



Control Number: 41050



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PUBLIC UTILITY COMMISSION
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DOCKET NO. 41050

APPLICATION OF [insert applicant name] FOR RETAIL ELECTRIC PROVIDER CERTIFICATION § PUBLIC UTILITY COMMISSION OF TEXAS

[OR]

ANDELER CORPORATION
APPLICATION OF ~~[insert applicant name]~~ FOR AMENDMENT TO A RETAIL ELECTRIC PROVIDER CERTIFICATION § PUBLIC UTILITY COMMISSION OF TEXAS

TITLE PAGE

Name of Applicant: Andeler Corporation

Authorized Company Representative:

Representative Name: Samuel Holton
Representative Title: President
Representative Address: 7335 82nd Street
(Suite, Floor, Apartment Number, etc.): Suite 6
(City, State, Zip Code): Lubbock, Texas 79424
Representative Phone Number: 866-808-8839
Representative Fax Number: 806-687-1747
Representative Email Address: sholton@andeler.com



PART A – COMPANY ADMINISTRATIVE INFORMATION

A-1 (a) Type of application (check only one):

- Application for New Option 1 REP Certification
- Application for New Option 2 REP Certification
- Amendment to Existing REP Certification No. 10049

(b) If you are filing an amendment, check one or more of the following amendment categories requested in this filing:

Option 1 REP

- Name Change
- Change in Ownership or Control
- Corporate Restructuring
- Transfer of Certificate
- Change in Service Area
- Change in Technical/Managerial Qualifications
- Change in Financial Qualifications
- Cessation of Operations
- Other (Explain below):

Option 2 REP

- Name Change
- Change in Ownership or Control
- Corporate Restructuring
- Transfer of Certificate
- Change in Technical/Managerial Qualifications
- Change in Financial Qualifications
- Cessation of Operations
- Other (Explain below):

(c) Provide a summary explanation of all items checked in "b" above.

In combination with a partial stock redemption by Andeler Corporation, RDL Investments, LLC has acquired 35% of the outstanding stock of Andeler Corporation. RDL Investments, LLC is managed by Robert D. Lee, the same manager for SBD Energy Group, LLC which has acquired 65% of the Corporation's stock.

A-2 Provide required contact information:

(a) **Company Physical Address:**

Certificated/Primary Company Name: Andeler Corporation

Company Contact: Samuel Holton/Marci Irvine Cmerek/Russel Head
 Contact Title: President/Director of Operations/CEO
 Company/Physical Address (Street Address): 7335 82nd Street
 (Suite, Floor, Apartment Number, etc.): Suite 6
 (City, State, Zip Code): Lubbock, Texas 79424
 Company Phone Number: 806-687-1728
 Toll-free customer service telephone number: 866-808-8839
 Fax number: 806-687-1747
 Website address: http://www.andeler.com
 Email address: sholton@andeler.com/mcmerek@andeler.com/rhead@andeler.com

(b) **Mailing Address (If Different from Company Physical Address):**

Company Contact: _____
 Contact Title: _____
 (Street/P.O. Box): _____
 (City, State, Zip Code): _____

(c) **Texas Office Address:**

Company Contact: Samuel Holton/Marci Irvine Cmerek/Russel Head
 Contact Title: President/Director of Operations/CEO
 Company/Physical Address (Street Address): 7335 82nd Street
 (Suite, Floor, Apartment Number, etc.): Suite 6
 (City, State, Zip Code): Lubbock, Texas 79424
 Company Phone Number: 806-687-1728
 Toll-free customer service telephone number: 866-808-8839
 Fax number: 806-687-1747
 Website address: http://www.andeler.com
 Email address: sholton@andeler.com/mcmerek@andeler.com/rhead@andeler.com

