

FILE

## PUCO DOCKETING

### MICHTECH, LLC APPLICATION FOR ELECTRIC LICENSE TO MARKET IN OHIO

**CASE #: 18-334-EL-AGG**

To whom it may concern,

The attached file contains the docs pertaining to our application for licensing.

Thank you,

Fredric Krug

CEO – MichTech, LLC

810-397-5341

Krug@CEO-Energy.com

This is to certify that the images appearing are an  
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(27)

FILE

Ohio

Public Utilities  
Commission

18-0334-EL-AGG

PUCO USE ONLY		
Date Received	Case Number	Version
09/17/18	-EL-AGG	May 2016

## INITIAL CERTIFICATION APPLICATION FOR ELECTRIC AGGREGATORS/ POWER BROKERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-12 Company History). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form.  
You may also download the form, by saving it to your local disk, for later use.

### A. APPLICANT INFORMATION

#### A-1 Applicant intends to be certified as: (check all that apply)

☒ Power Broker ☐ Aggregator

#### A-2 Applicant's legal name, address, telephone number and web site address

Legal Name MichTech LLC  
Address 1057 Briarcliffe Dr, Flint Michigan 48532  
Telephone # (810) 397-5341 Web site address (if any) www.ceo-energy.com

#### A-3 List name, address, telephone number and web site address under which Applicant will do business in Ohio

Legal Name Consumer Energy Options  
Address 1057 Briarcliffe Dr, Flint, Michigan 48532  
Telephone # (810) 397-5341 Web site address (if any) www.ceo-energy.com

#### A-4 List all names under which the applicant does business in North America

Consumer Energy Options  
MichTech Energy  
Commercial Energy Options

#### A-5 Contact person for regulatory or emergency matters

Name Fredric W. Krug 1057 Briarcliffe Dr. Flint, MI 48532  
Title CEO

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Business address 1057 Briarcliffe Dr  
Telephone # (810) 397-5341 Fax # (810) 963-0644  
E-mail address krug@ceo-energy.com

**A-6 Contact person for Commission Staff use in investigating customer complaints**

Name Thomas F. Maher  
Title President  
Business address 6632 Telegraph Rd West Bloomfield, MI 48302  
Telephone # (810) 691-4337 Fax # (810) 963-0644  
E-mail address maher@ceo-energy.com

**A-7 Applicant's address and toll-free number for customer service and complaints**

Customer Service address 6632 Telegraph Rd. West Bloomfield Hills, MI 48301  
Toll-free Telephone # (800) 232-5381 Fax # \_\_\_\_\_  
E-mail address info@ceo-energy.com

**A-8 Applicant's federal employer identification number # 820928974**

**A-9 Applicant's form of ownership (check one)**

- |  |  |
|--|--|
| <input type="checkbox"/> Sole Proprietorship                 | <input type="checkbox"/> Partnership                     |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation                         | <input type="checkbox"/> Other _____                     |

**A-10 (Check all that apply) Identify each electric distribution utility certified territory in which the applicant intends to provide service, including identification of each customer class that the applicant intends to serve, for example, residential, small commercial, mercantile commercial, and industrial. (A mercantile customer, as defined in (A) (19) of Section 4928.01 of the Revised Code, is a commercial customer who consumes more than 700,000 kWh/year or is part of a national account in one or more states).**

- |   |   |  |  |  |
|---|---|--|--|--|
| <input checked="" type="checkbox"/> <b>First Energy</b>             |   |  |  |  |
| <input checked="" type="checkbox"/> Ohio Edison                     | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Toledo Edison                   | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Cleveland Electric Illuminating | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Duke Energy                     | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Monongahela Power               | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> American Electric Power         |   |  |  |  |
| <input checked="" type="checkbox"/> Ohio Power                      | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Columbus Southern Power         | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |
| <input checked="" type="checkbox"/> Dayton Power and Light          | <input checked="" type="checkbox"/> Residential | <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Mercantile | <input checked="" type="checkbox"/> Industrial |

A-11 Provide the approximate start date that the applicant proposes to begin delivering services

March 15, 2018

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

A-12 **Exhibit A-12 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-13 **Exhibit A-13 "Company History,"** provide a concise description of the applicant's company history and principal business interests.

