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PUCO

AMBIT ENERGY

1801 North Lamar Street
Suite 600
Dallas, Texas 75202
T 214.270.1770

June 9, 2017

Public Utilities Commission of Ohio, Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

Company Name: Ambit Northeast, LLC
Certification Case No: 15-1097-GA-CRS

Dear Sirs:

Enclosed is the Renewal Certification Application for Competitive Retail Natural Gas Suppliers for Ambit Northeast, LLC. Also included are financial documents that are being filed as confidential under Seal.

Please let me know if you require anything additional regarding this filing. I can be contacted at cadams@ambitenergy.com or by telephone at 972.813.2055.

Best Regards,

Casedral Adams
Regulatory Compliance Paralegal

Ohio | Public Utilities Commission

PUCO USE ONLY - Version 1.08 May 2016		
Date Received	Renewal Certification Number	ORIGINAL CRS Case Number
		15 - 1097 - GA-CRS

RENEWAL 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 renew its certificate as: (check all that apply)

☐ **Retail Natural Gas Aggregator** ☐ **Retail Natural Gas Broker** ☑ **Retail Natural Gas Marketer**

A-2 Applicant information:

Legal Name: Ambit Northeast, LLC

Address: 1801 N. Lamar Street, Ste. 600 Dallas, TX 75202

Telephone No. (214) 270-1770 Web site Address www.ambitenergy.com

Current PUCO Certificate No. 15-1097-GA-CRS Effective Dates 7/13/2017

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

Name: Ambit Northeast, LLC

Address: 1801 N. Lamar Street, Ste. 600, Dallas, TX 75202

Web site Address www.ambitenergy.com Telephone No. 214.270.1770

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

Ambit Texas, LLC
Ambit California, LLC
Ambit New York, LLC
Ambit Illinois, LLC
Ambit Northeast, LLC

A-5 Contact person for regulatory or emergency matters:

Name Patricia Zacharie Title Vice President, Legal and Regulatory Affairs

Business Address 1801 N. Lamar, Ste. 600, Dallas, TX 75202

Telephone No. 214.530.5422 Fax No. 877.674.9270 Email Address pzacharie@ambitenergy.com

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

Name Victor Quintana Title Sr. Manager, Regulatory Compliance

Business address 1801 N. Lamar Street, Ste. 600, Dallas, TX 75202

Telephone No. 214.461.4725 Fax No. 877.434.9775 Email Address vquintana@ambitenergy.com

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

Customer service address P.O. Box 660462 Plano, TX 75266

Toll-Free Telephone No. 877.282.6248 Fax No. 214.969.5928 Email Address customercare@ambitenergy

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 Capitol Corporate Services, Inc. Title Registered Agent

Business address 4568 Mayfield Road, Ste. 204, Cleveland, OH 44121

Telephone No. 800.345.4647 Fax No. 800.432.3622 Email Address www.capitolservices.com

A-9 Applicant's federal employer identification number 32-0411643

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.)

✓ Columbia Gas of Ohio	✓ Residential	✓ Small Commercial	☐ Large Commercial / Industrial
☐ Dominion East Ohio	☐ Residential	☐ Small Commercial	☐ Large Commercial / Industrial
✓ Duke Energy Ohio	✓ Residential	✓ Small Commercial	☐ Large Commercial / Industrial
☐ Vectren Energy Delivery of Ohio	☐ Residential	☐ Small Commercial	☐ 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

✓	Residential	Beginning Date of Service	February 26, 2016	End Date	Active
✓	Small Commercial	Beginning Date of Service	February 26, 2016	End Date	Active
☐	Large Commercial	Beginning Date of Service		End Date	
☐	Industrial	Beginning Date of Service		End Date	

☐ Dominion East Ohio

☐	Residential	Beginning Date of Service		End Date	
☐	Small Commercial	Beginning Date of Service		End Date	
☐	Large Commercial	Beginning Date of Service		End Date	
☐	Industrial	Beginning Date of Service		End Date	

☑ Duke Energy Ohio

✓	Residential	Beginning Date of Service	July 20, 2016	End Date	Active
✓	Small Commercial	Beginning Date of Service	July 20, 2016	End Date	Active
☐	Large Commercial	Beginning Date of Service		End Date	
☐	Industrial	Beginning Date of Service		End Date	

☐ Vectren Energy Delivery of Ohio

☐	Residential	Beginning Date of Service		End Date	
☐	Small Commercial	Beginning Date of Service		End Date	
☐	Large Commercial	Beginning Date of Service		End Date	
☐	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:

☐	Columbia Gas of Ohio	Intended Start Date
☐	Dominion East Ohio	Intended Start Date
☐	Duke Energy Ohio	Intended Start Date
☐	Vectren Energy Delivery of Ohio	Intended Start Date

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.
Please see Exhibit A-14

A-15 **Exhibit A-15 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
Please see Exhibit A-15

A-16 **Exhibit A-16 "Articles of Incorporation and Bylaws**, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto, ***only if the contents of the originally filed documents changed since the initial application***.
Please see Exhibit A-16

A-17 **Exhibit A-17 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.
Please see Exhibit A-17

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.
Please see Exhibit B-1

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.
Please see Exhibit B-2

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 renewed certification (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).
Please see Exhibit B-3

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 for which it is seeking renewed certification since applicant last filed for certification.
Please see Exhibit B-4

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 since applicant last filed for certification.

☑ **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 since applicant last filed for certification.

☑ **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.)
Please see Exhibit C-1

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.
Please see Exhibit C-2

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.
Please see Exhibit C-4

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.
Please see Exhibit C-5

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, Fitch IBCA, Moody's Investors Service, Standard & Poor's, 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 an 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.
Please see Exhibit C-6.

C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's current credit report from Experion, 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.
Please see 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.
Please see Exhibit C-8

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.
Please see Exhibit C-9

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 within the two most recent years preceding the application.
Please see Exhibit C-10

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.
Please see Exhibit D-1

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.
Please see Exhibit D-2

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.
Please see Exhibit D-3

Applicant Signature and Title CEO

Sworn and subscribed before me this 9th **day of** June **Month** 2017 **Year**

Casedral Adams

Signature of official administering oath

Casedral Adams
Print Name and Title Regulatory Compliance Paralegal

CASEDRAL ADAMS
Notary Public, State of Texas
My Commission Expires
April 22, 2019

My commission expires on

The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of)
Ambit Northeast, LLC)
for a Certificate or Renewal Certificate to Provide)
Competitive Retail Natural Gas Service in Ohio.)

Case No. 15 - 1097 **-GA-CRS**

County of Dallas
State of Texas

Jere Thompson, 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.

(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 Jere Thompson Jr. CEO

Sworn and subscribed before me this 9th **day of** June **Month** 2017 **Year**

Casedral Adams
Signature of Official Administering Oath

Casedral Adams
Print Name and Title Regulatory Compliance Analyst

CASEDRAL ADAMS
Notary Public, State of Texas
My Commission Expires
April 22, 2019

My commission expires on

180 East Broad Street • Columbus, OH 43215-3793 • (614) 466-3016 • www.PUCO.ohio.gov

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.

Jere W. Thompson
Chief Executive Officer
Ambit Energy
1801 N. Lamar Street, Suite 600
Dallas, TX 75202
Phone: 214-270-1770
Email: jthompson@ambitenergy.com

Chris Chambless
Chief Marketing Officer
Ambit Energy
1801 N. Lamar Street, Suite 600
Dallas, TX 75202
Phone: 214-530-5418
Email: cchambless@ambitenergy.com

Laurie Rodriguez
Chief Financial Officer
Ambit Energy
1801 N. Lamar Street, Suite 600
Dallas, TX 75202
Phone: 214-461-4737
Email: lrodriguez@ambitenergy.com

John Burke
Chief Information Officer
Ambit Energy
1801 N. Lamar Street, Suite 600
Dallas, TX 75202
Phone: 214-530-5417
Email: jburke@ambitenergy.com

Exhibit A-15

Corporate Structure

Provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.

Ambit Northeast, LLC is a wholly owned subsidiary of Ambit Energy Holdings, LLC ("Ambit Energy"), a Texas Corporation (see attached page for Corporate Structure diagram). Ambit Midwest, LLC was created in 2013 by founding partner Jere Thompson, Jr. for the sole purpose of serving energy customers in deregulated energy markets in North America. In addition to Ambit Midwest, LLC, Ambit Energy Holdings, LLC also serves five additional subsidiaries, all of which supply retail or wholesale natural gas or electricity to customers in North America: Ambit Texas, LLC, Ambit New York, LLC, and Ambit Illinois, LLC, Ambit California, LLC and Ambit Northeast, LLC.

Ambit New York, LLC currently holds an Energy Service Company certificate in the State of New York and supplies retail electric and gas services to both residential and small commercial customers. In Texas, Ambit Texas, LLC, is currently licensed as a Retail Electric Provider where it serves residential and small commercial customers. In Illinois, Ambit Energy currently holds a certificate as an Alternative Gas Supplier. Operating under the subsidiary Ambit Northeast, LLC, Ambit Energy provides gas and electricity services to customers in Maryland, Pennsylvania, Connecticut, Delaware, Massachusetts, New Hampshire, Rhode Island, New Jersey, the District of Columbia, Ohio, Virginia and Maine.

Ambit Energy is not affiliated with any utility distribution companies and does not own any generation or production assets. Ambit Energy buys 100% of its natural gas and electricity from wholesale providers to serve its customer load.

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, ***only if contents of the originally filed documents changed since the initial application.***

There have not been any changes since the initial application.

Exhibit A-17

Secretary of State

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

Attached is a copy of the Corporation Detail filing from the Ohio Secretary of State Business Filing Portal.

Jon Husted
Ohio Secretary

Business Filing Portal

Print this report

Corporation Details

Corporation Details	
Entity Number	2400631
Business Name	AMBIT NORTHEAST, LLC
Filing Type	FOREIGN LIMITED LIABILITY COMPANY
Status	Active
Original Filing Date	06/11/2015
Expiry Date	
Location:	County: State: DELAWARE

Agent / Registrant Information

CAPITOL CORPORATE SERVICES, INC.
4565 MAYFIELD RD. STE 204
CLEVELAND,OH 44121
Effective Date: 06/11/2015
Contact Status: Active

Filings

Filing Type	Date of Filing	Document Number/Image
REG. OF FOR. PROFIT LIM. LIAB. CO.	06/11/2015	201516220124
TRADE NAME/ASSIGNMENT	06/17/2015	201516931968
FICTITIOUS NAME RENEWAL	02/21/2017	201705204072

Exhibit B-1

Jurisdictions of Operation

Provide a 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.

Ambit Holdings, LLC and its subsidiaries ("Ambit Energy") currently conduct retail energy supply operations in the following jurisdictions:

Affiliate	State/Jurisdiction	License No.	Commodity
Ambit California	California	N/A	Gas
Ambit Northeast, LLC			
	Maryland	IR-1992	Electric
	Maryland	IR-1993	Gas
	Pennsylvania	A-2010-21902769	Electric
	Pennsylvania	A-2012-2289779	Gas
	New Jersey	ESL-0111	Electric
	New Jersey	GSL-0110	Gas
	Connecticut	Docket 11-06-15	Electric
	Delaware	Docket 13-21	Electric
	Massachusetts	GS-045	Gas
	Massachusetts	CS-118	Electric
	New Hampshire	DM-14005	Electric
	District of Columbia	EA 11-31-6	Electric
	District of Columbia	GA 11-8-6	Gas
	Virginia	G-39	Gas
	Illinois	Docket 08-0220	Electric
	Rhode Island	Docket D-96-6	Electric
	Maine	Docket 2014-00184	Electric
Ambit Texas, LLC	Texas	10117	Electric
Ambit Illinois, LLC	Illinois	Docket 09-0571	Gas
Ambit New York, LLC	New York	N/A	ESCO
Ambit Energy Japan, GK	Japan	A0401	Electric

Exhibit B-2

Experience and 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.

