

FILE

verdeenergyusa

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November 6, 2019

**Via FedEx**

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

Re: **CRNGS Renewal Certification Application**  
**Current PUCO Cert. # 13-334G (3)**  
**Original CRS Case # 13-2164-GA-CRS**

Pursuant to Ohio Administrative Code Rule 4901:1-27-09, Verde Energy USA Ohio, LLC is submitting its Competitive Retail Natural Gas Renewal Application.

The Forecasted Financial Statement is filed under seal for protective treatment.

As required, an original and three copies are submitted.

Should you have any questions, please do not hesitate to contact me at [mleclerc@sparkenergy.com](mailto:mleclerc@sparkenergy.com) or at 207-890-4094.

Sincerely,

*Muriel LeClerc*

Muriel LeClerc  
Regulatory Specialist

RECEIVED-DOCKETING DIV  
2019 NOV -7 PM 12:01  
PUCO

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician mmm Date Processed 11/07/19



# Public Utilities Commission

PUCO USE ONLY – Version 1.08 May 2016		
Date Received	Renewal Certification Number	ORIGINAL CRS Case Number
		13 - 2164 - GA-CRS

## RENEWAL CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

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

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

### SECTION A - APPLICANT INFORMATION AND SERVICES

#### A-1 Applicant intends to renew its certificate as: (check all that apply)

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

#### A-2 Applicant information:

Legal Name Verde Energy USA Ohio, LLC  
Address 12140 Wickchester Ln., Suite 100, Houston, TX 77079  
Telephone No. 800-388-3862 Web site Address www.verdeenergy.com  
Current PUCO Certificate No. 13-334G(3) Effective Dates December 06, 2017 to December 06, 2019

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

Name Verde Energy USA Ohio, LLC  
Address 12140 Wickchester Ln., Suite 100, Houston, TX 77079  
Web site Address www.verdeenergy.com Telephone No. 800-388-3862

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

See Exhibit A-4

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

Name Martha Lopez Title Manager, Regulatory  
Business Address 12140 Wickchester Ln., Suite 100 Houston, TX 77079  
Telephone No. 832-217-1909 Fax No. 832-320-2944 Email Address martha.lopez@sparkenergy.com



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

Name April Lusk Title Regulatory Specialist  
Business address 12140 Wickchester Ln., Suite 100 Houston, TX 77079  
Telephone No. 832-333-7019 Fax No. 832-320-2979 Email Address regulatory@sparkenergy.com

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

Customer service address 12140 Wickchester Ln., Suite 100 Houston, TX 77079  
Toll-Free Telephone No. 800-388-3862 Fax No. Email Address customercare@verdeenergy

**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 James Stapleton Title General Manager  
Business address 8044 Montgomery Rd., Ste. 700, Cincinnati, OH 45236  
Telephone No. 513-792-2200 Fax No. 513-792-2222 Email Address customercare@verdeenergy.com

**A-9 Applicant's federal employer identification number 30-0826824**

**A-10 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                                      |

**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 checked="" type="checkbox"/>	Residential	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Small Commercial	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Large Commercial	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Industrial	Beginning Date of Service	5-3-2017	End Date	ongoing

☒ Dominion East Ohio

<input checked="" type="checkbox"/>	Residential	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Small Commercial	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Large Commercial	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Industrial	Beginning Date of Service	5-3-2017	End Date	ongoing

☒ Duke Energy Ohio

<input checked="" type="checkbox"/>	Residential	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Small Commercial	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Large Commercial	Beginning Date of Service	5-3-2017	End Date	ongoing
<input checked="" type="checkbox"/>	Industrial	Beginning Date of Service	5-3-2017	End Date	ongoing

☐ 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 checked="" type="checkbox"/>	Vectren Energy Delivery of Ohio	Intended Start Date	November 2020

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. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.
- C-3 Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).
- C-4 Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)

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

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

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

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

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

**C-6 Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, 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 within the two most recent years preceding the application.

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

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

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

Applicant Signature and Title

*C. G. Kere.*

Interim General Counsel & Corporate Secretary

Sworn and subscribed before me this 6th

day of November

Month 2019

Year

*Dominique R Colvard*

Signature of official administering oath

Dominique R Colvard, Notary

Print Name and Title



My commission expires on

11-06-20



# The Public Utilities Commission of Ohio

## Competitive Retail Natural Gas Service Affidavit Form (Version 1.07)

In the Matter of the Application of )

Verde Energy USA Ohio, LLC )

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

Case No.

13

2184

-GA-CRS

County of Harris

State of Texas

C. Alexis Keene

[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

*C. G. Keene*

Interim General Counsel and Corporate Secretary

Sworn and subscribed before me this

6th

day of

November

Month

2019

Year

*Dominique R. Colvard*

Signature of Official Administering Oath

*Dominique R. Colvard, Notary*

Print Name and Title



My commission expires on

11-06-20

(CRNGS Supplier Renewal) - Version 1.08

Page 8 of 8



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

Verde Energy USA Ohio, LLC  
Verde Energy USA, Inc.  
Verde Energy USA DC, LLC  
Verde Energy USA Illinois, LLC  
Verde Energy USA Massachusetts, LLC  
Verde Energy USA New York, LLC  
Verde Energy USA Pennsylvania, LLC

**Exhibit A-14: "Principal Officers, Directors, & Partners"**

<b>Name</b>	<b>Title</b>	<b>Address</b>	<b>Telephone</b>
Nathan G. Kroeker	President, Chief Executive Officer	12140 Wickchester Ln., Ste. 100 Houston, TX 77079	281-833-4153
C. Alexis Keene	Interim General Counsel and Corporate Secretary	12140 Wickchester Ln., Ste. 100 Houston, TX 77079	832-217-1831
Mike Kuznar	Head of Retail Markets	12140 Wickchester Ln., Ste. 100 Houston, TX 77079	832-217-1874
James J. Jones II	Chief Financial Officer	12140 Wickchester Ln., Ste. 100 Houston, TX 77079	832-217-1860



**Exhibit A-15: "Company History"**

Verde Energy USA Ohio, LLC ("Verde OH") was organized as a limited liability company on November 4, 2011 in the State of Delaware.

Verde OH is an authorized Competitive Retail Electric Supplier in Ohio, effective March 29, 2012 – License 12-489E, and has been actively serving electric customers since then.

