



DIS Case Number: 17-1763-GA-CRS

Section A: Application Information

A-1. Provider type:

☐ Retail Natural Gas
Broker

☐ Retail Natural Gas
Aggregator

☒ Retail Natural Gas
Marketer

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

Legal Name: CLEARWATER ENTERPRISES,
L.L.C.

Country: United States

Phone: 4058429200 **Extension (if
applicable):**

Street: 5637 N CLASSEN BLVD

Website (if any): clearwaterng.com

City: Oklahoma City **Province/State:** OK

Postal Code: 73118

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

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

Name	Type	Address	Active?	Proof
CLEARWATER ENERGY SERVICES	Official Name	,	Yes	File
CLEARWATER ENTERPRISES, L.L.C.	Official Name	5637 N CLASSEN BLVD OKLAHOMA CITY, OK 73118	Yes	File

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

Provide all business names the applicant uses in North America, including the names provided in A-2 and A-3.

Name	Type	Address	Active?	Proof
CLEARWATER ENERGY SERVICES	Official Name	,	Yes	File



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CLEARWATER ENTERPRISES, L.L.C.	Official Name	5637 N CLASSEN BLVD OKLAHOMA CITY, OK 73118	Yes	File
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A-5. Contact person for regulatory matters

Lisa Owens
5637 N Classen Blvd
Oklahoma City, OK 73118
US
lowens@cwegas.com
4054886407

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

Lisa Owens
5637 N Classen Blvd
Oklahoma City, OK 73118
US
lowens@cwegas.com
4054886407

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

Phone: 18332569777 **Extension (if applicable):** **Country:** United States
Fax: 4058429213 **Extension (if applicable):** **Street:** 5637 N CLASSEN BLVD
Email: lowens@cwegas.com **City:** OKLAHOMA **Province/State:** OK
CITY
Postal Code: 73118

A-8. Applicant's federal employer identification number

73-1577809

A-9. Applicant's form of ownership

Form of ownership: Limited Liability Company (LLC)

A-10. Identify current or proposed service areas

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

Service area selection

Columbia Gas of Ohio

Class of customer selection

Large Commercial

A-11. Start date

Indicate the approximate start date the applicant began/will begin offering services: 01-01-2019

A-12. Principal officers, directors, and partners

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

Name	Email	Title	Address
Jenny Thompson	jthompson@cwegas.com	Chief Operating Officer	5637 N Classen Blvd Oklahoma City, OK 73118 US
Tony Say	tsay@cwegas.com	President/Manager	5637 N CLASSEN BLVD OKLAHOMA CITY, OK 73118 US
Koray Bakir	kbakir@cwegas.com	VP Finance/Member	5637 N CLASSEN BLVD OKLAHOMA CITY, OK 73118 US
Regina Fort	rfort@cwegas.com	VP Sales/Member	5637 N CLASSEN BLVD OKLAHOMA CITY, OK 73118 US
Lisa Owens	lowens@cwegas.com	Chief Financial Officer	5637 N Classen Blvd Oklahoma City, OK 73118 US

A-13. Company history

Clearwater is a natural gas sales, marketing and investment company based in Oklahoma City, OK. Clearwater provides natural gas services to end-users and consumer clients. Clearwater also purchases natural gas from numerous producer clients and markets to wholesale markets.



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Clearwater was established in 1999. The personnel at Clearwater have a combined natural gas industry experience of over 100 years.

A-14. Secretary of State

Secretary of State Link:

A-15. Proof of Ohio Employee and Office

Provide proof of an Ohio Office and Employee in accordance with Section 4929.22 of the Ohio Revised Code. List the designated Ohio employee's name, Ohio office address, telephone number and web site address

Employee Name: Registered Agent
4400 Easton Commons Way Suite 125
Columbus, OH 43219
US
corporationteam1@wolterskluwer.com
8666627027

Section B: Applicant Managerial Capability and Experience

B-1. Jurisdiction of operations

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

Jurisdiction of Operation: Arkansas, Colorado, Connecticut, Kansas, Missouri, Ohio, Oklahoma, Pennsylvania

B-2. Experience and plans

Describe the applicant's experience in providing the service(s) for which it is applying (e.g., number and type of customers served, utility service areas, amount of load, etc.). Include the plan for contracting with customers, providing contracted services, providing billing statements and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Sections 4928.10 and/or 4929.22 of the Ohio Revised Code.



Application Experience and Plan Description: Clearwater currently delivers 20 bcf of natural gas to its 1,700 accounts behind 17 LDC's.

Clearwater has a 22-year history of contracting with customers via direct sales and also through third party channels such as energy managers and brokers. For Ohio, Clearwater utilizes the same methodology to gain market share. Clearwater currently sends approx 1,200 invoices per month to its retail customers. Index, fixed price, incremental balancing gas and tiered-hedging products are typical line items on invoices. Our contracts staff and accounting staff have worked with inquiries and complaints across 7 states and 17 LDC's

B-3. Disclosure of liabilities and investigations

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

Liability and Investigations Disclosures: No disclosures of liabilities or investigations

B-4. Disclosure of consumer protection violations

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years?

No

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

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

No



Section C: Applicant Financial Capability and Experience

C-1. Financial reporting

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

Does not apply

C-2. Financial statements

Provide copies of the applicant's two most recent years of audited financial statements, including a balance sheet, income statement, and cash flow statement. If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, provide audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns with **social security numbers and bank account numbers redacted**.

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

File(s) attached

C-3. Forecasted financial statements

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

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

The forecast may be in one of two acceptable formats: 1) an annual format that includes the current year and the two years succeeding the current year; or 2) a monthly format showing 24 consecutive months following the month of filing this application broken down into two 12-month periods with totals for revenues, expenses, and projected net incomes for both periods.



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Please show revenues, expenses, and net income (revenues minus total expenses) that is expected to be earned and incurred in **business activities only in the state of Ohio** for those periods.

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

File(s) attached

C-4. Credit rating

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

This does not apply

C-5. Credit report

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

File(s) attached

C-6. Bankruptcy information

Within the previous 24 months, have any of the following filed for reorganization, protection from creditors or any other form of bankruptcy?



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

No

C-7. Merger information

Is the applicant currently involved in any dissolution, merger or acquisition activity, or otherwise participated in such activities within the previous 24 months?

No

C-8. Corporate structure

Provide a graphical depiction of the applicant's corporate structure. Do not provide an internal organizational chart. The graphical depiction should include all parent holding companies, subsidiaries and affiliates as well as a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required, and the applicant may respond by stating that it is a stand-alone entity with no affiliate or subsidiary companies.

Stand-alone entity with no affiliate or subsidiary companies

C-9. Financial arrangements

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

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

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

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



2. The applicant's parent company is investment grade rated (by Moody's, Standard & Poor's, or Fitch) and guarantees the financial obligations of the applicant to the LDU(s). Provide a copy of the most recent credit opinion from Moody's, Standard & Poor's or Fitch.
3. The applicant's parent company is not investment grade rated by Moody's, Standard & Poor's or Fitch but has substantial financial wherewithal **in the opinion of the Staff reviewer** to guarantee the financial obligations of the applicant to the LDU(s). The parent company's financials and a copy of the parental guarantee must be included in the application if the applicant is relying on this option.
4. The applicant can provide evidence of posting a letter of credit with the LDU(s) listed as the beneficiary, in an amount sufficient to satisfy the collateral requirements of the LDU(s).

File(s) attached

Section D: Applicant Technical Capacity

D-1. Operations

Gas Marketers: Describe the operational nature of the applicant's business, specifying whether operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and/or 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.

Operations Description: Clearwater's operational activity includes, but not limited to, the contracting of natural gas purchases for resale, the nomination and scheduling of retail natural gas for delivery, purchase of long-term and short-term capacity and storage optimization.

D-2. Operations Expertise & Key Technical Personnel

Given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations. Include the names, titles, e-



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mail addresses, and background of key personnel involved in the operations of the applicant's business.

Operations Expertise & Personnel Description: Clearwater's operations team has been performing the activities discussed in D-1 since the company's inception in 1999. Clearwater's 95% customer retention rate speaks to the quality of the team's performance over the years. Clearwater has eight dedicated operational personnel to ensure customers are serviced properly and the daily/monthly requirements of the pipeline/LDC's are met 24 hours per day, 365 days per year. Jenny Thompson, COO is over this group and she has worked in the industry since 1997. jthompson@cwegas.com, 405-488-6406. Lisa Owens, CFO also assists with this group and she has worked in the industry since 1987. lowens@cwegas.com, 405-488-6407



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Application Attachments

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

I, Frank LaRose, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show CLEARWATER ENERGY SERVICES, an Oklahoma For Profit Limited Liability Company, Registration Number 4059247, filed on August 8, 2017, is currently in FULL FORCE AND EFFECT upon the records of this office.



*Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 14th day of July, A.D. 2021.*

A handwritten signature in blue ink, appearing to read "Frank LaRose".

Ohio Secretary of State

Validation Number: 202119503236



FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

WITH

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Members
Clearwater Enterprises, L.L.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Clearwater Enterprises, L.L.C. which comprise the balance sheets as of December 31, 2020 and 2019, the related statements of income and members' equity, 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 from 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 reasonable 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 Clearwater Enterprises, L.L.C. as of December 31, 2020 and 2019, 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.



Oklahoma City, Oklahoma
March 15, 2021

CLEARWATER ENTERPRISES, L.L.C.

BALANCE SHEETS

December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 441,273	\$ 492,061
Accounts receivable:		
Billed	808,911	571,622
Unbilled	39,439,394	17,357,060
Cash collateral and prepaid margin calls	1,355,000	725,473
Prepaid expenses and other	1,157,316	1,709,697
Total current assets	43,201,894	20,855,913
Investments	1,833,739	1,858,679
Deposit	300,658	300,658
Properties and equipment, at cost:		
Natural gas properties and equipment based on successful efforts accounting:		
Proved	880,918	880,918
Unproved	234,418	234,418
Other properties and equipment:		
Furniture and fixtures	594,434	594,434
Building under capital lease	1,762,302	1,762,302
	3,472,072	3,472,072
Accumulated depreciation, depletion and amortization	(2,787,306)	(2,669,080)
Properties and equipment, net	684,766	802,992
Total assets	\$ 46,021,057	\$ 23,818,242
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable - trade	\$ 49,040	\$ 280,988
Pipeline imbalances	178	37,193
Accrued liabilities:		
Natural gas purchases	38,260,666	16,644,752
Other	182,803	128,122
Unearned revenue	451,074	418,942
Note payable to bank	2,000,000	-
Paycheck Protection Program loan - current	280,793	-
Obligations under capital lease due within one year	128,516	121,279
Total current liabilities	41,353,070	17,631,276
Noncurrent liabilities:		
Paycheck Protection Program loan - noncurrent	102,107	-
Obligations under capital lease due after one year	598,967	728,070
Asset retirement obligations	144,696	144,696
Total noncurrent liabilities	845,770	872,766
Total liabilities	42,198,840	18,504,042
Members' equity	3,822,217	5,314,200
Total liabilities and members' equity	\$ 46,021,057	\$ 23,818,242

See notes to financial statements.

CLEARWATER ENTERPRISES, L.L.C.

STATEMENTS OF INCOME AND MEMBERS' EQUITY

Years ended December 31, 2020 and 2019

	2020	2019
Operating revenues:		
Retail natural gas sales	\$ 52,123,233	\$ 75,071,248
Wholesale natural gas sales	199,297,856	129,751,726
Fee revenues	84,244	188,817
Total operating revenues	251,505,333	205,011,791
Operating costs and expenses:		
Cost of natural gas sales	242,617,130	192,930,791
Selling, general and administrative	6,585,712	7,384,729
Total operating costs and expenses	249,202,842	200,315,520
Income from operations	2,302,491	4,696,271
Other income (expense):		
Natural gas exploration and production activities, net	767	19,246
Investment activities, net	(243,979)	(105,767)
Other income, net	62,738	73,919
Other income (expense), net	(180,474)	(12,602)
Net income	2,122,017	4,683,669
Members' equity, beginning of year	5,314,200	4,593,482
Distributions to members	(3,614,000)	(3,962,951)
Members' equity, end of year	\$ 3,822,217	\$ 5,314,200

CLEARWATER ENTERPRISES, L.L.C.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Net income	\$ 2,122,017	\$ 4,683,669
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	118,227	118,227
Equity in net loss from investments	243,979	105,767
Changes in operating assets and liabilities:		
Accounts receivable - billed	(237,289)	500,435
Accounts receivable - unbilled	(22,082,334)	11,294,055
Cash collateral and prepaid margin calls	(629,527)	(483,043)
Prepaid expenses and other	552,381	(608,429)
Accounts payable - trade	(231,948)	278,728
Pipeline imbalances	(37,015)	(180,893)
Accrued liabilities - natural gas purchases	21,615,914	(11,198,550)
Accrued liabilities - other	54,681	(60,236)
Unearned revenue	32,132	121,642
Net cash provided by operating activities	1,521,218	4,571,372
Cash Flows from Investing Activities		
Purchases of investments	(512,624)	(269,575)
Distribution from investments	293,584	16,621
Net cash used in investing activities	(219,040)	(252,954)
Cash Flows from Financing Activities		
Proceeds from notes payable	2,382,900	-
Payments on member redemption obligations	-	(300,000)
Payments on obligations under capital lease	(121,866)	(115,005)
Distributions to members	(3,614,000)	(3,962,951)
Net cash used in financing activities	(1,352,966)	(4,377,956)
Net decrease in cash	(50,788)	(59,538)
Cash, beginning of year	492,061	551,599
Cash, end of year	\$ 441,273	\$ 492,061
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 14,605	\$ 3,856

CLEARWATER ENTERPRISES, L.L.C.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies

Nature of operations

Clearwater Enterprises, L.L.C. (the Company) is a limited liability company (LLC) that is engaged in natural gas retail sales, marketing and investments. In addition to providing natural gas sales services to end-users and consumer customers, the Company purchases natural gas from numerous natural gas producers. The Company also provides risk management pricing services to its customers and to producers. An LLC limits its members from liability to creditors to the amount of capital contributed to the LLC.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Cash

The Company maintains its cash in financial institution accounts which may, at times, exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

Accounts receivable

Accounts receivable are due from natural gas customers and are carried at original invoice amount less an estimate for doubtful accounts based on a periodic review of all outstanding amounts. Accounts that are outstanding longer than the contractual payment terms are considered past due. Accounts receivable balances are considered to be fully collectible. Accordingly, no provision has been made for an allowance for doubtful accounts.

Investments

The Company has investments in equity method investees which are those for which the Company has the ability to exercise significant influence but does not control and is not the primary beneficiary. Significant influence typically exists if the Company has a 20% to 50% ownership interest in the venture unless persuasive evidence to the contrary exists. The Company records its proportionate share of the net income or losses of equity method investees and a corresponding increase or decrease to the investment balances. Cash payments to equity method investees such as additional investments, loans and advances and expenses incurred on behalf of investees, as well as payments from equity method investees such as dividends, distributions and repayments of loans and advances are recorded as adjustments to investment balances.

Equity method investments are reviewed for impairment on an annual basis and are written down to estimated fair value if there is evidence of a loss in value which is other than temporary. The Company may estimate the fair value of its equity method investments by considering recent investee equity transactions, discounted cash flow analysis, recent operating results, comparable public company operating cash flow multiples and in certain situations, balance sheet liquidation values. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline has occurred, such as: the length of the time and the extent to which the estimated fair value or market value has been below the carrying value, the financial condition and the near-term prospects of the investee, the intent and ability of the Company to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value and general market conditions. The estimation of fair value and whether other-than-temporary impairment has occurred requires the application of significant judgment and future results may vary from current assumptions.

Properties and equipment

The Company leases an office building from a commonly controlled company. At December 31, 2020 and 2019, the lessor's mortgage debt balance was \$1,166,532 and \$1,206,041, respectively. This arrangement meets the variable interest entity criteria to consolidate the lessor company under U.S. GAAP. The Company has previously adopted Accounting Standards Update (ASU) 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*. Accordingly, the financial statements of the lessor company have been excluded from the financial statements. The building is leased under a capital lease, which was recorded at the lower of the net present value of the minimum lease payments or the fair value of the building at the inception of the lease. Amortization of the capital lease asset is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease (15 years). See Note 4.

Depreciation of furniture and fixtures is computed using the straight-line method over estimated useful lives of five or seven years.

Purchases and sales of natural gas

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which establishes a comprehensive new revenue recognition standard that supersedes Accounting Standards Codification (ASC) 605, *Revenue Recognition*. The new accounting guidance creates a framework under which an entity allocates the transaction price to separate performance obligations and recognizes revenue when each performance obligation is satisfied. Under the new standard, entities are required to use judgement and make estimates, including identifying performance obligations in a contract, estimating the amount of variable consideration to include in the transaction price, allocating the transaction price to each separate performance obligation, and determining when an entity satisfies its performance obligations. The standard allows for either "full retrospective" adoption, meaning that the standard is applied to all of the periods presented with a cumulative catch-up as of the beginning of the earliest period presented or "modified retrospective" adoption, meaning the standard is applied only to the most current period presented in the financial statements with a cumulative catch-up as of the beginning of the current period.

