

58

**PriorityPower**  
MANAGEMENT

Priority Power Management  
690 E. Lamar Blvd., Ste. 500  
Arlington, TX 76011  
T 972-314-9066  
F 886-472-8789

Jeff Brooks  
VP Operations

FILE

April 17, 2018

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

RE: 14-727-EL-AGG  
Cert # 14-812E (1)

RE: Priority Power Management, LLC Renewal Application

Dear Docketing Division:

Enclosed you will find one original notarized renewal application signed by a principal officer and three copies including all exhibits, affidavits, and other attachments. If you have any questions or require anything else, please do not hesitate to contact me.

Jeff Brooks  
VP Operations  
690 E. Lamar Suite 500  
Arlington, Texas 76011  
972-314-9066  
Jbrooks@prioritypower.net

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**YOUR TRUSTED ENERGY ADVISOR**



# Public Utilities Commission

Original AGG Case Number	Version
14 - 727 -EL-AGG	May 2016

## RENEWAL APPLICATION FOR ELECTRIC AGGREGATORS/POWER BROKERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit C-10 Corporate Structure). 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 input information directly onto the form. You may also download the form, by saving it to your local disk, for later use.

### A. RENEWAL INFORMATION

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

☒ Power Broker ☒ Aggregator

#### A-2 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name Priority Power Management, LLC  
Address 5012 Portico Way  
PUCO Certificate # and Date Certified 14-812E  
Telephone # (432) 620-9100 Web site address (if any) www.prioritypower.net

#### A-3 List name, address, telephone number and web site address under which Applicant will do business in Ohio

Legal Name Priority Power Management  
Address 5012 Portico Way  
Telephone # (432) 620-9100 Web site address (if any) www.prioritypower.net

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

Priority Power Management, LLC  
\_\_\_\_\_  
\_\_\_\_\_

#### A-5 Contact person for regulatory or emergency matters

Name Jeff Brooks  
Title VP Operations  
Business address 690 E Lamar Blvd, Ste. 500 Arlington, TX 76011  
Telephone # (972) 314-9066 Fax # (866) 472-8789  
E-mail address jbrooks@prioritypower.net

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

Name Jeff Brooks  
Title VP Operations  
Business address 690 E Lamar Blvd, Ste. 500 Arlington, TX 76011  
Telephone # (972) 314-9066 Fax # (866) 472-8789  
E-mail address jbrooks@prioritypower.net

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

Customer Service address 690 E. Lamar Blvd., Ste. 500 Arlington, TX 76011  
Toll-free Telephone # (800) 221-7061 Fax # (866) 472-8789  
E-mail address jbrooks@prioritypower.net

**A-8 Applicant's federal employer identification number # 752919300**

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

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

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

**A-10 Exhibit A-10 "Principal Officers, Directors & Partners" provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.**

**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 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 or wholesale electric services including aggregation services.**

**B-2 Exhibit B-2 "Experience & Plans," provide a 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 4928.10 of the Revised Code.**

**B-3** **Exhibit B-3 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

**B-4** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-4 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

**B-5** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

## **C. 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 in 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 the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

**C-3** **Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

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


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

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

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

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

- C-5** Exhibit C-5 "Forecasted Financial Statements," provide two years of forecasted income statements for the applicant's **ELECTRIC 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 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 credit report from Experian, Dun and Bradstreet or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.
- C-8** Exhibit C-8 "Bankruptcy Information," provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.
- C-9** Exhibit C-9 "Merger Information," provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10** Exhibit C - 10 "Corporate Structure," provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

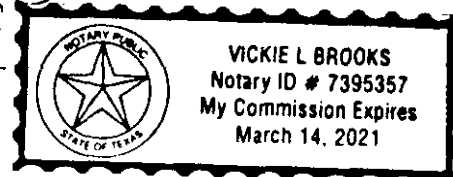
 MANAGING PRINCIPAL  
Signature of Applicant & Title

Sworn and subscribed before me this 17th day of April, 2018  
Month Year

  
Signature of official administering oath

VICKIE L BROOKS  
ADMIN ASST.  
Print Name and Title

My commission expires on 3/14/21



# **AFFIDAVIT**

State of Texas :

Arlingtonss.  
(Town)

County of Tarrant :

John J Bick, Affiant, being duly sworn/affirmed according to law, deposes and says that:

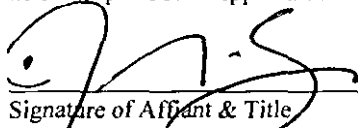
He/She is the Managing Principal (Office of Affiant) of Priority Power Management LLC (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
8. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

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

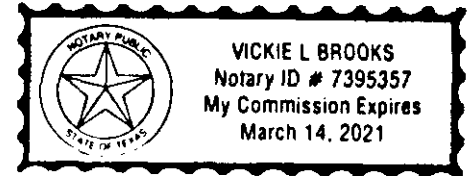
 MANAGING PRINCIPAL  
Signature of Affiant & Title

Sworn and subscribed before me this 17th day of April, 2018  
Month Year

  
Signature of official administering oath

VICKIE L BROOKS  
Print Name and Title ADMIN ASST.

My commission expires on 3/14/21







*The Public Utilities Commission of Ohio*

# **Certification Application for Aggregators/Power Brokers Supplement**

*(Exhibits / Attachments)*

*Submitted By:*

**PriorityPower**  
MANAGEMENT  
**Priority Power Management, LLC**

5012 Portico Way  
Midland, TX 79707  
[www.prioritypower.net](http://www.prioritypower.net)

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## **A. APPLICANT INFORMATION**

**Exhibit A-10. "Principal Officers, Directors & Partners"**

*Provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.*

There are two (2) partners in Priority Power Management, LLC as listed below:

<b>Padraig Ennis</b> Founding Principal 5012 Portico Way Midland, TX 79707 T (432) 620-9100 F (432) 620-9145 <a href="mailto:patennis@prioritypower.net">patennis@prioritypower.net</a>	<b>John J. Bick</b> Managing Principal 690 E. Lamar Blvd., Suite 500 Arlington, TX 76011 T (972) 314-9008 F (817) 887-0866 <a href="mailto:jbick@prioritypower.net">jbick@prioritypower.net</a>
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## APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

**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 or wholesale electric services including aggregation services.*

Priority Power Management, LLC is currently licensed to provide energy consulting, brokering and or aggregation services in the following jurisdictions:

- Illinois
- Maryland
- New Jersey
- New York
- Pennsylvania
- Texas

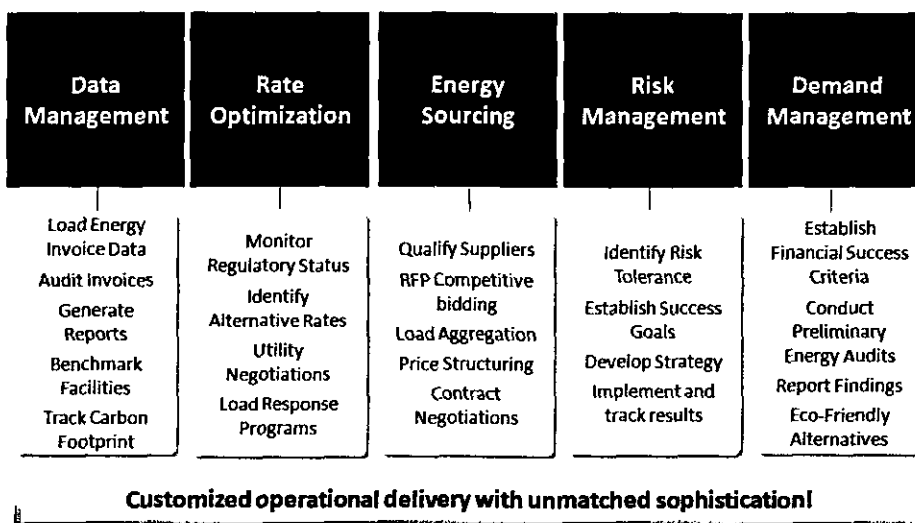
## Exhibit B-2. "Experience & Plans"

*Provide a 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 4928.10 of the Revised Code.*

### Experience

PPM provides Portfolio-Wide Energy Planning and Consulting Services to a multitude of clients.

