

DM12-203

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January 20, 2012

Thomas Getz  
New Hampshire Public Utilities Commission  
21 S. Fruit St, Suite 10  
Concord, N.H. 03301-2429

Mr. Getz:

Last week the PUC of Texas filed a Notice of Violation (NOV) and a motion to revoke the license of Glacial Energy (see attached). The PUCT determined that Glacial knowingly filed misleading and false information on its application. Across the sixteen applications filed in the states Glacial does business in, Glacial provided false information on over a dozen utility commissions applications. I hereby request that your Commission take steps to immediately investigate similar allegations against Glacial in New Hampshire.

Gary Mole and Glacial Energy attempted to hide their connection with Glacial's alter-ego Franklin Power Company (FPC). Mole destroyed Franklin to defraud the customers, debtors and shareholders of that company and in the process lied to the NH PUC to cover it up. If Glacial had filed accurate statements, the NH PUC would likely NOT have granted Glacial a license and the PUCT stated as much in its NOV against Glacial. The fact that this campaign of misinformation was so wide spread is what makes Glacial's actions especially egregious.

Mole and Glacial represent an ongoing risk to customers in New Hampshire. Mole has been intentionally overcharging his customers to fund the illegal transfer of over \$13.5 million to establish a diamond mine in the Congo and support his lavish lifestyle. I have the financial records and statements from former employees to prove my allegations. I do not make these accusations lightly and have attached evidence and I am ready to provide your commission with all my supporting documents.

With this information I am confident that you will be able to launch an investigation, which ultimately will result in Glacial's revocation in New Hampshire as well.

Respectfully,

A handwritten signature in dark ink, appearing to read "Michael Petras".

Michael Petras

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12 JAN -9 PM 2:41  
PUBLIC UTILITY COMMISSION  
FILING CLERK

NOTICE OF VIOLATION OF PURA §  
39.352, FORMER P.U.C. SUBST. R.  
25.107(g)(9)(A), 25.107(g)(9)(B) and  
25.107(j)(1), and CURRENT P.U.C.  
SUBST. R. 25.474, 25.475, 25.479, 25.480  
AND 25.483, RELATED TO CUSTOMER  
PROTECTION RULES FOR RETAIL  
ELECTRIC SERVICE BY GLACIAL  
ENERGY OF TEXAS, INC. §  
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PUBLIC UTILITY COMMISSION  
OF TEXAS

### COMMISSION STAFF'S PETITION FOR REVOCATION

COMES now, the Staff (Staff) of the Public Utility Commission of Texas (Commission), in the public interest, and files Staff's Petition for Revocation of retail electric provider ("REP") certification against Glacial Energy of Texas, Inc. ("Glacial"). In support, Staff offers the following:

#### **I. Introduction**

Glacial filed its original application for REP certification on January 27, 2006.<sup>1</sup> In its original application, Glacial failed to disclose the ownership interest of Gary Mole (Glacial's authorized representative) in Franklin Power Company (Franklin), or the pending complaints against Franklin at that time by TXU Electric Delivery Company and CenterPoint Energy Houston to revoke Franklin's REP certificate for failure to satisfy financial obligations.<sup>2</sup> On February 28, 2006, a hearing on the merits was held regarding these complaints and the Commission subsequently revoked Franklin's REP certificate on July 17, 2006.<sup>3</sup> While these complaints were pending final decision by the Commission, Glacial's REP certificate, No. 10123, was approved administratively in Docket No. 32342 on March 6, 2006.<sup>4</sup>

<sup>1</sup> *Application of Glacial Energy of Texas, Inc., for Retail Electric Provider (REP) Certification*, Docket No. 32342 (January 27, 2006).

<sup>2</sup> *See Id*; *See also Complaint of TXU Energy Delivery Company and CenterPoint Houston Energy, LLC, to Revoke Retail Electric Service Provider Certificate No. 10068 of Energy West Resources, LTD*, Docket No. 31166 (May 27, 2005).

<sup>3</sup> *Complaint of TXU Energy Delivery Company and CenterPoint Houston Energy, LLC, to Revoke Retail Electric Service Provider Certificate No. 10068 of Energy West Resources, LTD*, Final Order, Docket No. 31166 (July 17, 2006).

<sup>4</sup> Notice of Approval, Docket No. 32342 (March 6, 2006).

On January 6, 2012, Staff filed its Notice of Violation (NOV) in this docket pursuant to P.U.C. Proc. R. 22.26, thereby notifying Glacial that the Oversight and Enforcement Division (O&E) of the Public Utility Commission of Texas (Commission) is recommending assessment of administrative penalties against Glacial for failure to comply with Public Utility Regulatory Act (PURA)<sup>5</sup> §39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B), 25.107(j)(1), and current P.U.C. SUBST. R. 25.474, 25.475, 25.479, 25.480 and 25.483, related to Customer Protection Rules for Retail Electric Service. The violations alleged are Class A and B violations.

## **II. Staff's Petition for Revocation**

Staff now petitions to revoke Glacial's REP certificate, no 10123, pursuant to PURA §§ 14.051, 17.051, 39.151(j), 39.352 and 39.356(a).

Staff petitions for revocation of Glacial's REP certification for the following reasons:<sup>6</sup> (1) Glacial's initial REP application had material omissions regarding the pending complaint proceedings against Franklin and Mr. Mole's ownership interest and experience with Franklin in violation of P.U.C. SUBST. R. 25.107(j)(1) and former P.U.C. SUBST. R. 25.107(g)(9)(A) and 25.107(g)(9)(B). The fact that Franklin had experienced a mass transition of its customers to POLR in 2005 and had pending complaints before the Commission, which ultimately led to the revocation of Franklin's REP certificate, are material events that would have likely resulted in the rejection of Glacial's REP application; and, (2) Glacial has failed to comply with and maintain compliance with the 10% ownership restriction for principals that have experienced a POLR event pursuant to current P.U.C. SUBST. R. 25.107(g)(1)(D).

WHEREFORE, PREMISES CONSIDERED, Staff petitions for revocation of Glacial's REP certificate, no 10123, pursuant to PURA §§ 14.051, 17.051, 39.151(j), 39.352 and 39.356(a).

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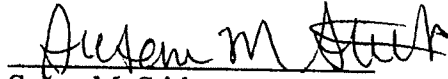
<sup>5</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2010)(PURA).

<sup>6</sup> See also Notice of Violation of PURA §39.352, former P.U.C. Subst. R. 25.107(g)(9)(B) and 25.107(j)(1), and current P.U.C. Subst. R. 25.474, 25.475, 25.479, 25.480 and 25.484, Related to Customer Protection Rules for Retail Electric Service by Glacial Energy of Texas, Inc., Docket No. 40090 (January 6, 2012).

**DATE: January 9, 2012**

Respectfully Submitted,

Robert M. Long  
Division Director  
Oversight and Enforcement Division  
State Bar No. 12525500

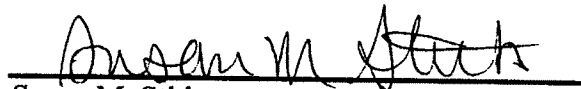


Susan M. Stith  
Attorney-Oversight and Enforcement  
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Public Utility Commission of Texas  
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P.O. Box 13326  
Austin, Texas 78711-3326

**PUC DOCKET NO. 40090**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this the 9<sup>th</sup> day of January, 2012 in accordance with P.U.C. Procedural Rule 22.74.

  
Susan M. Stith



# *Public Utility Commission of Texas*

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## **Memorandum**

To: Brian Lloyd  
Executive Director

From: Randy Klaus, CPA *RK*  
Enforcement Analyst  
Oversight and Enforcement Division

Date: January 5, 2012

Re: **Report on Violations** by Glacial Energy of Texas, Inc. of PURA § 39.352 and former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(j)(1), and current P.U.C. SUBST. R. 25.107(g)(1)(D), 25.475(g)(2) and 25.480(d), and Recommendation to Assess Administrative Penalties and Other Related Relief

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### **I. NOTICE OF VIOLATION SUMMARY**

The Oversight and Enforcement Division (O&E) has determined that Glacial Energy of Texas, Inc. (Glacial) has violated Public Utility Regulatory Act<sup>1</sup> (PURA) § 39.352 and prior P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(j)(1), as those rules existed in 2006,<sup>2</sup> as well as current P.U.C. SUBST. R. 25.107(g)(1)(D), 25.475(g)(2) and 25.480(d). Glacial initially violated certain rules by providing false or misleading information to the Public Utility Commission of Texas (Commission) when it applied for a retail electric provider (REP) certification in 2006. Glacial subsequently violated other Commission rules by failing to maintain compliance with the Commission's newly adopted ownership and experience requirements for principals of a REP that experienced a mass transition of its customers to the provider of last resort (POLR). And finally, Glacial violated rules regarding customer pricing disclosures and overbilled its customers. The violations alleged herein are Class A and B violations. *See* P.U.C. SUBST. R. 25.8(b).

