



DIS Case Number: 15-1430-GA-AGG

Section A: Application Information

A-1. Provider type:

☒ Retail Natural Gas
Broker

☐ Retail Natural Gas
Aggregator

☐ Retail Natural Gas
Marketer

A-2. Applicant's legal name and contact information.

Legal Name: Chelsea Energy & Trading, LLC

Country: United States

Phone: 7346601865

**Extension (if
applicable):**

Street: 5981 Lohr Lake Dr

Website (if any):

City: Ann Arbor

Province/State: MI

Postal Code: 48108

A-3. Names and contact information under which the applicant will do business in Ohio

Provide the names and contact information the business entity will use for business in Ohio. This does not have to be an Ohio address and may be the same contact information given in A-2.

Name	Type	Address	Active?	Proof
Chelsea Energy & Trading LLC	Official Name	5981 Lohr Lake Dr Ann Arbor, MI 48108	Yes	File

A-4. Names under which the applicant does business in North America

Provide all business names the applicant uses in North America, including the names provided in A-2 and A-3.

Name	Type	Address	Active?	Proof
Chelsea Energy & Trading LLC	Official Name	5981 Lohr Lake Dr Ann Arbor, MI 48108	Yes	File

A-5. Contact person for regulatory matters



Stephen Etsler
5981 Lohr Lake Dr
Ann Arbor, MI 48108
US
setsler@chelseaet.com
7346601865

A-6. Contact person for PUCO Staff use in investigating consumer complaints

Stephen Etsler
5981 Lohr Lake Dr
Ann Arbor, MI 48108
US
setsler@chelseaet.com
7346601865

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

Phone: 888-312-8712	Extension (if applicable):	Country: United States
Fax: 734-660-1865	Extension (if applicable):	Street: 5981 Lohr Lake Dr
Email: setsler@chelseaet.com	City: ANN ARBOR	Province/State: MI
	Postal Code: 48108	

A-8. Applicant's federal employer identification number

36-4790160

A-9. Applicant's form of ownership

Form of ownership: Limited Liability Partnership (LLP)

A-10. Identify current or proposed service areas

Identify each service area in which the applicant is currently providing service or intends to provide service and identify each customer class that the applicant is currently serving or intends to serve.

Service area selection



Public Utilities Commission

Columbia Gas of Ohio
Dominion Energy Ohio
Duke Energy Ohio
CenterPoint Energy Ohio

Class of customer selection

Industrial
Small Commercial
Large Commercial

A-11. Start date

Indicate the approximate start date the applicant began/will begin offering services: 03-01-2022

A-12. Principal officers, directors, and partners

Please provide all contacts that should be listed as an officer, director or partner.

Name	Email	Title	Address
Stephen Etsler	setsler@chelseaet.com	General Manager	5981 Lohr Lake Dr Ann Arbor, MI 48108 US

A-13. Company history

Chelsea Energy and Trading LLC was formed in Chelsea, Michigan in 2014. The company has always handled commercial and industrial customers. At first, the main products were financial hedges, but these were discontinued in 2016 due to increased margin requirements, and the lack of market volatility. Since then, it has been a broker, referring customers to contracts with Marketers and Producers. In most cases, commissions are paid by the sellers, but in a few cases, customers pay the fees more like consulting services.

It is the intent of Chelsea Energy & Trading to shut down with the retirement of the General Manager by the end of 2022, sometime in the second quarter. The accounts will be transferred to one of two potential marketing firms. The transaction was to have occurred at the end of 2021, but due to COVID and other delays, it is now expected to close mid 2022.

