

PUCO USE ONLY – Version 1.08 May 2016		
Date Received	Case Number	Certification Number
17-1763	- GA-CRS	

**INITIAL CERTIFICATION APPLICATION  
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS**

Please type or print all required information. Identify all attachments with an exhibit label and title (*Example: Exhibit A-15 - Company History*). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may directly input information onto the form. You may also download the form by saving it to your local disk.

**SECTION A - APPLICANT INFORMATION AND SERVICES**

**A-1 Applicant intends to be certified as: (check all that apply)**

☐ Retail Natural Gas Aggregator ☐ Retail Natural Gas Broker ☒ Retail Natural Gas Marketer

**A-2 Applicant information:**

Legal Name CLEARWATER ENTERPRISES, L.L.C.  
Address 5637 N CLASSEN BLVD OKLAHOMA CITY, OK 73118  
Telephone No. 405-842-9200 Web site Address WWW.CLEARWATERNG.COM

**A-3 Applicant information under which applicant will do business in Ohio:**

Name CLEARWATER ENERGY SERVICES  
Address 5637 N CLASSEN BLVD OKLAHOMA CITY, OK 73118  
Web site Address WWW.CLEARWATERNG.COM Telephone No. 405-842-9200

**A-4 List all names under which the applicant does business in North America:**

CLEARWATER ENTERPRISES, L.L.C. CLEARWATER ENERGY SERVICES

**A-5 Contact person for regulatory or emergency matters:**

Name LISA OWENS Title COO  
Business Address 5637 N CLASSEN BLVD, OKLAHOMA CITY, OK 73118  
Telephone No. 405-488-6407 Fax No. 405-418-0129 Email Address lowens@clearwaterenterprises.net

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician MM Date Processed AUG 10 2017

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**A-6 Contact person for Commission Staff use in investigating customer complaints:**

Name LISA OWENS Title COO

Business address 5637 N CLASSEN BLVD, OKLAHOMA CITY, OK 73118

Telephone No. 405-488-6407

Fax No. 405-418-0129

Email Address

lowens@clearwater  
enterprises.net

**A-7 Applicant's address and toll-free number for customer service and complaints**

Customer service address 5637 N CLASSEN BLVD, OKLAHOMA CITY, OK 73118

Toll-Free Telephone No. 1-833-256-9777

Fax No. 405-842-9213

Email Address

gascontrol@clear  
waterenterprises.net

**A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee**

Name CT CORPORATION SYSTEM

Title REGISTERED AGENT

Business address 4400 EASTON COMMONS WAY SUITE 125, COLUMBUS, OH 43219

Telephone No. 1-866-662-7027

Fax No.

Email Address

corporationteam1  
@walterskluwen.com

**A-9 Applicant's federal employer identification number 73-1577809**

**A-10 Applicant's form of ownership: (Check one)**

☐ Sole Proprietorship

☐ Partnership

☐ Limited Liability Partnership (LLP)

☒ Limited Liability Company (LLC)

☐ Corporation

☐ Other

**A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers*. (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)**

<input checked="" type="checkbox"/>	Columbia Gas of Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/>	Dominion East Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/>	Duke Energy Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/>	Vectren Energy Delivery of Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial

**A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.**

☐ Columbia Gas of Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Dominion East Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Duke Energy Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Vectren Energy Delivery of Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

**A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:**

<input checked="" type="checkbox"/>	Columbia Gas of Ohio	Intended Start Date	APRIL 1, 2018
<input checked="" type="checkbox"/>	Dominion East Ohio	Intended Start Date	APRIL 1, 2018
<input checked="" type="checkbox"/>	Duke Energy Ohio	Intended Start Date	APRIL 1, 2018
<input checked="" type="checkbox"/>	Vectren Energy Delivery of Ohio	Intended Start Date	APRIL 1, 2018

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

- A-14 **Exhibit A-14 "Principal Officers, Directors & Partners,"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.
- A-15 **Exhibit A-15 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-16 **Exhibit A-16 "Articles of Incorporation and Bylaws,"** if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto.
- A-17 **Exhibit A-17 "Secretary of State,"** provide evidence that the applicant is currently registered with the Ohio Secretary of the State.

## **SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

- B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.
- B-2 **Exhibit B-2 "Experience & Plans,"** provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.
- B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking to be certified to provide (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).
- B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational

status or ability to provide the services it is seeking to be certified to provide.

- B-5 Exhibit B-5 "Disclosure of Consumer Protection Violations,"** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No    ☐ Yes

If Yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Consumer Protection Violations,"** detailing such violation(s) and providing all relevant documents.

- B-6 Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas.

☒ No    ☐ Yes

If Yes, provide a separate attachment, labeled as **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** detailing such action(s) and providing all relevant documents.

## **SECTION C - APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE**

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED**

- C-1 Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.  
(This is generally only applicable to publicly traded companies who publish annual reports)
- C-2 Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.
- C-3 Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

**C-4 Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU's collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody's, Standard & Poor's or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody's, Standard & Poor's or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody's, Standard & Poor's or Fitch but has substantial financial wherewithal **in the opinion of the Staff reviewer** to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company's financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

**C-5 Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted income statements for the applicant's **NATURAL GAS related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.

**C-6 Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter “N/A” in Exhibit C-6.

**C-7 Exhibit C-7 “Credit Report,”** provide a copy of the applicant's current credit report from Experian, Dun and Bradstreet, or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter “N/A” for Exhibit C-7.

- C-8 Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.
- C-9 Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10 Exhibit C-10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

## **SECTION D – APPLICANT TECHNICAL CAPABILITY**

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.**

- D-1 Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and the provision of retail ancillary services, as well as other services used to supply natural gas to the natural gas company city gate for retail customers.
- D-2 Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.
- D-3 Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

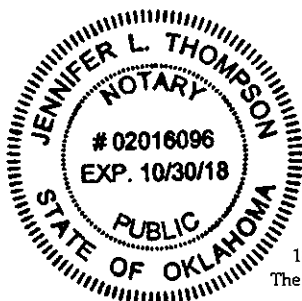
Applicant Signature and Title

*[Handwritten Signature]* Co-Owner

Sworn and subscribed before me this 28<sup>th</sup> day of August Month 2017 Year

*[Handwritten Signature]*  
Signature of official administering oath

*Jennifer L. Thompson, Notary*  
Print Name and Title



My commission expires on

10/30/18



# The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service  
Affidavit Form  
(Version 1.07)

In the Matter of the Application of )  
 )  
 )  
 )  
 )

for a Certificate or Renewal Certificate to Provide  
Competitive Retail Natural Gas Service in Ohio.

Case No.  -  -GA-CRS

County of

State of

[Affiant], being duly sworn/affirmed, hereby states that:

- (1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.
- (2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.
- (3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.
- (4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.
- (5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.
- (6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.
- (7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.
- (8) Affiant further sayeth naught.

Affiant Signature & Title

Sworn and subscribed before me this  day of  Month  Year

Signature of Official Administering Oath

Print Name and Title

My commission expires on

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**EXHIBIT A-14 "PRINCIPAL OFFICERS, DIRECTORS & PARTNERS"**

Tony Say, President/Manager, 5637 N Classen Blvd, OKC, OK 73118 405-488-6404

Lisa Owens, COO/Member, 5637 N Classen Blvd, OKC, OK 73118 405-488-6407

Koray Bakir, VP Finance/Member, 5637 N Classen Blvd, OKC, OK 73118  
405-418-0318

Regina Fort, VP Sales/Member, 5637 N Classen Blvd, OKC, OK 73118  
405-488-6405

**EXHIBIT A-15 "COMPANY HISTORY"**

Clearwater is a natural gas retail sales, marketing and investment company based in Oklahoma City, Oklahoma. Clearwater provides natural gas services to end-users and consumer clients. Clearwater also purchases natural gas from numerous producer clients and markets to wholesale markets. Clearwater was established in 1999. The personnel at Clearwater have a combined natural gas industry experience of over 100 years.

**EXHIBIT A-16 "ARTICLES OF INCORPORATION AND BYLAWS"**

OFFICE OF THE SECRETARY OF STATE



**CERTIFICATE  
OF  
LIMITED LIABILITY COMPANY**

*WHEREAS, the Articles of Organization of*

**CLEARWATER ENTERPRISES, L.L.C.**

*an Oklahoma limited liability company, has been filed in the Office of the Secretary of State as provided by the laws of the State of Oklahoma.*

*NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.*

*IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.*



Filed in the City of Oklahoma City this 17TH  
day of NOVEMBER, 1999.

*Mike Hunter*  
Secretary of State

By: *Shannon C. Hare*

**FILED**

NOV 17 1999

**ARTICLES OF ORGANIZATION  
OF  
CLEARWATER ENTERPRISES, L.L.C.,  
OKLAHOMA LIMITED LIABILITY COMPANY**

**OKLAHOMA SECRETARY  
OF STATE**

**TO: THE OKLAHOMA SECRETARY OF STATE  
101 State Capitol  
Oklahoma City, OK 73105**

The undersigned, for the purpose of forming a limited liability company under the Oklahoma Limited Liability Company Act (the "Act"), does hereby execute the following Articles of Organization:

**FIRST.** The name of the limited liability company is CLEARWATER ENTERPRISES, L.L.C. (the "Company").

**SECOND.** The latest date on which the Company is to dissolve is December 31, 2040.

**THIRD.** The purpose of which the Company is formed is the transaction of any or all lawful business for which limited liability companies may be organized under the Act.

**FOURTH.** The street address of the principal place of business of the Company in the State of Oklahoma is 2200 N. W. 50th Street, Suite 121, Oklahoma City, Oklahoma 73112.