On January 1, 2019, the Company adopted ASU 2014-09 using the modified retrospective method. The Company completed its adoption of ASU 2014-09 and determined that there is no impact to its financial statements, results of operations or liquidity. Additionally, when comparing the Company's historical revenue recognition to the newly applied revenue recognition guidance under ASC 606, there was no change to the amount or timing of revenue recognized.

The Company's revenues are primarily derived from the sale of natural gas to retail and wholesale customers. Each thousand cubic feet of natural gas (MCF) delivered is considered a separate performance obligation.

Retail natural gas sales – Performance obligations for retail natural gas sales are satisfied over time as the customer simultaneously receives and consumes the natural gas. The company recognizes revenue from retail natural gas sales using the outputs method based on the volume of MCF delivered to the retail customer.

Wholesale natural gas sales – Performance obligations for wholesale natural gas sales are typically satisfied at a point in time. As such, revenue is recognized as natural gas is delivered and title passes to the wholesale customer.

For both retail and wholesale natural gas sales, contract terms can be based on fixed or variable volumes and prices. Variable consideration can be reasonably determined by reference to stated indices and actual volumes delivered and, therefore, variable consideration is not considered constrained.

The Company purchases natural gas from producers and invoices customers in accordance with contractual agreements based on delivered volumes. Statements are received from producers in the month subsequent to the production month. Purchase costs not invoiced are accrued and reflected as accrued liabilities. Customers are invoiced on approximately the fifteenth of each month for the prior month's sales based on volumes delivered and contractual prices. Amounts for the current month activity represent contract assets and are recognized as accounts receivable - unbilled until invoiced. Payments are generally required within ten days of billing customers for the preceding month's production.

Income tax status

As an LLC, taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision or liability for income taxes has been included in the financial statements.

Subsequent events

Management has evaluated subsequent events through March 15, 2021, the date the financial statements were available to be issued. See Note 3.

Note 2 – Investments

Investments consisted of the following at December 31:

	2020	2019
Investments in LLCs:		
TJT Development, LLC - 33.33%	\$ 316,223	\$ 29,320
Cumberland Drive, LLC - 33.33%	1,374,062	1,567,934
42 Western, LLC - 43.75%	144,491	262,462
Other	(1,037)	(1,037)
	<u>\$ 1,833,739</u>	<u>\$ 1,858,679</u>

A summary of unaudited financial information of equity method investees in the aggregate is as follows:

	Year ended December 31,	
	2020	2019
	(unaudited)	
Operating revenues	\$ -	\$ 1,900
Operating expenses	254,480	241,839
Net loss	<u>\$ (254,480)</u>	<u>\$ (239,939)</u>
Current assets	\$ 134,722	\$ 95,154
Noncurrent assets	8,314,779	7,795,819
Total assets	<u>\$ 8,449,501</u>	<u>\$ 7,890,973</u>
Current liabilities	\$ 28,202	\$ 28,202
Noncurrent liabilities	2,850,215	2,657,010
Total liabilities	<u>\$ 2,878,417</u>	<u>\$ 2,685,212</u>
Total equity	<u>\$ 5,571,084</u>	<u>\$ 5,205,761</u>

Note 3 – Credit Facilities

The Company has a credit agreement with a bank maturing on May 1, 2021, which provides for (1) borrowings up to \$10,000,000, subject to a borrowing base redetermined each month, and (2) letters of credit up to \$9,000,000. The available borrowing base was \$6,981,265 at December 31, 2020. Borrowings bear interest at the greater of prime plus 0.25% or 4.5%. Borrowings are required to be used solely for working capital purposes in the natural gas marketing business. Borrowings outstanding totaled \$2,000,000 at December 31, 2020, bearing an interest rate of 4.5%. There were no borrowings outstanding at December 31, 2019. At December 31, 2020, the Company had a total of \$6,300,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2021 and are being maintained as security for natural gas purchases.

The Company has a credit agreement with a bank maturing on May 1, 2021, which provides for letters of credit up to \$11,000,000. Borrowings bear interest at the greater of prime plus 1% or 6%. There were no borrowings outstanding at December 31, 2020 or 2019. As of December 31, 2020, the Company had a total of \$9,500,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2021 and are being maintained as security for natural gas purchases.

Borrowings under the above lines of credit are collateralized by substantially all assets of the Company and a guarantee by a member of the Company.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law. The Company received loan proceeds of approximately \$383,000 pursuant to the Paycheck Protection Program (PPP), which was established as part of the CARES Act. The note payable matures two years from issuance, bears interest at 1% and requires monthly principal and interest payments unless funds are utilized for certain expenses and legal forgiveness is sought and approved.

In February 2021, the Company received full forgiveness from the Small Business Administration, the agency responsible for administering the PPP, for all amounts payable under the PPP loan agreement. The amount of the forgiven loan will be subsequently recognized as income in 2021 and the note payable extinguished.

In January 2021, additional loan proceeds of \$487,000 were received pursuant to the PPP. The note payable matures in January 2026, bears interest at 1% and requires monthly principal and interest payments beginning in February 2023, unless funds are utilized for certain expenses and legal forgiveness is sought and approved.

In February 2021, the Company entered into a promissory note for \$20,000,000 with a bank maturing on April 15, 2021. Borrowings bear interest at the greater of prime plus 0.25% or 4.5%.

Note 4 – Commitments

Capital lease

A capital lease with a commonly controlled company expires on January 31, 2026, but provides for an automatic one-year renewal unless either party notifies the other in writing at least 60 days prior to the end of the lease term.

Future minimum lease payments at December 31, 2020, are as follows:

2021	\$ 168,000
2022	168,000
2023	168,000
2024	168,000
2025 to 2026	<u>182,000</u>
Total	854,000
Less amount representing interest	<u>126,517</u>
Present value of minimum lease payments	727,483
Less obligations under capital lease due within one year	<u>128,516</u>
Obligations under capital lease due after one year	<u><u>\$ 598,967</u></u>

Postemployment benefits

The Company has severance agreements with several executives which provide for severance payments equal to each executive's base salary for a period of 12 months after termination. Terminations, if any, will be accounted for on an individual basis and a liability will be recognized when probable and estimable. At December 31, 2020, the maximum amount which the Company is contingently liable for under these arrangements is \$1,166,600.

Note 5 – Concentrations of Credit Risk

The Company has a geographical concentration of credit risk as most of its natural gas customers are located in Oklahoma City, Oklahoma, and the surrounding area. Approximately 15% and 34% of total operating revenues was derived from natural gas sales to one customer in 2020 and three customers in 2019, respectively. Unbilled accounts receivable from those customers comprised approximately 13% and 25% of total unbilled accounts receivable at December 31, 2020 and 2019, respectively.

Note 6 – Related Party Transactions

Purchases of natural gas from a commonly controlled company were \$14,905,816 and \$13,817,524 in 2020 and 2019, respectively.

Natural gas sales to a commonly controlled company were \$12,538,300 and \$5,978,129 in 2020 and 2019, respectively.

Included in cash collateral and prepaid margin calls is \$500,000 that is collateral paid on behalf of a commonly controlled company.

Included in prepaid expenses and other is \$200,748 in prepaid transportation paid for a commonly controlled company.



FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018

WITH

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Members
Clearwater Enterprises, L.L.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Clearwater Enterprises, L.L.C. which comprise the balance sheets as of December 31, 2019 and 2018, the related statements of income and members' equity, 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 from 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 reasonable 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 Clearwater Enterprises, L.L.C. as of December 31, 2019 and 2018, 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.



Oklahoma City, Oklahoma
March 13, 2020

CLEARWATER ENTERPRISES, L.L.C.

BALANCE SHEETS

December 31, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ 492,061	\$ 551,599
Accounts receivable:		
Billed	571,622	1,072,057
Unbilled	17,357,060	28,651,115
Cash collateral and prepaid margin calls	725,473	242,430
Prepaid expenses and other	1,709,697	1,101,268
Total current assets	20,855,913	31,618,469
Investments	1,858,679	1,711,492
Deposit	300,658	300,658
Properties and equipment, at cost:		
Natural gas properties and equipment based on successful efforts accounting:		
Proved	880,918	880,918
Unproved	234,418	234,418
Other properties and equipment:		
Furniture and fixtures	594,434	594,434
Building under capital lease	1,762,302	1,762,302
	3,472,072	3,472,072
Accumulated depreciation, depletion and amortization	(2,669,080)	(2,550,853)
Properties and equipment, net	802,992	921,219
Total assets	\$ 23,818,242	\$ 34,551,838
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable - trade	\$ 280,988	\$ 2,260
Pipeline imbalances	37,193	218,086
Accrued liabilities:		
Natural gas purchases	16,644,752	27,843,302
Other	128,122	188,358
Unearned revenue	418,942	297,300
Member redemption obligations due within one year	-	300,000
Obligations under capital lease due within one year	121,279	114,450
Total current liabilities	17,631,276	28,963,756
Noncurrent liabilities:		
Obligations under capital lease due after one year	728,070	849,904
Asset retirement obligations	144,696	144,696
Total noncurrent liabilities	872,766	994,600
Total liabilities	18,504,042	29,958,356
Members' equity	5,314,200	4,593,482
Total liabilities and members' equity	\$ 23,818,242	\$ 34,551,838

See notes to financial statements.

