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February 11, 2015

FEB 11 2015

Pennsylvania Public Utility Commission
Secretary
Keystone Building, 2nd Floor Room N201
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Source Power & Gas LLC's ("Applicant") Application to Supply Electricity Services to the Public in the Commonwealth of Pennsylvania

Dear Sir or Madam,

Applicant submits its public response to the Pennsylvania Public Utility Commission ("PUC") Application to Supply Electricity Services to the Public in the Commonwealth of Pennsylvania ("Application"). Included herein is one original and one .pdf on a cd-rom of the following: the Application; Appendix A- Application Affidavit; Appendix B- Operations Affidavit; Appendix C- Certificate of Service; Appendix F- Tax Certification Statement; public Exhibits A through O; and a check for \$350.00 covering the filing fee. In addition, Applicant provides Confidential Exhibit G, Confidential Exhibit H, Confidential Exhibit I, Confidential Exhibit J, Confidential Exhibit K, Confidential Exhibit M and Confidential Exhibit N under separate cover and seal.

Please be advised that Exhibit D, Applicant's Letter of Credit under Section 7, Financial Fitness, is currently under review by Jeff McCracken, Analyst in the Bureau of Technical Utility Services. The red-lined Letter of Credit form is attached for your ready reference. The issuing bank has requested to add language that more clearly outlines the timeline for drawing on the Letter of Credit. Upon the approval of these terms, the bank will issue the Letter of Credit and we will provide the PUC with the original version.

Should you have any questions, please contact the undersigned. I thank you in advance for your time and attention to this matter.

Respectfully,

Source Power & Gas LLC

By: [Signature]
Janna Thornberry, In House Counsel

Persons designated by Applicant to receive communication regarding the information contained herein:

Table with 2 columns and 3 rows listing contact information for John Werner, President and Janna Thornberry, Counsel, including email addresses and phone numbers.

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Source Power & Gas LLC, d/b/a Source Power & Gas LLC, for approval to offer, render, furnish, or supply electricity or electric generation services as a(n) [as specified in item #4b below] to the public in the Commonwealth of Pennsylvania (Pennsylvania).

To the Pennsylvania Public Utility Commission:

## 1. IDENTIFICATION AND CONTACT INFORMATION

a. **IDENTITY OF THE APPLICANT:** Provide name (including any fictitious name or d/b/a), primary address, web address, and telephone number of Applicant:

<b>Source Power &amp; Gas LLC</b>	<b>Toll Free Customer Care Number: (888) 557-0065</b>
<b>PO Box 181, 203 South 7th Street</b>	<b>Sales and Operations Number: (281) 690-4300</b>
<b>Beasley, TX 77417</b>	

b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT:** If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

**CT Corporation System  
116 Pine Street, Suite 320  
Harrisburg, PA 17101**

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c. **REGULATORY CONTACT:** Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

**John Werner, President and CEO**  
PO Box 181, 203 South 7th Street  
Beasley, TX 77417  
Telephone: (281) 690-4399  
Fax: (281) 690-4351  
Email: [jwerner@spgenergy.com](mailto:jwerner@spgenergy.com)

PA PUBLIC UTILITY COMMISSION  
REGULATORY BUREAU  
With copy to:  
**Janna Thornberry, Counsel**  
2150 Town Square Place, Suite 320  
Sugar Land, TX 77479  
Telephone: (281) 690-4396  
Email: [jthornberry@spgenergy.com](mailto:jthornberry@spgenergy.com)

d. **ATTORNEY:** Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

**Janna Thornberry, Counsel**  
c/o Source Operations Group LLC  
2150 Town Square Place  
Suite 320 Sugar Land, TX 77479

**Telephone: (281) 690-4396**  
**Email: [jthornberry@spgenergy.com](mailto:jthornberry@spgenergy.com)**

e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** Provide the name, title, address, telephone number, FAX number, and e-mail of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed EGSs.

**Kelli Mitchell, VP of Operations**  
c/o Source Operations Group LLC  
2150 Town Square Place, Suite 320  
Sugar Land, TX 77479  
Telephone: (281) 690-4335  
Fax: (281) 690-4351  
Email: [kmitchell@spgenergy.com](mailto:kmitchell@spgenergy.com)  
Email: [PAcomplaints@spgenergy.com](mailto:PAcomplaints@spgenergy.com)

**Janna Thornberry, Counsel**  
c/o Source Operations Group LLC  
2150 Town Square Place, Suite 320  
Sugar Land, TX 77479 Telephone:  
(281) 690-4396  
Fax: (281) 690-4351  
Email: [jthornberry@spgenergy.com](mailto:jthornberry@spgenergy.com)

**2. BUSINESS ENTITY FILINGS AND REGISTRATION**

a. **FICTITIOUS NAME:** *(Select appropriate statement and provide supporting documentation as listed.)*

The Applicant will be using a fictitious name or doing business as ("d/b/a")

Provide a copy of the Applicant's filing with Pennsylvania's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

**or**

The Applicant will not be using a fictitious name.

b. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:**

*(Select appropriate statement and provide supporting documentation. As well, understand that Domestic means being formed within Pennsylvania and foreign means being formed outside Pennsylvania.)*

The Applicant is a sole proprietor.

- If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

**or**

The Applicant is a:

- domestic general partnership (\*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above.
- Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.
- Provide the state in which the business is organized/formed and provide a copy of the Applicant's charter documentation.
- \* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

**or**

The Applicant is a:

- domestic corporation (15 Pa. C.S. §1308)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other (Describe):

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above. **See Exhibit A.**
- Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation. **See Exhibit B.**
- Give name and address of officers.

**John R. Werner, President and CEO**  
**PO Box 181, 203 South 7th Street**  
**Beasley, TX 77417**

### **3. AFFILIATES AND PREDECESSORS**

*(both in state and out of state)*

- a. **AFFILIATES:** Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

The Applicant has an affiliated U.S. company, Source Operations Group LLC ("SOG"), that is licensed in Texas. It provides Applicant with several retail electric provider services, such as billing, customer care, sales and marketing. SOG is not a public utility and is not applying to do business in Pennsylvania. Applicant and SOG are wholly owned by their parent company, SPG Energy Group LLC (a Texas limited liability company), which is wholly owned by ERM Business Energy LLC (a Texas limited liability company), neither of which are public utilities or are applying to do business in Pennsylvania.

- b. **PREDECESSORS:** Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

**The Applicant does not have any predecessors.**

#### 4. OPERATIONS

a. **APPLICANT'S PRESENT OPERATIONS:** *(select and complete the appropriate statement)*

Definitions

- Supplier – an entity that sells electricity to end-use customers utilizing the jurisdictional transmission and distribution facilities of an EDC.
- Aggregator - an entity that purchases electric energy and takes title to electric energy as an intermediary for sale to retail customers.
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of electric energy but does not take title to electric energy.

The Applicant is presently doing business in Pennsylvania as a

- municipal electric corporation
- electric cooperative
- local gas distribution company
- provider of electric generation, transmission or distribution services
- broker/marketer engaged in the business of supplying electricity services
- Other; Identify the nature of service being rendered.

**or**

The Applicant is not presently doing business in Pennsylvania.

b. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a *(may check multiple)*:

- Generator of electricity
- Supplier of electricity
- Aggregator engaged in the business of supplying electricity
- Broker/Marketer engaged in the business of supplying electricity services
  - Check here to verify that your organization will not be taking title to the electricity nor will you be making payments for customers.
- Electric Cooperative and supplier of electric power
- Other (Describe):

- c. **PROPOSED SERVICES:** Describe in detail the electric services or the electric generation services which the Applicant proposes to offer.

