



Alex Gilbert  
Regulatory Reporting Analyst  
Titan Gas, LLC DBA CleanSky Energy  
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January 22, 2024

**Submitted via e-filing**

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Lansing, MI 48917

**RE: Titan Gas LLC, DBA CleanSky Energy: Alternative Gas Supplier License Application Case No. U-21573**

Dear Ms. Felice:

Titan Gas, LLC DBA CleanSky Energy respectfully submits the application for an Alternative Gas Supplier License. Enclosed please find the Alternative Gas Supplier Application and associated attachments.

Should you have any questions or need additional information, please contact me at 814-297- 0560 or [agilbert@cleanskyenergy.com](mailto:agilbert@cleanskyenergy.com) .

Best Regards,

*Alex Gilbert*

Alex Gilbert

Regulatory Reporting Analyst

**ALTERNATIVE GAS SUPPLIER APPLICATION  
FOR THE MICHIGAN PUBLIC SERVICE COMMISSION  
RETAIL ACCESS PARTICIPATION AGREEMENT**

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Public Act 634 of 2002 (Act 634), MCL 460.9 et seq., which became effective on December 23, 2002, requires an Alternative Gas Supplier (AGS) selling natural gas at unregulated retail rates in Michigan to obtain a license from the Michigan Public Service Commission (Commission). Transportation gas customers are outside the retail choice program.

<http://www.legislature.mi.gov/documents/2001-2002/publicact/pdf/2002-PA-0634.pdf>

Section 9b of Public Act 634 states:

- (1) An alternative gas supplier shall not do business in this state without first receiving a license under this act.
- (2) An alternative gas supplier shall maintain an office within this state.
- (3) The Commission shall assure that an alternative gas supplier doing business in this state has the necessary financial, managerial, and technical capabilities and require the supplier to maintain records that the commission considers necessary.
- (4) The Commission shall require an alternative gas supplier to collect and remit to state and local units of government all applicable users, sales, and use taxes if the natural gas utility is not doing so on behalf of the supplier.

A license can be obtained by satisfactory completion of this application form referred to as the Retail Access Participation Agreement. Information must be supplied prior to processing a license request. All terms and conditions must be adhered to by applicant as a condition of maintaining a license. The applicant's signature on this form attests to the accuracy of the information submitted and commits applicant to adhere to the attached terms and conditions as set forth in the Commission's orders in Case Nos. U-11915, U-13694 and U-17580.

Failure to provide accurate information on this form, to furnish any required supporting information including required affidavits or to comply with the attached terms and conditions can result in denial or revocation of a license.

After an AGS submits its application:

1. The Commission Staff (Staff) reviews the application and the AGS's Terms and Conditions Agreement submission and consults with any needed experts and the applicant before making a recommendation to the Commission for approval or non-approval of the license.
2. The Staff's review process time will vary depending on initial application contents, additional information requirements and necessary meetings with the applicant to validate proprietary documentation.
3. The Commission will issue an ex parte order approving the issuance of a license if it is satisfied that the application meets the licensing criteria.

**PART I – FITNESS**

<p>1. Name, Michigan office address, phone and fax numbers, e-mail address and company website: Titan Gas LLC, DBA CleanSky Energy <b>Incorp Services, Inc.</b> <b>40600 Ann Arbor Road East - Ste 200</b> <b>Plymouth, Michigan 48170 US</b> <b>Tel: 888-355-6205 Fax: 800-681-1950</b> <a href="mailto:CustomerCare@CleanSkyEnergy.com">CustomerCare@CleanSkyEnergy.com</a> <a href="https://cleanskyenergy.com/">https://cleanskyenergy.com/</a></p>	<p>6. Specify type of provider (utility, marketer, utility affiliate):  <b>Marketer</b></p>
<p>2. Name of contact person, phone number and e-mail address for this application process: <b>Alex Gilbert, Regulatory Reporting Analyst</b> <b>Tel: 814-297-0560</b> <a href="mailto:agilbert@cleanskyenergy.com">agilbert@cleanskyenergy.com</a></p>	<p>7. Business affiliation (whether utility or other):  <b>None</b></p>
<p>3. If principal place of business is outside Michigan, provide name, address, telephone number, and e-mail: <b>Titan Gas LLC, DBA CleanSky Energy</b> <b>3355 W Alabama St, Suite 500 Houston, TX 77098</b> <b>Tel: 888-355-6205</b> <a href="mailto:CustomerCare@CleanSkyEnergy.com">CustomerCare@CleanSkyEnergy.com</a></p>	<p>8. FERC authorization type(s) and number(s) if applicable:  <b>Category I Seller</b> <b>Docket No. ER14-1767-002</b></p>
<p>4. Name, telephone number and e-mail of 24-hour contact person for customers: <b>Audrey Estrada</b> <b>(888) 733-5557</b> <a href="mailto:CustomerCare@CleanSkyEnergy.com">CustomerCare@CleanSkyEnergy.com</a></p>	<p>9. Broker’s name, address, telephone number, and e-mail (if applicable list all): <b>N/A</b></p>
<p>5. Type of legal entity (Corporate, Limited Liability Company, Partnership, etc.): LLC a) Date and State legal entity was organized: 10/14/2004 TX b) Purpose for which the legal entity was organized: All lawful purposes including supplying services as AGS c) Please submit your certificate of Authority to Transact Business in MI (if Foreign Corp, LLC, LPC). Please see <b>Attachment A</b></p>	<p>10. Please list past or future planned name changes (if applicable):  <b>Titan Gas, LLC</b> <b>Titan Gas and Power</b> <b>Clean Sky Energy</b> <b>CleanSky Energy</b></p>

11. State specifically whether the applicant, an affiliate or subsidiary of the applicant, or a predecessor in interest of the applicant, or an owner, shareholder, principal, officer, executive or director associated with the applicant ever:

- Misled a potential customer and thereby induced that potential customer to sign a contract;
- Defaulted on a contract;
- Did not abide by the terms of the contract;
- Exited the market due to the imposition of any energy related penalties or finings;
- 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 criminal or civil conviction or agreement to pay a penalty including any settlement imposed by a court or administrative agency?

If the answer is yes to any of the above, please explain in detail. Subsequent violations must be disclosed within 30 days to the Michigan Public Service Commission. **NO**

12. **Please submit a separate legal affidavit**, signed by a corporate officer with proper authority, which shall attest to the competence of the company's employees to market natural gas as an AGS.

Please see **Attachment B**.

## **PART II – COMPLIANCE COMMITMENT**

A supplier must demonstrate that it has the necessary technical and managerial capabilities to ensure adequate service to customers in Michigan. Please provide a complete summary of information covering the applicant's:

1. Corporate/Company history with Biographies of Key Personnel (this may include experience as a supplier of retail energy, including natural gas or electricity);

Please see **Attachment C** under separate cover.

2. All service quality and reliability issues:
  - The total number of customer complaints;
  - Any and all violations or failures to perform on customer contracts, obligations to sell, serve or otherwise provide gas to customers by the applicant or any predecessor or affiliate entity;

Please see **Attachment D** under separate cover.

3. Audited financial statements of the applicant for its two most recent fiscal years or other documentation, by affidavit, providing detailed factual data pertaining to applicant's financial standing. Please submit financials under separate cover if considered confidential;

Please see **Attachment E** under separate cover.

4. Please provide the means for the required \$100,000 bond or letter of credit to ensure adequate service to customers in Michigan. Draft language will be provided at a later date;

**Titan Gas, LLC DBA CleanSky Energy intends and has the means to provide surety bond to satisfy collateral and performance assurance requirements to ensure adequate service to customers in Michigan upon receipt of Commission's draft language.**

5. Overview of business plan including risk management strategy or policy;

Please see **Attachment G** under separate cover.

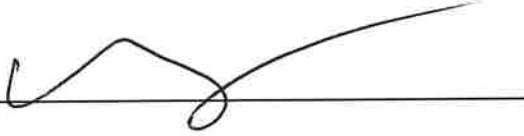
6. Outline of staffing and procedures for responding to customer inquiries and customer complaints.

Please see **Attachment H** under separate cover.

## **PART III - COMPLIANCE COMMITMENT**

By signing this application and providing the affidavit letter required in item 12 of this application, the applicant and its representatives (1) certify that the information provided herein is accurate and complete and (2) agree to abide by the provisions of this agreement including the Terms and Conditions for a Michigan alternative natural gas supplier.