CLEARWATER ENTERPRISES, L.L.C.

STATEMENTS OF INCOME AND MEMBERS' EQUITY

Years ended December 31, 2019 and 2018

	2019	2018
Operating revenues:		
Retail natural gas sales	\$ 75,071,248	\$ 72,460,105
Wholesale natural gas sales	129,751,726	135,122,007
Fee revenues	188,817	69,448
Total operating revenues	205,011,791	207,651,560
Operating costs and expenses:		
Cost of natural gas sales	192,930,791	195,072,569
Selling, general and administrative	7,384,729	7,127,730
Total operating costs and expenses	200,315,520	202,200,299
Income from operations	4,696,271	5,451,261
Other income (expense):		
Natural gas exploration and production activities, net	19,246	226,218
Investment activities, net	(105,767)	29,026
Other income, net	73,919	58,764
Other income (expense), net	(12,602)	314,008
Net income	4,683,669	5,765,269
Members' equity, beginning of year	4,593,482	2,067,731
Distributions to members	(3,962,951)	(3,239,518)
Members' equity, end of year	\$ 5,314,200	\$ 4,593,482

CLEARWATER ENTERPRISES, L.L.C.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Net income	\$ 4,683,669	\$ 5,765,269
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	118,227	118,227
Equity in net income from investments	105,767	(29,542)
Changes in operating assets and liabilities:		
Accounts receivable - billed	500,435	(317,132)
Accounts receivable - unbilled	11,294,055	(8,831,531)
Cash collateral and prepaid margin calls	(483,043)	153,510
Prepaid expenses and other	(608,429)	(767,384)
Accounts payable - trade	278,728	(1,047,607)
Pipeline imbalances	(180,893)	159,847
Accrued liabilities - natural gas purchases	(11,198,550)	9,191,448
Accrued liabilities - other	(60,236)	84,531
Unearned revenue	121,642	(13,890)
Net cash provided by operating activities	4,571,372	4,465,746
Cash Flows from Investing Activities		
Purchases of investments	(269,575)	(175,771)
Distribution from investments	16,621	-
Purchases of furniture and fixtures	-	(1,117)
Net cash used in investing activities	(252,954)	(176,888)
Cash Flows from Financing Activities		
Payments on borrowings	-	(500,000)
Payments on member redemption obligations	(300,000)	(1,200,000)
Payments on obligations under capital lease	(115,005)	(108,528)
Distributions to members	(3,962,951)	(3,239,518)
Net cash used in financing activities	(4,377,956)	(5,048,046)
Net decrease in cash	(59,538)	(759,188)
Cash, beginning of year	551,599	1,310,787
Cash, end of year	\$ 492,061	\$ 551,599
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 3,856	\$ 8,374
Noncash Investing and Financing Activities		
Member redemption obligations	\$ -	\$ 300,000

See notes to financial statements.

CLEARWATER ENTERPRISES, L.L.C.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

Note 1 – Summary of Significant Accounting Policies

Nature of operations

Clearwater Enterprises, L.L.C. (the Company) is a limited liability company (LLC) that is engaged in natural gas retail sales, marketing and investments. In addition to providing natural gas sales services to end-users and consumer customers, the Company purchases natural gas from numerous natural gas producers. The Company also provides risk management pricing services to its customers and to producers. An LLC limits its members from liability to creditors to the amount of capital contributed to the LLC.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Cash

The Company maintains its cash in financial institution accounts which may, at times, exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

Accounts receivable

Accounts receivable are due from natural gas customers and are carried at original invoice amount less an estimate for doubtful accounts based on a periodic review of all outstanding amounts. Accounts that are outstanding longer than the contractual payment terms are considered past due. Accounts receivable balances are considered to be fully collectible. Accordingly, no provision has been made for an allowance for doubtful accounts.

Investments

The Company has investments in equity method investees which are those for which the Company has the ability to exercise significant influence but does not control and is not the primary beneficiary. Significant influence typically exists if the Company has a 20% to 50% ownership interest in the venture unless persuasive evidence to the contrary exists. The Company records its proportionate share of the net income or losses of equity method investees and a corresponding increase or decrease to the investment balances. Cash payments to equity method investees such as additional investments, loans and advances and expenses incurred on behalf of investees, as well as payments from equity method investees such as dividends, distributions and repayments of loans and advances are recorded as adjustments to investment balances.

Equity method investments are reviewed for impairment on an annual basis and are written down to estimated fair value if there is evidence of a loss in value which is other than temporary. The Company may estimate the fair value of its equity method investments by considering recent investee equity transactions, discounted cash flow analysis, recent operating results, comparable public company operating cash flow multiples and in certain situations, balance sheet liquidation values. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline has occurred, such as: the length of the time and the extent to which the estimated fair value or market value has been below the carrying value, the financial condition and the near-term prospects of the investee, the intent and ability of the Company to retain its investment in the investee for a period of time sufficient to allow for any anticipated recovery in market value and general market conditions. The estimation of fair value and whether other than temporary impairment has occurred requires the application of significant judgment and future results may vary from current assumptions.

Properties and equipment

The Company leases an office building from a commonly controlled company. At December 31, 2019 and 2018, the lessor's mortgage debt balance was \$1,206,041 and \$1,243,677, respectively. This arrangement meets the variable interest entity criteria to consolidate the lessor company under U.S. GAAP. The Company has previously adopted Accounting Standards Update 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*. Accordingly, the financial statements of the lessor company have been excluded from the financial statements. The building is leased under a capital lease, which was recorded at the lower of the net present value of the minimum lease payments or the fair value of the building at the inception of the lease. Amortization of the capital lease asset is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease (15 years). See Note 4.

Depreciation of furniture and fixtures is computed using the straight-line method over estimated useful lives of five or seven years.

Purchases and sales of natural gas

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which establishes a comprehensive new revenue recognition standard that supersedes Accounting Standards Codification (ASC) 605, *Revenue Recognition*. The new accounting guidance creates a framework under which an entity allocates the transaction price to separate performance obligations and recognizes revenue when each performance obligation is satisfied. Under the new standard, entities are required to use judgment and make estimates, including identifying performance obligations in a contract, estimating the amount of variable consideration to include in the transaction price, allocating the transaction price to each separate performance obligation, and determining when an entity satisfies its performance obligations. The standard allows for either "full retrospective" adoption, meaning that the standard is applied to all of the periods presented with a cumulative catch-up as of the beginning of the earliest period presented, or "modified retrospective" adoption, meaning the standard is applied only to the most current period presented in the financial statements with a cumulative catch-up as of the beginning of the current period.

On January 1, 2019, the Company adopted ASU 2014-09 using the modified retrospective method. The Company completed its adoption of ASU 2014-09 and determined that there is no impact to its financial statements, results of operations or liquidity. Additionally, when comparing the Company's historical revenue recognition to the newly applied revenue recognition under ASC 606, there was no change to the amount or timing of revenue recognized.

The Company's revenues are primarily derived from the sale of natural gas to retail and wholesale customers. Each thousand cubic feet of natural gas (MCF) delivered is considered a separate performance obligation.

Retail natural gas sales – Performance obligations for retail natural gas sales are satisfied over time as the customer simultaneously receives and consumes the natural gas. The company recognizes revenue from retail natural gas sales using the outputs method based on the volume of MCF delivered to the retail customer.

Wholesale natural gas sales – Performance obligations for wholesale natural gas sales are typically satisfied at a point in time. As such, revenue is recognized as natural gas is delivered and title passes to the wholesale customer.

For both retail and wholesales natural gas sales, contract terms can be based on fixed or variable volumes and prices. Variable consideration can be reasonably determined by reference to stated indices and actual volumes delivered and, therefore, variable consideration is not considered constrained.

The Company purchases natural gas from producers and invoices customers in accordance with contractual agreements based on delivered volumes. Statements are received from producers in the month subsequent to the production month. Purchase costs not invoiced are accrued and reflected as accrued liabilities. Customers are invoiced on approximately the fifteenth of each month for the prior month's sales based on volumes delivered and contractual prices. Amounts for the current month activity are recognized as accounts receivable - unbilled until invoiced. Payments are generally required within ten days of billing customers for the preceding month's production.

Income tax status

As an LLC, taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision or liability for income taxes has been included in the financial statements.

Subsequent events

Management has evaluated subsequent events through March 13, 2020, the date the financial statements were available to be issued.

