



Public Utilities Commission

PUCO USE ONLY - Version 1.02		
Date Received	Renewal Certification Number	ORIGINAL AGG Case Number
		09 - 1046 - GA-AGG

RENEWAL CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS BROKERS/AGGREGATORS

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

A-2 Applicant information:

Legal Name Texzon Utilities, Ltd.
Address 202 N I-35 Suite C Red Oak, TX 75154
Telephone No. (972) 938-0533 Web site Address www.texzon.com
Current PUCO Certificate No. 09-168G(4) Effective Dates December 6, 2015 through December 6, 2017

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

Name Texzon Utilities, Ltd.
Address 202 N I-35 Suite C Red Oak, TX 75154
Web site Address www.texzon.com Telephone No. (972) 938-0533

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

Texzon Utilities, Ltd.

A-5 Contact person for regulatory or emergency matters:

Name Steve Wilson Title Managing Partner
Business Address 202 N I-35 Suite C Red Oak, TX 75154
Telephone No. (972) 938-0533 Fax No. (214) 279-0115 Email Address swilson@texzon.net

PUCO
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It is to certify that the pages appearing are an accurate and complete reproduction of a data file document delivered in the regular course of business. Technician *MN* Date Processed OCT 18 2017

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

Name Richard E. Miller Title Chief Operating Officer
Business address 202 N I-35 Suite C Red Oak, TX 75154
Telephone No. (972) 938-0533 Fax No. (214) 279-0115 Email Address richard@texzon.net

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

Customer service address 202 N I-35 Suite C Red Oak, TX 75154
Toll-Free Telephone No. (888) 683-9966 Fax No. (214) 279-0115 Email Address admin@texzon.net

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

Name National Registered Agents, Inc. Title
Business address 4400 Easton Commons Way Suite 125 Columbus, OH 43219
Telephone No. Fax No. Email Address

A-9 Applicant's federal employer identification number 20-8543830

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

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

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

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

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

☐ Columbia Gas of Ohio

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

☐ Dominion East Ohio

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

☐ Duke Energy Ohio

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

☐ Vectren Energy Delivery of Ohio

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

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

<input type="checkbox"/>	Columbia Gas of Ohio	Intended Start Date
<input type="checkbox"/>	Dominion East Ohio	Intended Start Date
<input type="checkbox"/>	Duke Energy Ohio	Intended Start Date
<input type="checkbox"/>	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.
- A-15 Exhibit A-15 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-16 Exhibit A-16 "Articles of Incorporation and Bylaws,"** 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.*
- A-17 Exhibit A-17 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.

SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

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

status or ability to provide the services for which it is seeking renewed certification since applicant last filed for certification.

- 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.)
- 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. 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.
- 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 financial arrangements to satisfy collateral requirements to conduct retail electric/gas business activity (e.g., parental or third party guarantees, contractual arrangements, credit agreements, etc.,).

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

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

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

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

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

C-6 Exhibit C-6 “Credit Rating,” provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, 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.

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.

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

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

- D-1 Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business functions.
- D-2 Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.
- D-3 Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

Applicant Signature and Title

Richard L. Miller

Chief Operating Officer

Sworn and subscribed before me this

2

day of

October

Month

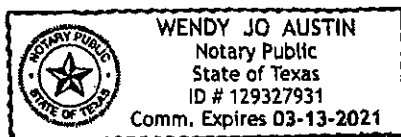
2017

Year

Wendy Jo Austin
Signature of official administering oath

Wendy Jo Austin, Notary
Print Name and Title

My commission expires on 3-13-21





The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of)

Texzon Utilities, Ltd.)