Signature: \_\_\_\_\_



Date: 1/11/2024

Name and Title: Andy Beauchamp, Chief Regulatory and Compliance Officer

**ENCLOSURE - APPLICABLE APPLICATION REQUIREMENTS:**

E-Filing Cover Letter

**PART I – FITNESS**

I – 5 (c) Attachment A: Certificate of Authority to Transact Business in MI  
I – 12 Attachment B: Affidavit

**PART II – COMPLIANCE COMMITMENT - (confidential under separate cover)**

II – 1 Attachment C: Biographies of Key Personnel  
II – 3 Attachment D: All service quality and reliability issues  
II – 3 Attachment E: Audited Financial Statements 2021 & 2022  
II – 4 Attachment F: Surety Bond  
II – 5 Attachment G: Overview of Business Plan and Risk Management Strategy  
II – 6 Attachment H: Outline of Staffing and Procedures for responding to customer inquiries and customer complaints

**APPLICATION, SUBMISSION, AND LICENSE PROCESS:**

1. The application may be downloaded in PDF or Word format. Responses to Part I may be attached or the Part I items may be reformatted by expanding the application and inserting responses.
2. The compliance commitment must be signed and dated as indicated.
3. The Staff will contact you via email or phone to acknowledge receipt of application. The Staff also will notify you regarding any clarifications or needed additional materials. Once the Staff determines that the initial application materials are complete, the Staff will meet with principals of applicant to cover and discuss Application Part II information.
4. The financial information that is regarded as confidential will be archived at the Commission.
5. Upon completion of the application process, the Staff will make a recommendation to the Commission regarding the license. Granting of the license is by Commission order.

**Terms and Conditions**

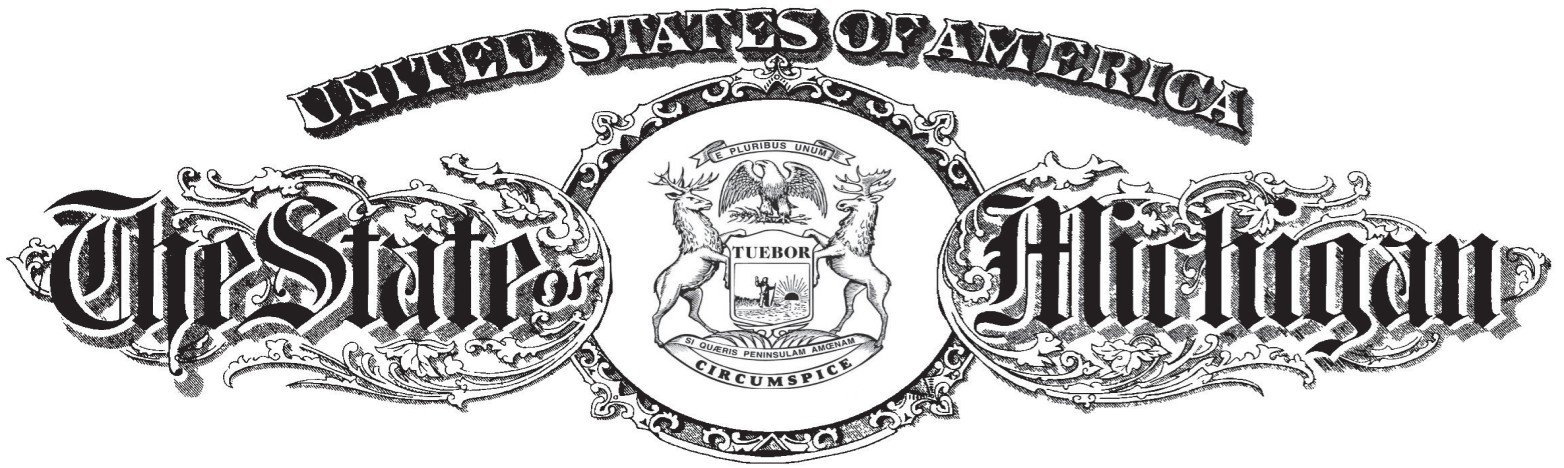
1. **Supplier contact information.** An AGS shall notify the Staff of any change in the AGS's name, corporate structure, Michigan address, telephone number, contact person or agent.
2. **Michigan office.** An AGS shall maintain a Michigan office. An AGS representative, toll free telephone number, e-mail address, and website must be made available at all times to enable customers to contact or make inquiry with the AGS.
3. **FERC authorization.** An AGS shall obtain any authorizations required by the FERC, including any authorization required by the FERC to become a natural gas retail marketer. An AGS shall notify the Staff within 30 days of any FERC determination regarding the AGS's provision of natural gas to retail customers.
4. **Business practices and ethics disclosure.** An AGS shall follow all state and federal laws, as well as Commission policies and practices that may be established. Violations of law or business ethics by an AGS, AGS's agent, affiliate or subsidiary of the applicant, or a predecessor in interest of the applicant, or an owner, shareholder, principal, officer, executive, or director associated with the applicant in connection with provision of energy or energy-related products or services anywhere in the United States that results in a conviction or acceptance of a penalty for said behavior must be disclosed to the Michigan Public Service Commission within 30 days of any conviction or penalty determined or imposed by a court or an administrative agency.
5. **Product/Service disclosures.** An AGS shall conform to all customer disclosure requirements set by the Commission under authority of Act 634.
6. **Product/Service marketing and contract practices.** An AGS shall ensure fair and truthful representation of all products or services provided under the gas customer choice program in Michigan.

7. **Customer enrollment and services.** Enrollment of customers in the Michigan retail access program shall strictly follow the procedures authorized by the Commission. Slamming (unauthorized switching) or cramming (unauthorized adding of additional products or services not requested by the customer) as outlined in subsections (2) and (4) of Act 634 constitute serious offenses in the enrollment process. An AGS shall not include or add products or services without authorization as outlined in Act 634 and shall conform to all state and federal laws and regulations regarding the retail sale of products and services.
8. **Termination of service to customer.** The delivery of natural gas is the sole province of the natural gas utility offering the gas customer choice program. Termination of service to a gas customer choice customer will be handled by the natural gas utility in conformity with all rules and procedures authorized by the Commission.
9. **Utility tariffs and rules of service.** AGSs shall comply with utility tariffs and rules of service established and authorized by the Commission or the FERC that are applicable to the AGS or its retail customers.
10. **Customer confidentiality.** Information obtained from a customer or a potential customer by an AGS or an agent of an AGS is to be held in strict confidence and shall not be disclosed unless disclosure of the information is necessary to service the customer or to verify the potential customer's credit information. In the event that a customer's or a potential customer's confidential information is disclosed to a third party for any purpose, the AGS shall ensure that the party to whom the information is disclosed is informed of the duty to maintain the confidentiality of such information in the future. Any other use of such confidential information is prohibited absent the express approval of the customer or potential customer. Solicitation for such approval shall not be commingled with other offers, contracts, or approvals.
11. **Customer data requests.** A customer shall have the right to obtain its own billing and natural gas consumption data that is in the possession of the AGS.
12. **Associated broker, aggregator, or marketer.** An AGS that relies on the services of brokers, aggregators, or marketers shall pledge a best faith effort to hold them in compliance with provisions of this agreement. AGSs shall supply the Staff with the address, telephone number, name of a contact, and business affiliation of any brokers, aggregators, or marketers used by the AGS.
13. **State taxes, fees and revenue collection.** An AGS shall collect and remit all applicable state taxes, fees, and charges levied on energy suppliers as a class of business providers, including those fees and charges established by the Commission to implement and enforce this program, unless the natural gas utility is doing so on behalf of the AGS.
14. **Reporting.** AGSs shall provide statistical data regarding their retail sales and wholesale transactions to the Commission and its Staff upon request. The books and records of an AGS shall be made available by the AGS so that the Commission and its Staff may verify the accuracy of the statistical data.
15. **Posting Offers on [MI.gov/CompareMIGas](http://MI.gov/CompareMIGas).** AGSs shall post rate offers to the Commission's website and are subject to the following procedures and requirements:
  1. All MPSC licensed AGSs will be issued a user-id and password, which permits each AGS to submit such information through a web-based interface.

2. The AGS is responsible for accurate and timely postings. The AGS will submit offers for posting as frequently as they become available. The AGS will be required to honor all uploaded pricing for residential and small commercial customers to the website. The AGS will expire all offers that are no longer available to customers. The AGS submitted offers will be limited to five per offer type per utility. The AGS will not offer a higher rate in the marketplace than what is posted on the website.
3. An AGS that is marketing to residential and small commercial customers must post to the website its generally available pricing offers for each type of offer available (i.e. fixed or variable) within each utility territory in which the AGS is marketing.
4. The AGS is required to populate all informational fields for each offer on the website.
5. Staff will act as a moderator of each AGS submission for posting. Staff will perform a cursory review of each submission for obvious errors before it becomes live on the website.
6. Each AGS will be required to provide its company logo in an acceptable format at the request of the MPSC Staff for inclusion on the website.
7. Staff will provide an AGS with timely notice and opportunity to cure any alleged violation of these Terms & Conditions, including the failure to report information or for reporting inaccurate information to the website. After timely notice and opportunity to cure, Staff may suspend AGS customer enrollments within the impacted utility service territory by filing a letter in the AGS licensing docket. Staff and/or the Commission will be able to remove a Staff-issued suspension. The Commission may impose consequences for continuous and/or repeated failures to abide by these Terms & Conditions. These consequences may include, but are not limited to:
  - i. Suspend AGS customer enrollments (per Commission order or Staff) within the impacted utility service territory.
  - ii. Revoke AGS eligibility (per Commission order) within the impacted utility service territory.

**Failure to comply with any of these Terms and Conditions can result in revocation of an AGS license by the Michigan Public Service Commission.**

Revised: September 2014  
F-01



Lansing, Michigan

This is to Certify That

**TITAN GAS, LLC**

a FOREIGN LIMITED LIABILITY COMPANY existing under the laws of the state of Texas

was validly authorized to transact business in Michigan on the 9th day of November, 2023,  
in conformity with 1993 PA 23.

