

# American PowerNet

62

9/21/2023

FILE

Public Utilities Commission of Ohio  
Ohio Public Utilities Commission  
180 East Broad Street

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 JK Date Processed 9.22.23

Commission,

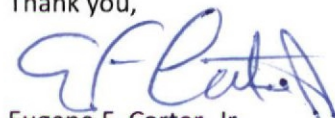
In response to the PUC of Ohio's review of the biannual Competitive Retail Electric Service (CRES) Provider Application for American PowerNet Management, L.P. and APN Starfirst, L.P., we are including the following response and information:

1. Revised biannual Competitive Retail Electric Service (CRES) Provider Application are being submitted for the following Power Marketers:
2. American PowerNet Management, LP                      Original CRS Case # 11-4513-EL-CRS  
APN Starfirst, LP    Original CRS Case #    13-1653-EL-CRS

The resubmittals also include revised Exhibits C-3, Projected Financial Statements for both cases. The original exhibits reflected our entire book of business, not our Ohio book of business.

Should you have any questions regarding the reports or need any additional information, please contact me at [compliance@americanpowernet.com](mailto:compliance@americanpowernet.com) or (610)-372-8500

Thank you,

  
Eugene F. Carter, Jr.  
Chief Financial Officer  
American PowerNet

REC'D PUCO  
2023 SEP 22 AM 11:13  
PUCO

Managing the Energy Evolution.®



# Public Utilities Commission

## Competitive Retail Electric Service (CRES) Provider Application

Case Number: 11 - 4513 - EL - CRS

Please complete all information. Identify all attachments with a label and title (example: Exhibit C-2 Financial Statements). For paper filing, you can mail the original and two complete copies to the Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, Ohio 43215-3793.

### A. Application Information

#### A-1. Provider Type.

Select the competitive retail electric service (CRES) provider type(s) for which the applicant is seeking certification. Please note you can select more than one.

Aggregator

☐

Power Broker

☐

Power Marketer

☒

Retail Electric  
Generation Provider

☐

#### A-2. Applicant's legal name and contact information.

Provide the name and contact information of the business entity.

Legal Name: American PowerNet Management, LP  
Street Address: 45 Commerce Drive  
City: Wyomissing State: PA Zip: 19610  
Telephone: 610-372-8500 Website: www.americanpowernet.com

#### A-3. Names and contact information under which the applicant will do business in Ohio.

Provide the names and contact information the business entity will use for business in Ohio. This does not have to be an Ohio address and may be the same contact information given in A-2.

Name: AmericanPowerNet Management, LP  
Street Address: 45 Commerce Drive  
City: Wyomissing State: PA Zip: 19610  
Telephone: 610-372-8500 Website: www.americanpowernet.com

#### A-4. Names under which the applicant does business in North America.

Provide all business names the applicant uses in North America. You do not need to include the names provided in A-2 and A-3.

Name(s): No Other Names  
\_\_\_\_\_  
\_\_\_\_\_

**A-5. Contact person for regulatory matters.**

Name: Eugene F. Carter, Jr. Title: CFO  
Street Address: 45 Commerce Drive  
City: Wyomissing State: PA Zip: 19610  
Telephone: 610-372-8500 Email: gcarter@americanpowernet.com

**A-6. Contact person for PUCO Staff use in investigating consumer complaints.**

Name: David Butsack Title: Vice President Logistics & Analytics  
Street Address: 45 Commerce Drive  
City: Wyomissing State: PA Zip: 19610  
Telephone: 610-372-8500 Email: dbutsack@americanpowernet.com

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

Street Address: 45 Commerce Drive  
City: Wyomissing State: PA Zip: 19610  
Toll-free  
Telephone: 877-977-2636 Email: compliance@americanpowernet.com

**A-8. Applicant's federal employer identification number.**

FEIN: 23-3021771

**A-9. Applicant's form of ownership (select one).**

Sole Proprietorship <input type="checkbox"/>	Limited Liability Partnership (LLP) <input type="checkbox"/>	Corporation <input type="checkbox"/>	Partnership <input checked="" type="checkbox"/>
Limited Liability Company (LLC) <input type="checkbox"/>	Other: _____		

**A-10. Identify current or proposed service areas.**

Identify each service area in which the applicant is currently providing service or intends to provide service and identify each customer class that the applicant is currently serving or intends to serve.

**Service area selection:**

AES Ohio <input checked="" type="checkbox"/>	American Electric Power (AEP Ohio) <input checked="" type="checkbox"/>	Duke Energy Ohio <input checked="" type="checkbox"/>	FirstEnergy - Cleveland Electric Illuminating <input type="checkbox"/>
---	---	---	---

FirstEnergy – Ohio  
Edison

☒

FirstEnergy – Toledo  
Edison

☐

**Class of customer selection:**

Commercial

☐

Industrial

☒

Mercantile

☐

Residential

☐

**A-11. Start Date.**

Indicate the approximate start date the applicant began/will begin offering services.

Date: 03/01/2017

**A-12. Principal officers, directors and partners.**

Please provide an attachment for all contacts that should be listed as an officer, director or partner.

**A-13. Company history.**

Provide an attachment with a concise description of the applicant's company history and principal business interests.

**A-14. Secretary of State.**

Provide evidence that the applicant is currently registered with the Ohio Secretary of State.

## **B. Managerial Capability**

Provide a response or attachment for each of the sections below.

**B-1. Jurisdiction of operations.**

List all jurisdictions in which the applicant or any affiliated interest of the applicant is certified, licensed, registered or otherwise authorized to provide retail natural gas service or retail/wholesale electric service as of the date of filing the application.

**B-2. Experience and plans.**

Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the 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 Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.

**B-3. Disclosure of liabilities and investigations.**

For the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant, describe all existing, pending or past rulings, judgments, findings, contingent liabilities, revocation of authority, regulatory investigations, judicial actions, or other formal or informal notices of violations, or any other matter related to competitive services in Ohio or equivalent services in another jurisdiction.



**B-4. Disclosure of consumer protection violations.**

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years? If yes, attach a document detailing the information.

Yes

☐

No

☒

**B-5. Disclosure of certification denial, curtailment, suspension, or revocation.**

Has the applicant, affiliate, or a predecessor of the applicant had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, revoked, or cancelled or been terminated or suspended from any of Ohio's Natural Gas or Electric Utility's Choice programs within the past two years? If yes, attach a document detailing the information.

Yes

☐

No

☒

**B-6. Environmental disclosure.**

This section is only applicable if power marketer or retail electric generation provider has been selected in A-1.

Provide a detailed description of how the applicant intends to determine its generation resource mix and environmental characteristics, including air emissions and radioactive waste. Include the annual projection methodology and the proposed approach to compiling the quarterly actual environmental disclosure data. See [4901:1-21-09](#) of the Ohio Administrative Code for additional details of this requirement.

## **C. Financial Capability**

Provide a response or attachment for each of the sections below.

**C-1. Financial reporting.**

Provide a current link to the most recent Form 10-K filed with the Securities and Exchange Commission (SEC) or attach a copy of the form. If the applicant does not have a Form 10-K, submit the parent company's Form 10-K. If neither the applicant nor its parent is required to file Form 10-K, state that the applicant is not required to make such filings with the SEC and provide an explanation as to why it is not required.

**C-2. Financial statements**

Provide copies of the applicant's two most recent years of audited financial statements, including a 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, provide 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 bank account numbers redacted.

If the applicant is unable to meet the requirement for two years of financial statements, the Staff reviewer may request additional financial information.

**C-3. Forecasted financial statements.**

Provide two years of forecasted income statements based solely on the applicant's anticipated business activities in the state of Ohio.

Include the following information with the forecast: a list of assumptions used to generate the forecast; a statement indicating that the forecast is based solely on Ohio business activities only; and the name, address, email address, and telephone number of the preparer of the forecast.

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods. Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in business activities only in the state of Ohio for those periods.

If the applicant is filing for both an electric certificate and a natural gas certificate, please provide a separate and distinct forecast for revenues and expenses representing Ohio electric business activities in the application for the electric certificate and another forecast representing Ohio natural gas business activities in the application for the natural gas certificate.

**C-4. Credit rating.**

Provide a credit opinion disclosing the applicant's credit rating as reported by at least one of the following ratings agencies: Moody's Investors Service, Standard & Poor's Financial Services, Fitch Ratings or the National Association of Insurance Commissioners. If the applicant does not have its own credit ratings, substitute the credit ratings of a parent or an affiliate organization and submit 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 "Not Rated".

**C-5. Credit report.**

Provide a copy of the applicant's credit report from Experian, Equifax, TransUnion, Dun and Bradstreet or a similar credit reporting organization. If the applicant is a newly formed entity with no credit report, then provide a personal credit report for the principal owner of the entity seeking certification. At a minimum, the credit report must show summary information and an overall credit score. Bank/credit account numbers and highly sensitive identification information must be redacted. If the applicant provides an acceptable credit rating(s) in response to C-4, then the applicant may select "This does not apply" and provide a response in the box below stating that a credit rating(s) was provided in response to C-4.

**C-6. Bankruptcy information.**



Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy? If yes, attach a document detailing the information.

- Applicant
- Parent company of the applicant
- Affiliate company that guarantees the financial obligations of the applicant
- Any owner or officer of the applicant

Yes

☐

No

☒

**C-7. Merger information.**

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months? If yes, attach a document detailing the information.

Yes

☐

No

☒

**C-8. Corporate structure.**

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as 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 the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

**C-9. Financial arrangements.**

This section is only applicable if power marketer or retail electric generation provider has been selected in A-1.

Provide copies of the applicant's financial arrangements to satisfy collateral requirements to conduct retail electric/natural gas business activities (e.g., parental guarantees, letters of credit, contractual arrangements, etc., as described below).