Ambit Northeast, LLC possesses sufficient managerial capabilities to serve residential and small commercial customers, as is evidenced by the vast number of Ambit personnel who have managerial experience with enterprise financial and administration responsibilities as well as natural gas sales experience.

Ambit Energy Holdings, LLC's ("Ambit Energy") management team is made up of seasoned executives with over seventy (70) years of combined experience in deregulated utility markets, serving both energy (natural gas and electricity) and telecommunications end user residential and small commercial customers.

Ambit Energy certifies that it will adhere to the Minimum Service Requirements pursuant to Section 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

Retail Operations

Ambit Energy currently serves more than 1,000,000 residential and small commercial customers in its combined service territories and possesses the required infrastructure to support its proposed Ohio effort, including but not limited to fully matured and proven processes, people, and infrastructure.

Ambit Energy will contract primarily through internet-based gas service agreements and will offer variable and/or fixed price products to its customer base. Ambit Energy will use traditional marketing methods to acquire customers including advertisement, network marketing, and telesales for the acquisition of residential and/or small commercial customers, but will prohibit door-to-door sales and telemarketing. Instead, Ambit Energy will encourage word of mouth by friends, relatives, co-workers, and neighbors.

Customer Enrollment Procedures and Customer Contracts

Ambit Energy adheres to strict quality assurance protocols, utilizing proven procedures and technologies designed to validate each and every order in an automated yet clearly documented fashion. Every order that is entered into Ambit Energy's patented customer management system, BlueNet, is first verified by a voice recording system. Customers who contact Ambit Energy's Customer Care Center to enroll will have the terms of service and contract information fully explained to them at the time of the call. Prior to disconnecting, an Ambit Customer Care representative will confirm the customer's choice to switch to Ambit. The telephone recording will be retained for one year after the termination or expiration of the customer's contract.

Within one business day, a written copy of the contract will be sent to the customer. This contract will fully explain the terms and conditions the customer agreed to during the enrollment call and will explain the seven day rescission period, in case the customer wishes to cancel.

In the event a customer contracts online, following the customer's enrollment, an Ambit Customer Care Representative will contact the customer and in a recorded call, will verify the customer's choice. A customer's service will not be switched without Ambit's prior acquisition of a recorded call of the customer's approval. All such calls will be retained for one year after the customer's contract expiration or termination.

Customer Information Management and Confidentiality

Ambit Energy considers customer information of the utmost importance and strictly controls any and all information submitted by customers. A Customer who enrolls online for Ambit Energy service will enter a secured and encrypted online enrollment website maintained by Ambit Energy. A Customer who enrolls over the phone by calling Ambit Energy's corporate office Customer Support toll-free number will have an Ambit Energy customer service representative input their information directly into Ambit Energy's secured and encrypted billing and records system. Ambit Energy will not provide or make available to anyone outside the organization confidential customer information it receives from the Customer.

During online enrollment, Customer information will be obtained from the Customer under a secure (HTTPS) protocol. The HTTPS protocol is provided through a Customer facing portal. The Customer facing portal transmits data to Ambit Energy by encrypting all confidential Customer information, including credit card or banking information, credit scores, social security numbers, and date of birth using 256 bit AES encryption. Once in our systems, Ambit Energy will store confidential information internally using a 256 bit AES encryption, but with a different key than the one we share with the Customer facing portal. Outside parties are unable to access or retrieve confidential Customer information from Ambit Energy.

Billing

Ambit Energy will utilize the consolidated (single bill) services offered by the incumbent local delivery providers in each respective service territory, backed by an executed Consolidated Billing Agreement with each respective provider. Ambit Energy, in most cases will be responsible for sending a corresponding EDI transaction to the billing agency which will include customer identifier, bill rate, sales tax rate, and other ancillary charges that may be incurred. Any billing inquiries will be handled by both Ambit Energy and the incumbent provider concurrently, as Ambit's customer support number will be listed on the customer's bill under the supply section.

Customer payments will be remitted directly to the incumbent provider in total, and the supply portion of payments collected will be remitted to Ambit Energy under the respective Consolidated Billing Agreement.

Under this Consolidated Billing Arrangement, customers will receive a clear, concise bill which will display the following:

- Price disclosure and disclosures of total billing units for the billing period and historical annual usage.
- To the maximum extent practicable, separate listing of each service component to enable a customer to recalculate its bill for accuracy.
- Identification of the supplier of each service.
- Statement of where and how payment may be made and provision of a toll-free or local customer assistance and complaint number for the retail natural gas supplier or governmental aggregator, as well as a consumer assistance telephone number or numbers for state agencies, such as the commission, the office of the consumers' counsel, and the attorney general's office, with the available hours noted.
- Highlighted and clear explanation on each customer bill, for two consecutive billing periods, of any changes in the rates, terms, and conditions of service.

Customer Care – Inquiries and Complaints

Ambit Energy's corporate headquarters in downtown Dallas, Texas has an in-house customer service department in Plano, Texas that handles all incoming calls from its customers. The customer service department handles customer service calls between the hours of between 8:00 a.m. to 6:00 p.m., Monday through Friday, and Saturday between 10:00 a.m. and 5:00 p.m. Central Standard Time. Call center representatives are managed and monitored on a daily basis by experienced managers. If a customer service representative is unable to resolve a complaint, the call is escalated to a manager who either will resolve the complaint or forward the complaint to one of our senior staff members for further review and resolution.

Ambit Energy will respond to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4949.22 of the revised code and contained in Chapter 4901:1-29 of the Ohio Administrative Code as follows, which will be included in all customer contracts:

> In the event of a billing dispute, disagreement, or questions, the customer can contact Ambit Energy's Customer Care Center at 1-877-282-6248 M-F 8:00 AM to 6:00 PM, Monday through Friday, and Saturday between 10:00 a.m. and 5:00 p.m. Central Standard Time, or customers may send a letter to Ambit Energy at PO BOX 864589, Plano, TX 75086. If the parties involved are unable to come to a resolution regarding disputes or issues, the customer may call the Public Utilities Commission of Ohio ("PUCO") toll free at 1-800-686-7826 or 1-614-466-3292, or for TDD/TYY toll free at 1-800-686-1570 or 1-614-466-8180 from 8:00 AM to 5:00 PM weekdays, or can visit the PUCO website at www.puco.ohio.gov. Residential customers may call the Ohio consumers' counsel (OCC) toll free at 1-877-742-5622 from 8:30 a.m. to 5:30 p.m. weekdays, or may visit the OCC website at www.pickocc.org.

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.).

Ambit Energy currently serves more than 1,051,000 residential and small commercial customers in the ERCOT electricity market, the New York natural gas and electricity markets, the Illinois natural gas and electricity markets, the Pennsylvania electricity market, the Maryland gas and electricity markets, as well as the New Jersey gas and electricity markets.

Ambit Energy's employees and retained consultants provide more than fifty (50) years of natural gas procurement and sales (marketing) experience and over twenty (20) years working within the confines of North American Energy Standard Board (NAESB) contracting guidelines and standards of conduct.

In support of Ambit's natural gas supply operations, Ambit has procured, transported, and delivered more than 20 million decatherms its gas customers (including all gas markets) during 2016, from its primary wholesale gas and energy supplier, Shell Energy North America.

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.

Neither Ambit Northeast, LLC, Ambit Energy Holdings, LLC, or any of its subsidiaries have any 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.

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.

As a privately held limited liability company, neither Ambit Northeast, LLC or Ambit Energy Holdings, LLC or any of its subsidiaries produce Annual Reports to Shareholders.

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. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.

As a privately held limited liability company with no publicly traded securities, neither Ambit Northeast, LLC or any of its subsidiaries are required to make any filings to the SEC.

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.

CONFIDENTIAL

The requested documents contain confidential and proprietary information. Included is a redacted copy and the un-redacted copy will be submitted under a Protective Order and submitted under separate cover.

AMBIT ENERGY

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

pwc

Independent Auditor's Report

To Management of Ambit Holdings, LLC

We have audited the accompanying consolidated financial statements of Ambit Holdings, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and December 31, 2014, and the related consolidated statements of operations, members' equity (deficit) and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated 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 Company'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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ambit Holdings, LLC and its subsidiaries as of December 31, 2015 and December 31, 2014, 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.

PricewaterhouseCoopers LLP

April 26, 2016

PricewaterhouseCoopers LLP, 2001 Ross Avenue, Suite 1800, Dallas, Texas 75201
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AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

	As of December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	$
Restricted cash		
Accounts receivable, less allowance for doubtful accounts		
Inventory		
Other current assets		
Total current assets		
PROPERTY, PLANT AND EQUIPMENT, NET		
NONCURRENT ASSETS		
Collateral assets		
Other assets		
Total noncurrent assets		
TOTAL ASSETS	$	$
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$	$
Accrued liabilities		
Income taxes payable		
Current maturities of long-term debt		
Current maturities of capitalized lease obligations		
Customer deposits		
Other current liabilities		
Total current liabilities		
LONG-TERM LIABILITIES		
Long-term debt - net of current maturities		
Capitalized lease obligations - net of current maturities		
Other long-term liabilities		
Total long-term liabilities		
TOTAL LIABILITIES		
COMMITMENTS AND CONTINGENCIES (Note 7)		
MEMBERS' EQUITY (DEFICIT)		
TOTAL LIABILITIES & MEMBERS' EQUITY (DEFICIT)	$	$

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands)

	For the Years Ended December 31,	
	2015	2014
OPERATING REVENUES		
Energy revenues	$	$
Consultant revenues		
Total operating revenues		
OPERATING EXPENSES		
Cost of energy operations		
Wages and benefits		
Selling expenses		
Occupancy costs		
Bad debt expense		
Depreciation and amortization		
General and administrative		
Total operating expenses		
OPERATING INCOME		
OTHER EXPENSE		
Interest expense, net		
Miscellaneous expense		
INCOME BEFORE TAXES		
TAX EXPENSE		
NET INCOME	$	$

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY (DEFICIT)

(dollars in thousands)

	For the Years Ended December 31,	
	2015	2014
BEGINNING MEMBERS' DEFICIT	$ [redacted]	$ [redacted]
Capital distributions	[redacted]	[redacted]
Equity based compensation	[redacted]	[redacted]
Net capital activity	[redacted]	[redacted]
NET INCOME	[redacted]	[redacted]
ENDING MEMBERS' EQUITY (DEFICIT)	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	For the Years Ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	$
Equity based compensation		
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization		
Noncash interest expense		
Cash provided (used) by changes in assets and liabilities:		
Accounts receivable		
Inventory		
Other current assets		
Collateral assets		
Other assets		
Accounts payable		
Accrued liabilities		
Income taxes payable		
Customer deposits		
Other current liabilities		
Other long-term liabilities		
Net cash provided by operating activites		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures		
Change in restricted cash		
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from long-term debt		
Principal payments on long-term debt		
Principal payments on capital lease obligations, net		
Partner distributions		-
Net cash used in financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	$

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(dollars in thousands)

1. DESCRIPTION AND NATURE OF BUSINESS

Organization
Ambit Holdings, LLC ("Ambit", "Ambit Energy", or the "Company") is a limited liability company that began operations in January 2006. As of December 31, 2015, Ambit Energy is a retail electric provider to residential and business customers in 39 distinct markets in the following states: Connecticut, Delaware, Illinois, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, and the District of Columbia. As of December 31, 2015, Ambit Energy is also a retail gas provider to residential and business customers in 27 distinct markets in the following states and territories: California, Illinois, Massachusetts, Maryland, New Jersey, New York, Pennsylvania, Virginia, and the District of Columbia.

Principles of Consolidation
The consolidated financial statements include the accounts of Ambit Holdings, LLC and its subsidiaries (collectively, the "Company"). All material intercompany balances and transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash and Equivalents
The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company is also required to maintain restricted cash accounts pursuant to a lending agreement (see Note 5) and for customer deposits based upon regulatory requirements.