**Applicant intends to begin offering all classes of Pennsylvania customers in the entire Commonwealth retail electricity supply once it obtains its license to do so. Applicant intends to operate in much of the same way it operates in Texas, New Jersey, Ohio, Maryland and Illinois. Applicant will be selling both fixed rate and index products.**

- d. **PROPOSED SERVICE AREA:** Check the box of each Electric Distribution Company for which the Applicant proposes to provide service.

- |   |   |
|---|---|
| <input type="checkbox"/> Citizens' Electric | <input type="checkbox"/> Pike                                 |
| <input type="checkbox"/> Duquesne Light     | <input type="checkbox"/> PPL                                  |
| <input type="checkbox"/> Met-Ed             | <input type="checkbox"/> UGI Utilities                        |
| <input type="checkbox"/> PECO               | <input type="checkbox"/> Wellsboro                            |
| <input type="checkbox"/> Penelec            | <input type="checkbox"/> West Penn                            |
| <input type="checkbox"/> Penn Power         |   |
|   | <input checked="" type="checkbox"/> Entire Commonwealth of PA |

- e. **CUSTOMERS:** Applicant proposes to provide services to:

- Residential Customers
- Small Commercial Customers - (25 kW and Under)
- Residential and Small Commercial as Mixed Meter **ONLY (CANNOT BE TAKEN WITH RESIDENTIAL AND/OR SMALL COMMERCIAL ABOVE)**
- Large Commercial Customers - (Over 25 kW)
- Industrial Customers
- Governmental Customers
- All of above
- Other (Describe):

- f. **START DATE:** Provide the approximate date the Applicant proposes to actively market within the Commonwealth.

**As soon as License is issued and all applicable collateral documentation/certifications (e.g. EDC registrations) are in place/completed.**

## 5. COMPLIANCE

- a. **CRIMINAL/CIVIL PROCEEDINGS:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.

**The Applicant, its affiliates, predecessor and/or any person identified herein are not defendants in any criminal proceeding, currently or previously. Applicant was named in a lawsuit as defendant in 2013; Cause No. 2013-55985; Greenmountain Energy Company vs. Nick Parker and Source Power & Gas LLC, in the 157th Judicial District Court, Harris County, Texas.**

- b. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

**The above referenced legal proceeding is resolved and closed.**

- c. **CUSTOMER/REGULATORY/PROSECUTORY ACTIONS:** Identify all formal or escalated actions or complaints filed with or by a customer, regulatory agency, or prosecutory agency against the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, for the prior five (5) years, including but not limited to customers, Utility Commissions, and Consumer Protection Agencies such as the Offices of Attorney General. If the Applicant has no actions or complaints to list, explicitly state such.

**See Exhibit C.**

- d. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any actions listed above.

**The customer complaints mentioned in Exhibit C were all resolved by the Public Utilities Commission of Texas in favor of Applicant, with the exception of the complaint filed on July 21, 2014. No fine or penalty was assessed. No other complaints have been filed against Applicant in any other jurisdiction in which it holds a license to supply electricity.**

## 6. PROOF OF SERVICE

(Example Certificate of Service is attached at Appendix C)

- a. **STATUTORY AGENCIES:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, provide proof of service of a signed and verified Application with attachments on the following:

Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Office of the Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

- b. **EDCs:** Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, provide Proof of Service of the Application and attachments upon each of the Electric Distribution Companies the Applicant proposed to provide service in. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14. Contact information for each EDC is as follows.

**West Penn:**  
Legal Department  
West Penn Power d/b/a Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

**PECO:**  
Manager Energy Acquisition  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

**Duquesne Light:**  
Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD 16-4  
Pittsburgh, PA 15219

**PPL:**  
Legal Department  
Attn: Paul Russell  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

**Met-Ed, Penelec, and Penn Power:**  
Legal Department  
First Energy  
2800 Pottsville Pike  
Reading PA, 19612

**UGI:**  
UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12th Street, Suite 360  
Post Office Box 12677  
Reading, Pa 19612-2677

**Citizens' Electric Company:**  
Citizens' Electric Company  
Attn: EGS Coordination  
1775 Industrial Boulevard  
Lewisburg, PA 17837

**Pike County Light & Power Company:**  
Director of Customer Energy Services  
Orange and Rockland Company  
390 West Route 59  
Spring Valley, NY 10977-5300

**Wellsboro Electric Company:**  
Wellsboro Electric Company  
Attn: EGS Coordination  
33 Austin Street  
P. O. Box 138  
Wellsboro, PA 16901

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## 7. FINANCIAL FITNESS

a. **BONDING:** In accordance with 66 Pa. C.S. Section 2809(c)(1)(i), the Applicant is required to file a bond or other instrument to ensure its financial responsibilities and obligations as an EGS. Therefore, the Applicant is...

- Furnishing the **original** of an initial bond, letter of credit or proof of bonding to the Commission in the amount of \$250,000. **See Exhibit D.**
- Furnishing the **original** of another initial security for Commission approval, to ensure financial responsibility.
- Filing for a modification to the \$250,000 requirement and furnishing the **original** of an initial bond, letter of credit or proof of bonding to the Commission in the amount of \$10,000. Applicant is required to provide information supporting an amount less than \$250,000. Such supporting information must include indication that the Applicant will not take title to electricity and will not pay electricity bills on behalf of its customers. Further details for modification may be described as well.

- *At the conclusion of Applicant's first year of operation it is the intention of the Commission to tie security bonds to a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. The amount of the security bond will be reviewed and adjusted on an annual basis.*
- *Example version of a bond and letter of credit are attached at Appendix D & E, Applicant's security must follow language from these examples.*
- *Any deviation from these examples must be identified in the application and may not be acceptable to the Commission.*

b. **FINANCIAL RECORDS, STATEMENTS, AND RATINGS:** Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies. **See Exhibit E.**
- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient) **See Exhibit F.**
- Applicant's accounting statements, including balance sheet and income statements for the past two years. **See Exhibit G-CONFIDENTIAL.**
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form, evidence of Moody's, S&P, or Fitch ratings, and/or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee. **See Exhibit H- CONFIDENTIAL.**
- Audited financial statements exhibiting accounts over a minimum two year period. **See Exhibit G- CONFIDENTIAL.**
- Bank account statement, tax returns from the previous two years, or any other information that demonstrates Applicant's financial fitness. **See Exhibit I- CONFIDENTIAL.**

c. **SUPPLIER FUNDING METHOD:** If Applicant is operating as anything other than **Broker/Marketer only**, explain how Applicant will fund its operations. Provide all credit agreements, lines of credit, etc., and elaborate on how much is available on each item.

**See Exhibit J- CONFIDENTIAL.**

- d. **BROKER PAYMENT STRUCTURE:** If applicant is a broker/marketer, explain how your organization will be collecting your fees.

**Not applicable.**

- e. **ACCOUNTING RECORDS CUSTODIAN:** Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

**Jeff Hill, Controller  
Source Operations Group LLC  
c/o Source Operations Group LLC  
2150 Town Square Place, Suite 380  
Sugar Land, TX 77479**

**Telephone: (281) 690-4346  
Fax: (281) 690-4351  
Email: jhill@spgenergy.com**

- f. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix F to this application.

*All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identifications numbers (items 7A through 7C) shall be accompanied by supporting documentation or an explanation validating the absence of such information.*

*Items 7A and 7C on the Tax Certification Statement are designated by the Pennsylvania Department of Revenue. Item 7B on the Tax Certification Statement is designated by the Internal Revenue Service.*

**Appendix F is completed and follows this Application.**

## **8. TECHNICAL FITNESS:**

To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided.