Renewal applicants may provide a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU's collateral requirements. The statement or letter must be on the utility's letterhead and dated within a 30-day period of the date the applicant files its renewal application.

First-time applicants or applicants whose certificate has expired must meet the requirements of C-9 in one of the following ways:

1. The applicant itself states that it is investment grade rated by Moody's Investors Service, Standard & Poor's Financial Services, or Fitch Ratings and provides evidence of rating from the rating agencies. If you provided a credit rating in C-4, reference the credit rating in the statement.

## **Competitive Retail Electric Service Affidavit**

County of Berks :

State of Pennsylvania :

Eugene F. Carter Jr., 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, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.
2. The applicant will timely file an annual report of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Sections [4905.10\(A\)](#), [4911.18\(A\)](#), and [4928.06\(F\)](#), Ohio Revised Code.
3. The applicant will timely pay any assessment made pursuant to Sections [4905.10](#), [4911.18](#), and [4928.06\(F\)](#), Ohio Revised Code.
4. The 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. The applicant will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the applicant.
6. The applicant will fully comply with Section [4928.09](#), Ohio Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The applicant will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The applicant will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The applicant will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the applicant will provide, it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio.
11. The Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating consumer complaints.



2. The applicant's parent company is investment grade rated (by Moody's, Standard & Poor's, or Fitch) and guarantees the financial obligations of the applicant to the LDU(s). Provide a copy of the most recent credit opinion from Moody's, Standard & Poor's or Fitch.
3. The applicant's parent company 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 parent company's financials and a copy of the parental guarantee must be included in the application if the applicant is relying on this option.
4. The applicant can provide evidence of posting a letter of credit with the LDU(s) listed as the beneficiary, in an amount sufficient to satisfy the collateral requirements of the LDU(s).

## D. Technical Capability

Provide an attachment for each of the sections below.

### D-1. Operations.

Power brokers/aggregators: Include details of the applicant's business operations and plans for arranging and/or aggregating for the supply of electricity to retail customers.

Power Marketers/Generators: Describe the operational nature of the applicant's business, specifying whether operations will include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services, as well as other services used to arrange for the purchase and delivery of electricity to retail customers.

### D-2. Operations expertise and key technical personnel.

Provide evidence of the applicant's experience and technical expertise in performing the operations described in this application. Include the names, titles, e-mail addresses, telephone numbers and background of key personnel involved in the operational aspects of the applicant's business. If vendors or third parties are or will be utilized for any activities listed in this application, provide the name, contact information for each, and list which activities they will perform. Also, indicate which activities will be performed directly by the company. Please note that this information is required to be updated within 30 days of any changes.

### D-3. FERC power marketer authorization.

This section is only applicable if power marketer or retail electric generation provider has been selected in A-1.

Provide the FERC docket granting the applicant power marketer authority.

**As authorized representative for the above company/organization, I certify that all the information contained in this application is true, accurate and complete. I also understand that failure to report completely and accurately may result in penalties or other legal actions.**

Signature

Date

Title

12. The facts set forth above are true and accurate to the best of his/her knowledge, information, and belief and that he/she expects said applicant to be able to prove the same at any hearing hereof.

13. Affiant further sayeth naught.

E. F. Carter Jr. CFO  
Signature of Affiant & Title

Sworn and subscribed before me this 21st day of September, 2023  
Month Year

Linda F. Jablonski  
Signature of official administering oath

Eugene F. Carter Jr. and CFO  
Print Name and Title

Commonwealth of Pennsylvania - Notary Seal  
LINDA F. JABLONSKI - Notary Public  
Berks County  
My Commission Expires June 11, 2027  
Commission Number 1262940

My commission expires on JUNE 11, 2027

American PowerNet Management, L.P.

Renewal Application

Exhibit A-12 – Principal Officers, Directors & Partners

PowerNet Management, LLC, General partner  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500

R Scott Helm, Founder, Partner, & Managing CEO, Member  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500 Ext 1002  
shelm@americanpowernet.com

Angel Lee Helm, Partner  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500



American PowerNet Management, LP

Renewal Application

Exhibit A-13 – Company History

American PowerNet Management, L.P. was formed to serve the electric energy needs of commercial and industrial customer in a jurisdiction where energy is deregulated and competitive. American PowerNet Management, LP uses its proprietary wholesale delivery model and its professional consultative services to serve its customers and clients.

American PowerNet Management, LP and its affiliates are independent enterprises and are not affiliated with any utilities or other power marketers. American PowerNet Management, LP provides its clients and customers with supply-side management services designed to provide direct cost savings on electric energy. American PowerNet Management, LP also provides limited demand-side management strategies that reduce or shift energy use to lower overall energy procurement expenses

American PowerNet Management, LP maintains all federal, regional, state and local licenses to execute its business activities. Additionally, American PowerNet Management, LP handles all individual account scheduling and balancing while passing through all wholesale costs related to its services. These pass-through costs include any specific credit requirements related to the ISO'S, wholesale bilateral Counterparties and, in some cases, jurisdictional requirements. Credit requirements may be satisfied with cash deposits.



American PowerNet Management, LP

Renewal Application

Exhibit A-14 Secretary of State

ATTACHED

Thu Aug 24 2023

**Entity#:** 1814474  
**Filing Type:** FOREIGN LIMITED PARTNERSHIP  
**Original Filing Date:** 10/24/2008  
**Location:** --  
**Business Name:** AMERICAN POWERNET MANAGEMENT, LP  
  
**Status:** Active  
**Exp. Date:** -

## Agent/Registrant Information

LEGALINC CORPORATE SERVICES INC.  
1991 CROCKER ROAD, SUITE 600A  
WESTLAKE OH 44145  
01/09/2017  
Active

## Filings

Filing Type	Date of Filing	Document ID
REGISTRATION OF FOREIGN LIMITED PARTNERSHIP	10/24/2008	200829801806
AGENT ADDRESS CHANGE/LIMITED/LIABILITY/PARTNERS	02/06/2013	201303700038
DOMESTIC AGENT SUBSEQUENT APPOINTMENT	01/09/2017	201700905280
FOREIGN/AGENT CHANGE OF ADDRESS	03/19/2018	201807800094

UNITED STATES OF AMERICA  
STATE OF OHIO  
OFFICE OF SECRETARY OF STATE

*I, Frank LaRose, Secretary of State of the State of Ohio, do hereby certify that this is a list of all records approved on this business entity and in the custody of the Secretary of State.*



*Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 24th of August, A.D. 2023*

*Ohio Secretary of State*

*[Signature]*

American PowerNet Management, LP

Renewal Application

Exhibit B-1 Jurisdiction of Operations

California

Delaware

District of Columbia

Illinois

Maine

Maryland

Massachusetts

New Jersey

New York

Ohio

Pennsylvania

Texas

Virginia

**American PowerNet Management, LP**

**Renewal Application**

**Exhibit B-2 Experience & Plans**

American PowerNet Management, LP was formed to serve the electric energy needs of commercial and Industrial customers in a jurisdiction where electric energy is deregulated and competitive. American PowerNet Management, LP uses its proprietary wholesale delivery model and its professional consultative services to serve its clients.

American PowerNet Management, LP intends to meet the needs of its existing clients in Ohio.

American PowerNet Management, LP

Renewal Application

**Exhibit B-3 – Disclosures of Liabilities and Investigations**

There are no existing or past rulings, judgements, liability, regulatory investigations, revocations of authority or any other matters that could adversely impact the applicant's financial or operational status to provide services.



American PowerNet Management, L.P.

Renewal Application

Exhibit B-6 Environmental Disclosure

Ohio Administrative Code 4901:1-21-09 requires competitive retail service (CRES) providers to report environmental disclosure information to the PUCO on a quarterly basis and to make the information available to their customers.

The annual projection form for January 2023 is provided by the PUCO in a table found on the website. If the electric distribution utilities (EDU) or competitive retail electric service (CRES) provider buys its electricity from the market, then the EDU or CRES provider's product and the regional average should be the same.

The annual form is made available to customers in January. The quarterly form is made available to customers in March, June, September and December. In accordance with Commission rules, the annual and quarterly environmental disclosure forms can be disclosed to customers via the EDU or CRES provider's website. At the request of the customer, a hardcopy of the data shall be provided at no cost to the customer.

In addition, each EDU or CRES provider shall electronically submit its annual projection and quarterly comparisons of environmental disclosure data to the deputy director of the utilities department or their designee. The information provided to staff shall be identical in content and format to that provided to customers.

American PowerNet Management, L.P.

Renewal Application

Exhibit C-1 Financial Reporting

American PowerNet Management, LP is a private family-owned partnership and as such, is not required to make any filings with the SEC.

American PowerNet Management, LP

Renewal Application

Exhibit C-2 – Financial Statements

Providing Audited Financial Statements for year ending December 31, 2022 and 2021.





# **American Powernet Management, LP and Affiliates**

## **Combined Financial Statements and Supplementary Information**

December 31, 2022 and 2021

**American Powernet Management, LP and Affiliates**

---

**Table of Contents**

December 31, 2022 and 2021

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1 and 2</b>
<b>FINANCIAL STATEMENTS</b>	
Combined Balance Sheet	3
Combined Statement of Income	4
Combined Statement of Comprehensive Income	5
Combined Statement of Changes in Partners' Equity	6
Combined Statement of Cash Flows	7
Notes to Combined Financial Statements	8 to 15
<b>SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet	16 to 19
Combining Statement of Income	20 and 21
Combining Schedule of General and Administrative Expenses	22 and 23

## Independent Auditor's Report

To the Partners  
American Powernet Management, LP and Affiliates  
Wyomissing, Pennsylvania

### Opinion

We have audited the combined financial statements of American Powernet Management, LP and affiliates (the Company), which comprise the combined balance sheet as of December 31, 2022 and 2021, the related combined statements of income, comprehensive income, changes in partners' equity, and cash flows for the years then ended, and the related notes to the combined financial statements (collectively, the financial statements).