Concentration of Credit Risk
The Company maintains its cash in bank deposit accounts at a high credit quality financial institution, which at times exceed the Federal Deposit Insurance Corporation (FDIC) limit of $250,000. We do not believe the Company is exposed to significant credit risk at this time due to the financial condition of the financial institution where cash is held.

Ambit purchases the majority of its energy from one supplier. A change in the financial situation of this supplier could have a significant impact on the Company.

The business of the Company is concentrated into sixteen geographic areas which include the states of California, Connecticut, Delaware, Illinois, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, Virginia, and the District of Columbia.

The Company is also subject to general market risks associated with current economic conditions.

Fair Value of Financial Instruments
Management believes the carrying amounts of financial instruments as of December 31, 2015 and 2014, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to their short maturities.

During 2015, the Company elected early adoption of the provision within ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities,* which permits the omission of fair value disclosures for financial instruments carried at amortized cost, including long-term debt.

Accounts Receivable
Accounts receivable consist primarily of customer billings for electricity or gas usage. For those customers that are directly billed by Ambit, the Company estimates an allowance for doubtful accounts based on the number of days the account is past due, review of accounts receivable aging reports, and historical collection percentages.

All other receivables are billed on the Company's behalf by other service providers under purchase of receivables agreements. Most of the agreements guarantee the receivables on a non-recourse basis, for which no allowance for doubtful accounts is necessary. The remainder of the agreements require either dual billing by both the service provider and the Company once a customer becomes delinquent, or have a required timeframe before the Company can transfer the customer back to the service provider. In these circumstances, Ambit transfers the customer back to the service provider and follows up with collection activities for unpaid, past due balances. The Company estimates an allowance for doubtful accounts based on review of accounts receivable aging reports and historical writeoff percentages.

At December 31, 2015 and 2014, the total allowance for doubtful accounts was [redacted] respectively.

At December 31, 2015 and 2014, accounts receivable includes [redacted] respectively, of estimated services delivered but not yet billed. These estimates are based on estimated customer usage since last meter read date and applicable billing rates and are subsequently adjusted when actual usage and rate information is both known and billed.

Inventory
Inventory is recorded at the lower of cost or market, with cost determined using the weighted average cost method. Inventory consists of natural gas.

Property, Plant and Equipment
Property and equipment are recorded at historical cost. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets ranging from three to five years. Leasehold improvements and leased assets are amortized over the shorter of the estimated useful life or the lease term. For the years ended December 31, 2015 and 2014, depreciation and amortization expense was [redacted] respectively.

Long-lived Asset Impairment
The Company evaluates its long-lived assets for impairment when events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. The determination of whether an asset is impaired is based on comparing management's estimate of expected future net operating cash flows, undiscounted and without interest charges, to the carrying amount of the underlying assets. Evaluation of a potential impairment would occur if the recorded value of these assets exceeded the associated future net operating cash flows. Any potential impairment loss would be measured as the amount by which the carrying value exceeds the fair value of the asset. Fair value of assets would be measured by market value, if an active market exists, or by a forecast of expected future net operating cash flows, discounted at a rate commensurate with the risk involved. There were no impairments recognized in 2015 or 2014.

Revenues
Energy revenue is derived from the sale of electricity and natural gas to residential and business customers. Energy revenue is recognized upon delivery of services to customers.

Consultant revenue includes fees associated with the Company's independent consultant program. These fees include initial program enrollment costs, monthly charges for the independent consultant websites, fees for the Company's training programs and sales of selling aids. Consultant revenue is recognized at the point of sale for everything other than event revenue, which is recognized at the time of the event.

Equity Compensation
The Company accounts for its equity compensation in accordance with ASC 718, *Compensation - Stock Compensation.* The fair value of the Company's equity grants are estimated on the date of grant. The Company recognizes compensation expense for these equity grants on a straight-line basis over the requisite service period as vesting occurs, which has generally been over a three-year period.

Compensated Absences
The Company allows for eligible employees to receive paid time off that may be used for additional paid holidays, health care appointments and periods of illness or disability. The accrual for paid time off was [redacted] as of December 31, 2015 and 2014, respectively. These accruals are included in accrued liabilities on the balance sheet. At this time, the Company allows employees to carry over up to forty hours of paid time off.

Advertising
The Company expenses advertising costs as they are incurred. Advertising expenses were [redacted] for the years ended December 31, 2015 and December 31, 2014, respectively. These expenses are included in selling expenses on the statement of operations.

Gross Receipts Tax
Gross receipts taxes are included in revenue and costs as of December 31, 2015 and December 31, 2014, representing [redacted] respectively. All other transaction taxes are flow-through, thus accrued and paid through liability accounts on the balance sheet. Revenue and expense are reported net of these other tax amounts.

Income Taxes
The Company is not a taxpaying entity for Federal income tax purposes. The individual members are required to report their distributive share of the Company's realized income, gain, loss, deductions, or credits on their individual income tax returns. The Company is similarly not a taxpaying entity in the states in which it conducts business, with the exception of Texas. Incorporated and doing business in Texas, the Company is subject to Texas margin tax, a privilege tax based on income imposed on companies with nexus in the state. A provision for state income tax has been recorded accordingly.

Effective January 1, 2009, the Company adopted FASB ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which establishes that a tax position taken, or expected to be taken, in a tax return is to be recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The Company has not taken any uncertain tax positions on tax returns for which management believes that a related reserve should be recorded. At December 31, 2015, Texas margin tax returns for the years 2011 - 2014 remain subject to examination. The Company recognizes interest expense in the first period the interest begins accruing according to the provisions of the relevant tax law. When a tax position does not meet the minimum statutory threshold to avoid payment of penalties, the Company recognizes an expense for the statutory penalty in the period in which it claims, or expects to claim, the position in the tax return. In accordance with ASC 740-10-45-25, any interest or penalties incurred are included as a component of income tax expense.

3. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is effective for nonpublic companies for annual periods beginning after December 15, 2018 and shall be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is evaluating the potential impact on its financial statements of adoption of this guidance.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which increases transparency and comparability by recognizing a lessee's rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. The new standard requires the lessee to classify leases as either finance or operating based on the principle of whether or not the lease is effectively a financed purchase by the lessee. The classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease. This ASU will be effective for nonpublic companies for annual periods beginning after December 15, 2019, and the Company is currently assessing the impact of this guidance on its consolidated financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Ambit's major classes of property, plant and equipment were as follows:

	12/31/2015	12/31/2014	Depreciable lives
Computer equipment & software	$ [redacted]	$ [redacted]	[redacted]s
Furniture and fixtures	[redacted]	[redacted]	[redacted]
Leasehold improvements	[redacted]	[redacted]	[redacted]
Capitalized leases	[redacted]	[redacted]	[redacted]
Property, plant & equipment - gross	[redacted]	[redacted]	
Less: Accumulated depreciation / amortization	[redacted]	[redacted]	
Property, plant & equipment - net	$ [redacted]	$ [redacted]	

Costs associated with computer software projects during the preliminary project stage are expensed as incurred. Once management authorizes and commits to funding a project, appropriate application development stage costs are capitalized. Capitalized software costs consist of costs to purchase, license and develop software. Capitalization ceases when the project is substantially complete and the software is ready for its intended use. Training and maintenance costs associated with software applications are expensed as incurred. Software costs are amortized over an estimated useful life of three years commencing when such assets are ready for their intended use.

Unamortized software costs were [redacted] as of December 31, 2015 and 2014, respectively. Additions to software were [redacted] during the years ended December 31, 2015 and 2014, respectively. Amortization related to software was [redacted] during the years ended December 31, 2015 and 2014, respectively.

5. LONG-TERM DEBT AND CAPITAL LEASES

Long-term debt and capital leases consisted of the following:

[redacted]	[redacted]	[redacted]	[redacted]
[redacted]			
[redacted]	[redacted] [redacted]	[redacted] [redacted]	[redacted]
[redacted]			
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	
[redacted]	[redacted] [redacted]	[redacted] [redacted]	
[redacted]			
[redacted]	[redacted] [redacted]	[redacted] [redacted]	[redacted]
[redacted]	[redacted]	[redacted]	
[redacted]	[redacted] [redacted]	[redacted] [redacted]	

Maturities and Future Minimum Lease Payments

Annual payments based on the maturities of Ambit's long-term debt for the years ending after December 31, 2015 are as follows:

[redacted]	[redacted]
[redacted]	[redacted]
Total	$ [redacted]

Capital Leases

[redacted]

[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
Total minimum obligations	[redacted]
Interest	[redacted]
Present value of minimum obligations	[redacted]
Current portion	[redacted]
Long-term obligations	$ [redacted]

6. RELATED PARTY TRANSACTIONS

[redacted]

[redacted]

[redacted]

7. COMMITMENTS AND CONTINGENCIES

Hedging Activities

Ambit Energy attempts to balance its fixed-price sales commitments in terms of contract volumes through the use of physical contracts. The contracts qualify for the "normal purchases and normal sales" exception under the Derivatives and Hedging Topic of the FASB Accounting Standards Codification (ASC 815). Consequently, the contracts are accounted for under the accrual method of accounting with no balance sheet or income statement recognition of the contract until settlement. As a result, Ambit Energy's quarterly and annual results are subject to significant fluctuations caused by changes in market prices. [redacted]

Operating Lease Commitments

Ambit leases office facilities and equipment under operating leases. Lease and rental expense was [redacted] 999 for the years ended December 31, 2015 and 2014, respectively.

Future minimum lease commitments under all operating leases for the years ending after December 31, 2015 are as follows:

[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
Total	$ [redacted]

Contingencies

Ambit is party to legal proceedings that arise in the ordinary course of business. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect Ambit's consolidated financial position, results of operations, or cash flows.

8. REGULATORY MATTERS

Ambit operates in two regulated industries (electricity and gas) and is subject to regulation by various federal and state agencies. As such, Ambit is affected by regulatory developments at both the federal and state levels and in the regions in which Ambit operates.

In addition, Ambit is subject to the market rules, procedures, and protocols of the various "independent system operator" electricity markets in which Ambit participates. These markets are subject to ongoing legislative and regulatory changes that may impact the Company's retail business.

The Company and its subsidiaries are a party to other regulatory proceedings arising in the ordinary course of business or have other regulatory exposure. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect Ambit's consolidated financial position, results of operations, or cash flows.

9. CAPITAL STRUCTURE

Options and Warrants

[redacted]

[redacted]

Risk-free interest rate - The market yield on U.S. Treasury securities for the expected term of each is used as the risk-free interest rate.

Expected term- The expected term of the award represents the estimated time until the unit is vested based on the contractual term and management expectations of future behavior.

Volatility - The Company's stock is not publicly traded. Therefore, the calculation of volatility for the Company is based on the historical stock price volatility of a peer group of similar, publicly traded companies, using adjusted closing monthly stock prices for the expected life of the award.

Dividend yield - The Company intends to retain any earnings to finance future growth and, therefore, does not anticipate paying any cash distributions on its units in the foreseeable future. This excludes distributions for tax purposes.

10. POSTRETIREMENT BENEFITS

[redacted]

11. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental disclosures of cash flow financing activities are as follows:

	Year ended December 31,	
	2015	2014
[redacted]	[redacted]	[redacted]

12. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 26, 2016, the date the financial statements were available to be issued. As of April 26, 2016, there were no subsequent events which required recognition or disclosure.