In the first half of 2017, Verde OH began serving natural gas customers with Columbia Gas of Ohio, Dominion Ohio Energy and Duke Energy Ohio.

Prior to July of 2017, Verde OH was a wholly-owned subsidiary of Verde Energy USA Holdings, LLC ("Verde Holdings") and operated pursuant to administrative service agreements with Verde Energy USA, Inc., another wholly-owned of Verde Holdings. Verde OH, Verde Energy USA, Inc. and the other Verde branded companies (other than Verde Holdings) are referred to herein as the "Verde Companies".

In July of 2017, Verde OH, along with the other Verde Companies was acquired by Spark Energy, Inc. ("Spark") and its affiliates. Verde is now wholly-owned by Spark Holdco, LLC.

The Verde Companies provide and support competitive retail electricity and natural gas services to customers in eight states: Connecticut, District of Columbia, Illinois, Massachusetts, New Jersey, New York, Ohio, and Pennsylvania behind approximately fifty (50) electrical and natural gas distribution companies. The Verde Companies are headquartered in Houston, Texas and have provided retail electricity and natural gas to both residential and non-residential customers since 2009.

**Exhibit A-16: "Articles of Incorporation and Bylaws"**

There is no activity to report.

**Exhibit A-17: "Secretary of State"**

**Entity#:** 2059917  
**Filing Type:** FOREIGN LIMITED LIABILITY COMPANY  
**Original Filing Date:** 11/08/2011  
**Location:** --  
**Business Name:** VERDE ENERGY USA OHIO, LLC  
  
**Status:** Active  
**Exp. Date:** -

## Agent/Registrant Information

CT CORPORATION SYSTEM  
4400 EASTON CMNS WAY STE 125  
COLUMBUS OH 43219  
07/11/2017  
Active

## Filings

Filing Type	Date of Filing	Document ID
REG. OF FOR. PROFIT LIM. LIAB. CO.	11/08/2011	201131300037
AGENT ADDRESS CHANGE/LIMITED/LIABILITY/PARTNERS	11/10/2016	201632602630
FOREIGN/DESIGNATED APPOINTMENT OF AGENT	07/11/2017	201719204374

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

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



*Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 23rd of October, A.D. 2019*

Ohio Secretary of State

A handwritten signature in black ink, reading "Frank LaRose".

**Exhibit B-1: Jurisdictions of Operation**

# Licenses

State	Entity	Fuel Type	License/ Docket Number	Issued
CA	Oasis Energy	Gas	CTA0027	
CA	Spark Energy Gas, LLC	Gas	CTA0011	
CT	HIKO Energy, LLC	Electric	12-09-09	11/29/2012
CT	Major Energy Electric Services, LLC	Electric	14-03-03	7/9/2014
CT	Perigee Energy, LLC	Electric	12-08-23	10/10/2012
CT	Spark Energy, LLC	Electric	10-06-18	9/15/2010
CT	Verde Energy USA, Inc	Electric	09-06-08	8/26/2009
CT	Spark Energy Gas, LLC	Gas	01-05	7/22/2005
DE	Spark Energy, LLC	Electric	18-0011	2/5/2018
DC	Major Energy Electric Services, LLC	Electric	EA 2015-02	3/20/2015
DC	Verde Energy USA DC, LLC	Electric	EA 2014-18	10/20/2014
DC	Major Energy Services, LLC	Gas	GA 2015-01	3/20/2015
DC	Verde Energy USA DC, LLC	Gas	GA 2014-10	10/20/2014
FL	Spark Energy Gas, LLC	Gas		
IL	HIKO Energy, LLC	Electric	12-0180	4/10/2012
IL	Major Energy Electric Services, LLC	Electric	12-0184	4/4/2012
IL	Oasis Energy	Electric	12-0420	8/21/2012
IL	Spark Energy, LLC	Electric	17-0273	2/6/2008
IL	Verde Energy USA Illinois, LLC	Electric	11-0666	11/8/2011
IL	HIKO Energy, LLC	Gas	12-0262	5/29/2012
IL	Spark Energy Gas, LLC	Gas	17-0281	3/3/2004
IN	Spark Energy Gas, LLC	Gas		
MA	Major Energy Electric Services, LLC	Electric	CS-110	1/16/2014
MA	Oasis Energy	Electric	CS-111	3/27/2014
MA	Provider Power MASS, LLC	Electric	CS-098	12/21/2012
MA	Spark Energy, LLC	Electric	CS-053	9/14/2006
MA	Verde Energy USA Massachusetts, LLC	Electric	CS-097	12/20/2012
MA	Spark Energy Gas, LLC	Gas	GS-027	6/9/2004
MD	HIKO Energy, LLC	Electric	IR-2926	4/24/2013
MD	Major Energy Electric Services, LLC	Electric	IR-2098	1/5/2011
MD	Oasis Energy	Electric	IR-1848	5/5/2010
MD	Spark Energy, LLC	Electric	IR-979	4/11/2007
MD	HIKO Energy, LLC	Gas	IR-2927	4/24/2013
MD	Major Energy Services, LLC	Gas	IR-1749	5/19/2010
MD	Oasis Energy	Gas	IR-1929	5/19/2010
MD	Spark Energy Gas, LLC	Gas	IR-613	5/12/2004
ME	Electricity Maine, LLC	Electric	2010-00256	9/1/2010
ME	Major Energy Electric Services, LLC	Electric	2013-00486	12/10/2013
ME	Major Energy Services, LLC	Gas		
ME	Spark Energy Gas, LLC	Gas		
MI	Spark Energy Gas, LLC	Gas	U-15429	4/1/2008
NH	Electricity N.H., LLC	Electric	DM 12-075 (org) DM 17-051 (renewal)	6/8/2012 6/8/2017
NV	Spark Energy Gas, LLC	Gas	G-28	2/10/2011
NJ	CenStar Energy Corp.	Electric	ESL-0148	
NJ	HIKO Energy, LLC	Electric	ESL-0107	7/1/2011
NJ	Oasis Energy	Electric	ESL-0147	
NJ	Respond Power, LLC	Electric	ESL-0124	
NJ	Spark Energy, LLC	Electric	ESL-0096	
NJ	Verde Energy USA, Inc	Electric	ESL-0085	
NJ	CenStar Energy Corp.	Gas	GSL-0136	
NJ	HIKO Energy, LLC	Gas	GSL-0107	7/1/2011