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

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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





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

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

In performing an audit in accordance with GAAS, we:

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

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

RKL LLP

May 26, 2023  
Wyomissing, Pennsylvania

**American Powernet Management, LP and Affiliates****Combined Balance Sheet**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,984,123	\$ 5,509,968
Accounts receivable	13,909,810	10,136,022
Prepaid expenses	9,285	162,248
<b>Total Current Assets</b>	<b>17,903,218</b>	<b>15,808,238</b>
<b>Property and Equipment</b>		
Furniture, equipment, and software	448,254	296,671
Accumulated depreciation	(177,512)	(173,352)
<b>Property and Equipment, Net</b>	<b>270,742</b>	<b>123,319</b>
<b>Other Assets</b>		
Security deposits	2,732,154	2,109,332
Investments	596,493	759,618
Other	188,723	25,558
<b>Total Other Assets</b>	<b>3,517,370</b>	<b>2,894,508</b>
<b>Total Assets</b>	<b>\$ 21,691,330</b>	<b>\$ 18,826,065</b>
<b>Liabilities and Partners' Equity</b>		
<b>Current Liabilities</b>		
Note payable, lines of credit	\$ 1,600,000	\$ 1,600,000
Accounts payable	12,227,279	9,864,744
Accrued expenses	182,250	82,361
<b>Total Current Liabilities</b>	<b>14,009,529</b>	<b>11,547,105</b>
<b>Security Deposits Payable</b>	<b>3,894,717</b>	<b>3,413,466</b>
<b>Total Liabilities</b>	<b>17,904,246</b>	<b>14,960,571</b>
<b>Partners' Equity</b>		
Partners' capital	3,964,987	3,620,517
Accumulated other comprehensive income (loss)	(177,903)	244,977
<b>Total Partners' Equity</b>	<b>3,787,084</b>	<b>3,865,494</b>
<b>Total Liabilities and Partners' Equity</b>	<b>\$ 21,691,330</b>	<b>\$ 18,826,065</b>

See accompanying notes.

**American Powernet Management, LP and Affiliates****Combined Statement of Income**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Energy sales	\$ 140,110,118	\$ 97,208,507
Management fee income	2,812,336	2,828,057
Grant income	137,804	-
<b>Total Revenue</b>	<b>143,060,258</b>	<b>100,036,564</b>
<b>Cost of Energy Purchases</b>	<b>140,499,009</b>	<b>97,759,595</b>
<b>Gross Profit</b>	<b>2,561,249</b>	<b>2,276,969</b>
<b>General and Administrative Expenses</b>	<b>1,592,488</b>	<b>1,678,594</b>
<b>Operating Income</b>	<b>968,761</b>	<b>598,375</b>
<b>Other (Income) Expense</b>		
Interest expense	43,268	19,520
Interest income	(24,816)	(3,602)
Net (gain) loss on investments	12,705	(3,831)
<b>Total Other (Income) Expense</b>	<b>31,157</b>	<b>12,087</b>
<b>Net Income</b>	<b>\$ 937,604</b>	<b>\$ 586,288</b>

See accompanying notes.



**American Powernet Management, LP and Affiliates****Combined Statement of Comprehensive Income**

	Years Ended December 31,	
	2022	2021
<b>Net Income</b>	<b>\$ 937,604</b>	<b>\$ 586,288</b>
<b>Other Comprehensive Income (Loss)</b>		
Unrealized gains on investments		
Net unrealized holding gains (losses) arising during period	(435,585)	36,173
Reclassification adjustment for realized (gains) losses included in net income	12,705	(3,831)
<b>Total Other Comprehensive Income (Loss)</b>	<b>(422,880)</b>	<b>32,342</b>
<b>Comprehensive Income</b>	<b>\$ 514,724</b>	<b>\$ 618,630</b>

See accompanying notes.

**American Powernet Management, LP and Affiliates****Combined Statement of Changes in Partners' Equity**

	<b>Partners' Capital</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total</b>
<b>Balance at December 31, 2020</b>	\$ 3,923,066	\$ 212,635	\$ 4,135,701
Net income	586,288	-	586,288
Unrealized gains on investments	-	32,342	32,342
Partners' withdrawals, net	<u>(888,837)</u>	<u>-</u>	<u>(888,837)</u>
<b>Balance at December 31, 2021</b>	3,620,517	244,977	3,865,494
Net income	937,604	-	937,604
Unrealized loss on investments	-	(422,880)	(422,880)
Partners' withdrawals, net	<u>(593,134)</u>	<u>-</u>	<u>(593,134)</u>
<b>Balance at December 31, 2022</b>	<u>\$ 3,964,987</u>	<u>\$ (177,903)</u>	<u>\$ 3,787,084</u>

See accompanying notes.



**American Powernet Management, LP and Affiliates****Combined Statement of Cash Flows**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 937,604	\$ 586,288
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation	4,160	5,036
Realized (gains) losses on investments	12,705	(3,831)
(Increase) decrease in assets		
Accounts receivable	(3,773,788)	(2,725,420)
Prepaid expenses	152,963	(150,365)
Other assets	(163,165)	(9,204)
Increase (decrease) in liabilities		
Accounts payable	2,362,535	3,847,887
Accrued expenses	99,889	(94,385)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(367,097)</b>	<b>1,456,006</b>
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(151,583)	-
Purchases of investments	(272,460)	(279,617)
<b>Net Cash Used in Investing Activities</b>	<b>(424,043)</b>	<b>(279,617)</b>
<b>Cash Flows from Financing Activities</b>		
Net borrowings on line of credit	-	1,000,000
Security deposits	(622,822)	(443,362)
Security deposits payable	481,251	(9,312)
Partner withdrawals, net	(593,134)	(888,837)
<b>Net Cash Used in Financing Activities</b>	<b>(734,705)</b>	<b>(341,511)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,525,845)</b>	<b>834,878</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>5,509,968</b>	<b>4,675,090</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 3,984,123</b>	<b>\$ 5,509,968</b>
<b>Supplementary Cash Flows Information</b>		
Interest paid	\$ 43,268	\$ 19,771
Change in unrealized gains (losses) on investments	\$ (422,880)	\$ 32,342

See accompanying notes.

## **American Powernet Management, LP and Affiliates**

---

### **Notes to Combined Financial Statements**

**December 31, 2022 and 2021**

#### **Note 1 - Nature of Operations**

American Powernet Management, LP and affiliates, d/b/a American Powernet, financial statements represent the combined financial statements of American Powernet Management, LP, American Powernet Services, LP, and APN Starfirst, LP (collectively the Company). American Powernet Management, LP and affiliates d/b/a American Powernet derives revenues from energy purchases, and sales and commission earnings and consulting for management services performed.

#### **Note 2 - Summary of Significant Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying combined financial statements follows.

##### **Principles of Combination**

The combined financial statements of the American Powernet Management, LP and affiliates, d/b/a American Powernet, include the accounts of American Powernet Management, LP, American Powernet Services, LP, and APN Starfirst, LP. Combined financial statements are presented due to common ownership among the entities. All significant intercompany accounts and transactions have been eliminated.

##### **Use of Estimates**

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

The Company considers all highly-liquid, short-term investments with an original maturity of three months or less to be cash and cash equivalents.

##### **Restricted Cash**

Amounts in restricted cash are required to be set aside by a contractual agreement with customers for energy supply needs.



**American Powernet Management, LP and Affiliates****Notes to Combined Financial Statements****December 31, 2022 and 2021****Note 2 - Summary of Significant Accounting Policies (continued)****Restricted Cash (continued)**

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the combined balance sheet to the total of the same such amounts in the combined statement of cash flows as of December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,363,960	\$ 4,200,805
Restricted cash	<u>1,620,163</u>	<u>1,309,163</u>
Total cash and cash equivalents, and restricted cash shown in the combined statement of cash flows	<u>\$ 3,984,123</u>	<u>\$ 5,509,968</u>

**Investments**

Securities classified as available for sale are those securities that the Company intends to hold for an indefinite period of time, but not necessarily to maturity. Securities available for sale are carried at fair value. Unrealized gains or losses are reported as increases or decreases in other comprehensive income (loss). Realized gains or losses, determined on the basis of the cost of the specific securities sold, are included in earnings. Premiums and discounts are recognized in interest income using the interest method over the term of the securities.

The Company evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. The Company employs a systematic methodology that considers available evidence in evaluating potential impairment of its investments. In the event that the cost of an investment exceeds its fair value, the Company evaluates, among other factors, the magnitude and duration of the decline in fair value; the expected cash flows of the securities; the financial health of, and business outlook for, the issuer; the performance of the underlying assets for interests in securitized assets; and the Company's intent and ability to hold the investment. Once a decline in fair value is determined to be other than temporary, an impairment charge is recorded in investment income and a new cost basis in the investment is established.

**Accounts Receivable**

Accounts receivable are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, agings of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due. The Company does not accrue interest income on its delinquent accounts receivable. There was no allowance for doubtful accounts for the years ended December 31, 2022 and 2021.



## **American Powernet Management, LP and Affiliates**

### **Notes to Combined Financial Statements**

December 31, 2022 and 2021

#### **Note 2 - Summary of Significant Accounting Policies (continued)**

##### **Property and Equipment**

Property and equipment is stated at cost, less accumulated depreciation and amortization. Major renewals and betterments are capitalized while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Upon retirement, sale, or other disposition of property and equipment, the asset and related allowance for depreciation are eliminated from the accounts, and any gain or loss on the transaction is included in income. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives of furniture and equipment used to calculate depreciation are as follows:

Furniture and equipment	5 to 10 years
-------------------------	---------------

##### **Security Deposits**

Security deposits recorded as long-term assets are amounts that have been posted by the Company as collateral with various suppliers, which allow the Company to sell energy to customers in various locations.