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Independent Auditor's Report
on Supplementary Consolidating Information

To Management of Ambit Holdings, LLC

We have audited the consolidated financial statements of Ambit Holdings, LLC as of December 31, 2015 and for the year then ended and our report thereon appears on page 2 of this document. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

PricewaterhouseCoopers LLP

April 26, 2016

PricewaterhouseCoopers LLP, 2001 Ross Avenue, Suite 1800, Dallas, Texas 75201
T: (214) 999-1400, F: (214) 754-7991, www.pwc.com/us

AMBIT HOLDINGS, LLC AND SUBSIDIARIES
Schedule II - Consolidating Statement of Operations
For the Year Ended December 31, 2015

Miscellaneous income / (expense)

INCOME (LOSS) BEFORE TAXES

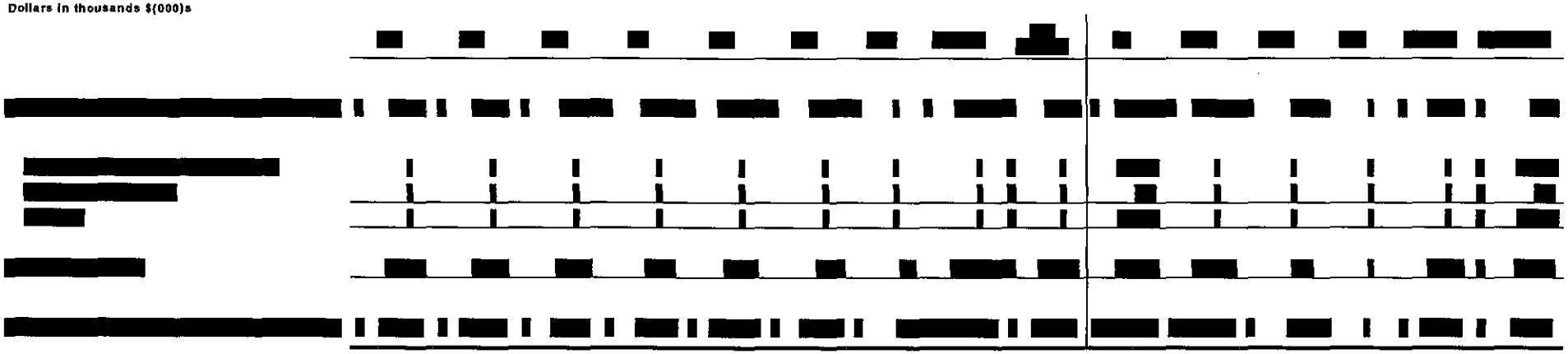
TAX EXPENSE

NET INCOME (LOSS)

LEGEND: AEH: Ambit Energy Holdings, LLC; ATX: Ambit Texas, LLC; ANY: Ambit New York, LLC; AIL: Ambit Illinois, LLC; ANE: Ambit Northeast, LLC; ACA: Ambit California, LLC; AMW: Ambit Midwest, LLC; AH: Ambit Holdings, LLC; AMKT: Ambit Marketing, LLC; AMGT: Ambit Management, Inc.; BNH: Bluenet Holdings, LLC

AMBIT HOLDINGS, LLC AND SUBSIDIARIES
Schedule III - Consolidating Statement of Members' Equity (Deficit)
For the Year Ended December 31, 2015

Dollars in thousands $(000)s



LEGEND: AEH: Ambit Energy Holdings, LLC; ATX: Ambit Texas, LLC; ANY: Ambit New York, LLC; A L: Ambit Illinois, LLC; ANE: Ambit Northeast, LLC; ACA: Ambit California, LLC; AMW: Ambit Midwest, LLC; AH: Ambit Holdings, LLC; AMKT: Ambit Marketing, LLC; AMGT: Ambit Management, Inc.; BNH: Bluenet Holdings, LLC

AMBIT ENERGY

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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Report of Independent Auditors

To the Management of Ambit Holdings, LLC

We have audited the accompanying consolidated financial statements of Ambit Holdings, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations, members' equity (deficit) and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated 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 Company'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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ambit Holdings, LLC and its subsidiaries as of December 31, 2016 and 2015, 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.

PricewaterhouseCoopers LLP

April 27, 2017

PricewaterhouseCoopers LLP, 2001 Ross Avenue, Suite 1800, Dallas, Texas 75201
T: (214) 999-1400, F: (214) 754-7991, www.pwc.com/us

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

	As of December 31,	
	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ [redacted]	$ [redacted]
Restricted cash	[redacted]	[redacted]
Accounts receivable, less allowance for doubtful accounts	[redacted]	[redacted]
Inventory	[redacted]	[redacted]
Other current assets	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]
PROPERTY, PLANT AND EQUIPMENT, NET	[redacted]	[redacted]
NONCURRENT ASSETS		
Collateral assets	[redacted]	[redacted]
Other assets	[redacted]	[redacted]
Total noncurrent assets	[redacted]	[redacted]
TOTAL ASSETS	$ [redacted]	$ [redacted]
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ [redacted]	$ [redacted]
Accrued liabilities	[redacted]	[redacted]
Income taxes payable	[redacted]	[redacted]
Current maturities of long-term debt	[redacted]	[redacted]
Current maturities of capitalized lease obligations	[redacted]	[redacted]
Customer deposits	[redacted]	[redacted]
Other current liabilities	[redacted]	[redacted]
Total current liabilities	[redacted]	[redacted]
LONG-TERM LIABILITIES		
Long-term debt - net of current maturities	[redacted]	[redacted]
Capitalized lease obligations - net of current maturities	[redacted]	[redacted]
Other long-term liabilities	[redacted]	[redacted]
Total long-term liabilities	[redacted]	[redacted]
TOTAL LIABILITIES	[redacted]	[redacted]
COMMITMENTS AND CONTINGENCIES (Note 7)		
MEMBERS' EQUITY	[redacted]	[redacted]
TOTAL LIABILITIES & MEMBERS' EQUITY	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands)

	For the Years Ended December 31,	
	2016	2015
OPERATING REVENUES		
Energy revenues	$ [redacted]	$ [redacted]
Consultant revenues	[redacted]	[redacted]
Total operating revenues	[redacted]	[redacted]
OPERATING EXPENSES		
Cost of energy operations	[redacted]	[redacted]
Wages and benefits	[redacted]	[redacted]
Selling expenses	[redacted]	[redacted]
Occupancy costs	[redacted]	[redacted]
Bad debt expense	[redacted]	[redacted]
Depreciation and amortization	[redacted]	[redacted]
General and administrative	[redacted]	[redacted]
Total operating expenses	[redacted]	[redacted]
OPERATING INCOME	[redacted]	[redacted]
OTHER INCOME (EXPENSE)		
Interest expense, net	[redacted]	[redacted]
Miscellaneous income (expense)	[redacted]	[redacted]
INCOME BEFORE TAXES	[redacted]	[redacted]
TAX EXPENSE	[redacted]	[redacted]
NET INCOME	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY (DEFICIT)

(dollars in thousands)

BALANCE AT DECEMBER 31, 2014	$ [redacted]
Capital distributions	[redacted]
Equity based compensation	[redacted]
Net income	[redacted]
BALANCE AT DECEMBER 31, 2015	$ [redacted]
Capital distributions	[redacted]
Equity based compensation	[redacted]
Net income	[redacted]
BALANCE AT DECEMBER 31, 2016	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

	For the Years Ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ [redacted]	$ [redacted]
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	[redacted]	[redacted]
Equity based compensation	[redacted]	[redacted]
Noncash interest expense	[redacted]	[redacted]
Cash provided (used) by changes in assets and liabilities:		
Accounts receivable	[redacted]	[redacted]
Inventory	[redacted]	[redacted]
Other current assets	[redacted]	[redacted]
Collateral assets	[redacted]	[redacted]
Other assets	[redacted]	[redacted]
Accounts payable	[redacted]	[redacted]
Accrued liabilities	[redacted]	[redacted]
Income taxes payable	[redacted]	[redacted]
Customer deposits	[redacted]	[redacted]
Other current liabilities	[redacted]	[redacted]
Other long-term liabilities	[redacted]	[redacted]
Net cash provided by operating activites	[redacted]	[redacted]
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	[redacted]	[redacted]
Issuance of related party note receivable	[redacted]	-
Change in restricted cash	[redacted]	[redacted]
Net cash used in investing activities	[redacted]	[redacted]
Advances from long-term debt	[redacted]	[redacted]
Principal payments on long-term debt	[redacted]	[redacted]
Principal payments on capital lease obligations	[redacted]	[redacted]
Capital distributions	[redacted]	[redacted]
Net cash used in financing activities	[redacted]	[redacted]
NET DECREASE IN CASH AND CASH EQUIVALENTS	[redacted]	[redacted]
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	[redacted]	[redacted]
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

AMBIT HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

(dollars in thousands)

1. DESCRIPTION AND NATURE OF BUSINESS

Organization

Ambit Holdings, LLC ("Ambit", "Ambit Energy", or the "Company") is a limited liability company that began operations in January 2006. As of December 31, 2016, Ambit Energy is a retail electric provider to residential and business customers in 44 distinct markets in the following states and territories: Connecticut, Delaware, Illinois, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, and the District of Columbia. As of December 31, 2016, Ambit Energy is also a retail gas provider to residential and business customers in 31 distinct markets in the following states and territories: California, Illinois, Indiana, Massachusetts, Maryland, New Jersey, New York, Pennsylvania, Virginia, and the District of Columbia.

Principles of Consolidation

The consolidated financial statements include the accounts of Ambit Holdings, LLC and its subsidiaries (collectively, the "Company"). All material intercompany balances and transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Cash and Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company is also required to maintain restricted cash accounts pursuant to a lending agreement (see Note 5) and for customer deposits based upon regulatory requirements.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts at a high credit quality financial institution, which at times exceed the Federal Deposit Insurance Corporation (FDIC) limit of $250,000. We do not believe the Company is exposed to significant credit risk at this time due to the financial condition of the financial institution where cash is held.

Ambit purchases the majority of its energy from one supplier. A change in the financial situation of this supplier could have a significant impact on the Company.

The business of the Company is concentrated into geographic areas which include the states and territories of California, Connecticut, Delaware, Illinois, Indiana, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, Virginia, and the District of Columbia.

The Company is also subject to general market risks associated with current economic conditions.

Fair Value of Financial Instruments

Management believes the carrying amounts of financial instruments as of December 31, 2016 and 2015, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to their short maturities.

During 2015, the Company elected early adoption of the provision within ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities,* which permits the omission of fair value disclosures for financial instruments carried at amortized cost, including long-term debt.

Accounts Receivable
Accounts receivable consist primarily of customer billings for electricity or gas usage. For those customers that are directly billed by Ambit, the Company estimates an allowance for doubtful accounts based on the number of days the account is past due, review of accounts receivable aging reports, and historical collection percentages.

All other receivables are billed on the Company's behalf by other service providers under purchase of receivables agreements. Most of the agreements guarantee the receivables on a non-recourse basis, for which no allowance for doubtful accounts is necessary. The remainder of the agreements require either dual billing by both the service provider and the Company once a customer becomes delinquent, or have a required timeframe before the Company can transfer the customer back to the service provider. In these circumstances, Ambit transfers the customer back to the service provider and follows up with collection activities for unpaid, past due balances. The Company also estimates an allowance for doubtful accounts based on review of accounts receivable aging reports and historical writeoff percentages. At December 31, 2016 and 2015, the total allowance for doubtful accounts was [redacted] and [redacted] respectively.

At December 31, 2016 and 2015, accounts receivable includes [redacted] and [redacted] respectively, of estimated services delivered but not yet billed. These estimates are based on estimated customer usage since last meter read date and applicable billing rates and are subsequently adjusted when actual usage and rate information is both known and billed.

Inventory
Inventory is recorded at the lower of cost or market, with cost determined using the weighted average cost method. Inventory consists of natural gas.

Property, Plant and Equipment
Property and equipment are recorded at historical cost. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets ranging from three to five years. Leasehold improvements and leased assets are amortized over the shorter of the estimated useful life or the lease term. For the years ended December 31, 2016 and 2015, depreciation and amortization expense was [redacted] and [redacted] respectively.

Long-lived Asset Impairment
The Company evaluates its long-lived assets for impairment when events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. The determination of whether an asset is impaired is based on comparing management's estimate of expected future net operating cash flows, undiscounted and without interest charges, to the carrying amount of the underlying assets. Evaluation of a potential impairment would occur if the recorded value of these assets exceeded the associated future net operating cash flows. Any potential impairment loss would be measured as the amount by which the carrying value exceeds the fair value of the asset. Fair value of assets would be measured by market value, if an active market exists, or by a forecast of expected future net operating cash flows, discounted at a rate commensurate with the risk involved. There were no impairments recognized in 2016 or 2015.

