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STATE OF ILLINOIS

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COMMERCE COMMISSION

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CHIEF CLERK'S OFFICE

MxEnergy Inc. :

Application for Certificate of :
Service Authority under Section :
19-110 of the Public Utilities Act. :

Docket No. 02-0489

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY UNDER
SECTION 19-110 OF THE PUBLIC UTILITIES ACT

MxEnergy ("Applicant"), hereby requests that the Illinois Commerce Commission ("Commission") grant it a certificate of service authority pursuant to Section 19-110 of the Public Utilities Act ("Act"). In support of its application, Applicant states as follows:

General

1. Applicant's name and street address:

MxEnergy Inc.
20 Summer Street
Stamford, CT 06901

2. Related Information

Type of business entity:

Corporation

Jurisdiction in which and under whose laws business entity was created:

Delaware

Other names under which Applicant does business:

MxEnergy

Federal Employer Identification Number:

06-1543530

Registered agent in Illinois:

C T Corporation System

208 S. La Salle Street

Chicago, IL 60604

3. Does Applicant currently have other authority from the Commission to be an AGS?

No

4. Contact persons for the following:

a) Issues related to processing this application:

Carole Roberta Artman-Hodge
Executive Vice President and Chief Financial Officer
20 Summer Street
Stamford, CT 06901
203 356 1318
203 425 9562 (fax)
rhodge@mxenergy.com

b) Issues related to retail customers, including complaint resolution:

Bob Blake
Vice President Customer Operations
10010 Junction Drive
Suite 104-S
Annapolis Junction, MD 20701
800 785 4373 x 113
240 456 1510 (fax)
rblake@mxenergy.com

c) Technical issues, including scheduling of natural gas deliveries:

Emmett Capanna
Senior Vice President/ Supply and Marketing
1255 Bound Brook Rd
PO Box 491
Middlesex, NJ 08846
732 805 0300
732 805 4044 (fax)
ecapanna@mxenergy.com

5. Applicant certifies that it will:

- a) 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 interstate natural gas system;
- b) Provide service to residential customers that are eligible to take service from an AGS;
- c) Comply with informational and reporting requirements that the Commission may by rule establish; and

- d) Comply with all other applicable laws and regulations and Commission rules and orders.
6. Applicant agrees to submit good faith schedules of natural gas deliveries in accordance with applicable tariffs.
7. a. Applicant is authorized and licensed to supply natural gas to residential and commercial customers in the following states and territories:
- | | |
|---------------|--|
| Ohio: | Columbia Gas of Ohio
Dominion East Ohio |
| Michigan: | Consumers Energy
Michcon |
| Pennsylvania: | Columbia Gas of Pennsylvania |
| Kentucky: | Columbia Gas of Kentucky |
| Maryland: | Baltimore Gas & Electric
Columbia Gas of Maryland |
- b. Applicant is authorized by NICOR to supply natural gas to residential and commercial customers in Illinois.
- c. Applicant currently serves approximately 116,000 natural gas customers in these states.
8. Applicant seeks authority to serve customers in northern Illinois in the territory of NICOR Gas. Applicant intends only to offer natural gas.
9. Applicant proposed to serve residential rate class customers and commercial customers that are eligible for the Choice Programs administered by NICOR Gas. Applicant does not intend to serve any customers that are not eligible for the Choice Programs administered from time to time by NICOR Gas. The characteristics of such customers are set forth in the utility tariff.
10. Applicant has been approved by NICOR Gas to serve customers in its territory. A copy of the Small Customer Transportation Program Supplier Aggregation Agreement, executed by MxEnergy and NICOR Gas, is attached as Attachment 1.
11. Applicant certifies compliance with all applicable terms and conditions required by Section 19-115 of the Act.
12. Applicant has adopted and follows 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 or after the expiration of the customer contract, whichever is later.