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

Case No. 09 - 1046 -GA-AGG

County of Ellis
State of Texas

Richard E. Miller

[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

Richard E. Miller

Chief Operating Officer

Sworn and subscribed before me this

2

day of

October

Month

2017

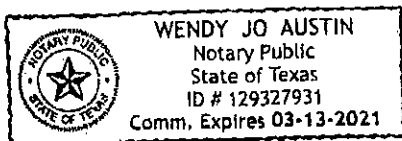
Year

Wendy Jo Austin

Signature of Official Administering Oath

Wendy Jo Austin, notary

Print Name and Title



My commission expires on

3-13-21

Exhibit A-14 “Principal Officers, Directors & Partners”

Steve Wilson
Managing Partner
2401 Laneview Drive
Ennis, TX 75119
(972) 898-5904

Richard E. Miller
Chief Operating Officer
138 Keowee Circle
Waxahachie, TX 75165
(972) 489-7676

Exhibit A-15 “Company History”

Texzon Utilities, Ltd. is an aggregator/ broker of electricity services, working with over 20 electric providers. We have been doing so in the state of Texas for over 15 years, having been legally formed in February 2002. (Prior to August 2006, we were known as Texxon Utilities, Ltd. The Exxon/Mobil legal department contacted us and demanded that we change our name due to their interpretation that our name infringed on their name. We changed our name at that time to Texzon Utilities, Ltd.) We have helped over 5,000 commercial and 3,000 residential clients contract with REPs (Retail Electric Providers in Texas), helping them obtain lower pricing than they normally would on their own.

For commercial clients, Texzon typically obtains 12 months usage from the incumbent provider through an LOA process and then shops this with one or more providers to get the best price that we can for the client.

For residential clients, we do not go “door to door” to solicit clients. We try to help commercial clients and their employees with their own homes, and those that learn of our services. We attempt to help all residential clients through online signups so that there is less chance of misunderstanding on their part.

Texzon does not take title to the power at any point in the process. We do not bill the client, as the REPs pay us a commission out of the final price quoted to the client.

Natural gas is not deregulated in Texas. However, we market gas in deregulated states in the same way as we do electricity, by contacting clients directly.

Exhibit A-16 “Articles of Incorporation and Bylaws”

No change in documents since original application.

Exhibit A-17 “Secretary of State”

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

I, Jon Husted, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show TEXZON UTILITIES, LTD., a Texas Limited Partnership, Registration Number 1888980, filed on October 13, 2009, is currently in FULL FORCE AND EFFECT upon the records of this office.



Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 28th day of September, A.D. 2017.

Jon Husted

Ohio Secretary of State

Validation Number: 201727101100

Exhibit B-1 “Jurisdictions of Operations”

Texzon Utilities has been registered as an Electricity Aggregator in the State of Texas since April 2002. (PUC # 80097)

Texzon Utilities has been registered as a Broker/Marketer of retail electric power in the State of Pennsylvania since September 2010. (A-2010-2187969)

Texzon Utilities has been registered as a Competitive Retail Electric Service Provider (Certificate # 09-178E (4)) and a Natural Gas Governmental Aggregator (Certificate # 09-168G (4)) in the State of Ohio since December 2011.

Texzon Utilities has been registered as a Broker of retail electric power in the State of Illinois since October 2012. (12-0539)

Exhibit B-2 “Experience and Plans”

Texzon Utilities, Ltd. is an aggregator/ broker of electricity services, working with over 20 electric providers. We have been doing so in the state of Texas for over 15 years, having been legally formed in February 2002. (Prior to August 2006, we were known as Texxon Utilities, Ltd. The Exxon/Mobil legal department contacted us and demanded that we change our name due to their interpretation that our name infringed on their name. We changed our name at that time to Texzon Utilities, Ltd.) We have helped over 5,000 commercial and 3,000 residential clients contract with REPs (Retail Electric Providers in Texas), helping them obtain lower pricing than they normally would on their own.

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Texzon does not take title to the power at any point in the process. We do not bill the client, as the REPs pay us a commission out of the final price quoted to the client.

Natural gas is not deregulated in Texas. However, we market gas in deregulated states in the same way as we do electricity, by contacting clients directly.

Exhibit B-3 “Summary of Experience”

Texzon Utilities, Ltd. is an aggregator/ broker of electricity services, working with over 20 electric providers. We have been doing so in the state of Texas for over 15 years, having been legally formed in February 2002. (Prior to August 2006, we were known as Texxon Utilities, Ltd. The Exxon/Mobil legal department contacted us and demanded that we change our name due to their interpretation that our name infringed on their name. We changed our name at that time to Texzon Utilities, Ltd.) We have helped over 5,000 commercial and 3,000 residential clients contract with REPs (Retail Electric Providers in Texas), helping them obtain lower pricing than they normally would on their own.