Revenues
Energy revenue is derived from the sale of electricity and natural gas to residential and business customers. Energy revenue is recognized upon delivery of services to customers.

Consultant revenue includes fees associated with the Company's independent consultant program. These fees include initial program enrollment costs, monthly charges for the independent consultant websites, fees for the Company's training programs and sales of selling aids. Consultant revenue is recognized at the point of sale for everything other than training program revenue, which is recognized at the time of the event.

Equity Compensation
The Company accounts for its equity compensation in accordance with ASC 718, *Compensation – Stock Compensation*. The fair value of the Company's equity grants are estimated on the date of grant. The Company recognizes compensation expense for these equity grants on a straight-line basis over the requisite service period as vesting occurs, which has generally been over a three-year period.

Compensated Absences

The Company allows for eligible employees to receive paid time off that may be used for additional paid holidays, health care appointments and periods of illness or disability. The accrual for paid time off was [redacted] as of December 31, 2016 and 2015, respectively. These accruals are included in accrued liabilities on the consolidated balance sheet. At this time, the Company allows employees to carry over up to forty hours of paid time off.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses were [redacted] for the years ended December 31, 2016 and December 31, 2015, respectively. These expenses are included in selling expenses on the consolidated statement of operations.

Gross Receipts Tax

Gross receipts taxes are included in revenue and costs as of December 31, 2016 and December 31, 2015, representing [redacted] respectively. All other transaction taxes are flow-through, thus accrued and paid through liability accounts on the consolidated balance sheet. Revenue and expense are reported net of these other tax amounts.

Income Taxes

The Company is not a taxpaying entity for Federal income tax purposes. The individual members are required to report their distributive share of the Company's realized income, gain, loss, deductions, or credits on their individual income tax returns. The Company is similarly not a taxpaying entity in the states in which it conducts business, with the exception of Texas. Incorporated and doing business in Texas, the Company is subject to Texas margin tax, a privilege tax based on income imposed on companies with nexus in the state. A provision for state income tax has been recorded accordingly.

Effective January 1, 2009, the Company adopted FASB ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which establishes that a tax position taken, or expected to be taken, in a tax return is to be recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The Company has not taken any uncertain tax positions on tax returns for which management believes that a related reserve should be recorded. At December 31, 2016, Texas margin tax returns for the years 2012 - 2015 remain subject to examination. The Company recognizes interest expense in the first period the interest begins accruing according to the provisions of the relevant tax law. When a tax position does not meet the minimum statutory threshold to avoid payment of penalties, the Company recognizes an expense for the statutory penalty in the period in which it claims, or expects to claim, the position in the tax return. In accordance with ASC 740-10-45-25, any interest or penalties incurred are included as a component of income tax expense.

3. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. During 2015 and 2016, the FASB also issued several more pronouncements related to the new revenue standard which include clarifying standards and other technical corrections including ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, ASU No. 2016-20, Revenue from Contracts with Customers (Topic 606): Technical Corrections and Improvements, ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow Scope Improvements and Practical Expedients, ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, and ASU No. 2016-08 Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross verses Net). These ASUs are effective for nonpublic companies for annual periods beginning after December 15, 2018 and shall be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is currently assessing the impact of this guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which increases transparency and comparability by recognizing a lessee's rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. The new standard requires the lessee to classify leases as either finance or operating based on the principle of whether or not the lease is effectively a financed purchase by the lessee. The classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease. This ASU will be effective for nonpublic companies for annual periods beginning after December 15, 2019, and the Company is currently assessing the impact of this guidance on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which addresses eight specific cash flow issues with the objective of reducing diversity in practice. The standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Company is currently assessing the impact of this guidance on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which clarifies guidance and presentation related to restricted cash on the statement of cash flows, including stating that restricted cash should be included within cash and cash equivalents on the statement of cash flows. The standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted, and is to be applied retrospectively. The Company is currently assessing the impact of this guidance on its consolidated financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Ambit's major classes of property, plant and equipment were as follows:

	12/31/2016	12/31/2015	Depreciable lives
Computer equipment & software	$ [redacted]	$ [redacted]	[redacted]
Furniture and fixtures	[redacted]	[redacted]	[redacted]
Leasehold improvements	[redacted]	[redacted]	[redacted]
Assets under capital leases	[redacted]	[redacted]	[redacted]
Property, plant & equipment - gross	[redacted]	[redacted]	
Less: Accumulated depreciation / amortization	[redacted]	[redacted]	
Property, plant & equipment - net	$ [redacted]	$ [redacted]	

Costs associated with computer software projects during the preliminary project stage are expensed as incurred. Once management authorizes and commits to funding a project, appropriate application development stage costs are capitalized. Capitalized software costs consist of costs to purchase, license and develop software. Capitalization ceases when the project is substantially complete and the software is ready for its intended use. Training and maintenance costs associated with software applications are expensed as incurred. Software costs are amortized over an estimated useful life of three years commencing when such assets are ready for their intended use.

Unamortized software costs were [redacted] as of December 31, 2016 and 2015, respectively. Additions to software were [redacted] during the years ended December 31, 2016 and 2015, respectively. Amortization related to software was [redacted] during the years ended December 31, 2016 and 2015, respectively.

[redacted]

[redacted]	[redacted]	[redacted]	[redacted]
	$	$	
[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

able was $3,499 at

7. COMMITMENTS AND CONTINGENCIES

Hedging Activities

Operating Lease Commitments

Contingencies

8. REGULATORY MATTERS

Ambit operates in two regulated industries (electricity and gas) and is subject to regulation by various federal and state agencies. As such, Ambit is affected by regulatory developments at both the federal and state levels and in the regions in which Ambit operates.

In addition, Ambit is subject to the market rules, procedures, and protocols of the various "independent system operator" electricity markets in which Ambit participates. These markets are subject to ongoing legislative and regulatory changes that may impact the Company's retail business.

The Company and its subsidiaries are a party to other regulatory proceedings arising in the ordinary course of business or have other regulatory exposure. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect Ambit's consolidated financial position, results of operations, or cash flows.

9. CAPITAL STRUCTURE

Options and Warrants

[redacted]

[redacted]

Dividend Consent Fee

[redacted]

Equity Compensation

[redacted]

[redacted]

Risk-free interest rate – The market yield on U.S. Treasury securities for the expected term of each is used as the risk-free interest rate.

Expected term– The expected term of the award represents the estimated time until the unit is vested based on the contractual term and management expectations of future behavior.

Volatility – The Company's stock is not publicly traded. Therefore, the calculation of volatility for the Company is based on the historical stock price volatility of a peer group of similar, publicly traded companies, using adjusted closing monthly stock prices for the expected life of the award.

Dividend yield – The Company intends to retain any earnings to finance future growth and, therefore, does not anticipate paying any cash distributions on its units in the foreseeable future. This excludes distributions for tax purposes.

10. EMPLOYMENT BENEFITS

[redacted]

11. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow disclosures and non-cash investing and financing activities are as follows:

	Year ended December 31,	
	2016	2015
[redacted]	[redacted]	[redacted]

12. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 27, 2017, the date the financial statements were available to be issued.

As of April 27, 2017, there were no subsequent events which required recognition or disclosure.

pwc

Report of Independent Auditors

To the Management of Ambit Holdings, LLC

We have audited the consolidated financial statements of Ambit Holdings, LLC as of December 31, 2016 and for the year then ended and our report thereon appears on page 2 of this document. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

PricewaterhouseCoopers LLP

April 27, 2017

PricewaterhouseCoopers LLP, 2001 Ross Avenue, Suite 1800, Dallas, Texas 75201
T: (214) 999-1400, F: (214) 754-7991, www.pwc.com/us

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.)

CONFIDENTIAL

The requested documents contain confidential and proprietary information. Included is a redacted copy and the un-redacted copy will be submitted under a Protective Order and submitted under separate cover.

BOK FINANCIAL

INTERNATIONAL BANKING CENTER
ONE WILLIAMS CENTER, 15TH FLOOR
TULSA, OK 74172
USA

01/07/16

ISSUING BANK: BOKF, NA

BENEFICIARY:
COLUMBIA GAS OF OHIO, INC.
290 W NATIONWIDE BLVD
COLUMUS, OH 43215
ATTN: CREDIT RELATIONSHIP MGR

LETTER OF CREDIT NUMBER: [redacted]
APPLICANT: AMBIT NORTHEAST LLC
AMOUNT: [redacted] USD
EXPIRATION: 01/07/17

AT THE REQUEST OF THE APPLICANT WE HAVE ISSUED OUR IRREVOCABLE STANDBY LETTER OF CREDIT REFERENCED ABOVE; THE ORIGINAL IS HEREBY ATTACHED.

IF THE TERMS OF THE LETTER OF CREDIT ARE UNSATISFACTORY, WE SUGGEST YOU IMMEDIATELY COMMUNICATE WITH THE APPLICANT AND REQUEST THE APPROPRIATE AMENDMENT.

INQUIRIES DIRECTED TO OUR OFFICE MAY BE MADE TO TELEPHONE +1 (918) 588-6829 OR TO FAX +1 (918) 588-6026. PLEASE SEND ALL CORRESPONDENCE DIRECTED TO OUR OFFICE TO THE ABOVE MENTIONED ADDRESS.

IF PRIOR TO THE EXPIRATION DATE, THE APPLICANT'S OBLIGATION WITH YOU HAS BEEN COMPLETED AND YOU NO LONGER AVAIL YOURSELF OF OUR LETTER OF CREDIT, WE KINDLY ASK YOU TO RETURN THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS ALONG WITH A LETTER GIVING US YOUR CONSENT TO CLOSE THE LETTER OF CREDIT SO THAT THE APPLICANT'S LIABILITY WITH THE BANK IS RELEASED.

IRREVOCABLE STANDBY LETTER OF CREDIT [redacted]
ISSUED IN TULSA, OKLAHOMA ON 01/07/16

ISSUING BANK: BOKF, NA

BENEFICIARY:
COLUMBIA GAS OF OHIO, INC.
290 W NATIONWIDE BLVD
COLUMUS, OH 43215
ATTN: CREDIT RELATIONSHIP MGR

APPLICANT:
AMBIT NORTHEAST LLC
1801 NORTH LAMAR STREET
SUITE 200
DALLAS, TX 75202

DATE AND PLACE OF EXPIRY: 01/07/17 TULSA, OKLAHOMA

AMOUNT: [redacted] USD
USD TEN THOUSAND 00/100EXACTLY

WE, BOKF, NA, HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. BOK15SDF08887 IN FAVOR OF COLUMBIA GAS OF OHIO, INC. ("COLUMBIA GAS"), HEREIN "BENEFICIARY", FOR THE ACCOUNT OF AMBIT NORTHEAST LLC FOR AN AMOUNT NOT EXCEEDING $[redacted] EXPIRING AT THE CLOSE OF BUSINESS ON JANUARY 07, 2017.

THIS LETTER OF CREDIT IS AVAILABLE TO BENEFICIARY BY PAYMENT AT SIGHT DRAWN ON BOKF, NA UPON PRESENTATION OF THE FOLLOWING DOCUMENTS BY BENEFICIARY:

1. THE ORIGINAL LETTER OF CREDIT AND ANY AMENDMENTS THERETO, IF ANY.

2. BENEFICIARY'S SIGNED DRAFT AT SIGHT MADE OUT TO BENEFICIARY'S ORDER AND ENDORSED, DRAWN ON BOKF, NA BEARING THE CLAUSE "DRAWN UNDER BOKF, NA IRREVOCABLE STANDBY LETTER OF CREDIT NO. [redacted] DATED JANUARY 07, 2016.