- a. **EXPERIENCE, PLAN, STRUCTURE:** such information may include:

- Applicant's previous experience in the electricity industry.  
**See Exhibit K- CONFIDENTIAL.**
- Summary and proof of licenses as a supplier of electric services in other states or jurisdictions.  
**See Exhibit L.**
- Type of customers and number of customers Applicant currently serves in other jurisdictions.  
**See Exhibit M- CONFIDENTIAL.**
- Staffing structure and numbers as well as employee training commitments.  
**See Exhibit N- CONFIDENTIAL.**
- Business plans for operations within the Commonwealth.  
Enroll and supply customers with electricity products and services with first class customer service and best overall value in the market place.
- Documentation of membership in PJM, ECAR, MAAC, other regional reliability councils, or any other membership or certification that is deemed appropriate to justify competency to operate as an EGS within the Commonwealth.  
**See Exhibit O.**
- Any other information appropriate to ensure the technical capabilities of the Applicant.

b. **PROPOSED MARKETING METHOD** (check all that apply)

- Internal – Applicant will use its own internal resources/employees for marketing
- External EGS – Applicant will contract with a PUC **LICENSED EGS** broker/marketer
- Affiliate – Applicant will use a **NON-EGS** affiliate marketing company and or individuals.
- External Third-Party – Applicant will contract with a **NON-EGS** third party marketing company and or individuals
- Other (Describe):

c. **DOOR TO DOOR SALES:** Will the Applicant be implementing door to door sales activities?

- Yes
- No

If yes, will the Applicant be using verification procedures?

- Yes
- No

If yes, describe the Applicant's verification procedures.

**Applicant will use a recorded third party verification service.**

d. **OVERSIGHT OF MARKETING:** Explain all methods Applicant will use to ensure all marketing is performed in an ethical manner, for both employees and subcontractors.

**Applicant employs its own in house Customer Care department that are trained and supervised by our Director of Customer Care. Prior to offering any services in new markets, the Sales, Operations and Customer Care departments are all trained on any regulations governing marketing activity. Applicant also employs in house counsel to keep employees abreast of the latest regulatory developments in all the markets in which it supplies customers. Also, any third party marketers are contractually obligated to comply with all relevant state laws. Applicant also consults outside counsel for assistance in interpreting any new legislation.**

e. **OFFICERS:** Identify Applicant's chief officers, and include the professional resumes for any officers directly responsible for operations.

**See Exhibit K- CONFIDENTIAL.**

f. **FERC FILING:** Applicant has:

- Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.
- Received approval from FERC to be a Power Marketer at Docket or Case Number ER13-2073-000
- Not applicable

## 9. DISCLOSURE STATEMENT:

**Disclosure Statements:** If proposing to serve Residential and/or Small Commercial (under 25 kW) Customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix G to this Application.

- Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

*Not applicable for an applicant applying for a license exclusively as a broker/marketer.*

## 10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

- a. **PJM LOAD SERVING ENTITY REQUIREMENT:** As a prospective EGS, the applicant understands that those EGSs which provide retail electric supply service (i.e. takes title to electricity) must provide either:

- proof of registration as a PJM Load Serving Entity (LSE), or
- proof of a contractual arrangement with a registered PJM LSE that facilitates the retail electricity services of the EGS.

The Applicant understands that compliance with this requirement must be filed within 120 days of the Applicant receiving a license. As well, the Applicant understands that compliance with this requirement may be filed with this instant application.

*(Select only one of the following)*

- AGREED** - Applicant has included compliance with this requirement in the instant application, labeled in correspondence with this section (10).  
**See Exhibit O.**
- AGREED** - Applicant will provide compliance with this requirement within 120 days of receiving its license
- ACKNOWLEDGED** - Applicant is not proposing to provide retail electric supply service at this time, and therefore is not presently obligated to provide such information

- b. **STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission. Further, the Applicant agrees that it must comply with and ensure that its employees, agents, representatives, and independent contractors comply with the standards of conduct and disclosure set out in Commission regulations at 52 Pa. Code § 54.43, as well as any future amendments.

- AGREED**

c. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:

- Retail Electricity Choice Activity Reports: The regulations at 52 Pa. Code §§ 54.201--54.204 require that all active EGSs report sales activity information. An EGS will file an annual report reporting for customer groups defined by annual usage. Reports must be filed using the appropriate report form that may be obtained from the PUC's Secretary's Bureau or the forms officer, or may be down-loaded from the PUC's internet web site.
- Reports of Gross Receipts: Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.
- The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.
- Net Metering Reports: Applicant shall be responsible to report any Net Metering per the Standards on [http://www.puc.pa.gov/consumer\\_info/electricity/alternative\\_energy.aspx](http://www.puc.pa.gov/consumer_info/electricity/alternative_energy.aspx). Scroll down to the Net Metering Standards Section.
- Applicant shall report to the Commission the percentages of total electricity supplied by each fuel source on an annual basis per 52 Pa. Code § 54.39(d).
- Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.

AGREED

d. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.

AGREED

e. **ASSESSMENT:** The Commission does not presently assess Electric Generation Suppliers for the purposes of recovery of regulatory expenses; see *PPL Energyplus, LLC v. Commonwealth*, 800 A.2d 360 (Pa. Cmwlth. 2002).

ACKNOWLEDGED

f. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur to the information upon which the Commission relied in approving the original filing. See 52 Pa. Code § 54.34.

AGREED

- g. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

AGREED

- h. **NOTIFICATION OF CHANGE:** If your answer to any of these items changes during the pendency of your application or if the information relative to any item herein changes while you are operating within the Commonwealth of Pennsylvania, you are under a duty to so inform the Commission, within twenty (20) days, as to the specifics of any changes which have a significant impact on the conduct of business in Pennsylvania. See 52 Pa. Code § 54.34.

AGREED

- i. **CEASING OF OPERATIONS:** Applicant is also required to officially notify the Commission if it plans to cease doing business in Pennsylvania, 90 days prior to ceasing operations.

AGREED

- j. **Electronic Data Interchange:** The Applicant acknowledges the Electronic Data Interchange (EDI) requirements and the relevant contacts for each EDC, as listed at Appendix J.

AGREED

- k. **FEE:** The Applicant has enclosed or paid the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

PAYMENT ENCLOSED

## 11. AFFIDAVITS

- a. **APPLICATION AFFIDAVIT:** Complete and submit with your filing an officially notarized Application Affidavit stating that all the information submitted in this application is truthful and correct. An example copy of this Affidavit can be found at Appendix A.
- b. **OPERATIONS AFFIDAVIT:** Provide an officially notarized affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service. An example copy of this Affidavit can be found at Appendix B.

**12. NEWSPAPER PUBLICATIONS**

Notice of filing of this Application must be published in newspapers of general circulation covering each county in which the applicant intends to provide service. Below is a list of newspapers which cover the publication requirements for Electric Generation Suppliers looking to do business in Pennsylvania.

The newspapers in which proof of publication is required is dependent on the service territories the applicant is proposing to serve. The chart below dictates which newspapers are necessary for each EDC. If the applicant is proposing to serve the entire Commonwealth, please file proof of publication in all seven newspapers.

Please file with the Commission the Certification of Publication, along with a photostatic copy of the notice to complete the notice requirements.

Proof of newspaper publications must be filed with the initial application. Applicants **do not** need a docket number in their publication. Docket numbers will be issued when all criteria on the item 14 checklist (see below) are satisfied.