NJ	Major Energy Services, LLC	Gas	GSL-0117	
NJ	Oasis Energy	Gas	GSL-0135	
NJ	Spark Energy Gas, LLC	Gas	GSL-0079	
NJ	Verde Energy USA, Inc	Gas	GSL-0092	
NY	CenStar Energy Corp.	Electric		9/12/2008
NY	HIKO Energy, LLC	Electric		2/26/2010
NY	Major Energy Electric Services, LLC	Electric		10/10/2007
NY	Oasis Energy	Electric		6/11/2009
NY	Respond Power, LLC	Electric		
NY	Spark Energy, LLC	Electric		3/10/2006
NY	Verde Energy USA New York, LLC	Electric		10/24/2012
NY	CenStar Energy Corp.	Gas		9/12/2008
NY	HIKO Energy, LLC	Gas		2/26/2010
NY	Major Energy Services, LLC	Gas		12/6/2005
NY	Oasis Energy	Gas		6/11/2009
NY	Spark Energy Gas, LLC	Gas		3/10/2006
NY	Verde Energy USA New York, LLC	Gas		10/24/2012
OH	CenStar Energy Corp.	Electric	12-585E	11/5/2012
OH	HIKO Energy, LLC	Electric	12-525E	6/18/2012
OH	Major Energy Electric Services, LLC	Electric	15-1007E	9/3/2015
OH	Verde Energy USA Ohio, LLC	Electric	12-489E	3/29/2012
OH	CenStar Energy Corp.	Gas	12-276G	11/5/2012
OH	HIKO Energy, LLC	Gas	12-258G	6/18/2012
OH	Major Energy Services, LLC	Gas	15-464G	9/3/2015
OH	Spark Energy Gas, LLC	Gas	08-136G	8/13/2008
OH	Verde Energy USA Ohio, LLC	Gas	13-334G	12/5/2013
PA	HIKO Energy, LLC	Electric	A-2012-2289944	7/2/2012
PA	Oasis Energy	Electric	A-2010-2205479	1/20/2011
PA	Respond Power, LLC	Electric	A-2010-2163898	8/19/2010
PA	Spark Energy, LLC	Electric	A-2009-2145787	1/28/2010
PA	Verde Energy USA, Inc.	Electric	A-2010-2151038	3/25/2010
PA	HIKO Energy, LLC	Gas	A-2012-2298532	7/19/2012
PA	Major Energy Services, LLC	Gas	A-2009-2118836	10/8/2009
PA	Oasis Energy	Gas	A-2010-2208469	2/11/2011
PA	Spark Energy Gas, LLC	Gas	A-125099	3/22/2001
PA	Verde Energy USA Pennsylvania, LLC	Gas	A-2013-2375988	11/14/2013
RI	Spark Energy Gas, LLC	Gas	2379(B2)	
TX	Spark Energy, LLC	Electric	10046	4/22/2002
VA	Spark Energy Gas, LLC	Gas	G-20	10/22/2004



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

### *Experience*

Spark Energy, Inc. and its family of brands, including Verde Energy USA Ohio, LLC (collectively "Spark") are independent retail energy service companies that provide residential and commercial customers with alternative choice for their natural gas and electricity in competitive markets across the United States. Spark operates in 94 utility service territories across 19 states and the District of Columbia with plans to continue expanding its geographic reach.

Spark has the necessary operational and managerial capabilities to serve all customer classes. The Spark management team is comprised of individuals with significant experience in wholesale and retail energy supply.

### *Contracting with Customers/Providing Contracted Services*

Although not currently marketing in Ohio, applicant has marketed its products through traditional channels of partnerships, digital advertising, some telemarketing, and door-to-door sales.

**Enrollment:** Although not currently enrolling customers, applicant has enrolled potential customer in the past through the following ways:

- (1) Paper Enrollment. Potential customers used a paper enrollment form that they filled out themselves and it was faxed/mailed to Applicant's headquarters. Customers received welcome packages with copies of all forms.
- (2) Telephonic Enrollment. Potential customers were solicited over the phone by Applicant's vendor and could decide to sign up over the telephone and complete a third party verification confirming the decision to enroll. Customers received welcome packages with copies of all forms.
- (3) Door-to-Door Enrollment. Potential customers were solicited door-to-door by Applicant's vendor and could decide to sign up and complete a third party verification confirming the decision to enroll. Customers received welcome packages with copies of all forms.
- (4) Customer Care Center. Potential customers could call Applicant's Customer Care Center. A call center representative would enroll the customer and a third-party verification would be taken after such enrollment. Customers received welcome packages with copies of all forms.
- (5) Retention Center. Applicant made outbound telemarketing calls to existing or former customers only for renewal or re-enrollment.

*Providing Contracted Services*

Applicant currently provides customers with affordable green electricity and natural gas in Ohio.

*Providing Billing Statements*

Consolidated billing statements are provided to the customer through their utility company.

*Response to Customer Inquiries and Complaints*

Spark commits to maintaining a fully trained staff of representatives to fulfill the needs of our customers. When a customer calls in with a question or complaint to the care center, the customer service representative will work with the customer to address any issues or problems. If the customer asks to have their enrollment cancelled, the customer service representative processes it immediately.

If the complaint is not resolved it is escalate to a call center lead/supervisor. The lead/supervisor will attempt to de-escalate the issue and if for any reason it is not resolved, the lead/supervisor will escalate it to the Office of the President ("OOP"). The OOP is responsible for mitigating and resolving customer escalations by working with the customer to reach a mutually agreeable resolution with the goal of achieving customer satisfaction.

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**Exhibit B-3 “Summary of Experience”**

*Experience*

Verde Energy USA Ohio, LLC (“Verde”) is currently an authorized Competitive Retail Electric Supplier effective March 29, 2012- License 12-489E and has been actively serving electric customers in Ohio since then. Verde is also currently an authorized Competitive Retail Natural Gas Marketer effective December 5, 2013 and is serving customers with Columbia Ohio Gas, Duke Energy Ohio, and Dominion Energy Ohio since the first half of 2017.

The Verde Companies have been actively marketing electricity and natural gas since 2009 in over fifty utilities that span over eight different states. The Verde Companies’ service areas can be found in Exhibit B-1: “Jurisdictions of Operation”.