(d) **Regulatory Contact Information:**

Regulatory Contact Name: Marci Irvine Cmerek
 Regulatory Contact Title: Director of Operations
 Regulatory Contact Address: 7335 82nd Street
 (Suite, Floor, Apartment Number, etc.): Suite 6
 (City, State, Zip Code): Lubbock, Texas 79424
 Regulatory Contact Phone Number: 806-687-1728
 Regulatory Contact Fax Number: 806-687-1747
 Regulatory Contact Email Address: mcmerek@andeler.com

(e) **Complaint Contact Information:**

Contact Name: Marci Irvine Cmerek
 Contact Title: Director of Operations
 Required Contact Address: 7335 82nd Street
 (Suite, Floor, Apartment Number, etc.): Suite 6
 (City, State, Zip Code): Lubbock, Texas 79424
 Contact Phone Number: 806-687-1728
 Contact Fax Number: 806-687-1747

Contact Email Address: mcmerek@andeler.com
Preferred Complaint Email Address: mcmerek@andeler.com

- (f) Officers, Directors and Principals. Provide as Attachment A-2 the name, title, address, phone number, facsimile number and email address of each of the applicant's officers, directors and principals.

A-3. Name(s) on certificate.

- (a) State the Certificated Name of the Applicant. If the applicant is requesting a Certificated Name or the addition of a d/b/a name, provide verification of each authorization to conduct business in Texas. If the applicant is a corporation, partnership, or limited liability company, provide a copy of the Office of the Secretary of State Certificate of Filing or provide the file number and the date of authorization for each requested name. If the applicant is a Sole Proprietorship, provide a copy of the County Certificate of Filing or provide the name of the county, file number, and date of authorization for each requested name.

Certificated Name: Andeler Corporation
File Number: _____ **Date:** _____ (For new Certificated Names Only)

EXISTING Approved d/b/as (if applicable):

- (1) Andeler Power
- (2)
- (3)
- (4)
- (5)

REQUESTED d/b/as (if applicable)

- (1) Requested d/b/a: _____
File Number: _____ Date: _____
- (2) Requested d/b/a: _____
File Number: _____ Date: _____
- (3) Requested d/b/a: _____
File Number: _____ Date: _____
- (4) Requested d/b/a: _____
File Number: _____ Date: _____
- (5) Requested d/b/a: _____
File Number: _____ Date: _____

DELETION of d/b/as (if applicable):

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____

(b) Form of business (check one):

Corporation Partnership _____ Private Company _____
 Limited Liability Company _____ Sole Proprietorship _____
 Other (specify) _____

PART B – SERVICE AREA

Indicate the requested service area below:

(a) Option 1 REP – Service Area by Geography (select only one)

Entire State of Texas.

_____ By Service area of one or more Transmission and Distribution Utilities (TDU), Municipal Utilities, or Electric Cooperatives (Identify each requested utility and cooperative): _____

_____ Geographic area of one or more Independent Organization within Texas (e.g., ERCOT) (Identify each organization): _____

_____ Specific geographic area. Identify on Attachment B-1 the zip codes defining the requested service area.

(b) Option 2 REP – Service Area by Customer

_____ Provide as Attachment B-2 the affidavit from each customer required by §25.107(d)(2).

PART C – FINANCIAL REQUIREMENTS

C-1 Access to Capital. An applicant must choose one of the three methods below to demonstrate that the applicant meets the capital requirements of §25.107(f)(1).

_____ (a) Investment-grade credit rating. If the applicant elects to meet the requirements of §25.107(f)(1)(A)(i), provide as Attachment C-1 the

documentation required by §25.107(f)(4)(A) demonstrating an investment-grade credit rating. If the applicant relies on a guarantor to satisfy this requirement, provide the documentation required by §25.107(f)(1)(A)(i) for the guarantor and provide agreements or commitments demonstrating compliance with §25.107(f)(4)(G).

