

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  CORAL ENERGY RESOURCES, L.P.	DOCKET NO. CGP-06-1
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**ORDER APPROVING APPLICATION AND ISSUING CERTIFICATE TO PROVIDE  
LARGE VOLUME SERVICE**

(Issued September 22, 2006)

On August 31, 2006, Coral Energy Resources, L.P. (Coral), filed an application for a certificate as a competitive natural gas provider (CNGP) with the Utilities Board (Board). The application has been identified as Docket No. CGP-06-1. The Board's rules at 199 IAC 2.2(18) and 19.14 establish the filing requirements for an application for a certificate. Subrule 19.14(4) provides that an applicant will be notified when its application is complete and the 90-day review period begins. On September 6, 2006, the Board notified Coral that the application was complete and the 90-day review period had begun.

Coral is a wholly-owned subsidiary of Shell Oil Company and is a Delaware company. Coral has no affiliates engaged in the provision of competitive natural gas services. As evidence of Coral's authority to transact business in the state of Iowa, Coral provided a copy of its Application for Certificate of Authority filed with the Iowa Secretary of State. Coral indicates that the Secretary of State notified it that due to a backlog of work it will take additional time to process its Certificate of Authority.

Iowa Code § 476.87 requires that a competitive natural gas provider or aggregator must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The filing requirements of rules 2.2(18) and 19.14 specify the information necessary to review the managerial, technical, and financial abilities of the applicant.

Coral's application contains the professional background information for its principal managerial and technical personnel. It appears that Coral's staff possesses knowledge of and experience in various areas of the natural gas industry, including marketing of natural gas service. Coral indicates that it only intends to serve large volume customers in Iowa and Coral did not file the financial and operational information required for a certificate to serve small volume customers. Additionally, Coral expressed its commitment to comply with all applicable conditions of certification contained in 199 IAC 19.14(5) and (6). Coral also acknowledged that failure to comply with all applicable conditions may result in the revocation of its certificate.

Based on a review of Coral's application, the Board finds that Coral has reasonably demonstrated that it possesses the appropriate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. Therefore, the Board will issue Certificate No. G-0018 to Coral to serve large volume customers in Iowa. The certificate will indicate that if Coral chooses to serve small volume customers in the future, it must first submit the additional information

related to CNGPs serving small volume customers to the Board and receive an amended certificate prior to offering that service. Coral will be subject to the reporting requirements contained in 199 IAC 19.14(5)"c" once the certificate to provide competitive natural gas service is issued.

The Board is issuing the certificate to provide service to large volume customers even though Coral has not obtained a Certificate of Authority from the Iowa Secretary of State. The Board has no reason to believe that Coral will not receive a certificate from the Iowa Secretary of State's office. Coral should file a copy of the certificate once it is received.

**IT IS THEREFORE ORDERED:**

1 The application for a certificate as a competitive natural gas service provider to serve large volume customers in Iowa filed by Coral Energy Resources, L.P., on August 31, 2006, is approved.

2. Coral Energy Resources, L.P., shall comply with the filing requirements of 199 IAC 19.14(5).

3. Coral Energy Resources, L.P., shall file a copy of the Certificate of Authority from the Iowa Secretary of State once it is received and shall not commence providing service in Iowa until the filing is made.

4. Certificate No. G-0018 shall be issued to Coral Energy Services, Inc.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 22<sup>nd</sup> day of September, 2006.