the Illinois Commerce Commission (“Commission”) grant it a certificate of service authority pursuant to Section 16-115 of the Public Utilities Act (“Act”). Source Power is filing under subpart D of Part 451.

Source Power currently has authority from the Commission to operate as an Alternate Retail Electric Supplier (“ARES”) in Illinois. (See Final Order, August 19, 2014, Docket No. 14-0481). Source Power submits this Application to advise the Commission of a pending transaction under which 100% of the equity interests in Source Power’s corporate parent, SPG Energy Group, LLC (“SPG Energy”) will be acquired by ERM Business Energy LLC (“ERM Business Energy”).¹ That transaction is described in more detail in an action pending before the Federal Energy Regulatory Commission (“FERC”), the approval of which is necessary for the transaction can be fully consummated. See Source Power & Gas, LLC, FERC Docket No. EC15-

¹ ERM Business Energy LLC, is a Texas limited liability company and a wholly-owned subsidiary of ERM Power International Pty Ltd (“ERM Power International”). ERM Power International is a Queensland, Australia proprietary limited company. ERM Power International, in turn, is a wholly-owned subsidiary of ERM Power Limited (“ERM Power”). ERM Power is a publicly-traded Australian company listed on the Australian Securities Exchange under the symbol “EPW.” ERM Power, through subsidiaries, sells retail electric power throughout Australia, develops, owns and operates electric generation facilities in Australia and holds equity interests in gas and petroleum exploration tenements in Australia. Neither ERM Business Energy nor ERM Power International nor any of its corporate affiliates are currently engaged in the sale of wholesale or retail electric power in the United States.

49, application submitted to FERC on Dec. 11, 2014, requesting order by Jan. 20, 2015.

The proposed transaction applies only to Source Power's corporate parent and will have no effect on Source Power's operations. Because the proposed transaction will not result in any changes to the management, finances or personnel of Source Power (except for a slight personnel change since Source Power filed its last Application), or otherwise result in any changes to the operations of Source Power, Applicant does not believe that a new certification from the Commission is required. Nonetheless, Source Power submits this new application for certification out of an abundance of caution.

To be consistent with the pending FERC proceeding relating to the aforementioned proposed transaction, Source Power respectfully requests that the Commission issue an order approving its Application by January 20, 2015, so that the proposed transaction can be completed in a coordinated fashion.

In support of its application, Applicant states as follows:

REQUIREMENTS FOR ALL APPLICANTS [451.20]

1. As stated above, Applicant currently has authority from the Commission to operate as an ARES in Illinois. (See Final Order, August 19, 2014, Docket No. 14-0481). (See *also* Applicant's previous certification, Final Order, February 5, 2014, Docket No. 13-0710).
2. Applicant is licensed as a retail electric supplier in Texas (ERCOT), New Jersey (Board of Public Utilities), Maryland (Public Service Commission) and Ohio (PUCO), which are similar to the licensure required under Section 16-115 of the Illinois Public Utilities Act. Additionally, with respect to complaints filed against it for the provision of any services in the electric or gas industry in this or any other jurisdiction in which Applicant operates, please see Applicant's response to number 32 below.

ARES Applicant: Source Power & Gas LLC

3. Applicant certifies that it will comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system. [451.20(a)]
4. Applicant agrees to submit good faith schedules of transmission and energy in accordance with applicable tariffs. [451.20(a)]
5. Applicant certifies that it will comply with informational and reporting requirements that the Commission may by rule establish. [451.20(b)]
6. Applicant certifies that it will provide for review by Staff on a confidential and proprietary basis data related to contracts for the purchase and sale of electric power and energy. [451.20(b)]
7. Applicant's name and street address: [451.20(c)(1)]

Source Power & Gas LLC
PO Box 181, 203 South 7th Street
Beasley, TX 77417

- a) Federal Employer Identification Number: 37-1649234 [451.20(c)(2)]
- b) Type of business entity: Limited Liability Company
- c) Jurisdiction in which and under whose laws business entity was created:
Texas
- d) Other names under which Applicant does business (D/B/A):
 - Source Power & Gas LLC D/B/A Source Power & Gas RT
 - Source Power & Gas LLC D/B/A Source Power & Gas RES
 - Source Power & Gas LLC D/B/A Beyond Power
 - The Applicant also has one affiliate, Source Operations Group LLC ("SOG"), which is referenced in Exhibits 7.0 and 9.0 of its Application. SOG participates in the electricity market as an ARES support service provider. SOG has not had any formal complaints or lawsuits filed against it.
- e) Registered Agent in Illinois:
CT Corporation System
208 South LaSalle Street, Suite 814