_____ (b) Tangible net worth. If the applicant elects to meet the requirements of §25.107(f)(1)(A)(ii), provide as Attachment C-1 the documentation required by §25.107(f)(4)(B) demonstrating tangible net worth greater than or equal to \$100,000,000, a minimum current ratio of 1.0, and a debt to total capitalization ratio not greater than 0.60. If the applicant relies on a guarantor to satisfy these requirements, provide the documentation required by §25.107(f)(1)(A)(ii) for the guarantor and provide agreements or commitments demonstrating compliance with §25.107(f)(4)(G).

X (c) Shareholders' equity and letter of credit. If the applicant elects to meet the requirements of §25.107(f)(1)(B), provide as Attachment C-1 the documentation required by §25.107(f)(4)(C) and (F) demonstrating shareholders' equity of not less than \$1,000,000 and an irrevocable stand-by letter of credit payable to the Commission of \$500,000. If the applicant believes that it is exempt from the shareholders' equity requirement under §25.107(f)(1)(B)(iii), include in Attachment C-1 the documentation required by §25.107(f)(4)(F) and provide documentation demonstrating that the applicant began serving load on or before January 1, 2009. *provided confidentially*

C-2 Protection of Customer Deposits. An applicant that wishes to have the option of collecting customer deposits or residential advance payments must indicate its intention to do so and must comply with the requirements of §25.107(f)(2).

Yes X No _____ Does the applicant wish to have the option of collecting deposits or advance payments from customers? If Yes, provide as Attachment C-2 the documentation required by §25.107(f)(4)(D), (E), or (F) to demonstrate compliance with §25.107(f)(2). *provided confidentially*

C-3 Financial standards required for billing and collection of transition charges.

Yes X No _____ Will the applicant comply with §25.107(f)(5), relating to financial standards required of REPs for the billing and collection of transition charges?

C-4 Yes _____ No X Does the applicant or a predecessor in interest of the applicant have any history of insolvency, bankruptcy, dissolution, merger, or acquisition during the 60 months immediately preceding the application? If Yes, provide as Attachment C-4 an explanation of each incident.

C-5 Identify the last month and day of the fiscal reporting year of the applicant and its guarantor, if applicable.

PART D – TECHNICAL AND MANAGERIAL REQUIREMENTS

An applicant must answer each question for its entire company, including all assumed names under which it operates.

D-1 Yes No Is the REP currently providing service to customers? If Yes, answer Questions D-2 thru D-12. If No, answer Questions D-3 thru D-12.

D-2 Independent Organization Requirements:

a. Provide as Attachment D-2A the following information for each of your Qualified Scheduling Entities (QSEs): (1) Type of Service Provided; (2) Term of Service Agreement; (3) Date Service Agreement Began; (4) Company Name; (5) Contact Person; (6) Contact Person Title; (7) Company address (street address, city, state & zip code); (8) Company phone number; (9) Facsimile number; and (10) Email address.

b. Yes No Are you current with your ERCOT testing obligation? If no, provide an explanation as Attachment D-2B.

c. Yes No Have you defaulted on the Load Serving Entity (LSE) Agreement? If yes, provide an explanation as Attachment D-2C.

d. Yes No Are you providing Outage Notification as required by §25.107(g)(1)(G)? If no, provide an explanation as Attachment D-2D.

e. Yes No Do you agree to comply with all system rules established by the independent system operator as required by §25.107(g)(2)(F)? If no, provide an explanation as Attachment D-2E.

D-3 Provide as Attachment D-3 the following information for each third party entity or consultant that you rely upon to meet the technical qualifications for REP certification: (1) Type of Service Provided; (2) Term of Service Agreement; (3) Date Service Agreement Began; (4) Number of years of Experience, (5) Type of Experience; (6) Company Name; (7) Contact Person; (8) Contact Person Title; (9) Company address (street address, city, state & zip code); (10) Company phone number; (11) Facsimile number; and (12) Email address. *provided confidentially*

D-4 Competitive electric or gas industry experience. Provide as Attachment D-4 the following information for each of the principals and permanent employees whose experience the applicant relies upon to meet the requirements of §25.107(g)(1)(D):

(1) The name, title, telephone number, email address, type of experience, number of years of experience, number of years with the applicant of each principal and permanent employee that the applicant relies upon to meet this requirement.