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<sup>1</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (PURA) (Vernon 2007 & Supp. 2010) (PURA).

<sup>2</sup> The current versions of these rules can be found at P.U.C. SUBST. R. 25.107(g)(2)(A) and P.U.C. SUBST. R. 25.107(g)(2)(B).

O&E recommends that:

- (1) The Commission issue an order finding Glacial in violation of PURA § 39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(j)(1), as well as current P.U.C. SUBST. R. 25.107(g)(1)(D); 25.475(g)(2) and 25.480(d).
- (2) The Commission impose an administrative penalty of \$199,000 on Glacial;
- (3) The Commission issue an order requiring Glacial to refund customers for all overbillings, including interest at the rate set by the Commission; and
- (4) Such other and further relief as warranted by law.

## **II. STATEMENT OF FACTS**

### **A. Applicable Law**

Since its adoption in 1999, PURA § 39.352 has established the criteria for obtaining a certificate to provide retail electric service in Texas. REP certificates are issued to applicants who demonstrate the requisite managerial, technical and financial resources and abilities to provide continuous and reliable electric service.<sup>3</sup> Applicants are required to comply with all applicable customer protection provisions, disclosure requirements, and marketing guidelines established by the Commission and PURA.<sup>4</sup>

To implement the requirements of § 39.352, the Commission adopted former P.U.C. SUBST. R. 25.107(g)(9)(A)<sup>5</sup> and 25.107(g)(9)(B)<sup>6</sup> which required REP applicants to disclose their prior experience or that of its principals or employees, and any complaint history, disciplinary record and compliance record. In addition, current P.U.C. SUBST. R. 25.107(g)(1)(D) prohibits a principal of a REP that experienced a mass transition of its customers to POLR from using their experience to satisfy the 15 year experience requirement, and from owning more than ten percent of a REP, or directly or indirectly controlling a REP.

### **B. Material Omissions in Glacial's Initial REP Application**

Glacial's initial application for REP certification, filed on January 27, 2006, failed to disclose Gary Mole's ownership interest and experience with Franklin Power Company (Franklin), (formerly Energy West Resources, Ltd, d/b/a Franklin Power Company). Glacial's responses to requests for information indicate that Mr. Mole was a majority shareholder of Franklin. Failure to disclose Mr. Mole's ownership interest and experience in Franklin was a material omission from Glacial's 2006 REP application and tantamount to providing false and

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<sup>3</sup> PURA § 39.352(b)(1) and (2).

<sup>4</sup> PURA § 39.352(c).

<sup>5</sup> Substantive Rule in effect as of January 27, 2006, the date Glacial filed its REP application.

<sup>6</sup> Id.



misleading information to the Commission. Because Glacial failed to divulge Mr. Mole's prior experience with Franklin, including the mass transition of its customers to POLR in 2005, the Commission's decision to grant certification to Glacial was made on incomplete and inaccurate information.

Additionally, the application failed to disclose pending complaints against Franklin by TXU Electric Delivery Company and Centerpoint Energy Houston to revoke Franklin's REP certificate for failure to satisfy its financial obligations. These complaints, consolidated in Docket No. 31166 on July 13, 2005, were pending approximately eight months prior to the filing of Glacial's initial application for REP certification. On February 28, 2006, a hearing on the merits was held regarding these complaints, and the Commission subsequently revoked Franklin's REP certificate by Order dated July 17, 2006. While these complaints were pending final decision by the Commission, Glacial's REP certificate, No. 10123, was approved administratively in Docket No. 32342 on March 6, 2006.<sup>7</sup>

Because Glacial failed to disclose the pending complaint proceedings against Franklin in its initial application and failed to disclose Mr. Mole's ownership interest and experience with Franklin, Glacial provided false and misleading information to the Commission pursuant to P.U.C. SUBST. R. 25.107(j)(1) by omitting critical information required by former P.U.C. SUBST. R. 25.107(g)(9)(A) and 25.107(g)(9)(B). The fact that Franklin had experienced a mass transition of its customers to POLR in 2005 and had pending complaints before the Commission, which ultimately led to the revocation of Franklin's REP certificate, are material events that would have likely resulted in the rejection of the Glacial REP application.

### **C. Other Violations**

Four years later, beginning on May 21, 2010 -- the effective date of current P.U.C. SUBST. R. 25.107(g)(1)(D) -- new experience and ownership requirements, as well as financial requirements for the protection of customer deposits went into effect for all REPs. To date, Glacial has failed to comply with and remain in compliance with the 10 percent ownership restriction for principals that have experienced a POLR event.<sup>8</sup>

In addition, Glacial has failed comply with P.U.C. SUBST. R. 25.475(g)(2) which requires REPs to disclose pricing information on their Electricity Facts Label (EFL). Glacial's EFLs do not show the price(s) that it charges its customers. And finally, customers' bills show that Glacial has overbilled its customers, contrary to P.U.C. SUBST. R. 25.480(d), by assessing sales tax on electricity associated with residential usage. Tax Code § 151.317 automatically exempts the residential use of electricity from state sales tax.

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<sup>7</sup> Docket No. 32342 -- *Application of Glacial Energy of Texas, Inc., for Retail Electric Provider (REP) Certification*, Notice of Approval (March 6, 2006).

<sup>8</sup> To date, Gary Mole continues to be the majority shareholder of Glacial Energy Holdings, which owns Glacial Energy of Texas, Inc., a wholly-owned subsidiary of Glacial Energy Holdings, in violation of the 10 percent ownership cap.



### III. RELIEF SOUGHT

O&E requests that the Commission issue a notice of violation against Glacial with regard to its violation of PURA § 39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B), 25.107(j)(1), and current P.U.C. SUBST. R. 25.107(g)(1)(D); 25.475(g)(2) and 25.480(d). The following relief is recommended:

- 1) Issue an order finding Glacial in violation of PURA § 39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B), and 25.107(j)(1), and current P.U.C. SUBST. R. 25.107(g)(1)(D); 25.475(g)(2) and 25.480(d);
- 2) Issue an order imposing an administrative penalty of \$199,000 on Glacial for its violation of PURA § 39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B), and 25.107(j)(1), and current P.U.C. SUBST. R. 25.107(g)(1)(D); 25.475(g)(2) and 25.480(d)
- 3) The Commission issue an order requiring Glacial to refund customers for all overbillings, including interest at the rate set by the Commission; and
- 4) Such other and further relief as warranted by law.

### IV. ADMINISTRATIVE PENALTIES

Glacial obtained its REP certificate through misleading information to the Commission by omitting material prior experience information on its initial application. Moreover, Glacial is in violation of the Commission's current experience requirements and ownership restrictions which became effective on May 21, 2010. Glacial is also in violation of certain customer protection rules and has overbilled its customers.

PURA § 15.023 provides that a penalty for a violation of PURA, Commission rule or order may be imposed in an amount not to exceed \$25,000 for each violation and a separate violation is accrued for each day a violation continues or occurs.<sup>9</sup>

Staff considers most of these violations to be Class A violations pursuant to P.U.C. SUBST. R. 25.8(b) because such violations resulted in:

- 1) Fraudulent, unfair, misleading, deceptive, or anticompetitive business practices; and
- 2) A violation that creates economic harm to a person or persons, or property in excess of \$5,000, or creates an economic benefit to the violator in excess of \$5,000.

<sup>9</sup> See Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 15.023 (Vernon 2007 & Supp. 2010) (PURA) (increasing the maximum penalty from \$5,000 to \$25,000 for the most egregious violations); see also P.U.C. SUBST. R. 26.9(b)(3)(B)(vi) (establishing a maximum penalty of \$25,000, effective October 17, 2006, for violations related to fraudulent, unfair, misleading, deceptive, or anticompetitive business practices and which result in an economic harm or gain to a person or persons in excess of \$5,000).

## **Penalty Determination**

Commission Staff recommends an administrative penalty of \$199,000<sup>10</sup> based upon the following analysis:

### **1. Seriousness of the violation**

PURA and the aforementioned rules are intended to protect the market and customers from the REPs and their principals who have demonstrated through their actions that they lack the managerial, technical and financial resources and abilities to provide continuous and reliable electric service. Providing false and misleading information to the Commission to obtain authorization to provide retail electric service and failing to comply with experience ownership requirements, customer protection rules and overbilling customers are very serious matters with significant financial implications to retail customers, transmission and distribution utilities (wires companies) and power generators. The Commission established standards to promote healthy competition and deter unscrupulous operators from entering and remaining in the market. Allowing principals who have been involved with a defunct REP, which experienced a mass transition of customers to POLR due to a failure to meet their financial obligations, to reenter and remain in the electric market places market participants and customers at risk for future disruptions in service due to mismanagement.

### **2. Economic harm to property or environment caused by the violation**

The overbilling by Glacial has caused economic harm to its customers. And, the potential exists for additional economic harm given Mr. Mole's previous involvement with a REP that experienced a POLR transition due to default on its prior financial obligations.