13. Applicant has adopted and follows rules and procedures to preserve the confidentiality of its customer's data.
14. Applicant does not seek to serve customers within a geographic area that is smaller than a gas utility's service area.
15. Applicant certifies that all marketing materials that make statements concerning prices, terms and conditions of service contain information that adequately disclose the prices, terms and conditions of the products or services that the Applicant is offering or selling to the customers.
16. Applicant certifies that, prior to switching any customer from another supplier, the Applicant will provide 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.
17. Applicant certifies that it will provide the customer with itemized billing statements that describe the products and services provided to the customer and their prices and 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.

Financial Qualifications

18. Applicant's required license or permit bond in the amount of \$150,000 is provided in Attachment 2, accompanied by a copy of the underwriter's rating agency report for long term obligations.
19. Pursuant to Subsection 551.80(e), Applicant certifies that it will offer to reimburse its Illinois residential customers for the additional costs those customers incur to acquire natural gas as a result of Applicant's failure to comply with a contractual obligation to supply such energy. This prospective obligation shall be covered by a letter of credit in an amount not less than an estimate of the maximum monthly number of Mcf of natural gas Applicant expects to schedule over the next twelve months times the 12-month average of the "Average City Gate Price, by State" for Illinois, as published in the most recent edition of the Energy Information Administration's (EIA) Natural Gas Monthly using the most recent 12 months of data shown in that edition. A letter of credit issued by First Union Bank in the amount of \$150,000 and with a term of not less than one year supporting Applicant's financial qualifications pursuant to Subsection 551.80(e) is provided in Attachment 3, accompanied by a copy of the bank's rating agency report for long term obligations. The amount of this letter of credit is based upon the following calculation:

Maximum Monthly Number of Mcf ("MDQ"):	40,000 mcf
12-month Average City Gate price, per EIA ("P"):	\$3.49

MDQ * P = \$139,600.

Note that a good faith estimate of the maximum daily amount of natural gas in dekatherms which MxEnergy will schedule during the remainder of the current calendar year for residential customers is 1,064 dekatherms.

A copy of the applicable pages from the EIA's June 2002 Natural Gas Monthly is also attached in Attachment 3.

Technical Qualifications

20. Applicant will not use natural gas transmission or distribution facilities that it owns, controls or operates in serving customers. Required materials supporting Applicant's technical qualifications are provided in Attachment 4.

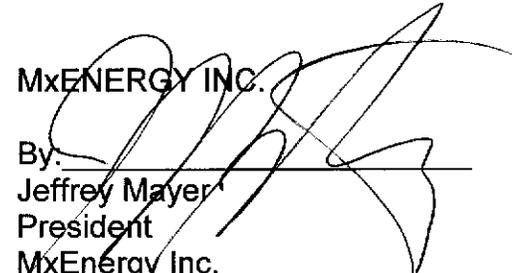
Managerial Qualifications

21. Required materials supporting Applicant's managerial qualifications are provided in Attachment 5. An organization chart illustrating Applicant's staffing is provided in Attachment 6.

WHEREFORE, Applicant requests that the Commission grant its application for service authority to serve residential natural gas customers in northern Illinois.

Respectfully submitted,

MxENERGY INC.

By: 

Jeffrey Mayer
President

MxEnergy Inc.

20 Summer Street

Stamford, CT 06901

203 356 1318 (o)

203 425 9562 (f)

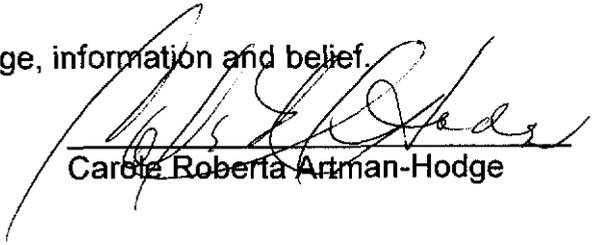
jmayer@mxenergy.com

VERIFICATION

STATE OF CONNECTICUT))
COUNTY OF FAIRFIELD)

ss:

Carole Roberta Artman-Hodge, being first duly sworn, deposes and says that she is the Executive Vice President and Chief Financial Officer of MxEnergy Inc.; that she has read the foregoing Application of MxEnergy Inc. and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of her knowledge, information and belief.


Carole Roberta Artman-Hodge

Subscribed and sworn to before me
this 18th day of July, 2002


Notary Public

[Stamp of Notary]