### Portfolio-Wide Energy Planning



### Plan

PPM plans to provide our services to our customers in Ohio based on their specific needs and requirements. Since PPM does not take title to any electricity supply, we will not be providing billing statements to the customer for their electricity purchases. PPM and the customer will have a separate agreement defining the scope of work and services that PPM will provide to the customer, as well as the amount of compensation to be paid to PPM. The PPM fee will in most cases be a volumetric fee measured in \$/kWh. The supplier that wins the customers' business will include the PPM fee in the electricity contract price and then remit the collected fee monthly as the customer pays the electricity supplier. In some cases, the customer may elect to have PPM invoice them separately each month rather than including the fee in the electricity contract price.

Once the electricity contract has been executed, PPM remains engaged with the customer to manage any customer inquiries and or supplier issue resolution matters. The customer will have an assigned account manager, which will be available to assist in this regard.

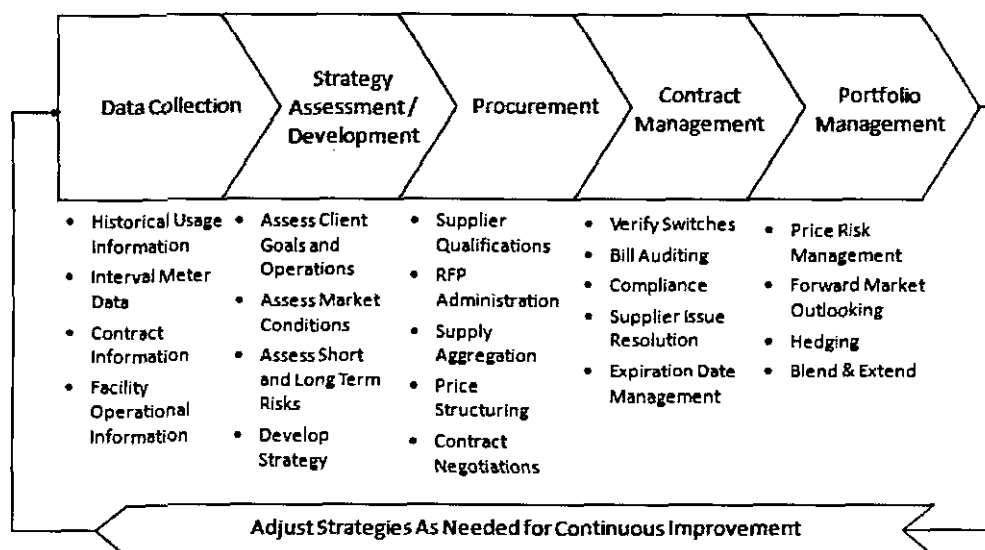
PPM expects that most customer engagements in Ohio will be with existing PPM clients that have locations in Ohio and PPM is already providing services to the client in other states.

Priority Power Managements services to clients are focused around our core business of Energy Supply and Risk Management. Our methodologies have been developed and refined through years of personal energy experience that is focused in the people who will be actively working with our clients. Our services include the following subject areas:

- Energy Data Management
- Energy Acquisition Management
- Energy Account Management
- Energy Billing Management

### Energy Management Process

Being effective requires a commitment to excellence that begins with a proven process. PPM provides energy acquisition management services to clients using a structured five (5) step process as depicted in the diagram below.



### Data Collection

PPM will gather the historical usage information for least the last 12 months of data for each meter and some will also require interval data to further define the load history for pricing. Once the data is in hand, a review of the data will be conducted to define any questionable data that may need correction. This data analysis is critical in determining the most suitable structuring and pricing options that will deliver the lowest cost to the client.

As a part of the data collection and analysis phase, PPM will not only be analyzing the historical usage information for competitive supply pricing, but will also assess the rate (tariff) and delivery charges assessed by the Transmission and Distribution Service Provider ("TDSP"). In this assessment, PPM identifies potential demand ratchet, power factor and other TDSP related issues that may highlight savings opportunities for the client.



In addition to historical data, PPM will request copies of current electricity supply contracts to review past performance and establish a baseline for use in determining forward cost savings. The supply contracts will also determine the exact contract end date for each meter, which will be used in the procurement and contracting process to ensure that no early termination penalties are assessed to the client once the new contract becomes effective.

### **Strategy Assessment and Development**

PPM manages client's electricity spend on a portfolio basis driven by strategies discussed and agreed to by the client. Various strategies will be developed and deployed based on several factors including the following:

- Budgetary constraints
- Growth expectations
- Required flexibility to account for the unexpected
- Decision making process – individual or by committee
- Agreement term requirements
- Key individuals
- Financial constraints
- Risk Profile

One of the most important parts of the process is to understand the structure of the products available to meet any given strategy. Higher energy prices have forced many end users to consider energy structures other than fixed price. As clients migrate up the Price vs Risk Continuum curve, the available products inherently created greater risk for the client with the opportunity for higher rewards in terms of savings. PPM will also evaluate potential applicable pricing structures to fit the client's operational characteristics and risk tolerance.

Also as a part of the Strategy phase, PPM would want to understand if the client has a desire to include renewable energy supply into their product mix. PPM is experienced in procuring renewable energy supply to meet a specific client goal. Goals and pricing options can be included in the RFP for electricity supply, although it is important to understand that the physical electricity supply can be contracted separately from the procurement of renewable energy credits.

### **Procurement**

Once a strategy has been determined, a Request for Proposal is developed for the solicitation. PPM is very experienced in developing, soliciting and negotiating large scale energy purchases.

A professional and detailed RFP document will be developed that includes detailed electricity pricing instructions for the products and terms that were defined in the Strategy phase.

Next a list of qualified certified Retail Electricity Providers (REP) will be developed for RFP distribution. PPM has experience working with over 20 REPs in various markets and is able to assist our clients in developing a qualified list of bidders. Because of our deep energy experience, PPM also provides insight into the REP landscape for our clients.

Once the RFP is issued, PPM will work closely with the client to ensure that any questions from REPs are answered and managed so that the client is not distracted from its core business operations during this solicitation process.

Each client may have different criteria for selecting a supplier. PPM generally uses the following criteria when qualifying suppliers for clients:

#### **Qualitative Criteria**

The qualitative criteria are centered on the completeness of the response, and the creativeness in developing solutions for the client based on the data and requirements presented in the request. These criteria include, but are not limited to:

- Completeness of Supplier Information & Price Proposals
- Creativeness in presenting options and incentives that improve the economic value proposition for Client
- Extent of representation network and overlay with Client network
- Extent of supplier delivery and service program capabilities
- Contract terms and conditions

The largest contributor to how PPM scores the Qualitative aspects is based on the terms and conditions of each REP contract. PPM understands all aspects of electricity contract negotiations.

#### **Quantitative Criteria**

The quantitative criteria relates specifically to the economic value proposition presented in the Pricing proposal. Clients are interested most in creative solutions to conventional sourcing problems. Key criteria include:

- Options and incentives for engaging in a long term agreement
- Options and incentives for becoming the sole-source supplier for multiple facilities
- A service provider who will work to provide complete and consistent services to all Client facilities.
- Total delivered overall cost by class and location consistent with Client standards and specifications
- Other incentive programs

As a part of the Quantitative Scoring, PPM will develop detailed analysis of REP pricing. A simple ranking of effective costs to the Client based on suppliers pricing will be developed to illustrate the rankings by term and the spread between the lowest cost supplier and the others.