Note 2 – Investments

Investments consisted of the following at December 31:

	2019	2018
Privately held oil and gas company stock	\$ -	\$ 22,035
Investments in LLCs:		
TJT Development, LLC - 33.33%	29,320	-
Cumberland Drive, LLC - 33.33%	1,567,934	1,445,773
42 Western, LLC - 43.75%	262,462	244,721
Other	(1,037)	(1,037)
	<u>\$ 1,858,679</u>	<u>\$ 1,711,492</u>

A summary of unaudited financial information of equity method investees in the aggregate is as follows:

	Year ended December 31,	
	2019	2018
	(unaudited)	
Operating revenues	\$ 1,900	\$ 1,402,969
Operating expenses	241,839	1,316,478
Net income (loss)	<u>\$ (239,939)</u>	<u>\$ 86,491</u>
Current assets	\$ 95,154	\$ 42,319
Noncurrent assets	7,795,819	7,571,291
Total assets	<u>\$ 7,890,973</u>	<u>\$ 7,613,610</u>
Current liabilities	\$ 28,202	\$ 32,500
Noncurrent liabilities	2,657,010	2,947,011
Total liabilities	<u>\$ 2,685,212</u>	<u>\$ 2,979,511</u>
Total equity	<u>\$ 5,205,761</u>	<u>\$ 4,634,099</u>

Note 3 – Credit Facilities

The Company has a credit agreement with a bank expiring on May 1, 2020, which provides for (1) borrowings up to \$10,000,000, subject to a borrowing base redetermined each month, and (2) letters of credit up to \$5,000,000. The borrowing base was \$4,003,957 at December 31, 2019. Borrowings bear interest at the greater of prime plus 0.25% or 5.25%. Borrowings are required to be used solely for working capital purposes in the natural gas marketing business. There were no borrowings outstanding at December 31, 2019 or 2018. At December 31, 2019, the Company had a total of \$2,500,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2020 and are being maintained as security for natural gas purchases.

The Company has a credit agreement with a bank expiring on May 1, 2020, which provides for letters of credit up to \$15,000,000. Borrowings bear interest at the greater of prime plus 1% or 6%. There were no borrowings outstanding at December 31, 2019 or 2018. As of December 31, 2019, the Company had a total of \$13,500,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2020 and are being maintained as security for natural gas purchases.

Borrowings under the above lines of credit are collateralized by substantially all assets of the Company and a guarantee by a member of the Company.

Note 4 – Commitments

Capital lease

A capital lease with a commonly controlled company expires on January 31, 2026, but provides for an automatic one-year renewal unless either party notifies the other in writing at least 60 days prior to the end of the lease term.

Future minimum lease payments at December 31, 2019, are as follows:

2020	\$ 168,000
2021	168,000
2022	168,000
2023	168,000
2024 to 2026	<u>350,000</u>
Total	1,022,000
Less amount representing interest	<u>172,651</u>
Present value of minimum lease payments	849,349
Less obligations under capital lease due within one year	<u>121,279</u>
Obligations under capital lease due after one year	<u><u>\$ 728,070</u></u>

Postemployment benefits

The Company has severance agreements with several executives which provides for severance payments equal to each executive's base salary for a period of 12 months after termination. Terminations, if any, will be accounted for on an individual basis and a liability will be recognized when probable and estimable. At December 31, 2019, the maximum amount which the Company is contingently liable for under these arrangements is \$1,574,400.

Member redemption

In December 2016, the Company entered into an Agreement to Purchase Units which required the Company to purchase for \$3,000,000 a member's ownership interest as of December 31, 2017. In 2017, \$1,500,000 of the purchase price was paid. In 2018, \$1,200,000 of the purchase price was paid. The remaining \$300,000 was paid in 2019.

Note 5 – Concentrations of Credit Risk

The Company has a geographical concentration of credit risk as most of its natural gas customers are located in Oklahoma City, Oklahoma, and the surrounding area. Approximately 34% and 27% of total operating revenues was derived from natural gas sales to three customers in 2019, and two customers in 2018, respectively. Unbilled accounts receivable from those customers comprised approximately 25% and 34% of total unbilled accounts receivable at December 31, 2019 and 2018, respectively.

Note 6 – Related Party Transactions

Purchases of natural gas from a commonly controlled company were \$13,817,524 and \$6,908,409 in 2019 and 2018, respectively.

Natural gas sales to a commonly controlled company were \$5,978,129 in 2019. There were no natural gas sales to a commonly controlled company in 2018.

Included in cash collateral and prepaid margin calls is \$500,000 that is collateral paid on behalf of a commonly controlled company.

Included in prepaid expenses and other is \$200,748 in prepaid transportation paid for a commonly controlled company.

LIVE REPORT

CLEARWATER ENTERPRISES, L.L.C.

Trademarks:

ACTIVE SINGLE LOCATION

D-U-N-S Number: 09-512-1959

Address: 5637 N Classen Blvd, Oklahoma City, OK, 73118, United States Of America

Phone: +1 405-842-9290

Endorsement: lowens@clearwaterenterprises.net

Exclude from:

Portfolio Insight:

Summary

KEY DATA ELEMENTS (Formerly: SCORE BAR)

KDE Name		Current Status	Details
PAYDEX®	↑	80	paying on terms
Delinquency Score	↑	99	Low Risk of severe payment delinquency.
Failure Score	↑	47	Moderate Risk of severe financial stress.
D&B Viability Rating			View More Details
Bankruptcy Found		N	
D&B Rating		1R2	1R indicates 10 or more Employees, Credit appraisal of 2 is good

D&B RATING ②

Employee

Size

1R

10

employees

and

over

Risk

Indicator

2

Low

Risk

Current

Rating as

of

10/25/2018

D&B MAX CREDIT RECOMMENDATION ②

MAXIMUM CREDIT RECOMMENDATION

US\$ 60,000

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

VIABILITY RATING SUMMARY ⓘ

Viability Score

High Risk (9)

Data Depth Indicator

Descriptive (C)

Portfolio Comparison

High Risk (9)

Financial Data

Trade Payments

Company Size

Years in Business

Unavailable

Available: 3+Trade

Large

Established

Low Risk (1)

Predictive (A)

Low Risk (1)

COMPANY PROFILE ⓘ

D-U-N-S

09-542-1959

Legal Form

Partnership

History Record

Clear

Ownership

Not publicly traded

Mailing Address

UNITED STATES

Telephone

+1 405-842-9200

Present Control Succeeded

1999

Annual Sales

198,915,384

Employees

17 (14 here)

Age (Year Started)

22 Years (1999)

Named Principal

Tony Say, MMBR

Line of Business

Natural gas distribution



SIC

49240000

NAICS

221210

PAYDEX® TREND CHART ⓘ

 This Company
  Industry Benchmark

STOCK PERFORMANCE

History Performance

Daily P/E:

High EPS:

52- Div/Yield

Week

High

FRAUD RISK SCORE INFORMATION



No Fraud Risk Score is Available

WEB & SOCIAL

After winter cold snap drove up natural gas prices, utilities grapple with who should pay [Neosho Daily News](#) 17-Jun-2021

PSC approves changes to gas safety, transportation rules [The Missouri Times](#) 16-Jun-2021

DPS Elects Positions, Surplus Old Band Uniforms [Barleesville Radio](#) 03-May-2021

LEGAL EVENTS

Events	Occurrences	Last Filed
Bankruptcies	0	-
Judgements	0	-
Liens	0	-
Suits	0	-
UCC	15	02/19/2021

OWNERSHIP

This company is a Single Location.

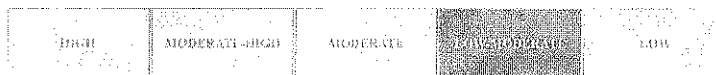
The scores and ratings included in this report are designed as a tool to assist the user in making their own credit related decisions, and should be used as part of a balanced and complete assessment relying on the knowledge and expertise of the reader, and where appropriate on other information sources. The score and rating models are developed using statistical analysis in order to generate a prediction of future events. Dun & Bradstreet monitors the performance of thousands of businesses in order to identify characteristics common to specific business events. These characteristics are weighted by significance to form rules within its models that identify other businesses with similar characteristics in order to provide a score or rating.

Dun & Bradstreet's scores and ratings are not a statement of what will happen, but an indication of what is more likely to happen based on previous experience. Though Dun & Bradstreet uses extensive procedures to maintain the quality of its information, Dun & Bradstreet cannot guarantee that it is accurate, complete or timely, and this may affect the included scores and ratings. Your use of this report is subject to applicable law, and to the terms of your agreement with Dun & Bradstreet.

Risk Assessment

D&B RISK ASSESSMENT

OVERALL BUSINESS RISK



Dun & Bradstreet thinks...