Chicago, IL 60604

8. The Applicant demonstrates that:
 - a) Applicant is licensed to do business in the State of Illinois, as demonstrated in **Exhibit 1.0**. [451.20(d)(1)]
 - b) Applicant will not be installing, operating, or maintaining generation, transmission, or distribution facilities within the State of Illinois, nor has Applicant contracted with any entity to perform those functions. [220 ILCS 5/16-128(a)]
9. Applicant certifies compliance with all other applicable laws and regulations and Commission rules and orders. [451.20(e)]
10. Applicant certifies that it will procure renewable energy resources as required by Section 16-115D and subsection (d) of Section 16-115 of the Act. [451.20(f)]
11. Applicant certifies that it will source electricity from clean coal facilities, as required by Section 16-115(d)(5) of the Act. [451.20(g)]

REQUIRED FILINGS AND PROCEDURES [451.30]

12. Applicant will publish notice of its Application for certification in the Official State Newspaper within 10 days following its filing of the Application for certification. The Applicant will file proof of publication with the Clerk of the Commission within 5 days after publication. [451.30(a)]
13. Applications for certification are verified as required by Section 200.130 of the Commission's "Rules of Practice" (83 Ill. Adm. Code 200.130).
14. Applicant seeks to be authorized to offer retail electricity in the ComEd service area. [451.30(c)]
 - a) Applicant is a retail energy provider, and is not affiliated with an Illinois utility. [451.30(c)(1)]
 - b) Applicant proposes to serve residential, commercial, mercantile and industrial customer groups. [451.30(c)(2)]

- c) Proof that Applicant notified the designated in-state agent for each affected utility that Applicant intends to serve customers in that utility's service area is demonstrated in **Exhibit 2.0**. [451.30(c)(3)] (Note: Applicant began operating in ComEd's service territory on June 1, 2014 pursuant to the Certification obtained in Docket No. 13-0710.)
15. The Applicant certifies compliance with all terms and conditions required by Sections 16-115A(a), (b), and (f), 16-119, 16-123, 16-125(b) and (c), 16-127, and 16-128(a) of the Act, to the extent those Sections have application to the services being offered by the alternative retail electric supplier. [451.30(d)(2)]
16. Application includes Contact Persons for the following:
- a) Issues related to processing this Application:
John Werner, President
Source Power & Gas LLC
PO Box 181, 203 South 7th Street
Beasley, Texas 77417
Telephone: 281-690-4399
Fax: (281) 690-4351
jwerner@spgenergy.com
- With copy to:
Janna Thornberry, Counsel
Source Power & Gas LLC
c/o Source Operations Group LLC
2150 Town Square Place, Suite 380
Sugar Land, TX 77479
Telephone: 281-690-4396
Fax: (281) 690-4351
jthornberry@spgenergy.com
- b) Issues related to retail customers, including complaint resolution:
Kelli Mitchell, Vice President of Operations
Source Power & Gas LLC
c/o Source Operations Group LLC

2150 Town Square Place, Suite 380
Sugar Land, TX 77479
Telephone: (281) 690-4335
Fax: (281) 690-4351
kmitchell@spgenergy.com

- c) Technical issues, including scheduling of generation, transmission, and distribution, and issues arising from relationships with other providers of electric services:

Qadir Khan, Chief Operations Officer
Source Power & Gas LLC
c/o Source Operations Group LLC
2150 Town Square Place, Suite 380
Sugar Land, TX 77479
Telephone: (281) 690-4340
Fax: (281) 690-4351
qkhan@spgenergy.com

With copy to:

Sean Andrews, Director of Pricing and Supply
Source Power & Gas LLC
c/o Source Operations Group LLC
2150 Town Square Place, Suite 380
Sugar Land, TX 77479
Telephone: (281) 690-4341
Fax: (281) 690-4351
sandrews@spgenergy.com

17. Applicant agrees to accept service by electronic means. [451.30(e)]

CUSTOMER RECORDS AND INFORMATION [451.40]

18. Applicant agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests

for delivery service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created. [451.40(a)]

19. Applicant agrees to adopt and follow rules and procedures to preserve the confidentiality of its customer's data. [451.40(b)]

LICENSE OR PERMIT BOND REQUIREMENTS [451.50]

20. Applicant is required to execute and maintain a copy of the license or permit bond in the name of the People of the State of Illinois issued by a qualifying surety or insurance company authorized to transact business in the State of Illinois. The amount of the bond shall equal the amount specified in Part 451.50(a) for the appropriate group of customers the Applicant seeks certification to serve. A copy of the license bond is attached as **Exhibit 3.0**.