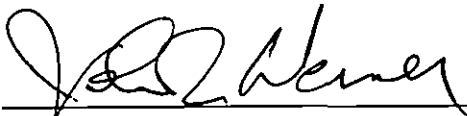
	Erie Times-News	Harrisburg Patriot-News	Philadelphia Daily News	Pittsburg Post-Gazette	Scranton Times-Tribune	Williamsport Sun-Gazette	Johnstown Tribune-Democrat
Citizens' Electric						X	
Duquesne				X			
Met Ed		X	X		X		
PECO			X				
Penelec	X	X			X	X	X
Penn Power	X			X			
Pike					X		
PPL		X	X		X	X	
UGI					X		
Wellsboro						X	
West Penn		X		X		X	X
Entire Commonwealth	X	X	X	X	X	X	X

(Example Publications are provided at Appendices H and I)

**RECEIVED**

**13. SIGNATURE**

FEB 11 2015

Applicant:   
 By: John R. Werner  
 Title: President

PA PUBLIC UTILITY COMMISSION  
 SECRETARY'S BUREAU

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
NOTICE**

*Application of **Source Power & Gas LLC** For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania.*

**Source Power & Gas LLC** will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as a supplier of electric power. **Source Power & Gas LLC** proposes to sell electricity and related services in Citizen's Electric, Duquesne Light Co., FirstEnergy, PECO, PPL Electric Utilities, UGI Utilities Inc. and Wellsboro Electric under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Source Power & Gas LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to **Source Power & Gas LLC** attorney at the address listed below.

By and through Counsel: Janna Thornberry

**Source Power & Gas LLC**

PO Box 181, 203 South 7<sup>th</sup> Street

Beasley, TX 77417

Phone: (281) 690-4396

FAX: (281) 690-4351

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SECRETARY'S BUREAU



### 14. CHECKLIST

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections are complete.

**Applicant:** Source Power & Gas LLC

✓	<b>Signature</b>	✓
✓	<b>Filing Fee</b>	✓
✓	<b>Application Affidavit</b>	✓
✓	<b>Operations Affidavit</b>	✓
✓	<b>Proof of Publication</b>	✓
✓	<b>Bond or Letter of Credit</b>	✓
✓	<b>Tax Certification Statement</b>	✓
✓	<b>Commonwealth Department of State Verification</b>	✓
✓	<b>Certificate of Service</b>	✓

Applicant's Use

PUC Secretary's Bureau Use

Appendix A

APPLICATION AFFIDAVIT

[Commonwealth/State] of Texas :

ss.

County of Fort Bend :

John R. Werner, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the President (Office of Affiant) of Source Power & Gas LLC (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein \_\_\_\_\_ has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein \_\_\_\_\_ has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein \_\_\_\_\_ acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein \_\_\_\_\_ acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

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

John R. Werner  
Signature of Affiant

Sworn and subscribed before me this 9<sup>TH</sup> day of February, 2015.

Rebekah Estrada  
Signature of official administering oath

My commission expires June 14, 2016



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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Appendix B

OPERATIONS AFFIDAVIT

[Commonwealth/State] of Texas :

ss.

County of Fort Bend :

John R. Werner, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the President (Office of Affiant) of Source Power & Gas LLC (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That Source Power & Gas LLC, the Applicant herein, acknowledges that [Applicant] may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That Source Power & Gas LLC, the Applicant herein, asserts that [he/she/it] possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That Source Power & Gas LLC, the Applicant herein, certifies to the Commission that it is subject to , will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2 ), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

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SECRETARY'S BUREAU

**Appendix B (Continued)**

That Source Power & Gas LLC, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

  
\_\_\_\_\_  
Signature of Affiant

Sworn and subscribed before me this 9<sup>TH</sup> day of February, 2015.

  
\_\_\_\_\_  
Signature of official administering oath

My commission expires June 14, 2016.



**Exhibit A**

**Section 2.b. Business Entity and Department of State Filings**

Attached to this Exhibit A is Applicant's Pennsylvania Foreign Limited Liability Company registration.

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**FEB 11 2015**

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**



February 11, 2015

Pennsylvania Department of State  
Corporation Bureau  
PO Box 8722  
Harrisburg, PA 17105-8722

*Re: Source Power & Gas LLC's Foreign Registration*

Dear Sir or Madam,

Source Power & Gas LLC has enclosed the following items in order to correct its original registration as a foreign limited liability company with the Pennsylvania Corporation Bureau, received on January 13, 2015.


- Corrected Application for Registration- Foreign
- Docketing Statement DSCB:15-134A, with new address for initial tax reports
- Copy of Letter from Bureau of Corporations and Charitable Organizations dated January 21, 2015

Please let us know if we can provide you with any other information.

Yours truly,

**Source Power & Gas LLC**

By:

  
Janna Thornberry, Counsel

Source Power & Gas LLC  
2150 Town Square Place, Suite 380  
Sugar Land, Texas 77479  
[jthornberry@spgenergy.com](mailto:jthornberry@spgenergy.com)  
Telephone: (281) 690-4396  
Facsimile: (281) 690-3451

**PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU**

**Application for Registration - Foreign**

(15 Pa.C.S.)

- Registered Limited Liability General Partnership (§ 8211)
- Registered Limited Liability Limited Partnership (§ 8211)
- Limited Partnership (§ 8582)
- Limited Liability Company (§ 8981)

Name <b>Source Power &amp; Gas LLC, Attn: Legal</b>				
Address <b>PO Box 181, 203 South 7th Street</b>				
City <b>Beasley</b>	State <b>Texas</b>	Zip Code <b>77417</b>		

Document will be returned to the name and address you enter to the left.



Fee: \$250

In compliance with the requirements of the applicable provisions (relating to registration), the undersigned, desiring to register to do business in this Commonwealth, hereby states that:

1. The name of the limited liability company/limited liability partnership/limited partnership in the jurisdiction in which it is formed:

**Source Power & Gas LLC**

2. The name under which the limited liability company/limited liability partnership/limited partnership proposes to register and do business in this Commonwealth is:

**Source Power & Gas LLC**

3. The name of the jurisdiction under the laws of which it was organized and the date of its formation:

Jurisdiction: **Texas** Date of Formation: **August 18, 2011**

4. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
<b>CT Corporation System</b>				<b>Dauphin</b>

5. Check and complete one of the following:

The address of the office required to be maintained by it in the jurisdiction of its organization by the laws of that jurisdiction is:

Number and street	City	State	Zip
-------------------	------	-------	-----

It is not required by the laws of its jurisdiction of organization to maintain an office therein and the address of its principal office is:

PO Box 181, 203 South 7th Street	Beasley	Texas	77417
Number and street	City	State	Zip

6. For Restricted Professional Limited Liability Company Only. Strike out if inapplicable: The company is a restricted professional company organized to render the following professional service(s):

---

**Limited Liability Partnership and Limited Partnership: Complete paragraphs 7 and 8**

7. The name and business address of each general partner.

Name	Business Address

8. The address of the office at which is kept a list of the names and addresses of the limited partners and their capital contribution is:

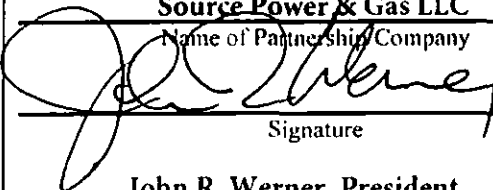
Number and street	City	State	Zip	County
-------------------	------	-------	-----	--------

The registered partnership hereby undertakes to keep those records until its registration to do business in the Commonwealth is canceled or withdrawn.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer/member or manager thereof this

11 day of Feb., 2015.