**FIFTH.** The name and address of the registered agent of the company in the State of Oklahoma is Tony S. Say, 2200 N. W. 50th, Suite 121, Oklahoma City, Oklahoma 73112.

**SIXTH.** The operating agreement of the company contains restrictions on the authority of members of the Company.

**SEVENTH.** The management of the Company is hereby vested in the following manager: Tony S. Say. Any third person dealing with

the Company may rely absolutely upon the act, deed and/or signature of the manager as being the act of the Company and no third person shall be obliged or privileged to inquire into or otherwise ascertain whether the act of such manager has been duly authorized.

IN WITNESS WHEREOF, these Articles of Organization have been executed on November 11, 1999, by the undersigned.

SOLE ORGANIZER

  
\_\_\_\_\_  
TONY S. SAY

**FILED - Oklahoma Secretary of State #3500633682 08/27/2015  
OKLAHOMA Secretary of State Electronic Filing****Trade Name Report**

Document Number 28259570002 Submit Date 8/27/2015

The undersigned business entity, in order to do business in Oklahoma under a name other than its legal name, hereby submits the following trade name report pursuant to Title 18, Oklahoma Statutes, Section 1140:

The trade name under which the business is carried on in Oklahoma is:  
**CLEARWATER ENERGY SERVICES**

The legal name of the entity doing business under the trade name is:  
**CLEARWATER ENTERPRISES, L.L.C.**

The type of "business entity" filing the trade name report is:  
**Domestic Limited Liability Company**

The business entity was formed in the state of:  
**Oklahoma**

Business is carried on under such trade name at the following address(es):  
**5637 N CLASSEN BLVD  
OKLAHOMA CITY, OK 73118 USA**

A brief description of the kind of business being transacted under such trade name:  
**Retail sales of natural gas to various businesses (schools, hospitals, cities, restaurants, manufacturers, etc.)**

The date on which the trade name is to be effective, if it is to be effective after the filing date:

**CORPORATION ACKNOWLEDGEMENT**

I/we, being duly authorized to sign on behalf of the above named corporation, do hereby execute this report this 27th day of August, 2015.

I hereby certify that the information provided on this form is true and correct to the best of my knowledge and by attaching the signature I agree and understand that the typed electronic signature shall have the same legal effect as an original signature and is being accepted as my original signature pursuant to the Oklahoma Uniform Electronic Transactions Act, Title 12A Okla. Statutes Section 15-101, et seq.

Signature:  
**LISA D OWENS**

Title:  
**MEMBER**

[End Of Image]

**EXHIBIT A-17 "SECRETARY OF STATE"**





DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	CERT	COPY
08/08/2017	201722000788	REGISTRATION OF FOREIGN FOR PROFIT LLC (LFP)	99.00	200.00	0.00	0.00

**Receipt**

This is not a bill. Please do not remit payment.

CLEARWATER ENTERPRISES, L.L.C.  
5637 N CLASSEN BLVD  
OKLAHOMA CITY, OK 73118

**STATE OF OHIO  
CERTIFICATE**

**Ohio Secretary of State, Jon Husted**

**4059247**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**CLEARWATER ENERGY SERVICES**

and, that said business records show the filing and recording of:

Document(s)

**REGISTRATION OF FOREIGN FOR PROFIT LLC**

Effective Date: 08/08/2017

Document No(s):

**201722000788**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the  
Secretary of State at Columbus, Ohio this  
8th day of August, A.D. 2017.

**Ohio Secretary of State**

**EXHIBIT B-1 "JURISDICTIONS OF OPERATIONS"**

Arkansas  
Connecticut  
Kansas  
Missouri  
Oklahoma  
Pennsylvania

### **Exhibit B-2 "Experience & Plans"**

**Contracting:** Clearwater Enterprises has a 17-year history of contracting with customers via direct sales and also through third party channels such as energy mangers and brokers. In Ohio, Clearwater intends to utilize the same methodology to gain market share.

**Billing Statements:** Clearwater currently sends approximately 1,200 invoices per month to its retail sales customers. Index, fixed price, incremental balancing gas and tiered-hedging products are typical line items on the invoices.

**Responding to Customer Inquiries and Complaints:** Our contracts staff and accounting staff have worked with inquiries and complaints across 6 states and 15 LDC's

**Exhibit B-3 "Summary of Experience"**

Clearwater currently delivers 18 bcf of natural gas to its 1,620 accounts behind 15 LDC's. It currently serves large sophisticated industrial customers as well as small commercial customers in Oklahoma, Kansas, Arkansas, Missouri, Pennsylvania, and Connecticut

**EXHIBIT B-4 "DISCLOSURE OF LIABILITIES AND INVESTIAGATIONS"**

No disclosures of liabilities or investigations

**EXHIBIT C-1 "ANNUAL REPORTS"**

Not applicable – private company

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**EXHIBIT C-2 "SEC FILINGS"**

Clearwater is not required to file with the SEC since we are a private company

**EXHIBIT C-3 "FINANCIAL STATEMENTS"**





**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 and 2015**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

Members  
Clearwater Enterprises, L.L.C.

### Report on the Financial Statements

We have audited the accompanying financial statements of Clearwater Enterprises, L.L.C. which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and members' equity, and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

### Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Clearwater Enterprises, L.L.C. as of December 31, 2016 and 2015, 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.

Oklahoma City, Oklahoma  
March 6, 2017

## CLEARWATER ENTERPRISES, L.L.C.

## BALANCE SHEETS

December 31, 2016 and 2015

	2016	2015
<b>Assets</b>		
Current assets:		
Cash	\$ 1,447,319	\$ 119,706
Accounts receivable:		
Billed	634,787	537,941
Unbilled	24,503,277	15,303,754
Affiliate	315,477	-
Cash collateral and prepaid margin calls	644,489	1,771,529
Prepaid expenses and other	822,471	864,667
Total current assets	28,367,820	18,597,597
Investments	1,183,745	892,388
Deposit	300,658	300,658
Properties and equipment, at cost:		
Natural gas properties and equipment based on successful efforts accounting:		
Proved	880,918	949,268
Unproved	234,418	234,418
Other properties and equipment:		
Furniture and fixtures	593,317	593,317
Building under capital lease	1,762,302	1,762,302
	3,470,955	3,539,305
Accumulated depreciation, depletion and amortization	(2,314,399)	(2,196,173)
Properties and equipment, net	1,156,556	1,343,132
Total assets	\$ 31,008,779	\$ 21,133,775
<b>Liabilities and Members' Equity</b>		
Current liabilities:		
Accounts payable:		
Trade	\$ 492,661	\$ 233,323
Affiliate	448,961	-
Pipeline imbalances	255,540	8,245
Accrued liabilities:		
Natural gas purchases	23,075,337	14,199,814
Affiliate	774,736	-
Other	62,459	60,319
Unearned revenue	235,038	174,365
Obligations under capital lease due within one year	101,924	96,185
Total current liabilities	25,446,656	14,772,251
Noncurrent liabilities:		
Obligations under capital lease due after one year	1,073,376	1,175,765
Asset retirement obligations	144,696	144,696
Total noncurrent liabilities	1,218,072	1,320,461
Total liabilities	26,664,728	16,092,712
Members' equity	4,344,051	5,041,063
Total liabilities and members' equity	\$ 31,008,779	\$ 21,133,775

See notes to financial statements.

**CLEARWATER ENTERPRISES, L.L.C.**  
**STATEMENTS OF INCOME AND MEMBERS' EQUITY**

**Years ended December 31, 2016 and 2015**

	2016	2015
Operating revenues:		
Natural gas sales	\$ 161,528,365	\$ 198,617,095
Fee revenues	249,281	298,289
Total operating revenues	161,777,646	198,915,384
Operating costs and expenses:		
Cost of natural gas sales	151,927,661	190,170,129
Selling, general and administrative	6,061,906	5,350,592
Total operating costs and expenses	157,989,567	195,520,721
Income from operations	3,788,079	3,394,663
Other income (expense):		
Natural gas exploration and production activities, net	(60,458)	16,571
Investment activities, net	(58,679)	(60,856)
Other income (expense), net	58,305	(8,577)
Other income (expense), net	(60,832)	(52,862)
Net income	3,727,247	3,341,801
Members' equity, beginning of year	5,041,063	6,977,361
Distributions to members	(4,424,259)	(5,278,099)
Members' equity, end of year	\$ 4,344,051	\$ 5,041,063

## CLEARWATER ENTERPRISES, L.L.C.

## STATEMENTS OF CASH FLOWS

Years ended December 31, 2016 and 2015

	2016	2015
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 3,727,247	\$ 3,341,801
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	118,226	118,227
Equity in net losses from investments	58,643	60,607
Loss on disposal of proved natural gas properties	68,350	-
Changes in operating assets and liabilities:		
Accounts receivable - billed	(96,846)	1,058,930
Accounts receivable - unbilled	(9,199,523)	12,742,066
Accounts receivable - affiliate	(315,477)	-
Cash collateral and prepaid margin calls	1,127,040	6,516,971
Prepaid expenses and other	42,196	(402,356)
Accounts payable - trade	259,338	6,107
Accounts payable - affiliate	448,961	-
Pipeline imbalances	247,295	(23,368)
Accrued liabilities - natural gas purchases	8,875,523	(13,649,156)
Accrued liabilities - affiliate	774,736	-
Accrued liabilities - other	2,140	(72,460)
Unearned revenue	60,673	32,036
Net cash provided by operating activities	6,198,522	9,729,405
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(350,000)	(275,000)
<b>Cash Flows from Financing Activities</b>		
Borrowings	-	20,600,000
Debt principal payments	-	(24,800,000)
Payments on obligations under capital lease	(96,650)	(91,208)
Distributions to members	(4,424,259)	(5,278,099)
Net cash used in financing activities	(4,520,909)	(9,569,307)
Net increase (decrease) in cash	1,327,613	(114,902)
Cash, beginning of year	119,706	234,608
Cash, end of year	\$ 1,447,319	\$ 119,706
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 1,438	\$ 48,738

See notes to financial statements.