10

<b>P.U.C. SUBST. R.</b>	<b>Description</b>	<b>Penalty Amount</b>
25.107(g)(1)(D)	Ownership Cap	\$119,000
25.480(d)	Overbilling	25,000
25.107(g)(9)(A)	Experience Disclosure	25,000
25.107(g)(9)(B)	Complaint Disclosure	25,000
25.475(g)(2)	EFL Pricing Information	5,000
<b>TOTAL</b>		<b>\$199,000</b>

Unlike the other violations, the violation of P.U.C. SUBST. R. 25.107(g)(1)(D) regarding the ownership cap is continuing in nature and continues to run. At a proposed penalty rate of \$200 per day and the number of days that Glacial has been out of compliance, beginning on May 21, 2010 (the effective date of the rule) through January 5, 2012, or 595 days, the proposed penalty for this violation is currently \$119,000 (\$200 \* 595 days = \$119,000).

### **3. History of previous violation**

Glacial has a previous violation on record with the Commission relating to its failure to purchase renewable energy credits pursuant to P.U.C. SUBST. R. 25.173 in 2007, Docket No. 35990.

### **4. Amount necessary to deter future violations**

An administrative penalty is necessary in order to deter future violations and to set an example for other REPs applicants, especially since Glacial's primary principal, Gary Mole, was a principal of a REP that experienced a mass transition of its customers to POLR due to a failure to meet its financial obligations.

O&E recommends a penalty of \$199,000 for the aforementioned violations.

### **5. Efforts to correct the violation**

Glacial has indicated that it has made refunds of the sales taxes erroneously assessed and collected on residential usage of electricity. Otherwise, there are no indications that Glacial has taken any efforts to correct the remaining, aforementioned violations.

### **6. Other factors that justice may require**

The Staff is unaware of any other factors to take into consideration at this time.

## **V. CONCLUSION**

Glacial's failure to comply with PURA § 39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B), and 25.107(j)(1), and current P.U.C. SUBST. R. 25.107(g)(1)(D); 25.475(g)(2) and 25.480(d) has serious, existing and potential implications to its customers and market participants alike. O&E recommends that the Commission issue an order to impose an administrative penalty of \$199,000 against Glacial for its violation of PURA § 39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B), and 25.107(j)(1), and current P.U.C. SUBST. R. 25.107(g)(1)(D); 25.475(g)(2) and 25.480(d), order refunds for overbillings and order such other and further relief as warranted by law.

# *Public Utility Commission of Texas*

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## **Memorandum**

To: Brian Lloyd  
Executive Director

From: Randy Klaus, CPA  
Enforcement Analyst  
Oversight and Enforcement Division

Date: 8/31/2011

Re: **Report on Violations** by Glacial Energy of Texas, Inc. of PURA § 39.352 and former P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and current 25.107(g)(1)(D), and Recommendation to Assess, Administrative Penalties and Other Related Relief

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### **I. NOTICE OF VIOLATION SUMMARY**

The Oversight and Enforcement Division (O&E) has determined that Glacial Energy of Texas, Inc. (Glacial) has violated Public Utility Regulatory Act<sup>1</sup> (PURA) § 39.352 and prior P.U.C. SUBST. R. 25.107(g)(9)(A) and 25.107(g)(9)(B) as those rules existed in 2006,<sup>2</sup> as well as current P.U.C. SUBST. R. 25.107(g)(1)(D). Glacial violated these rules by providing false or misleading information to the Commission when it applied for a retail electric provider (REP) certification in 2006, and for not complying with the Commission's ownership and experience requirements adopted in 2009 for principals with a REP that experienced a mass transition of its customers to the provider of last resort (POLR). The violations alleged herein are Class A violations. *See* P.U.C. SUBST. R. 25.8(b).

O&E recommends that:

- (1) The Public Utility Commission of Texas (Commission) issue an order finding Glacial in violation of PURA § 39.352, former P.U.C. SUBST. R. 25.107(g)(9)(A) and 25.107(g)(9)(B) as well as current P.U.C. SUBST. R. 25.107(g)(1)(D);

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<sup>1</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2010) (PURA).

<sup>2</sup> The current versions of these rules can be found at P.U.C. SUBST. R. 25.107(g)(2)(A) and P.U.C. SUBST. R. 25.107(g)(2)(B).



- (2) The Commission impose an administrative penalty of \$143,600 on Glacial; and
- (3) Such other and further relief as warranted by law.

## II. STATEMENT OF FACTS

PURA § 39.352 establishes the criteria for obtaining a certificate to provide retail electric service in Texas. REP certificates are issued to applicants who demonstrate the requisite managerial, technical and financial resources and abilities to provide continuous and reliable electric service. To achieve this objective, former P.U.C. SUBST. R. 25.107(g)(9)(A)<sup>3</sup> and 25.107(g)(9)(B)<sup>4</sup> required REP applicants to disclose the prior experience of their principals or employees, and any complaint history, disciplinary record and compliance record. In addition, current P.U.C. SUBST. R. 25.107(g)(1)(D) prohibits a principal of a REP that experienced a mass transition of its customers to POLR from using their experience to satisfy the 15 year experience requirement, and from owning more than 10 percent of a REP, or directly or indirectly controlling a REP.

Based upon knowledge and belief, including Glacial's responses to requests for admissions and information, the application filed with the Commission by Glacial on January 27, 2006 should have disclosed Gary Mole, ownership interests and experience with Franklin Power Company (Franklin), (formerly Energy West Resources, Ltd, d/b/a Franklin Power Company), including the fact that Franklin experienced a mass transition of customers to POLR in 2005. Nor did the application disclose the then pending complaints filed by TXU Electric Delivery Company and Centerpoint Energy Houston to revoke the certificate of Energy West Resources, Ltd for failure to satisfy the Commission's financial standards. Glacial's REP certificate, No. 10068, was approved administratively in Docket No. 32342 on March 6, 2006, while the aforementioned revocation complaints were pending before the Commission in consolidated Docket No. 31166. Later, by Order dated July 17, 2006, the Commission revoked the certificate of Energy West Resources, Ltd, d/b/a Franklin Power Company.

Then beginning on May 21, 2010, the effective date of P.U.C. SUBST. R. 25.107(g)(1)(D), which established new experience and ownership requirements for REPs, Gary Mole continued to use his experience to satisfy the newly effective 15-year experience requirement, despite being a principal<sup>5</sup> of Franklin Power Company (formerly Energy West Resources, Ltd, d/b/a Franklin Power Company), a REP that experienced a mass transition of its customers to POLR in 2005. Moreover, Gary Mole continues to be the majority shareholder of Glacial Energy Holdings which owns Glacial Energy of Texas, Inc., a wholly-owned subsidiary of Glacial Energy Holdings, in violation of the 10 percent ownership cap.

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<sup>3</sup> Substantive Rule in effect as of January 27, 2006, the date Glacial filed its REP application.

<sup>4</sup> *Id.*

<sup>5</sup> Mr. Gary Mole was a principal of Franklin Power Company by virtue of his majority ownership and involvement in the day-to-day operations and management of Franklin Power Company.



### **III. RELIEF SOUGHT**

O&E requests that the Commission issue a notice of violation against Glacial with regard to its violation of PURA § 39.352 and P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(g)(1)(D). The following relief is recommended:

- 1) Issue an order finding Glacial in violation of PURA § 39.352 and P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(g)(1)(D); and
- 2) Issue an order imposing an administrative penalty of \$143,600 on Glacial for its violation of PURA § 39.352 and P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(g)(1)(D).

### **IV. ADMINISTRATIVE PENALTIES**

Glacial obtained its REP certificate by providing false and misleading information to the Commission, and it is currently not in compliance with the Commission's current experience and ownership requirements which became effective on May 21, 2010.

PURA § 15.023 provides that a penalty for a violation of PURA, Commission rule or order may be imposed in an amount not to exceed \$25,000 for each violation and separate violation for each day a violation continues or occurs.<sup>6</sup>

Staff considers this violation to be a Class A violation pursuant to P.U.C. SUBST. R. 25.8(b) because such violation resulted in:

- 1) Fraudulent, unfair, misleading, deceptive, or anticompetitive business practices; and
- 2) A violation that creates economic harm to a person or persons, or property in excess of \$5,000, or creates an economic benefit to the violator in excess of \$5,000.

### **Penalty Determination**

Commission Staff recommends an administrative penalty of \$143,600 based upon the following analysis:

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<sup>6</sup> See Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 15.023 (Vernon 2007 & Supp. 2010) (PURA) (increasing the maximum penalty from \$5,000 to \$25,000 for the most egregious violations); *see also* P.U.C. SUBST. R. 26.9(b)(3)(B)(vi) (establishing a maximum penalty of \$25,000, effective October 17, 2006, for violations related to fraudulent, unfair, misleading, deceptive, or anticompetitive business practices and which result in an economic harm or gain to a person or persons in excess of \$5,000).