#### **Supplier Scoring**

A cross-functional PPM & client selection committee will use the following criteria to evaluate the bidders' responses:

- Total Cost (cost of the commodity and related services, plus delivery; with focus on achieving first year bottom-line savings)
- Continuous Improvement capabilities (ability to assist Client with process improvement throughout long-term relationship)
- Breadth of products and services provided
- Quality of Service to Facilities

#### **Contract Management**

After the procurement process has been completed, PPM moves into a Contract Management phase that includes the following activities:

- Monitoring timely switching of accounts;
- Auditing invoices for compliance with contract terms;
- Providing assistance to the client in any Supplier issue resolution process;
- Administration of adding and deleting accounts as necessary;
- Facilitating emergency restoration during unplanned power outages.
- Provide the client with estimated annual budgets and or ongoing performance metrics.

#### **Portfolio Management**

After the procurement process has been completed, PPM also moves into a Portfolio Management phase that includes the following activities:

- Provide the client with market reports highlighting market events and pricing levels on a periodic basis;
- Provide the client with price discovery by querying market suppliers to ensure incremental energy purchases are at market price;
- Maintain a customized hedging position report for the client outlining various purchases and risk positions, if applicable;
- Perform continuous market outlook and forward price discovery to meet the client's specific trigger levels;
- Analyze "blend & extend" opportunities to meet desired budget goals;
- Adjust strategies as needed to meet changing client goals and market environment.

These strategies are focused on the client specific needs and opportunities that are intrinsic to the portfolio being managed.

**Exhibit B-3. "Disclosure of Liabilities and Investigations"**

*Provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation 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.*

PPM does not have any existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matters that could adversely impact the our financial or operational status or ability to provide the services we offer to clients.

**Exhibit B-4. "Disclosure of Liabilities and Investigations"**

*Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.*

\_\_\_\_ YES or  X  NO

Neither PPM, or a predecessor of PPM, or any principal officer of PPM has ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

**Exhibit B-5. "Disclosure of Liabilities and Investigations"**

*Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.*

☐ YES or ☒ NO

Neither PPM, nor a predecessor of PPM, has ever had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

---

## **APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE**

**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 in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.*

Priority Power Management, LLC is a privately-held company, thus we have no Shareholders other than the two partners of the firm – John Bick and Padraig Ennis – and do not produce an Annual Report 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 that the applicant is not required to file with the SEC and why.*

Priority Power Management, LLC is a privately-held company, thus we are not required to make any filings with 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.*

Priority Power Management, LLC has provided audited financial statements herein.

**Exhibit C-4. "Financial Arrangements"**

*Provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,.*

Priority Power Management, LLC will fund our Aggregator/Power Broker operations and services from current operating cash, thus we do not have any required guarantees, bank commitments, contractual arrangements, credit agreements, etc. and none are necessary to conduct business as an Aggregator/Power Broker.

**Exhibit C-5. "Forecasted Financial Statements"**

*Provide two years of forecasted income statements for the applicant's ELECTRIC related business activities in the state of Ohio Only, along with a list of assumptions, and 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.*

Priority Power Management, LLC has provided two (2) years of forecasted income statements for the applicant's ELECTRIC related business activities in the state of Ohio as requested herein.

The preparers of the enclosed forecast are:

Jeff Brooks  
VP Operations  
Priority Power Management, LLC  
690 E. Lamar Blvd., Suite 500  
Arlington, TX 76011  
T (972) 314-9066  
F (817) 887-0866  
[jbrooks@prioritypower.net](mailto:jbrooks@prioritypower.net)

Coleen Lawrence  
Controller  
Priority Power Management, LLC  
5012 Portico Way  
Midland, TX 79707  
T (432) 620-9100  
F (432) 620-9145  
[clawrence@prioritypower.net](mailto:clawrence@prioritypower.net)

**Exhibit C-6. "Credit Rating"**

*Provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.*

Priority Power Management, LLC has the following scores from the two credit agencies listed below:

- Dun and Bradstreet: 80
- Experian: 87

**Exhibit C-7. "Credit Report"**

***Provide a copy of the applicant's credit report from Experian, Dun and Bradstreet or a similar organization.***

Priority Power Management, LLC has provided credit reports from Experian, as well as Dun and Bradstreet herein.

**Exhibit C-8. "Bankruptcy Information"**

*Provide a list and description of any reorganization, 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.*

Priority Power Management, LLC has never conducted any reorganization, protection from creditors or any other form of bankruptcy filings.

Since we do not have a parent company, or any affiliates, the same holds true.

The two principal officers of the company have also never conducted any reorganization, protection from creditors or any other form of bankruptcy filings.

**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.*

**Management Buyout**

Prior to October 1, 2010, Priority Power Management, LLC was a wholly-owned subsidiary of Amen Properties, Inc. ("AMEN") ([www.amenproperties.com](http://www.amenproperties.com)).

In January 2010, AMEN signed new employment agreements with John Bick and Pat Ennis, the executives responsible for the management of Priority Power Management. The agreements were effective December 1, 2009 with a term of five (5) years.

In connection with these new employment agreements, AMEN also issued a warrant to Bick and Ennis entitling them collectively to purchase 80% of the equity of Priority Power Management for a price of \$10. The warrant had an expiration date of December 1, 2014 and vested only upon the delivery of \$1.9 million in cash earnings by Priority Power Management to AMEN. Additionally, AMEN issued an option to Bick and Ennis entitling them to purchase AMEN's retained 20% ownership in Priority Power Management for the price of \$480,000. This purchase option had an expiration date of December 1, 2012.

On October 1, 2010, Bick and Ennis exercised their warrant to purchase 80% of the equity of Priority Power Management for a price of \$10. Additionally, they exercised their option to purchase the remaining 20% of Priority Power Management for a price of \$480,000.

As a result, the ownership of 100% of the equity of Priority Power Management transferred from AMEN to Bick and Ennis equally (50%/50%) on October 1, 2010.



**Exhibit C-10. "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 electricity or natural gas to customers and companies that aggregate customers in North America.

Priority Power Management, LLC is a Texas limited liability company. It is a standalone entity and does not have any affiliates and or subsidiary companies that supply retail or wholesale electricity or natural gas to customers and companies that aggregate customers in North America.



**Exhibit C-5**

**Forecasted income statements for the state of Ohio Only**

<b>Month</b>	<b>Income Estimate 2018</b>	<b>Income Estimate 2019</b>
Jan	\$20,439.89	\$20,439.89
Feb	\$19,752.13	\$19,752.13
Mar	\$20,929.36	\$20,929.36
Apr	\$19,535.63	\$19,535.63
May	\$17,922.11	\$17,922.11
Jun	\$22,475.43	\$22,475.43
Jul	\$17,323.40	\$17,323.40
Aug	\$19,168.83	\$19,168.83
Sep	\$15,276.35	\$15,276.35
Oct	\$18,242.39	\$18,242.39
Nov	\$18,351.13	\$18,351.13
Dec	\$26,766.89	\$26,766.89
	<b>\$236,183.54</b>	<b>\$236,183.54</b>

Estimate based on 2017 Ohio Income.

## PRIORITY POWER MANAGEMENT, LLC

D-U-N-S® 12-838-6344

Headquarters  
5012 Portico Way,  
Midland, TX 79707  
Website:  
www.prioritypower.net

Phone 432-620-9100  
Fax 432-620-9145

## Business Information Report

Purchase Date: 03/01/2018  
Last Update Date: 12/05/2016  
Attention: 037151920

### Executive Summary

#### Company Info

Year Started 2001  
Control Year 2001

Employees 26  
Employees Here 5 at this location

#### D&B Rating

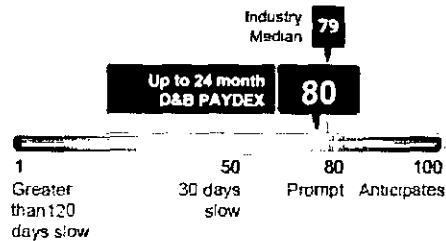
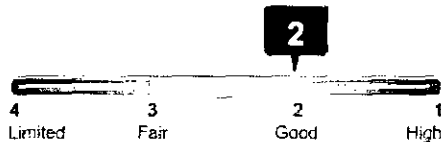
D&B Rating

