

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO APR 16 AM 10: 26

In the Matter of the Application of BlueStar Energy Services, Inc. d/b/a BlueStar Energy Solutions for a Limited Waiver Pursuant to Ohio Administrative Code Section 4901:1-40-02(B)

PUCO

Case No. 12-1239-EL-ACP

BLUESTAR'S APPLICATION FOR LIMITED WAIVER

BlueStar Energy Services, Inc. d/b/a BlueStar Energy Solutions (BLUESTAR) is a Competitive Retail Electric Service (CRES) Provider, as defined in Ohio Revised Code §4928.01(A)(4), and an electric services company as defined within O.R.C. §4928.01(A)(9). BLUESTAR is a wholly owned subsidiary of AEP C&I Company, LLC, and is a non-regulated member of the American Electric Power, Inc. system. BLUESTAR currently provides electric supply to commercial, industrial, and residential customers within the state of Ohio.

BLUESTAR hereby submits its first Annual Alternative Energy Status Report for the period January 1, 2011 through December 31, 2011, as required by Ohio Administrative Code Rule 4901:1-40-05 for all electric service companies. The Company seeks a limited waiver of certain provisions of the rule pursuant to §4901:1-40-02 (B), Ohio Admin. Code, which provides:

The commission may, upon application or motion filed by a party, waive any requirement of this chapter, other than a requirement mandated by statute, for good cause shown.

While §4928.64, Ohio Rev. Code, requires that the Commission annually review CRES providers compliance with the renewable energy benchmarks, it gives the

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business. Technician [Signature] Date Processed APR 16 2012

Commission discretion in determining the baseline for determining annual compliance obligations. As set out below, BLUESTAR seeks a limited waiver of OAC 4901:1-40-03 for purposes of calculating its compliance baseline for 2011 compliance. Because BLUESTAR began serving load in March, 2011, it does not have three years of sales to calculate the baseline in accordance with R.C. 4928.64 and OAC 4901:1-40-03. The Company further proposes to provide its future compliance plan, as required by O.A.C. 4901:1-40-03(C), utilizing a three-year planning horizon instead of the ten-year forecast contemplated by the rule.

**Good cause for granting the requested limited waivers exists.**

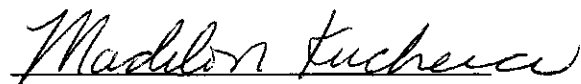
O.A.C. 4901:1-40-03 states that “the baseline shall be computed as an average of the three preceding calendar years of the total annual number of kilowatt-hours of electricity sold to any and all retail electric consumers served by the company in the state.” However, for companies such as BLUESTAR, with “no retail electric sales in the state during the preceding three calendar years, its initial baseline shall consist of a reasonable projection of its retail electric sales in the state for a full calendar year.” O.A.C. 4901:1-40-03(2)(b).

BLUESTAR began serving customers in the March 2011. For purposes of calculating renewable energy benchmarks for 2011, the most accurate measure is BLUESTAR’s actual load served during the calendar year. Requiring BLUESTAR to estimate load for a full 2011 calendar year would be impractical since the Company had no customers until March, and would hinder competition by imposing an undue burden on the Company not shared by other CRES providers in the State.

With regard to the Company's plan for future compliance with renewable benchmarks, required by O.A.C. 4901:1-40-03(C), BLUESTAR seeks a limited waiver and proposes to provide the Commission with a three-year forecast in lieu of a ten-year plan for purposes of determining future renewable energy compliance obligations. BLUESTAR Energy has been in commercial operation for fewer than seven months. It operates in a highly competitive retail market, serving individual customers under negotiated, term contracts. Due to its business model coupled with the volatile nature of energy markets, BLUESTAR Energy is unable to forecast its sales with the accuracy required to compute renewable benchmarks more than three years in advance.

For the foregoing reasons, BLUESTAR requests that the Commission allow the Company limited waiver of the alternative energy portfolio rules as set out above.

Respectfully submitted,



Madelon Kuchera  
BlueStar Energy Services, Inc.  
d/b/a BlueStar Energy Solutions  
363 West Erie Street, Suite 700  
Chicago, IL 60654  
Telephone: (312) 628-8613  
Fax: (312) 628-8612  
Email: [mkuchera@bluestarenergy.com](mailto:mkuchera@bluestarenergy.com)