**CLEARWATER ENTERPRISES, L.L.C.****NOTES TO FINANCIAL STATEMENTS****December 31, 2016 and 2015****Note 1 – Summary of Significant Accounting Policies**Nature of operations

Clearwater Enterprises, L.L.C. (the Company) is a limited liability company (LLC) that is engaged in natural gas retail sales, marketing and investments. In addition to providing natural gas sales services to end-users and consumer clients, the Company purchases natural gas from numerous natural gas producers. The Company also provides risk management pricing services to its clients and to producers. An LLC limits its members from liability to creditors to the amount of capital contributed to the LLC.

Accounting estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are due from natural gas customers and are carried at original invoice amount less an estimate for doubtful accounts based on a periodic review of all outstanding amounts. Accounts that are outstanding longer than the contractual payment terms are considered past due. Accounts receivable balances are considered to be fully collectible. Accordingly, no provision has been made for an allowance for doubtful accounts.

Investments

The Company has investments in equity method investees which are those for which the Company has the ability to exercise significant influence but does not control and is not the primary beneficiary. Significant influence typically exists if the Company has a 20% to 50% ownership interest in the venture unless persuasive evidence to the contrary exists. The Company records its proportionate share of the net income or losses of equity method investees and a corresponding increase or decrease to the investment balances. Cash payments to equity method investees such as additional investments, loans and advances and expenses incurred on behalf of investees, as well as payments from equity method investees such as dividends, distributions and repayments of loans and advances are recorded as adjustments to investment balances.

Equity method investments are reviewed for impairment on an annual basis and are written down to fair value if there is evidence of a loss in value which is other than temporary. The Company may estimate the fair value of its equity method investments by considering recent investee equity transactions, discounted cash flow analysis, recent operating results, comparable public company operating cash flow multiples and in certain situations, balance sheet liquidation values. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline has occurred, such as: the length of the time and the extent to which the estimated fair value or market value has been below the carrying value, the financial condition and the near-term prospects of the investee, the intent and ability of the Company to retain its investment

in the investee for a period of time sufficient to allow for any anticipated recovery in market value and general market conditions. The estimation of fair value and whether an other than temporary impairment has occurred requires the application of significant judgment and future results may vary from current assumptions.

#### Properties and equipment

The Company leases an office building from a commonly controlled company, and guarantees the lessor's mortgage debt. At December 31, 2016 and 2015, the lessor's mortgage debt balance was \$1,389,734 and \$1,484,531, respectively. This arrangement meets the variable interest entity criteria to consolidate the lessor company under accounting principles generally accepted in the United States of America. The Company has previously adopted Accounting Standards Update 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*. Accordingly, the financial statements of the lessor company have been excluded from the accompanying financial statements. The building is leased under a capital lease, which was recorded at the lower of the net present value of the minimum lease payments or the fair value of the building at the inception of the lease. Amortization of the capital lease asset is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease (15 years). See Note 4 for the related capital lease obligation.

Depreciation of furniture and fixtures is computed using the straight-line method over estimated useful lives of five or seven years.

#### Purchases and sales of natural gas

The Company purchases natural gas from producers and invoices customers in accordance with contractual agreements based on delivered prices. Statements are received from producers in the month subsequent to the production month. Purchase costs not invoiced are accrued and reflected as accrued liabilities in the balance sheet. Purchases of natural gas from a commonly controlled company were \$3,469,938 in 2016. There were no such purchases in 2015. Customers are invoiced on approximately the 15<sup>th</sup> of each month for the prior month's sales. Amounts for the current month activity are recognized as accounts receivable - unbilled in the balance sheet until invoiced. Revenue from the sale of natural gas is recognized when title passes. Natural gas sales and cost of natural gas sales include risk management pricing transactions for clients and producers. Natural gas sales to a commonly controlled company were \$1,397,221 in 2016. There were no such sales in 2015.

#### Income tax status

As an LLC, taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision or liability for income taxes has been included in the financial statements.

#### Subsequent events

Management has evaluated subsequent events through March 6, 2017, the date the financial statements were available to be issued.



**Note 2 – Investments**

Investments at December 31 consist of the following:

	2016	2015
Privately held oil and gas company stock	\$ 22,035	\$ 22,035
Investments in LLCs:		
Cumberland Drive, LLC - 33.33%	986,509	673,240
42 Western, LLC - 43.75%	176,238	198,150
Other	(1,037)	(1,037)
	<u>\$ 1,183,745</u>	<u>\$ 892,388</u>

A summary of financial information of the Company's equity method investees in the aggregate is as follows:

	Year ended December 31,	
	2016	2015
Operating revenues	\$ 27,129	\$ 288,911
Operating expenses	140,330	455,487
Net loss	<u>\$ (113,201)</u>	<u>\$ (166,576)</u>
	December 31,	
	2016	2015
Current assets	\$ 582,528	\$ 558,372
Noncurrent assets	7,667,164	6,817,802
Total assets	<u>\$ 8,249,692</u>	<u>\$ 7,376,174</u>
Current liabilities	\$ 25,000	\$ 750,000
Noncurrent liabilities	5,048,248	4,339,450
Total liabilities	<u>\$ 5,073,248</u>	<u>\$ 5,089,450</u>
Total equity	<u>\$ 3,176,444</u>	<u>\$ 2,286,724</u>

**Note 3 – Credit Facilities**

The Company has a credit agreement with a bank expiring on May 1, 2017, which provides for (1) borrowings up to \$10,000,000, subject to a borrowing base redetermined each month, and (2) letters of credit up to \$5,000,000. The borrowing base was \$4,180,815 at December 31, 2016. Borrowings bear interest at the greater of prime plus 0.25% or 4.5% (effective rate of 4.5% at December 31, 2016). Borrowings are required to be used solely for working capital purposes in the natural gas marketing business. There were no borrowings outstanding at December 31, 2016 or 2015. At December 31, 2016, the Company had a total of \$1,924,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2017 and 2018 and are being maintained as security for natural gas purchases.

The Company has a credit agreement with a bank expiring on May 1, 2017, which provides for letters of credit up to \$10,000,000. Borrowings bear interest at the greater of a specified prime rate plus 1% or 6%. There were no borrowings outstanding at December 31, 2016 or 2015. As of December 31, 2016, the Company had a total of \$10,000,000 outstanding in letters of credit with the bank. These letters expire in March 2017 and December 2017, and are being maintained as security for natural gas purchases.

Borrowings under all of the above lines of credit are collateralized by substantially all assets of the Company and a guarantee by a member of the Company.

#### **Note 4 – Commitments**

##### Capital lease

A capital lease with a commonly controlled company expires on January 31, 2026, but provides for an automatic one-year renewal unless either party notifies the other in writing at least 60 days prior to the end of the lease term.

Future minimum lease payments at December 31, 2016, are as follows:

2017	\$ 168,000
2018	168,000
2019	168,000
2020	168,000
2021	168,000
2022 to 2026	<u>686,000</u>
Total	1,526,000
Less amount representing interest	<u>350,700</u>
Present value of minimum lease payments	1,175,300
Less obligations under capital lease due within one year	<u>101,924</u>
Obligations under capital lease due after one year	<u>\$ 1,073,376</u>

##### Postemployment benefits

The Company has severance agreements with several executives which provides for severance payments equal to each executive's base salary for a period of 12 months after termination. Terminations, if any, will be accounted for on an individual basis and a liability will be recognized when probable and estimable. At December 31, 2016, the maximum amount which the Company is contingently liable for under these arrangements is \$1,625,000.

##### Member redemption

Effective December 31, 2017, the Company is committed to purchase and redeem a member's ownership interest in the Company for \$3 million in cash. The purchase price will be paid in four equal installments of \$375,000 each from January 2017 through October 2017, and the remaining \$1,500,000 will be paid based upon a payment schedule to be determined by the Company and the member, but the last payment will be made no later than June 30, 2019.

**Note 5 – Concentrations of Credit Risk**

The Company has a geographical concentration of credit risk as most of its natural gas customers are located in Oklahoma City, Oklahoma, and the surrounding area. Approximately 25% and 40% of total operating revenues was derived from natural gas sales to two customers in 2016 and three customers in 2015. Unbilled accounts receivable from those customers comprised approximately 14% and 39% of total unbilled accounts receivable at December 31, 2016 and 2015, respectively.



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 and 2014**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

Members  
Clearwater Enterprises, L.L.C.

### Report on the Financial Statements

We have audited the accompanying financial statements of Clearwater Enterprises, L.L.C. which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income and members' equity, and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

### Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Clearwater Enterprises, L.L.C. as of December 31, 2015 and 2014, 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.

*HoganTaylor LLP*

March 7, 2016

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## CLEARWATER ENTERPRISES, L.L.C.