**1R2**

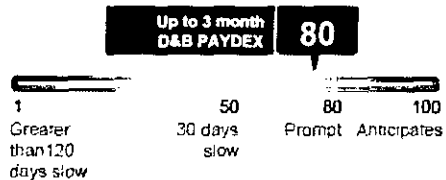
#### D&B PAYDEX®

Up to 24 month D&B PAYDEX

Composite Credit Appraisal



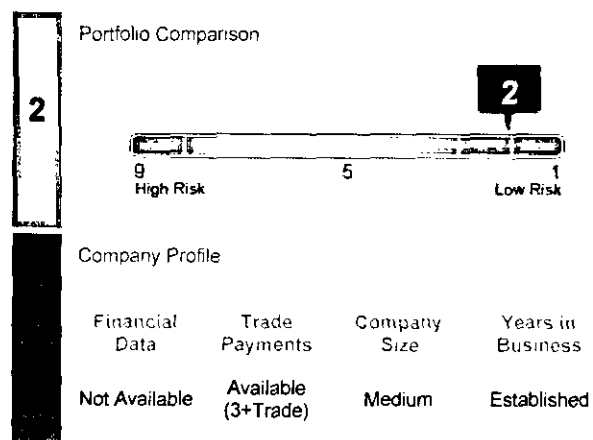
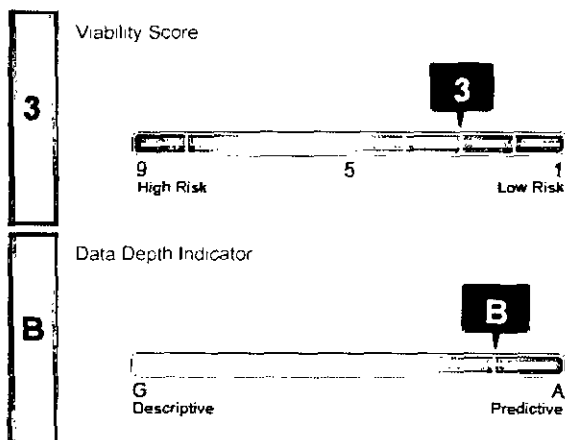
Up to 3 month D&B PAYDEX



#### D&B Viability Rating

D&B Viability Rating

**3 2 B**



## Business Information

### Business Summary

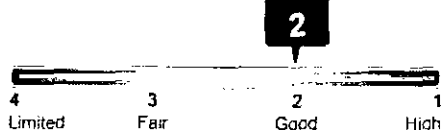
Branch & Division YES  
 Financing SECURED  
 SIC 8748  
 Business consulting services  
 NAICS 541690  
 Other Scientific and Technical Consulting Services  
 History Status CLEAR

### Credit Capacity Summary

D&B Rating

**1R2**

Composite Credit Appraisal



Prior D&B Rating 1R2

Rating Date 12/05/2016

Payment Activity (based on 22 experiences) USD

Average High Credit \$22,573

Highest Credit 100,000

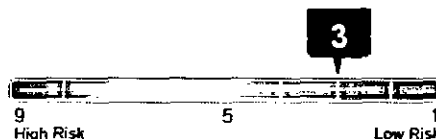
Total Highest Credit 339,650

### D&B Viability Rating

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will no longer be in business within the next 12 months.

**3**

### Viability Score

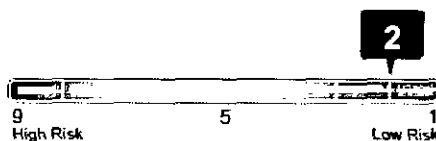


Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 3 have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 3: **15%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

**2**

### Portfolio Comparison



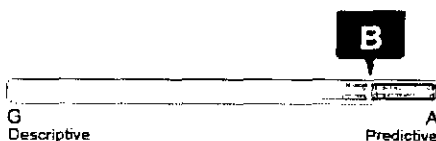
Compared to all Businesses within the same MODEL SEGMENT:

Model Segment: **Established Trade Payments**

- Level of risk: **Low Risk**
- Businesses ranked 2 within this model segment have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 2 within this model segment: **16%**
- Within this model segment, the average probability of becoming no longer viable: **5%**

**B**

### Data Depth Indicator



**Data Depth Indicator Details:**

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

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at

<https://update.dnb.com/i/update/>

**Company Profile**

Financial Data	Trade Payments	Company Size	Years in Business
Not Available	Available (3+Trade)	Medium	Established

**Company Profile Details:**

- Financial Data: **Not Available**
- Trade Payments: **Available (3+Trade)**
- Business Size: **Medium** (Employees: 10-49 or Sales: \$100K-\$499K)
- Years in Business: **Established (5+)**

**Business History**

**Officers**

PADRAIG ENNIS, MNG MBR;  
JOHN BICK, MNG MBR

As of 12/05/2016

The Texas Secretary of State's business registrations file showed an inactive charter for Priority Power Management, LLC was registered as a Limited Liability Company on January 03, 2001.

Business started 2001. Present control succeeded Oct 2010.

**RECENT EVENTS:**

On September 7, 2012, John Bick, Managing Principal, stated that Priority Power Management, LLC, Midland, TX, has acquired the energy management and advisory services business unit of THG Energy & Technology Solutions, LLC, Tulsa, OK, last August 31, 2012. The acquired unit is located in Fort Worth, Texas, and will now be an office of Priority Power Management, LLC.

On December 13, 2010, sources stated that Priority Power Management, LLC, Midland, TX, announced the opening of a new office in Abilene, Texas and the addition of two industry veterans to the Priority Power Management team on November 2, 2010. The office will be led by Bob Forman and Kevin Bredemeyer, two industry veterans who have recently joined the company as the Directors of Business Development. Further details are unavailable.

On September 11, 2007, Amen Properties, Inc, Midland, TX, announced that it has acquired Cogdill Enterprises, Inc, dba Cogdill Energy Consultants (CEC), Euless, TX. Cogdill Enterprises, Inc. will be integrated with Amen's wholly-owned subsidiary, Priority Power Management, LLC Further details and terms were not disclosed.

PADRAIG ENNIS born 1960. 1981- 2001 was employed with TXU as a Key Account Manager. 2001- present active here.

JOHN BICK. 2003-present active here.

Business address has changed from 303 W Wall St Ste 1100, Midland, TX, 79701 to 310 W Wall St Ste 500, Midland, TX, 79701.

Business address has changed from 310 W Wall St Ste 500, Midland, TX, 79701 to 5012 Portico Way, Midland, TX, 79707.

## Business Registration

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF Feb 27 2018:

Registered Name	PRIORITY POWER MANAGEMENT, LLC	Registration ID	0800912669	Principals	
		Duration	PERPETUAL		
		Status	IN EXISTENCE		
Business Type	DOMESTIC LIMITED LIABILITY CO	Where Filed	SECRETARY OF STATE , AUSTIN , TX	Name	Title
				PADRAIG ENNIS	MANAGER
				310 W WALL ST SUITE 500, MIDLAND, 797010000, TX	
State of Incorporation	TEXAS	Registered Agent	PADRAIG ENNIS 5012 PORTICO WAY, MIDLAND, TX 797070000	JOHN J BICK	MANAGER
Filing Date	12/18/2007			690 E LAMAR BLVD SUITE 500, ARLINGTON, 760110000, TX	

## Government Activity Summary

Activity Summary	Possible candidate for socioeconomic program consideration		
Borrower	No	Labor Surplus Area	N/A
Administrative Debt	No	Small Business	YES (2018)
Grantee	No	Women Owned	N/A
Party Excluded from Federal Programs	No	Minority Owned	N/A
Public Company	N/A		
Contractor	No		
Importer/Exporter	N/A		

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

## Operations Data

As of 12/05/2016

Description:	Provides business consulting services, specializing in energy conservation (100%). Fax 432 620-9145. Terms are undetermined. Sells to undetermined. Territory : Regional.
Employees:	26 which includes partners and 1 part-time. 5 employed here.
Facilities:	Occupies premises in a building.