3. A DATED STATEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY STATING EITHER:

A. THE BENEFICIARY CERTIFIES THAT THE AMOUNT DRAWN UNDER THIS LETTER OF CREDIT REPRESENTS AN AMOUNT DUE AND OWING TO THE BENEFICIARY AND UNPAID BY APPLICANT PURSUANT TO ONE OR MORE AGREEMENTS BETWEEN BENEFICIARY AND APPLICANT;

OR

B. THIS LETTER OF CREDIT HAS NOT BEEN RENEWED, REPLACED, OR EXTENDED WITHIN THIRTY DAYS OF THE DATE OF EXPIRATION HEREOF AND APPLICANT IS REQUIRED UNDER THE TERMS OF THE APPLICABLE SERVICE AGREEMENT(S) AND CONTRACTS TO HAVE A LETTER OF CREDIT IN PLACE IN AN AMOUNT NOT LESS THAN THE AMOUNT BEING DRAWN.

SPECIAL CONDITIONS:

THIS LETTER OF CREDIT EXPIRES AT 4:00 P.M., ON THE STATED EXPIRATION DATE, AT THE OFFICE OF BOKF, NA, INTERNATIONAL BANKING CENTER, ONE WILLIAMS CENTER, 15TH FLOOR SOUTH, TULSA, OKLAHOMA, 74172.

BOK FINANCIAL

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT SUCH EXPIRATION DATE SHALL BE DEEMED AUTOMATICALLY EXTENDED, WITHOUT WRITTEN AMENDMENT, FOR ONE YEAR PERIODS TO DECEMBER XX IN EACH SUCCEEDING CALENDAR YEAR, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO SUCH EXPIRATION DATE WE SEND WRITTEN NOTICE TO YOU AT YOUR ADDRESS ABOVE BY OVERNIGHT COURIER OR REGISTERED MAIL THAT WE ELECT NOT TO EXTEND THE EXPIRATION DATE OF THIS LETTER OF CREDIT BEYOND THE DATE SPECIFIED IN SUCH NOTICE.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED.

ANY AMOUNT DRAWN HEREUNDER SHALL NOT EXCEED THE AMOUNT STATED IN THE LETTER OF CREDIT.

DRAFT(S) DRAWN AND NEGOTIATED UNDER THIS LETTER OF CREDIT MUST BE ENDORSED HEREON AND BEAR THE CLAUSE 'DRAWN UNDER BOKF, NA, LETTER OF CREDIT NUMBER [redacted] DATED JANUARY 07, 2016.'

THIS ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS THERETO MUST BE SUBMITTED TO US TOGETHER WITH ANY DRAWINGS HEREUNDER FOR OUR ENDORSEMENT OF ANY PAYMENTS EFFECTED BY US.

WE AGREE TO HONOR AND PAY ANY DRAWING IF PRESENTED IN THE MANNER AND AT THE ADDRESS SET FORTH BELOW IN COMPLIANCE WITH ALL OF THE TERMS OF THIS LETTER OF CREDIT. IF A DRAWING IS PRESENTED PRIOR TO 11:00 A.M., CENTRAL STANDARD TIME, ON A BUSINESS DAY, PAYMENT SHALL BE MADE IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT NUMBER OR ADDRESS DESIGNATED BY THE BENEFICIARY ON THE SAME BUSINESS DAY. IF A DRAWING IS PRESENTED AT OR AFTER 11:00 A.M., CENTRAL STANDARD TIME, ON A BUSINESS DAY, PAYMENT SHALL BE MADE IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT NUMBER OR ADDRESS DESIGNATED BY THE BENEFICIARY ON THE NEXT BUSINESS DAY. THE TERM "BUSINESS DAY" MEANS ANY DAY WHICH IS NOT A SATURDAY, A SUNDAY, OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF OKLAHOMA ARE REQUIRED OR AUTHORIZED BY LAW OR EXECUTIVE ORDER TO REMAIN CLOSED AND THE ISSUING BANK IS IN FACT CLOSED.

DRAFTS MAY BE PRESENTED AT OUR COUNTER IN PERSON, OR VIA U.S. CERTIFIED MAIL, NATIONALLY RECOGNIZED OVERNIGHT COURIER, OR FACSIMILE TRANSMISSION TO FAX NO. (918) 588-6026 UNDER PHONE ADVICE TO (918) 588-6649, WITH ORIGINAL DOCUMENTS BEING SENT TO US AT THE BANK'S ADDRESS SHOWN BELOW:

BOKF, NA
INTERNATIONAL DEPARTMENT
ONE WILLIAMS CENTER
15TH FLOOR SOUTH
TULSA, OK 74172

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998 (ISP98).

WE HEREBY ENGAGE WITH YOU THAT DRAFTS AND DOCUMENTS DRAWN STRICTLY IN COMPLIANCE WITH THE TERMS OF THIS CREDIT AND AMENDMENTS SHALL MEET WITH DUE HONOR UPON PRESENTATION TO US.

AUTHORIZED SIGNATURE

BOK FINANCIAL

INTERNATIONAL BANKING CENTER
ONE WILLIAMS CENTER, 15TH FLOOR
TULSA, OK 74172
USA

01/13/16

ISSUING BANK: BOKF, NA

BENEFICIARY:
DUKE ENERGY OHIO, INC.
ATTN: CHIEF RISK OFFICER
550 SOUTH TRYON STREET MC:DEC40C
CHARLOTTE, NC 28202

LETTER OF CREDIT NUMBER: [redacted]
APPLICANT: AMBIT NORTHEAST LLC
AMOUNT: [redacted] USD
EXPIRATION: 01/13/17

AT THE REQUEST OF THE APPLICANT WE HAVE ISSUED OUR IRREVOCABLE STANDBY LETTER OF CREDIT REFERENCED ABOVE; THE ORIGINAL IS HEREBY ATTACHED.

IF THE TERMS OF THE LETTER OF CREDIT ARE UNSATISFACTORY, WE SUGGEST YOU IMMEDIATELY COMMUNICATE WITH THE APPLICANT AND REQUEST THE APPROPRIATE AMENDMENT.

INQUIRIES DIRECTED TO OUR OFFICE MAY BE MADE TO TELEPHONE +1 (918) 588-6649 OR TO FAX +1 (918) 588-6026. PLEASE SEND ALL CORRESPONDENCE DIRECTED TO OUR OFFICE TO THE ABOVE MENTIONED ADDRESS.

IF PRIOR TO THE EXPIRATION DATE, THE APPLICANT'S OBLIGATION WITH YOU HAS BEEN COMPLETED AND YOU NO LONGER AVAIL YOURSELF OF OUR LETTER OF CREDIT, WE KINDLY ASK YOU TO RETURN THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS ALONG WITH A LETTER GIVING US YOUR CONSENT TO CLOSE THE LETTER OF CREDIT SO THAT THE APPLICANT'S LIABILITY WITH THE BANK IS RELEASED.

IRREVOCABLE STANDBY LETTER OF CREDIT [redacted]
ISSUED IN TULSA, OKLAHOMA ON 01/13/16

ISSUING BANK: BOKF, NA

BENEFICIARY:
DUKE ENERGY OHIO, INC.
ATTN: CHIEF RISK OFFICER
550 SOUTH TRYON STREET MC:DEC40C
CHARLOTTE, NC 28202

APPLICANT:
AMBIT NORTHEAST LLC
1801 NORTH LAMAR STREET
SUITE 200
DALLAS, TX 75202

DATE AND PLACE OF EXPIRY: 01/13/17 TULSA, OKLAHOMA

AMOUNT: [redacted] USD
USD [redacted] EXACTLY

BY ORDER OF THE APPLICANT, WE HEREBY ISSUE OUR IRREVOCABLE LETTER OF CREDIT NO. [redacted] IN YOUR FAVOR FOR [redacted] U.S. DOLLARS AVAILABLE FOR PAYMENT AT SIGHT IN IMMEDIATELY AVAILABLE FUNDS AGAINST YOUR DRAFTS, IN THE FORM ATTACHED AS ANNEX 1, DRAWN ON BOKF, NA ("ISSUER") AND PRESENTED TO ISSUER AT ONE WILLIAMS CENTER, 15TH FLOOR SOUTH, TULSA, OK 74172, ATTN: INTERNATIONAL DEPARTMENT, SIGNED BY AN AUTHORIZED OFFICER OR AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY AND ACCOMPANIED BY A DRAW CERTIFICATE IN THE FORM OF ATTACHED ANNEX 2 SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY.

CERTIFICATES SHOWING AMOUNTS IN EXCESS OF AMOUNTS AVAILABLE UNDER THIS LETTER OF CREDIT ARE ACCEPTABLE; HOWEVER, IN NO EVENT WILL PAYMENT(S) EXCEED IN AGGREGATE THE AMOUNT AVAILABLE TO BE DRAWN UNDER THIS LETTER OF CREDIT.

IF A DRAW CERTIFICATE PRESENTED DOES NOT COMPLY WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, THE ISSUER SHALL GIVE THE BENEFICIARY PROMPT NOTICE IN WRITING THAT ITS DRAW CERTIFICATE WAS NOT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WITH THE REASONS THEREFORE AND THAT THE ISSUER WILL HOLD THE DRAW CERTIFICATE AT THE BENEFICIARY'S DISPOSAL OR UPON REQUEST OF THE BENEFICIARY RETURN THE SAME TO THE BENEFICIARY. UPON BEING NOTIFIED THAT THE DRAW CERTIFICATE WAS NOT MADE IN COMPLIANCE WITH THIS LETTER OF CREDIT, THE BENEFICIARY MAY ATTEMPT TO CORRECT SUCH NON-COMPLIANCE TO THE EXTENT THAT THE BENEFICIARY IS ABLE TO DO SO AND RESUBMIT THE DRAW CERTIFICATE IN ACCORDANCE HEREWITH.

SPECIAL CONDITIONS:

1. PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS ARE PERMITTED.

2. ALL DRAFTS DRAWN UNDER THIS LETTER OF CREDIT MUST BEAR THE CLAUSE "DRAWN UNDER THIS LETTER OF CREDIT NO. [redacted] DATED JANUARY 13, 2016."

3. THIS LETTER OF CREDIT EXPIRES AT OUR COUNTERS ON JANUARY 13, 2017 (WHICH DATE MAY BE EXTENDED IN THE MANNER PROVIDED HEREIN IS REFERRED TO AS THE "EXPIRY DATE"). THE EXPIRY DATE SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENTS FOR ONE YEAR FROM THE EXPIRY DATE UNLESS AT LEAST NINETY (90) DAYS PRIOR TO THE THEN APPLICABLE EXPIRY DATE, WE NOTIFY YOU IN WRITING BY CERTIFIED MAIL RETURN RECEIPT REQUESTED OR OVERNIGHT COURIER THAT WE ARE NOT GOING TO EXTEND THE EXPIRY DATE. DURING SAID NINETY (90) DAY PERIOD, THIS LETTER OF CREDIT SHALL REMAIN IN FULL FORCE AND EFFECT, UNLESS CANCELED AT THE REQUEST OF BENEFICIARY IN ACCORDANCE WITH PARAGRAPH 5 BELOW PRIOR TO EXPIRY DATE.

4. WE ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN CONFORMITY WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT AND IN ACCORDANCE WITH THE BENEFICIARY'S PAYMENT INSTRUCTIONS, UPON PRESENTATION AT OUR OFFICE ON OR BEFORE THE EXPIRY DATE. IF WIRE TRANSFER IS REQUESTED BY THE BENEFICIARY, PAYMENT UNDER THIS LETTER OF CREDIT WILL BE MADE BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS TO THE BENEFICIARY'S ACCOUNT AT ANY FINANCIAL INSTITUTION LOCATED IN THE CONTINENTAL UNITED STATES. ALL PAYMENTS UNDER THIS LETTER OF CREDIT WILL BE MADE IN OUR OWN FUNDS. PRESENTATION AT OUR OFFICE INCLUDES PRESENTATION IN PERSON, BY CERTIFIED, REGISTERED, OR OVERNIGHT MAIL TO THE ADDRESS SPECIFIED BELOW.