## BALANCE SHEETS

December 31, 2015 and 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash	\$ 119,706	\$ 234,608
Accounts receivable:		
Billed	537,941	1,596,871
Unbilled	15,303,754	28,045,820
Cash collateral and prepaid margin calls	1,771,529	8,288,500
Prepaid expenses and other	864,667	462,311
Total current assets	18,597,597	38,628,110
Investments	892,388	677,995
Deposit	300,658	300,658
Properties and equipment, at cost:		
Natural gas properties and equipment based on successful efforts accounting:		
Proved	949,268	949,268
Unproved	234,418	234,418
Other properties and equipment:		
Furniture and fixtures	593,317	593,317
Building under capital lease	1,762,302	1,762,302
	3,539,305	3,539,305
Accumulated depreciation, depletion and amortization	(2,196,173)	(2,077,946)
Properties and equipment, net	1,343,132	1,461,359
Total assets	\$ 21,133,775	\$ 41,068,122
<b>Liabilities and Members' Equity</b>		
Current liabilities:		
Accounts payable	\$ 233,323	\$ 227,216
Pipeline imbalances	8,245	31,613
Accrued liabilities:		
Natural gas purchases	14,199,814	27,848,970
Other	60,319	132,779
Unearned revenue	174,365	142,329
Note payable to bank	-	4,200,000
Obligations under capital lease due within one year	96,185	90,769
Total current liabilities	14,772,251	32,673,676
Noncurrent liabilities:		
Obligations under capital lease due after one year	1,175,765	1,272,389
Asset retirement obligations	144,696	144,696
Total noncurrent liabilities	1,320,461	1,417,085
Total liabilities	16,092,712	34,090,761
Members' equity	5,041,063	6,977,361
Total liabilities and members' equity	\$ 21,133,775	\$ 41,068,122

See notes to financial statements.

**CLEARWATER ENTERPRISES, L.L.C.**  
**STATEMENTS OF INCOME AND MEMBERS' EQUITY**

Years ended December 31, 2015 and 2014

	2015	2014
Operating revenues:		
Natural gas sales	\$ 198,617,095	\$ 393,235,623
Fee revenues	298,289	410,442
Total operating revenues	198,915,384	393,646,065
Operating costs and expenses:		
Cost of natural gas sales	190,170,129	383,525,519
Selling, general and administrative expenses	5,350,592	6,379,494
Total operating costs and expenses	195,520,721	389,905,013
Income from operations	3,394,663	3,741,052
Other income (expense):		
Natural gas exploration and production activities, net	16,571	24,177
Investment activities, net	(60,856)	(268,786)
Other income (expense), net	(8,577)	35,348
Other income (expense), net	(52,862)	(209,261)
Net income	3,341,801	3,531,791
Members' equity, beginning of year	6,977,361	3,776,727
Distributions to members	(5,278,099)	(331,157)
Members' equity, end of year	\$ 5,041,063	\$ 6,977,361



**CLEARWATER ENTERPRISES, L.L.C.****STATEMENTS OF CASH FLOWS****Years ended December 31, 2015 and 2014**

	2015	2014
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 3,341,801	\$ 3,531,791
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation, depletion and amortization	118,227	398,457
Equity in net losses from investments	60,607	268,786
Changes in operating assets and liabilities:		
Accounts receivable - billed	1,058,930	(484,489)
Accounts receivable - unbilled	12,742,066	7,713,904
Accounts receivable - affiliate	-	200,000
Cash collateral and prepaid margin calls	6,516,971	(8,262,000)
Prepaid expenses and other	(402,356)	(125,225)
Accounts payable	6,107	128,278
Pipeline imbalances	(23,368)	(26,587)
Accrued liabilities - natural gas purchases	(13,649,156)	(6,935,593)
Accrued liabilities - other	(72,460)	(38,721)
Unearned revenue	32,036	78,216
Net cash provided by (used in) operating activities	9,729,405	(3,553,183)
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(275,000)	(70,937)
Distributions from investments	-	10,467
Net cash used in investing activities	(275,000)	(60,470)
<b>Cash Flows from Financing Activities</b>		
Borrowings	20,600,000	8,000,000
Debt principal payments	(24,800,000)	(3,800,000)
Payments on obligations under capital lease	(91,208)	(86,072)
Distributions to members	(5,278,099)	(331,157)
Net cash provided by (used in) financing activities	(9,569,307)	3,782,771
Net increase (decrease) in cash	(114,902)	169,118
Cash, beginning of year	234,608	65,490
Cash, end of year	\$ 119,706	\$ 234,608
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 48,738	\$ 18,542

See notes to financial statements.

**CLEARWATER ENTERPRISES, L.L.C.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015 and 2014**

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

Nature of operations

Clearwater Enterprises, L.L.C. (the Company) is a limited liability company (LLC) that markets natural gas to industrial, commercial, and utility customers throughout the Midwest on behalf of natural gas producers. An LLC limits its members from liability to creditors to the amount of capital contributed to the LLC.

Accounting estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are due from natural gas customers and are carried at original invoice amount less an estimate for doubtful accounts based on a periodic review of all outstanding amounts. Accounts that are outstanding longer than the contractual payment terms are considered past due. Accounts receivable balances are considered to be fully collectible. Accordingly, no provision has been made for an allowance for doubtful accounts.

Investments

The Company has investments in equity method investees which are those for which the Company has the ability to exercise significant influence but does not control and is not the primary beneficiary. Significant influence typically exists if the Company has a 20% to 50% ownership interest in the venture unless persuasive evidence to the contrary exists. The Company records its proportionate share of the net income or losses of equity method investees and a corresponding increase or decrease to the investment balances. Cash payments to equity method investees such as additional investments, loans and advances and expenses incurred on behalf of investees, as well as payments from equity method investees such as dividends, distributions and repayments of loans and advances are recorded as adjustments to investment balances.

Equity method investments are reviewed for impairment on an annual basis and are written down to fair value if there is evidence of a loss in value which is other-than-temporary. The Company may estimate the fair value of its equity method investments by considering recent investee equity transactions, discounted cash flow analysis, recent operating results, comparable public company operating cash flow multiples and in certain situations, balance sheet liquidation values. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline has occurred, such as: the length of the time and the extent to which the estimated fair value or market value has been below the carrying value, the financial condition and the near-term prospects of the investee, the intent and ability of the Company to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value and

general market conditions. The estimation of fair value and whether an other-than-temporary impairment has occurred requires the application of significant judgment and future results may vary from current assumptions.

#### Properties and equipment

The Company leases an office building from a commonly controlled company, and guarantees the lessor's mortgage debt. As of December 31, 2015 and 2014, the lessor's mortgage debt balance was \$1,484,531 and \$1,580,843, respectively. This arrangement meets the variable interest entity criteria to consolidate the lessor company under accounting principles generally accepted in the United States of America. The Company elected to adopt Accounting Standards Update 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*, effective with its 2014 financial statements. Accordingly, the financial statements of the lessor company have been excluded from the accompanying financial statements. The building is leased under a capital lease, which was recorded at the lower of the net present value of the minimum lease payments or the fair value of the building at the inception of the lease. Amortization of the capital lease asset is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease (15 years). See Note 4 for the related capital lease obligation.

Depreciation of furniture and fixtures is computed using the straight-line method over estimated useful lives of five or seven years.

#### Purchases and sales of natural gas

The Company purchases natural gas from producers and invoices customers in accordance with contractual agreements based on delivered prices. Statements are received from producers in the month subsequent to the production month. Purchase costs not invoiced are accrued and reflected as accrued liabilities in the balance sheet. Customers are invoiced on approximately the 15<sup>th</sup> of each month for the prior month's sales. Amounts for the current month activity are recognized as accounts receivable - unbilled in the balance sheet until invoiced. Revenue from the sale of natural gas is recognized when title passes.

#### Income tax status

As an LLC, taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision or liability for income taxes has been included in the financial statements.

#### Subsequent events

Management has evaluated subsequent events through March 7, 2016, the date the financial statements were available to be issued.

**Note 2 – Investments**

Investments at December 31 consist of the following:

	2015	2014
Privately held oil and gas company stock	\$ 22,035	\$ 22,035
Investments in LLCs:		
Cumberland Drive, LLC - 33.33%	673,240	437,500
42 Western, LLC - 43.75%	198,150	219,496
Other	(1,037)	(1,036)
	<u>\$ 892,388</u>	<u>\$ 677,995</u>

A summary of financial information of the Company's equity method investees in the aggregate is as follows:

	Year ended December 31,	
	2015	2014
Operating revenues	\$ 288,911	\$ 3,128,655
Operating expenses	455,487	3,581,517
Net loss	<u>\$ (166,576)</u>	<u>\$ (452,862)</u>
	December 31,	
	2015	2014
Current assets	\$ 558,372	\$ 232,021
Noncurrent assets	6,817,802	6,839,379
Total assets	<u>\$ 7,376,174</u>	<u>\$ 7,071,400</u>
Current liabilities	\$ 750,000	\$ 750,000
Noncurrent liabilities	4,339,450	4,693,100
Total liabilities	<u>\$ 5,089,450</u>	<u>\$ 5,443,100</u>
Total equity	<u>\$ 2,286,724</u>	<u>\$ 1,628,300</u>

**Note 3 – Credit Facilities**

The Company has a credit agreement with a bank expiring on May 1, 2016, which provides for (1) borrowings up to \$10,000,000, subject to a borrowing base re-determined each month, and (2) letters of credit up to \$5,000,000. The borrowing base was \$2,583,299 at December 31, 2015. Borrowings bear interest at the greater of prime plus 0.25% or 4.50% (effective rate of 4.50% at December 31, 2015). Borrowings are required to be used solely for working capital purposes in the natural gas marketing business. Borrowings outstanding at December 31, 2014, were \$4,200,000. There were no borrowings outstanding at December 31, 2015. As of December 31, 2015, the Company had a total of \$2,674,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2016 and are being maintained as security for natural gas purchases.