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

**1. TX PUC v Verde Energy USA Texas, LLC (Investigation No. 2017-12-0003 (2018)):**

- a. **State:** Texas
- b. **Agency:** Public Utility Commission (PUC)
- c. **Date Completed:** pending (opening letter sent 01/03/2018)
- d. **Status:** pending
- e. **Entity:** Verde Energy USA Texas, LLC
- f. **Reference No.:** Investigation No. 2017-12-0003
- g. **Description:** Action regarding the alleged violation of Public Utility Regulatory Act Section 17.004 relating to Customer Protection Standards, Section 39.101 relating to Customer Safeguards, Section 16 TAC Section 25.478 relating to Credit Requirement and Deposits.

**2. TX PUC v Spark Energy, LLC (Investigation No. 2017-12-0004 (2018)):**

- a. **State:** Texas
- b. **Agency:** Public Utility Commission (PUC)
- c. **Date Completed:** pending (opening letter sent 01/18/2018)
- d. **Status:** pending
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** Investigation No. 2017-12-0004
- g. **Description:** Action regarding alleged violations of Consumer Protection Standard under Public Utility Regulatory Act Section 17.004, Consumer Safeguards under Section 39.101, Retail Electric Provider Selection regulations under 16 Tex. Admin. Code Section 25.474, General Retail requirements and information disclosures under Section 25.475, Bill issuance and formatting under Section 25.479, and Disconnection of Service under Section 25.483.

**3. TX PUC v Spark Energy, LLC (Investigation No. 2018-03-0008 (2018)):**

- a. **State:** Texas
- b. **Agency:** Public Utility Commission (PUC)
- c. **Date Completed:** pending (opening letter sent 03/27/2018)
- d. **Status:** pending
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** Investigation No. 2018-03-0008
- g. **Description:** Action regarding alleged violation of Public Utility Regulatory Act section 17.004 relating to Customer Protection Standards, Section 39.101 relating to Customer Safeguards, and 16 TAC Section 25.480(g) relating to Alternate Payment Programs or Payment Assistance.

4. **TX PUC v Verde Energy USA Texas, LLC (Investigation No. 2018-03-0010 (2018)):**
- a. **State:** Texas
  - b. **Agency:** Public Utility Commission (PUC)
  - c. **Date Completed:** pending (opening letter sent 03/26/2018)
  - d. **Status:** pending
  - e. **Entity:** Verde Energy USA Texas, LLC
  - f. **Reference No.:** Investigation No. 2018-03-0010
  - g. **Description:** Action regarding alleged violations of Public Utility Regulatory Act Section 17.004 relating to Customer Protection Standards, Section 39.101 relating to Customer Safeguards, and 16 TAC Section 25.478 relating to Credit Requirements and Deposits.
5. **CT PURA v Spark Energy, LLC (Docket No. 10-06-18RE01 (2018)):**
- a. **State:** Connecticut
  - b. **Agency:** Public Utility Regulatory Authority ("PURA")
  - c. **Date Completed:** Pending (Notice of violation filed March 28, 2018)
  - d. **Status:** Pending (case suspended 01/03/2019 due to docket 18-12-22)
  - e. **Entity:** Spark Energy, LLC
  - f. **Reference No.:** Docket 10-06-18RE01
  - g. **Description:** Action regarding the alleged violation of Conn. Gen. Stat. Section 16-245d(a)(2) and the August 2015 Decision in Docket No. 14-07-19RE01, "*PURA Investigation into Redesign of the Residential Electric Billing Format – Billing Format Clarifications*" of delinquency in supplying electric distribution companies (EDC) with the Next Rate in a timely manner. The proposed civil penalty of **\$900,000**. On 01/03/2019 PURA suspended the investigation due to the opening of Docket 18-12-22 which may impact the investigation. Spark has entered the Amnesty program directly impacting this matter and informed PURA in this docket of such entry on 01/17/2019.
6. **IL AG v Major Energy Electric Services, LLC (Docket No. 2018-CH-04549 (2019)):**
- a. **State:** Illinois
  - b. **Agency:** Attorney General (AG)
  - c. **Date Completed:** 08/16/2019
  - d. **Status:** Complete (Settlement 08/2019)
  - e. **Entity:** Major Energy Electric Services, LLC
  - f. **Reference No.:** Circuit Court of Cook County, County Department, Chancery Div. Docket No. 2018-CH-04549

- g. **Description:** Action regarding alleged violations of Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 et seq., Illinois Telephone Solicitation Act, 815 ILCS 413/1 et seq., Illinois Automatic Contract Renewal Act, 815 ILCS 605/5 et seq, and the Illinois Prize and Gifts Act, 815 ILCS 525/1 et seq. Penalty, \$2,000,000.

7. **ME PUC v Electricity Maine, LLC (Docket No. 2010-00256 (2018)):**

- a. **State:** Maine
- b. **Agency:** Public Utility Commission (PUC)
- c. **Date Completed:** pending (Order to Show Cause issued 07/24/2018)
- d. **Status:** pending
- e. **Entity:** Electricity Maine, LLC
- f. **Reference No.:** Maine PUC Docket No. 2010-00256
- g. **Description:** Consumer Protection Violations including deceptive or misleading acts or solicitations; failure to inform the Commission or reinstatement of solicitation after informing the Commission that it would do so.

8. **TX PUC v Spark Energy, LLC (Investigation No. 49684 (2018)):**

- a. **State:** Texas
- b. **Agency:** Public Utility Commission (PUC)
- c. **Date Completed:** 6/26/2019
- d. **Status:** Complete
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** Investigation Docket No. 49684
- g. **Description:** The Public Utility Commission of Texas ("PUCT") found that Spark Energy, LLC ("Spark") failed to obtain the required account access verification data when enrolling customers; charged different rates than the rate listed in the electricity facts label (EFL) provided in the customers' contract expiration notices; and issued disconnection notices with a disconnection date on a holiday or weekend date. Spark acknowledged the bases for the violations and entered into an agreement resolving the violations and agreed to pay an administrative penalty of \$90,000.

9. **CT PURA v Spark Energy, LLC (Docket No. 10-06-18RE02 (2018)):**

- a. **State:** Connecticut
- b. **Agency:** Public Utility Regulatory Authority ("PURA")
- c. **Date Completed:** Pending (Notice of Violation filed Sept. 05, 2018)
- d. **Status:** Pending (last brief filed 02/25/2019)
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** PURA Docket 10-06-18RE02



- g. **Description:** Action regarding the alleged telephone solicitations which would be a violation of Conn. Ge. Stat. Section 16-245o(h)(1), 16-245o(h)(2)(A), 16-245o(h)(3), 16-245o(h)(4), 16-245o(j), and 42-110b. Proposed penalty of \$750,000.