Said company is authorized to transact in this state any business of the character set forth in its application which a domestic company formed under this act may lawfully conduct. The authority shall continue as long as the company retains its authority to transact such business in the jurisdiction of its organization, its authority to transact business in this state has not been suspended or revoked, and the company has not surrendered its authority to transact business in this state.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



In testimony whereof, I have hereunto set my hand,  
in the City of Lansing, this 9th day of November, 2023.

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau



ALTERNATIVE GAS SUPPLIER APPLICATION  
MICHIGAN PUBLIC SERVICE COMMISSION

LEGAL AFFIDAVIT

State OF Texas )

COUNTY OF HARRIS )

Andy Beauchamp, being first duly sworn states that:

- (1) I am the Chief Regulatory and Compliance Officer of Titan Gas, LLC DBA CleanSky Energy and certify that the information provided herein is accurate and complete and
- (2) agree to abide by the provisions of this agreement including the Terms and Conditions for a Michigan alternative natural gas supplier.

Signature of Affiant

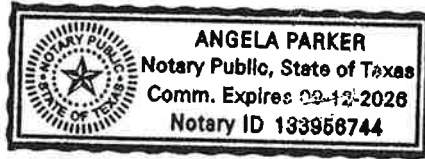
Name: Andy Beauchamp

Title: Chief Regulatory and Compliance Officer

Subscribed and sworn before me

This 11<sup>th</sup> day of January, 2024

\_\_\_\_\_  
Notary Public





## ATTACHMENT C

### Biographies of Principal and Chief Officers

#### **Alan Biney, President & Chief Executive Officer**

CleanSky Energy 2006 – Present

Started up and heads the retail and commercial sale of electricity and gas supply as CEO.

MASEFELD NATURAL GAS, INC

Houston, TX 2004 - July 2006

Started up and headed the Natural Gas Business centered on asset optimization. Secured certain strategic firm storage and transportation contracts with terms up to five years.

Utilizing certain hedging strategies, extracted option value from the assets.

Used a part of the \$ 1.5 billion in credit lines available to the Masefield AG trading group for the natural gas business.

STRUCTURED ENERGY SERVICES (SES) Houston, TX 2002 - 2004

Utilizing credit granted by two oil and gas producers, sold natural gas to three Utilities located in California, New York and Texas.

Structured transactions around natural gas storage, and supply deals with embedded derivatives, with storage facilities and end users, and brokered the transactions by presenting the transactions to certain oil and gas producers for execution. SES received a percentage of the margin.

TEXACO NATURAL GAS Houston, TX

Director, Derivatives Trading and Portfolio Management

1998 - 2002

Made markets in OTC Nymex Options, Locational (Index), Gas Daily Options, Nymex swaps, and managed the hedged portfolio. Traded and optimized a storage asset portfolio.

Options group supported a derivatives/structured transactions focused origination group.

Traded Nymex OTC and locational Options and fixed for float swaps.

Managed a natural gas storage portfolio by hedging injection and withdrawal of gas with futures and swaps time spreads, and Options.

Structured storage arbitrage deals

Structured deals for marketers using embedded financial products.

Developed Nymex and locational Options, and portfolio risk management model.

Developed a storage optimization model with quantitative group

Developed gas daily option pricing and position risk management model (peaking and daily strip).

Made markets in exotic Options and swaps such as Swaptions, Asians, Extendible swaps, and Spread Options including calendar and basis spread Options.

Evaluated and assisted in the process of selecting and implementing a new real time front and back office financial system with VAR capabilities.



## ATTACHMENT C

### Biographies of Principal and Chief Officers

SONAT MARKETING Houston, TX 1997 -1998

Director of Financial Trading/Deal Structure Desk

Senior Options Trader and managed Financial Derivatives Trading Desk. Started up the Deal Structure group in order to support the origination group with structured transactions.

Assisted in the construction of a business model enabling the creation of derivative products for marketing support.

Traded and managed the hedged portfolio of Nymex, Locational Options and Gas Daily Options.

Structured and assisted in structuring deals for marketers using embedded financial products.

Assisted in designing and implementing a real-time natural gas forward price curve model.

Designed and implemented Nymex and locational Options pricing and position risk

Developed an in-house real time front and back office financial trading and risk management system with IT group.

Nymex/Comex New York, NY 1994-1997

Metals and Energy Options Trader

Gold and Silver Options trader and hedged portfolio manager with DyDx Trading Corp.

Later become a market maker in Crack Spread Options on the Nymex.

DAIWA SECURITIES AMERICA INC. New York, NY 1991-1994

Government Bond Trader

Market maker in Treasury Notes, Bonds, Strips, and Options. P&L derived from origination business and trading for the firm's proprietary account.

COOPER NEFF & ASSOC. New York, NY 1990-1991

Options Trader

Traded and managed a hedged portfolio of Crude Oil Options and Natural Gas Options.

Received extensive training in Options market making, including Options theory and position risk management.

#### **Yara Abdur-Rahman, Chief Operations Officer**

CleanSky Energy 2017 - Present

Oversee Operations including Billing and Transactions, Enrollments, Quality Assurance, Training, Customer Service, Complaint Handling and Regulatory Affairs, and IT.

- Establish and implement departmental policies, goals, objectives, and procedures, conferring with executives and staff members as necessary.
- Determine staffing requirements, based on business goals and objectives
- Create Operating Department objectives with CEO, management team, and operating managers



## ATTACHMENT C

### Biographies of Principal and Chief Officers

- Identify and continuously improve operational systems and processes with scalability in mind, to support business growth while remaining efficient.
- Human Resource responsibilities including employee development

Vice President of Operations – CleanSky Energy, 2018 - 2020

Leadership focused directly on business operations including process improvement in various areas of the business including Enrollment and Transaction handling, Customer Service, Training and Quality Assurance.

- Collaborated with stakeholders to identify establish process and bridge gaps identified
- Evaluated third-party vendor's performance to determine best practices for company success.
- Closely worked with Sales Team to ensure proper procedures established to support sales goals
- Lead system development efforts with various software vendors

Director of Operations – CleanSky Energy, 2017 - 2018

Direct various teams to create operational processes needed for growth and new market entry.

- Worked with various managers to identify processes needed to meet company goals
- Directed team on configurations needed in various operational systems
- Helped establish concrete data sources for report building

Manager - Contract Management – Spark Energy 2016 - 2018

Lead team of professionals responsible for all enrollments and transaction handling.

- Streamlined process to support enrollment and transaction handling across various brands and systems
- Focused on employee development including cross training to ensure efficiency
- Created reporting and KPIs for enrollment processing and transaction handling
- Collaborated with various Sales Teams to assist with sales goals

Manager – Customer Operations – Oasis Energy 2011 - 2016

Managed the Business Operations Team that handled enrollment processing, billing and transactions, contract processing, complaint handling, customer correspondence

- Created processes for enrollment handling including vendor commission processing
- Oversaw complaint research and handling
- Ensured customer correspondence was sent as regulated by each market serviced

Manager – Customer Operations – Spark Energy, 2011 - 2011

Oversaw a group of individuals that made up the Customer Contact Center.



## ATTACHMENT C

### Biographies of Principal and Chief Officers

- Managed various projects as needed by the Operations group to improve and streamline processes.
- Oversaw contact center staffing by reviewing forecasting reports and current call volume
- Worked with Training and QA to identify training needs for contact center agents.

Customer Support Group Supervisor – Spark Energy, 2007 - 2011

Oversaw Customer Support Group that handled customer emails, correspondence, customer chats, TPV requests, and researching and responding to formal complaints.

Customer Service/CSG Lead – Spark Energy, 2004 - 2007

Responsible for assisting Customer Service Representatives with questions and/or customer escalations.

Customer Service Representative – Spark Energy, 2004 – 2004

Handled customer inquiries both by phone and in person.

Customer Service Representative – NRG, 2002 - 2004

Handled customer inquiries by phone in a 24-hour call center.

#### **Robert Moss, Chief Commercial and Administrative Officer**

Summary:

Chief Commercial and Administrative Officer with vast knowledge of both the retail and wholesale divisions of deregulated natural gas and electricity. Experience in most deregulated zones including ERCOT, PJM, MISO, CAISO, and NY. Current role requires managing all aspects of the company including risk, supply, and pricing.

Experience:

2012-present

Titan Gas and Power/CleanSky Energy

Chief Commercial and Administrative Officer

- Duties involve the creation of hedging strategies, pricing, sales, and supply of natural gas and power.
- Manage power and ancillary purchases through the PJM MUI, ISO-NE, and third-party suppliers
- Maintain a balanced portfolio with the market to avoid open positions to the market

Mega Energy

2006-2012



## ATTACHMENT C

### Biographies of Principal and Chief Officers

#### Senior Vice President

This role is responsible for increasing the customer portfolio, purchasing all supply, maintaining positive gross margins, and creating brand awareness. In the years at this position, the company's customer count and profit dramatically increased with minimal marketing budget while being risk adverse to the volatile wholesale supply market.