A-14 **Exhibit A-14 "Articles of Incorporation and Bylaws,"** if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the Applicant is incorporated and any amendments thereto.

A-15 **Exhibit A-15 "Secretary of State,"** provide evidence that the applicant has registered with the Ohio Secretary of the State.

## **B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE**

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services including aggregation services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

**B-3** **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing aggregation service(s) including contracting with customers to combine electric load and representing customers in the purchase of retail electric services. (e.g. number and types of customers served, utility service areas, amount of load, etc.).

**B-4** **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

**B-5** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No      ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

**B-6** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☒ No      ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

## **C. APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE**

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

**C-1** **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why. (This is generally only applicable to publicly traded companies who publish annual reports)

**C-2** **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

**C-3 Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

**C-4 Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant's financial to satisfy collateral requirements to conduct retail electric/gas business activity (e.g., parental or third party guarantees, contractual arrangements, credit agreements, etc.,).

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU’s collateral requirements.

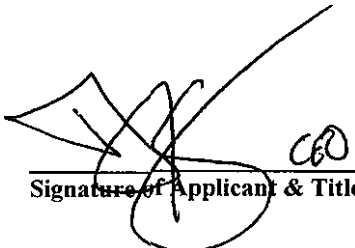
First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody’s, Standard & Poor’s or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody’s, Standard & Poor’s or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody’s, Standard & Poor’s or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company’s financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.


If the applicant is not taking title to the electricity or natural gas, enter “N/A” in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

**C-5 Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted income statements for the applicant’s **ELECTRIC related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.

- C-6 Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter "N/A" in Exhibit C-6.
- C-7 Exhibit C-7 "Credit Report,"** provide a copy of the applicant's credit report from Experian, Dun and Bradstreet or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.
- C-8 Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.
- C-9 Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10 Exhibit C-10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

  
Signature of Applicant & Title CEO

Sworn and subscribed before me this 7<sup>th</sup> day of August, 2018  
Month Year

  
Signature of official administering oath

Mindi Johnson  
Print Name and Title

My commission expires on 11-21-2019

MINDI JOHNSON  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF GENESEE  
COMMISSION EXPIRES Nov 21, 2019  
GENESEE

# **AFFIDAVIT**

State of Michigan:

Flint ss.  
(Town)

County of Genesee :

Fredric Karg, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the CEO (Office of Affiant) of Consumer Energy Options (Name of Applicant);

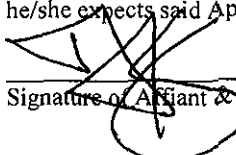
That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)



11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

 CEO  
Signature of Affiant & Title

Sworn and subscribed before me this 7<sup>th</sup> day of August, 2018  
Month Year

  
Signature of official administering oath

Mindi Johnson  
Print Name and Title

My commission expires on 11-21-2019

MINDI JOHNSON  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF GENESEE  
MY COMMISSION EXPIRES Nov 21, 2019  
NOTING IN COUNTY OF Genesee

# **Consumer Energy Options / MichTech**

## **Attachment A-12**

*"Principal Officers, Directors & Partners"*

- 1. Fredric Krug – Chief Executive Officer, 1057 Briarcliffe Dr. Flint, Michigan 48532. Phone: 810-397-5341**
  
- 2. Tom Maher – President, 12263 O'Dell Rd. Linden, Michigan 48451. Phone: 810-691-4337**

# **Consumer Energy Options / MichTech**

## **Attachment A-13**

*"Company History,"*

**Fredric Krug and Tom Maher formed CEO / Michtech together after almost 20 years of doing business together via various forms of enterprise. Tom had 6 years of retail energy experience and Fred had 3. We formed the company in 2011 and began to sell energy to both residential and commercial customers throughout the United States in areas that were deregulated for retail gas and electric competition. We have since built a company with 1,200 agents nationwide that sell energy to both residential and commercial customers.**