**Source Power & Gas LLC**  
Name of Partnership/Company

  
Signature

**John R. Werner, President**  
Title



Docketing Statement DSCB:15-134A (Rev 2012)  
 Departments of State and Revenue

One (1) required

**BUREAU USE ONLY:**  
 Dept. of State Entity # \_\_\_\_\_  
 Dept. of Rev. Box # \_\_\_\_\_  
 Filing Period \_\_\_\_\_ Date 3 4 5 \_\_\_\_\_  
 SIC/NAICS \_\_\_\_\_ Report Code \_\_\_\_\_

Check proper box:

*Pennsylvania Entities*

business stock  
 business non-stock  
 professional  
 nonprofit stock  
 nonprofit non-stock  
 statutory close  
 management  
 cooperative  
 insurance  
 benefit  
 limited liability company  
 restricted professional  
 limited liability company  
 business trust

*Foreign Entities*

State/Country Texas/U.S. Date 8/18/11

business  
 benefit  
 nonprofit  
 limited liability company  
 restricted professional  
 limited liability company  
 business trust

*Other*

domestication  
 division  
 consolidation

1. Entity Name:  
Source Power & Gas LLC

2. Individual name and mailing address responsible for initial tax reports:  
John Werner, PO Box 181, 203 South 7th St. Beasley TX 77417  
 Name Number and street City State Zip

3. Description of business activity:  
Electric generation and gas supplier

4. Specified effective date, if any:  
February 20, 2015  
 month/day/year hour, if any

5. EIN (Employer Identification Number), if any:  
37-1649234

6. Fiscal Year End:  
December 31

7. Fictitious Name (only if foreign corporation is transacting business in PA under a fictitious name):  
 \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS  
401 NORTH STREET, ROOM 206  
P.O. BOX 8722  
HARRISBURG, PA 17105-8722  
WWW.DOS.STATE.PA.US/CORPS

BUSINESS PROCESSING SECTION  
717-787-1057

RE: Source Power & Gas LLC

DATE: 01/21/2015

To Whom It May Concern:

The enclosed filing is being returned for the following reasons:

1. 125 - Line 4 (b) should only read: CT Corporation System - Dauphin. Delete the entire address. We do not require the certificate from Texas - do not resubmit it.
2. 161 - Your payment has been received. Please return this notice along with your corrected filing. Failure to do so may result in further rejections and penalties, if applicable.

Please return this letter or a copy thereof with the attached, date-stamped and corrected document within 30 days of the submission date of your document in order to retain your original file date if a filing is required. Rejection of a document does not constitute a name reservation.

"In accordance with 19 PA Code Section 11.12(d)(2) the dates on any missing documents or certificates, which are needed to support this submittal, must be operative or effective on or as of the original date of the submission in order for the original date to be retained."

For additional information regarding business and/or CORPS Filings, please visit our online "Searchable Database" located at [WWW.CORPORATIONS.STATE.PA.US/CORP](http://WWW.CORPORATIONS.STATE.PA.US/CORP).

Source Power & Gas, LLC  
PO Box 181  
203 South 7th Street  
Beasley, TX 77417

**Exhibit B**

**Section 2.b. Business Entity and Secretary of State Filings**

Attached to this Exhibit B is Applicant's Certificate of Formation of Limited Liability Company and current Certificate of Fact from the Secretary of State of Texas.

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709



**Certificate of Formation  
Limited Liability Company**

Filed in the Office of the  
Secretary of State of Texas  
Filing #: 801467296 08/17/2011  
Document #: 384258550002  
Image Generated Electronically  
for Web Filing

Filing Fee: \$300

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**Source Power & Gas LLC**

**Article 2 - Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be company named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

**Werner John**

C. The business address of the registered agent and the registered office address is:

Street Address:

**203 S. 7th Street Beasley TX 77417**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Managing Member 1: (Business Name) **Source Energy Services LLC**

Address: **203 S. 7th Street Beasley TX, USA 77417**

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer are set forth below.

**Emelda Beasley      203 E. 7th Street Beasley, TX 77417**

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

**OR**

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is: **August 18, 2011**

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Emelda Beasley**

Signature of Organizer

FILING OFFICE COPY



## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for Source Power & Gas LLC (file number 801467296), a Domestic Limited Liability Company (LLC), was filed in this office on August 17, 2011.

It is further certified that the entity status in Texas is in existence.

Delayed Effective date: August 18, 2011

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on January 07, 2015.



*NANDITA BERRY*

Nandita Berry  
Secretary of State

**Exhibit C**

**Section 5.c. Customer/Regulatory/Prosecutory Actions of Applicant and U.S. Affiliates**

<b>Customer Name</b>	<b>Date of Complaint</b>	<b>Complaint Type and Resolution</b>
Chris Offner	10/21/2013	Increased bills and usage since switching to Source. Issue closed by <i>Public Utility Commission of Texas ("PUCT")</i> in our favor.
Daniel Bell	3/19/2014	High Usage. Issue closed by PUCT in our favor.
John Hartley	6/20/2014	Utility was late in providing us the usage data for billing and the customer (who is in an area new to deregulation in May 2014) was concerned that he wouldn't receive a bill for several months and then would get hit with a large bill. Issue closed by PUCT in our favor.
Jack Kaufman	6/30/2014	Odd complaint. Customer signed up at Home and Garden show but then couldn't remember with which REPs he signed up. Emails weren't reaching him because he gave his computer to his daughter, and paper communications weren't reaching him because he provided us with a mailing address at which he was no longer located. Issue closed by PUCT in our favor.
Bianca Lopez	7/21/2014	Unauthorized Switch. PUCT said that the enrollment circumstances required a written enrollment rather than an online enrollment. Source returned the customer to her previous provider.
Tim Hutchings	8/28/2014	Contract Expiration / Variable price / High bill complaint. Issue closed by PUCT in our favor.
Daniel Cotlar	9/17/2014	Contract Expiration / Variable price / High bill complaint. Issue closed by PUCT in our favor.
Holiday Inn Houston East	10/28/2014	Unauthorized switch / contract dispute. Issue closed by PUCT in our favor.

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SECRETARY'S BUREAU

**Exhibit E**

**Section 7.b. Financial Records, Statements and Ratings**

Applicant and its affiliate, Source Operations Group LLC, are wholly owned by SPG Energy Group LLC. SPG Energy Group LLC is owned by ERM Business Energy, a Texas limited liability company. It is a wholly-owned subsidiary of ERM Power International Pty Ltd ("ERM Power International").

ERM Power International is a Queensland, Australia proprietary limited company. ERM Power International, in turn, is a wholly-owned subsidiary of ERM Power Limited ("ERM Power"). ERM Power is a publicly-traded Australian company listed on the Australian Securities Exchange under the symbol "EPW."

Neither ERM Power International nor ERM Power Limited are currently directly engaged in the sale of wholesale or retail electric power or natural gas in the United States.

*See the following page for Applicant's corporate organizational chart.*

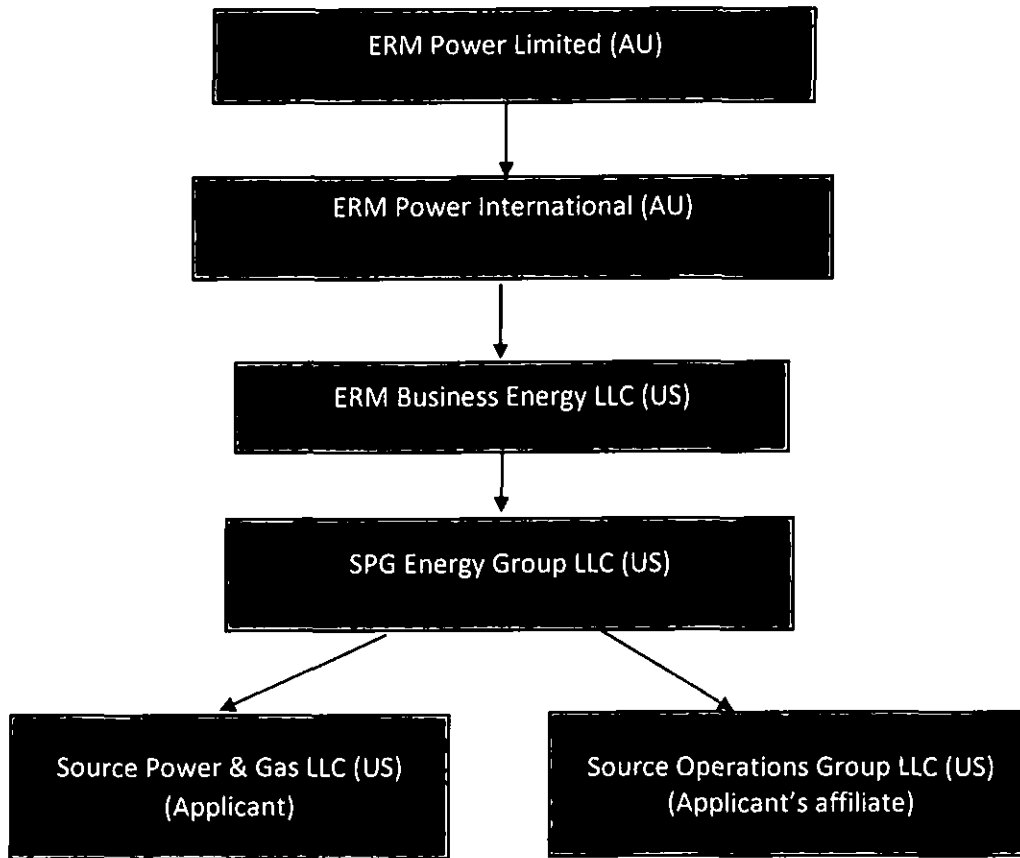
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**APPLICANT: SOURCE POWER & GAS LLC**



