Ohio | Public Utilities Commission

DIS Case Number: 15-1938-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: Titan Gas LLC
Phone: 8883556205 **Extension (if applicable):**
Website (if any): www.cleanskyenergy.com

Country: United States
Street: 3355 W. Alabama Suite 500
City: Houston **Province/State:** TX
Postal Code: 77098

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
Clean Sky Energy	DBA	3355 West Alabama St. Suite 500 Houston, 77098	Yes	Link
CleanSky Energy	DBA	3355 West Alabama St. Suite 500 Houston, TX 77098	Yes	Link
Titan Gas and Power	DBA	3355 West Alabama St. Suite 500 Houston, TX 77098	No	Link

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
Clean Sky Energy	DBA	3355 West Alabama St. Suite 500 Houston, 77098	Yes	Link
CleanSky Energy	DBA	3355 West Alabama St. Suite 500 Houston, TX 77098	Yes	Link
Titan Gas and Power	DBA	3355 West Alabama St. Suite 500 Houston, TX 77098	No	Link

A-5. Contact person for regulatory matters

Alex Gilbert
3355 W. Alabama Suite 500
Houston, TX 77098
US

8883556205

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

Angela Parker
3355 W Alabama St, Suite 500
Houston, TX 77098
US
aparker@cleanskyenergy.com
3463273112

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

Phone: 3463273106 **Extension (if applicable):** **Country:** United States
Fax: 1-800-681-1950 **Extension (if applicable):** **Street:** 3355 W. ALABAMA ST., Suite 500
Email: yrahman@cleanskyenergy.com **City:** Houston **Province/State:** TX
Postal Code: 77098

A-8. Applicant's federal employer identification number

32-0129235

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
Dominion Energy Ohio
Duke Energy Ohio
CenterPoint Energy Ohio

Class of customer selection

Residential
Small Commercial
Large Commercial

A-11. Start date

Indicate the approximate start date the applicant began/will begin offering services: 12-20-2015

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
Robert Moss	rmoss@cleanskyenergy.com	Chief Commercial Officer	3355 W. Alabama St., Suite 500 Houston, TX 77098 US
Yara Abdur-Rahman	yrahman@cleanskyenergy.com	Chief Operations Officer	3355 W Alabama St, Ste 500 Houston, TX 77098 US
Andy Beauchamp	abeauchamp@cleanskyenergy.com	Chief Compliance and Regulatory Officer	3355 W Alabama, Suite 500 Houston, TX 77098 US

A-13. Company history

We are CleanSky Energy, a Texas based limited liability company with a passion to provide retail electricity and gas in deregulated markets. Our main purpose is to bring clean sourced renewable energy to all at an affordable, honest rate with plans that meets the immediate and future needs of all of our customers. Our mission is to support renewable sourced energy in the United States and supply same to our customers with great customer services and experience.

A-14. Secretary of State

Secretary of State Link: https://businesssearch.ohiosos.gov/?=businessDetails/2188142

A-15. Proof of Ohio Employee and Office

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

Employee Name: Melanie Galero
9435 Waterstone Blvd Suite 140
Cincinnati, OH 45249
US
melanie.galero@incorp.com
8002462677

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: Titan Gas, LLC operates in the following states within the USA: DE, DC, IL, MA, MD, NH, NJ, OH, PA , RI, TX. Titan Gas, LLC has no affiliates, subsidiaries, or parent company.

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: We operate and function under all the requirements for competitive services and protection of consumers in the states we operate within. We have an agreement for natural gas generation service between CleanSky Energy and our Customer, for the service address(s) that is set forth in our Customer’s Energy Service Agreement (ESA). Together, this Energy Service Agreement, including the terms of service, collectively describe Customer’s agreement to purchase of our natural gas supply services. Our Terms of Service (TOS) document details the procedures and terms of the Agreement and is generic with regards to specific pricing and contract terms. We have had experiences providing natural gas supply to our customers located in Ohio.