# **Consumer Energy Options / MichTech**

## **Attachment A-14**

### **Articles of Incorporation By Laws**

**The bylaws of the companies are as follows:**

- 1. Fredric Krug and Tom Maher are each 50% owners and assume all managerial decision making regarding company operations.**
- 2. The company was formed to sell natural gas and electricity to residential and commercial customers in all de-regulated areas of North America and Canada.**
- 3. An annual meeting will be held every November 17<sup>th</sup> @ 5pm at a location to be determined yearly.**
- 4. There are no more by-laws for this corporation.**

# **Consumer Energy Options / MichTech**

## **Attachment A-15**

"Secretary of State,

CEO – Michtech is not registered with the Ohio Secretary of State and there is nothing on the Secretary of State website that allows us to do so. It's all about real estate brokers and nothing about energy brokers. Your assistance is appreciated. Thank you.

# **Consumer Energy Options / MichTech**

## **Exhibit B-1 "Jurisdictions of Operation"**

**The company is eligible to and doing business in all deregulated areas in North America and Canada where natural gas and electricity are available for retail competition.**

**Michigan**

**Ohio**

**Illinois**

**Pennsylvania**

**New York**

**Maryland**

**New Hampshire**

**Georgia**

**Florida**

**Texas**

**Colorado**

**Rhode Island**

**Massachusetts**

# **Consumer Energy Options / MichTech**

## **Exhibit B-2 "Experience & Plans**

**The company will be contracting customers via licensed suppliers which provide the actual contracting documents for retailing gas and power. Our licensed suppliers also provide billing statements and handle all customer complaints.**

# Consumer Energy Options / MichTech

## Exhibit B-3 "Summary of Experience"

CEO, Fredric Krug – Tom Maher have over 20 years of combined energy retail experience. We run a company that employs 1,200 agents nationwide that sell natural gas and power to both residential and commercial customers. Fredric

Krug holds a Bachelor's degree in business from the University of Michigan and Tom Maher holds a Bachelor's degree from Loras College in Iowa, class of 1973. Mr. Krug also has over 20 years experience in management at General Motors Corporation prior and contiguous with running CEO with Mr. Maher.



# **Consumer Energy Options / MichTech**

## **Exhibit B-4 "Disclosure of Liabilities and Investigations**

There are no pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that would adversely impact our ability to run our company or service customers.

# **Consumer Energy Options / MichTech**

Exhibit C-1 "Annual Reports,"

**CEO – MichTech are not publicly traded companies and are therefore not required to file annual reports and SEC filings. We are a privately held company that works with large established retail natural gas and electric suppliers like Constellation, Exelon**

# **Consumer Energy Options / MichTech**

Exhibit C-2 "SEC Filings

**CEO – MichTech are not publicly traded companies and are therefore not required to file annual SEC filings. We are a privately held company that works with large established retail natural gas and electric suppliers like Constellation, Exelon**

# **Consumer Energy Options / MichTech**

Exhibit C-3 "2 Years Financials"

**CEO – See attachments to email for CEO Tax Returns**

# **Consumer Energy Options / MichTech**

## **Exhibit C-4 "Financial Arrangements**

**CEO – MichTech meets all financial conditions necessary to conduct retail energy sales because the suppliers we use i.e. Constellation is our parent company or third party that is investment grade rated by Moody's, Standard & Poor's or Fitch guarantee the financial obligations of the applicant to the LDU(s).**

# **Consumer Energy Options / MichTech**

Exhibit C-5 "Forecasted Financial Statements,"

# **Consumer Energy Options / MichTech**

Exhibit C-6 "Credit Rating.

See attached...

# **Consumer Energy Options / MichTech**

Exhibit C-7 "Credit Report"

SEE ATTACHED PDF FILE FOR EXPERIAN CREDIT REPORT



# **Consumer Energy Options / MichTech**

## **Exhibit C-8 "Bankruptcy Information,"**

CEO or Michtech have no reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

# **Consumer Energy Options / MichTech**

Exhibit C-9 "Merger Information,"

CEO or Michtech have no dissolutions or mergers or acquisitions within the two most recent years preceding the application.

# **Consumer Energy Options / MichTech**

Exhibit C-10 "Corporate Structure,

CEO or Michtech are stand alone companies both owned by Fred Krug and Tom Maher that have no subsidiaries or other entities that sell energy.