**Exhibit F**

**Section 7.b. Financial Records, Statements and Ratings**

Applicant's parent company's published annual report for 2014 can be found at the link below.

[http://www.ermpower.com.au/wp-content/uploads/2013/08/ERM-1293-AR-2014\\_WEB.pdf](http://www.ermpower.com.au/wp-content/uploads/2013/08/ERM-1293-AR-2014_WEB.pdf)

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**Exhibit G**

**Section 7.b. Financial Records, Statements and Ratings**

THIS RESPONSE CONTAINS PRIVILEGED AND/OR  
CONFIDENTIAL INFORMATION AND IS THEREFORE FILED  
CONFIDENTIALLY PURSUANT TO 52 PA. CODE §54.32.

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**Exhibit H**

**Section 7.b. Financial Records, Statements and Ratings**

THIS RESPONSE CONTAINS PRIVILEGED AND/OR CONFIDENTIAL INFORMATION AND IS THEREFORE FILED CONFIDENTIALLY PURSUANT TO 52 PA. CODE §54.32.

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**Exhibit I**

Section 7.b. Financial Records, Statements and Ratings

THIS RESPONSE CONTAINS PRIVILEGED AND/OR CONFIDENTIAL INFORMATION AND IS THEREFORE FILED CONFIDENTIALLY PURSUANT TO 52 PA. CODE §54.32.

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**Exhibit J**

Section 7.c. Supplier Funding Method

THIS RESPONSE CONTAINS PRIVILEGED AND/OR CONFIDENTIAL INFORMATION AND IS THEREFORE FILED CONFIDENTIALLY PURSUANT TO 52 PA. CODE §54.32.

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**Exhibit K**

Section 8.a. Experience, Place, Structure

Section 8.e. Officers

THIS RESPONSE CONTAINS PRIVILEGED AND/OR  
CONFIDENTIAL INFORMATION AND IS THEREFORE FILED  
CONFIDENTIALLY PURSUANT TO 52 PA. CODE §54.32.

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**Exhibit L**

**Section 8.a. Experience, Place, Structure**

Applicant is currently licensed to sell retail electricity by the following entities:

- Public Utilities Commission of Texas, Certified Retail Electric Provider (No. 10206)
- Illinois Commerce Commission, Certified Alternative Retail Electric Suppliers (No. 13-0710)
- Maryland Public Service Commission, License to Supply Electricity (No. IR-3233)
- New Jersey Board of Public Utilities, Electric Power Supplier License (No. ESL-0151)
- Public Utilities Commission of Ohio, Certified Competitive Retail Electric Service Provider (No. 13-753E(1))

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SECRETARY'S BUREAU



**Exhibit M**

Section 8.a. Experience, Place, Structure

THIS RESPONSE CONTAINS PRIVILEGED AND/OR  
CONFIDENTIAL INFORMATION AND IS THEREFORE FILED  
CONFIDENTIALLY PURSUANT TO 52 PA. CODE §54.32.

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**APPLICANT: SOURCE POWER & GAS LLC**

**Exhibit N**

**Section 8.a. Experience, Place, Structure**

THIS RESPONSE CONTAINS PRIVILEGED AND/OR  
CONFIDENTIAL INFORMATION AND IS THEREFORE FILED  
CONFIDENTIALLY PURSUANT TO 52 PA. CODE §54.32.

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SECRETARY'S BUREAU

**Exhibit O**

**Section 8.a. Experience, Place, Structure**

**Section 10.a. PJM Load Serving Entity Requirement**

Attached to this Exhibit O is Applicant's PJM Welcome Letter and mutually executed Application for Membership and Schedule 4- Standard Form of Agreement to Become a Member of the LLC. Also attached is Applicant's ERCOT Membership Application and Agreement for Membership Year 2015.

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FEB 11 2015

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU



955 Jefferson Ave.  
Valley Forge Corporate Center  
Norristown, PA 19103-2197

October 23, 2013

John Werner  
Source Power & Gas LLC  
PO Box 181  
203 South 7th Street,  
Beasley, TX 77417

Dear John Werner,

Welcome to PJM!

As promised, enclosed are the signed membership agreements for your records. To ensure your needs are met, PJM has assigned Client Manager, Lew Pinkerton, as your primary point of contact. He can be contacted at [pinkel@pjm.com](mailto:pinkel@pjm.com) or 610-666-2284. You may also contact our Customer Service Center at 866-400-8980 should you have any questions as well.

Thank you,

A handwritten signature in black ink, appearing to read 'Michelle M. Souder'.

Michelle M. Souder  
PJM Interconnection

Enclosures

Application for Membership  
Between  
PJM Interconnection, L.L.C.  
and

Source Power & Gas LLC

This Application for Membership Agreement ('Agreement') is entered into between PJM Interconnection, L.L.C. ('PJM') and ('Applicant'). The purpose of this Agreement is to apply to become a member of the PJM and to participate under the PJM Amended and Restated Operating Agreement, Third Revised Rates Schedule FERC No. 24 ('Operating Agreement'). The Applicant has read and understands the terms and conditions of the Operating Agreement. The Applicant agrees to accept the concepts and obligations set forth in this Agreement and the Operating Agreement posted on the PJM website at: <http://www.pjm.com/documents/agreements/pjm-agreements.aspx>.

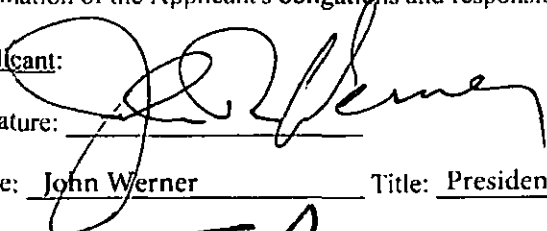
The Applicant also commits to supply data required for coordination of planning and operating, including data for capacity accounting, and agrees to pay all costs and expenses in accordance with the Operating Agreement and all other applicable costs under the PJM Open Access Transmission Tariff ("Tariff"). Such costs include but are not limited to: (i) payment obligations under Schedule 3 of the Operating Agreement; (ii) costs under Schedule 9 of the PJM Tariff; and (iii) potential default allocation payment obligations pursuant to Section 15.2 of the Operating Agreement (PJM may, under the Operating Agreement, declare members in default for not paying their invoices. If that occurs, PJM may pursue collection of the overdue invoices that exceed the collateral PJM holds from the defaulting member as well as take steps to terminate the defaulting members' membership. According to the Operating Agreement, all members are required to pay a portion of the payment default that exceeds the defaulting member's collateral held by PJM.)