A-14. Secretary of State



Public Utilities Commission

Secretary of State Link: <https://businesssearch.ohiosos.gov/>
It is listed as Chelsea Energy & Trading, active, and in Michigan

A-15. Proof of Ohio Employee and Office

Provide proof of an Ohio Office and Employee in accordance with Section 4929.22 of the Ohio Revised Code. List the designated Ohio employee's name, Ohio office address, telephone number and web site address

Employee Name: Clark Harmon
200 E Campus View Blvd, Suite
Columbus, OH 43235
US
clark@capitalutilitiespartners.com
6143955010

Section B: Applicant Managerial Capability and Experience

B-1. Jurisdiction of operations

List all jurisdictions in which the applicant or any affiliated interest of the applicant is certified, licensed, registered or otherwise authorized to provide retail natural gas service or retail/wholesale electric service as of the date of filing the application..

Jurisdiction of Operation: Ohio is the only state, license 15-466G (3). Original Case 15-1430-GA-AGG

B-2. Experience and plans

Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the 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 Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.

Application Experience and Plan Description: The owners and operators of the company have a combined 70 years experience in the industry. As utility executives, directors for other marketing companies, and traders, we have managed billions in assets, and trading for large clients over the years. We were in the business of aggregation of customers to buy financial derivatives, but that was discontinued in 2016. We now work to help clients find marketers and



producers to supply commercial and industrial customers. Sometimes we are paid commissions by the suppliers and sometimes as consultants, the customers pay directly. We do not take title anywhere, acting only as broker or consultant. Chelsea Energy & Trading LLC is in the process of closing with the retirement of the General Manager and transference of accounts to another marketer or broker. Discussions are on going and the transaction should close by mid year.

B-3. Disclosure of liabilities and investigations

For the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant, describe all existing, pending or past rulings, judgments, findings, contingent liabilities, revocation of authority, regulatory investigations, judicial actions, or other formal or informal notices of violations, or any other matter related to competitive services in Ohio or equivalent services in another jurisdiction..

Liability and Investigations Disclosures: None

B-4. Disclosure of consumer protection violations

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years?

No

B-5. Disclosure of certification, denial, curtailment, suspension or revocation

Has the applicant, affiliate, or a predecessor of the applicant had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, revoked, or cancelled or been terminated or suspended from any of Ohio's Natural Gas or Electric Utility's Choice programs within the past two years?

No

Section C: Applicant Financial Capability and Experience



C-1. Financial reporting

Provide a current link to the most recent Form 10-K filed with the Securities and Exchange Commission (SEC) or upload the form. If the applicant does not have a Form 10-K, submit the parent company's Form 10-K. If neither the applicant nor its parent is required to file Form 10-K, state that the applicant is not required to make such filings with the SEC and provide an explanation as to why it is not required.

Does not apply

C-2. Financial statements

Provide copies of the applicant's two most recent years of audited financial statements, including a 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, provide 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 bank account numbers redacted**.

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

File(s) attached

C-3. Forecasted financial statements

Provide two years of forecasted income statements **based solely on the applicant's anticipated business activities in the state of Ohio**.

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods. Please show revenues, expenses, and net income (revenues minus total expenses) that is



expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

File(s) attached

C-4. Credit rating

Provide a credit opinion disclosing the applicant's credit rating as reported by at least one of the following ratings agencies: Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings or the National Association of Insurance Commissioners. If the applicant does not have its own credit ratings, substitute the credit ratings of a parent or an affiliate organization and submit 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 'Not Rated'.

This does not apply

C-5. Credit report

Provide a copy of the applicant's credit report from Experian, Equifax, TransUnion, Dun and Bradstreet or a similar credit reporting organization. If the applicant is a newly formed entity with no credit report, then provide a personal credit report for the principal owner of the entity seeking certification. At a minimum, the credit report must show summary information and an overall credit score. **Bank/credit account numbers and highly sensitive identification information must be redacted.** If the applicant provides an acceptable credit rating(s) in response to C-4, then the applicant may select 'This does not apply' and provide a response in the box below stating that a credit rating(s) was provided in response to C-4.

File(s) attached

C-6. Bankruptcy information

Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy?

- Applicant

- Parent company of the applicant
- Affiliate company that guarantees the financial obligations of the applicant
- Any owner or officer of the applicant

No

C-7. Merger information

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months?