- Overall assessment of this organization over the next 12 months: **STABLE CONDITION**
- Based on the predicted risk of business discontinuation: **LIKELIHOOD-OF-CONTINUED-OPERATIONS**
- Based on the predicted risk of severely delinquent payments: **VERY LOW POTENTIAL FOR SEVERELY DELINQUENT PAYMENTS**

MAXIMUM CREDIT RECOMMENDATION

US\$ 60,000

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

D&B VIABILITY RATING SUMMARY

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 go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:

Viability Score

Compared to All US Businesses within the D&B Database:

- Level of Risk: **Low Risk**
- Businesses ranked 2 have a probability of becoming no longer viable: **2 %**
- Percentage of businesses ranked 2: **4 %**
- Across all US businesses, the average probability of becoming no longer viable: **14 %**

Portfolio Comparison

Compared to All US Businesses within the same MODEL SEGMENT:

- Model Segment: **Established Trade Payments**
- Level of Risk: **Low Risk**
- Businesses ranked 1 within this model segment have a probability of becoming no longer viable: **2 %**
- Percentage of businesses ranked 1 with this model segment: **11 %**
- Within this model segment, the average probability of becoming no longer viable: **5 %**

Data Depth Indicator

Data Depth Indicator:

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

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

To help improve the current data depth of this company, you can ask D&B to make a personalized request to this company on your behalf to obtain its latest financial information. To make the request, click the link below. Note, the company must be saved to a folder before the request can be made.

Request Financial Statements

Reference the FINANCIALS tab for this company to monitor the status of your request.

Company Profile:

Company Profile Details:

- Financial Data: **False**
- Trade Payments: **Available; 3+Trade**
- Company Size: **Large; Employees:50+ or Sales: \$500K+**
- Years in Business: **Established: 5+**



Financial Data

False

Trade Payments

Available: 3+Trade

Company Size

Large

Years in Business

Established

FAILURE SCORE FORMERLY FINANCIAL STRESS SCORE



- Low proportion of satisfactory payment experiences to total payment experiences

Level of Risk	Raw Score	Probability of Failure	Average Probability of Failure for Businesses in D&B Database	Class
Medium	1472	0.27 %	0.48	3

Business and Industry Trends

☐ FAILURE SCORE
 ☐ Industry Median Quartile

BUSINESS AND INDUSTRY COMPARISON

Selected Segments of Business Attributes

Norms	National %
This Business	47
Region: (WEST SOUTH CENTRAL)	44
Industry: (INFRASTRUCTURE)	43
Employee range: (10-19)	66
Years in Business: (11-25)	68

DELINQUENCY SCORE FORMERLY COMMERCIAL CREDIT SCORE



- Higher risk industry based on delinquency rates for this industry

Level of Risk	Raw Score	Probability of Delinquency	Compared to Businesses in D&B Database	Class
Low	625	0.73 %	10.2 %	1

Business and Industry Trends

☐ DELINQUENCY SCORE
 ☐ Industry Median Quartile

BUSINESS AND INDUSTRY COMPARISON

Selected Segments of Business Attributes

Norms	National %
This Business	99
Region: (WEST SOUTH CENTRAL)	52
Industry: (INFRASTRUCTURE)	32
Employee range: (10-19)	78
Years in Business: (11-25)	66

D&B PAYDEX



When weighted by amount, Payments to suppliers average paying on terms

- ☐ 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)

Industry Median 77

D&B 3 MONTH PAYDEX



Based on payments collected 3 months ago.

When weighted by amount, Payments to suppliers average ON TERMS

- ☐ 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)

Industry Median 77

Business and Industry Trends

4924 - Natural gas distribution

☐ PAYDEX ☐ Industry Lower Quartile ☐ Industry Median Quartile ☐ Industry Upper Quartile

D&B RATING

Current Rating as of 10/25/2018

History since 03/06/2008

Employee Size	Risk Indicator	Date Applied D&B Rating
1R : 10 employees and over	2 : Low Risk	05/02/2016 3A2 04/17/2015 3A3 10/08/2014 3A4 10/07/2014 1R3 03/28/2013 3A3

Previous Rating

Financial Strength	Risk Indicator
3A : US\$ 1,000,000 to US\$ 9,999,999 in Net Worth or Equity	2 : Low Risk

Trade Payments

TRADE PAYMENTS SUMMARY (Based on 24 months of data)

Overall Payment Behavior B Days Beyond Terms	% of Trade Within Terms 93%	Highest Past Due US\$ 0
Highest Now Owning: US\$ 100	Total Trade Experiences: 21 Largest High Credit: US\$ 40,000 Average High Credit: US\$ 8,185	Total Unfavorable Comments : 0 Largest High Credit: US\$ 0 Total Placed in Collections: 0 Largest High Credit: US\$ 0

D&B PAYDEX



When weighted by amount, Payments to suppliers average paying on terms

- ☐ High risk of late payment (Average 30 to 120 days beyond terms)

D&B 3 MONTH PAYDEX



Based on payments collected 3 months ago.

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Industry Median 77

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Industry Median 77

BUSINESS AND INDUSTRY TRENDS

4924 - Natural gas distribution

☐ PAYDEX ☐ Industry Lower Quartile ☐ Industry Median Quartile ☐ Industry Upper Quartile

	8/19	9/19	10/19	11/19	12/19	1/20	2/20	3/20	4/20	5/20	6/20	7/20
This Business	80	80	80	80	80	80	80	80	80	80	80	80
Industry Quartile												
Upper	-	80	-	-	80	-	-	80	-	-	80	-
Median	-	77	-	-	78	-	-	78	-	-	77	-
Lower	-	72	-	-	72	-	-	72	-	-	72	-
	8/20	9/20	10/20	11/20	12/20	1/21	2/21	3/21	4/21	5/21	6/21	Current 2021
This Business	80	80	80	80	80	80	80	80	80	80	80	80
Industry Quartile												
Upper	-	80	-	-	80	-	-	80	-	-	80	-
Median	-	77	-	-	77	-	-	77	-	-	77	-
Lower	-	72	-	-	72	-	-	72	-	-	71	-

TRADE PAYMENTS BY CREDIT EXTENDED (Based on 12 months of data)

Range of Credit Extended (US\$)	Number of Payment Experiences	Total Value	% Within Terms
100,000 & over	0	US\$ 0	0
50,000 - 99,999	0	US\$ 0	0
15,000 - 49,999	2	US\$ 65,000	100
5,000 - 14,999	2	US\$ 15,000	100
1,000 - 4,999	1	US\$ 1,000	0
Less than 1,000	5	US\$ 850	100

TRADE PAYMENTS BY INDUSTRY (BASED ON 24 MONTHS OF DATA)

Collapse All | Expand All

Industry Category	Number of Payment Experiences	Largest High Credit (US\$)	% Within Terms (Expand to View)	1 - 30 Days Late (%)	31 - 60 Days Late (%)	61 - 90 Days Late (%)	91 + Days Late (%)
▼48 - Communications	2	500	100	0	0	0	0
4813 - Telephone communications	2	500	100	0	0	0	0
▼51 - Wholesale Trade - Nondurable Goods	2	1,000	100	100	0	0	0
5112 - Wholesale supplies	1	1,000	0	100	0	0	0
5113 - Wholesale service paper	1	50	100	0	0	0	0
▼60 - Depository Institutions	1	100	100	0	0	0	0
6021 - National commercial bank	1	100	100	0	0	0	0

▼61 - Nondepository Credit Institutions	1	100	100	0	0	0	0
6159 - Misc business credit	1	100	100	0	0	0	0
▼93 - Public Finance Taxation and Monetary Policy	3	40,000	100	0	0	0	0
9311 - Public Finance	3	40,000	100	0	0	0	0
▼99 - Nonclassifiable Establishments	1	10,000	100	0	0	0	0
9999 - Nonclassified	1	10,000	100	0	0	0	0

TRADE LINES

Date of Experience	Payment Status	Selling Terms	High Credit (US\$)	Now Owes (US\$)	Past Due (US\$)	Months Since Last Sale
05/21	Pays Promptly	-	100	0	0	1
05/21	Pays Promptly	Lease Agreement	100	100	0	1
05/21	-	Cash account	250	0	0	Between 4 and 5 Months
04/21	Pays Promptly	-	500	0	0	1
04/21	Pays Promptly	-	100	0	0	Between 2 and 3 Months
03/21	-	Cash account	50	0	0	1
09/20	-	-	50	0	0	1
09/20	-	Cash account	50	0	0	1
09/20	-	Cash account	50	0	0	1
07/20	-	Cash account	50	0	0	Between 6 and 12 Months
06/20	-	Cash account	50	0	0	Between 4 and 5 Months
06/20	-	Cash account	50	0	0	1
05/20	Pays Promptly	-	10,000	0	0	Between 6 and 12 Months
04/20	Pays Slow 30+	-	1,000	0	0	1
02/20	-	Cash account	100	0	0	1
11/19	-	Cash account	100	0	0	Between 2 and 3 Months
10/19	-	Cash account	50	0	0	Between 6 and 12 Months
09/19	Pays Promptly	-	40,000	0	0	1
09/19	Pays Promptly	-	25,000	0	0	1
09/19	Pays Promptly	-	5,000	0	0	1
06/19	Pays Promptly	-	50	0	0	Between 6 and 12 Months

OTHER PAYMENT CATEGORIES

Other Payment Categories	Experience	Total Amount
Cash experiences	10	US\$ 800
Payment record unknown	1	US\$ 50
Unfavorable comments	0	US\$ 0
Placed for collections	0	US\$ 0
Total in D&B's file	21	US\$ 82,700

Legal Events

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.