The Applicant will pay the annual fee of \$5,000 for the remainder of the year of application upon notification of PJM application approval per Schedule 3.

The Applicant recognizes that it shall become a member of PJM effective as of the date that the Applicant receives the supplement to the Operating Agreement in the form prescribed in Schedule 4 of the Operating Agreement signed by the Applicant and countersigned by the President of PJM pursuant to section 11.6 of the Operating Agreement.

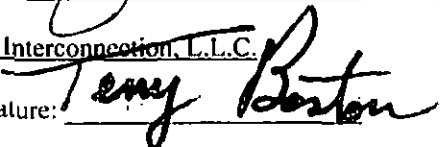
This Agreement will remain in effect until notice of termination is given in writing by the authorized representative of either the Applicant or PJM. Any financial obligations must be satisfied prior to termination of the Applicant's obligations and responsibilities under the PJM Agreement.

Applicant:

Signature: 

Name: John Werner Title: President Date: 10.7.13

PJM Interconnection, L.L.C.

Signature: 

Name: Terry Boston Title: President + CEO Date: 10/23/2013

**SCHEDULE 4**

**STANDARD FORM OF AGREEMENT TO BECOME A MEMBER OF THE LLC**

Any entity which wishes to become a Member of the LLC shall, pursuant to Section 11.6 of this Agreement, tender to the President an application, upon the acceptance of which it shall execute a supplement to this Agreement in the following form:

**Additional Member Agreement**

1. This Additional Member Agreement (the 'Supplemental Agreement'), dated as of October 23, 2013 is entered into among Source Power & Gas LLC and the President of the LLC acting on behalf of its Members.
2. Source Power & Gas LLC has demonstrated that it meets all of the qualifications required of a Member to the Operating Agreement. If expansion of the PJM Region is required to integrate Source Power & Gas LLC's facilities, a copy of Attachment J from the PJM Tariff marked to show changes in the PJM Region boundaries is attached hereto. Source Power & Gas LLC agrees to pay for all required metering, telemetering and hardware and software appropriate for it to become a member.
3. Source Power & Gas LLC agrees to be bound by and accepts all the terms of the Operating Agreement as of the above date.
4. Source Power & Gas LLC hereby gives notice that the name and address of its initial representative to the Members Committee under the Operating Agreement shall be:

John Werner  
PO Box 181, 203 South 7th Street,  
Beasley, TX 77417 United States

5. The President of the LLC is authorized under the Operating Agreement to execute this Supplemental Agreement on behalf of the Members.
6. The Operating Agreement is hereby amended to include Source Power & Gas LLC as a Member of the LLC thereto, effective as of October 23, 2013, the date the President of the LLC countersigned this Agreement.

IN WITNESS WHEREOF, Source Power & Gas LLC and the Members of the LLC have caused this Supplemental Agreement to be executed by their duly authorized representatives.

Members of the LLC  
By: Terry Boston  
Name: Terry Boston  
Title: President & CEO  
By: John Werner  
Name: John Werner  
Title: President



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.  
MEMBERSHIP APPLICATION AND AGREEMENT FOR MEMBERSHIP YEAR 2015**

This Membership Application and Agreement (Agreement) is by and between Electric Reliability Council of Texas Inc. (ERCOT) and Source Power & Gas LLC (Applicant). In consideration of the mutual covenants contained herein, the parties hereby agree that the Applicant shall become an ERCOT Member and receive the ERCOT Member Services and benefits described herein, subject to the terms and conditions of this Agreement. This Agreement shall be effective as of the date signed by the Applicant provided that the Applicant meets all of the qualifications for ERCOT Membership.

Capitalized terms that are not defined in this Agreement shall have the meaning as defined in the ERCOT Bylaws or the ERCOT Protocols.

**A. Membership Application Information**

1. Name of Entity applying for Membership: Source Power & Gas LLC
2. Type of Membership: Check **ONE** type of Membership. *Affiliated Entities as defined in the ERCOT Bylaws may hold only one Corporate Membership.*

Entities applying for additional Memberships, such as an Associate Membership, must use a separate Agreement for each Membership. The applicable fees are listed below and entitle Members to services ERCOT provides such as hosting ERCOT meetings, providing Members with necessary information and such other Member Services as may from time to time be offered. Please note that any Member may request that the Member's Annual Member Service Fees be waived for good cause shown.

**Corporate.** Voting. \$2,000 per Membership Year (except Residential and Commercial Consumer Members fees are \$100 per year). Corporate Membership includes the right to vote on matters submitted to the general membership such as election of Board Directors, election of Technical Advisory Committee (TAC) Representatives and TAC subcommittees thereof and amendments to the Articles of Incorporation and the ERCOT Bylaws. Residential Consumer Members do not elect a Director to represent the Residential Consumer interests as the Public Counsel is mandated to represent these interests.

**Associate.** Non-voting. \$500 per Membership Year (except Residential and Commercial Consumer Members fees are \$50 per year). Associate Membership includes no voting rights. However, an Associate Member may be elected by Corporate Members to serve as a voting member of the Board, TAC or a TAC subcommittee thereof.

**Adjunct.** Non-voting. \$500 per Membership Year. Entities not meeting the Segment requirements for Membership may join as Adjunct Members upon Board approval. Adjunct Membership does not include voting rights or the right to be elected to the Board, TAC or a TAC subcommittee thereof.

3. The Applicable Annual Member Services Fee must accompany this Agreement and be delivered to ERCOT by the Record Date in order for the Member to participate in the elections for the Membership Year. Please make checks payable to ERCOT and mail to ERCOT, Attention: Legal Department, 7620 Metro Center Drive, Austin, Texas 78744. Please send an email to [membership@ercot.com](mailto:membership@ercot.com) for wire instructions.

4. Segment Participation: (Check ONE Segment designation.)

**Consumer.** Any Entity representing the interests of end-users of electricity in the ERCOT Region.

Check **ONE** Subsegment designation:

**Residential Consumer**

**Small Commercial Consumer** (Peak demand of 1000 KW or less)

**Large Commercial Consumer** (Peak demand greater than 1000 KW)

**Industrial Consumer** (Average monthly demand greater than 1 megawatt and engaged in an industrial process)

**Cooperative.** An Entity operating in the ERCOT Region that is: (i) a corporation organized under Chapter 161 of the Texas Utilities Code or a predecessor statute to Chapter 161 and operating under that chapter; (ii) a corporation organized as an electric cooperative in a state other than Texas that has obtained a certificate of authority to conduct affairs in the State of Texas; (iii) a cooperative association organized under Tex.Rev.Civ.Stat. 1396-50.01 or a predecessor to that statute and operating under that statute; or (iv) a River Authority as defined in Tex. Water Code §30.003.

**Independent Generator.** Any Entity that is not a Transmission and Distribution Entity (T&D Entity) or an Affiliate of a T&D Entity and (i) owns or controls generation of at least 10 MW in the ERCOT Region; or (ii) is preparing to operate and control generation of at least 10 MW in the ERCOT Region, and has approval of the appropriate governmental authority, has any necessary real property rights, has given the connecting transmission provider written authorization to proceed with construction and has provided security to the connecting transmission provider.

**Independent Power Marketer.** Any Entity that is not a T&D Entity or an Affiliate of a T&D Entity and is registered at the Public Utility Commission of Texas (PUCT) as a Power Marketer to serve in the ERCOT Region.

**Independent REP.** Any Entity that is certified by the PUCT to serve in the ERCOT Region as a Retail Electric Provider (REP) under PURA §39.352 and that is not an Affiliate of a T&D Entity operating in the ERCOT Region.