## Industry Data

SIC		NAICS	
Code	Description	Code	Description
87489904	Energy conservation consultant	541690	Other Scientific and Technical Consulting Services

## Family Tree

### Branches Domestic

PRIORITY POWER  
MANAGEMENT, LLC;  
(D-U-N-  
S#:80-712-3612)  
612 E LAMAR BLVD  
STE 500,  
ARLINGTON, TX  
76011-4126

PRIORITY POWER  
MANAGEMENT, LLC;  
(D-U-N-  
S#:96-597-6603)  
1414 ANTOINE DR,  
HOUSTON, TX  
77055-5126

PRIORITY POWER  
MANAGEMENT, LLC;  
(D-U-N-  
S#:96-770-4664)  
500 CHESTNUT ST,  
ABILENE, TX  
79602-1453

PRIORITY POWER  
MANAGEMENT, LLC;  
(D-U-N-  
S#:06-948-2964)  
690 E LAMAR BLVD  
STE 500,  
ARLINGTON, TX  
76011-6801

This list is limited to the first 25 branches, subsidiaries, divisions and affiliates, both domestic and international. Please use the Global Family Linkage Link above to view the full listing.

## Financial Statements

### Key Business Ratios (Based on 14 establishments)

D&B has been unable to obtain sufficient financial information from this company to calculate business ratios. Our check of additional outside sources also found no information available on its financial performance. To help you in this instance, ratios for other firms in the same industry are provided below to support your analysis of this business.

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales	UN	2.6	UN
Return on Net Worth	UN	18.4	UN
Short Term Solvency			
Current Ratio	UN	2.8	UN
Quick Ratio	UN	2.2	UN
Efficiency			
Assets Sales	UN	41.2	UN
Sales / Net Working Capital	UN	5.2	UN
Utilization			
Total Liabs / Net Worth	UN	47.4	UN

### Most Recent Financial Statement

As of 12/05/2016

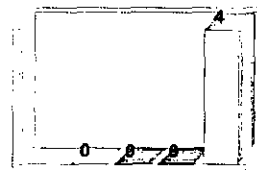
D&B has updated this report using available sources.

## Indicators

### Public Filings Summary

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

Record Type	No. of Records	Most Recent Filing Date
Judgment	0	
Lien	0	
Suit	0	
UCC	4	01/29/2018



▪ Bankruptcy ▪ Judgment ▪ Lien ▪ Suit ▪ UCC

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

## Full Filings

### UCC Filings

Collateral	Negotiable instruments including proceeds and products - Account(s) including proceeds and products - General intangibles(s) including proceeds and products - Chattel paper including proceeds and products	Latest Info Received	02/06/2018
Filing No.	180003103076	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX	Date Filed	01/29/2018
Secured Party	FIRSTCAPITAL BANK OF TEXAS, N.A., MIDLAND, TX		
Debtor	PRIORITY POWER MANAGEMENT, LLC		
Collateral	Negotiable instruments including proceeds and products - Inventory including proceeds and products - Accounts receivable including proceeds and products - Account(s) including proceeds and products - and OTHERS	Latest Info Received	02/04/2014
Filing No.	140002044550	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX	Date Filed	01/21/2014
Secured Party	FIRSTCAPITAL BANK OF TEXAS, N.A., MIDLAND, TX		
Debtor	PRIORITY POWER MANAGEMENT, LLC		
Collateral	Inventory including proceeds and products - Account(s) including proceeds and products - Assets including proceeds and products - General intangibles(s) including proceeds and products - and OTHERS	Latest Info Received	08/15/2017
Filing No.	170027597018	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX	Date Filed	08/11/2017
Secured Party	FIRSTCAPITAL BANK OF TEXAS, N.A., MIDLAND, TX		
Debtor	PRIORITY POWER MANAGEMENT, LLC		
Collateral	Inventory including proceeds and products - Account(s) including proceeds and products - Assets including proceeds and products - Vehicles including proceeds and products - and OTHERS	Latest Info Received	10/20/2015
Filing No.	150033147206	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, AUSTIN, TX	Date Filed	10/15/2015
Secured Party	FIRSTCAPITAL BANK OF TEXAS, N.A., MIDLAND, TX		
Debtor	PRIORITY POWER MANAGEMENT, LLC		

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed. Additional UCC and SLJ filings for this company can be found by conducting a more detailed search in our Public Records Database.

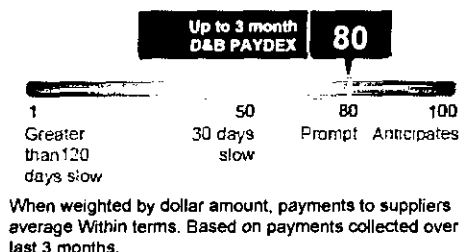


## Paydex

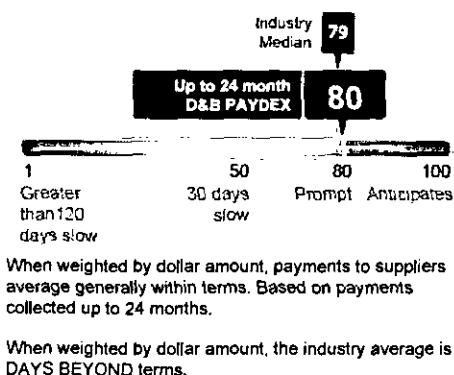
### D&B PAYDEX®

Shows the D&B PAYDEX scores as calculated up to 3 months and up to 24 months of payment experiences.

#### Up to 3 month D&B PAYDEX



#### Up to 24 month D&B PAYDEX



High risk of late payment (average 30 to 120 days beyond terms)

Medium risk of late payment (average 30 days or less beyond terms)

Low risk of late payment (average prompt to 30+ days sooner)

Payment Trend	unchanged *	Total Payment Experiences for the HQ	22	Highest Now Owing	\$100,000
Payments Within Terms	87%	Total Placed for Collection	0	Highest Past Due	\$0
Average High Credit	\$22,573	Largest High Credit	\$100,000		

\* compared to payments three months ago

### Payment Summary

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

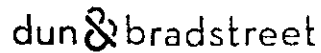
There are 22 payment experiences in D&B's file, with 12 experiences reported during the last three month period. The highest Now Owes on file is \$100,000. The highest Past Due on file is \$0.

#### Top 10 Industries

Industries	Total Received	Total Amounts	Largest High Credit	Within Terms (%)	Days Slow (%)			
					0-30	31-60	61-90	90+
Telephone communictns	3	\$2,100	\$1,000	100	0	0	0	0
Whol const/mine equip	1	100,000	100,000	100	0	0	0	0
Whol electronic parts	1	100,000	100,000	100	0	0	0	0
Mfg switchgear-boards	1	80,000	80,000	100	0	0	0	0
Engineering services	1	50,000	50,000	100	0	0	0	0
Public finance	1	2,500	2,500	100	0	0	0	0
Nonclassified	1	2,500	2,500	100	0	0	0	0
Federal savings bank	1	750	750	100	0	0	0	0
Whol electrical equip	1	250	250	100	0	0	0	0
Misc business credit	1	250	0	50	50	0	0	0
OTHER INDUSTRIES	3	250	100	80	0	0	0	20

#### Other Payment Categories

Category	Total Received	Total Dollar Amounts	Largest High Credit
Cash Experiences	7	\$1,050	\$500



Payment record unknown	0	0	0
Unfavorable comments	0	0	0
Placed for Collection	0	0	0