- Directly responsible for Sales, Supply, and Marketing for residential and small to medium commercial customers.
- Created all hedging and risk management policies and oversaw the company's adherence to these policies
- Negotiated long term Energy Management Supply contracts with wholesale suppliers
- Maintained a balanced portfolio to avoid risks to the volatile markets
- Turned around a company forecasted to lose money in the first year to become profitable within six months
- Worked with Operations to build an internal infrastructure to facilitate increased volumes
- Launched creative products for residential customer plans that increase the annual profit per customer
- Integrated new marketing campaigns via radio, television, sponsorships, and print
- Nurtured company from a start up to a mid-level Retail Electricity Provider with minimal risks

#### Reliant Energy

1998-2005

#### Manager of Day-Ahead Operations

Accountable for the distribution of wholesale generation output. This role required knowledge of natural gas, oil and wholesale power markets. Key factors included reaching goals of \$200-\$300 million of sales of the portfolio output via trades, pool sales, and capacity markets. Developed processes for new generator portfolios and managed power purchase agreements.

#### New York Operations

- Responsible for obtaining the annual goal of \$200 million of generation sales through capacity sales and energy sales into the NYISO
- Oversaw the compliance of the strict NYISO Zone J emission standards for NO<sub>2</sub> and SO<sub>2</sub> output for daily, monthly, and annual requirements
- Designed and implemented the IT software to handle the daily functions of managing the power plants
- Led the project management of the NY plants from Orion to Reliant

#### PJM Operations

- Ran the day to day operations of the PJM bidding processes
- Participated in the FTR and capacity market auctions
- Coordinated with plants and PJM outages to avoid strains on the power grid
- Annually reached the \$300 million goal for output sales of the generation portfolio using short-term and future trades, sales into the PJM pool, capacity market, and FTR auctions.



## ATTACHMENT C

### Biographies of Principal and Chief Officers

- During the initial purchase of the power plants from Sithe, lived in Pennsylvania and helped design and develop the daily processes and IT software still currently used
- Facilitated discussions on the feasibility of Power Purchase Agreements that led to positive gross profit from the output of the Aurora and Shelby power plants
- Point person for Reliant Retail in the PJM market for Retail and Origination desks in regard to pricing and supply.
- Project management for the transition of ownership from Sithe to Reliant

#### PG&E Energy Trading

##### Short Term Trader

- Managed the ERCOT and SPP trading portfolio for intra-month and prompt month basis
- Captured profit through trading real time positions during extreme conditions
- Schedule power with counterparties



January 22, 2024

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Lansing, MI 48917

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Regulatory Reporting Analyst  
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agilbert@cleanskyenergy.com

**RE: Titan Gas LLC DBA CleanSky Energy: MI PSC AGS Application – Attachment D - Service Quality, Reliability Issues, and Customer Complaint Data**

To Whom it May Concern,

Titan Gas, LLC DBA CleanSky Energy respectfully submits this letter to satisfy part of the Attachment D requirement regarding service quality, reliability issues, and customer complaint data. We hereby certify that there have been no violations or failures to perform on customer contracts, obligations to sell, serve or otherwise provide gas to customers by the applicant or any predecessor or affiliate entity.

Should you have any questions regarding this submission please contact me at 814-297-0560 or by email at agilbert@cleanskyenergy.com.

Best Regards,

*Alex Gilbert*

Alex Gilbert  
Regulatory Reporting Analyst  
Enclosure

# ATTACHMENT E - Customer Complaints by State and Class

Customer Count					Complaints				
State	Large Comm	Resi	Small Comm	Grand Total	Avg./Month	Residential	Small Commercial	Large Commercial	
DC		36	8724	53	8813	734	5	0	0
DE		0	77	3	80	7	0	0	0
IL		500	18	4652	5170	431	1	0	0
MA		25	138681	4362	143068	11922	16	0	0
MD		236	93150	581	93967	7831	26	0	0
NH		0	370	0	370	31	0	0	0
NJ		249	28378	4524	33151	2763	16	0	0
OH		875	286807	8473	296155	24680	134	1	0
PA		233	546795	37850	584878	48740	104	1	0
TX		71	113216	14502	127789	10649	13	0	0



Report of Independent Auditors  
and Financial Statements

**Titan Gas, LLC**

December 31, 2022 and 2021

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## Report of Independent Auditors

To the Members  
Titan Gas, LLC

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Titan Gas, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Titan Gas, LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Titan Gas, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter – Change in Accounting Principle*

As discussed in Note 1 to the financial statements, in 2022, the Company adopted new accounting guidance, Accounting Standards Codification (ASC) 842, *Leases*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Titan Gas, LLC's ability to continue as a going concern within one year after the date that the financial statements are issued.

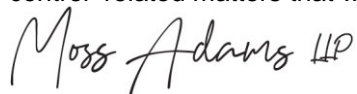
***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Titan Gas, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Titan Gas, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Portland, Oregon

April 27, 2023

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## **Financial Statements**

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**Titan Gas, LLC**  
**Balance Sheets**  
**December 31, 2022 and 2021**

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	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,486,604	\$ 4,340,714
Accounts receivable, net	15,404,297	12,110,793
Unbilled receivables	9,599,055	6,629,680
Prepaid expenses and other	4,894,456	4,134,412
Inventory	1,511,100	1,687,696
Total current assets	33,895,512	28,903,295
PROPERTY AND EQUIPMENT, net	844,432	1,149,445
RIGHT-OF-USE ASSETS	1,663,324	-
<b>OTHER ASSETS</b>		
Restricted cash	1,123,070	1,129,128
Deposits	252,150	203,850
Total other assets	1,375,220	1,332,978
Total assets	\$ 37,778,488	\$ 31,385,718
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 17,427,094	\$ 12,880,072
Pooled credit facility	13,298,131	12,339,473
Current portion of long-term debt	119,788	122,003
Current portion of lease liability	469,587	-
Customer deposits and overpayments	87,502	84,293
Total current liabilities	31,402,102	25,425,841
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	161,400	281,191
Lease liability, net of current portion	1,193,737	-
Total long-term liabilities	1,355,137	281,191
TOTAL LIABILITIES	32,757,239	25,707,032
Members' Equity	5,021,249	5,678,686
Total liabilities and members' equity	\$ 37,778,488	\$ 31,385,718

See accompanying notes.

**Titan Gas, LLC**  
**Statements of Income and Changes in Members' Equity**  
**Years Ended December 31, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
OPERATING REVENUES	\$ 146,862,599	\$ 109,625,160
COST OF REVENUES	<u>120,121,999</u>	<u>82,766,708</u>
GROSS PROFIT	<u>26,740,600</u>	<u>26,858,452</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>24,882,037</u>	<u>25,399,796</u>
INCOME FROM OPERATIONS	1,858,563	1,458,656
OTHER INCOME (EXPENSE), net	<u>(304,412)</u>	<u>(453,464)</u>
NET INCOME	1,554,151	1,005,192
MEMBERS' EQUITY, BEGINNING OF YEAR	5,678,686	10,744,486
DISTRIBUTIONS TO MEMBERS	<u>(2,211,588)</u>	<u>(6,070,992)</u>
MEMBERS' EQUITY, END OF YEAR	<u>\$ 5,021,249</u>	<u>\$ 5,678,686</u>

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See accompanying notes.

**Titan Gas, LLC**  
**Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

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	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 1,554,151	\$ 1,005,192
Adjustment to reconcile net income to net cash from operating activities		
Depreciation and amortization	459,945	408,877
Provision for doubtful accounts	707,798	141,376
Loss on disposal of equipment	3,709	6,284
Changes in		
Accounts receivable, net	(4,001,302)	(3,865,244)
Unbilled receivables	(2,969,375)	(537,670)
Prepaid expenses and other	(760,044)	259,546
Inventory	176,596	(1,422,045)
Deposits	(48,300)	(10,600)
Accounts payable and accrued expenses	4,547,022	3,862,411
Customer overpayments	3,209	(151,629)
	<u>(326,591)</u>	<u>(303,502)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(158,641)	(521,161)
	<u>(158,641)</u>	<u>(521,161)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Pooled credit facility advances/repayments, net	958,658	4,553,304
Payments on long-term debt	(122,006)	-
Distribution to members	(2,211,588)	(6,070,992)
	<u>(1,374,936)</u>	<u>(1,517,688)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,860,168)	(2,342,351)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	5,469,842	7,812,193
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 3,609,674</u>	<u>\$ 5,469,842</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u>\$ 845,429</u>	<u>\$ 614,169</u>
Noncash item		
Conversion of PPP payable to long-term debt	<u>\$ -</u>	<u>\$ 403,194</u>
Right-of-use assets obtained in exchange for operating lease liabilities	<u>\$ 1,977,005</u>	<u>\$ -</u>

See accompanying notes.

**Note 1 – Summary of Significant Accounting Policies**

**Nature of business** – Titan Gas, LLC ("Titan" or "the Company") was organized as a Texas limited liability company in 2005. No member or director shall be liable for the obligations of the Company except as provided by the State of Texas. The Company maintains its accounts on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operations and cash flows are summarized below.