Security deposits recorded as long-term liabilities are amounts that are due to customers based on terms of the stated contracts and the location of the customer business. The security deposits are held as long as the Company is doing business with the customer and are amounts due to the customer.

##### **Income Taxes**

The Company is treated as a pass-through entity for federal and state income tax purposes. Consequently, federal and state income taxes are not payable by, or provided by, the Company. The partners are taxed individually on their share of the Company's earnings. The Company's net income or loss is allocated among the partners in accordance with their pro-rata share of the Company. Generally though, distributions made to the partners are to fund their individual tax liabilities related to the Company income. The Company files composite tax returns in several states.

U.S. GAAP requires management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the combined financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before 2019.

##### **Concentration of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of risk consist principally of cash and cash equivalents, accounts receivable, and other receivables.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Concentration of Credit Risk (continued)**

The Company regularly maintains amounts on deposit with various financial institutions in excess of that insured by the Federal Deposit Insurance Corporation. The Company believes that it limits its credit exposure by placing its temporary cash investments with, what management believes to be, high credit quality financial institutions.

**Revenue Recognition**

The Company recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when or as performance obligations are satisfied.

The Company's revenue is primarily derived from the sale of power as a licensed entity. The Company sells primarily to commercial customers in the United States. Sales are subject to economic conditions and may fluctuate based on changes in the industry, trade policies, and financial markets. The Company assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. Customer contracts generally are standardized and noncancellable for the duration of the stated contract term. Certain customer contracts may include various termination rights which, if deemed to be substantive, would impact the determination of the contract term and may give rise to material rights with respect to renewal options.

Revenue from the sale of power is recognized upon transfer to the customer, which is typically upon allocation from the power grid.

Additionally the Company derives revenue from management fees charged to customers associated with the sale and distribution of power. These fees are calculated based on agreed upon rates in customer contracts.

As discussed previously, revenue from the sale of power and revenue from management fees are recognized at a point in time. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to the customer. Revenue is recorded based on the transaction price, which includes fixed consideration and estimates of variable consideration such as early payment discounts, volume discounts, rebates, and rights of return, if applicable.

Payment terms on invoiced amounts are due upon receipt. The primary purpose of the Company's invoicing terms is to provide customers with simplified and predictable ways of purchasing the products and not to receive financing from, or provide financing to, the customer.



**American Powernet Management, LP and Affiliates****Notes to Combined Financial Statements**

December 31, 2022 and 2021

**Note 2 - Summary of Significant Accounting Policies (continued)****Recent Accounting Pronouncement**

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available for sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held to maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available for sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the combined statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of adopting this new guidance on its combined financial statements.

**Note 3 - Investments**

Management classifies all of its investments in certificates of deposit and cryptocurrencies as available for sale and, accordingly, carries its investments at estimated fair market value. Unrealized gains and losses on the contracts and investments are recorded as a separate component of other comprehensive income (loss). Realized gains and losses are included in the net income of the Company, and the cost of the contracts is computed using the specific identification method.

Market values of the investments held are summarized as follows at December 31:

	Cost	Gross Unrealized Holding Gain	Gross Unrealized Holding Loss	Market Value
<b>2022</b>				
Certificates of deposit	\$ 161,193	\$ -	\$ -	\$ 161,193
Cryptocurrencies	613,203	-	(177,903)	435,300
	<u>\$ 774,396</u>	<u>\$ -</u>	<u>\$ (177,903)</u>	<u>\$ 596,493</u>
<b>2021</b>				
Certificates of deposit	\$ 157,475	\$ 7,167	\$ -	\$ 164,642
Cryptocurrencies	357,166	240,743	(2,933)	594,976
	<u>\$ 514,641</u>	<u>\$ 247,910</u>	<u>\$ (2,933)</u>	<u>\$ 759,618</u>



**American Powernet Management, LP and Affiliates****Notes to Combined Financial Statements**

December 31, 2022 and 2021

**Note 4 - Note Payable, Lines of Credit**

The Company has lines of credit available totaling \$9,000,000 from Santander Bank. The lines consist of a working capital line of credit of \$2,000,000 and a credit facility of \$7,000,000 to fund client related letters of credit to secure purchases of electricity. A line of credit in the amount of \$13,000,000 to support the relationship with a single, publicly traded company has been closed as of December 31, 2022 because that client's business with the Company has concluded. The lines of credit mature on September 30, 2023. The terms of the credit facility provide for monthly interest payments at the bank's prime rate (8.00% and 3.25% at December 31, 2022 and 2021, respectively) on outstanding balances. These notes are secured by a first lien priority security interest in the Company's assets and cross guarantees of American PowerNet Services, L.P., APN Starfirst, L.P., and American PowerNet Management, L.P. The working capital line of credit is personally guaranteed by the partners of the Company. At December 31, 2022 and 2021, the Company had borrowed \$600,000 on the working capital line of credit. \$4,010,000 of letters of credit were outstanding against the availability of the line of credit at both December 31, 2022 and 2021.

The Company has a \$12,000,000 line of credit available from PNC Bank. The terms of the agreement provide for monthly interest payments at the daily LIBOR rate plus 2.00% (6.36% and 2.08% at December 31, 2022 and 2021, respectively) on any outstanding balances. The note is secured by customer security deposits and an interest in the Company assets and cross guarantees of American PowerNet Services, L.P., APN Starfirst, L.P., and American PowerNet Management, L.P. The line of credit is personally guaranteed by the partners of the Company. The line of credit matures on December 31, 2023. At both December 31, 2022 and 2021, the Company had \$1,000,000 outstanding on the line of credit. Also, outstanding against the availability on the line of credit were letters of credit totaling \$6,000,000 at both December 31, 2022 and 2021.

The line of credit with Santander Bank has certain financial covenants which must be met annually. All covenants with Santander Bank were met during the year ended December 31, 2022.

The line of credit with PNC Bank has certain financial covenants which must be met annually. The financial covenants with PNC Bank did not pass for the year ended December 31, 2022, but the failure was waived by PNC Bank.

**Note 5 - Employee Retirement Plan**

The Company provides a 401(k) plan to all eligible employees. Employees will receive an employer match annually based on the terms of the plan document. Total contributions and costs paid by the Company for the years ended December 31, 2022 and 2021 were \$29,394 and \$29,904, respectively.

## **American Powernet Management, LP and Affiliates**

### **Notes to Combined Financial Statements**

December 31, 2022 and 2021

#### **Note 6 - Deferred Compensation**

In 2006, American Powernet Management, LP adopted the Supplemental Executive Compensation Plan, which allows for deferred compensation to certain key employees. The value of the Plan is based upon the calculation and payments outlined in the agreement. All employer contributions to the Plan have a three-year vesting period. At December 31, 2022 and 2021, the Company has accrued a liability of \$77,287 and \$58,270, respectively.

#### **Note 7 - Fair Value Measurements**

FASB ASC's authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands disclosure about fair value measurements. This guidance enables the reader of the combined financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The investments disclosed in Note 3 are Level 2 investments.

#### **Note 8 - Commitments and Contingencies**

##### **Related Party Lease**

The Company is party to a lease with a related party for office space. The lease has a five-year term with lease expenses annually amounting to \$60,000. The lease expires in December 2024.

##### **Litigation**

The Company is subject to certain legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect the Company's combined financial statements or results of operations.



**American Powernet Management, LP and Affiliates**

---

**Notes to Combined Financial Statements****December 31, 2022 and 2021****Note 8 - Commitments and Contingencies (continued)****Major Customer**

Revenues from five customers represented approximately 85% and 80% of total revenues during the years ended December 31, 2022 and 2021, respectively. The total accounts receivable from these customers at December 31, 2022 and 2021 was \$8,524,523 and \$3,907,045, respectively. The loss of one or more of these large customers could have a materially adverse effect on the Company's business.

**Note 9 - Risks and Uncertainties**

In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic. The actions taken to mitigate it adversely affected the economy, financial markets, and the geographical area in which the Company operates. The pandemic and other world events have caused continuing economic and political uncertainties that have also affected the demand for our products or services. It is unknown how long these conditions will last and what the complete financial effect will be to the Company, if any.

Additionally, it is reasonably possible that estimates made in the combined financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

**Note 10 - Subsequent Events**

The Company has evaluated subsequent events through May 26, 2023. This date is the date the combined financial statements were available to be issued. No events subsequent to December 31, 2022 were noted.