#### Detailed Payment History

Date Reported	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale within(months)
January 2018	Ppt	\$100,000	\$100,000	\$0	N/A	1
	Ppt	2,500	0	0	N/A	2-3
	Ppt	1,000	1,000	0	N/A	1
	Ppt	1,000	0	0	N/A	1
	Ppt	750	750	0	N/A	1
	Ppt	100	0	0	N/A	1
	Ppt	100	100	0	N/A	1
	Ppt-Slow 30	0	250	0	N/A	1
	Slow 150+	50	0	0	N30	6-12
	(010)	100	0	0	Cash account	2-3
	(011)	100	0	0	Cash account	1
December 2017	Ppt	50,000	50,000	0	N/A	1
August 2017	(013)Cash own option	500	0	0	Cash account	1
March 2017	Ppt	100	0	0	N30	6-12
February 2017	(015)	250	0	0	Cash account	1
	(016)	50	0	0	Cash account	1
September 2016	Ppt	100,000	0	0	N/A	6-12
June 2016	Ppt	2,500	0	0	N/A	1
May 2016	(019)	50	0	0	Cash account	6-12
April 2016	Ppt	250	0	0	N/A	6-12
February 2016	Ppt	80,000	0	0	N30	6-12
	(022)	0	0	0	Cash account	6-12

Lines shown in red are 30 or more days beyond terms

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

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

**CreditScore<sup>SM</sup> Report**

as of: 04/12/18 15:26 ET

**Priority Power Management, LTD**

**Address:** 310 W Wall St Ste 500  
Midland, TX 79701-5142  
United States

**Phone:** 972-664-1610

**Website:** www.prioritypower.net

**Experian BIN:** 788301415

**Family Linkage:**

Ultimate Parent Amen Properties, Inc  
Midland, TX United States

Parent / Headquarters Amen Properties, Inc  
Midland, TX United States

**Key Personnel:**

Chief Financial Officer: Kris Oliver  
Chief Operating Officer: Kevin Yung  
Vice President: Trenton Cogdill

**SIC Code:**

8748-Business Consulting Services,  
Nec  
1389-Oil & Gas Field Services, Nec  
1380-Oil & Gas Field Services

**NAICS Code:**

541618-Other Management  
Consulting Services  
213112-Support Activities For Oil  
And Gas Operations  
541612-Human Resources  
Consulting Services

**Business Type:**

Corporation

**Experian File Established:**

January 2001

**Experian Years on File:**

17 Years

**Years in Business:**

17 Years

**Total Employees:**

4

**Payment Tradelines (see [charts](#)):**

5

**UCC Filings:**

6

This location does not yet have an  
estimated Days Beyond Terms  
(DBT), or a Payment Trend  
Indicator. This is often the result of  
too few Payment Tradelines.

✓ <b>Businesses Scoring Worse:</b>	<b>87%</b>
✓ <b>Bankruptcies:</b>	0
✓ <b>Liens:</b>	0
✓ <b>Judgments Filed:</b>	0
✓ <b>Collections:</b>	0

**Lowest 6 Month Balance:** \$59  
**Highest 6 Month Balance:** \$852  
**Current Total Account Balance:** \$0  
**Highest Credit Amount Extended:** \$0

**Credit Summary**
**Experian Business Credit Score: 88**

High  
Risk



Low  
Risk

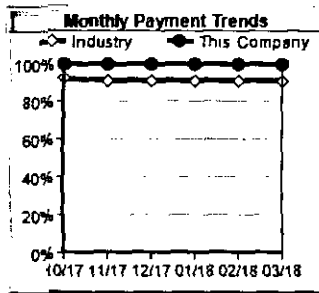
The objective of the Experian Business Credit Score is to  
predict payment behavior. High Risk means that there is a  
significant probability of delinquent payment. Low Risk means  
that there is a good probability of on-time payment.

**Key Score Factors:**

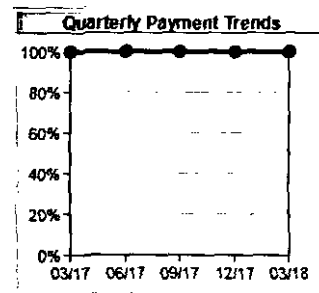
- Number of good commercial accounts.
- Length of time on experian's file.
- Pct of new commercial accts to total nbr of accts.
- Nbr of leasing accts as pct of total nbr of accts.

**Recommended Action: Low Risk**

## Payment Summary



\*Percentage of on-time payments by month.



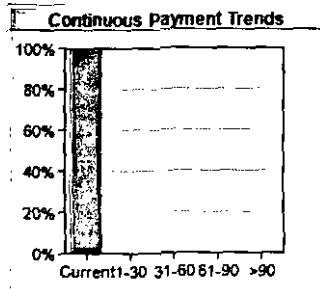
\*Percentage of on-time payments by quarter.

### Monthly Payment Trends - Recent Activity

Date	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
10/17	100%	0%	0%	0%	0%
11/17	100%	0%	0%	0%	0%
12/17	100%	0%	0%	0%	0%
01/18	100%	0%	0%	0%	0%
02/18	100%	0%	0%	0%	0%
03/18	100%	0%	0%	0%	0%

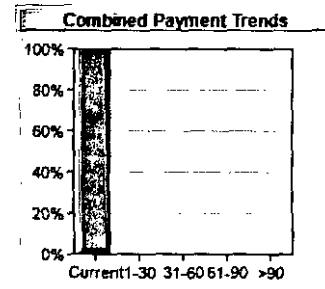
### Quarterly Payment Trends - Recent Activity

Date	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
03/17	100%	0%	0%	0%	0%
06/17	0%	0%	0%	0%	0%
09/17	0%	0%	0%	0%	0%
12/17	100%	0%	0%	0%	0%
03/18	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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**PRIORITY POWER MANAGEMENT, LLC**  
**(A Texas Limited Liability Company)**

**Financial Statements**  
**December 31, 2016 and 2015**

**(With Report of Independent Certified Public Accountant Thereon)**



# WAYNE M. MANNING

CERTIFIED PUBLIC ACCOUNTANT



## Report of Independent Certified Public Accountant

The Board of Managers  
Priority Power Management, LLC

We have audited the accompanying financial statements of Priority Power Management, LLC (a Texas limited liability company) (the "Company"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of earnings, changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Priority Power Management, LLC as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Wayne M. Manning, CPA*

March 6, 2017



Texas Society of  
Certified Public Accountants



MEMBER OF  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Balance Sheets**

	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,226,784	6,506,531
Trade accounts receivable, net of allowance	<u>1,162,644</u>	<u>962,409</u>
<b>Total current assets</b>	<u>8,389,428</u>	<u>7,468,940</u>
<b>Property and Equipment, Net of Accumulated Depreciation</b>	9,965,330	9,676,870
<b>Contract Rights, Net of Accumulated Amortization</b>	-	-
<b>Other Assets</b>	<u>152,346</u>	<u>366,457</u>
<b>Total assets</b>	<u>\$ 18,507,104</u>	<u>17,512,267</u>
<b><u>LIABILITIES AND MEMBERS' CAPITAL</u></b>		
<b>Current Liabilities</b>		
Current maturities of long-term obligations	\$ 569,725	680,983
Accounts payable	1,811,953	868,979
Accrued liabilities	10,230	11,813
Deferred revenue	<u>26,705</u>	<u>164,695</u>
<b>Total current liabilities</b>	2,418,613	1,726,470
<b>Long-Term Obligations, Less Current Maturities</b>	3,019,505	5,243,867
<b>Members' Capital</b>		
Common members' interests, no par value, 500 units issued and outstanding at December 31, 2016 and 2015	512,968	512,968
Accumulated earnings	<u>12,556,018</u>	<u>10,028,962</u>
<b>Total members' capital</b>	<u>13,068,986</u>	<u>10,541,930</u>
<b>Total liabilities and members' capital</b>	<u>\$ 18,507,104</u>	<u>17,512,267</u>