Titan operates as a retail energy supplier under the dba of CleanSky Energy, selling natural gas to residential and commercial consumers in sixteen utility markets and electricity to residential and commercial consumers in thirty-six utility markets in Texas, Illinois, Pennsylvania, Ohio, New Jersey, Massachusetts, Maryland, and the District of Columbia.

The Company's ability to maintain and grow its customer base depends on its ability to provide natural gas and electricity at a reasonable price and its ability to compete effectively with other retail energy companies in the markets Titan serves, including those offering alternative fuel sources.

**Recently issued accounting pronouncements** – In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU No. 2020-04, *Reference Rate Reform* (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (ASU 2020-04), which was then further clarified by ASU 2021-01. The update provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions, subject to meeting certain criteria, that reference the London Inter-Bank Offered Rate, or another reference rate expected to be discontinued because of reference rate reform. The guidance in ASU 2021-01 is optional and may be elected over time, through December 31, 2024, as reference rate reform activities occur. Once ASU 2021-01 is elected, the guidance must be applied prospectively for all eligible contract modifications. The Company continues to evaluate the impact of ASU 2021-01 and may apply elections, as applicable, as the expected market transition to alternative reference rates continues to develop.

**Recently adopted accounting standards** – In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842) ("ASU 2016-02"). ASU 2016-02 outlines a comprehensive lease accounting model and supersedes the current lease guidance. The new guidance requires lessees to recognize lease liabilities and corresponding right-of-use assets ("ROU") for all leases with lease terms of greater than 12 months. It also changes the definition of a lease and expands the disclosure requirements of lease arrangements.

The Company adopted ASU 2016-02 on January 1, 2022 using the modified retrospective transition method as provided by the standard. In accordance with this transition method, results for the reporting period beginning on December 31, 2022 are presented under the new standard, while prior periods were not adjusted and continue to be reported in accordance with the previously applicable accounting guidance. The Company elected the "package of practical expedients," which allows it to not reassess under the new guidance prior conclusions about lease identification, lease classification, and initial direct costs. The Company also elected to not separate lease and non-lease components and the short-term lease recognition exemption for all leases that qualify, which means it will not recognize ROU assets or lease liabilities for leases with lease terms of less than twelve months. The Company did not elect the use-of-hindsight practical expedient.

**Titan Gas, LLC**  
**Notes to Financial Statements**

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**Use of estimates** – The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

**Commitments and contingencies** – The Company enters into various firm purchases and sale commitments for natural gas and electricity that do not meet the definition of a derivative instrument or for which the Company has elected the normal purchase or normal sales exception. Management does not anticipate that such commitments will result in any significant gains or losses based on current market conditions.

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

The Company is involved in various legal matters arising in the normal course of business. In the opinion of management, the amount of losses that may be sustained, if any, would not have a material effect on the financial statements of the Company.

**Cash and cash equivalents** – The Company considers demand deposits, money market deposits, and any other short-term investments with an original maturity of three months or less to be cash equivalents. At times, cash balances may exceed federally insured limits. The Company does not believe it is exposed to any significant credit risk on cash and cash equivalents and has not experienced any losses in such accounts.

**Restricted cash** – The Company has entered into agreements with a wholesale supplier (“Wholesaler”) to supply natural gas and electricity to Titan for resale to approved customers. The Wholesaler requires the Company to maintain a lockbox account in trust for the benefit of Wholesaler. The Company grants Wholesaler a first-priority security interest in all deposits of the lockbox account.

**Accounts receivable** – Accounts receivable are stated at the amounts that the Company expects to collect on outstanding balances. The Company provides for losses on receivables using the allowance method. The allowance is based on a review of the current status of existing receivables and other circumstances (such as the economy or litigation) which may affect the ability of third-party payers to meet their obligations. Receivables are considered impaired if all payments are not expected to be received in accordance with terms agreed upon by the parties. It is the Company’s policy to charge off uncollectible accounts when management determines the receivable will not be collected. The allowance for doubtful accounts as of December 31, 2022 and 2021 was \$989,662 and \$281,864, respectively.

## Titan Gas, LLC

### Notes to Financial Statements

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The Company conducts business in many utility services markets where the local regulated utility purchases its receivables, and then becomes responsible for billing the customer and collecting payment from the customer (“POR programs”). This POR service results in substantially all of the Company’s credit risk being linked to the applicable utility, which generally has an investment-grade rating, and not to the end-use customer. The Company monitors the financial condition of each utility and currently believes that its susceptibility to an individually significant write-off as a result of concentrations of customer accounts receivable with those utilities is remote. Trade accounts receivable that are part of a local utility’s POR program are recorded on a gross basis in accounts receivable in the balance sheet. The discount paid to the local regulated utilities is recorded in cost of revenues in the statement of income and changes in members’ equity.

**Inventory** – Inventory consists of natural gas used to fulfill and manage seasonality for fixed and variable- price retail customer load requirements and is valued at the lower of weighted average cost or net realizable value. Purchased natural gas costs are recognized in the statement of income and changes in members’ equity, within cost of revenues, when the natural gas is sold and delivered out of the storage facility. There were no inventory impairments recorded for the years ended December 31, 2022 and 2021. When natural gas is sold costs are recognized in the statement of income and changes in members’ equity, within cost of revenues, at the weighted average cost value at the time of the sale.

**Property and equipment** – Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated on the straight-line method over the estimated useful life of the asset. Property and equipment are depreciated over five to seven years. Leasehold improvements are amortized over the shorter of the asset life or the remaining lease term. Software development costs are amortized over its useful life. When assets are retired or disposed of, the cost and accumulated depreciation and amortization are removed from the accounts, and any resulting gains or losses are included in income. Maintenance and repairs are charged to expense in the period incurred.

**Revenue and cost recognition** – The Company’s revenues are derived primarily from the sale of natural gas and electricity to retail customers and wholesale counterparties. Revenues are recognized by the Company based on consideration specified in contracts with customers when performance obligations are satisfied by transferring control over products to a customer. Utilizing these criteria, revenue is recognized when the natural gas or electricity is delivered. Similarly, cost of revenues is recognized when the commodity is delivered. Because customers are invoiced at the time title transfers and the Company’s right to consideration is unconditional at that time, the Company does not maintain contract asset balances. Additionally, the Company does not maintain contract liability balances, as the performance obligations are satisfied prior to customer payment. The Company offers industry standard payment terms.

Revenues for natural gas and electricity sales are recognized upon delivery under the accrual method. Natural gas and electricity sales that have been delivered but not billed by period end are accrued. Accrued unbilled revenues are based on an analysis (“calendarization”) of subsequent two months billings to determine revenue that pertains to November and December delivery billed in a subsequent month.

Costs for natural gas and electricity sales are recognized as the commodity is delivered to the customer under the accrual method. Natural gas and electricity costs that are billed to the Company by suppliers in subsequent months are accrued based on the delivery period.

## Titan Gas, LLC

### Notes to Financial Statements

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The Company offers budget billing to its customers. When a customer enrolls in budget billing, the Company takes the customer's annual usage history and divides that amount by 12 months, which represents the monthly billing for that customer. An asset or liability is recorded for the difference between the payment and actual usage.

The Company recognizes costs from the sale of natural gas and electricity volumetrically, as measured by the customer's service utility, as delivered when title passes. Natural gas cost of sales includes the following costs: natural gas, gathering, transportation and storage costs, and electricity cost of sales include the following costs: electric generation and system reliability costs. Costs of both natural gas and electricity can vary significantly between periods based upon short-term and long-term arrangements with suppliers, hedging activities and other factors.

**Customer acquisition costs** – The Company capitalizes retail natural gas and electricity customer acquisition costs. Capitalized customer acquisition costs of \$4,766,591 and \$4,032,970 are recorded in current assets representing unamortized acquisition costs as of December 31, 2022 and 2021, respectively. Customer acquisition costs are spending for organic customer acquisitions and do not include customer acquisitions through merger activities. Amortized customer acquisition costs, recorded in selling, general and administrative expenses in the statement of income and changes in members' equity, was \$8,701,748 and \$9,610,378 for the years ended December 31, 2022 and 2021, respectively. Capitalized acquisition costs consist primarily of hourly and commission-based telemarketing costs, door-to-door agent commissions and other direct advertising costs associated with proven customer generation and are capitalized and amortized over the estimated fifteen-month average life of a customer in accordance with the provisions of FASB ASC 340- 20, Capitalized Advertising Costs.

Recoverability of customer acquisition costs is evaluated based on a comparison of the carrying amount of the customer acquisition costs to the future net cash flows expected to be generated by the customers acquired, considering specific assumptions for customer attrition, per unit gross profit, and operating costs. These assumptions are based on forecasts and historical experience.

**Natural gas imbalances** – The balance sheet includes natural gas imbalance payables, which primarily result when customers consume more gas than has been delivered by the Company to local distribution companies ("LDCs"). The settlement of natural gas imbalances varies by LDC, but typically the natural gas imbalances are settled in cash or in kind on a monthly or quarterly basis. The imbalances are valued at an estimated net realizable value. The Company recorded an imbalance payable of \$35,878 and \$33,282 in accrued expenses on the balance sheet as of December 31, 2022 and 2021, respectively.