### **1. Seriousness of the violation**

The aforementioned rules are intended to protect the market and customers from the REPs and their principals who have demonstrated through their actions that they lack the managerial, technical and financial resources and abilities to provide continuous and reliable electric service. Providing false and misleading information to the Commission to obtain authorization to provide retail electric service and failing to comply with experience and ownership requirements are very serious matters with significant financial implications to retail customers, transmission and distribution utilities (wires companies) and power generators. The Commission established standards to promote healthy competition and deter unscrupulous operators from entering and remaining in the market. Allowing principals who have been associated with a defunct REP (a REP which has experienced a mass transition of customers to POLR due to a failure to meet their financial obligations) to reenter and remain in the electric market places market participants and customers at risk of sustaining future economic losses and further damages that could result from possible future fraudulent or deceitful conduct and other mismanagement.

### **2. Economic harm to property or environment caused by the violation**

Glacial's entry into the retail electric market, to date, has not caused any actual economic harm to market participants or its customers. However, the potential exists for extensive economic harm and disruption of service given Glacial's principal's, Gary Mole, history of involvement with a REP that experienced a POLR transition and which defaulted on its financial obligations. This adds to the seriousness of the violation.

### **3. History of previous violation**

Glacial has a previous violation on record with the Commission relating to the purchase of renewable energy credits, Docket No. 35990.

### **4. Amount necessary to deter future violations**

An administrative penalty is necessary in order to deter future violations and to set an example for other REP applicants, especially since Glacial's primary principal, Gary Mole, was a principal of a REP that experienced a mass transition of its customers to POLR due to a failure to meet its financial obligations.

O&E recommends a penalty of \$143,600.

### **5. Efforts to correct the violation**

There are no indications that Glacial has taken any efforts to correct the aforementioned violations.

**6. Other factors that justice may require**

There are no other factors to take into consideration.

**V. CONCLUSION**

Glacial's failure to comply with PURA § 39.352, P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(g)(1)(D) by having acquired a REP certificate by providing false and misleading information to the Commission in 2006, and its subsequent willful disregard for the Commission's current rules regarding the post May 21, 2010 experience and ownership requirements has serious, potential implications to customers and market participants alike. O&E recommends that the Commission issue an order revoking Glacial's REP certificate and impose an administrative penalty of \$143,600 on Glacial for its violation of PURA § 39.352 and P.U.C. SUBST. R. 25.107(g)(9)(A), 25.107(g)(9)(B) and 25.107(g)(1)(D).



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## Lawsuit: Power Company Deals in "Blood Diamonds"

Company calls suit "frivolous"

By Scott Gordon | Tuesday, Aug 16, 2011 | Updated 9:16 AM CST

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Getty Images

A lawsuit in federal court alleges power retailer Glacial Energy has run a "money laundering operation" which has secretly funneled almost all of its profits to a mining operation in an area of the Congo known for "blood diamonds."

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A lawsuit in federal court in Dallas claims more than \$20 million from electricity customers in Texas and 15 other states has gone to finance "blood diamonds" in Africa.

The lawsuit alleges power retailer Glacial Energy has run a "money laundering operation" which has secretly funneled almost all of its profits to a mining operation in an area of the Congo known for "blood diamonds."

Glacial describes itself on its website as "one of the fastest-growing retail energy marketers in the United States." It sells power to businesses but not residential customers.

The term "blood diamonds" refers to diamonds mined in African war zones and sold around the

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world to finance warring factions. The 2006 movie "Blood Diamond" starring Leonardo DiCaprio focused attention on the issue.

In a court hearing, company attorneys called the allegations "frivolous" and an attempt to extort money.

Texas utility regulators have launched a formal investigation of Glacial, according to court documents.

The lawsuit was filed by Michael Petras, a former executive of another energy company, Franklin Power, which failed in 2005.

Petras claims he helped Glacial's owner, Gary Mole, form Franklin Power but that Mole and others conspired to destroy Franklin, steal its assets and customers and create Glacial.

#### **"Blood diamonds"**

The lawsuit accuses Glacial of being a "racketeering enterprise" whose "true business" is to "launder money to fund mining in the Congo."

In 2006 and 2007, the lawsuit alleges Glacial declared only 3.8 percent of its profits, funneling 96.2 percent to pay for the mining operation.

Petras claims the defendants used \$13.4 million from Franklin Power to buy the Congolese mining company and later sent another \$6.7 million of Glacial's earnings to fund the mine.

"Glacial Energy was not created for a legitimate business purpose," the lawsuit alleges. "All income from the assets of Franklin Power Company went to Gemico, a secret subsidiary of Glacial Energy located in the Congo. Gemico is a mining company in the notorious conflict mineral (blood diamond) province of Kivu, Congo."

The mining operation is "in one of the most conflicted and corruption-ridden mining regions in the world," the lawsuit said.

Gemico was formed in 2006 by a man linked to a rebel group operating in the Democratic Republic of Congo, according to Petras.

The lawsuit claims Glacial spent millions on "consultants," including some in China, "for no apparent business reason."

#### **Mole's partners**

The lawsuit claims Mole's partners in Glacial included a "disbarred" attorney and an Austrian man who was deported from the United States after he pleaded guilty to a cocaine charge and also admitted owning 62 firearms and 42,459 rounds of ammunition which had been seized by federal agents.

The former attorney, Donald Bernard, and the Austrian, Peter Koeck, could not be reached for comment. Koeck now lives in Argentina, and Bernard lives in Montana and the Congo, according to the lawsuit. Both are named as defendants.

Records show Bernard resigned as a lawyer in 1994 "in lieu of discipline for professional misconduct," said Kim Davey, a spokeswoman for the State Bar of Texas. She said while he was not technically disbarred, his law license was revoked and the result was the same.

The misconduct had to do with mishandling money in a woman's estate, according to a bar document.

#### **Both sides agree to seal records**

In a request to seal court records, Glacial's attorneys argued Petras has engaged in a "smear campaign" intended to harm the company and has improperly contacted the company's lenders "to sully Glacial's name."

"[Petras] not only wants to destroy Glacial's funding, but he also wants to destroy Glacial's ability to conduct business as an energy broker," Glacial's attorneys wrote.

They added Petras was angry at Mole because he blamed him for Franklin Power's demise.

A key dispute in the case involves 6,000 pages of the company's financial documents.

Glacial's lawyers said Petras obtained the "private and confidential" records by serving a subpoena on the company's former accountant, who provided the documents "before any party could even move for protection."

On Aug. 1, attorneys for both sides said they had agreed to seal Petras' complaint and also limit the distribution of Glacial's "confidential financial information."

A copy of the lawsuit, included in an attachment stamped "SEALED," was still available on the federal court's online database last week.

The lawsuit includes detailed allegations of Glacial's alleged financial wrongdoing.

For example, a \$320,000 transaction in April 2006 was simply labeled "DRC" with no other details, the lawsuit claims.

The company's attorneys did not respond specifically to Petras' allegations about the money laundering and diamond mining operation but called the entire case "frivolous."

### **Heated courtroom exchanges**

Transcripts of court hearings in the case show the legal dispute became heated even in its early stages.

In a hearing May 13 in Dallas County District Court, Glacial attorney Jennifer Keefe pleaded with a judge to order Petras to stop contacting banks that have lent money to Glacial or might in the future.

"We believe strongly this case is frivolous, and that it's an attempt to extort a settlement out of the company," Keefe said.

Petras' attorney Kerry Peterson shot back.

"Glacial Energy is an absolute fraud," Peterson said. "Everyone associated with it is a crook or a conman... Everything we say in that complaint is true, and we can prove it."

Dallas County District Judge Emily Tobolowsky granted part of Glacial's request to stop contacting certain people, but the case was later moved to federal court.

### **No comment from company**

Calls on Thursday and Friday to Glacial's Dallas attorneys, Patrick Long and Jennifer Keefe, were not returned.

Glacial's website does not list a corporate phone number. The company is based in the U.S. Virgin Islands.

A woman who answered Glacial's customer service line on Friday said she would ask a manager to return the call, but nobody did.

An e-mail sent to Gemico through a website was not returned.

A home telephone listing for Mole in the U.S. Virgin Islands could not be found.

### **Texas investigation**

Terry Hadley, a spokesman for the Texas Public Utility Commission, said he could not comment on any investigation or confirm if one was under way.

But in court documents, Glacial's attorneys included a May 2011 letter from PUC investigators asking detailed questions about whether Mole was involved in Franklin, the failed power company. When he formed Glacial, Mole lied to utility regulators in Texas and other states about his past involvement in Franklin Power, Petras' lawsuit claims.

The Texas electricity market was deregulated in 2002, allowing firms such as Franklin and Glacial to compete for customers.

According to its website, Glacial does business in Texas, California, Connecticut, Delaware, the



District of Columbia, Illinois, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania and Rhode Island.

Copyright Associated Press

Posted Monday, Aug 15, 2011 - 8:37 PM CST

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**Jim Santiago Martinez**

There are crooks everywhere; in any society; and in all social standings. Let's hope these ones ALL get caught.