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: Not applicable

B-4. Disclosure of consumer protection violations

Has the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant been convicted orheld 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 <u>two most recent years</u> 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.

Preferred to file this information confidentially

C-3. Forecasted financial statements

Provide two years of forecasted income statements **based <u>solely</u> 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. 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.

Preferred to file confidentially

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.

Preferred to file this information confidentially

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?

- 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 i**n 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).

Preferred to file confidentially

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: As part of our plan to obtain customers and to be a supplier of natural gas, Titan Gas, LLC dba Titan Gas Power dba CleanSky Energy holds title to generated natural gas on behalf of our customers whom we market to on the retail side. We market the sale of natural gas through various offerings of natural gas plans that includes everything from classic fixed rate to monthly rate gas plans which are carefully sourced to fit our customers natural gas needs and demands within our business geographical locations.

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

Operations Expertise & Personnel Description: Titan Gas, LLC has necessary operational expertise to comply and adhere to all Ohio rules and regulations. Titan Gas, LLC has seasoned professionals to comply with all operations, planning, hedging, enrollments, sales and marketing aspects of the business. The following individuals below are some of the applicant's experienced and technical members of staff: Mr. Rob Moss - Chief Commercial Officer - 281-450-1866. Background – Master of Business Administration (MBA) degree holder from St. Edward's University with a combined background of over twenty (20) years industry knowledge raging from trading, operations, negotiations, startups, marketing and risk management experience. Mrs. Yara Abdur-Rahman – Chief Operations Officer – yrahman@cleanskyenergy.com – 346-327-3106 Background – Energy expert with over sixteen (16) years combined electricity industry and customer operations knowledge. Yara oversees all operations related issues raging from enrollments of customer journey to customer experience during the terms of their contract. She is well knowledgeable of the working of local distribution utility and a firm believer in delivering promised expectations to all customers. Mr. Ayo Ekisola - Manager Regulatory Affairs and Compliance - aekisola@cleanskyenergy.com - 346-327-3128 Background – A University of Tulsa Law School graduate with over eleven (11) years of working within the retail and commercial electricity and gas industry in Texas. Ayo has worked in various legal, regulatory and compliance capacity over the years and he is high on maintaining ethical and compliance standards at all times during the course of his career.

Ohio | Public Utilities Commission

Application Attachments

This bond supersedes any prior bond sharing bond number 60127833, any prior bond is to be considered void.

Bond No. S2704434

COPY

REDACTED

FINANCIAL GUARANTEE BOND

Principal: Titan Gas, LLC dba: CleanSky Energy
3355 West Alabama, Ste. 500
Houston, TX 77098
ATTN: John Lupo-Chief Accounting Officer

Surety: Platte River Insurance Company
1600 Aspen Commons, Ste. 300
Middleton, WI 53562

Obligee: The East Ohio Gas Company dba: Dominion Energy Ohio
1201 East 55th Street
Cleveland, OH 44103
ATTN: Transportation Program Manager

WHEREAS, Principal and Obligee have entered into one or more contracts or agreements for the purchase, sale, exchange, storage, pooling, transmission or similar transaction involving natural gas (collectively, as such contracts or agreements may be amended, modified, supplemented, or extended from time to time, the "Contract") ; and

WHEREAS, pursuant to the Contract, Principal has agreed to provide this Financial Guarantee Bond ("Bond") to meet certain credit requirements of Obligee.

NOW THEREFORE, IT IS AGREED as follows:

1. We, the Principal and the Surety, are jointly and severally held and firmly bound unto Obligee, in the amount of [redacted] ("Bond Amount") for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, and assigns, jointly and severally.

2. Principal and Surety agree this Bond shall remain in full force and effect until the sooner of (a) the date upon which this Bond is replaced with another financial guarantee bond or other form of financial assurance acceptable to Obligee (in its sole discretion); (b) the date upon which this Bond is expressly released in writing by Obligee; or (c) the date upon which Surety has paid Obligee an aggregate amount for claims, whether one or more, equal to the Bond Amount..