**Sales tax** – Sales taxes that Titan collects from its customers are remitted to the various governmental entities on a net basis; therefore, there is no impact on Titan's statement of income and changes in members' equity.

**Gross receipts tax** – In certain states which Titan does business the Company is charged a gross receipts tax on revenue generated from sales within that state. Titan paid \$3,049,154 and \$2,608,084 in gross receipts tax for the years ended December 31, 2022 and 2021, respectively. This amount is included in selling, general and administrative expenses on Titan's statement of income and changes in members' equity. At December 31, 2022 and 2021 Titan recorded an accrual for gross receipts tax payable of \$795,647 and \$572,673, respectively, which is included in accounts payable and accrued expenses on Titan's balance sheet.

**Titan Gas, LLC**  
**Notes to Financial Statements**

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**Income tax** – The Company is treated as a partnership for income tax purposes and all income and expenses are reported in the tax returns of its members.

The Company applies the provisions of ASC Topic 740, Income Taxes (“ASC 740”), which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. Tax positions that meet the more likely than not recognition threshold may be recognized.

The Company's accounting policy related to income tax penalties and interest assessments is to accrue for these costs and record a charge to general and administrative expense for tax penalties and a charge to interest expense for interest assessments during the period that we take an uncertain tax position through resolution with the taxing authorities or the expiration of the applicable statute of limitations. The Company did not record any amounts related to penalties and interest during the years ended December 31, 2022 and 2021.

Management does not believe that the Company has any material uncertain tax positions at December 31, 2022. The Company's tax returns for 2021, 2020 and 2019 are still subject to examination by relevant taxing authorities.

**Leases** – For the year ended December 31, 2021, the Company accounted for leases in accordance with ASC 840, *Leases* (“ASC 840”). The Company categorized leases at their inception as either operating or capital. Under ASC 840, a lease arrangement was classified as a capital lease if at least one of the following criteria were met: (i) transfer of ownership to the Company prior to or shortly after the end of the lease term, (ii) the Company had a bargain purchase option during or at the end of the lease term, (iii) the lease term was equal to 75% or more of the underlying asset's economic life, or (iv) the present value of future minimum lease payments (excluding executory costs) was equal to 90% or more of the fair value of the leased property.

Rent expense was recorded in operating and administrative expenses in the statements of operations on a straight-line basis over the lease term. Deferred rent was the difference between rent payments and rent expense in any period and was recorded as a liability in the balance sheets and amortized as a reduction of rent expense over the term of the lease.

The Company adopted Topic 842 as of January 1, 2022. Under Topic 842, an arrangement is or contains a lease if there is one or more assets identified and the right to control the use of any identified asset is conveyed to the Company for a period of time in exchange for consideration. Control over the use of an identified asset means the lessee has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. The Company determines lease classification as either operating or finance at lease commencement and upon a modification, if necessary, which governs the pattern of expense recognition and the presentation reflected in the statements of operations over the lease term.

**Titan Gas, LLC**  
**Notes to Financial Statements**

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For contracts that contain lease and non-lease components, the Company has made the policy election to combine these into a single lease component. For leases with terms greater than 12 months, the associated lease right-of-use (“ROU”) assets and lease liabilities are recognized at the estimated present value of future lease payments over the lease term at the commencement date. The Company’s leases do not provide a readily determinable implicit rate; therefore, the Company uses an estimated incremental borrowing rate to discount the future minimum lease payments. For leases containing fixed rental escalation clauses, the escalators are factored into the determination of future minimum lease payments. The Company includes options to extend a lease in its determination of the lease term when it is reasonably certain that such options will be exercised. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. The Company’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after the balance sheet date and before the financial statements are available to be issued.

Management has evaluated subsequent events through April 27, 2023, the date on which the financial statements were available for issue.

**Reclassification** – Certain amounts from the prior year statement of cash flow have been reclassified in order to conform to the current year presentation.

**Note 2 – Property and Equipment, Net**

Property and equipment, net consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 455,827	\$ 434,390
Furniture and fixtures	315,643	293,182
Leasehold improvements	482,743	481,958
Software development cost	<u>880,635</u>	<u>773,135</u>
Total property and equipment	2,134,848	1,982,665
Less: accumulated depreciation and amortization	<u>(1,290,416)</u>	<u>(833,220)</u>
Total property and equipment, net	<u>\$ 844,432</u>	<u>\$ 1,149,445</u>

Depreciation and amortization expense totaled \$459,945 and \$408,877 for the years ended December 31, 2022 and 2021, respectively.

**Titan Gas, LLC**  
**Notes to Financial Statements**

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**Note 3 – Revenue**

The following table presents the Company's revenue, disaggregated by type:

	<u>2022</u>	<u>2021</u>
Electric sales	\$ 123,770,368	\$ 90,995,032
Gas sales	23,921,346	19,287,883
Less: Purchase of receivables	<u>(829,115)</u>	<u>(657,755)</u>
Total	<u>\$ 146,862,599</u>	<u>\$ 109,625,160</u>

**Note 4 – Pooled Credit Facility**

At December 31, 2022 and 2021, Titan had a \$15,000,000 pooled credit facility with a wholesaler. The maximum amount of borrowings available under this pooled credit facility will range from \$7,000,000 to \$25,000,000 based on the net worth of the Company and the trailing 12-month volumes of megawatt hours delivered to customers. The pooled credit facility is made up of three credit facilities. The revolving credit facility is to be used for operations of the Company and cannot exceed 50% of the pooled credit facility. The storage credit facility is used to purchase natural gas from the wholesaler or a local distribution company. The collateral credit facility shall be used solely for the purpose of posting required collateral in support of the Company's business with customers in service territories.

The revolver credit facility accrues interest at the higher of 3% or LIBOR plus 3% (6% at December 31, 2022 and 2021). Any outstanding amounts on the collateral and storage credit facility accrue interest at the higher of 3% or LIBOR plus 4% (7% at December 31, 2022 and 2021). Interest on the unpaid principal balance is payable monthly. The pooled credit facility will mature on April 22, 2025. The outstanding balance on the pooled credit facility at December 31, 2022 and 2021 was \$13,298,131 and \$12,339,473, respectively.

In addition, the Wholesaler has posted collateral worth \$2,371,985 and \$3,609,898 for the benefit of the Company at December 31, 2022 and 2021, respectively. This is less the collateral liability at December 31, 2022 and 2021 of \$354,046 and \$328,046, respectively. Substantially all of this collateral reduces available borrowings under the pooled credit facility. Interest accrues at the collateral credit facility rate for posted collateral. The pooled credit facility is secured by the lockbox account, and substantially all assets of the Company. The pooled credit facility is subject to certain covenants. At December 31, 2022, the Company was not in compliance with these covenants. Subsequent to year end, the Company obtained a waiver of these covenants from the Wholesaler for the year ended December 31, 2022.

Interest expense on the pooled credit facility during the year ended December 31, 2022 and 2021 was \$845,429 and \$614,169, respectively. Interest expense is included in other expenses in the statement of income and changes in members' equity.

**Titan Gas, LLC**  
**Notes to Financial Statements**

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**Note 5 – Long-term Debt**

On April 9, 2020, the Company received a Paycheck Protection Program (PPP) loan in the amount of \$1,195,418 administered by the Small Business Administration (SBA), to support eligible small businesses impacted by COVID-19. During the year ended December 31, 2021, the Company received \$792,224 for forgiveness of the PPP loan, and it was determined that \$403,194 of the PPP loan was not eligible for forgiveness. Monthly principal and interest payments of \$10,164 are due at a fixed annual rate of 1.00% until the loan matures on May 9, 2025. As of December 31, 2022 and 2021, \$281,188 and \$403,194 was outstanding, respectively.

Future maturities of the note payable are as follows at December 31, 2022:

2023	\$ 119,788
2024	120,867
2025	<u>40,533</u>
	<u>\$ 281,188</u>

**Note 6 – Concentrations**

Supplies of natural gas and electricity are purchased entirely from a single wholesaler. Should the Wholesaler cease delivery of these commodities, the Company can access other sources of natural gas and electricity. At December 31, 2022 and 2021, amounts due to the Wholesaler included in accounts payable and accrued expenses totaled approximately \$11,100,000 and \$7,540,000, respectively.

**Note 7 – Leases**

*For the Year Ended December 31, 2022*

The Company leases office buildings under non-cancelable operating leases for various terms through 2026. Certain lease agreements include renewal terms, at the Company's option, and rental increases throughout the term.

The Company's operating lease liability and right-of-use asset balances include leases for buildings. The components of lease expense were as follows for the year ended December 31, 2022:

Operating lease costs	<u>\$ 465,619</u>
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**Titan Gas, LLC**  
**Notes to Financial Statements**

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**CONFIDENTIAL**

The following table provides supplemental information related to operating leases for the purpose of the measurement of lease liabilities at or for the year ended December 31, 2022:

Operating cash flows for operating leases	\$ 457,135
Right-of-use assets obtained in exchange for operating liabilities	1,977,005
Weighted-average remaining lease term for operating leases (years)	3.81
Weighted-average discount rate for operating leases	8.08%

The following is a reconciliation of future undiscounted cash flows to the operating lease liability and the related ROU asset presented on the balance sheet at December 31, 2022:

Year ending December 31,	
2023	\$ 580,305
2024	590,740
2025	454,928
2026	<u>260,516</u>
Total undiscounted cash flows	1,886,489
Less present value discount	<u>(223,165)</u>
Total lease liabilities	<u><u>\$ 1,663,324</u></u>

*For the Year Ended December 31, 2021*

The future minimum lease payments as of December 31, 2021 were as follows:

Year ending December 31,	
2022	\$ 427,092
2023	437,806
2024	448,641
2025	303,475
2026	<u>174,195</u>
	<u><u>\$ 1,791,209</u></u>

Total rent expense for the year ended December 31, 2021 was \$608,943 recorded under accounting standards in effect for the prior period.