5.THIS LETTER OF CREDIT SHALL BE CANCELLED UPON RECEIPT BY US OF A CERTIFICATE OF CANCELLATION, WHICH: (A) SHALL BE IN THE FORM OF ANNEX 3, WHICH IS ATTACHED HERETO, AND (B) SHALL BE COMPLETED AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY.

6. ALL BANK CHARGES ARE FOR THE ACCOUNT OF THE APPLICANT. EXCEPT AS STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, CONDITION, OR QUALIFICATION. THE OBLIGATION OF BOKF, NA UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF BOKF, NA AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT HERETO.

7. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT OUR EXPRESS WRITTEN CONSENT AND THE CONSENT OF THE APPLICANT AND THE BENEFICIARY; PROVIDED HOWEVER, THAT THE CONSENT OF BENEFICIARY SHALL NOT BE REQUIRED IN TO INCREASE THE AMOUNT AVAILABLE UNDER THE LETTER OF CREDIT OR TO EXTEND THE EXPIRY DATE OF THE LETTER OF CREDIT.

8. DRAFTS ACCOMPANIED BY DOCUMENTS, AS SPECIFIED ABOVE, MUST BE PRESENTED AT OUR OFFICE NOT LATER THAN 5 PM NEW YORK TIME ON THE THEN CURRENT EXPIRY DATE.

9. WE SHALL HAVE A REASONABLE AMOUNT OF TIME, NOT TO EXCEED TWO (2) BUSINESS DAYS FOLLOWING THE DATE OF OUR RECEIPT OF DRAWING DOCUMENTS, TO EXAMINE THE DOCUMENTS AND DETERMINE WHETHER TO TAKE UP OR REFUSE THE DOCUMENTS AND TO INFORM YOU ACCORDINGLY. WE HEREBY AGREE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE PROMPTLY HONORED UPON PRESENTATION TO US AS SPECIFIED HEREIN.

10. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98"), AND AS TO MATTERS NOT ADDRESSED BY ISP98 WILL BE INTERPRETTED UNDER THE LAWS OF THE STATE OF NEW YORK. IN THE EVENT OF CONFLICT BETWEEN ISP 98 AND A NON-MANDATORY PROVISION OF SUCH LAW, ISP 98 SHALL GOVERN.

BOK FINANCIAL

11. ISSUER HEREBY CERTIFIES THAT, AS OF THE EFFECTIVE DATE OF THIS LETTER OF CREDIT THAT IT HAS A SENIOR UNSECURED DEBT RATING OF AT LEAST "A" FROM STANDARD & POOR'S RATING SERVICE OR "A2" FROM MOODY'S RATING SERVICE, WITH TOTAL ASSETS GREATER THAN FIVE BILLION U.S. DOLLARS ($5,000,000.00).

12. IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS LETTER OF CREDIT, PLEASE CALL US AT 918-588-6649.

AUTHORIZED SIGNATURE

BOK FINANCIAL

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: [redacted]

ANNEX 1

FORM OF DRAW CERTIFICATE

DRAWN UNDER LETTER OF CREDIT NO [redacted] DATED JANUARY 13, 2016

TO: _____

FOR THE VALUE RECEIVED, PAY TO THE ORDER OF: _____

BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS TO THE FOLLOWING ACCOUNT:

_____

_____

_____

_____

_____

THE FOLLOWING AMOUNT: _____ UNITED STATES DOLLARS. (US$ _____)

DUKE ENERGY OHIO, INC.

BY: _____

TITLE: _____

BOK FINANCIAL

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: [redacted]

ANNEX 2

FORM OF DRAW CERTIFICATE

TO: _____

DRAWN UNDER LETTER OF CREDIT NO: [redacted] DATED JANUARY 13, 2016

THE UNDERSIGNED HEREBY CERTIFIES THAT THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF DUKE ENERGY OHIO, INC. THE BENEFICIARY OF THE LETTER OF CREDIT, AND HEREBY FURTHER CERTIFIES AS FOLLOWS:

BENEFICIARY IS DRAWING THE FUNDS REQUESTED UNDER THIS LETTER OF CREDIT BASED ON THE BELOW SPECIFIED DRAW CONDITION:

CHECK APPROPRIATE DRAW CONDITION:

[ ] ONE OR MORE EVENT OF DEFAULT HAS OCCURRED WITH RESPECT TO _____ UNDER THAT CERTAIN _____ (NAME OF AGREEMENT) BETWEEN DUKE ENERGY OHIO, INC. AND _____ AS OF _____ (THE "AGREEMENT") AND SUCH EVENT OF DEFAULT HAS NOT BEEN CURED WITHIN THE APPLICABLE CURE PERIOD, IF ANY, PROVIDED FOR IN THE AGREEMENT.

OR

[ ] _____ IS REQUIRED, PURSUANT TO THE TERMS OF THE _____ (AGREEMENT TARRIFF/APPLICABLE CREDIT REQUIREMENTS), TO MAINTAIN A LETTER OF CREDIT IN FAVOR OF BENEFICIARY, HAS FAILED TO RENEW OR REPLACE THE LETTER OF CREDIT AND THE LETTER OF CREDIT HAS LESS THAN THIRTY (30) DAYS UNTIL THE EXPIRATION THEREOF.

OR

[ ] THE ISSUER'S SENIOR UNSECURED DEBT RATING HAS FALLEN BELOW "A" FROM STANDARD & POORS RATING SERVICE OR THE SENIOR UNSECURED DEBT RATING OF "A2" FROM MOODY'S RATING SERVICE, WITH TOTAL ASSETS GREATER THAN FIVE BILLION ($5,000,000.00). AND _____ HAS FAILED TO OBTAIN A SUBSTITUTE LETTER OF CREDIT FROM ANOTHER BANK OR FINANCIAL INSTITUTION THAT MEETS THE ABOVE STATED CREDIT REQUIREMENTS.

DUKE ENERGY OHIO, INC.

BY: _____

TITLE: _____

BOK FINANCIAL

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: [redacted]

ANNEX 3

FORM OF CERTIFICATE FOR CANCELATION

LETTER OF CREDIT NO: [redacted]

TO: _____

_____

THE UNDERSIGNED, AN AUTHORIZED OFFICER OR AUTHORIZED REPRESENTATIVE OF DUKE ENERGY OHIO, INC. (DE OHIO), HEREBY CERTIFIES TO THE ISSUER THAT DUKE ENERGY OHIO, INC. REQUESTS THE CANCELATION OF LETTER OF CREDIT NO [redacted]

THEREFORE, DUKE ENERGY OHIO, INC. HAS EXECUTED AND DELIVERED THIS CERTIFICATE FOR CANCELATION AS OF _____.

DUKE ENERGY OHIO, INC.

BY: _____

TITLE: _____

Exhibit C-5

Forecasted Financial Statements

Provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

CONFIDENTIAL

The requested documents contain confidential and proprietary information. Included is a redacted copy and the un-redacted copy will be submitted under a Protective Order and submitted under separate cover.

PROJECTED FINANCIALS - CONFIDENTIAL - DO NOT DISTRIBUTE

AMBIT HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands)

	For the Years Ended December 31,		
	2017	2018	2019
OPERATING REVENUES			
Energy revenues	$	$	$
Consultant revenues			
Total operating revenues			
OPERATING EXPENSES			
Cost of energy operations			
Wages and benefits			
Selling expenses			
Occupancy costs			
Bad debt expense			
Depreciation and amortization			
General and administrative			
Total operating expenses			
OPERATING INCOME			
OTHER EXPENSE			
Interest expense, net			
Miscellaneous expense			
INCOME BEFORE TAXES			
TAX EXPENSE			
NET INCOME	$	$	$

PROJECTED FINANCIALS - CONFIDENTIAL - DO NOT DISTRIBUTE

AMBIT HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	As of December 31,		
	2017	2018	2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ [redacted]	$ [redacted]	$ [redacted]
Restricted cash	[redacted]	[redacted]	[redacted]
Accounts receivable, less allowance for doubtful accounts	[redacted]	[redacted]	[redacted]
Inventory	[redacted]	[redacted]	[redacted]
Other current assets	[redacted]	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]	[redacted]
PROPERTY, PLANT AND EQUIPMENT, NET	[redacted]	[redacted]	[redacted]
NONCURRENT ASSETS			
Collateral assets	[redacted]	[redacted]	[redacted]
Other assets	[redacted]	[redacted]	[redacted]
Total noncurrent assets	[redacted]	[redacted]	[redacted]
TOTAL ASSETS	$ [redacted]	$ [redacted]	$ [redacted]
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)			
CURRENT LIABILITIES			
Accounts payable	$ [redacted]	$ [redacted]	$ [redacted]
Accrued liabilities	[redacted]	[redacted]	[redacted]
Income taxes payable	[redacted]	[redacted]	[redacted]
Current maturities of long-term debt	[redacted]	[redacted]	[redacted]
Current maturities of capitalized lease obligations	[redacted]	[redacted]	[redacted]
Customer deposits	[redacted]	[redacted]	[redacted]
Other current liabilities	[redacted]	[redacted]	[redacted]
Total current liabilities	[redacted]	[redacted]	[redacted]
LONG-TERM LIABILITIES			
Long-term debt - net of current maturities	[redacted]	[redacted]	[redacted]
Capitalized lease obligations - net of current maturities	[redacted]	[redacted]	[redacted]
other long-term liabilities	[redacted]	[redacted]	[redacted]
Total long-term liabilities	[redacted]	[redacted]	[redacted]
TOTAL LIABILITIES	[redacted]	[redacted]	[redacted]
MEMBERS' EQUITY (DEFICIT)	[redacted]	[redacted]	[redacted]
TOTAL LIABILITIES & MEMBERS' EQUITY (DEFICIT)	$ [redacted]	$ [redacted]	$ [redacted]

PROJECTED FINANCIALS - CONFIDENTIAL - DO NOT DISTRIBUTE

AMBIT HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	For the Years Ended December 31,		
	2017	2018	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$	$	$
Equity based compensation			
Adjustments to reconcile net income to net cash used by operating activities:			
Depreciation and amortization			
Noncash interest expense			
Cash provided (used) by changes in assets and liabilities:			
Accounts receivable			
Inventory			
Other current assets			
Collateral assets			
Accounts payable			
Accrued liabilities			
Income taxes payable			
Other current liabilities			
Other long-term liabilities			
Net cash provided by operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures			
Changes in restricted cash			
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from long-term debt			
Principal payments on long-term debt			
Principal payments on capital lease obligations, net			
Partner distributions		)	
Net cash used in financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD			
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	$	$

Exhibit C-6 and C-7

Credit Rating and Credit Report

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 & Poor's, 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.

Neither Ambit Energy nor any of its affiliates are rated by Duff & Phelps, Fitch IBCA, Moody's Investors Service, or Standard & Poors. However, attached for review is a redacted copy of its Dun and Bradstreet Report. A complete copy may be submitted under separate cover pursuant to a Protective Order.