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Natural gas is not deregulated in Texas. However, we market gas in deregulated states in the same way as we do electricity, by contacting clients directly.

Exhibit B-4 “Disclosure of Liabilities and Investigations”

Texzon Utilities does not have any past or current rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations or any other legal matters that could adversely impact Texzon Utilities' financial or operational status or ability to provide the services for which we are seeking to be certified to provide our customers.

Exhibit C-1 “Annual Reports”

Texzon Utilities, Ltd. is a privately owned limited partnership formed in Texas, and therefore, is not required to file Annual Reports.

Exhibit C-2 “SEC Filings”

Texzon Utilities, Ltd. is a privately owned limited partnership formed in Texas, and therefore, is not required to file with the SEC.

Exhibit C-3 “Financial Statements”

I, Richard E. Miller, Chief Operating Officer of Texzon Utilities,
certify the following financial statements.

Richard E. Miller
Signature

10/2/2017
Date

Texzon Utilities

BALANCE SHEET

As of December 31, 2015

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Vintage Bank	362,867.27
Total Bank Accounts	\$362,867.27
Other Current Assets	
Loan Receivable (Texzon Technologies, LLC)	970,727.59
Total Other Current Assets	\$970,727.59
Total Current Assets	\$1,333,594.86
Fixed Assets	
Intangible Assets	2,271,238.00
Total Fixed Assets	\$2,271,238.00
TOTAL ASSETS	\$3,604,832.86
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Capital One	2,643.25
Chase Business	1,510.71
Texzon Auto	419.65
Texzon General	2,205.53
Total Credit Cards	\$6,779.14
Other Current Liabilities	
Payroll Clearing	475.02
Payroll Liabilities	-151.21
Payroll Tax Payable	474.70
Texzon Private Placement Memorandum (Short Term)	59,560.59
Vintage Bank Permanent Loan	207,093.01
Total Other Current Liabilities	\$267,452.11
Total Current Liabilities	\$274,231.25
Long-Term Liabilities	
Loans Payable	1,496,250.00
Texzon Private Placement Memorandum	515,000.00
Total Long-Term Liabilities	\$2,011,250.00
Total Liabilities	\$2,285,481.25
Equity	
Partner's Equity	1,856,746.26
Retained Earnings	0.00
Net Income	-537,394.65
Total Equity	\$1,319,351.61
TOTAL LIABILITIES AND EQUITY	\$3,604,832.86

Texzon Utilities

PROFIT AND LOSS

January - December 2015

	TOTAL
INCOME	
Gas & Electricity Sales	1,141,525.68
Total Income	\$1,141,525.68
GROSS PROFIT	\$1,141,525.68
EXPENSES	
Agent Commissions	409,596.32
Amortization Expense	198,570.00
Assessments	645.75
Automobile Expense	30,130.54
Bank Service Charges	791.19
Computer Equipment & Supplies	3,292.87
Conferences	1,356.58
Consulting Services	13,112.50
Contract Labor	59,712.32
Donations	26,500.00
Dues and Memberships	18,688.27
Education & Training	7,884.65
Email & Web Expenses	4,927.53
Entertainment Expenses	710.11
Entertainment Meals	6,465.37
Equipment Rental	1,244.77
Filing Fees	150.00
Insurance	11,390.16
Interest Expense	140,834.31
Licenses, Permits and Registrations	505.00
Marketing	78,490.32
Miscellaneous Expenses	1,460.17
Office Cleaning	2,832.00
Office Furniture & Fixtures	438.10
Office Rental	50,949.00
Office Supplies	5,859.16
Payroll Expenses	566,430.88
Postage and Delivery	1,114.01
Printing and Reproduction	2,582.46
Professional Fees	103,257.00
Promotional Meals	6,701.65
Public Relations	310.00
Radio Frequency Identification Technology	1,326.64
Reimbursed Expenses	6,500.00
Security Resources & Supplies	960.00
Software	4,902.47
Storage	1,438.95
Subscriptions	6,845.94
Taxes	501.49