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

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Statements of Earnings**

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue</b>		
Energy procurement fees	\$ 9,618,106	\$ 9,001,210
Field project management service revenue and other revenue	1,632,183	1,700,451
Infrastructure revenue	10,135,770	5,243,669
Demand response revenue	332,833	316,216
Lease revenue	1,827,136	1,239,997
Billing data management revenue	54,926	224,415
<b>Total revenue</b>	<u>23,600,954</u>	<u>17,725,958</u>
<b>Cost of Revenue</b>		
Direct costs	10,121,566	6,095,924
Affinity program	54,508	52,173
Commissions	534,901	326,439
<b>Total cost of revenue</b>	<u>10,710,975</u>	<u>6,474,536</u>
<b>Gross Profit</b>	<u>12,889,979</u>	<u>11,251,422</u>
<b>Operating Expenses</b>		
Personnel-related costs	4,371,643	4,127,499
Professional fees	213,188	160,322
Insurance	230,779	204,410
Depreciation	368,184	263,753
Office	167,773	187,090
Office rent	126,405	160,666
Travel and entertainment	138,305	160,216
Utilities	92,245	80,890
Small equipment	62,931	53,709
Advertising	7,764	1,281
Charitable contributions	46,880	50,310
Repairs and maintenance	-	4,189
Taxes and licenses	(27,350)	99,883
<b>Total operating expenses</b>	<u>5,798,747</u>	<u>5,554,218</u>
<b>Income Before Other Income (Expense)</b>	7,091,232	5,697,204
<b>Other Income (Expense)</b>		
Other income/(expense)	94,394	(65,701)
Interest income	9,927	7,474
Interest expense	(248,497)	(156,833)
<b>Total other income (expense)</b>	<u>(144,176)</u>	<u>(215,060)</u>
<b>NET INCOME</b>	<u>\$ 6,947,056</u>	<u>\$ 5,482,144</u>

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



**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Statement of Changes in Members' Capital**  
**Years Ended December 31, 2016 and 2015**

	<u>Number of Common Units</u>	<u>Common Members' Interests</u>	<u>Accumulated Earnings</u>	<u>Total Members' Capital</u>
Balance at December 31, 2014	500	\$ 512,968	\$ 6,986,818	\$ 7,499,786
Cash dividends paid to common members	-	-	(2,440,000)	(2,440,000)
Net income	-	-	5,482,144	5,482,144
Balance at December 31, 2015	500	\$ 512,968	\$ 10,028,962	\$ 10,541,930
Cash dividends paid to common members	-	-	(4,420,000)	(4,420,000)
Net income	-	-	6,947,056	6,947,056
Balance at December 31, 2016	500	\$ 512,968	\$ 12,556,018	\$ 13,068,986

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

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Statements of Cash Flows**

	<u>Year Ended December 31, 2016</u>	<u>Year Ended December 31, 2015</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash flows from operating activities:</b>		
Net income	\$ 6,947,056	\$ 5,482,144
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	368,184	263,753
Amortization of contract rights	-	40,181
Gain/loss on sale of fixed assets	52,000	39,303
Change in assets and liabilities:		
Decrease/(increase) in trade accounts receivable and unbilled revenue	(200,235)	1,783,081
(Increase)/decrease in other assets	214,111	(57,496)
Increase in accounts payable and accrued expenses	941,391	87,145
Decrease in deferred revenue	(137,990)	(179,084)
Net cash provided by operating activities	<u>8,184,517</u>	<u>7,459,027</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(708,644)	(5,656,757)
Redemption of certificates of deposit	-	-
Net cash used in investing activities	<u>(708,644)</u>	<u>(5,656,757)</u>
<b>Cash flows from financing activities:</b>		
Borrowings on notes payable	-	4,546,504
Payments on notes payable	(2,335,620)	(316,314)
Cash distributions paid	(4,420,000)	(2,440,000)
Net cash provided by /(used in) financing activities	<u>(6,755,620)</u>	<u>1,790,190</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>720,253</u>	<u>3,592,460</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>6,506,531</u>	<u>2,914,071</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 7,226,784</u>	<u>\$ 6,506,531</u>
<b><u>Cash paid during the year for:</u></b>		
Interest	<u>\$ 248,497</u>	<u>\$ 156,833</u>

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

# **Priority Power Management, LLC** **(A Texas Limited Liability Company)**

## **Notes to Financial Statements** **For the Years Ended December 31, 2016 and 2015**

### **(1) DESCRIPTION OF BUSINESS**

Priority Power Management, LLC, a Texas limited liability company, was formed in January 2001 to provide electricity aggregation services. In June 2006, the Company was acquired by AMEN Properties, Inc. On October 1, 2010, the managers of Priority Power Management – John Bick and Padraig Ennis – acquired the Company from AMEN Properties, Inc., and is no longer a wholly-owned subsidiary of AMEN Properties, Inc.

Today, Priority Power Management, LLC is a leading Texas-based independent energy management and consulting services firm to large commercial, industrial and government customers. Priority Power Management, LLC provides unbiased and objective energy management services in the areas of energy information, supply and risk management, demand-side management, and energy infrastructure solutions. Priority Power Management has offices in Midland/Odessa, Dallas/Fort Worth, Houston and Abilene.

### **(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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. Accordingly, actual results could differ from such estimates. Material estimates that are particularly susceptible to significant changes in the near term relate to the recognition of revenues, the estimate of the allowance for doubtful accounts, the estimate of asset impairments and the determination of depreciation and amortization expense.

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all cash, money market accounts and other highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### Accounts Receivable and Revenue Recognition

The Company records brokerage commissions based on actual usage data obtained from the energy supplier for that accounting period, or to the extent actual usage data is not available, based on the estimated amount of electricity delivered to the energy consumers for that accounting period.

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Notes to Financial Statements**  
**For the Years Ended December 31, 2016 and 2015**

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Accounts Receivable and Revenue Recognition, Continued

The Company develops its estimates on a quarterly basis based on the following criteria:

- Payments received prior to the issuance of the financial statements;
- Usage updates from energy suppliers;
- Comparable historical usage data; and
- Historical variances to previous estimates.

To the extent usage data cannot be obtained, the Company estimates revenue as follows:

- Historical usage data obtained from the energy consumer in conjunction with the execution of the contract;
- Analysis of prior year usage patterns; and
- Specific review of individual energy supplier/location accounts.

Once the data is received, the Company adjusts the estimated accounts receivable and revenue to the actual total amount in the period during which the payment is received. Based on management's current capacity to obtain actual energy usage, the Company currently estimates four to six weeks of revenue at the end of its accounting period. Differences between estimated and actual revenue have been within management's expectations and have not been material to date.

The Company does not invoice bidders for the monthly commissions earned on retail electricity and demand response transactions, and, therefore, reports a portion of its receivables as "unbilled." Unbilled accounts receivable represents management's best estimate of energy provided by the energy suppliers to the energy consumers for a specific completed time period at contracted commission rates. Commissions paid in advance by certain energy suppliers are recorded as deferred revenue and amortized to commission revenue on a quarterly basis on the energy exchanged that month.

Concentration of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and trade accounts receivable. The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. The Company places its cash with primarily one institution, which management believes has high credit quality.

The Company provides credit in the form of invoiced and unbilled accounts receivable to bidders in the normal course of business. Collateral is not required for trade accounts receivable, but ongoing credit evaluations of bidders are performed. Management provides for an allowance for doubtful accounts on a specifically identified basis, as well as through historical experience applied to an aging of accounts. Trade accounts receivable are written off when deemed uncollectible. To date write-offs have not been material.

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Notes to Financial Statements**  
**For the Years Ended December 31, 2016 and 2015**

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") ASC 820 (formerly SFAS 157), *Fair Value Measurements*, require disclosure of fair value information about financial instruments, whether or not recognized in the accompanying balance sheet. Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The fair value estimates of financial instruments are not necessarily indicative of the amounts we might pay or receive in actual market transactions. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the relatively short maturity of these instruments. Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 2016.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated economic useful lives. The method of depreciation does not change when equipment becomes idle. The estimated useful lives of the respective assets are defined below.

Computers and software	3 years
Leasehold improvements	5 years
Office equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Electrical utility infrastructure	30 years

Maintenance and Repairs

Maintenance and repairs are charged to expense when incurred. Renewals or betterments which extend the life or improve existing property and equipment are capitalized.

Retirements

Upon disposition or retirement of property and equipment, the cost and related accumulated depreciation are removed and any resulting gain or loss is credited or charged to operations.