**American Powernet Management, LP and Affiliates**
**Combining Balance Sheet**

December 31, 2022					
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 3,984,123	\$ -	\$ 3,492,240	\$ 484,337	\$ 7,546
Accounts receivable	13,909,810	-	12,282,837	1,626,230	743
Intercompany	-	-	(1,615,744)	1,600,000	15,744
Prepaid expenses	9,285	-	-	-	9,285
<b>Total Current Assets</b>	<b>17,903,218</b>	<b>-</b>	<b>14,159,333</b>	<b>3,710,567</b>	<b>33,318</b>
<b>Property and Equipment</b>					
Furniture, equipment, and software	448,254	-	245,083	-	203,171
Accumulated depreciation	(177,512)	-	(3,500)	-	(174,012)
<b>Property and Equipment, Net</b>	<b>270,742</b>	<b>-</b>	<b>241,583</b>	<b>-</b>	<b>29,159</b>
<b>Other Assets</b>					
Security deposits	2,732,154	-	1,961,380	770,774	-
Investments	596,493	-	435,300	-	161,193
Other	188,723	-	10,000	-	178,723
<b>Total Other Assets</b>	<b>3,517,370</b>	<b>-</b>	<b>2,406,680</b>	<b>770,774</b>	<b>339,916</b>
<b>Total Assets</b>	<b>\$ 21,691,330</b>	<b>\$ -</b>	<b>\$ 16,807,596</b>	<b>\$ 4,481,341</b>	<b>\$ 402,393</b>

**American Powernet Management, LP and Affiliates**

Combining Balance Sheet (continued)

	December 31, 2022				
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
<b>Liabilities and Partners' Equity</b>					
<b>Current Liabilities</b>					
Note payable, lines of credit	\$ 1,600,000	\$ -	\$ 1,600,000	\$ -	\$ -
Accounts payable	12,227,279	-	12,174,863	-	52,416
Accrued expenses	182,250	-	111,073	(6,110)	77,287
<b>Total Current Liabilities</b>	14,009,529	-	13,885,936	(6,110)	129,703
<b>Security Deposits Payable</b>	3,894,717	-	1,599,186	2,295,531	-
<b>Total Liabilities</b>	17,904,246	-	15,485,122	2,289,421	129,703
<b>Partners' Equity</b>					
Partners' capital	3,964,987	-	1,506,500	2,191,920	266,567
Accumulated other comprehensive income (loss)	(177,903)	-	(184,026)	-	6,123
<b>Total Partners' Equity</b>	3,787,084	-	1,322,474	2,191,920	272,690
<b>Total Liabilities and Partners' Equity</b>	\$ 21,691,330	\$ -	\$ 16,807,596	\$ 4,481,341	\$ 402,393

**American Powernet Management, LP and Affiliates**

Combining Balance Sheet (continued)

	December 31, 2021				
	Combined	Eliminations and Adjustments	American Powernet Management, LP	APN Starfirst, LP	American Powernet Services, LP
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 5,509,968	\$ -	\$ 4,454,844	\$ 939,923	\$ 115,201
Accounts receivable	10,136,022	-	8,777,130	1,328,612	30,280
Intercompany	-	-	(1,600,000)	1,600,000	-
Prepaid expenses	162,248	-	157,025	-	5,223
<b>Total Current Assets</b>	<b>15,808,238</b>	<b>-</b>	<b>11,768,999</b>	<b>3,868,535</b>	<b>150,704</b>
<b>Property and Equipment</b>					
Furniture, equipment, and software	296,671	-	93,500	-	203,171
Accumulated depreciation	(173,352)	-	(3,500)	-	(169,852)
<b>Property and Equipment, Net</b>	<b>123,319</b>	<b>-</b>	<b>90,000</b>	<b>-</b>	<b>33,319</b>
<b>Other Assets</b>					
Security deposits	2,109,332	-	1,467,647	641,685	-
Investments	759,618	-	595,449	-	164,169
Other	25,558	-	10,000	-	15,558
<b>Total Other Assets</b>	<b>2,894,508</b>	<b>-</b>	<b>2,073,096</b>	<b>641,685</b>	<b>179,727</b>
<b>Total Assets</b>	<b>\$ 18,826,065</b>	<b>\$ -</b>	<b>\$ 13,952,095</b>	<b>\$ 4,510,220</b>	<b>\$ 363,750</b>



American PowerNet Management, L.P.

Renewal Application

Exhibit C-3 –Forecasted Income

Two Years of forecasted income statements and assumptions



**American PowerNet Management, LP and Affiliates**  
**Consolidated Statement of Income and Expenses**  
**Projected 2023, 2024 and 2025**

	APNM / APNS Projected 2023	APNM / APNS OH (Projected) 2023	APNM / APNS OH (Projected) 2024	APNM / APNS OH (Projected) 2025
30200 - Commissions and Other Fees	57,000	9,690	10,175	10,683
41001 - Mgt. Fee Income - Title	1,890,000	321,300	337,365	354,233
41005 - Mgt. Fee Income - Non Title	673,000	114,410	120,131	126,137
TOTAL FEE INCOME	2,620,000	445,400	467,670	491,054
41501 - Energy Revenues - PJM	16,513,000	2,807,210	2,947,571	3,094,949
41502 - Energy Revenues - ISO NE	1,521,000	258,570	271,499	285,073
41600 - Energy Revenues - Direct Supply	65,445,000	11,125,650	11,681,933	12,266,029
41503 - Energy Revenues - ERCOT	326,000	55,420	58,191	61,101
41505 - Energy Revenues - CAISO	-	-	-	-
41504 - Energy Revenues - MISO	-	-	-	-
41506 - Energy Revenues - NYISO	2,221,000	377,570	396,449	416,271
41700 - Energy Revenues - Accrued	-	-	-	-
TOTAL ENERGY REVENUES	86,026,000	14,624,420	15,355,641	16,123,423
42000 - Other Operating Income	27,000	4,590	4,820	5,060
42001 - Fees - ELR Management	21,000	3,570	3,749	3,936
42005 - Fees - Intelsys	35,000	5,950	6,248	6,560
42010 - Fees - Letter of Credit Fees	352,000	59,840	62,832	65,974
42020 - Fees - RECS	14,732,000	2,504,440	2,629,662	2,761,145
42020 - Fees - PJM GATS	8,000	1,360	1,428	1,499
42050 - Fees - MD PSC Assessment	6,000	1,020	1,071	1,125
42051 - Fees - DC PSC / OPC Assessment	-	-	-	-
42052 - Fees - OH OUCO Assessment	-	-	-	-
42054 - Fees - PA PUC Assessment	17,000	2,890	3,035	3,186
42090 - Fees - Misc. Passthrough	(8,000)	(1,360)	(1,428)	(1,499)
TOTAL OTHER FEES AND REVENUES	15,190,000	2,582,300	2,711,415	2,846,986
50100 - Energy Purchases	-	-	-	-
50101 - Energy Purchases - PJM	14,581,000	2,478,770	2,602,709	2,732,844
50102 - Energy Purchases - ISO NE	2,069,000	351,730	369,317	387,782
50103 - Energy Purchases - ERCOT	331,000	56,270	59,084	62,038
50104 - Energy Purchases - MISO	(6,000)	(1,020)	(1,071)	(1,125)
50104 - Energy Purchases - CAISO	(1,000)	(170)	(179)	(187)
50106 - Energy Purchases - NYISO	2,351,000	399,670	419,654	440,636
50200 - Energy Purchases - Suppliers	65,362,000	11,111,540	11,667,117	12,250,473
50200 - Energy Purchases - Accrued	-	-	-	-
TOTAL ENERGY PURCHASES	84,687,000	14,396,790	15,116,630	15,872,461
50510 - LC Fees - ABSORB	-	-	-	-
50511 - LC Fees - PASSTHROUGH	308,000	52,360	54,978	57,727
50520 - REC Fees - ABSORB	11,000	1,870	1,964	2,062
50521 - REC Fees - PASSTHROUGH	15,334,000	2,606,780	2,737,119	2,873,975
50531 - PJM GATS Fees - PASSTHROUGH	6,000	1,020	1,071	1,125

**American PowerNet Management, LP and Affiliates**  
**Consolidated Statement of Income and Expenses**  
**Projected 2023, 2024 and 2025**

	APNM / APNS Projected 2023	APNM / APNS OH (Projected) 2023	APNM / APNS OH (Projected) 2024	APNM / APNS OH (Projected) 2025
50536 · MD PSC / OPC - PASSTHROUGH	17,000	2,890	3,035	3,186
50541 · DC PSC / OPC - PASSTHROUGH	3,000	510	536	562
50546 · OH PUCO ASSESSMENTS - PASSTHROUGH	-	-	-	-
50551 · IL ICC ASSESSMENTS - PASSTHROUGH	20,000	3,400	3,570	3,749
50556 · PA PUC - PASSTHROUGH	1,000	170	179	187
50560 · CA ELECTRICAL ENERGY SURCHARGE	-	-	-	-
50590 · Other Costs - ABSORB	332,000	56,440	59,262	62,225
50591 · Other Costs - PASSTHROUGH	27,000	4,590	4,820	5,060
TOTAL OTHER COSTS OF SERVICE	16,059,000	2,730,030	2,866,532	3,009,858
GROSS PROFIT	3,090,000	525,300	551,565	579,143
50300 · Payroll	879,000	149,430	156,902	164,747
50310 · Salaries and Wages	-	-	-	-
50350 · Deferred Compensation	-	-	-	-
50410 · ER FICA / MC Tax	-	-	-	-
50420 · Federal Unemployment Tax	(1,000)	(170)	(179)	(187)
50425 · State Unemployment Tax	2,000	340	357	375
50450 · Health Insurance Premiums	-	-	-	-
XXXXX · ICHRA Contributions	-	-	-	-
50455 · Workers Comp Ins. Premiums	-	-	-	-
50475 · FSA Contributions and Claims	96,000	16,320	17,136	17,993
50455 · FSA Administration Expenses	3,000	510	536	562
50480 · 401(k) Match	-	-	-	-
50485 · 401(k) Administration Expenses	2,000	340	357	375
XXXXX · ICHRA Admin Fees	-	-	-	-
50490 · Professional Development	-	-	-	-
50495 · Other Employee Benefits	6,000	1,020	1,071	1,125
TOTAL SALARIES, WAGES AND EMPLOYEE BENEFITS	987,000	167,790	176,180	184,988
51000 · Operating Supplies	3,000	510	536	562
51200 · Express Postage and Freight	-	-	-	-
52000 · Office Rent - JAG 3	60,000	10,200	10,710	11,246
52010 · Association Expenses	12,000	2,040	2,142	2,249
52021 · Electric Service	3,000	510	536	562
52022 · Gas Service	2,000	340	357	375
52023 · Telephone Expenses	4,000	680	714	750
52024 · Cable and Connectivity Expense	12,000	2,040	2,142	2,249
52030 · Housekeeping Expenses	5,000	850	893	937
52090 · Other Occupancy Expenses	2,000	340	357	375
53010 · Repairs and Maintenance	2,000	340	357	375
53400 · Advertising and Promotion	-	-	-	-
53510 · Insurance - General Liability	7,000	1,190	1,250	1,312
53530 · Insurance - Professional Liab.	11,000	1,870	1,964	2,062
53540 · Insurance - Trade Credit	-	-	-	-
53540 · Insurance - Other	-	-	-	-
53805 · Vehicle Operating Expense	-	-	-	-
53810 · Meals and Entertainment - 100%	-	-	-	-