Bankruptcies	Judgements	Liens	Suits
No	0	0	0
Latest Filing: -	Latest Filing: -	Latest Filing: -	Latest Filing: -

UCCs

15

Latest Filing. ▼

EVENTS

UCC Filing - Original

Filing Date	02/19/2021
Filing Number	21021902014571
Received Date	03/12/2021
Collateral	Accounts receivable - Account(s) - General intangibles(s) - Equipment - and OTHERS
Secured Party	IBC BANK, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES LLC
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Original

Filing Date	12/26/2019
Filing Number	19122621274570
Received Date	01/03/2020
Collateral	MEMBERSHIP INTEREST
Secured Party	THE FIRST STATE BANK, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES LLC
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Original

Filing Date	12/26/2019
Filing Number	19122621274550
Received Date	01/03/2020
Collateral	MEMBERSHIP INTEREST
Secured Party	THE FIRST STATE BANK, OKLAHOMA CITY, OK
Debtors	SAY, TONY
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Continuation

Filing Date	03/18/2016
Filing Number	16031820275330
Received Date	03/22/2016
Original Filing Date	05/05/2006
Original Filing Number	2006005430525
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK

Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES L L C
Debtors	and OTHERS
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Amendment

Filing Date	03/18/2016
Filing Number	16031820275330
Received Date	03/25/2016
Original Filing Date	05/02/2006
Original Filing Number	2006005430525

Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES L L C
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Original

Filing Date	03/04/2016
Filing Number	00000181552755
Received Date	03/10/2016
Secured Party	MITSUI E&P USA LLC, HOUSTON, TX
Debtors	CLEARWATER ENTERPRISES, LLC
Debtors	and OTHERS
Filing Office	UCC DIVISION, BALTIMORE, MD

UCC Filing - Continuation

Filing Date	11/06/2015
Filing Number	15110621141050
Received Date	11/10/2015
Original Filing Date	01/12/2011
Original Filing Number	11011220045510
Secured Party	INTERNATIONAL BANK OF COMMERCE
Debtors	CLEARWATER ENTERPRISES LLC
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Original

Filing Date	12/18/2013
Filing Number	13121821240730
Received Date	12/31/2013

Collateral	Negotiable instruments and proceeds - Inventory and proceeds - Account(s) and proceeds - Assets and proceeds - and OTHERS
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES LLC
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Amendment

Filing Date	10/30/2012
Filing Number	12103021109350
Received Date	11/09/2012
Original Filing Date	05/05/2006
Original Filing Number	2006005430525
Secured Party	INTERNATIONAL BANK OF COMMERCE
Debtors	CLEARWATER ENTERPRISES L L C
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Amendment

Filing Date	10/30/2012
Filing Number	12103021109370
Received Date	11/09/2012
Original Filing Date	01/12/2011
Original Filing Number	11011220045510
Secured Party	INTERNATIONAL BANK OF COMMERCE
Debtors	CLEARWATER ENTERPRISES LLC
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Amendment

Filing Date	07/18/2011
Filing Number	11071820704090
Received Date	08/17/2011
Original Filing Date	05/05/2006
Original Filing Number	2006005430525
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES L L C
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Continuation

Filing Date	03/28/2011
Filing Number	11032820279430
Received Date	04/08/2011

Original Filing Date	05/05/2006
Original Filing Number	2006005430525
Secured Party	INTERNATIONAL BANK OF COMMERCE
Debtors	CLEARWATER ENTERPRISES LLC
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Original

Filing Date	01/12/2011
Filing Number	11011220045510
Received Date	01/25/2011
Collateral	Negotiable instruments and proceeds - Inventory and proceeds - Account(s) and proceeds - Assets and proceeds - and OTHERS
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES LLC
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Amendment

Filing Date	07/08/2008
Filing Number	2008007815738
Received Date	07/16/2008
Original Filing Date	05/05/2006
Original Filing Number	2006005430525
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES L L C
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

UCC Filing - Original

Filing Date	05/05/2006
Filing Number	2006005430525
Received Date	05/17/2006
Collateral	All Assets and proceeds - All Negotiable instruments and proceeds - All Inventory and proceeds - All Account(s) and proceeds - and OTHERS
Secured Party	INTERNATIONAL BANK OF COMMERCE, OKLAHOMA CITY, OK
Debtors	CLEARWATER ENTERPRISES L L C
Filing Office	OKLAHOMA CENTRAL FILING OFFICE/UCC DIVISION, OKLAHOMA CITY, OK

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed. This information may not be reproduced in whole or in part by any means of reproduction.

There are additional UCC's in D&B's file on this company available by contacting 1-800-234-3867.

Special Events

SPECIAL EVENTS

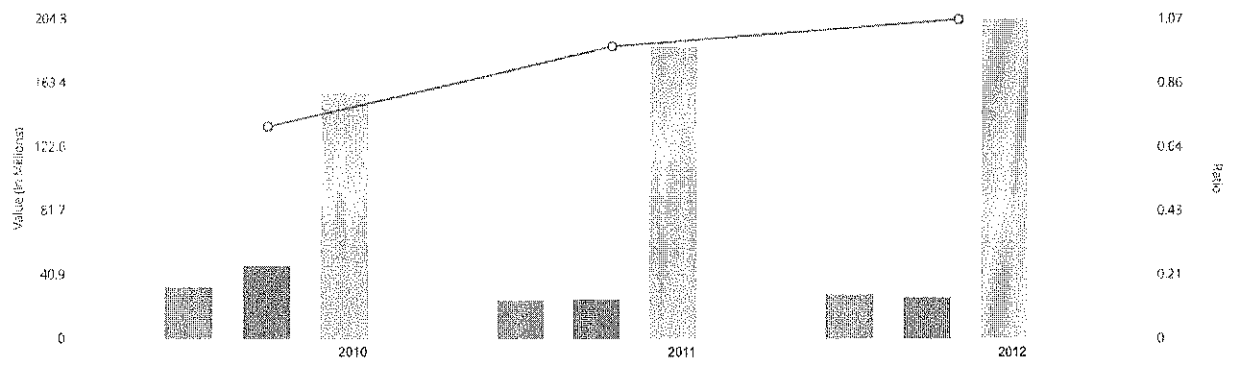
<u>Date</u>	<u>Event Description</u>
12/31/2020	Clearwater Enterprises LLC was reported by the SBA as a recipient of a Covid-19 EIDL loan for \$150,000 on 06/16/2020 under the Economic Injury Disaster Loan Program.
07/21/2020	On July 6, 2020, the SBA announced that this business was approved for a loan between \$350K - \$1M from International Bank of Commerce through the SBA's Paycheck Protection Program, as part of the CARES Act, in response to the COVID-19 pandemic. The amount of the actual loan may vary from the approved amount.

Financials - D&B

Financials

Source: D&B | Currency: All figures shown in USD unless otherwise stated

FINANCIAL STATEMENT COMPARISON



	Fiscal Individual 12/31/2012	Fiscal Individual 12/31/2011	Fiscal Individual 12/31/2010
Last 3 years			
Current			
Assets			
28,424,987			
24,706,087			
32,726,954			
Total			
Current			
Liabilities			
26,469,721			
25,169,905			
46,243,302			
Tangible			
Net			
Worth			
4,542,165			
(5,314,688)			
301,146			
Sales			
204,297,378			
186,170,178			
156,551,486			
Net			
Income			
27,849,955			
(1,098,527)			
1,278,355			
Current			
Ratio			
1.07			
0.98			
0.71			
Working			
Capital			
1,954,366			
(463,848)			
(13,516,348)			
Other			
Assets			
4,628,416			
23,236,253			
13,817,494			
Long			
Term			
Liabilities			
2,040,617			
28,087,093			
0			
In			
Single			
Units			

STATEMENT INFORMATION

Profit And Loss Information From JAN 01 2015 to DEC 31 2015 annual sales \$198,915,384; cost of goods sold \$190,170,129. Gross profit \$8,745,255; operating expenses \$5,356,592. Operating income \$3,394,663; other income \$16,571; other expenses \$69,433. Net income \$3,341,801.