The Company has a credit agreement with a bank expiring on May 1, 2016, which provides for letters of credit up to \$10,000,000. Borrowings bear interest at the greater of a specified prime rate plus 1% or 6%. There were no borrowings outstanding at December 31, 2015 or 2014. As of December 31, 2015, the Company had a total of \$8,000,000 outstanding in letters of credit with the bank. These letters expire in December 2016 and are being maintained as security for natural gas purchases.

Borrowings under all of the above lines of credit are collateralized by substantially all assets of the Company and a guarantee by a member of the Company.

#### **Note 4 – Commitments**

##### Capital lease

A capital lease with a commonly controlled company expires on January 31, 2026, but provides for an automatic one-year renewal unless either party notifies the other in writing at least 60 days prior to the end of the lease term.

Future minimum lease payments at December 31, 2015, are as follows:

2016	\$ 168,000
2017	168,000
2018	168,000
2019	168,000
2020	168,000
2021 to 2026	<u>854,000</u>
Total	1,694,000
Less amount representing interest	<u>422,050</u>
Present value of minimum lease payments	1,271,950
Less obligations under capital lease due within one year	<u>96,185</u>
Obligations under capital lease due after one year	<u>\$ 1,175,765</u>

##### Postemployment benefits

The Company has severance agreements with several executives which provides for severance payments equal to each executive's base salary for a period of 12 months after termination. Terminations, if any, will be accounted for on an individual basis and a liability will be recognized when probable and estimable. At December 31, 2015, the maximum amount which the Company is contingently liable for under these arrangements is \$1,625,000.

#### **Note 5 – Concentrations of Credit Risk**

The Company has a geographical concentration of credit risk as most of its natural gas customers are located in Oklahoma City, Oklahoma, and the surrounding area. Approximately 40% and 33% of total operating revenues was derived from natural gas sales to three customers in 2015, and two customers in 2014. Unbilled accounts receivable from those customers comprised approximately 39% and 31% of total unbilled accounts receivable at December 31, 2015 and 2014, respectively.

**EXHIBIT C-4 "FINANCIAL ARRANGEMENTS"**

Clearwater has a credit agreement with IBC Bank expiring May 1, 2018 which provides for (1) borrowings up to \$10,000,000 and (2) letters of credit up to \$5,000,000.

Clearwater has a second credit agreement with IBC Bank expiring May 1, 2018 which provides for letters of credit up to \$10,000,000.

Clearwater would be able to post a letter of credit with the LDU(s) as the beneficiary if needed.

**Exhibit C-5 "Forecasted Financial Statements"****2018 Income Statement**

<b>Revenue</b>	\$7,000,000 (1)
----------------	-----------------

**Expenses**

Cost of Goods Sold	\$6,800,000 (2)
Operating Expenses	\$ 250,000

<b>Net Income</b>	\$ (50,000)
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**2019 Income Statement**

<b>Revenue</b>	\$17,500,000 (3)
----------------	------------------

**Expenses**

Cost of Goods Sold	\$17,000,000 (4)
Operating Expenses	\$ 250,000

<b>Net Income</b>	\$ 250,000
-------------------	------------

**Assumptions**

- (1) 2 million Dth's at \$3.50 per Dth
- (2) 2 million Dth's at \$3.40 per Dth
- (3) 5 million Dth's at \$3.50 per Dth
- (4) 5 million Dth's at \$3.40 per Dth

Prepared by Lisa Owens, Clearwater COO, 5637 N Classen, OKC, OK 73118,  
405-488-6407, lowens@clearwaterenterprises.net

**EXHIBIT C-6 "CREDIT RATING"**

N/A



**EXHIBIT C-7 "CREDIT REPORT"**



Printed By: Lisa Owens  
Date Printed: August 08, 2017

## Live Report : CLEARWATER ENTERPRISES, L.L.C.

D-U-N-S® Number: 09-542-1959

Endorsement/Billing Reference: lowens@clearwaterenterprises.net

### D&B Address

**Address** 5637 N Classen Blvd  
Oklahoma City, OK, US -  
73118

**Phone** 405 842-9200

**Fax** 405-842-9213

**Location Type** Headquarters  
**Web**

**Added to Portfolio:** 10/08/2014

**Last View Date:** 10/13/2014

**Endorsement :** lowens@clearwaterent  
erprises.net

## Company Summary

Currency: Shown in USD unless otherwise Indicated

### Score Bar

PAYDEX®		69	Paying 16 days past due
Commercial Credit Score Percentile		82	Low to Moderate Risk of severe payment delinquency.
Financial Stress Score National Percentile		39	Moderate Risk of severe financial stress.
D&B Viability Rating		5	<a href="#">View More Details</a>
Bankruptcy Found		No	
D&B Rating		3A2	3A indicates 1 to 10 million, Credit appraisal of 2 is good

### Detailed Trade Risk Insight™

#### Days Beyond Terms Past 3 Months

**0**  
Days

Dollar-weighted average of 7 payment experiences  
reported from 5 Companies

#### Recent Derogatory Events

May-17 Jun-17 Jul-17

Placed for Collection - - -  
Bad Debt Written Off - - -

### D&B Viability Rating



**Viability Score : 1**

**5**

**Portfolio Comparison : 5**



**Data Depth Indicator : A**



**Company Profile : A**

Financial Data	Trade Payments	Company Size	Years in Business
Available	Available (3+Trade)	Large	Established

**D&B Company Overview**

This is a headquarters location

Branch(es) or Division(s) exist	Y
Manager	TONY SAY, MMBR
Year Started	1999
Employees	17 (14 Here)
Financing	SECURED
SIC	4924
Line of business	Natural gas distribution
NAICS	221210
History Status	CLEAR
Financial Condition	GOOD

**FirstRain Company News**

**NAM Holds Round Table With President**  
2017-04-05T12:46:38 AKDT 12:46 PM-Metal Treating

**Trump trumpeted in Torrance: Exec's delight in**  
2017-04-01T07:33:56 AKDT 7:33 AM-My News

**South Bay CEO discusses manufacturing at**  
2017-03-31T23:39:21 AKDT 11:39 PM-The Daily

**Remarks by President Trump in Listening**  
2017-03-31T09:52:18 AKDT 9:52 AM-The White

**Art Of Manufacturing Podcast Launches**  
2017-03-16T12:18:16 AKDT 12:18

Powered by FirstRain

**Public Filings**

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	13	08/15/16

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.


**Corporate Linkage****Branches (Domestic)**

Company  
CLEARWATER ENTERPRISES, L.L.C.

City, State  
OKLAHOMA CITY, Oklahoma

D-U-N-S® NUMBER  
80-687-7119

## Predictive Scores

Currency: Shown in USD unless otherwise indicated 

### D&B Viability Rating Summary

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:



#### Viability Score

Lowest Risk:1

Highest Risk:9

#### Compared to All US Businesses within the D&B Database:

- Level of Risk: **Low Risk**
- Businesses ranked 1 have a probability of becoming no longer viable: **0.2 %**
- Percentage of businesses ranked 1: **0.3 %**
- Across all US businesses, the average probability of becoming no longer viable: **14 %**



#### Portfolio Comparison

Lowest Risk:1

Highest Risk:9

#### Compared to All US Businesses within the same MODEL SEGMENT:

- Model Segment : **Available Financial Data**
- Level of Risk: **Moderate Risk**
- Businesses ranked 5 within this model segment have a probability of becoming no longer viable: **0.6 %**
- Percentage of businesses ranked 5 with this model segment: **11 %**
- Within this model segment, the average probability of becoming no longer viable: **0.6 %**



#### Data Depth Indicator

Predictive Data:A

Descriptive Data:G

#### Data Depth Indicator:

- ✓ Rich Firmographics
- ✓ Extensive Commercial Trading Activity
- ✓ Comprehensive Financial Attributes



#### Company Profile

Financial Data

Trade Payments

Company Size

Years in Business

Available

**Available**  
(3+ Trade)

**Large**

**Established**

#### Company Profile Details:

- Financial Data: **Available**
- Trade Payments: **Available** (3+ Trade)
- Company Size: **Large** (Employees: 50+ or Sales: \$500K+)

- Years in Business: **Established (5+)**

### Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the

D&B Rating Key

**D&B Rating : 3A2**

**Financial Strength:** 3A indicates 1 to 10 million  
**Composite credit appraisal:** 2 is good

Below is an overview of the company's rating history since 08-09-2007

D&B Rating	Date Applied
3A2	05-02-2016
3A3	04-17-2015
3A4	10-08-2014
1R3	10-07-2014
3A3	03-28-2013
1R3	10-12-2012
BA4	05-26-2011
3A3	03-10-2009
2A4	03-06-2008
--	08-09-2007

**Sales:** 198,915,384.00  
**Number of Employees Total:** 17 (14 here)

**Worth:** 5,041,063 (As of 31-Dec-15)  
**Working Capital:** \$3,825,346 (As of 31-Dec-15)

**Payment Activity:** (based on 19 experiences)  
**Average High Credit:** 58,041  
**Highest Credit:** 400,000  
**Total Highest Credit:** 986,750

**Note:** The Worth amount in this section may have been adjusted by D&B to reflect typical deductions, such as certain intangible assets.

### D&B Credit Limit Recommendation

**Conservative credit Limit** 20,000  
**Aggressive credit Limit:** 35,000

**Risk category for this business :** **LOW**

The Credit Limit Recommendation (CLR) is intended to serve as a directional benchmark for all businesses within the same line of business or industry, and is not calculated based on any individual business. Thus, the CLR is intended to help guide the credit limit decision, and must be balanced in combination with other elements which reflect the individual company's size, financial strength, payment history, and credit worthiness, all of which can be derived from D&B reports.