**American PowerNet Management, LP and Affiliates**  
**Consolidated Statement of Income and Expenses**  
**Projected 2023, 2024 and 2025**

	APNM / APNS Projected 2023	APNM / APNS OH (Projected) 2023	APNM / APNS OH (Projected) 2024	APNM / APNS OH (Projected) 2025
53820 · Meals and Entertainment - 50%	-	-	-	-
53900 · Travel and Lodging Expense	-	-	-	-
53930 · Employee Expense Reimbursements	18,000	3,060	3,213	3,374
54000 · Other Business Taxes	-	-	-	-
54001 · Other Taxes	17,000	2,890	3,035	3,186
54020 · Business Priv / Mercantile Tax	6,000	1,020	1,071	1,125
54800 · Permits and Licenses	271,000	46,070	48,374	50,792
55000 · Interest Expense	82,000	13,940	14,637	15,369
55100 · Bank Service Fees	89,000	15,130	15,887	16,681
56410 · Fees - Legal and Advisory	16,000	2,720	2,856	2,999
56500 · Other Expenses	-	-	-	-
56420 · Fees - Accounting and OOP	22,000	3,740	3,927	4,123
56430 · Fees - Audit and OOP Expenses	50,000	8,500	8,925	9,371
56435 · Fees - Administrative Services	-	-	-	-
56440 · Fees - Finding Fees	6,000	1,020	1,071	1,125
56450 · Fees - Computer Consulting	48,000	8,160	8,568	8,996
56450 · Fees - Outside Services	-	-	-	-
56500 · Other Expenses	-	-	-	-
56510 · Dues	-	-	-	-
56520 · Subscriptions	48,000	8,160	8,568	8,996
56530 · Penalties	29,000	4,930	5,177	5,435
56550 · Power.Me Development Costs	-	-	-	-
56580 · Charitable Contributions	7,000	1,190	1,250	1,312
56585 · Credit Card - USAirways MC	68,000	11,560	12,138	12,745
56586 · Credit Card - Am. Ex.	10,000	1,700	1,785	1,874
56587 · Credit Card - PayPal MC	-	-	-	-
56589 · Credit Card - ApplePay	4,000	680	714	750
56589 · Credit Card - Capital One	187,000	31,790	33,380	35,048
56590 · Other Miscellaneous Expense	-	-	-	-
56590 · Uncollectible accounts	-	-	-	-
56701 · Interest Income Active	-	-	-	-
56750 · Other Expense	1,000	170	179	187
56705 · Realized G/L - Investments	-	-	-	-
57600 · Tax Suspense items	-	-	-	-
66900 · Reconciliation Discrepancies	-	-	-	-
57400 · Amortization Expense	-	-	-	-
57500 · Depreciation Expense	-	-	-	-
57510 · Section 179 Expense	-	-	-	-
99999 · SBA EIDL Grants / PPP Loan Forgiveness	-	-	-	-
90201 · Tax discounts	-	-	-	-
99999 · System Suspense	-	-	-	-
99999 · Other	-	-	-	-
TOTAL NON-EMPLOYEE EXPENSES	1,102,000	187,340	196,707	206,542
TOTAL EXPENSES	2,089,000	355,130	372,887	391,531
INCOME BEFORE MANAGEMENT FEE TRANSFERS	1,001,000	170,170	178,679	187,612
90500 · Management Fee Transfers	-	-	-	-

**American PowerNet Management, LP and Affiliates**  
**Consolidated Statement of Income and Expenses**  
**Projected 2023, 2024 and 2025**

NET INCOME

APNM / APNS Projected 2023	APNM / APNS OH (Projected) 2023	APNM / APNS OH (Projected) 2024	APNM / APNS OH (Projected) 2025
1,001,000	170,170	178,679	187,612

Assumptions:

Projected 2023 based on 6 months ended 6-30-23  
 Projected 2024 is 105% of projected 2023  
 Projected 2025 is 105% of projected 2024

Prepared by:  
 Eugene F. Carter, Jr., CFO  
 gcarter@americanpowernet.com  
 610.372.8500

American PowerNet Management, L.P.

Renewal Application

Exhibit C-4 – Credit Rating

American PowerNet Management, LP "NOT RATED" – American PowerNet Management, LP is not rated by any credit rating agency.



American PowerNet Management, L.P.

Renewal Application

Exhibit C-5 – Credit Report

A recent report from Dun and Bradstreet for American PowerNet Management, L.P. follows this page.

## CreditBuilder™

AMERICAN POWERNET MANAGEMENT, L.P. - Full Company View

Saved by Eugene Carter Jr | 09-14-2023

Update your information with D-U-N-S® Manager

Report as of: 09-14-2023

## AMERICAN POWERNET MANAGEMENT, L.P.

ACTIVE

SINGLE LOCATION

Address: 45 Commerce Ct, Wyomissing, PA, 19610, UNITED STATES

Alerts:

## Risk Assessment

QUESTIONS?

## SCORES AND RATINGS

Max. Credit  
Recommendation ●

US\$ 45,000

PAYDEX® Score ●

79

LOW RISK

Delinquency Predictor  
Percentile ●

82

LOW-MODERATE RISK

Financial Stress  
Percentile ●

75

LOW-MODERATE RISK

Supplier Evaluation  
Risk Rating ●

4

LOW RISK

## D&amp;B GUIDANCE

## Overall Business Risk



## Dun &amp; Bradstreet Thinks...

- Overall assessment of this company: **STABLE CONDITION**
- Based on the perceived sustainability of this company: **HIGH LIKELIHOOD OF CONTINUED OPERATIONS**
- Based on the payment behavior of this company: **LOW-POTENTIAL-FOR-SEVERELY-DELINQUENT-PAYMENTS**

## Maximum Credit Recommendation

US\$ 45,000

The recommended limit is based on a low probability of severe delinquency.

## PAYDEX® SCORE

Based on 24 months of data

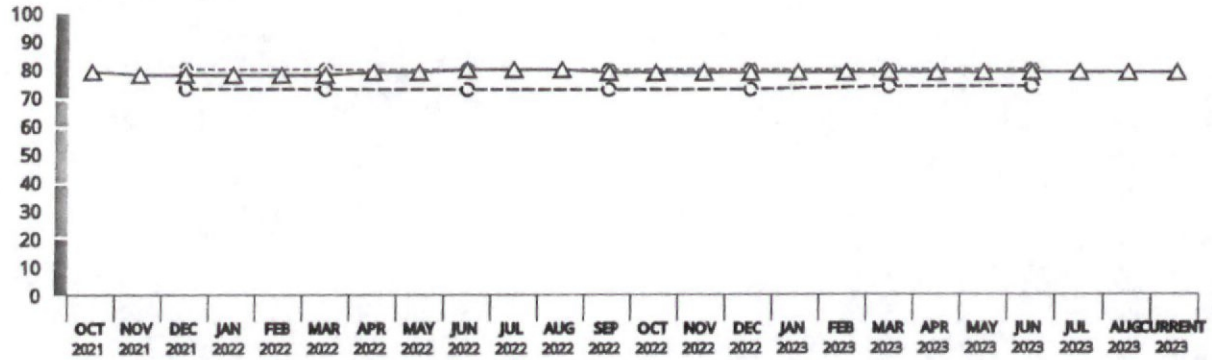
**79**Risk of Slow Pay  
**Low**Payment Behavior  
**2 Days Beyond Terms**

Low Risk (100)

High Risk (1)

Based on a D&B PAYDEX® Score of  
79

## Business and Industry Trends



PAYDEX® Score



Industry Medi...



Industry Uppe...



Industry Lowe...