	TOTAL
Travel & Ent	9,415.69
Utilities	32,770.99
Wireless Demonstration (Texas)	97,412.58
Wireless Technology	31,651.97
Total Expenses	\$1,950,659.71
NET OPERATING INCOME	\$ -809,134.03
OTHER EXPENSES	
Other Expenses	-271,739.38
Total Other Expenses	\$ -271,739.38
NET OTHER INCOME	\$271,739.38
NET INCOME	\$ -537,394.65

Texzon Utilities

BALANCE SHEET

As of December 31, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Vintage Bank	552,427.89
Total Bank Accounts	\$552,427.89
Other Current Assets	
Loan Receivable (Texzon Technologies, LLC)	783,297.04
Total Other Current Assets	\$783,297.04
Total Current Assets	\$1,335,724.93
Fixed Assets	
Intangible Assets	2,072,668.00
Total Fixed Assets	\$2,072,668.00
TOTAL ASSETS	\$3,408,392.93
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Capital One	181.22
Chase Business	3,360.27
Total Credit Cards	\$3,541.49
Other Current Liabilities	
Payroll Clearing	566.93
Payroll Tax Payable	462.00
Texzon Private Placement Memorandum (Short Term)	10,037.12
Vintage Bank Permanent Loan	30,489.71
Total Other Current Liabilities	\$41,555.76
Total Current Liabilities	\$45,097.25
Long-Term Liabilities	
Loans Payable	1,796,250.00
Texzon Private Placement Memorandum	515,000.00
Total Long-Term Liabilities	\$2,311,250.00
Total Liabilities	\$2,356,347.25
Equity	
Owner Disbursements	-500,000.00
Partner's Equity	2,312,210.11
Retained Earnings	0.00
Net Income	-760,164.43
Total Equity	\$1,052,045.68
TOTAL LIABILITIES AND EQUITY	\$3,408,392.93

Texzon Utilities

PROFIT AND LOSS

January - December 2016

	TOTAL
INCOME	
Gas & Electricity Sales	1,012,486.63
Miscellaneous Income	1,935.17
Total Income	\$1,014,421.80
GROSS PROFIT	\$1,014,421.80
EXPENSES	
Agent Commissions	359,610.41
Amortization Expense	198,570.00
Assessments	612.31
Automobile Expense	19,921.18
Bank Service Charges	133.35
Computer Equipment & Supplies	3,925.77
Conferences	8,207.34
Consulting Services	2,400.00
Contract Labor	118,612.75
Donations	818.36
Dues and Memberships	17,182.47
Education & Training	61.31
Email & Web Expenses	2,978.77
Entertainment Expenses	689.55
Entertainment Meals	5,632.41
Equipment Rental	4,453.50
Filing Fees	590.00
Insurance	9,788.28
Interest Expense	122,524.60
Licenses, Permits and Registrations	566.99
Marketing	81,110.94
Miscellaneous Expenses	5,121.97
Office Cleaning	4,332.16
Office Furniture & Fixtures	1,078.38
Office Rental	50,949.00
Office Supplies	5,714.82
Payroll Expenses	676,523.33
Postage and Delivery	769.76
Printing and Reproduction	3,076.69
Professional Fees	32,874.50
Professional Manuals & Publications	449.02
Promotional Meals	6,439.68
Public Relations	150.00
Reimbursed Expenses	500.00
Repairs	871.60
Security Resources & Supplies	964.14
Software	5,372.77
Storage	1,152.00

	TOTAL
Subscriptions	6,381.69
Taxes	482.70
Travel & Ent	15,564.20
Utilities	37,093.61
Wireless Demonstration (Texas)	33,718.98
Wireless Technology	4,667.59
Total Expenses	\$1,852,638.88
NET OPERATING INCOME	\$ -838,217.08
OTHER EXPENSES	
Other Expenses	-78,052.65
Total Other Expenses	\$ -78,052.65
NET OTHER INCOME	\$78,052.65
NET INCOME	\$ -760,164.43

Exhibit C-4 “Financial Arrangements”

N/A

Exhibit C-5 “Forecasted Financial Statements”