(2) Any information or documentation necessary to substantiate a claim that the principal or permanent employee has the required experience, including but not limited to a resume that provides employment history in the competitive electric or gas industries and includes job titles or classifications, a description of the types of experience, and the contact information of former and current employers. Commission Staff may follow up its initial review of this information with a request for additional information or a telephone interview.

(3) If any person that you rely upon to meet this requirement was a principal of a REP that experienced a mass transition of its customers to a Provider of Last Resort (POLR), identify the person and the name of the REP or REPs that experienced a mass transition.

D-5 Risk Management Experience. Provide as Attachment D-5 the following information to demonstrate compliance with §25.107(g)(1)(E): *provided confidentially*

(1) The name, title, telephone number, and email address of the principal or permanent employee that the applicant relies upon to meet this requirement, or the contact person, contact person telephone number, and contact person email address of the risk management services company that will provide energy commodity risk management services pursuant to the terms of a two-year contract with the applicant.

(2) Any information or documentation necessary to substantiate a claim that the principal, permanent employee, or risk management services company has the required experience, including but not limited to a resume that provides employment history in energy commodity risk management and includes job titles or classifications, a description of the types of risk management experience, and the contact information of former and current employers; the dollar amounts of client portfolios managed, the specific nature of the risk management objectives, and the contact information for each client, account statements or other similar documents, and credentials that evidence the completion of formal education in commodity risk management. Commission Staff may follow up its initial review of this information with a request for additional information or a telephone interview.

D-6 Provide as Attachment D-6 a brief explanation of how you plan to provide adequate staffing to meet all service level commitments.

D-7 Complaint history, disciplinary record, and compliance record. Provide as Attachment D-7 the information required by §25.107(g)(2)(B). If you have nothing to report, please state "None" in the following blank: None

D-8 Investigations, penalties, and violations of deceptive trade or consumer protection laws and regulations. Provide as Attachment D-8 the information required by §25.107(g)(2)(D). If you have nothing to report, please state "None" in the following blank: None

D-9 Convictions and liabilities for fraud, theft, larceny, deceit, and violations of securities laws, customer protection laws, and deceptive trade laws. Provide as Attachment D-9 the

ATTACHMENT D-2A

Qualified Scheduling Entity (QSE)

Term of Service Agreement: Continued - Andeler Corporation is a QSE but retains Direct Energy as a Scheduling Agent - See Attachment D-3

Date Service Agreement Began: January 2003

Contact Person: Samuel Holton

Title: President

Address: 7335 82nd Street

City: Lubbock

State: Texas

Company phone number: 806-687-1728

Facsimile number: 806-687-1747

Email Address: sholton@andeler.com

ATTACHMENT D-3

Third Party Entities or Consultants relied upon to meet technical qualifications

Type of Service Provided: (Billing, Customer Service, Etc.) _____
Term of Service Agreement: _____
Date Service Agreement Began: _____
Number of years of Experience: _____
Type of Experience: _____
Company Name: _____
Contact Person: _____
Title: _____
Address: _____
City: _____
State: _____
Company phone number: _____
Facsimile number: _____
Email Address: _____

Type of Service Provided: (Billing, Customer Service, Etc.) _____
Term of Service Agreement: _____
Date Service Agreement Began: _____
Number of years of Experience: _____
Type of Experience: _____
Company Name: _____
Contact Person: _____
Title: _____
Address: _____
City: _____
State: _____
Company phone number: _____
Facsimile number: _____
Email Address: _____