## Understand My Score

## Payment History

Total Last 24 Months: 9

View All

Date of Experience	Payment Status	Selling Terms	High Credit (US\$)	Now Owes (US\$)	Past Due (US\$)	Months Since Last Sale
08/23	Pays Promptly	-	250	250	0	-
07/23	Pays Slow 30-120+	-	250	0	0	Between 6 and 12 Months
06/23	-	Cash account	100	-	-	1
12/22	-	Cash account	100	-	-	Between 6 and 12 Months
11/22	-	Cash account	100	-	-	1

## KEYS

## PAYDEX®

100

90

80

70

60

50

40

## Payment Practices

Anticipate

Discount

Prompt

15 Days Beyond Terms

22 Days Beyond Terms

30 Days Beyond Terms

60 Days Beyond Terms



30

90 Days Beyond Terms

20

120 Days Beyond Terms

1-19

Over 120 Days Beyond Terms

UN

Unavailable

**DELINQUENCY PREDICTOR SCORE****82**Score  
**554 --**Class  
**2**

Low Risk (100)

High Risk (1)

Based on a D&amp;B Delinquency Predictor Percentile of 82

**Factors Affecting Your Score:**

- Proportion of past due balances to total amount owing
- Recent high balance past due
- Higher risk industry based on delinquency rates for this industry

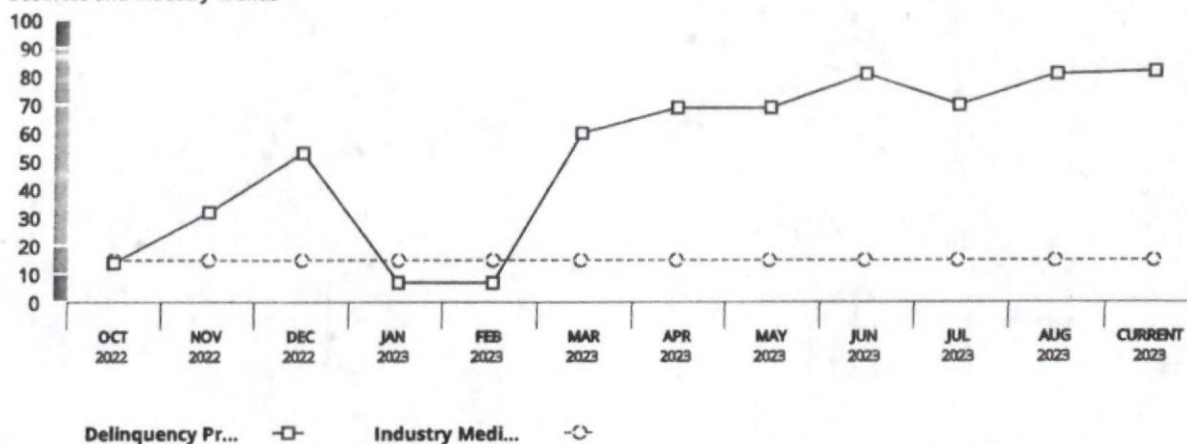
Level of risk

**Low-Moderate**

Probability of Delinquency

**2.35%**

Compared to Businesses in D&amp;B Database

**10.2%****Business and Industry Trends****FINANCIAL STRESS SCORE****75**Score  
**1521 --**Class  
**2**

Low Risk (100)

High Risk (1)

Based on a D&amp;B Financial Stress Percentile of 75

**Factors Affecting Your Score:**

- Higher risk legal structure
- UCC Filings reported

Level of risk

**Low-Moderate**

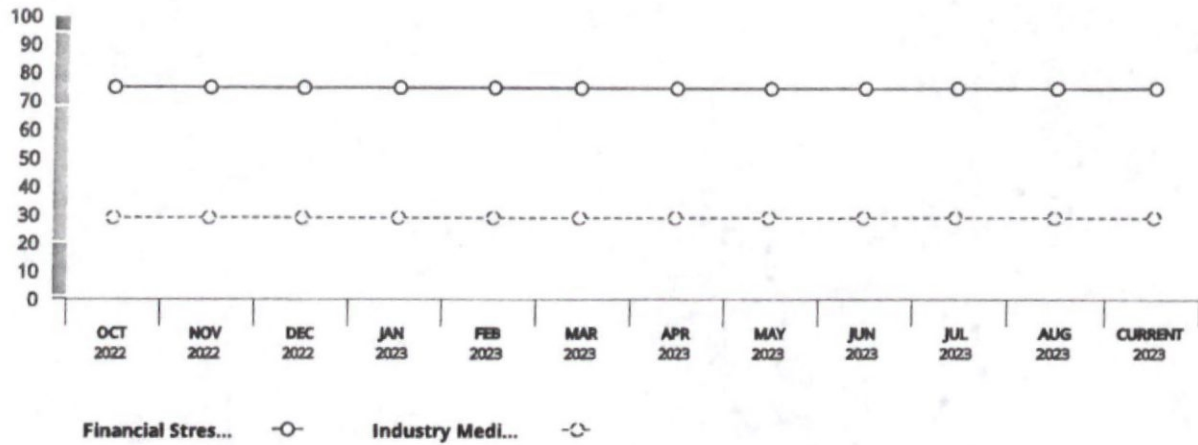
Probability of Failure

**0.11%**

Average Probability of Failure for

Businesses in D&amp;B Database

**0.48%****Business and Industry Trends**



## SUPPLIER EVALUATION RISK RATING

Based on 24 months of data

**4**

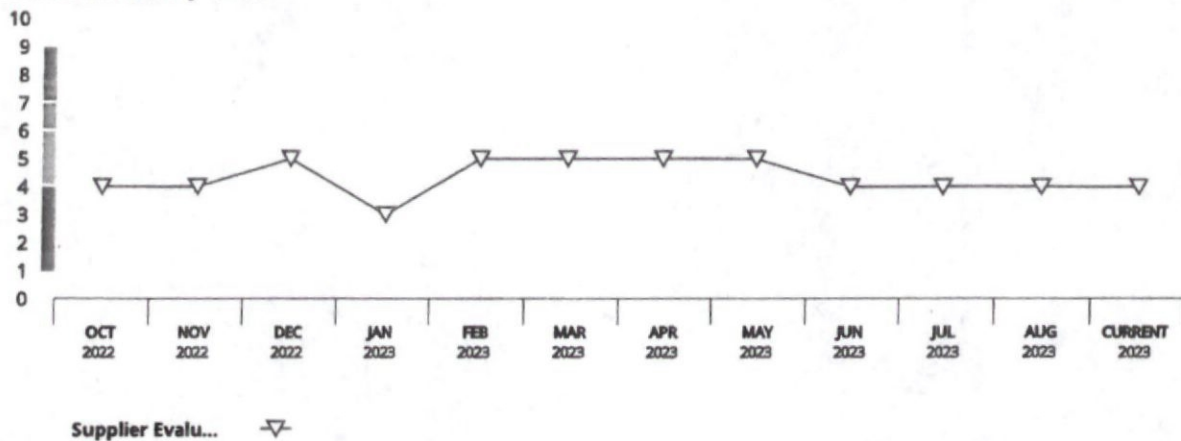
Low Risk (1)

High Risk (9)

## Factors Affecting Your Score:

- Proportion of slow payment experiences to total number of payment experiences reported
- Proportion of past due balances to total amount owing

## Business and Industry Trends



## D&amp;B RATING

Current Rating as of 10-06-2022

Previous Rating

Employee Size Risk Indicator

Employee Size Risk Indicator

**2R:** **2** : Low Risk**2R:** **3** : Moderate Risk1 to 9  
employees

1 to 9 employees

## D&amp;B VIABILITY RATING

## Portfolio Comparison Score

**4**

Low Risk (1)

High Risk (9)

Level of risk

**Low**

Rating Confidence Level

**Robust Predictions**

Probability of becoming no longer viable

**4%**

Percentage of businesses ranked with this score

**11%**

Average probability of becoming no longer viable

**5%**

## Viability Score

**3**

Low Risk(1)

High Risk (9)

Level of risk

**Low**

Probability of becoming no longer viable

**3%**Percentage of businesses ranked with  
this score**14%**Average probability of becoming no  
longer viable**15%**

## Data Depth Indicator

**B**

Predictive (A)

Descriptive (G)

• Rich

Firmographics

- Extensive Commercial Trading Activity
- Basic Financial Attributes

## Company Profile

**K**

Financial Data

Trade Payments

Company Size

Years in Business

Not Available

Available

Small

Established

Compared to ALL US Businesses within the D&amp;B Database:

- Financial Data : Not Available
- Trade Payments : Available: 3+Trade
- Company Size : Small: Employees: <10 and Sales: <\$10K or Missing



- Years in Business : Established: 5+

This information may not be reproduced in whole or in part by any means of reproduction.

---

©Dun & Bradstreet, Inc. 2023. All rights reserved

American PowerNet Management, L.P.