Risk is assessed using D&B's scoring methodology and is one factor used to create the recommended limits. See Help for details.

### Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&B's extensive data files. The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000), which is lower than the average of businesses in D & B's database

**Financial Stress Class : 3**

(Lowest Risk:1; Highest Risk:5)

Moderately lower than average risk of severe financial stress, such as a bankruptcy or going out of business with unpaid debt, over the next 12 months.

**Probability of Failure:**

Risk of Severe Financial Stress for Businesses with this Class: 0.24 % (24 per 10,000)  
 Financial Stress National Percentile : 39 (Highest Risk: 1; Lowest Risk: 100)  
 Financial Stress Score : 1461 (Highest Risk: 1,001; Lowest Risk: 1,875)  
 Average Risk of Severe Financial Stress for Businesses in D&B database: 0.48 % ( 48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

High number of inquiries to D & B over last 12 months.  
 Low Paydex Score.  
 Low proportion of satisfactory payment experiences to total payment experiences.  
 Unstable Paydex over last 12 months.

**Notes:**

The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.  
 The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.  
 The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&B's file.  
 The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Norms	National %
This Business	39
Region: WEST SOUTH CENTRAL	44
Industry: INFRASTRUCTURE	43
Employee range: 10-19	66
Years in Business: 11-25	68

This Business has a Financial Stress Percentile that shows:

- Higher risk than other companies in the same region.
- Higher risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

**Credit Score Summary**

The Commercial Credit Score (CCS) predicts the likelihood of a business paying its bills in a severely delinquent manner (91 days or more past terms). The Credit Score class of 2 for this company shows that 2.5% of firms with this class paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

**Credit Score Class : 2**

Lowest Risk:1;Highest Risk :5

**Incidence of Delinquent Payment**

Among Companies with this Classification: 2.50 %  
 Average compared to businesses in D&B's database: 10.20 %  
 Credit Score Percentile : 82 (Highest Risk: 1; Lowest Risk: 100)  
 Credit Score : 554 (Highest Risk: 101; Lowest Risk:670)

The Credit Score Class of this business is based on the following factors:

Recent high balance past due  
 Proportion of past due balances to total amount owing  
 Higher risk industry based on delinquency rates for this industry  
 Unstable Paydex over last 12 months

**Notes:**

The Commercial Credit Score Risk Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience severe delinquency.  
 The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 91 days past due or more by creditors. The calculation of this value is based on D&B's trade payment database.  
 The Commercial Credit Score percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.

The Commercial Credit Score offers a more precise measure of the level of risk than the Risk Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Norms	National %
This Business	82
Region: WEST SOUTH CENTRAL	52
Industry: INFRASTRUCTURE	32
Employee range: 10-19	78
Years in Business: 11-25	66

This business has a Credit Score Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Lower risk than other companies in the same employee size range.
- Lower risk than other companies with a comparable number of years in business.

## Trade Payments

Currency: Shown in USD unless otherwise indicated 

### D&B PAYDEX®

The D&B PAYDEX is a unique, weighted indicator of payment performance based on payment experiences as reported to D&B by trade references. Learn more about the D&B PAYDEX

Timeliness of historical payments for this company.

Current PAYDEX is	69	Equal to 16 days beyond terms ( Pays more slowly than the average for its industry of 3 days beyond terms )
Industry Median is	78	Equal to 3 days beyond terms
Payment Trend currently is	↔	Unchanged, compared to payments three months ago

Indications of slowness can be the result of dispute over merchandise, skipped invoices etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Total payment Experiences in D&Bs File (HQ)	19
Payments Within Terms (not weighted)	91 %
Trade Experiences With Slow or Negative Payments(%)	15.79%
Total Placed For Collection	0
High Credit Average	58,041
Largest High Credit	400,000
Highest Now Owing	300,000
Highest Past Due	15,000

### D&B PAYDEX® : 69

(Lowest Risk:100; Highest Risk:1)

When weighted by amount, payments to suppliers average 16 days beyond terms

### 3-Month D&B PAYDEX® : 80

(Lowest Risk:100; Highest Risk:1)

Based on payments collected over last 3 months.

When weighted by amount, payments to suppliers average within terms

**D&B PAYDEX® Comparison****Current Year**

PAYDEX® of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Natural gas distribution , based on SIC code 4924 .

Shows the trend in D&B PAYDEX scoring over the past 12 months.

	9/16	10/16	11/16	12/16	1/17	2/17	3/17	4/17	5/17	6/17	7/17	8/17
<b>This Business</b>	75	79	79	79	64	64	64	64	69	69	69	69
<b>Industry Quartiles</b>												
Upper	80	.	.	80	.	.	80	.	.	80	.	.
Median	78	.	.	78	.	.	78	.	.	78	.	.
Lower	73	.	.	73	.	.	73	.	.	73	.	.

Current PAYDEX for this Business is 69 , or equal to 16 days beyond terms  
 The 12-month high is 79 , or equal to 2 DAYS BEYOND terms  
 The 12-month low is 64 , or equal to 19 DAYS BEYOND terms

**Previous Year**

Shows PAYDEX of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Natural gas distribution , based on SIC code 4924 .

	09/15 Q3'15	12/15 Q4'15	03/16 Q1'16	06/16 Q2'16
<b>Previous Year</b>				
<b>This Business</b>	80	80	80	80
<b>Industry Quartiles</b>				
Upper	80	80	80	80
Median	78	78	78	78
Lower	73	73	73	73

Based on payments collected over the last 4 quarters.

Current PAYDEX for this Business is 69 , or equal to 16 days beyond terms  
 The present industry median Score is 78 , or equal to 3 days beyond terms  
 Industry upper quartile represents the performance of the payers in the 75th percentile  
 Industry lower quartile represents the performance of the payers in the 25th percentile

**Payment Habits**

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

\$ Credit Extended	# Payment Experiences	Total Amount	% of Payments Within Terms
Over 100,000	3	900,000	56%
50,000-100,000	0	0	0%
15,000-49,999	3	75,000	80%
5,000-14,999	1	5,000	100%
1,000-4,999	2	5,000	100%
Under 1,000	8	1,700	100%

Based on payments collected over last 24 months.

All Payment experiences reflect how bills are paid in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

**Payment Summary**



- There are 19 payment experience(s) in D&Bs file for the most recent 24 months, with 9 experience(s) reported during the last three month period.
- The highest Now Owes on file is 300,000 . The highest Past Due on file is 15,000

Below is an overview of the company's currency-weighted payments, segmented by its suppliers primary industries:

	Total Revd (#)	Total Amts	Largest High Credit	WithIn Terms (%)	Days Slow <31 31-60 61-90 90> (%) (%) (%) (%)			
Top Industries								
Natural gas distrib	3	900,000	400,000	56	22	22	0	0
Public finance	3	65,000	35,000	100	0	0	0	0
Telephone communictns	3	3,350	2,500	100	0	0	0	0
Nonclassified	2	3,000	2,500	100	0	0	0	0
Misc business credit	2	200	100	100	0	0	0	0
Ret liquefied gas	1	15,000	15,000	0	100	0	0	0
Mortgage banker	1	50	50	100	0	0	0	0
Nondeposit trust	1	50	50	100	0	0	0	0
Whol office supplies	1	50	50	100	0	0	0	0
Other payment categories								
Cash experiences	2	50	50					
Payment record unknown	0	0	0					
Unfavorable comments	0	0	0					
Placed for collections	0	N/A	0					
Total In D&B's file	19	986,750	400,000					

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipped invoices etc.

#### Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale Within (month)
07/17	Ppt	2,500	0	0		6-12 mos
	Ppt	2,500	2,500	0		1 mo
	Ppt	100	0	0	Lease Agreement	4-5 mos
	Ppt	100	100	0	Lease Agreement	1 mo
	Ppt	50	0	0		2-3 mos
	Ppt	50	50	0		1 mo
	(007)	0	0	0	Cash account	6-12 mos
06/17	Ppt	750	0	0		6-12 mos
	Ppt	100	0	0		6-12 mos
04/17	Ppt	100,000	100,000	0		1 mo
	Ppt-Slow 15	400,000	300,000	0		1 mo
	Ppt-Slow 60	400,000	200,000	0		1 mo
01/17	(013)	50			Cash account	6-12 mos
08/16	Slow 30	15,000	15,000	15,000	N10	
03/16	Ppt	500	0	0		6-12 mos
11/15	Ppt	50	0	0		6-12 mos

09/15	Ppt	35,000	1 mo
	Ppt	25,000	1 mo
	Ppt	5,000	1 mo

Payments Detail Key: 30 or more days beyond terms

Payment experiences reflect how bills are paid in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

## Public Filings

Currency: Shown in USD unless otherwise indicated 

### Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	# of Records	Most Recent Filing Date
Bankruptcy Proceedings	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	13	06/15/16

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

### UCC Filings

<b>Collateral</b>	All Assets and proceeds - All Negotiable Instruments and proceeds - All Inventory and proceeds - All Account(s) and proceeds - and OTHERS
<b>Type</b>	Original
<b>Sec. Party</b>	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
<b>Debtor</b>	CLEARWATER ENTERPRISES L L C
<b>Filing No.</b>	2008005430525
<b>Filed With</b>	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
<b>Date Filed</b>	2008-05-05
<b>Latest Info Received</b>	05/17/08