Merger Information: Chelsea Energy & Trading is looking to close with the retirement of the General Manager so it has been having discussions with two marketers to transfer the contracts of current customers. It is expected to close by the end of the second quarter.

C-8. Corporate structure

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as 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 the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

Stand-alone entity with no affiliate or subsidiary companies

Section D: Applicant Technical Capacity

D-1. Operations

Retail natural gas brokers/aggregators: Include details of the applicant's business operations and plans for arranging and/or aggregating for the supply of natural gas to retail customers.



Operations Description: Chelsea Energy has support of 7 sub agents who maintain customer contact and follow up for renewals and corrections should a customer move a location or close a shop. We rely on the operations groups of a number of suppliers with whom we are contracted. The result is an operation consisting of customer service and finance.

D-2. Operations Expertise & Key Technical Personnel

Given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations. Include the names, titles, e-mail addresses, and background of key personnel involved in the operations of the applicant's business.

Operations Expertise & Personnel Description: Operators have worked in the utility industry for many years, they have worked in Gas operations, rate making in Michigan, Indiana, Ohio, and Illinois. In addition, they have managed to top 20 Power and Marketers, and a private company with revenues of about \$200,000 in Cincinnati.



Public Utilities
Commission

Application Attachments

Chelsea Energy I& Trading LLC

24 months

2020/2021 years

			<u>2020</u>			<u>2021</u>
Income Statement						
	Revenue		\$ 122,442.00			\$ 119,079.00
	Commissions		\$ 41,765.00			\$ 52,171.00
	Net Revenue		\$ 80,677.00			\$ 66,908.00
	Operating Costs		\$ 73,776.00			\$ 58,000.00
	Net Before Tax		\$ 6,901.00			\$ 8,908.00
	Tax withheld		\$ 2,298.03			\$ 2,966.36
	Net Retained		\$ 4,602.97			\$ 5,941.64

Balance Sheet						
		-	<u>Assets</u>			<u>Assets</u>
Cash			\$ 107,613.00			\$ 106,091.00
Receivables			\$ 3,464.00			\$ 3,000.00
Equipment			\$ -			\$ -
Trading Account			\$ -			\$ -
	Total		\$ 111,077.00			\$ 109,091.00
			<u>Liabilities</u>			<u>Liabilities</u>
Payables			\$ 1,250.00			\$ -
Shareholder Loans			\$ 246,887.00			\$ 264,184.00
Shareholder Equity			\$ (137,060.00)			\$ (155,093.00)
	Total		\$ 111,077.00			\$ 109,091.00

Cash Flow			<u>2020</u>			<u>2021</u>
Beginning Year position			\$ 125,097.00			\$ 106,091.00
Cash from Operations			\$ 7,208.00			\$ 4,934.00
Financing Activities			\$ -			\$ -
End of year position			\$ 106,091.00			\$ 93,248.00
Net			\$ (19,006.00)			\$ (12,843.00)

Chelsea Energy I& Trading LLC
24 months Projected Ohio Electric
2022/2023 years

			<u>2022</u>
Income Statement			
	Revenue		\$ 7,500.00
	Commissions		\$ 3,750.00
	Net Revenue		\$ 3,750.00
	Operating Costs		\$ 11,000.00
	Net Before Tax		\$ (7,250.00)
	Tax withheld		\$ (2,414.25)
	Net Retained		\$ (4,835.75)

Chelsea Energy I& Trading LLC
24 months Projected Ohio Nat Gas
2022/2023 years

			<u>2022</u>
Income Statement			
	Revenue		\$ 4,800.00
	Commissions		\$ 2,400.00
	Net Revenue		\$ 2,400.00
	Operating Costs		\$ 11,000.00
	Net Before Tax		\$ (8,600.00)
	Tax withheld		\$ (2,863.80)
	Net Retained		\$ (5,736.20)

Chelsea Energy I& Trading LLC

24 months

2020/2021 years

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2022/2023 years

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24 months Projected Ohio Nat Gas
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	Operating Costs		\$ 11,000.00
	Net Before Tax		\$ (8,600.00)
	Tax withheld		\$ (2,863.80)
	Net Retained		\$ (5,736.20)