**Aggregators** may register to participate in this Segment if unable to qualify in any other Segment.

**Investor-Owned Utility.** (i) An investor-held, for-profit "electric utility" as defined in PURA §31.002(6) that (a) operates within the ERCOT Region, (b) owns 345 kV interconnected transmission facilities in the ERCOT Region, (c) owns more than 500 pole miles of transmission facilities in the ERCOT Region, or (d) is an Affiliate of an Entity described in (a), (b) or (c); or (ii) a public utility holding company of any such electric utility.

**Municipal.** An Entity operating in the ERCOT Region that owns or controls transmission or distribution facilities, owns or controls dispatchable generating facilities, or provides retail electric service and is either: (i) a municipally owned utility as defined in PURA §11.003 or (ii) a River Authority as defined in Tex. Water Code §30.003.



5. Identify your designated representative for required notices to ERCOT Members and for participation in meetings of the Corporate Members:

Name: John Werner  
Title: President  
Address: PO Box 181, 203 South Street  
City, State, Zip: Beasley, TX 77417  
Phone: (281) 690-4399  
Fax: (281) 690-4351  
Email: [jwerner@spgenergy.com](mailto:jwerner@spgenergy.com)

6. List any other ERCOT Memberships held by the Applicant or any Affiliates (attach extra pages if necessary):

(a) Entity name: \_\_\_\_\_  
Segment: \_\_\_\_\_

(b) Entity name: \_\_\_\_\_  
Segment: \_\_\_\_\_

(c) Entity name: \_\_\_\_\_  
Segment: \_\_\_\_\_

## **B. Membership Agreement**

1. **Membership.** Membership in ERCOT is open to any Entity that meets any of the Segment definitions set forth in the Bylaws. Members must be an organization that either operates in the ERCOT Region or represents consumers within the ERCOT Region. Members may join as a Corporate, Associate or Adjunct Member subject to the criteria set forth in the ERCOT Bylaws. Members must apply for Membership through an authorized officer or agent.

2. **Fees.** Annual Member Services Fees are described in the ERCOT Bylaws and may be changed through the procedure set forth therein. Any change in fees shall automatically become effective as to all ERCOT Members without the necessity of amending this Agreement. All Memberships are year to year and must be renewed annually. Annual Member Services Fee renewals shall be due by the record date for the annual membership meeting. Membership fees may not be prorated. This Agreement shall renew in yearly increments upon ERCOT's receipt of the following (1) Member's Renewal Application and (2) Member's applicable Annual Member Services Fee. Any Member may request that the Member's Annual Member Service Fees be waived for good cause shown.

3. **Application for Membership.** Members will submit the following items in order to apply for Membership: (i) payment of the Annual Member Services Fee and (ii) a signed copy of this Agreement. Upon approval, ERCOT will promptly notify Member Applicant of the same.

4. **Change of Designated Representative.** An ERCOT Member may change its representative at any time by written request (signed by a duly authorized representative of the ERCOT Member) submitted to the ERCOT Legal Department at [membership@ercot.com](mailto:membership@ercot.com).

5. **Suspension and Expulsion.** All ERCOT Members shall abide by the ERCOT Bylaws, as they may be amended from time to time, and any other rule or regulation duly adopted by the Board of

Directors. Any ERCOT Member, who willfully violates any provision of this Agreement, the ERCOT Bylaws, or any other rule or regulation duly adopted by the Board of Directors, may be reprimanded, suspended, and/or expelled in accordance with procedures adopted by the Board of Directors or set forth in the ERCOT Bylaws. Such action will affect all persons deriving Membership privileges through such ERCOT Member.

6. **Amendment.** This Agreement may be amended, modified, superseded, canceled, renewed, or extended and the terms and conditions hereof may be waived only by a written instrument executed by both parties hereto or, in the case of a waiver, by the party waiving compliance.

7. **Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. Parties consent to the exclusive jurisdiction of Texas.

IN WITNESS WHEREOF, the Member certifies that (i) the Member meets the requirements for ERCOT Membership in the Segment designated herein; (ii) all information provided herein is true and correct to the best of the Member's knowledge; and (iii) through its authorized representative the Member agrees to be bound by the terms of this Agreement, the ERCOT Bylaws and any other requirements duly adopted by the Board of Directors.

By: \_\_\_\_\_

Printed Name: John Werner

Title: President

Date: October 21, 2014

**Exhibit D**

**Section 7.a. Bonding**

Attached to this Exhibit D is a copy of Applicant's proposed Letter of Credit from Sumitomo Corporation of Americas in the amount of \$250,000. Once approved by the PUC and the issuing bank, an original of the same will be shipped directly to the Pennsylvania PUC Secretary.

**RECEIVED**

FEB 11 2015

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

## Appendix C

FEB 11 2015

### CERTIFICATE OF SERVICE

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

On this the 9<sup>th</sup> day of February 2015, I certify that a true and correct copy of the foregoing application form for licensing within the Commonwealth of Pennsylvania as an Electric Generation Supplier and all attachments have been served, as either a hardcopy or a searchable PDF version on a cd-rom, upon the following:

Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

Legal Department  
West Penn Power d/b/a Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

Manager Energy Acquisition  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD 16-4  
Pittsburgh, PA 15219

Legal Department  
Attn: Paul Russell  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

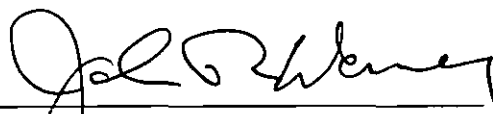
Legal Department  
First Energy  
2800 Pottsville Pike  
Reading PA, 19612

UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12th Street, Suite 360  
Post Office Box 12677  
Reading, Pa 19612-2677

Citizens' Electric Company  
Attn: EGS Coordination  
1775 Industrial Boulevard  
Lewisburg, PA 17837

Director of Customer Energy Services  
Orange and Rockland Company  
390 West Route 59  
Spring Valley, NY 10977-5300

Wellsboro Electric Company  
Attn: EGS Coordination  
33 Austin Street  
P. O. Box 138  
Wellsboro, PA 16901

  
\_\_\_\_\_  
John Werner, President, Source Power & Gas LLC

From: (281) 690-4396  
Janna Thornberry  
Source Operations Group LLC  
2150 Town Square Place Ste 380

Origin ID: SGRA



J151015011403uv

Ship Date: 11FEB15  
ActWgt: 3.0 LB  
CAD: 105259378/NET3610

Sugar Land, TX 77479

Delivery Address Bar Code



SHIP TO: (717) 787-1191

BILL SENDER

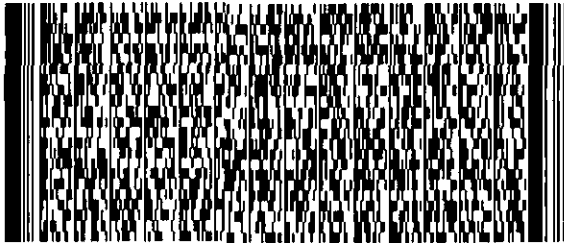
**Secretary**  
**PA Public Utility Commission**  
**Keystone Building**  
**2nd Floor, Room N201**  
**HARRISBURG, PA 17120**

Ref #  
Invoice #  
PO #  
Dept #

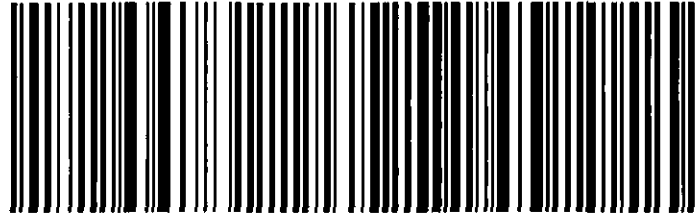
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0201

**ASR**  
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**PA-US**  
**MDT**



**SK MDTA**



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