<b>Type</b>	Amendment
<b>Sec. Party</b>	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
<b>Debtor</b>	CLEARWATER ENTERPRISES L L C
<b>Filing No.</b>	2008007816738
<b>Filed With</b>	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK
<b>Date Filed</b>	2008-07-08
<b>Latest Info Received</b>	07/16/08
<b>Original UCC Filed Date</b>	2008-05-05
<b>Original Filing No.</b>	2008005430525

<b>Type</b>	Continuation
<b>Sec. Party</b>	INTERNATIONAL BANK OF COMMERCE

**Debtor** CLEARWATER ENTERPRISES LLC  
**Filing No.** 11032820279430  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK  
  
**Date Filed** 2011-03-28  
**Latest Info Received** 04/08/11  
**Original UCC Filing Date** 2006-05-05  
**Original Filing No.** 2006005430525

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**Type** Amendment  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK  
**Debtor** CLEARWATER ENTERPRISES L L C  
**Filing No.** 11071820704090  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK  
  
**Date Filed** 2011-07-18  
**Latest Info Received** 08/17/11  
**Original UCC Filing Date** 2006-05-05  
**Original Filing No.** 2006005430525

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**Type** Amendment  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE  
**Debtor** CLEARWATER ENTERPRISES L L C  
**Filing No.** 12103021109350  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK  
  
**Date Filed** 2012-10-30  
**Latest Info Received** 11/09/12  
**Original UCC Filing Date** 2006-05-05  
**Original Filing No.** 2006005430525

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**Type** Amendment  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK  
**Debtor** CLEARWATER ENTERPRISES L L C  
**Filing No.** 16031820275330  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK  
  
**Date Filed** 2016-03-18  
**Latest Info Received** 03/25/16  
**Original UCC Filing Date** 2006-05-02  
**Original Filing No.** 2006005430525

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**Type** Continuation  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK

**Debtor** CLEARWATER ENTERPRISES L L C and OTHERS  
**Filing No.** 16031820275330  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

**Date Filed** 2016-03-18  
**Latest Info Received** 03/22/16  
**Original UCC Filed Date** 2006-05-05  
**Original Filing No.** 2006005430525

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**Collateral** Negotiable instruments and proceeds - Inventory and proceeds - Account(s) and proceeds - Assets and proceeds - and OTHERS

**Type** Original  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK  
**Debtor** CLEARWATER ENTERPRISES LLC  
**Filing No.** 13121821240730  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

**Date Filed** 2013-12-18  
**Latest Info Received** 12/31/13

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**Collateral** Negotiable instruments and proceeds - Inventory and proceeds - Account(s) and proceeds - Assets and proceeds - and OTHERS

**Type** Original  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK  
**Debtor** CLEARWATER ENTERPRISES LLC  
**Filing No.** 11011220045510  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

**Date Filed** 2011-01-12  
**Latest Info Received** 01/25/11

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**Type** Amendment  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE  
**Debtor** CLEARWATER ENTERPRISES LLC  
**Filing No.** 12103021109370  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

**Date Filed** 2012-10-30  
**Latest Info Received** 11/09/12  
**Original UCC Filed Date** 2011-01-12  
**Original Filing No.** 11011220045510

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**Type** Continuation  
**Sec. Party** INTERNATIONAL BANK OF COMMERCE  
**Debtor** CLEARWATER ENTERPRISES LLC  
**Filing No.** 15110621141050  
**Filed With** OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

Date Filed	2015-11-06
Latest Info Received	11/10/15
Original UCC Filed Date	2011-01-12
Original Filing No.	11011220045510

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Type	Termination
Sec. Party	BANK OF UNION, EL RENO, OK
Debtor	SAY, TONY
Filing No.	16061520620650
Filed With	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

Date Filed	2016-06-15
Latest Info Received	06/20/16
Original UCC Filed Date	2011-05-24
Original Filing No.	11052420502200

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Type	Original
Sec. Party	MITSUI E & P USA LLC, HOUSTON, TX
Debtor	CLEARWATER ENTERPRISES, LLC and OTHERS
Filing No.	00000181552755
Filed With	UCC DIVISION, BALTIMORE, MD

Date Filed	2016-03-04
Latest Info Received	03/10/16

### Government Activity

#### Activity summary


Borrower (Dir/Guar)	NO
Administrative Debt	NO
Contractor	YES
Grantee	NO
Party excluded from federal program(s)	NO

#### Possible candidate for socio-economic program consideration

Labour Surplus Area	N/A
Small Business	YES (2017)
8(A) firm	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

### History & Operations

Currency: Shown in USD unless otherwise indicated **Company Overview**

<b>Company Name:</b>	CLEARWATER ENTERPRISES, L.L.C.
<b>Street Address:</b>	5637 N Classen Blvd Oklahoma City , OK 73118
<b>Phone:</b>	405 842-9200
<b>Fax:</b>	405-842-9213
<b>History</b>	Is clear
<b>Operations</b>	Profitable
<b>Present management control</b>	18 years
<b>Annual Sales</b>	198,915,384

**History**

The following information was reported: 10/28/2016

<b>Officer(s):</b>	TONY SAY, MBR LISA OWENS, COO-MBR REGINA FORT, MBR KORAY BAKIR, MBR
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The Oklahoma Secretary of State's business registrations file showed that Clearwater Enterprises, L.L.C. was registered as a limited liability company on November 17, 1999.

Ownership information provided verbally by Angela Allan, Offc Mgr, on Jan 25 2011.

Business started 1999.

TONY SAY. 1999-present active here.

LISA OWENS. 2002-present active here.

REGINA FORT. 2001-present active here.

KORAY BAKIR. 2004-present active here.

Business address has changed from 301 Nw 63rd St Ste 620, Oklahoma City, OK, 73116 to 5637 N Classen Blvd, Oklahoma City, OK, 73118.

**Business Registration**

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF Jul 28 2017

<b>Registered Name:</b>	CLEARWATER ENTERPRISES, L.L.C.
<b>Business type:</b>	DOMESTIC LIMITED LIABILITY CO
<b>State of Incorporation:</b>	OKLAHOMA
<b>Filing date:</b>	Nov 17 1999
<b>Registration ID:</b>	3500633682
<b>Duration Date:</b>	2040-12-31
<b>Status:</b>	ACTIVE
<b>Where filed:</b>	SECRETARY OF STATE/CORPORATE DIVISION , OKLAHOMA CITY , OK
<b>Registered agent:</b>	TONY S. SAY , 5637 N CLASSEN BLVD , OKLAHOMA CITY , OK , 731180000

**Operations**

10/28/2016

**Description:** Provides natural gas distribution (100%).

Has 2000 account(s). Terms are on a retainer plus additional billings, net 10 days, contractual basis, net 15 days and on a

fee basis. Sells to manufacturers, wholesalers, non profit organizations, retailers, commercial concerns and government.  
Territory : United States.

Nonseasonal.

**Employees:** 17 which includes partners. 14 employed here.  
**Facilities:** Rents 6,716 sq. ft. on 6th floor of a multi story concrete block building.  
**Location:** Central business section on main street.  
**Branches:** This business has additional branches; detailed branch information is available in D & B's linkage or family tree products.

## SIC & NAICS

### SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

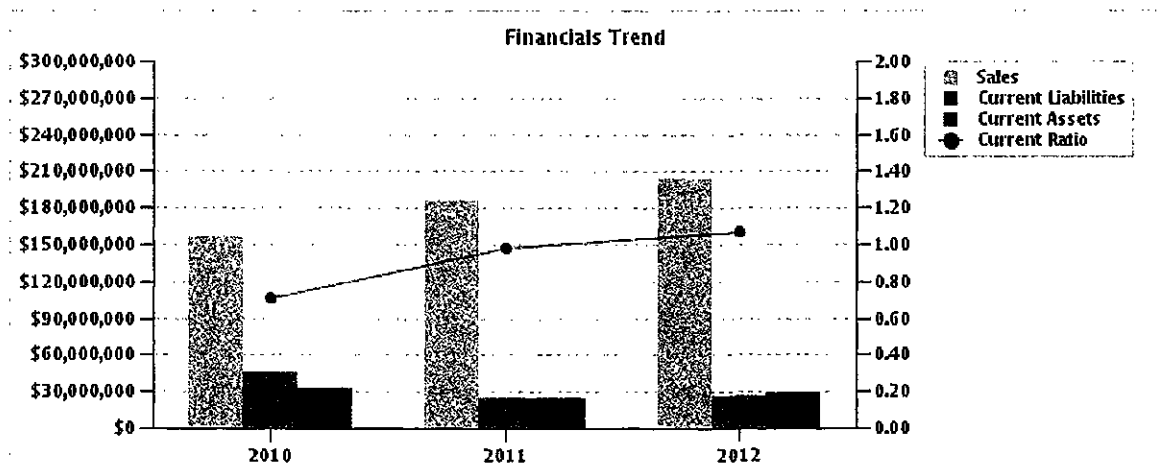
4924 0000 Natural gas distribution

### NAICS:

221210 Natural Gas Distribution

## Financials

### Company Financials: D&B



10/28/2016

### Three-year Statement Comparative:

	Fiscal Dec 31 2012	Fiscal Dec 31 2011	Fiscal Dec 31 2010
Current Assets	28,424,087	24,706,057	32,726,954
Current Liabilities	26,469,721	25,169,905	46,243,302
Current Ratio	1.07	0.98	0.71
Working Capital	1,954,366	(463,848)	(13,516,348)
Other Assets	4,628,416	23,236,253	13,817,494
Net Worth	4,542,165	(5,314,688)	301,148
Sales	204,297,378	186,170,178	156,551,486
Long Term Liab	2,040,617	28,087,093	0
Net Profit (Loss)	27,849,955	(1,098,527)	1,278,355

**Additional Financial Data**

Fiscal statement dated DEC 31 2015

<b>Assets</b>		<b>Liabilities</b>	
Cash	119,706	Accts Pay	233,323
Accts Rec	15,841,695	Pipeline Imbalances	8,245
Cash Collateral/Prepaid Margin Call	1,771,529	Accruals	14,260,133
Prepaid	864,667	Unearned Revenue	174,365
		Obligations Under Capital Lease	96,185
<b>Curr Assets</b>	<b>18,597,597</b>	<b>Curr Liabs</b>	<b>14,772,251</b>
Flxt & Equip	1,343,132	Obligations Under Capital Lease	1,175,765
Investments-Other	892,388	Asset Retirement Obligations	144,696
Deposits	300,658	MEMBERS EQUITY	5,041,063
<b>Total Assets</b>	<b>21,133,775</b>	<b>Total Liabilities + Equity</b>	<b>21,133,775</b>

From JAN 01 2015 to DEC 31 2015 annual sales \$198,915,384; cost of goods sold \$190,170,129. Gross profit \$8,745,255; operating expenses \$5,350,592. Operating income \$3,394,663; other income \$16,571; other expenses \$69,433. Net income \$3,341,801.