[Reply](#) · [1 Like](#) · August 16, 2011 at 8:53am



**Carlos Santiago** · L.A.C.C.

They should be caught and spend a long time in jail if they using the money for blood diamonds.

[Reply](#) · [1 Like](#) · August 16, 2011 at 11:09am



**David Kino Nkashama**

my country!

[Reply](#) · [Like](#) · August 27, 2011 at 2:01am

**robansky** (signed in using open.login.yahooapis.com)

Don't know if the author will get this but the 2 local numbers for glacial's HQ in the VI are 340-714-1515 and 340-714-1550. I've always thought there was something fishy about the company ever since they set up shop in the VI.

[Reply](#) · [Like](#) · August 18, 2011 at 1:09pm



**Bobby Oehlschlager** · Top Commenter · Denton, Texas

You can bet that blood diamonds are all around you when you deal in diamonds. Been there, seen it, most people are completely unaware of the global diamond market and who controls what. Don't want to support "blood diamond" trade? Don't buy diamonds; that is the only sure way. It's hardly practical but it is the cold hard truth.

[Reply](#) · [Like](#) · August 16, 2011 at 10:57am



**Janis Innis** · English Professor at Houston Community College

What about cell phone batteries?

[Reply](#) · [Like](#) · August 16, 2011 at 11:20am



**Glenn Parker** · Top Commenter · Fort Worth, Texas

I really wish that they use their profit to investment on green power or clean power as well close coal power plants down to be replace by clean and safe power plants.

[Reply](#) · [Like](#) · August 16, 2011 at 10:31am

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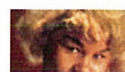
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# Glacial Energy Perjured Statements State by State

The below citations are cut directly from Glacial's applications to the State  
Public Utility Commissions listed below.

<p><b><u>California</u></b></p> <p>Approval Date: March 15, 2010</p> <p>ESP #: 1377</p>	<p>11. If the type of ownership is a corporation, provide a listing of the name and address of all persons or entities that directly or indirectly own, control, or hold the power to vote ten percent or more of the outstanding voting securities of the registrant. In the alternative, attach any report required by the Securities and Exchange Commission which details such an interest.</p> <p style="padding-left: 40px;">Glacial Energy of California, Inc. is a wholly owned subsidiary of Glacial Energy Holdings, a Nevada corporation with its principal place of business at 24 Route 6A, Sandwich, MA 02563.</p> <p>For the purposes of this form, the following definition of an "affiliate" applies:</p> <p style="padding-left: 40px;">"Affiliate" means any legal entity in which five percent or more of the outstanding shares are owned, controlled, or held with power to vote, directly or indirectly either by the ESP or any of its subsidiaries; or by the ESP's controlling entity or any of its subsidiaries; or by any company in which the ESP, its controlling entity, or any of the ESP's affiliates, exert substantial control over the operation of the company or indirectly have substantial financial interests in the company which is exercised through means other than ownership. For purpose of this definition, "substantial control" include, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of the company. A direct or indirect voting interest of five percent or more by the ESP in an entity's company creates a rebuttable presumption of control.</p> <p>12. List all of the names and addresses of all the corporate registrant's affiliates in which the registrant owns, controls or hold five percent or more of the affiliate. If this information is contained in any report required by the Securities and Exchange Commission, that report may be submitted in lieu of the information. See the "NOTICE" section for the definition of an "affiliate."</p> <p style="padding-left: 40px;">None.</p> <p>20. Disclosures</p> <p style="padding-left: 40px;">a. Has the registrant, or any of the general partners, or corporate officers or directors, or limited liability company members, managers, and officers, ever been convicted of any felony?</p> <p style="padding-left: 80px;"><input checked="" type="checkbox"/> No    <input type="checkbox"/> Yes    If yes, please explain on additional page.</p> <p style="padding-left: 40px;">b. Within the last ten years, have any of these persons had any civil, criminal, or regulatory sanctions imposed against them pursuant to any state or federal consumer protection law or regulation?</p> <p style="padding-left: 80px;"><input checked="" type="checkbox"/> No    <input type="checkbox"/> Yes    If yes, please explain on additional page.</p>
<p><b><u>Connecticut</u></b></p> <p>Approval Date: 03/07/07</p> <p>Docket #: 06-12-13</p>	<p>Application intentionally left blank</p> <p>(A-14) Is Applicant currently under investigation, or has Applicant ever been fined, sanctioned or penalized, in any state for violation of any consumer protection law or regulation?</p> <p style="padding-left: 40px;"><input type="checkbox"/> Yes    If yes, provide Exhibit A-14: "Violation of Consumer Protection Law." For each current investigation, provide all of the following: name of the state and agency conducting the investigation; date on which investigation began; description of the nature of the alleged violation; and status of the investigation. For each fine, sanction or penalty, provide all of the following: date of the fine, sanction or penalty; name of state and agency imposing the fine, sanction or penalty; description of the violation; description of the fine, sanction or penalty, including monetary amounts, if applicable; and copy of the order imposing the fine, sanction or penalty</p> <p style="padding-left: 40px;"><input type="checkbox"/> No</p>



<u><b>Delaware</b></u> Approval Date: 9/11/2007	<p>pending to sell electric supply service to retail customers- not allowed</p> <p>4) Glacial Energy nor any of its affiliates have been denied approval by state commission to sell electricity to retail customers or had its authority revoked</p> <p>5) Relevant operational experience of principal officers* Resumes Attached</p>
<u><b>District of Columbia</b></u>  Approval Date: 6/26/2006  License #: EA-06-1-5	<p>6. <b>ACTIONS AGAINST LICENSEES:</b> Provide the following information for the Applicant, any Predecessor(s), and any unregulated Affiliate that engages in or engaged in the sale or transportation/transmission of electricity or natural gas at wholesale or retail or the provision of retail telephone or cable services to the public. (Applicant may limit responses to the last five years).</p> <p><input type="checkbox"/> Actions such as Suspensions/Revocations/Limitations/Reprimands/Fines or other similar actions have been taken against the Applicant, Predecessor(s), or unregulated affiliate(s), and are described in the attached statement, including docket numbers, offense dates, and case numbers, if applicable. Formal investigations (defined as those investigations formally instituted in a public forum by way of the filing of a complaint, show cause order, or similar pleading) instituted by any regulatory agency or law enforcement agency relating to the Applicant, Predecessor(s), or unregulated affiliate(s) if, as a result of the investigation, Applicant's/ Predecessor's/ or affiliate's license to provide service to the public was in jeopardy are also listed. The license number, state of issuance, and name of licensee are identified below:</p> <p>State(s):          Name(s):          License Number(s)(or other applicable identification):</p> <p><input checked="" type="checkbox"/> No such action has been taken.</p>
<u><b>Illinois</b></u> Approval Date: 4/18/2007  License #: 07-0177	<p>Are there currently any outstanding consumer complaints against the Applicant or any affiliates in any of the jurisdictions that Applicant has previously been granted authority? <b>Glacial Energy of Illinois, Inc or any affiliates in any jurisdictions that Glacial Energy operates does not have any prior or open customer complaints.</b></p> <p>Is there any ongoing litigation involving the Applicant or its Affiliates that would impact Glacial's ability to operate as an ARES in Illinois? <b>There is no outstanding or ongoing Litigation involving Glacial Energy or its Affiliates in any jurisdictions where Glacial Energy operates that would impact Glacial's ability to operate as an ARES in Illinois.</b></p>

<p><b><u>Maine</u></b></p> <p>Approval Date:</p> <p>Docket #: 2008-361</p>	<table border="1"> <tr> <td data-bbox="407 201 844 726"> <p>19 Disclose all civil court or regulatory enforcement proceedings or criminal prosecutions commenced against applicant or associated entity w/in the last six years or currently pending that related to or arise out of the sale of electricity, the sale of natural gas, the provision of utility services, business fraud, or unfair or deceptive sales practices. [Ch. 305 § 2(B)(4)(b)]</p> </td> <td data-bbox="844 201 1461 726"> <p>[ ] See Attachment ___ for summary of enforcement actions and related information [ X ] Neither Applicant nor associated entity has had any such proceedings</p> </td> </tr> </table>	<p>19 Disclose all civil court or regulatory enforcement proceedings or criminal prosecutions commenced against applicant or associated entity w/in the last six years or currently pending that related to or arise out of the sale of electricity, the sale of natural gas, the provision of utility services, business fraud, or unfair or deceptive sales practices. [Ch. 305 § 2(B)(4)(b)]</p>	<p>[ ] See Attachment ___ for summary of enforcement actions and related information [ X ] Neither Applicant nor associated entity has had any such proceedings</p>
<p>19 Disclose all civil court or regulatory enforcement proceedings or criminal prosecutions commenced against applicant or associated entity w/in the last six years or currently pending that related to or arise out of the sale of electricity, the sale of natural gas, the provision of utility services, business fraud, or unfair or deceptive sales practices. [Ch. 305 § 2(B)(4)(b)]</p>	<p>[ ] See Attachment ___ for summary of enforcement actions and related information [ X ] Neither Applicant nor associated entity has had any such proceedings</p>		
<p><b><u>Maryland</u></b></p> <p>Approval Date: 7/5/2006</p> <p>License # IR-888</p>	<p>FOIA request for application to serve electricity, in process.</p> <p>From Natural Gas Application</p> <p><b>ACTIONS AGAINST LICENSES:</b> Provide the following information for the Applicant and any Affiliate that engages in the sale at retail of electricity or natural gas.</p> <p><input type="checkbox"/> Actions such as Suspensions/Revocations/Limitations/Reprimands/Fines or other similar actions have been taken against the Applicant or unregulated affiliate(s), and are described in the attached statement, including docket numbers, offense dates, and case numbers, if applicable. The license number, state of issuance, and name of licensee are identified below:</p> <p>State(s): _____  Name(s): _____  License Number(s)(or other applicable identification): _____</p> <p>X No such action has been taken.</p> <p>Statement that the Applicant, including the Company and any of its affiliates engaged in the sale of natural gas or related services, the general partners, corporate officers or directors, or limited liability company managers or officers of the Company or such affiliates:</p> <ol style="list-style-type: none"> <li>Has had no civil, criminal or regulatory sanctions or penalties imposed against it within the previous ten years pursuant to any state or Federal consumer protection law or regulation; and has not ever been convicted of a felony; or, alternatively</li> <li>Has disclosed by attachment all such sanctions, penalties or convictions.</li> </ol>		