**10. NY PSC v Verde Energy USA New York, LLC (NOAF 10-24-2018 (2018)):**

- a. **State:** New York
- b. **Agency:** Department of Public Service (DPS)
- c. **Date Completed:** pending
- d. **Status:** pending
- e. **Entity:** Verde Energy USA New York, LLC
- f. **Reference No.:**
- g. **Description:** NOAF issued 10/24/2018 regarding the erroneous inclusion of a monthly service fee (that was calculated on a daily basis, resulting in monthly service fees 30 times the contract rate).

**11. IL ICC v National Gas & Electric, LLC (Docket No. 18-1653 (2018)):**

- a. **State:** Illinois
- b. **Agency:** Illinois Commerce Commission (ICC)
- c. **Date Completed:** pending (Order initiating Proceeding 10/24/2018)
- d. **Status:** pending
- e. **Entity:** National Gas & Electric, LLC
- f. **Reference No.:** Docket No. 18-1653
- g. **Description:** Action regarding alleged violations of 83 Ill. Admin. Code Section 412.110 by failing to make the disclosures required under retail contract, 83 Ill. Admin. Code Section 412.115 non-compliance uniform disclosure statements, 83 Ill. Admin. Code Section 412.130 (c) agents failing to ID themselves as agents of NG&E, 83 Ill. Admin. Code Section 412.130 (e) failing to obtain compliant TPVs, 83 Ill. Admin. Code Section 412.130 (g) soliciting after a request to refrain, 83 Ill. Admin. Code Section 412.170 (c) false, misleading, materially inaccurate and otherwise deceptive language in solicitations, 83 Ill. Admin. Code Section 412.170 (d) slamming, 83 Ill. Admin. Code Section 412.170 (e) failing to certify agents are properly trained, 83 Ill. Admin. Code Section 412.170 (g) failing to monitor marketers, and 83 Ill. Admin. Code Section 412.210 (b) failing to rescind an agreement upon timely request.

**12. NY PSC v Spark Energy, LLC (NOAF 12/14/2018 (2018)):**

- a. **State:** New York
- b. **Agency:** Public Service Commission (PSC)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** NOAF Issued 12/14/2018
- g. **Description:** investigating excessive number of complaints. Provided satisfactory responses.

**13. NY PSC v Major Energy Services, LLC (NOAF 04/01/2019 (2019)):**

- a. **State:** New York
- b. **Agency:** Public Service Commission (PSC)
- c. **Date Completed:** 05/2019
- d. **Status:** closed
- e. **Entity:** Major Energy Services, LLC
- f. **Reference No.:** NOAF Issued 04/01/2019
- g. **Description:** investigating excessive number of complaints. Provided satisfactory responses.

**14. NY DOS v Verde Energy USA New York, LLC (Investigation No. 2019-C-042201 (2019)):**

- a. **State:** New York
- b. **Agency:** Department of State, Division of Consumer Protections (DCP)
- c. **Date Completed:** pending
- d. **Status:** pending
- e. **Entity:** Verde Energy USA New York, LLC
- f. **Reference No.:** DNC Compliance File No. 2019C042201
- g. **Description:** Telemarketing DNC violations alleged.

**15. CT PURA v Spark Energy, LLC (Docket No. 10-06-18RE03 (2019)):**

- a. **State:** Connecticut
- b. **Agency:** Public Utilities Regulatory Authority (PURA)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** Investigation Docket No. 10-06-18-RE03
- a. **Description:** investigate Spark's marketing, billing, and enrollment practices, as well as compliance with notification requirements.

**16. OH AG v Verde Energy USA Ohio, LLC (Investigation No. 577403 (2019)):**

- a. **State:** Ohio
- b. **Agency:** Attorney General (AG)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** Verde Energy USA Ohio, LLC
- f. **Reference No.:** Investigation Docket No. 577403
- g. **Description:** Alleged violation of the Consumer Sales Practice Act Ohio Rev. Code Sec. 1345.01.

**17. Connecticut PURA v Verde Energy USA, LLC (Docket No. 18-12-22 (2019)):**

- a. **State:** Connecticut
- b. **Agency:** Public Utility Regulatory Authority (PURA)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** Verde Energy USA, LLC
- f. **Reference No.:** Amnesty Docket No. 18-12-22
- g. **Description:** Next Rate Cycle Amnesty Program

**18. Connecticut PURA v HIKO Energy, LLC (Docket No. 18-12-22 (2019)):**

- a. **State:** Connecticut
- b. **Agency:** Public Utility Regulatory Authority (PURA)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** HIKO Energy, LLC
- f. **Reference No.:** Amnesty Docket No. 18-12-22
- g. **Description:** Next Rate Cycle Amnesty Program

**19. Connecticut PURA v Major Energy Services, LLC (Docket No. 18-12-22 (2019)):**

- a. **State:** Connecticut
- b. **Agency:** Public Utility Regulatory Authority (PURA)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** Major Energy Services, LLC
- f. **Reference No.:** Amnesty Docket No. 18-12-22
- g. **Description:** Next Rate Cycle Amnesty Program

**20. Connecticut PURA v Spark Energy, LLC (Docket No. 18-12-22 (2019)):**

- a. **State:** Connecticut
- b. **Agency:** Public Utility Regulatory Authority (PURA)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** Amnesty Docket No. 18-12-22
- g. **Description:** Next Rate Cycle Amnesty Program

**21. Ohio PUCO v Verde Energy USA Ohio, LLC (Docket No. 19-0958-GE-COI (2019)):**

- a. **State:** Ohio
- b. **Agency:** Public Utility Commission of Ohio (PUCO)
- c. **Date Completed:** pending
- d. **Status:** Pending
- e. **Entity:** Verde Energy USA Ohio, LLC
- f. **Reference No.:** Docket No. 19-0958-GE-COI
- Description:** alleged deceptive marketing and telemarketing violations.