Information not correct? Company Update

Report as of: 05-18-2017

AMBIT ENERGY HOLDINGS, LLC

Tradestyle(s): -

ACTIVE HEADQUARTERS

Address: 1801 N Lamar St Ste 200, Dallas, TX, 75202, UNITED STATES
Phone: (214) 461-4736
D-U-N-S: 60-479-2791

PAYDEX® Score	Delinquency Predictor Percentile	Financial Stress Percentile	D&B Viability Rating
79	15	5	3 4 B G

COMPANY PROFILE

D-U-N-S
60-479-2791

Mailing Address
United States

Employees
581

Legal Form
Corporation (US)

Telephone
(214) 461-4736

Age (Year Started)
12 years (2005)

Date Incorporated
May 15, 2008

Named Principal
Jere W Thompson Jr, MBR-CEO

State of Incorporation
Texas

Line of Business
Electric and other services combined

Ownership
Not publicly traded

Street Address:
1801 N Lamar St Ste 200
Dallas, TX, 75202
UNITED STATES

RISK ASSESSMENT

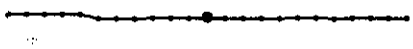
PAYDEX® Score

79

Days Beyond Terms: 2

Low Risk (100) High Risk (0)

Past 12 Months



Delinquency Predictor Percentile

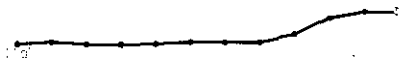
15

Low Risk (100) High Risk (1)

Company's risk level is: **MODERATE-HIGH**

Probability of delinquency over the next 12 months: **10.19%**

Past 12 Months



Financial Stress Percentile

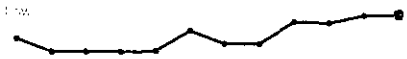
5

Low Risk (100) High Risk (1)

Company's risk level is: **MODERATE-HIGH**

Probability of failure over the next 12 months: **1.34%**

Past 12 Months



Supplier Evaluation Risk Rating

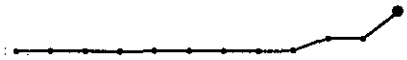
4

Low Risk (1) High Risk (9)

Company's risk level is: **LOW**

Low risk of supplier experiencing severe financial stress over the next 12 months

Past 12 Months



Overall Business Risk

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH

Dun & Bradstreet Thinks...

- Overall assessment of this company: **HEIGHTENED STABILITY CONCERNS**
- Based on the perceived sustainability of this company: **LIKELIHOOD OF BUSINESS CLOSURE**
- Based on the payment behavior of this company: **HEIGHTENED-POTENTIAL-FOR-SEVERELY-DELINQUENT-PAYMENTS**

Maximum Credit Recommendation

US$ 900,000

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

D&B Rating

Current Rating as of 10-19-2016

Previous Rating

Special Rating

--: *Undetermined*

:

Risk Indicator

3: *Moderate Risk*

D&B Viability Rating

Portfolio Comparison Score

4

Low Risk (1) High Risk (9)

Company's risk level is: **Low**

Probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months: **4%**

LEGAL EVENTS

Events	*Occurrences*	*Last Filed*
Bankruptcies	0	-
Judgments	0	-
Liens	0	-
Suits	1	05-08-2013
UCC	27	12-14-2016

TRADE PAYMENTS

Highest Past Due

US$ 500

Highest Now Owing
US$ 15,000

Total Trade Experiences
13

Largest High Credit
US$ 100,000

Average High Credit
US$ 14,143

OWNERSHIP

This company is a **Headquarter.**

Domestic Ultimate, Global Ultimate
AMBIT ENERGY HOLDINGS, LLC
UNITED STATES
D-U-N-S Number 60-479-2791

Total Members in Family Tree - 8

Subsidiaries

4

Branches

2

PEERS

Peer Name	PAYDEX®	Financial Stress Score	Delinquen Predictor Score	Supplier Eval. Risk Rating	D&B Rating	D&B Viability Rating	Maximum Credit Recommendation	# of Inquiries in 12 mos
Reliant Energy	N/A	1471	527	5	DS	-	0	37

TXU ENERGY	N/A	N/A	N/A	N/A	-	-	0	0
DIRECT ENERGY, LP	73	1438	524	N/A	1R3	-	600000	223
STREAM GAS & ELECTRIC, LTD.	80	N/A	N/A	N/A	5A2	-	0	80

FINANCIAL OVERVIEW

This company has not provided financial statements to D&B.

INQUIRIES

12 Months Summary

Total number of Inquiries	Unique Customers
62	34

Exhibit C-9

Merger Information

Provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application, or at any time as a participant in the Ohio Natural Gas Choice programs.

Neither Ambit Northeast, LLC nor any of its affiliates have experienced any dissolution, merger, or acquisition of the applicant within the five most recent years preceding the application, or at any time as a participant in the Ohio Natural Gas Choice programs.

Exhibit C-10

Corporate Structure

Provide a description of the applicant's corporate structure, not an external 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 within the two most recent years preceding the application.

Ambit Northeast, LLC is a wholly owned subsidiary of Ambit Energy Holdings, LLC ("Ambit Energy"), a Texas Corporation (see attached page for Corporate Structure Diagram). Ambit Midwest, LLC was created in 2013 by founding partner Jere Thompson, Jr. for the whole purpose of serving energy customers in deregulated energy markets in North America. In addition to Ambit Midwest, LLC, Ambit Energy Holdings, LLC also serves five additional subsidiaries, all of which supply retail or wholesale natural gas or electricity to customers in North America: Ambit Texas, LLC, Ambit New York, LLC, and Ambit Illinois, LLC, Ambit California, LLC and Ambit Northeast, LLC.

Japan

Ambit New York, LLC currently holds an Energy Service Company certificate in the State of New York and supplies retail electric and gas services to both residential and small commercial customers. In Texas, Ambit Texas, LLC, is currently licensed as a Retail Electric Provider where it serves residential and small commercial customers. In Illinois, Ambit Energy currently holds a certificate as an Alternative Gas Supplier and an Alternative Retail Electric Supplier. Operating under the subsidiary Ambit Northeast, LLC, Ambit Energy provides gas and electricity services to customers in Maryland, Pennsylvania, Connecticut, Delaware, Massachusetts, New Hampshire, Rhode Island, New Jersey, the District of Columbia, Virginia and Maine.

Ambit Energy is not affiliated with any utility distribution companies and does not own any generation or production assets. Ambit Energy buys 100% of its natural gas and electricity from wholesale providers to serve its customer loan.

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.

Ambit Energy's operations in the state of Ohio are comprised of retail sales, customer load aggregation, natural gas procurement, nomination and scheduling of natural gas for delivery, arrangement for transportation services through regional providers, and wholesale/retail reporting functions as required.

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.

Serving over 1,051,000 retail customers in seventeen major markets, Ambit Energy has proven experience in the full cycle of electricity and natural gas marketing including retail sales, load aggregation, contract administration, end-to-end procurement, customer support services and billing. This is evidenced by Ambit Energy's success in the ERCOT retail power market, NYISO retail power market, and retail natural gas operations in New York, Illinois, Maryland, and New Jersey.

Ambit Energy brings more than fifty (50) years combined natural gas procurement and sales (marketing) experience and over twenty (20) years working within the rules and regulations of North American Energy Standard Board (NAESB) contracting guidelines and standards of conduct.

In support of Ambit's natural gas sales operations, Ambit has procured, transported, and delivered more than 20 million decatherms used by Ambit Energy's gas customers in all of its gas markets) during 2016. Ambit Energy's wholesale procurement and scheduling team directs the end-to-end gas supply chain including load forecasting, wholesale gas procurement, transportation delivery, and nomination. Ambit procures commodity for sales through bilateral purchase agreements with wholesale suppliers and arranges transportation from regional pipeline delivery partners, typically delivering gas to the citygate where applicable.

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.

Jere Thompson, Jr.
Chief Executive Officer (CEO) & Co-Founder

Mr. Thompson has more than seventeen (17) years of management experience with enterprise financial and administration responsibilities including profit and loss responsibilities as well as electric sales experience. From 2005 through present, Mr. Thompson has gained electricity sales experience in the Texas, New York, and Maryland retail energy markets by his leadership in the retail and wholesale operations of Ambit Energy, including negotiating bilateral contract agreements with Ambit's primary wholesale power and gas supplier.

From 1992 through 2000, Mr. Thompson was the Chief Executive Officer of CapRock Fiber Networks, a company governed by deregulated utility regulatory rules, similar to deregulated gas supplier regulation. As CEO, Mr. Thompson gained more than seven (7) years of financial and executive utility management experience, including profit and loss responsibilities in the telecommunications utility industries in areas, including, but not limited to start-ups (Mr. Thompson was the primary executive responsible for growing CapRock from a start-up to a corporation bringing in more than $300 million in revenue while simultaneously managing more than 1,3000 employees); retail utility commodity and credit risks; business development; and administrative functions, such as and calculating profits and losses; risk and gain associated with various residential and small commercial market entry strategies; resource allocation; and quality assurance of staff and telecommunication carrier service. Prior to working at CapRock, Mr. Thompson was a Vice President at Trammel Crow, a commercial real estate development firm in Dallas, Texas, and worked at Goldman Sachs & Company in the investment banking division.

Mr. Thompson holds a Bachelor's degree in Economics from Stanford University and a Master's of Business Administration (MBA) from the University of Texas. Mr. Thompson has more than a decade of deregulated utilities sales experience, enterprise financial and administration responsibilities including profit and loss responsibilities for both publicly and privately held corporations and partnerships more than sufficient to meet the requirements.

John Cooney
Vice President of Commercial Sales & Marketing

John Cooney has over twelve years of deregulated electricity and natural gas market experience. Since 2009, his diverse background has contributed to improvements in Ambit's energy forecasting, pricing, and operations processes in ERCOT, NYISO, and PJM. He is currently Director of Commercial Sales and Marketing.

Mr. Cooney previously held positions at both Reliant Energy and GDF SUEZ Energy North America. From 2000 to 2002, as Manager of Market-Based Structure for Reliant Energy, he evaluated wholesale hedge transactions for the company's US generation assets totaling 11,000 MW of output capacity.

From 2003 to 2005, as Manager of Project Advisory for GDF SUEZ, Mr. Cooney led the company's first participation in the New Jersey Basic Generation electricity auction, increased the sales of option products off company-owned assets, and improved wholesale deal flow capture in its risk control system. As Senior Director of Acquisitions, Investments and Financial Advisory from 2005 to 2008, he screened dozens of major capital commitment proposals, including domestic and international acquisitions, greenfield development projects and reinvestment in existing assets. He presented all internal models, financial statements, and investment memoranda to the Executive Committee for discussion and final approvals.

Mr. Cooney holds an MBA from Baylor University, and a BA in Economics and English from Rutgers University.

Drew Gormley
Vice President of Risk Management

Drew Gormley has served as the Director of Risk Management for Ambit Energy since October 2011. Reporting to the CFO, he leads the department responsible for risk assessment, commodity trading, load forecasting, power/gas settlements and scheduling operations in the ERCOT, NYISO, PJM, and NEISO markets.

Drew has held a succession of progressive finance-related positions in both public and private industry. Prior to assuming his current position as Director of Risk Management, he was the Director of Financial Planning and Analysis with Ambit Energy. From 2006 to 2008, he served as the Manger of Financial Reporting, Planning and Analysis for Cadbury Schweppes Southwest Division, where he led the division responsible for the company's planning process, forecasting and planning systems, and management reporting and analysis. He also led business unit teams in developing budgets, quarterly and period forecasts and ad hoc analyses.

Drew received a Bachelor of Business Administration Degree in Finance in 2002 from the University of North Texas and earned his MBA in 2007 from Texas A&M University-Commerce.

Susie Johnston
Manager of Power and Natural Gas Operations

Ms. Johnston has more than nine years of natural gas sales experience and more than five years working with rules and practices established by the North American Energy Standards Board (NAESB). At Ambit, Ms. Johnston is responsible for assisting Ambit with energy (including natural gas) trade risk management; natural gas scheduling; composing Ambit's retail natural gas

pricing models; and providing advice in the preparation to procure natural gas for Ambit. Throughout her career, Ms. Johnston has gained experience with FERC regulation, the North American Reliability Council, and NAESB standards of conduct in addition to her experience working within the rules and practices of NAESB at Astra Power Company.

From 2003 through early 2008, Ms. Johnston held the position of Gas Operations Scheduling Analyst at Astra Power Company where she provided comprehensive knowledge of online pipeline systems and scheduling applications and gas accounting software for next day gas markets across numerous trans-continental pipelines. Ms. Johnston scheduled next-day gas on various pipelines and confirmed with counterparties on daily and intraday changes as needed as well as verified, scheduled and confirmed all financial and swap trades for daily, monthly and yearly gas trades for numerous gas industry customers and brokers. She also acted as liaison with accounting operations to standardize and diagnose volume related discrepancies, including volume actualizations to ensure that the pipelines were reconciled including volumes, imbalances and fuel.

Ms. Johnston holds a Business Administration and Management Information Systems degree from Baylor University.