Attachment A-2 to Amended Application
to PUC Certificate

Current Officers/Owners/Directors of Andeler Corporation

- **Samuel Holton**
President/Director
7335 82nd Street, Suite 6, Lubbock, TX 79424
Office: 806-687-1728
Fax: 806-687-1747
Email: sholton@andeler.com

- **Russel Head**
CEO/Director
4664 Old Pond Drive, Plano, TX 75024
Office: 972-489-2748
Fax: 806-687-1747
Email: rhead@andeler.com

- **Robert D. Lee**
Director
3904 Celadine Drive, Plano, TX 75093
Phone: 214-236-2714
Fax: 806-687-1747
Email: lee.robert73@gmail.com

- **Ray Baldwin**
Director
107 W. Lufkin Ave., Lufkin, TX 75904
Office: 936-639-2201
Fax: 806-687-1747
Email: rbaldwin@sbi.net

- **Rob Butler**
Director
10731 Chase Court, Fishers, IN 46037
Phone: 317-319-0800
Fax: 806-687-1747
Email: rabutler@aol.com

- **SBD Energy Group, LLC**
Owner of 65% of outstanding stock
Registered Agent: Robert D. Lee
Registered Office: 3904 Celadine Drive, Plano, TX 75093
Phone: 214-236-2714
Fax: 806-687-1747
Email: lee.robert73@gmail.com

- **RDL Investments, LLC**

Owner of 35% of outstanding stock

Registered Agent: Robert D. Lee

Registered Office: 3904 Celadine Drive, Plano, TX 75093

Phone: 214-236-2714

Fax: 806-687-1747

Email: lee.robert73@gmail.com

Attachment D-4 to Amended Application
To PUC Certificate

Competitive electric or gas industry experience

- **Samuel Holton**
President/Director
Office: 806-687-1728 x104
Email: sholton@andeler.com
Sam has been employed with Andeler Power since May 2004. He was involved in several aspects of sales and operations until October of 2008. In 2009 he assumed the president role for the company and still holds that position today. Since then his responsibility has included managing the companies risk and credit policy, day to day operations, wholesale/supply activities and financial reporting.

- **Marci Irvine Cmerek**
Director of Operations
Office: 806-687-1728 x103
Email: mcmerek@andeler.com
Marci has been employed with Andeler Power since January 2004, 8+ years. She has been involved in day to day operations, sales, and wholesale activities. She oversees an in house call center, the regulatory and compliance reporting requirements and the companies billing, receivables, and payables. Marci also brings experience and working knowledge in QSE activities and risk & credit policy monitoring.

- **Russel Head**
CEO/Director (upon Change in Control approval)
Mobile: 972-489-2748
Email: rhead@andeler.com
Russel Head has over 25 years of experience managing high growth firms and has worked with start-ups as well as large enterprise organizations. In the start-up arena, he served as President and COO of 365biz.com and most recently as a founding partner of Texas Alternative Energy Solutions. With TAES he has built a successful commercial electric brokerage business in the Texas Ercot market as well as consulted to a large Retail Electric Company as they planned and successfully executed entrance into Ercot. He also spent time in the past 3 years with TAES consulting with a wind development company creating and implementing plans to build wind generation assets in Ercot. Prior to founding TAES Mr. Head served as Vice President Sales for Green Mountain Energy and was the head of their residential based sales programs for their national portfolio. His focus the past 9 years has been in the retail

and wholesale electric space and his broad range of experience includes general management, operations, sales and marketing as well as roles in corporate development and mergers and acquisitions. Mr. Head has a BA degree in Political Science, minor in Finance from Creighton University.

Attachment D-6 to Amended Application
To PUC Certificate

Adequate Staffing and Training

Andeler has hired and trained staff in the commission's customer protection and anti-discrimination rules.

Andeler has a standard training program it follows for all new hires to ensure they are knowledgeable in all PUC customer protection rules.

Initial, and quarterly trainings, are done in house and cover performance, conduct, safety, and PUC customer protection rules.