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**Exhibit B-5: “Disclosure of Consumer Protection Violations”**

**TX PUC v Spark Energy, LLC (Investigation No. 49684 (2018)):**

- a. **State:** Texas
- b. **Agency:** Public Utility Commission (PUC)
- c. **Date Completed:** 6/26/2019
- d. **Status:** Complete
- e. **Entity:** Spark Energy, LLC
- f. **Reference No.:** Investigation Docket No. 49684
- g. **Description:** The Public Utility Commission of Texas (“PUC”) found that Spark Energy, LLC (“Spark”) failed to obtain the required account access verification data when enrolling customers; charged different rates than the rate listed in the electricity facts label (EFL) provided in the customers’ contract expiration notices; and issued disconnection notices with a disconnection date on a holiday or weekend date. Spark acknowledged the bases for the violations and entered into an agreement resolving the violations and agreed to pay an administrative penalty of \$90,000.



DOCKET NO. 49684

RECEIVED

SETTLEMENT AGREEMENT AND  
REPORT TO COMMISSION  
RELATING TO COMMISSION  
STAFF'S INVESTIGATION OF SPARK  
ENERGY, LLC CONCERNING PURA  
§§ 17.004 AND 39.101 AS WELL AS 16  
TAC §§ 25.474, 25.475, AND 25.483

§  
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§

PUBLIC UTILITY COMMISSION  
OF TEXAS  
2016 AUG 29 PM 3:57  
PUBLIC UTILITY COMMISSION  
FILING CLERK

### ORDER

This Order approves the settlement agreement between Commission Staff and Spark Energy, LLC relating to Commission Staff's investigation of Spark Energy for violations of PURA<sup>1</sup> §§ 17.004(a)(2) and 39.101(b)(2) and 16 Texas Administrative Code (TAC) §§ 25.474(h)(5)(B)(vi) (concerning verification of authorization of telephonic enrollment); 25.475(c)(2)(H) (concerning general contracting requirements); 25.475(e)(1)(C)(v) (concerning contract expiration), and 25.483(l)(3) (concerning disconnection notices). The settlement agreement also serves as a report to the Commission under 16 TAC § 22.246(h). Commission Staff recommends an administrative penalty of \$90,000. Spark Energy agrees to pay the recommended administrative penalty. The Commission approves the agreement.

#### I. Findings of Fact

The Commission makes the following findings of fact.

##### Respondent

1. Spark Energy is a domestic limited liability company registered with the Texas secretary of state under file number 801995537.
2. Spark Energy provides retail electric service under Option 1 retail electric provider (REP) certificate number 10046.

<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

**Enrollment Violations**

3. In 2017, Spark Energy failed to properly obtain an applicant's account access verification data as part of the enrollment process in 25 instances.

**Rates Violations**

4. The default renewal product offered by Spark Energy in 2017 contained a variable rate plan with monthly rate adjustments.
5. In 2017, Spark Energy charged to 75 customers a rate different from the rate listed in the electricity facts label (EFL) for the default renewal product provided to these customers in their contract expiration notices.
6. This improper billing was due to the variable rate changing between the time the expiration notice was sent to the customers and the first post-term billing cycle.
7. The financial impact for the 75 customers was a total of \$641.08.
8. Spark Energy has indicated that it issued credits to each impacted customer.

**Improper Disconnection Notices**

9. In 2017, Spark Energy issued 2,007 disconnection notices with a disconnection date on a holiday and 12,114 disconnection notices with a disconnection date on a weekend.
10. Spark Energy contends that it did not actually disconnect any customers on holidays or weekends.

**Notice**

11. On or about July 10, 2018, Commission Staff provided Spark Energy notice of the investigation, the results of the investigation, information about Spark Energy's right to a hearing, and an opportunity to explain its activities.

**Agreement**

12. Spark Energy fully cooperated with Commission Staff's investigation.
13. Spark Energy acknowledges the bases for the violations alleged by Commission Staff.
14. On June 26, 2019, the parties entered into the agreement resolving the violations. Commission Staff recommended, and Spark Energy agreed to pay, an administrative penalty of \$90,000.



15. Spark Energy has implemented specific compliance measures and added compliance-related personnel in an effort to ensure account access verification data is properly obtained.
16. Spark Energy now offers a default renewal product that ensures the price applied to usage in the first full post-term billing cycle reflects the price listed in the EFL.
17. Spark Energy has executed the necessary system changes to ensure that its disconnection notices would no longer include disconnection dates that fall on holidays or weekends.
18. On June 26, 2019, Commission Staff filed a copy of the executed agreement with the Commission's filing clerk.

**Informal Disposition**

19. At least 15 days have passed since the completion notice provided in this docket.
20. No person filed a protest or motion to intervene.
21. Spark Energy and Commission Staff are the only parties to this proceeding.
22. No party requested a hearing and no hearing is necessary.
23. Commission Staff recommended approval of the agreement.
24. This decision is not adverse to any party.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this matter under PURA §§ 14.002, 14.051, 14.052, 15.023, 15.024, 17.004, 39.101, and 39.107.
2. Spark Energy is a REP as defined in PURA § 31.002(17) and 16 TAC § 25.5(114).
3. Under PURA § 17.004(a)(2), a customer is entitled to a choice of REP and to have that choice honored.
4. Under PURA § 39.101(b)(2), a customer is entitled to choose a REP and assume that the chosen provider will not be changed without the customer's informed consent.

5. Under 16 TAC § 25.474(h)(5)(B)(vi), a REP is required to obtain or confirm proper identification information from the applicant as account access verification data. If the applicant does not consent or provide this information, the enrollment shall be deemed invalid.
6. Spark Energy violated PURA §§ 17.004(a)(2) and 39.101(b)(2) and 16 TAC § 25.474(h)(5)(B)(vi) on 25 occasions by failing to obtain the required account access verification data when enrolling a customer.
7. Under PURA § 39.107(b), billing services provided to residential customers shall be governed by the customer safeguards adopted by the Commission under PURA § 39.101.
8. Under PURA § 39.101(a)(6), customers are entitled to accuracy of metering and billing.
9. Under 16 TAC § 25.475(c)(2)(H), a REP is required to comply with the terms of its contracts.
10. Under 16 TAC § 25.475(b)(1), contracts include EFLs.
11. Spark Energy violated PURA §§ 39.101(a)(6) and 39.107(b) and 16 TAC § 25.475(c)(2)(H) by charging 75 customers a different rate than the rate listed in the EFL provided in the customers' contract expiration notices.
12. Under 16 TAC § 25.483(l)(3), a disconnection notice for nonpayment shall have a disconnection date that is not a holiday, weekend day, or a day that the REP's personnel are not available to take payments.
13. Spark Energy violated 16 TAC § 25.483(l)(3) by issuing 2,007 disconnection notices with a disconnection date on a holiday and 12,114 disconnection notices with a disconnection date on a weekend.
14. The filing of the agreement meets the requirements of 16 TAC § 22.246(h)(1).
15. The Commission processed this docket in accordance with applicable statutes and Commission rules.
16. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the agreement.
2. Spark Energy must comply with the terms of the agreement and this Order.
3. Spark Energy must pay an administrative penalty to the Commission in the amount of \$90,000. Spark Energy is required to remit payment of the full amount of the administrative penalty on or before 30 calendar days after the date the Commission signs this Order. Payment of the administrative penalty may be made by check payable to the Public Utility Commission of Texas. The check must reference this docket and must be sent to the following address:  
  