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Notes to Financial Statements**  
**For the Years Ended December 31, 2016 and 2015**

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Impairment of Long-Lived and Intangible Assets**

Generally accepted accounting principles specify circumstances in which certain long-lived and intangible assets must be reviewed for impairment. If the carrying amount of an asset exceeds the sum of its expected future cash flows, the asset's carrying value must be written down to fair value. In determining the value of an investment property and whether the investment property is impaired, management considers several factors such as projected rental and vacancy rates, property operating expenses, capital expenditures and interest rates. The capitalization rate used to determine property valuation is based on the market in which the investment property is located, length of leases, tenant financial strength, the economy in general, demographics, environment, property location, visibility, age and physical condition among others. All of these factors are considered by management in determining the value of any particular investment property. The value of any particular investment property is sensitive to the actual results of any of these factors, either individually or taken as a whole. If the actual results differ from management's judgment, the valuation could be negatively or positively affected. Application of this standard during the year ended December 31, 2016 did not result in an impairment loss.

**Intangible Assets**

The Company uses assumptions in establishing the carrying value, fair value and estimated lives of its intangible assets, the criteria used for these assumptions includes management's estimate of the asset's continuing ability to generate positive income from operations and positive cash flow in future periods compared to the carrying value of the asset, as well as the strategic significance of any identifiable intangible asset in the Company's business objectives. If the assets are considered impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets. Useful lives and related amortization expense are based on an estimate of the period that the assets will generate revenues or otherwise be used by the Company. Factors that influence the likelihood of a material change in the Company's reported results include significant changes in the asset's ability to generate positive cash flow, a significant decline in the economic and competitive environment on which the asset depends, and any significant changes in the Company's strategic business objectives.

Intangible assets consist of customer relationship and contracts and are stated at cost less accumulated amortization. Intangible assets with a finite life are amortized using the collections method, which approximates straight-line, over their estimated useful lives. During 2015, all contract rights became fully amortized.

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Notes to Financial Statements**  
**For the Years Ended December 31, 2016 and 2015**

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Comprehensive Income

Comprehensive income is defined as changes in members' capital, exclusive of transactions with members (such as capital contributions and dividends). The Company did not have any comprehensive income items in 2016 other than the net earnings as reported.

Date of Management's Review

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

Advertising Expense

All advertising costs are expensed when incurred. Advertising expense was approximately \$7,764 and \$1,281 for the years ended December 31, 2016 and 2015, respectively.

Income Taxes

The Company is taxed under the Internal Revenue Code as a partnership. In lieu of corporate income taxes, the members of a partnership are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for Federal income tax is included in the accompanying financial statements.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, which creates FASB ASC Topic 606, "Revenue from Contracts with Customers" and supersedes ASC Topic 605, "Revenue Recognition." The guidance replaces industry-specific guidance and establishes a single five-step model to identify and recognize revenue. The core principle of the guidance is that an entity should recognize revenue upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires the entity to disclose further quantitative and qualitative information regarding the nature and amount of revenues arising from contracts with customers, as well as other information about the significant judgments and estimates used in recognizing revenues from contracts with customers. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09 one year to interim and annual reporting periods beginning after December 15, 2018. This guidance may be adopted retrospectively or under a modified retrospective method where the cumulative effect is recognized at the date of initial application.

Management believes the impact of recently issued standards, which are not yet effective, will not have a material impact on the financial statements.

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Notes to Financial Statements**  
**For the Years Ended December 31, 2016 and 2015**

**(3) TRADE ACCOUNTS RECEIVABLE, NET OF ALLOWANCE**

The Company does not invoice bidders for the monthly commissions earned on retail electricity transactions and, therefore, reports a portion of its receivables as "unbilled." Unbilled accounts receivable represents management's best estimate of energy provided by energy suppliers to the energy consumers for a specific completed time period at contracted commission rates.

Trade accounts receivable, net of allowance consists of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Billed accounts receivable	\$ 1,162,644	962,409
Unbilled accounts receivable	-	-
	<u>1,162,644</u>	<u>962,409</u>
Allowance for doubtful accounts	-	-
Trade accounts receivable, net of allowance	\$ <u>1,162,644</u>	<u>962,409</u>

**(4) PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Computers and software	\$ 11,504	\$ 11,504
Leasehold improvements	8,596	8,596
Office equipment	182,396	161,901
Office furniture and equipment	104,434	79,131
Midland office building	551,881	-
Salt Creek Substation	4,867,791	4,867,791
Wolfberry Substation	4,646,392	4,646,392
Substation in progress	117,459	-
Construction in progress	-	16,161
Land	<u>260,522</u>	<u>312,522</u>
	10,750,975	10,103,998
Less accumulated depreciation	<u>(785,645)</u>	<u>(427,128)</u>
	\$ <u>9,965,330</u>	\$ <u>9,676,870</u>

Depreciation expense included in the accompanying statement of earnings and changes in members' capital for the years ended December 31, 2016 and 2015 aggregated \$368,184 and \$263,753, respectively.

**(5) COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Company may be involved in disputes and/or claims made by others against it. Management believes that the ultimate outcome of any disputes will not have a material effect on the financial statements at December 31, 2016.



# Priority Power Management, LLC (A Texas Limited Liability Company)

## Notes to Financial Statements For the Years Ended December 31, 2016 and 2015

### (6) CONCENTRATIONS

The Company maintains cash balances at primarily one financial institution, which at times may exceed federally insured limits. At December 31, 2016, the Company had cash balances of approximately \$6,983,160 at one financial institution that were in excess of amounts guaranteed by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks on such accounts.

### (7) OPERATING LEASES

The Company leases multiple office spaces under non-cancelable operating leases. Lease expense for the year ended December 31, 2016 was \$126,405. The following is a schedule by year of future minimum rentals under leases at December 31, 2016:

Due in:		
2017	\$	91,997
2018		90,667
2019		86,733
2020		89,217
2021 - 2022		<u>7,452</u>
Total minimum lease payments	\$	<u>366,066</u>

### (8) LONG-TERM OBLIGATIONS

On October 4, 2013, Priority Power Management, LLC entered into a loan agreement with FirstCapital Bank of Texas, N.A. The loan amount is up to \$4,000,000 and proceeds must be used to construct an electric high voltage substation and primary distribution feeder for an unrelated third party (Salt Creek).

As part of the loan agreement, the Company must maintain a \$2,000,000 life insurance policy, a minimum tangible net worth of \$2,500,000, its primary demand deposit accounts with FirstCapital Bank of Texas, N.A. with a combined minimum cash balance of \$1,000,000, and also a cash flow ratio equal to or greater than 1.5x. As of December 31, 2016, the balance for the loan was \$0. Management believes it is in compliance with the restrictive covenants.

On February 5, 2015, Priority Power Management, LLC entered into a loan agreement with FirstCapital Bank of Texas, N.A. The loan amount is up to \$5,850,000 and proceeds must be used to construct an electric high voltage substation and transmission line for an unrelated third party (Wolfberry).

As part of the loan agreement, the Company must maintain a \$2,000,000 life insurance policy, its primary demand deposit accounts with FirstCapital Bank of Texas, N.A. with a combined minimum cash balance of \$1,500,000, a net cash flow to annual debt service ratio of greater than 1.5 to 1.0, and a debt to tangible net worth ratio of 2.0 to 1.0 or less. As of December 31, 2016, the balance for the loan was \$3,589,230, of which \$569,725 is the current portion due. Management believes it is in compliance with the restrictive covenants.

**Priority Power Management, LLC**  
**(A Texas Limited Liability Company)**

**Notes to Financial Statements**  
**For the Years Ended December 31, 2016 and 2015**

**(9) REVENUE RECOGNITION**

Based upon current contracts held, management estimates the following contract revenue to be recognized in future years:

Due in:		
2017	\$	7,425,801
2018		5,880,208
2019		4,447,663
2020		3,310,360
2021 - 2027		<u>6,871,066</u>
Total revenue payments expected to be collected	\$	<u>27,935,098</u>