FINANCIAL QUALIFICATIONS [451.320]

21. Applicant meets the financial criteria set forth in 451.320(a)(4)(A).
 - i) The Unconditional Guaranty: see **Exhibit 4.0**, filed confidentially pursuant to Illinois Administrative Code Rules 200.430 and 451.60
 - ii) The ratings agency report that presents the applicable ratings of Guarantor: see **Exhibit 5.0**, portions of which are filed confidentially pursuant to Illinois Administrative Code Rules 200.430 and 451.60
 - iii) Applicant's good faith estimate of its expected peak hourly demand over the next 12 months: see **Exhibit 6.0**, filed confidentially pursuant to Illinois Administrative Code Rules 200.430 and 451.60
22. Applicant will not provide electric power and energy with property, plant and equipment that it owns, controls, or operates.

TECHNICAL QUALIFICATIONS [451.330]

23. Applicant will not use electric generation, transmission or distribution facilities that it owns, controls or operates in serving customers.

The following individual on Applicant's staff or its affiliated operations company, Source Operations Group LLC ("SOG"), has more than four (4) years of experience buying and selling power and energy in wholesale markets:

Qadir Khan, Chief Operations Officer. Mr. Khan previously worked for ConEdison Energy as its Retail Portfolio Manager from 2008 to 2011 and then he began managing Applicant's portfolio. In both of these positions Mr. Khan was responsible for buying and selling power and energy in the wholesale markets from 2008 to present. [451.330(b)]

The following individual on Applicant's staff or its affiliated operations company, SOG, has more than four (4) years of scheduling experience working for an entity that is a member of PJM and a market participant in the Midwest ISO:

Sean Andrews, Director of Pricing and Supply. Mr. Andrews currently purchases wholesale energy and schedules power deliveries for Applicant in the ERCOT and PJM territories. Prior to his position with Applicant Mr. Andrews worked for Potentia Energy from 2010-2012 where he managed all supply and pricing activities in the ERCOT region, including the buying, selling, and scheduling of power. Prior to that Mr. Andrews worked for Reliant Energy from 2007-2010 where he was a structuring analyst. [451.330(b)]

Applicant agrees to maintain the following telephone number, fax number, and address where Applicant's staff can be directly reached at all times. Applicant understands that maintenance of an answering service or machine, pager, or similar message-taking procedure does not satisfy this requirement. [451.330(c)]

ARES Applicant: Source Power & Gas LLC

Main Telephone No.: (888) 317-6829
Customer Care No.: (888) 557-0065
Main Fax No.: (281) 690-4351
Address: Source Power & Gas LLC
c/o Source Operations Group LLC
2150 Town Square Place, Ste. 380
Sugar Land, Texas 77479

In response to the requirements set forth in 451.330(d), please see **Exhibit 7.0**.

MANAGERIAL QUALIFICATIONS [451.340]

24. Applicant meets the managerial qualifications set forth in 451.340(a), as demonstrated in **Exhibit 7.0**.

Applicant's corporate organizational chart in response to 451.340(b) is set forth in **Exhibit 8.0**. [451.340(b)]

25. Applicant is relying on one or more agents or contractors to meet the technical and managerial requirements of Part 451.330 and 451.340. Each agent and contractor on whom the Applicant relies to meet these requirements is disclosed in **Exhibit 7.0**. **Exhibit 9.0** includes narratives and resumes of agent's or contractor's key personnel showing clearly how each applicable technical or managerial experience requirement is being met. [451.350(a)] Applicant certifies that each such agent or contractor will comply with all the sections of Part 451 that are applicable to the functions to be performed by Applicant and its respective agents and contractors. [451.350(b)]

FINANCIAL QUALIFICATIONS FOR SINGLE BILLING SERVICE [451.510]

26. Applicant intends to provide single billing services and has met the financial requirements set forth in 451.510(a). A copy of the single billing bond is attached as **Exhibit 10.0**.

GENERAL PROVISIONS FOR APPLICANTS FILING UNDER SUBPART D [451.310]

27. Applicant certifies compliance with all terms and conditions required by Section 16-115A(c) of the Act. [451.310(a)]
28. Applicant states that it will not impose any limitations on the number of customers or maximum load to be served and certifies that it will not deny service to a customer or group of customers nor establish any differences as to prices, terms, conditions, services, products, facilities, or in any other respect, whereby such denial or differences are based on race, gender or income nor deny service to a customer or group of customers based on locality nor establish any unreasonable differences as to prices, terms, conditions, services, products, or facilities as between localities. [451.310 b)]
29. Applicant has not been denied an electric supplier license in any state in the United States. [451.310(c)(1)]
30. Applicant has not had an electric supplier license suspended or revoked by any state in the United States. [451.310(c)(2)]
31. Applicant does not have any other electric supplier license application pending in the United States. [451.310(c)(3)]
32. Applicant is not and has never been the subject of any lawsuits that were filed in a court of law but it has been involved in a few complaints, all but one were resolved in favor of Applicant. With respect to the complaint that was not resolved in its favor, Applicant, pursuant to the PUCT's request, simply released the customer back to its original provider. No further action was needed by Applicant or taken by the PUCT. [451.310(c)(4)]. Details are set out below:

ARES Applicant: Source Power & Gas LLC

Name of Company	State or Federal jurisdiction	Regulatory agency or court hearing the complaint	Date of complaint	Docket or case number	Nature of the complaint	Resolution of the complaint	Applicant's internal process to limit recurrence	Final resolution date
Source Power & Gas LLC	Texas	Public Utility Commission	10/21/2013	CP2013100813	Rates/Charges	Resolved in favor of Applicant (Applicant in compliance with the law and no further action was required of Applicant)	Continued training of customer care personnel, improved marketing material/disclosure notices	11/6/2013
Source Power & Gas LLC	Texas	Public Utility Commission	3/19/2014	CP2014030764	High Usage	Resolved in favor of Applicant (Applicant in compliance with the law and no further action was required of Applicant)	No changes on part of Applicant	3/20/2014
Source Power & Gas LLC	Texas	Public Utility Commission	6/20/2014	CP2014060842	Delay in Billing	Resolved in favor of Applicant (Applicant in compliance with the law and no further action was required of Applicant)	No changes on part of Applicant	7/11/2014
Source Power & Gas LLC dba Beyond Power	Texas	Public Utility Commission	6/30/2014	CP2014061241	Lack of Communication	Resolved in favor of Applicant (Applicant in compliance with the law and no further action was required of Applicant)	No changes on part of Applicant. Complainant changed mailing address and phone number without notifying Applicant, and email address was no longer a source of communication because computer was given away.	7/22/2014
Source Power & Gas LLC dba Beyond Power	Texas	Public Utility Commission	7/21/2014	CP2014070741	Unauthorized Switch	Resolved in favor of Complainant - PUC determined that the enrollment circumstances required a written enrollment rather than an online enrollment	Salesperson responsible for issue was released. New procedures were implemented to guard against future occurrences. Training of sales personnel on new procedures.	8/12/2014
Source Power & Gas LLC	Texas	Public Utility Commission	8/28/2014	CP2014081295	Contract Expiration / Rates	Resolved in favor of Applicant (Applicant in compliance with the law and no further action was required of Applicant)	Continued training of customer care personnel including escalation procedures	9/19/2014
Source Power & Gas LLC	Texas	Public Utility Commission	9/17/2014	CP2014090612	Contract Expiration / Rates	Resolved in favor of Applicant (Applicant in compliance with the law and no further action was required of Applicant)	Continued training of customer care personnel including escalation procedures	10/9/2014
Source Power & Gas LLC	Texas	Public Utility Commission	10/28/2014	CP2014101143	Unauthorized Switch	Resolved in favor of Applicant (Applicant in compliance with the law and no further action was required of Applicant)	No changes on part of Applicant	11/19/2014

33. Applicant certifies that its marketing materials which make statements concerning prices, terms and conditions of service contain information that adequately discloses the prices, terms and conditions of the products or services that the Applicant is offering or selling to the customer. [451.310(d)(1)]
34. Applicant certifies that before any customer is switched from another supplier, Applicant will give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer. [451.310(d)(2)]
35. Applicant certifies it will provide documentation to the Commission and to customers that substantiates any claims made by the Applicant regarding the technologies and fuel types used to generate the electricity offered or sold to customers. [451.310(d)(3)]
36. Applicant certifies it will provide to the customer itemized billing statements that describe the products and services provided to the customer and their prices,

and provide an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer. [451.310(d)(4)]

37. Applicant certifies it will include materials comprising the consumer education program (pursuant to Section 16-117 of the Act [220 ILCS 5/16-117]) with all initial mailings to potential residential and small commercial retail customers and before executing any agreements or contracts with such customers, and that Applicant will provide these materials at no charge to residential and small commercial retail customers upon request. [451.310(e) and 451.310(f)]
38. Applicant certifies it will provide to residential and small commercial retail customers on a semiannual basis information on how to obtain a list of alternative retail electric suppliers that have been found in the last 3 years by the Commission (pursuant to Section 10-108 of the Act [220 ILCS 5/10-108]) to have failed to provide service in accordance with the terms of their contracts (pursuant to Section 16-117(g)(4)(C) of the Act). [451.310(g)]
39. Applicant certifies it will maintain sufficient managerial resources and abilities to provide the service for which it has a certificate of authority. [451.340(d)]

WHEREFORE, Applicant requests that the Commission grant its Application for service authority to serve residential, commercial, mercantile and industrial retail customers in the ComEd service area.

Dated: December 15, 2014

Respectfully submitted,

Source Power & Gas LLC

By: _____

One of Its Attorneys

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