## **ATTACHMENT G**

Overview Of Business and Risk Management Strategy

TITAN GAS LLC dba TITAN GAS & POWER  
PRICING POLICY and RISK PROCEDURES

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**Effective as of May 1, 2016**

TITAN GAS LLC dba TITAN GAS & POWER  
PRICING POLICY and RISK PROCEDURES

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# TITAN GAS LLC dba TITAN GAS & POWER PRICING POLICY and RISK PROCEDURES

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## **Introduction**

Titan Gas LLC dba Titan Gas & Power (the "Company") is a Texas limited liability company which provides electricity, natural gas and related services. Its retail marketing operations target residential and small commercial customers situated in various utility regions across North America. The Company is subject to regulation by utility commissions in the respective states and provinces in which it operates, and to the rules and protocols of various Independent System Operators ("ISO").

## **Purpose**

The purpose of this document is to define the rules of pricing and risk management. Also, it defines the Risk Management Policy Committee.

Further information may be found in the Risk Management Policy document.

# TITAN GAS LLC dba TITAN GAS & POWER PRICING POLICY and RISK PROCEDURES

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## Section I: Retail Pricing Policy Rules and Procedures

### Retail Pricing – Philosophy, Strategy & Principles

In order to protect and maintain profit margins, the Company will follow these principles in the conduct of its business activities, and for guidance in the performance and execution of the Policy:

- Retail prices offered to customers shall cover all direct costs associated with fulfillment, and provide for a gross margin to cover selling, general and administrative expenses, and profits.
- Retail prices shall generally be structured to recover fixed monthly costs in a monthly charge, capacity costs in a demand charge, and variable costs in an energy charge, recognizing that there may be variances from product to product and month to month.
- The Company shall develop and maintain a flexible retail pricing model consistent with the Policy to generate accurate retail prices, and allow for quick re-pricing of products to respond to the expected frequent changes in wholesale prices.
- Front office personnel shall offer discounts to customers only after thorough analysis of its impact on profit margins, and approval has been given by the RMPC.

### Retail Pricing – Policy Statements

These policies address the problems that may surface when prices are poorly designed, or are otherwise not set in a manner that achieves management's business objectives:

**Policy Statement #1:** The Company shall set a target minimum gross margin at 10% of revenues,

**Policy Statement #2:** Retail prices shall be set using an RMPC-approved Retail Pricing Model; the Retail Pricing Model shall include at a minimum the following characteristics:

- Retail electricity prices generated by the Model shall be structured to recover fixed monthly costs in a monthly charge, capacity costs in a demand charge, and variable costs in an energy charge, recognizing that there may be minor variances from product to product and month to month;
  - Retail natural gas prices generated shall be structured to recover fixed monthly transportation costs, monthly commodity costs, and balancing costs in an all inclusive commodity charge recognizing that there may be minor variances from product to product and month to month'
  - Cost and market assumptions, including wholesale commodity prices, shall be based on current market conditions and/or updated to reflect changes in those conditions;
  - Items to be included in the computation of electricity costs shall, to the extent applicable to a product, include the following: (i) capacity; (ii) energy supply; (iii) transmission and ancillary services; (iv) line losses; (v) load shaping; (vi) EDC charges; (vii) renewable energy credits; (viii) supplier and scheduling fees; (ix) supply and ISO collateral costs; (x) provision for bad debts and/or charge for purchase of receivables programs and consolidated billing; (xi) working capital; (xii) gross receipts taxes; and (xiii) and other direct costs, such as EDI and VAN (Value Added Network) charges.
  - Items to be included in the computation of natural gas costs shall, to the extent applicable to a product, include the following: (i) transportation demand charges; (ii) energy supply; (iii) transportation commodity charges; (iv) line losses; (v) load shaping; (vi) LDC charges; (vi) provision for bad debts and/or charge for purchase of receivables programs and consolidated billing; (vii) working capital; (viii) gross receipts taxes; and (ix) and other direct costs, such as EDI and VAN charges.
- **Policy Statement #3:** The Company may discount initial product offers for any and all bona fide commercial goals, including marketing to prominent or marquis target customers, and to entice new customers to enroll and purchase its energy products and services; any discounts must be approved in advance by the RMPC. The Company will track gross profit by region to ensure profitability of specific States and Utility areas.

# TITAN GAS LLC dba TITAN GAS & POWER PRICING POLICY and RISK PROCEDURES

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## Section II: Supply Department Policy Rules and Procedures

### Supply Department – Strategy & Principles

In order to avoid unacceptable risks and speculative positions, the Company will follow these principles in the conduct of its business activities, and for guidance in the performance and execution of the Policy:

- To the extent feasible, priced sales commitments to customers shall be combined with a procurement strategy that attempts to match volumes sold to customers with volumes purchased from wholesale suppliers. Limits are provided in Exhibit A.
- Supply products that more closely follow customer consumption patterns, such as dynamic load profiles, and staircase load shapes, shall be considered when purchasing energy supplies.
- To the extent practicable, wholesale supplies shall be purchased to correspond to time periods appropriate to the underlying sales commitment (electricity considers on-peak and off-peak hours, days, weekdays, weekends, months, seasons and congestion zones).
- From time-to-time the Company may enter into transactions for the purchase of additional energy at fixed prices to mitigate volumetric risks due to seasonal weather variances. Any option purchase shall be made solely to offset additional seasonal demands and must be approved by RMPC.
- Customer attrition shall be calculated based on historical experience and used to more accurately forecast sales commitments to customers.

### Supply Department – Policy Statements

These policies are intended to address the risk that procurement activities do not fully satisfy and cover open sales commitments to customers, or otherwise introduce the Company to speculative risks:

- **Policy Statement #4:** At least weekly, the Company shall create a new customer consumption forecast using the latest weather forecasts, enrollment data, and any other relevant information. The Company shall include all of its priced sales obligations, including line losses, in preparing its forecast. The forecast shall be reported to management and monthly to the RMPC, and compared to and balanced with existing supplies to determine whether it is necessary to adjust its position by either purchasing additional supplies, or selling off existing supplies.
- **Policy Statement #5:** The Company shall procure energy supply to balance its daily market price exposure as adjusted for weather, recognizing that several factors can make this difficult, including (i) the impact of weather variances on consumption, (ii) customer enrollment uncertainties, and (iii) attrition. Authorized personnel may procure any or all of the following wholesale products: basis swaps, fixed for floating swaps, financially settled hedge products customarily offered or traded by Supplier, financially settled balance of day and day ahead swaps, fixed vs. real time and fixed vs. day-ahead market swaps, financially settled heat rate swaps, and any other financially settled hedge products.

To the extent practicable supply shall be procured that corresponds to the retail billing cycle, forecasted load shape and location of the underlying delivery obligation, considering on-peak hours, off-peak hours, weekdays, weekends, months, seasons, and congestion zones. All fixed price, long-term obligations shall be hedged with fixed-price purchases.

- **Policy Statement #6:** The Company shall endeavor to schedule its load accurately and timely with the ISOs/LDCs, and shall seek to avoid speculation between the day-ahead and real-time markets. To that end, the Company shall prepare its schedule with the goal of obtaining a deviation – between volumes scheduled in the day-ahead market, and volumes actually credited to its account – of no more than 5% monthly, recognizing that various factors may affect the accuracy of the schedules submitted by the Company to the ISOs.
- **Policy Statement #7:** No manager or employee may enter into any purchase or sale transaction on behalf of the Company which is not specifically being used as a business hedge in compliance with financing arrangements or being used to liquidate a hedge transaction. Management and

# TITAN GAS LLC dba TITAN GAS & POWER PRICING POLICY and RISK PROCEDURES

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employees responsible for energy transactions on behalf of the Company shall not be permitted to enter into, or direct others to enter into, any natural gas or electricity transactions of any kind for their own accounts.

The authority to enter into supply transactions may be delegated to employees or agents operating on behalf of the Company as designated by the RMPC from time to time.

## **Section III: Risk Management Policy Rules and Procedures**

### **Risk Management – Strategy & Principles**

In order to avoid unacceptable risks and speculative positions, the Company will follow these principles in the conduct of its business activities, and for guidance in the performance and execution of the Policy:

- The Company shall use past historical data and any known material differences for forecasting, scheduling and settlements, and for the measurement of risk exposures.
- Risk management shall actively measure and report on market, liquidity and credit exposures, and shall call attention to areas within the Company that need risk mitigation.
- The Risk Manager or RPMC shall periodically conduct a valuation or mark-to-market of risk positions.
- Customer attrition shall be calculated based on historical experience and used to more accurately forecast sales commitments to customers.