<p><b><u>Massachusetts</u></b></p> <p>Approval Date: 11/15/2006</p> <p>License #: CS-054</p>	<p>12. Provide the following general business information regarding the applicant:</p> <ul style="list-style-type: none"> <li>- a description of the corporate structure of applicant (e.g., identification of parent company, affiliates owners);</li> <li>- number of staff employed by applicant;</li> <li>- number of staff employed by applicant that are involved in its energy-related activities;</li> <li>- a description of the services that applicant has provided since the company was formed.</li> </ul> <p>18. Provide a statement whether any director, officer, or other similar official has been convicted of a felony or held liable for any antitrust violation as described in 220 CMR 11.05(2)(b)(17). N/A None.</p> <p>Parent Company: Glacial Energy Holdings - Gary mole 100% owner</p> <p>Entities under Glacial Energy Holdings all located at 2701 N. Dallas Parkway, Suite 120, Plano, Texas 75093.</p> <p>Glacial Energy of New York -Active          Glacial Energy of Texas, Inc. - Active          Glacial Energy of Maryland, Inc.- Active          Glacial Energy of New England, Inc- Approved by NEPOOL, currently in application process with state PUCs          Glacial Energy of New Jersey, Inc. -Active          Glacial Energy of Washington D.C., Inc- application in process          Glacial Energy of California, Inc- will be submitting application soon          Glacial Energy of Illinois, Inc- will be submitting application soon          Glacial Energy of Michigan, Inc.- will be submitting application soon</p> <p>Mr. Mole's affiliation with Franklin Power dba Energy West Resources not disclosed.</p>
<p><b><u>Michigan</u></b></p> <p>Approval Date: 06/02/2009</p> <p>License #: U-15922</p>	<p>Old Standard</p> <p>11. Has the applicant or any agent of the applicant within the past three years committed any violations of law or business ethics in connection with provision of energy or energy-related products and services anywhere in the United States that resulted in a conviction or acceptance of a penalty for said behavior? Yes ___ No <u>X</u></p> <p>If the answer is yes, explain the violations in an attachment to this application. Subsequent violations must be disclosed within 30 days.</p> <p>New Standard</p>

	<p>Has the applicant or any predecessor of the applicant during your company's history:</p> <ul style="list-style-type: none"> <li>• Mislead a potential customer into signing a contract;</li> <li>• Defaulted on a contract;</li> <li>• Did not abide by the terms of the contract;</li> <li>• Committed any violations of law or business ethics in connection with the provision of energy or energy-related products and services anywhere in the United States that resulted in a conviction or acceptance of a penalty for said behavior?</li> </ul> <p>If the answer is yes to any of the above, please explain in detail. Subsequent violations must be disclosed within 30 days.</p> <p>GLACIAL has not provided information to Michigan Public Service Commission</p>
<p><b><u>New Hampshire</u></b></p> <p>Approval Date: 09/02/08</p> <p>License #: <b>DM 08-108</b></p>	<p>(6) The following regarding any affiliate and/or subsidiary of the applicant:</p> <ol style="list-style-type: none"> <li>The name and business address of the entity;</li> <li>A description of the business purpose of the entity; and</li> <li>Regarding any agreements with any affiliated New Hampshire jurisdictional electric distribution company, a description of the nature of the agreement; None</li> </ol> <p>(15) A statement as to whether the applicant or any of the persons listed in (14) above has, within the 10 years immediately prior to registration:</p> <ol style="list-style-type: none"> <li>Had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation; b. Settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or</li> <li>Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;</li> </ol> <p>No officers or directors have had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation; b. Settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or are currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation.</p>

**New Jersey**Approval Date:  
7/19/2006License #:  
E SL-0076

11. Is the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders now under investigation in New Jersey, or any other state, or federal jurisdiction in connection with the sale or delivery of electricity or natural gas?

☐ Yes☒ No

If yes, attach a schedule giving details and provide relevant documents.

12. Has the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders been indicted, arrested (other than for motor vehicle violations) or convicted of any offense, crime, misdemeanor, or disorderly persons charge in New Jersey or any other state, or by the federal government?

☐ Yes☒ No

If yes, attach a schedule giving details and provide relevant documents.

13. Has the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders ever had a license, or right to engage in any business or profession, revoked, denied, suspended, or restrained by any agency of New Jersey or any other state, or by the federal government in connection with the sale or delivery of electricity or natural gas?

☐ Yes☒ No

If yes, attach a schedule giving details and provide relevant documents.

14. Has the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders of your organization ever been subject to any disciplinary proceeding in connection with a license or right to engage in any business or profession in New Jersey, any other state, or by the federal government in connection with the sale or delivery of electricity or natural gas?

☐ Yes☒ No**New York**Approval Date:  
6/1/2005application #:  
D-199

f. If you intend to market your services under other name (s) (i.e. dba) please list here: N/A

h. Do you have any energy affiliates (including subsidiaries) located or operating within New York State? YES ☐ NO ☒

If so, provide the name, address, and contact information for any entity with an ownership interest of 10 percent or more in the company identified in section 1a and 1f above? Please provide additional sheets as necessary.

Name:

Julie Cannon

Address:

25 Highland Park Village Suite 100-516

City, State, Zip:

Dallas, TX 75205

Telephone:

(214) 354-2090

Fax:

(214) 292-9431

Name:

Gary Mole

Address:

25 Highland Park Village Suite 100-516

City, State, Zip:

Dallas, TX 75205

Telephone:

(214) 354-2090

Fax:

(214) 292-9431

i. Have you provided the required information regarding criminal or regulatory sanctions imposed during the previous 36 months for any senior officer of the ESCO? (Use space below)

YES ☐ NO ☒



<p><b><u>Ohio</u></b></p> <p>Approval Date: 05/26/2008</p> <p>Certificate #: 08-142 (1)</p>	<p><b><u>Exhibit B-5 "Disclosure of Liabilities and Investigations,"</u></b> 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.</p> <p><b>Exhibit B-5 Disclosure of Liabilities and Investigations</b></p> <p>Glacial Energy has no 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</p> <p><b>B-6</b> 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.</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>If yes, provide a separate attachment labeled as <b><u>Exhibit B-6 "Disclosure of Consumer Protection Violations"</u></b> detailing such violation(s) and providing all relevant documents.</p> <p><b>B-7</b> Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>If yes, provide a separate attachment labeled as <b><u>Exhibit B-7 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"</u></b> detailing such action(s) and providing all relevant documents.</p>
<p><b><u>Pennsylvania</u></b></p> <p>Approval Date: 7/29/2009</p> <p>Docket: <b>A-2009-2109572</b></p>	<p><b>COMPLIANCE:</b> State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.</p> <p>Glacial Energy Holdings Inc. and any of the Glacial entities currently licensed in 11 States and the District of Columbia have not been cited nor sanctioned of a crime involving criminal activity or fraud. Furthermore, Glacial Energy has not been a defendant or a respondent to any proceedings dealing with business operations.</p>
<p><b><u>Rhode Island</u></b></p> <p>Approval Date: 12/22/2006</p> <p>License #: D-96-6 (E3)</p>	<p>Application does not ask about affiliates or predecessor interests</p>