Public Utility Commission of Texas  
ATTN: Fiscal Services  
P.O. Box 13326  
Austin, Texas 78711
4. Spark Energy must file an affidavit of payment in this docket no later than five calendar days after remitting the payment.
5. This Order resolves only the violations identified in this Order.
6. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
7. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 29<sup>th</sup> day of August 2019.

PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR C. D'ANDREA, COMMISSIONER



SHELLY BOTKIN, COMMISSIONER

W2013

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**Exhibit C-1: "Annual Reports"**

2018 Annual Report:

[https://ir.sparkenergy.com/download/companies/senergy/Annual%20Reports/Annual\\_Report\\_2018.pdf](https://ir.sparkenergy.com/download/companies/senergy/Annual%20Reports/Annual_Report_2018.pdf)

2017 Annual Report:

[https://ir.sparkenergy.com/download/companies/senergy/Annual%20Reports/2017\\_Annual\\_Report.pdf](https://ir.sparkenergy.com/download/companies/senergy/Annual%20Reports/2017_Annual_Report.pdf)

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**Exhibit C-2: "SEC Filings"**

8-K:

<https://www.sec.gov/Archives/edgar/data/1606268/000160626819000120/a8-kxresignationofjasongar.htm>

10-K:

<https://www.sec.gov/Archives/edgar/data/1606268/000160626819000008/spke1231201810k.htm>



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

**From:** [gas\\_energy\\_choice@dominionenergy.com](mailto:gas_energy_choice@dominionenergy.com)  
**To:** [Muriel LeClerc](#)  
**Subject:** [EXTERNAL] RE: Verde Energy USA Ohio, LLC\_License Renewal\_LDU collateral Requirement  
**Date:** Monday, October 28, 2019 2:29:17 PM

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Hi Muriel,

We don't have a specific form or document to provide, but DEO confirms that Verde Energy has sufficient collateral requirements to continue participating as an Energy Choice supplier on its system

Thank you,

Dan

Dan Menyes  
Transportation Analyst  
Commercial Operations Support  
Tie Line: 650-5486  
Direct: 216-736-5486

**From:** Muriel LeClerc <[mleclerc@sparkenergy.com](mailto:mleclerc@sparkenergy.com)>  
**Sent:** Monday, October 28, 2019 9:15 AM  
**To:** Gas Energy Choice OH <[gas\\_energy\\_choice@dominionenergy.com](mailto:gas_energy_choice@dominionenergy.com)>  
**Subject:** [External] RE: Verde Energy USA Ohio, LLC\_License Renewal\_LDU collateral Requirement  
**Importance:** High

Good morning,  
I'm just following up to see when I might receive the required document? Thank you for your assistance.



**Muriel LeClerc | Regulatory Specialist**  
12140 Wickchester Ln, Ste 100 | Houston, TX 77079  
Mobile: 207-890-4094 |  
[mleclerc@sparkenergy.com](mailto:mleclerc@sparkenergy.com) | <http://www.sparkenergy.com>

Connect with Spark Energy



This email and any files transmitted with it are confidential and intended solely for the use of the individual

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

This information has been filed under separate cover to protect confidentiality.

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

N/A - Neither Verede Energy USA Ohio, LLC not its parent maintain a representative credit rating.

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

N/A – Neither Verde Energy USA Ohio, LLC , not its parent maintain a representative credit report.



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

Neither Verde Energy USA Ohio, LLC, its parent, or any affiliates, have filed for reorganization protection from creditors, or any other form of bankruptcy during the current year or within the two most recent years preceding the date of this application.

### **Exhibit C-9: "Merger Information"**

As previously reported in the 2017 renewal application:

"Verde Energy USA Ohio, LLC (:Verde") was acquired by Spark HoldCo, LLC with ultimate ownership residing in Spark Energy, Inc. ("Spark") effective July 1, 2017. Under the transaction Verde was wholly owned by Spark HoldCo, LLC. Spark had 39.4% Managing Membership Interest in Spark HoldCo, LLC.

Pursuant to the transaction, neither Verde nor Spark intend to make any changes in Verde's services or customer population for the foreseeable future, other than changes made in the ordinary course of business. Verde will continue to be operated consistent with past practice for at least 18 months following July 1, 2017. The transaction will be a non-event for customers: Verde will not be changing rates as a result of the transaction, existing management will continue to operate Verde, the Verde name will continue – this is not an assignment or sale of Verde's customer contracts – and the current customer experience with Verde will remain the same. While the current officers of Verde have resigned their offices, they will continue to serve actively as part of Verde's management team, which team will now also include personnel from Spark who are experienced in operating retail electricity suppliers in many states, including in Ohio. Accordingly, Verde's management team will continue to have the requisite technical, managerial and financial capabilities to operate an electric supplier company."

Then in April 2018 Verde OH informed the Commission of the following:

"While we previously communicated that Verde and Spark intended an 18-month transition period during which Verde's management team would continue to operate Verde in their then current positions, subsequent events affecting the Verde management team changed that plan. As a result of the unexpected changes, Verde and Spark agreed to conclude the 18-month earn-out sooner than originally anticipated, with a transition and integration to be implemented in April, 2018. Despite the changes, Verde will continue to operate as a separate brand independent of the Spark brand.

As communicated previously, the management team is now composed of personnel from Spark who are experienced in operating retail electricity suppliers in many states, including in Illinois and will continue to have the financial, managerial and technical ability to provide effective service to their respective customers. Verde reiterates that it does not intend to make any changes in services or customer population at this time. "



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**Exhibit C-10: "Corporate Structure"**



**Exhibit D-1: "Operations"**

Verde Energy USA Ohio, LLC ("Verde") markets natural gas by entering into contracts for retail sales, and provides gas supplies by contracting with and purchasing gas from wholesale suppliers. Verde also manages the nomination and scheduling process in house for all of its customers.