### **Risk Management – Policy Statements**

These policies are intended to address the risk that procurement activities do not fully satisfy and cover open sales commitments to customers, or otherwise introduce the Company to speculative risks:

- **Policy Statement #8:** The Company shall prepare a weekly report for the RMPC of its purchases, delivery commitments to customers, net hedge position, and risk exposures. These reports and analyses shall be evaluated by the RMPC, until the full-time employment of a Risk Manager. The RPMC will provide recommendations to the Risk Manager for additional hedge purchases, including addressing episodes of extreme price and consumption volatility.
- **Policy Statement #9:** At least once per year, the Company will conduct a planning and review meeting to evaluate past performance, review authorized activities, and stress-test the portfolio going into the summer or winter seasons. Stress tests shall be conducted to review the Company's exposure to abnormal weather events and market disruptions, and shall at a minimum measure the impact of market price changes on portfolio values.

## **Section IV: Back Office Policy Rules and Procedures**

### **Back Office – Principles & Practices**

The Company will follow these principles in the conduct of its accounting and settlement activities, and for guidance in the performance and execution of the Policy:

- ISO, transportation, and supplier invoices are very technical; accurate settlement of these types of charges requires an in-depth understanding and a high degree of cooperation between various functions within the Company.
- Companies that supply us with energy should be subjected to rigorous evaluation as to its risk profile and financial strength; a supplier must have the capability to provide the supply at the agreed upon price, rather than subjecting the Company to replacement supply at market prices prevailing at that time.

## TITAN GAS LLC dba TITAN GAS & POWER PRICING POLICY and RISK PROCEDURES

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- It is essential that the financial accounting and reporting process promptly concludes and reports on the Company's business activities in order to determine if retail prices and risk management practices are meeting the Company's business objectives, and settlements with the ISO and suppliers are fully reflected in its results of operations.

### **Back Office – Policy Statements**

These policies are intended to address default risk by energy suppliers, and satisfy the Company's objective to accurately and timely report on its financial position and results of operations:

- **Policy Statement #10**: The CFO shall prepare monthly, quarterly and annual reports, including a balance sheet, income statement, and statement of cash flow in accordance with GAAP, and a statement of compliance with credit, pricing and risk policies, as requested by management, outsider stakeholders, and Shell.
- **Policy Statement #11**: A set of written policies and procedures shall be maintained in each of the offices maintained by Company.

TITAN GAS LLC dba TITAN GAS & POWER  
PRICING POLICY and RISK PROCEDURES

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**EXHIBIT A – LIMITS OVERVIEW**

As an overriding principle, no speculative commodity positions shall be taken. The following limit structure is intended to proactively put conservative limits on open commodity positions.

**Limits and Guidelines for Hedging Variable Priced Customer Load Obligation**

The following are the hedge limits and guidelines for hedging the Variable Priced Customer load obligation at Company. These limits and guidelines are firm and must be adhered to and any deviation from these guidelines will be considered a risk violation.

(a) The Customer Parties shall hedge the forward exposure associated with their non-fixed price month-to-month Energy Customer Contracts for power up to the following maximum percentages:

<u>Peak Months (January, February, July, August)</u>	<u>All other Months</u>	<u>Minimum – Maximum Hedge % of Forecasted Load</u>
1 <sup>st</sup> Forward Month	N/A	75%-105% of Forecasted Load
2 <sup>nd</sup> Forward Month	1 <sup>st</sup> Forward Month	50%-105% of Forecasted Load
3 <sup>rd</sup> Forward Month	2 <sup>nd</sup> Forward Month	25%-105% of Forecasted Load
4 <sup>th</sup> Forward Month	3 <sup>rd</sup> Forward Month	10%-105% of Forecasted Load

(b) For non-fixed price month-to-month Energy Customer Contracts for gas, the Customer Parties shall hedge 100% of the first forward month forecasted gas volumes prior to the month of delivery.

(c) The Customer Parties shall at all times abide by the Risk Process and Procedures Guidelines, and provide updates thereto as required by the Reporting Requirements.

With regard to how good value is defined in connection with the above limits and guidelines, Company will work to define good value and present these recommendations to RMPC for approval.

**Limits and Guidelines for Hedging Fixed Priced Customer Load Obligation**

The following are the hedge limits and guidelines for hedging the Fixed Priced Customer load obligation at Company. These limits and guidelines are firm and must be adhered to and any deviation from these guidelines will be considered a risk violation.

Titan shall hedge their fixed price Energy Customer Contracts (both power and gas) for each prompt month at a minimum of 95% and a maximum of 105% of monthly forecasted volume for the term of such Energy Customer Contract.

Hedges may be executed in advance in anticipation of up to four weeks of enrollments. Forecasts used to determine such hedges shall include the entire underlying delivery obligation once the fixed price customer is enrolled with the utility.

**Procurement of Renewable Energy Certificates (“REC”s)**

The Supply Manager along with the Risk Manager is responsible for managing the procurement of RECs on a Reporting Year basis to meet the Company’s REC requirements for the relevant Reporting Year.

TITAN GAS LLC dba TITAN GAS & POWER  
PRICING POLICY and RISK PROCEDURES

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**EXHIBIT B- AUTHORIZED TRADERS**

**EMPLOYEE NAME**

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- 1 Kenne Gebhard
- 2 Rob Moss
- 3 Alan Biney



## ATTACHMENT H

### OUTLINE OF PROCEDURE FOR INQUIRIES, FORMAL COMPLAINTS, & INFORMAL COMPLAINTS

#### FORMAL COMPLAINTS & ESCALATED INFORMAL COMPLAINTS PROCEDURES

Review the Customer Concerns inbox daily for any new/follow-up complaints that may come from any of the following:

- **Attorney General** – Respond within twenty-one (21) days of the date received unless otherwise instructed by the PUC.
- **BBB** – Respond within 30 calendar days unless otherwise instructed by the PUC.
- **ICC (Illinois)** – 14 days unless otherwise instructed by the PUC.
- **PA BCS (Pennsylvania)** - 10 Calendar Days – Unless otherwise instructed by the PUC.
- **PUCO (Ohio)** – A status update must be provided within 3 business days of the initial request and a final response needs to be provided within 10 business days. If a copy of the TPV is requested, this must be provided within 3 business days.
- **MA (DPU)** – (3 business days) – Unless otherwise specified by the PUC.
- **MD PSC** – (7 business days) – Unless otherwise specified by the PUC.
- **Aviator (OH, PA)** - (Check Portal Daily) Respond within 3 business days – Unless otherwise specified.
- **BPU NJ** – Respond within 5 Days
- **OPC (Office of the People's Counsel)** - The Energy Supplier is required to respond **within fourteen (14) Business Days** – unless otherwise specified.

Review complaint details and pull up the customer's account in ESG:

- Locate the Customer's Account and note the account with the complaint number and details of the complaint.
- Add an Alert to the account and provide the name of the agency we received the complaint from as shown below.

⊙ Add Alert

OPC-DC Complaint ⊙

- Submit a DNC request in the Sales & Marketing Do Not Contact Ticket Request Form located in SharePoint.
- Log the complaint details in the Regulatory Complaints log located in SharePoint.

Create a Folder for new complaints:

- Complaint number – Customer name (Folder name)
- Save complaint details in the folder.
- Gather all applicable documents pertaining to the account such as (Welcome Letters, Renewal notices, Service Agreements, etc.).



## **ATTACHMENT H**

### **OUTLINE OF PROCEDURE FOR INQUIRIES, FORMAL COMPLAINTS, & INFORMAL COMPLAINTS**

- Add all the documents to the complaint folder created.
- Review Sales Calls and Customer Service Calls.
- Review all documents that were sent to the customer.
- Calculate Rate Adjustments (when needed)
- Negotiate complaint resolutions directly with the customer (when needed)
- Prepare a response to the PUC.

Once the complaint has been responded to you will do the following:

- Note the account of the complaint response and upload the response in ESG.
- Submit any necessary adjustments in the AR Log and note the account accordingly.
- Log the complaint response in the Regulatory Complaints log located in SharePoint and close the ticket once complete.

### **INQUIRIES & INFORMAL COMPLAINTS PROCESS**

For customers that threaten to file a regulatory complaint, front line customer care agents are expected to:

- Complete a thorough review of the customer's account.
- Show empathy for the situation and offer an apology even when CSE is not at fault.
- Take ownership of the situation and express a sense of urgency in resolving the problem.
- Demonstrate a sincere willingness to assist and offer an adequate solution.
- Consult with a supervisor for an alternate solution if the initial offer is inadequate according to the customer.
- Escalate to a supervisor or Customer Advocate Group for final resolution.

For customers that have already filed a regulatory complaint and need additional assistance, front line customer care agents are expected to:

- Review the account details including notes and alerts to confirm that a regulatory complaint has been filed.
- Refer the caller to the regulatory account specialist, as per the account notations, that is handling the regulatory complaint.
- Submit an internal service request for a return call back from the regulatory account specialist.
  - The customer will receive a return phone call within 24 hours of complaint inquiry.
- Add detailed notes regarding the information discussed on the phone interaction.