<p>Texas</p> <p>Test Flight Date: 03/06/2006</p> <p>Certificate #: 10123</p>	<p><b>Complaint history and compliance record during three calendar years prior to filing the application regarding the Applicant, utility related affiliates, predecessors in interest, and principals:</b></p> <p><b>RESPONSE:</b> Neither the Applicant nor its principals have a complaint history and/or compliance record during the three calendar years prior to filing the application. The Applicant does not have any utility related affiliates or any predecessors in interest.</p> <p><b>Statement indicating whether the Applicant is currently under investigation, or has been penalized, by an attorney general of any state or federal regulatory agency, either in this state or in another state or jurisdiction for violation of any deceptive trade or customer protection laws or regulations:</b></p> <p><b>RESPONSE:</b> The Applicant is not under investigation, nor has been penalized by an attorney general of any state or federal agency, either in this state or in another state or jurisdiction for violation of any deceptive trade or customer protection laws or regulations.</p> <p><b>Disclosure whether the Applicant, a predecessor, an officer, director or principal has been found liable for fraud, theft or larceny, deceit, or violations of any consumer protection or deceptive trade laws of any state.</b></p> <p><b>RESPONSE:</b> Neither the Applicant nor its officers, directors or principals have been found liable for fraud, theft, or larceny, deceit, or violations of any consumer protection or deceptive trade laws in any state. The Applicant does not have any predecessors in interest.</p> <p><b>Disclosure whether the Applicant, a predecessor, an officer, director or principal has been found liable for fraud, theft or larceny, deceit, or violations of any consumer protection or deceptive trade laws of any state.</b></p> <p><b>RESPONSE:</b> Neither the Applicant nor its officers, directors or principals have been found liable for fraud, theft, or larceny, deceit, or violations of any consumer protection or deceptive trade laws in any state. The Applicant does not have any predecessors in interest.</p>
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# Glacial Energy Perjured Statements State by State

The below citations are cut directly from Glacial's applications to the State  
Public Utility Commissions listed below.

<p><b><u>California</u></b></p> <p>Approval Date: March 15, 2010</p> <p>ESP #: 1377</p>	<p>11. If the type of ownership is a corporation, provide a listing of the name and address of all persons or entities that directly or indirectly own, control, or hold the power to vote ten percent or more of the outstanding voting securities of the registrant. In the alternative, attach any report required by the Securities and Exchange Commission which details such an interest.</p> <p style="padding-left: 40px;">Glacial Energy of California, Inc. is a wholly owned subsidiary of Glacial Energy Holdings, a Nevada corporation with its principal place of business at 24 Route 6A, Sandwich, MA 02563.</p> <p>For the purposes of this form, the following definition of an "affiliate" applies:</p> <p style="padding-left: 40px;">"Affiliate" means any legal entity in which five percent or more of the outstanding shares are owned, controlled, or held with power to vote, directly or indirectly either by the ESP or any of its subsidiaries; or by the ESP's controlling entity or any of its subsidiaries; or by any company in which the ESP, its controlling entity, or any of the ESP's affiliates, exert substantial control over the operation of the company or indirectly have substantial financial interests in the company which is exercised through means other than ownership. For purpose of this definition, "substantial control" include, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of the company. A direct or indirect voting interest of five percent or more by the ESP in an entity's company creates a rebuttable presumption of control.</p> <p>12. List all of the names and addresses of all the corporate registrant's affiliates in which the registrant owns, controls or hold five percent or more of the affiliate. If this information is contained in any report required by the Securities and Exchange Commission, that report may be submitted in lieu of the information. See the "NOTICE" section for the definition of an "affiliate."</p> <p style="padding-left: 40px;">None.</p> <p>20. Disclosures</p> <p style="padding-left: 20px;">a. Has the registrant, or any of the general partners, or corporate officers or directors, or limited liability company members, managers, and officers, ever been convicted of any felony?</p> <p style="padding-left: 40px;">X No    <input type="radio"/> Yes    If yes, please explain on additional page.</p> <p style="padding-left: 20px;">b. Within the last ten years, have any of these persons had any civil, criminal, or regulatory sanctions imposed against them pursuant to any state or federal consumer protection law or regulation?</p> <p style="padding-left: 40px;">X No    <input type="radio"/> Yes    If yes, please explain on additional page.</p>
<p><b><u>Connecticut</u></b></p> <p>Approval Date: 03/07/07</p> <p>Docket #: 06-12-13</p>	<p>Application intentionally left blank</p> <p>(A-14) Is Applicant currently under investigation, or has Applicant ever been fined, sanctioned or penalized, in any state for violation of any consumer protection law or regulation?</p> <p style="padding-left: 20px;"><input type="checkbox"/> Yes    If yes, provide Exhibit A-14: "Violation of Consumer Protection Law." For each current investigation, provide all of the following: name of the state and agency conducting the investigation; date on which investigation began; description of the nature of the alleged violation; and status of the investigation. For each fine, sanction or penalty, provide all of the following: date of the fine, sanction or penalty; name of state and agency imposing the fine, sanction or penalty; description of the violation; description of the fine, sanction or penalty, including monetary amounts, if applicable; and copy of the order imposing the fine, sanction or penalty</p> <p style="padding-left: 20px;"><input type="checkbox"/> No</p>



<u><b>Delaware</b></u> Approval Date: 9/11/2007	pending to sell electric supply service to retail customers- not allowed 4) Glacial Energy nor any of its affiliates have been denied approval by state commission to sell electricity to retail customers or had its authority revoked 5) Relevant operational experience of principal officers* Resumes Attached
<u><b>District of Columbia</b></u>  Approval Date: 6/26/2006  License #: EA-06-1-5	<p>6. <b>ACTIONS AGAINST LICENSEES:</b> Provide the following information for the Applicant, any Predecessor(s), and any unregulated Affiliate that engages in or engaged in the sale or transportation/transmission of electricity or natural gas at wholesale or retail or the provision of retail telephone or cable services to the public. (Applicant may limit responses to the last five years).</p> <p><input type="checkbox"/> Actions such as Suspensions/Revocations/Limitations/Reprimands/Fines or other similar actions have been taken against the Applicant, Predecessor(s), or unregulated affiliate(s), and are described in the attached statement, including docket numbers, offense dates, and case numbers, if applicable. Formal investigations (defined as those investigations formally instituted in a public forum by way of the filing of a complaint, show cause order, or similar pleading) instituted by any regulatory agency or law enforcement agency relating to the Applicant, Predecessor(s), or unregulated affiliate(s) if, as a result of the investigation, Applicant's/ Predecessor's/ or affiliate's license to provide service to the public was in jeopardy are also listed. The license number, state of issuance, and name of licensee are identified below:</p> <p>State(s):          Name(s):          License Number(s)(or other applicable identification):</p> <p><input checked="" type="checkbox"/> No such action has been taken.</p>
<u><b>Illinois</b></u> Approval Date: 4/18/2007  License #: 07-0177	<p>Are there currently any outstanding consumer complaints against the Applicant or any affiliates in any of the jurisdictions that Applicant has previously been granted authority? <b>Glacial Energy of Illinois, Inc or any affiliates in any jurisdictions that Glacial Energy operates does not have any prior or open customer complaints.</b></p> <p>Is there any ongoing litigation involving the Applicant or its Affiliates that would impact Glacial's ability to operate as an ARES in Illinois? <b>There is no outstanding or ongoing Litigation involving Glacial Energy or its Affiliates in any jurisdictions where Glacial Energy operates that would impact Glacial's ability to operate as an ARES in Illinois.</b></p>

**Maine**

Approval Date:

Docket #:  
2008-361

19

Disclose all civil court or regulatory enforcement proceedings or criminal prosecutions commenced against applicant or associated entity w/in the last six years or currently pending that related to or arise out of the sale of electricity, the sale of natural gas, the provision of utility services, business fraud, or unfair or deceptive sales practices.  
[Ch. 305 § 2(B)(4)(b)]

[ ] See Attachment \_\_\_ for summary of enforcement actions and related information  
[ X ] Neither Applicant nor associated entity has had any such proceedings

**Maryland**Approval Date:  
7/5/2006License #  
IR-888

FOIA request for application to serve electricity, in process.

From Natural Gas Application

**ACTIONS AGAINST LICENSES:** Provide the following information for the Applicant and any Affiliate that engages in the sale at retail of electricity or natural gas.

- ☐ Actions such as Suspensions/Revocations/Limitations/Reprimands/Fines or other similar actions have been taken against the Applicant or unregulated affiliate(s), and are described in the attached statement, including docket numbers, offense dates, and case numbers, if applicable. The license number, state of issuance, and name of licensee are identified below:

State(s): \_\_\_\_\_

Name(s): \_\_\_\_\_

License Number(s)(or other applicable identification): \_\_\_\_\_

X No such action has been taken.

Statement that the Applicant, including the Company and any of its affiliates engaged in the sale of natural gas or related services, the general partners, corporate officers or directors, or limited liability company managers or officers of the Company or such affiliates:

1. Has had no civil, criminal or regulatory sanctions or penalties imposed against it within the previous ten years pursuant to any state or Federal consumer protection law or regulation; and has not ever been convicted of a felony; or, alternatively
2. Has disclosed by attachment all such sanctions, penalties or convictions.