Search inquiry: (My company)

CreditScoreSM Report

as of: 02/03/22 11:45 ET

Chelsea Energy & Trading, LLC

Address: 5981 Lohr Lake Dr
Ann Arbor, MI 48108-8524
United States

Phone: 734-660-1865

Website: www.chelseaet.com

Experian BIN: 403207396

Agent: Steve Etsler

Agent Address: 5981 Lohr Lake DR
Ann Arbor, MI

Business Type: Corporation

Experian File Established: August 2015

Experian Years on File: 7 Years

Years in Business: More than 7 Years

Total Employees: 15

Filing Data Provided by: Michigan

Date of Incorporation: 09/03/2014

Family Linkage:

Ultimate Parent Chelsea Energy & Trading, LLC
5981 Lohr Lake Dr
Ann Arbor, MI

Branches / Alternative Locations Chelsea Energy & Trading, LLC
5601 Gallery Park Dr
Ann Arbor, MI United States

Experian Business Credit Score

28
Business Credit
Score



The objective of the Experian Business Credit Score is to predict payment behavior. High Risk means that there is a significant probability of delinquent payment. Low Risk means that there is a good probability of on-time payment.

Key Score Factors:

- Risk associated with the company's industry.
- Company's business type.

Business Credit Scores range from a low of 1 to high of 100 with this company receiving a score of 28. Higher scores indicate lower risk. This score predicts the likelihood of serious credit delinquencies within the next 12 months. This score uses tradeline and collections information, public filings as well as other variables to predict future risk.

Experian Financial Stability Risk Rating

4
**Financial
Stability Risk
Rating**



A Financial Stability Risk Rating of 4 indicates a 10% potential risk of severe financial distress within the next 12 months.

Key Rating Factors:

- Lack of active trades.
- Risk associated with the business type.
- Risk associated with the company's industry sector.

Financial Stability Risk Ratings range from a low of 1 to high of 5 with this company receiving a rating of 4. Lower ratings indicate lower risk. Experian categorizes all businesses to fit within one of the five risk segments. This rating predicts the likelihood of payment default and/or bankruptcy within the next 12 months. This rating uses tradeline and collections information, public filings as well as other variables to predict future risk.

Credit Summary

This location does not yet have an estimated Days Beyond Terms (**DBT**), or a Payment Trend Indicator. This is often the result of too few Payment [Tradelines](#).

Please refer to Experian's 'www.BusinessCreditFacts.com' website for more information on establishing Payment Tradelines.

Payment [Tradelines](#) / [Commercial accounts](#): 0
[UCC Filings](#): 0

✖ Businesses Scoring Worse: 27%
✓ Bankruptcies: 0
✓ Liens: 0
✓ Judgments Filed: 0
✓ Collections: 0

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Competitive Retail Natural Gas Service Affidavit

County of Washtenaw :

State of Michigan :

Stephen R ETSIAK, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.
2. The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.
3. The applicant will timely pay any assessment made pursuant to Sections 4905.10 and 4911.18(A), Ohio Revised Code.
4. Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.
5. Applicant 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. Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.
7. Applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. Applicant will inform the Public Utilities Commission of Ohio 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 consumer complaints.
9. The facts set forth above are true and accurate 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.
10. Affiant further sayeth naught.

Stephen R Etsiak General Manager
Signature of Affiant & Title

Chelsea Energy & Trading LLC

Sworn and subscribed before me this 9th day of FEBRUARY, 2022
Month Year

[Signature]
Signature of official administering oath

ANDREW BALLOW
Print Name and Title

ANDREW BALLOW
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF WASHTENAW
My Commission Expires 6/11/2026
Acting in the County of Washtenaw

My commission expires on 6/11/2026

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

2/9/2022 2:55:52 PM

in

Case No(s). 15-1430-GA-AGG

Summary: In the Matter of the Application of Chelsea Energy & Trading, LLC