**Texzon Utilities
Profit & Loss (OH Gas)**

	2018	2019
Income		
Gas Sales	7,100.00	7,200.00
Total Income	\$ 7,100.00	\$ 7,200.00
Expenses		
Agent Commissions	4,260.00	4,320.00
Assessments	100.00	100.00
Email & Web Expenses	90.00	100.00
Payroll Expenses	500.00	500.00
Professional Fees		
Accounting	100.00	120.00
Commercial Registered Office Provider (CROP) Fees	10.00	10.00
Total Professional Fees	\$ 110.00	\$ 130.00
Promotional Meals	50.00	60.00
Taxes		
State	50.00	50.00
Total Taxes	\$ 50.00	\$ 50.00
Travel & Ent		
Air Fare	30.00	30.00
Lodging	20.00	20.00
Meals	10.00	10.00
Rental Car	35.00	35.00
Travel	10.00	10.00
Total Travel & Ent	\$ 105.00	\$ 105.00
Total Expenses	\$ 5,215.00	\$ 5,365.00
Net Income	\$1,885.00	\$1,835.00

Forecast is based on one and one-half percent growth each year.

Prepared by: Tom Spradling
(972) 938-0533
tspradling@texzon.net

Exhibit C-6 “Credit Rating”

N/A

Exhibit C-7 “Credit Report”



Report

Home My reports My account Products Help Business credit report

Report Originally Retrieved 10/09/2017

Note: This report was requested and billed to your account within the past 7 days.

For help reading this report, please review our sample report.

Search Inquiry: Texzon Utilities, Ltd. / Red Oak / TX / 75154 / (My company)

CreditScoreSM Report

as of: 10/09/17 11:02 ET

Texzon Utilities, LTD

Address: 2693 N Highway 77
Waxahachie, TX 75165-6148
United States

Phone: 972-938-0533

Website: www.texzon.net

Experian BIN: 771392439

Agent: Stephen W Wilson

Agent Address: PO Box 756
Waxahachie, TX

Family Linkage:

Ultimate Parent Texzon Utilities, LTD
2693 N Highway 77
Waxahachie, TX

Branches / Alternative Locations Texzon Utilities, Limited
6500 E Mockingbird Ln Ste 100c
Dallas, TX United States

Key Personnel:

SIC Code: 4911-Electric Services
4931-Electric & Other Services Combined
4939-Combination Utilities, Nec

NAICS Code: 221122-Electric Power Distribution
221100-Electric Power Generation,
Transmission And Distribution
221000-Utilities

Business Type:

Experian File Established:

Experian Years on File:

Years in Business:

Total Employees:

Sales:

Filing Data Provided by:

Date of Incorporation:

Partner: Steve Wilson

4911-Electric Services
4931-Electric & Other Services Combined
4939-Combination Utilities, Nec
221122-Electric Power Distribution
221100-Electric Power Generation,
Transmission And Distribution
221000-Utilities

Corporation

May 2003

14 Years

15 Years

11

\$4,716,000

Texas

02/08/2002

Current Days Beyond Terms (DBT): 0

Predicted DBT for 12/06/2017: 1

Average Industry DBT: 4

Payment Trend Indicator: Stable

Lowest 6 Month Balance: \$459

Highest 6 Month Balance: \$5,314

Current Total Account Balance: \$459

Highest Credit Amount Extended: \$1,271

Payment Tradelines (see charts): 9

UCC Filings: 3

✓ **Businesses Scoring Worse:** 83%

✓ **Bankruptcies:** 0

✓ **Liens:** 0

✓ **Judgments Filed:** 0

✓ **Collections:** 0

Company background: Texzon Utilities was founded in 2002 and is headquartered in Waxahachie, TX. It is an electricity distribution company. The company offers a managed services solution for both residential and commercial customers. It operates in California, Florida, Colorado, New Jersey, and other regions.

Credit Summary

[Back to top](#)

Experian Business Credit Score: 84

High
Risk

Low
Risk

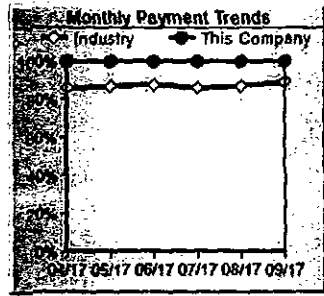


The objective of the Experian Business Credit Score is to predict payment behavior. High Risk means that there is a significant probability of delinquent payment. Low Risk means that there is a good probability of on-time payment.