Prepared from statement(s) by Accountant: Hogan Taylor LLP, Oklahoma City, OK.

**ACCOUNTANTS OPINION**

A review of the accountant's opinion as submitted by the subject company indicates the financial statement meets generally accepted accounting principles and the audit contains no qualifications.

Fixed assets shown net less \$2,196,173 depreciation.

D & B has updated this report using available sources.



## Spread Financials

## Financial Statements

Financials By:	Compare Statements:			Show Variance By:	
D&B	D&B Fiscal 2015	D&B Industry Norms 2015	D&B Fiscal 2014	Percent	
* Values in hundreds				2015 - 2015	2015 - 2014
<b>Balance Sheet</b>					
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	119,706.00	UN	234,608.00	UN	UN
Accounts Receivables	15,841,695.00	UN	29,642,891.00	UN	UN
Notes Receivables	UN	UN	UN	UN	UN
Inventory	UN	UN	UN	UN	UN
Other Current Assets	2,636,196.00	UN	8,750,811.00	UN	UN
<b>Total Current Assets</b>	<b>18,597,597.00</b>	<b>UN</b>	<b>38,628,110.00</b>	<b>UN</b>	<b>UN</b>
Net Property, Plant and Equipment	1,343,132.00	UN	1,461,359.00	UN	UN
Other Non-Current Assets	1,193,046.00	UN	978,653.00	UN	UN
Total Long Term Assets	2,536,178.00	UN	2,440,012.00	UN	UN
<b>Total Assets</b>	<b>21,133,775.00</b>	<b>UN</b>	<b>41,068,122.00</b>	<b>UN</b>	<b>UN</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	233,323.00	UN	227,216.00	UN	UN
Notes Payable	UN	UN	UN	UN	UN
Bank Debt	UN	UN	UN	UN	UN
Other Current Liabilities	14,538,928.00	UN	32,446,460.00	UN	UN
<b>Total Current Liabilities</b>	<b>14,772,251.00</b>	<b>UN</b>	<b>32,673,676.00</b>	<b>UN</b>	<b>UN</b>
Other Long Term Liabilities	1,320,461.00	UN	1,417,085.00	UN	UN
Deferred Credit	UN	UN	UN	UN	UN
Total Long Term Liabilities	1,320,461.00	UN	1,417,085.00	UN	UN
<b>Total Liabilities</b>	<b>16,092,712.00</b>	<b>UN</b>	<b>34,090,761.00</b>	<b>UN</b>	<b>UN</b>
<b>Net worth</b>					
Net Worth	5,041,063.00	UN	6,977,361.00	UN	UN
Total Liabilities + Net Worth	21,133,775.00	UN	41,068,122.00	UN	UN
<b>Operating Results</b>					
Sales (Revenue)	198,915,384.00	UN	393,646,065.00	UN	UN
Gross Profit	8,745,255.00	UN	10,120,546.00	UN	UN
Net Profit after tax	UN	UN	UN	UN	UN
Dividends and Withdrawals	UN	UN	UN	UN	UN
Working Capital	3,825,346.00	UN	5,954,434.00	UN	UN

## Financial Ratios

Financials By:	Compare Statements:			Show Variance By:	
D&B	D&B Fiscal 2015	D&B Industry Norms 2015	D&B Fiscal 2014	Percent	
				2015 - 2015	2015 - 2014
<b>Efficiency Ratios</b>					
Accounts Payable to Sales Ratio	0.1	UN	0.1	UN	UN
Sales to Working Capital Ratio	52	4.6	66.1	1030.44	-93.05
Collection Period	29.1	UN	27.5	UN	UN
Inventory Turnover	UN	UN	UN	UN	UN
Sales to Net Working Capital Ratio (%)	UN	UN	UN	UN	UN
Assets to Sales (%)	10.6	204	10.4	-94.81	1861.54
<b>Solvency Ratios</b>					
Current Ratio	1.3	1.1	1.2	18.19	-8.34
Quick Ratio	1.1	0.4	0.9	175.00	-55.56
Working Capital (** Values in hundreds)	3825346	UN	5954434	UN	UN
Current Liabilities to Net Worth (%)	UN	UN	UN	UN	UN
Total Liabilities to Net worth (%)	319.2	181.3	488.6	76.07	-62.90
Current Liabilities to Inventory (%)	UN	UN	UN	UN	UN
Fixed Assets to Net Worth (%)	26.6	UN	20.9	UN	UN
<b>Profitability Ratios</b>					
Return on Sales (%)	1.7	7.5	0.9	-77.34	733.34
Return on Assets (%)	15.8	UN	8.6	UN	UN
Return on Net Worth (%)	66.3	9.6	50.6	590.63	-81.03

## Key Business Ratios

Statement Date	Dec 31 2015
Based on this Number of Establishments	29
Industry Norms Based On 29 Establishments	

	This Business	Industry Median	Industry Quartile
<b>Profitability</b>			
Return on Sales %	1.7	7.5	4
Return on Net Worth %	66.3	9.6	1
<b>Short-Term Solvency</b>			
Current Ratio	1.3	1.1	2
Quick Ratio	1.1	0.4	2
<b>Efficiency</b>			
Assets to Sales %	10.6	204.0	1
Sales / Net Working Capital	52.0	4.6	1
<b>Utilization</b>			

	This Business	Industry Median	Industry Quartile
Total Liabilities / Net Worth (%)	319.2	181.3	4

### Detailed Trade Risk Insight™

Detailed Trade Risk Insight provides detailed updates on over 1.5 billion commercial trade experiences collected from more than 260 million unique supplier/purchaser relationships.

#### Days Beyond Terms - Past 3 & 12 Months

**3 months** from Jun 17 to Aug 17

**0**  
Days

Dollar-weighted average of 7 payment experiences  
reported from 5 companies

**Derogatory Events Last 12 Months from Aug 16 to Jul 17**

**12 months** from Sep 16 to Aug 17

**5**  
Days

Dollar-weighted average of 12 payment experiences  
reported from 8 companies

No Derogatory trade Event has been reported on this company for the past 13 Months

#### Total Amount Current and Past Due - 12 month trend from Aug 16 to Jul 17

Status	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Total	5,326	316,722	161,746	307,014	611,701	935,946	535,576	539,572	636,552	636,580	636,748	636,670
Current	5,326	303,580	161,746	307,014	9,278	772,405	535,576	539,572	636,552	636,580	636,748	636,670
1-30 Days Past Due	-	13,142	-	-	602,423	-	-	-	-	-	-	-
31-60 Days Past Due	-	-	-	-	-	163,541	-	-	-	-	-	-
61-90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-
90+ Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-

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**EXHIBIT C-8 "BANKRUPTCY INFORMATION"**

N/A

**EXHIBIT C-9 "MERGER INFORMATION"**

N/A

**EXHIBIT C-10 "CORPORATE STRUCTURE"**

Clearwater is a stand-alone entity with no affiliate or subsidiary companies.

**Exhibit D-1 "Operations"**

Clearwater's operational activity includes, but not limited to, the contracting of natural gas purchases for resale, the nomination and scheduling of retail natural gas for delivery, purchases of long-term and short term capacity, and storage optimization.

### **Exhibit D-2 "Operations Expertise"**

Clearwater's operations team has been performing the activities discussed in Exhibit D-1 since the company's inception in 1999. Clearwater's 95% customer retention rate speaks to the quality of the team's performance over the years. Clearwater has 8 dedicated Operational personnel to ensure customers are serviced properly and the daily/monthly requirements of the pipeline/LDC's are met.



**EXHIBIT D-3 "KEY TECHNICAL PERSONNEL"**

Lisa Owens, Chief Operating Officer, [lowens@clearwaterenterprises.net](mailto:lowens@clearwaterenterprises.net), 405-488-6407

Lisa has worked in the natural gas industry since 1987. Her background includes extensive experience in contract administration, gas transportation, and gas accounting. She has been with Clearwater since 2002.

Jenny Thompson, VP Contract Admin/Gas Scheduling,  
[jthompson@clearwaterenterprises.net](mailto:jthompson@clearwaterenterprises.net), 405-488-6406

Jenny manages the daily contract administration and gas scheduling departments. Jenny has worked in the natural gas industry since 1997. She has extensive experience in contract administration, gas transportation, and gas scheduling. She has been with Clearwater since 2004.