Renewal Application

Exhibit C-8 Corporate Structure

Attached



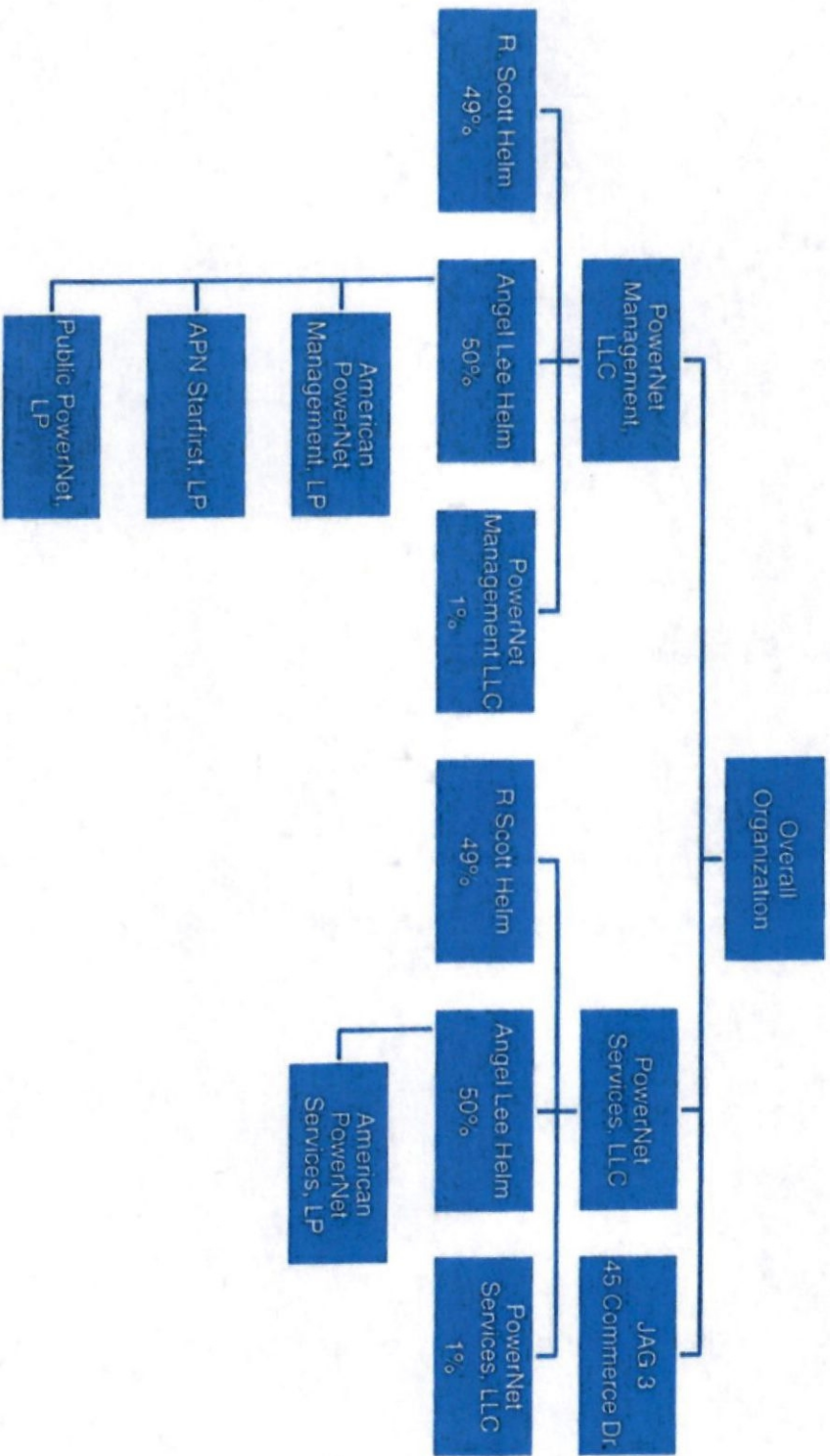
## **DESCRIPTION OF ORGANIZATIONAL STRUCTURE**

**American PowerNet Management, LP and its affiliates, are comprised of four entities, American PowerNet Management, LP (APNM), APN Starfirst, LP (APNSF), and Public PowerNet, LP (PPN). APNM, APNSF, and PPN are organized as Pennsylvania Limited Partnerships. APNSF is organized as a Delaware Limited Partnership**

**None of the entities owns any transmission, distribution or generating assets. APNM and APNSF perform the function of Purchase Selling Entity (PSE) within the various ISO's and RTO's including PJM Interconnection, ISO New England, Midwest ISO and ERCOT. Public PowerNet, LP was organized to facilitate business relationships with government and municipal clients. This entity conducts no business activates at the present time. APNSF conducts the majority of administrative activities for the group including payroll, employee benefits, occupancy and general operations. There are no market-related activities conducted by APNSF. For conducting business, APNM, APNSF, and PPN are known as American PowerNet.**

**There is commonality of ownership for APNM, APNSF, and PPN. For administrative, legal and reporting purposes all employees are employees of APNSF but with duties performed for all entities as required. American PowerNet currently employs seven full-time employees. Consequently, the Risk Management Policies and Procedures discussed below apply to all of the related entities. Please refer to the organizational chart following.**





American PowerNet Management, LP

Renewal Application

Exhibit C-9 – Financial Arrangements

Attached



September 6, 2023

American PowerNet Management, LP  
45 Commerce Drive  
Wyomissing, PA 19610

Re: American PowerNet Management, LP ("CRES Supplier")/CRES Supplier Contact: Gene Carter.  
CRES Supplier posted collateral in the form of cash as of February 21, 2017.

To CRES Supplier:

In reference to the following specific provisions of Ohio Power Company's Distribution Tariff filed pursuant to Order dated April 25, 2018 in Case No. 16—1852-EL-SSO, namely Paragraph 32, Section: Supplier Terms and Conditions of Service, Paragraph 32.9 Section: CRES Provider Credit Requirements (See 5th Revised Sheet No. 103—33D of PUCO No. 20 Terms and Conditions of Open Access Distribution Service) and CRES Supplier's available load data through September 5, 2023, AEP Ohio has undertaken a limited review of posted collateral through this date, subject to the limitations set forth below, and AEP Ohio believes that the CRES Supplier is current with the specifically identified collateral requirements through September 5, 2023.

AEP Ohio is not undertaking a separate review of CRES Supplier's financial wherewithal, nor are we evaluating or taking a position as to whether the CRES Supplier will, on a prospective basis, remain in compliance with the identified collateral requirements or other Tariff requirements. This review was limited to the specific collateral requirements identified above and does not include a review of whether the CRES Supplier is in compliance with any other Tariff requirements or PUCO rules and regulations binding upon CRES suppliers, and further, does not account for any PJM rebillings or settlements that may occur at a later time.

This letter is effective only as of the date hereof, and we are not assuming any responsibility for updating this letter, nor is AEP Ohio waiving any rights or remedies it may be entitled to under Ohio law, its Tariff or any CRES Supplier agreements. This letter is intended solely for the benefit of the addressees and may not be relied upon by such addressees or any other person or entity for any other purpose.

Sincerely,

  
Maura Williams

BOUNDLESS ENERGY



American PowerNet Management, LP

Renewal Application

Exhibit D-1 – Operations

American PowerNet Management, L.P. and its affiliates are independent enterprises and are not affiliated with any utilities or other power marketers. American PowerNet Management, L.P. does not own or contract any specific generation assets. We provide our clients and customers with supply-side management services designed to provide direct cost savings on electric energy. We also provide limited demand-side management strategies that reduce or shift energy use to lower overall energy procurement expenses.

American PowerNet Management, L.P. evaluates individual load profiles of the electric accounts and understand the complex interrelationships that exist between individual accounts and how the various individual loads affects the aggregated load. American PowerNet Management, L.P. conducts a number of analyses to determine possible base load scenarios, seasonal on-peak/off-peak usage, and hourly market prices that can be incorporated into staggered terms, in other words, a portfolio approach for procurement of electric energy. American PowerNet Management, L.P. performs and compares competitive offers and evaluates competitive pricing approaches in the context of hourly prices, block purchases and customer load shapes.

American PowerNet Management, L.P. maintains all federal, regional, state and local licenses to execute its business activities. Additionally, American PowerNet Management, L.P. handles all individual account scheduling and balancing while passing through all wholesale costs related to its services. These pass-through costs include any specific credit requirements related to the ISO's, wholesale bilateral counterparties and, in some cases, jurisdictional requirements. Credit requirements may satisfied with cash deposits.

American PowerNet Management, L.P.

Renewal Application

Exhibit D-2 Technical Personnel

David Butsack, Vice President Logistics & Analysis  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500 Ext 1007  
[dbutsack@americanpowernet.com](mailto:dbutsack@americanpowernet.com)

Eugene F. Carter, Jr., CFO  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500 Ext 1003  
[gcarter@americanpowernet.com](mailto:gcarter@americanpowernet.com)

Vince Guntle, VP, Markets and Operations  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500 Ext 1008  
[vguntle@americanpowernet.com](mailto:vguntle@americanpowernet.com)

Mike Kiecko, Energy Analyst  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500 Ext 1009  
[mkiecko@americanpowernet.com](mailto:mkiecko@americanpowernet.com)

Colin Flohr, Energy Analyst  
45 Commerce Drive  
Wyomissing, PA 19610  
(610) 372-8500 Ext 1010  
[cflohr@americanpowernet.com](mailto:cflohr@americanpowernet.com)

American PowerNet Management, L.P.  
Renewal Application  
Exhibit D-3 FERC Power Marketer Authorization

Attached



FEDERAL ENERGY REGULATORY COMMISSION  
Washington, D.C. 20426

In Reply Refer To:

Docket Nos.  
American PowerNet Management, LP  
Docket No. ER03-769-003

Ms. Elizabeth W. Whittle  
Nixon Peabody, LLP  
Counsel to American PowerNet Management, LP  
401 9<sup>th</sup> Street N.W.  
Suite 900  
Washington, DC 20004-2128

SEP 15 2008

Reference: Requests for Category 1 Status and Compliance Filing

Pursuant to the authority delegated to the Director, Division of Tariffs and Market Development - West, under 18 C.F.R. § 375.307, your submissions filed in the referenced dockets are accepted for filing, effective September 18, 2007, as requested.<sup>1</sup> Based on your representations, you meet the criteria for a Category 1 seller and are so designated.<sup>2</sup>

On July 10, 2008, as amended on July 30, 2008, you filed on behalf of American PowerNet Management, LP, a request to be classified as a Category 1 seller. You also filed a revised market-based rate tariff in compliance with Order Nos. 697 and 697-A.

Your filings were noticed on July 16, 2008 and August 5, 2008, with comments, protests, and interventions due on or before July 31, 2008 and August 20, 2008, respectively. None was filed.

<sup>1</sup> American PowerNet Management, LP, Docket No. ER03-769-000 (June 6, 2003) (unpublished letter order). We note that American PowerNet Management, LP (American PowerNet) was late filing its Request for Category 1 Status and Compliance Filing. American PowerNet is expected to make its next filing in a timely fashion.

<sup>2</sup> Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities, Order No. 697, 72 Fed. Reg. 39,904 (July 20, 2007), FERC Stats. & Regs. ¶ 31,252, at P 848-850, 861, clarified, 121 FERC ¶ 61,260 (2007), order on reh'g, Order No. 697-A, 123 FERC ¶ 61,055 (2008).

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Questions regarding the above order should be directed to:

Federal Energy Regulatory Commission  
Attn: Valerie Gilt  
Phone: (202) 502-8527  
Office of Energy Market Regulation  
888 First Street, N.E.  
Washington, D.C. 20426

Sincerely,

*Valerie Gilt*  
Steve P. Rodgers, Director  
Division of Tariffs and Market  
Development - West