<p><b><u>Massachusetts</u></b></p> <p>Approval Date: 11/15/2006</p> <p>License #: CS-054</p>	<p>12. Provide the following general business information regarding the applicant:</p> <ul style="list-style-type: none"> <li>- a description of the corporate structure of applicant (e.g., identification of parent company, affiliates owners);</li> <li>- number of staff employed by applicant;</li> <li>- number of staff employed by applicant that are involved in its energy-related activities;</li> <li>- a description of the services that applicant has provided since the company was formed.</li> </ul> <p>18. Provide a statement whether any director, officer, or other similar official has been convicted of a felony or held liable for any antitrust violation as described in 220 CMR 11.05(2)(b)(17). N/A None.</p> <p>Parent Company: Glacial Energy Holdings - Garymole 100% owner</p> <p>Entities under Glacial Energy Holdings all located at 2701 N. Dallas Parkway, Suite 120, Plano, Texas 75093.</p> <p>Glacial Energy of New York - Active          Glacial Energy of Texas, Inc. - Active          Glacial Energy of Maryland, Inc. - Active          Glacial Energy of New England, Inc- Approved by NEPOOL, currently in application process with state PUCs          Glacial Energy of New Jersey, Inc. - Active          Glacial Energy of Washington D.C., Inc- application in process          Glacial Energy of California, Inc- will be submitting application soon          Glacial Energy of Illinois, Inc- will be submitting application soon          Glacial Energy of Michigan, Inc.- will be submitting application soon</p> <p>Mr. Mole's affiliation with Franklin Power dba Energy West Resources not disclosed.</p>
<p><b><u>Michigan</u></b></p> <p>Approval Date: 06/02/2009</p> <p>License #: U-15922</p>	<p>Old Standard</p> <p>11. Has the applicant or any agent of the applicant within the past three years committed any violations of law or business ethics in connection with provision of energy or energy-related products and services anywhere in the United States that resulted in a conviction or acceptance of a penalty for said behavior? Yes _____ No <u>X</u></p> <p>If the answer is yes, explain the violations in an attachment to this application. Subsequent violations must be disclosed within 30 days.</p> <p>New Standard</p>

	<p>Has the applicant or any predecessor of the applicant during your company's history:</p> <ul style="list-style-type: none"> <li>• Mislead a potential customer into signing a contract;</li> <li>• Defaulted on a contract;</li> <li>• Did not abide by the terms of the contract;</li> <li>• Committed any violations of law or business ethics in connection with the provision of energy or energy-related products and services anywhere in the United States that resulted in a conviction or acceptance of a penalty for said behavior?</li> </ul> <p>If the answer is yes to any of the above, please explain in detail. Subsequent violations must be disclosed within 30 days.</p> <p>GLACIAL has not provided information to Michigan Public Service Commission</p>
<p><b><u>New Hampshire</u></b></p> <p>Approval Date: 09/02/08</p> <p>License #: <b>DM 08-108</b></p>	<p>(6) The following regarding any affiliate and/or subsidiary of the applicant:</p> <ol style="list-style-type: none"> <li>The name and business address of the entity;</li> <li>A description of the business purpose of the entity; and</li> <li>Regarding any agreements with any affiliated New Hampshire jurisdictional electric distribution company, a description of the nature of the agreement; None</li> </ol> <p>(15) A statement as to whether the applicant or any of the persons listed in (14) above has, within the 10 years immediately prior to registration:</p> <ol style="list-style-type: none"> <li>Had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation; b. Settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or</li> <li>Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;</li> </ol> <p>No officers or directors have had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation; b. Settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or are currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation.</p>



**New Jersey**Approval Date:  
7/19/2006License #:  
E SL-0076

11. Is the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders now under investigation in New Jersey, or any other state, or federal jurisdiction in connection with the sale or delivery of electricity or natural gas?

☐ Yes☒ No

If yes, attach a schedule giving details and provide relevant documents.

12. Has the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders been indicted, arrested (other than for motor vehicle violations) or convicted of any offense, crime, misdemeanor, or disorderly persons charge in New Jersey or any other state, or by the federal government?

☐ Yes☒ No

If yes, attach a schedule giving details and provide relevant documents.

13. Has the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders ever had a license, or right to engage in any business or profession, revoked, denied, suspended, or restrained by any agency of New Jersey or any other state, or by the federal government in connection with the sale or delivery of electricity or natural gas?

☐ Yes☒ No

If yes, attach a schedule giving details and provide relevant documents.

14. Has the applicant or any of the key operating personnel, officers, directors, partners, owners, or listed stockholders of your organization ever been subject to any disciplinary proceeding in connection with a license or right to engage in any business or profession in New Jersey, any other state, or by the federal government in connection with the sale or delivery of electricity or natural gas?

☐ Yes☒ No**New York**Approval Date:  
6/1/2005application #:  
D-199

- f. If you intend to market your services under other name (s) (i.e. dba) please list here: N/A

- h. Do you have any energy affiliates (including subsidiaries) located or operating within New York State? YES ☐ NO ☒

If so, provide the name, address, and contact information for any entity with an ownership interest of 10 percent or more in the company identified in section 1a and 1f above? Please provide additional sheets as necessary.

Name: Julie Cannon  
Address: 25 Highland Park Village Suite 100-516  
City, State, Zip: Dallas, TX 75205  
Telephone: (214) 354-2090 Fax: (214) 292-9431

Name: Gary Mole  
Address: 25 Highland Park Village Suite 100-516  
City, State, Zip: Dallas, TX 75205  
Telephone: (214) 354-2090 Fax: (214) 292-9431

- i. Have you provided the required information regarding criminal or regulatory sanctions imposed during the previous 36 months for any senior officer of the ESCO? (Use space below)  
YES ☐ NO ☒

<p><b><u>Ohio</u></b></p> <p>Approval Date: 05/26/2008</p> <p>Certificate #: 08-142 (1)</p>	<p><b><u>Exhibit B-5 "Disclosure of Liabilities and Investigations,"</u></b> 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.</p> <p><b>Exhibit B-5 Disclosure of Liabilities and Investigations</b></p> <p>Glacial Energy has no 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</p> <p><b>B-6</b> 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.</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>If yes, provide a separate attachment labeled as <b><u>Exhibit B-6 "Disclosure of Consumer Protection Violations"</u></b> detailing such violation(s) and providing all relevant documents.</p> <p><b>B-7</b> Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>If yes, provide a separate attachment labeled as <b><u>Exhibit B-7 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"</u></b> detailing such action(s) and providing all relevant documents.</p>
<p><b><u>Pennsylvania</u></b></p> <p>Approval Date: 7/29/2009</p> <p>Docket: <b>A-2009-2109572</b></p>	<p><b>COMPLIANCE:</b> State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.</p> <p>Glacial Energy Holdings Inc. and any of the Glacial entities currently licensed in 11 States and the District of Columbia have not been cited nor sanctioned of a crime involving criminal activity or fraud. Furthermore, Glacial Energy has not been a defendant or a respondent to any proceedings dealing with business operations.</p>
<p><b><u>Rhode Island</u></b></p> <p>Approval Date: 12/22/2006</p> <p>License #: D-96-6 (E3)</p>	<p>Application does not ask about affiliates or predecessor interests</p>



<p>Texas</p> <p>Test Flight Date: 03/06/2006</p> <p>Certificate #: 10123</p>	<p><b>Complaint history and compliance record during three calendar years prior to filing the application regarding the Applicant, utility related affiliates, predecessors in interest, and principals:</b></p> <p><b>RESPONSE:</b> Neither the Applicant nor its principals have a complaint history and/or compliance record during the three calendar years prior to filing the application. The Applicant does not have any utility related affiliates or any predecessors in interest.</p> <p><b>Statement indicating whether the Applicant is currently under investigation, or has been penalized, by an attorney general of any state or federal regulatory agency, either in this state or in another state or jurisdiction for violation of any deceptive trade or customer protection laws or regulations:</b></p> <p><b>RESPONSE:</b> The Applicant is not under investigation, nor has been penalized by an attorney general of any state or federal agency, either in this state or in another state or jurisdiction for violation of any deceptive trade or customer protection laws or regulations.</p> <p><b>Disclosure whether the Applicant, a predecessor, an officer, director or principal has been found liable for fraud, theft or larceny, deceit, or violations of any consumer protection or deceptive trade laws of any state.</b></p> <p><b>RESPONSE:</b> Neither the Applicant nor its officers, directors or principals have been found liable for fraud, theft, or larceny, deceit, or violations of any consumer protection or deceptive trade laws in any state. The Applicant does not have any predecessors in interest.</p> <p><b>Disclosure whether the Applicant, a predecessor, an officer, director or principal has been found liable for fraud, theft or larceny, deceit, or violations of any consumer protection or deceptive trade laws of any state.</b></p> <p><b>RESPONSE:</b> Neither the Applicant nor its officers, directors or principals have been found liable for fraud, theft, or larceny, deceit, or violations of any consumer protection or deceptive trade laws in any state. The Applicant does not have any predecessors in interest.</p>
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