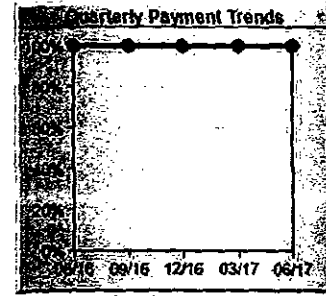
Key Score Factors:

- Number of good commercial accounts.
- Length of time on experian's file.
- Nbr of leasing accts as pct of total nbr of accts.
- Pct of new commercial accts to total nbr of accts.

Recommended Action: Low Risk



*Percentage of on-time payments by month.



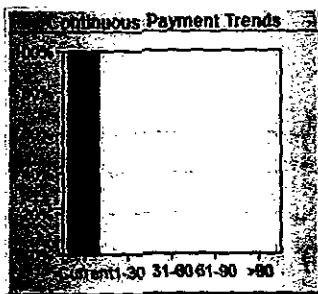
*Percentage of on-time payments by quarter.

Monthly Payment Trends - Recent Activity

Date	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
04/17	100%	0%	0%	0%	0%
05/17	100%	0%	0%	0%	0%
06/17	100%	0%	0%	0%	0%
07/17	100%	0%	0%	0%	0%
08/17	100%	0%	0%	0%	0%
09/17	100%	0%	0%	0%	0%

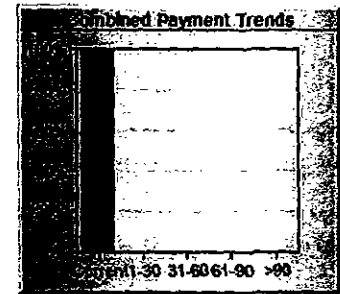
Quarterly Payment Trends - Recent Activity

Date	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
06/16	100%	0%	0%	0%	0%
09/16	100%	0%	0%	0%	0%
12/16	100%	0%	0%	0%	0%
03/17	100%	0%	0%	0%	0%
06/17	100%	0%	0%	0%	0%



*Continuous distribution with DBT.

Insufficient information to produce
Newly Reported Payment Trends
chart.



*Combined distribution with DBT.

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Exhibit C-8 “Bankruptcy Information”

Texzon Utilities, Ltd. has never filed for reorganization, protection from creditors or any other form of bankruptcy.

Exhibit C-9 “Merger Information”

Texzon Utilities, Ltd. was formed in February 2002,
and has not been a party to any acquisitions or mergers.

Exhibit C-10 “Corporate Structure”

Texzon Utilities, Ltd. is a stand-alone entity with no affiliate or subsidiary companies.

Exhibit D-3 Key “Technical Personnel”

Management Team

Texzon has a well-developed management team with extensive backgrounds in the duties they perform.

Here's a list of its key people, including their responsibilities and experience.

Steve Wilson (Founder and Managing Partner) - Steve founded Texzon to explore opportunities in the deregulated electricity markets after a highly successful career of 20 years in the deregulated telecommunication industry. His primary responsibilities at Texzon include product development, strategic ventures, vendor relations, and directing the Texzon team.

Richard Miller (Chief Operating Officer) - Richard's responsibilities include sales direction and training, opening new markets, agent recruitment, product development, and Technology Advancement. Richard received his Bachelor's degree with an emphasis in Economics from The University of New Orleans. Richard joined Texzon after an extensive career as an entrepreneur in the home improvement business. He was also a project manager with Cardinal Health Corporation and a successful licensed Realtor.

Tom Spradling (Controller) - Tom came to Texzon in 2006 after working more than 30 years in the banking industry. Tom oversees all Texzon financial expenditures, budgets, invoicing, receivables, payroll, reporting and taxes. Tom graduated Magna Cum Laude with a Bachelor of Business Administration degree from Baylor University.

Larry Eon (Sales Executive) - Larry started with Texzon in 2006 after retiring from a 25-year career with Shell Oil as a regional sales manager. Larry handles Texas electricity sales opportunities, customer service, pricing, contracts, and renewals. Larry graduated from Texas A&M University with a Bachelor of Science degree.

Stephanie Wilson (Director of Operations) - Stephanie came to Texzon in 2003, serving as receptionist, phone attendant, and secretary. She now tracks all agent commissions and helps process customer contracts. Stephanie works directly with REP's to maintain strong relationships.