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**Exhibit D-2: Operations Expertise**

Applicant has the necessary operational and managerial capabilities to serve all customer classes, including residential, commercial and industrial customers. Applicant's management team is comprised of individuals with significant experience in wholesale and retail energy.

**Other Operations Expertise**

Additionally, Applicant relies on EC Infosystems (ECI) to provide EDI, billing and CIS services in all our markets. ECI is a recognized leader in providing these services and already has significant experience, providing service to over 300+ clients in 23 deregulated states and over 120 natural gas and electricity utilities.

Outsourcing its EDI and Billing/CIS to ECI allows Applicant to focus resources on sales, marketing, pricing, procurement, regulatory and administrative functions.

### **Exhibit D-3: Key Technical Personnel**

***NATHAN KROEKER – President – Chief Executive Officer***  
**12140 Wickchester Ln., Suite 100**  
**Houston, TX 77079**  
**Phone: (281) 833-4153**

Nathan Kroeker was appointed President of Spark Energy in April 2012 and Chief Executive Officer in April 2014. Mr. Kroeker has served as a director since August 2014. He is responsible for overseeing the day-to-day operations and helping shape the overall strategy of the company. Nathan is a 15-year industry veteran with diverse experience in public accounting, M&A, and both retail and wholesale energy. Nathan first joined the company in July 2010 as Executive Vice President and Chief Financial Officer of Spark Energy Ventures. Prior to Spark, Nathan held senior finance and leadership roles with Macquarie and Direct Energy. He began his career in public accounting, including both audit and M&A advisory functions. Nathan holds a Bachelor of Commerce (honors) degree from the University of Manitoba, and has both a CPA (Texas) as well as a CA (Canada). Mr. Kroeker was selected to serve as a director because of his financial expertise and his extensive background in the retail energy business.

***James G. Jones II –Chief Financial Officer***  
**12140 Wickchester Ln., Suite 100**  
**Houston, TX 77079**  
**Phone: (832) 217-1860**

Mr. Jones was appointed Chief Financial Officer in June 2019. Immediately prior to his appointment as CFO, Mr. Jones served on the Board as an Independent Director and the Chair of Audit and Special Committees since 2014. Mr. Jones oversees Spark's accounting, tax, SEC reporting, treasury, financial planning and analysis, and investor relations functions. He is also the Chief Risk Officer.

Mr. Jones was a partner at Weaver Tidwell LLP, a regional certified public accounting firm. Prior to joining Weaver Tidwell, LLP, Mr. Jones was a partner in the Houston office of Padgett Stratemann & Co. from May 2014 to August 2016 when Padgett was acquired by RSM. Prior to joining Padgett Stratemann & Co., Mr. Jones was a partner at Ernst & Young LLP where he worked from October 1998 to March 2014. Mr. Jones holds a Doctor of Jurisprudence from Louisiana State University and a Bachelor of Science in Accounting from the University of Louisiana at Monroe.

Mr. Jones was appointed Chief Financial Officer because of his extensive tax and financial background, as well as his management expertise.

**C. Alexis Keene –*Interim General Counsel and Corporate Secretary***

**12140 Wickchester Ln., Suite 100**

**Houston, TX 77079**

**Phone: (832) 217-1831**

C. Alexis Keene serves as the Interim General Counsel and Corporate Secretary of Spark Energy overseeing all legal, regulatory and compliance matters. Alexis was appointed Interim General Counsel on January 1, 2019, after serving as Spark Energy's Deputy General Counsel and Head of Compliance. Prior to rejoining the Company in late 2018, Alexis served as Senior Vice President and General Counsel of EDF Energy Services, LLC from January 2017.

Alexis initially joined Spark Energy in 2014 as Deputy General Counsel. Prior to 2014, Alexis held several general counsel and senior leadership positions in the energy industry and spent 12 years at HP/Compaq as Director and Division general counsel for two of HP's multi-billion dollar divisions. Previously, Alexis was a Senior Associate at Porter & Hedges LLP, where she engaged in a corporate securities practice. Alexis started her career at Price WaterhouseCoopers in the US. Audit and Assurance services group. She has over 24 years of legal experience in the energy and tech industries.

Alexis holds a Doctor of Jurisprudence from the University of Houston Law Center and a Bachelors of Business Administration degree in Accounting from the University of Texas at Austin; she is a licensed Certified Public Accountant in the State of Texas.

**MIKE KUZNAR –*Executive Advisor and Head of Retail Markets***

**12140 Wickchester Ln., Suite 100**

**Houston, TX 77079**

**Phone: (832) 217-1874**

On September 25, 2019, Jason Garrett, Executive Vice President - Spark Retail, resigned to pursue other opportunities. Mr. Garrett will remain in an advisory capacity through October 31, 2019.

Mike Kuznar, currently Spark's Executive Advisor and formerly the President of Retailco, an affiliated company, will be Spark's Head of Retail Markets while Spark goes through the process of appointing a permanent successor for Mr. Garrett.

Mr. Kuznar previously held various senior roles at Reliant Energy and Houston Lighting & Power Co. Mr. Kuznar has over three decades of experience, a deep knowledge of our industry, and the trust and respect of his colleagues within the organization and throughout the industry.

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**Greg Stuart – Director, Natural Gas Operations**

**12140 Wickchester Ln., Suite 100**

**Houston, TX 77079**

**Phone: 832-200-3739**

10+ years of industry experience; entered the industry through retail power/natural gas pricing and structuring where granular knowledge of Natural Gas and ISO's markets was attained and used in power/natural gas price modeling and margin analytics

**Joe Bruskotter – Director, Northeast Region**

**12140 Wickchester Ln., Suite 100**

**Houston, TX 77079**

**Phone: 832-200-3791**

18+ years of industry experience; began as a scheduler and trader and quickly moved to managing the cash/real-time market activities prior to overseeing all of the Companies cash month operations.

**Michael Lopez – Manager, Gas Supply**

**12140 Wickchester Ln., Suite 100**

**Houston, TX 77079**

**Phone: 832-200-3741**

11+ years of industry experience; started in financial planning of wholesale power/natural gas markets. Later moved into wholesale power/natural gas trading in cash markets before arriving at Spark to manage the entirety of company's cash and short term market power/natural gas position.