Source Information	Prepared from statement(s) by Accountant: Hogan Taylor LLP, Oklahoma City, OK.
Statement Explanation	Fixed assets shown net less \$2,196,173 depreciation.
Reporter Comments	D&B has updated this report using available sources.

Financials

Source: D&B | Currency: All figures shown in USD unless otherwise stated

LATEST FINANCIAL STATEMENT

Balance Sheet Fiscal 12/31/2015

Assets

Current Assets	Fiscal 12/31/2015
Prepaid / Deferred Items	USD 864,667
Accounts Receivable	USD 15,841,695
Cash Collateral/Prepaid Margin Call	USD 1,771,529
Cash	USD 119,706
Total Current Assets	USD 18,597,597

Long Term Assets

Fiscal 12/31/2015

Deposits	USD 300,658
Property, Plant, Fixtures & Equipment	USD 1,343,132
Investments	USD 892,388
Total Assets	USD 21,133,775

Liabilities

Total Current Liabilities

Fiscal 12/31/2015

Unearned Revenue	USD 174,365
Pipeline Imbalances	USD 8,245
Accruals	USD 14,260,133
Obligations Under Capital Lease	USD 96,185
Accounts Payable	USD 233,323
Total Current Liabilities	USD 14,772,251

Long Term Liabilities

Fiscal 12/31/2015

Asset Retirement Obligations	USD 144,696
MEMBERS EQUITY	USD 5,041,063
Obligations Under Capital Lease	USD 1,175,765
Total Liabilities & Net Worth	USD 21,133,775

Financial Ratios

Source: D&B | Currency: All figures shown in USD unless otherwise stated

KEY BUSINESS RATIOS

Statement date	Based on Number of Establishments
12/31/2015	29

	Ratio for the business	Industry Median	Industry Quartile
Profitability			
Return On Assets	15.8	3.5	1
Return on Net Worth	66.3	9.6	1
Return on Sales	1.7	7.5	4
Short Term Solvency			

Current Liabilities to Inventory	-	545.5	-
Current Liabilities Over Net Worth	293.0	39.3	1
Current Ratio	1.3	1.1	2
Quick Ratio (excl. Short Term Investments)	1.1	0.4	2
Efficiency			
Accounts Payable to Sales	0.1	6.9	4
Assets Over Sale	10.6	204.0	4
Collection Period	29.1	27.0	1
Sales to Inventory	-	17.9	-
Sales Over Net Working Capital	52.0	4.6	1
Utilization			
Total Liabilities Over Net Worth	319.2	181.3	1

D&B currently has no financial information on file for this company.

D&B currently has no financial information on file for this company

D&B currently has no financial information on file for this company

Company Profile

COMPANY OVERVIEW

D-U-N-S	Mailing Address	Annual Sales
09-542-1959	UNITED STATES	US\$ 198,915,384
Legal Form	Telephone	Employees
Partnership	+1 405-842-9200	17 (14 here)
History Record	Present Control Succeeded	Age (Year Started)
Clear	1999	22 Years (1999)
Business Commenced On	SIC	Named Principal
1999	49240000	Tony Say, MMBR
Ownership	NAICS	Line of Business
Not publicly traded	221210	Natural gas distribution

BUSINESS REGISTRATION

Corporate and business registrations reported by the secretary of state or other official source as of: -
This data is for informational purposes only, certification can only be obtained through the Office of the Secretary of State.

Registered Name CLEARWATER ENTERPRISES, L.L.C.
Corporation Type Partnership

PRINCIPALS

Officers

TONY SAY, MBR
LISA OWENS, MBR
REGINA FORT, MBR
KORAY BAKIR, MBR

Directors

DIRECTOR(S): THE OFFICER(S)

COMPANY EVENTS

The following information was reported on: 12/31/2020

The Oklahoma Secretary of State's business registrations file showed that Clearwater Enterprises, L.L.C. was registered as a limited liability company on November 17, 1999, under file registration number 3500633682.

Business started 1999.

TONY SAY. 1999-present active here.

LISA OWENS. 2002-present active here.

REGINA FORT. 2001-present active here.

KORAY BAKIR. 2004-present active here.

Business address has changed from 301 Nw 63rd St Ste 620, Oklahoma City, OK, 73116 to 5637 N Classen Blvd, Oklahoma City, OK, 73118.

BUSINESS ACTIVITIES AND EMPLOYEES

The following information was reported on: 12/31/2020

Business Information

Description Provides natural gas distribution (100%).
Has 2000 account(s). Terms are on a retainer plus additional billings, net 10 days, contractual basis, net 15 days and on a fee basis. Sells to manufacturers, wholesalers, non profit organizations, retailers, commercial concerns and government. Territory : United States.

Employees 17 which includes partners. 14 employed here.

Financing Status Secured

Seasonality Nonseasonal.

Tenure Rents

Facilities Rents 6,716 sq. ft. on 6th floor of a multi story concrete block building.

Location Central business section on main street.

Related Concerns**SIC/NAICS Information**

Industry Code	Description	Percentage of Business
4924	Natural gas distribution	-
49240000	Natural gas distribution	-
NAICS Codes	NAICS Description	
221210	Natural Gas Distribution	

GOVERNMENT ACTIVITY**Activity Summary**

Borrower(Dir/Guar) No

Administrative Debt No

Contractor Yes

Grantee No

Party excluded from federal program(s) No

Possible candidate for socio-economic program consideration

Small Business Yes (2021)

Associations

ALL CREDIT FILES CREATED FROM THIS D&B LIVE REPORT

Company Name	Type	Status	Date Created
No data found			

ALL CREDIT FILES WITH SAME D-U-N-S® NUMBER AS THIS D&B LIVE REPORT

Company Name	Type	Status	Date Created
CLEARWATER ENTERPRISES, L.L.C.	Snapshot D-U-N-S Number 09-542-1959	Saved	04/21/2020
CLEARWATER ENTERPRISES, L.L.C.	Snapshot D-U-N-S Number 09-542-1959	Saved	07/14/2021

Your Information

Record additional information about this company to supplement the D&B information.

Note: Information entered in this section will not be added to D&B's central repository and will be kept private under your user ID. Only you will be able to view the information.

Account Number	Endorsement/Billing Reference *	Sales Representatives
	townes@clearwaterenterprises.net	
Credit Limit	Total Outstanding	
0	0	

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“Forecasted Financial Statements – OHIO BUSINESS ONLY”

2020 Income Statement (actual)

Revenue \$2,694,469

Expenses

Cost of Goods Sold \$2,639,652

Operating Expenses \$ 10,000

Net Income \$ 44,817

2021 & 2022 Income Statement (estimate)

Revenue \$4,500,000 (1)

Expenses

Cost of Goods Sold \$4,395,000 (2)

Operating Expenses \$ 20,000

Net Income \$ 85,000

Assumptions

(1) 1.5 million Dth's at \$3.00 per Dth

(2) 1.5 million Dth's at \$2.93 per Dth

Prepared by Lisa Owens, Clearwater CFO, 5637 N Classen, OKC, OK 73118,
405-488-6407, lowens@cwegas.com



Thursday, July 15, 2021

Clearwater Energy Services
Attn: Lisa Owens
5637 N Classen Blvd
Oklahoma City, OK 73118

Re: Columbia Gas of Ohio Collateral Requirements

To Whom It May Concern:

Clearwater Energy Services has complied with Columbia Gas of Ohio's collateral requirements.

Sincerely,

Michele Caddell

Michele Caddell
Director, Transportation Programs and Nominations

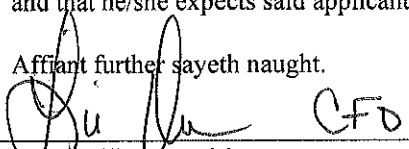
Competitive Retail Natural Gas Service Affidavit

County of Oklahoma :

State of Oklahoma :

Lisa Owens, Affiant, being duly sworn/affirmed, hereby states that:

1. The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant, and that it will amend its application while it is pending if any substantial changes occur regarding the information provided.
2. The applicant will timely file an annual report of its intrastate gross receipts 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 Sections 4905.10 and 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 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. 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 comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating consumer complaints.
9. The facts set forth above are true and accurate to the best of his/her knowledge, information, and belief and that he/she expects said applicant to be able to prove the same at any hearing hereof.
10. Affiant further sayeth naught.


Signature of Affiant & Title

Sworn and subscribed before me this 16th day of July, 2021
Month Year


Signature of official administering oath

Reba G. Hudson
Print Name and Title

My commission expires on 4/08/22



REBA G. HUDSON

Notary Public
State of Oklahoma

Commission # 02003790 Expires 04/08/22

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/18/2021 3:14:13 PM

in

Case No(s). 17-1763-GA-CRS

Summary: In the Matter of the Application of Clearwater Enterprises, LLC