3. Surety represents it is duly authorized by the proper authorities to transact the business of indemnity and suretyship in the State of __Ohio_, where it is domiciled and represents it is licensed to be surety and guarantor on bonds and undertakings, which license has not been revoked. Surety represents that it is registered as a Surety with the Department of Treasury and has an A.M. Best Company, Inc. ("A.M. Best") rating of at least A-. Surety further represents that the Bond Amount of this Bond and of all other bonds issued in

connection with the Contract are collectively within Surety's authorized limits for a single risk.

4. Surety represents it has duly executed a Power of Attorney appointing the hereinafter named representative as its duly authorized deputy and the true and lawful Attorney-in-Fact of such Surety as evidenced by the Power of Attorney attached hereto.

5. Nonpayment of premium and costs will not invalidate this Bond nor shall the Obligee be obligated for the payment thereof; Principal shall bear all responsibility for payment of premiums and costs, also to include any replacement bonds required. Surety's obligations to Obligee under this Bond are wholly independent from any agreement or arrangement that may exist now or in the future between Surety and Principal.

6. Surety hereby guarantees and agrees that it is liable for the full and prompt payment, without defense, reduction, or setoff, of all of Principal's obligations and responsibilities set forth in the Contract, as such Contract may be amended from time to time, up to but not exceeding the Bond Amount (the "Obligations"). The Obligations include, without limitation, any amount asserted by Obligee as damages for breach of the Contract, including the amount determined by Obligee to be Principal's remaining transportation fee obligations and responsibilities under the Contract up to but not exceeding the Bond Amount. The Obligations also include any amount initially paid by Principal to Obligee that is subsequently disgorged, clawed back, or returned by Obligee to Principal or its estate as a result of applicable insolvency or bankruptcy laws.

7. Within Fourteen (14) calendar days after delivery by Obligee of written demand to Surety (which may be delivered by hand, registered mail, or overnight courier to Surety's address at Platte River Insurance Company, 1600 Aspen Commons, Ste. 300, Middleton, WI 53562, ATTN: Grant Strohm for payment of Obligations hereunder, signed by Obligee's duly authorized official and stating that such Obligations are due and payable under the terms of this Bond, Surety shall pay Obligee the amount demanded in freely transferable funds, without defense, reduction, or offset, up to and including the Bond Amount, in accordance with payment instructions set forth in the demand. There shall be no further condition to Surety's obligation to pay Obligee, and Surety expressly waives any right to assert against Obligee any defense (legal or equitable), counterclaim, setoff, cross-claim, or any other claim that Surety or Principal may now have or at any time hereafter may acquire. It is understood that multiple/partial payments shall be permitted up to the aggregate amount of the Bond Amount. The Bond Amount shall be permanently reduced by the amount of each payment of any Obligation made by Surety to Obligee, except as agreed in writing by Surety. All charges are for the account of the Principal.

8. Surety expressly waives the benefit of any laws requiring Obligee to proceed first against the Principal. Principal and Obligee may make any change to the terms and provisions of the Contract at any time without notice to or consent of Surety and without impairing or releasing the obligations of Surety hereunder. Surety expressly waives protest, notice of acceptance, and demand. The obligations of Surety hereunder are absolute and unconditional, irrespective of the value, validity or enforceability of the obligations of Principal or Obligee under the Contract or any other agreement or instrument referred to therein and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or

defense of a surety in its capacity as such. Surety expressly waives and agrees not to assert any defenses arising out of bankruptcy, insolvency, dissolution or liquidation of Principal, including, without limitation, any defense relating to the automatic stay.

9. Surety shall indemnify Obligee for reasonable attorney's fees Obligee incurs to recover any sums found to be due and owing to Obligee under this Bond, which indemnification obligation shall not be subject to the Bond Amount.

10. Any suit or action under this Bond shall be brought in the courts of the Commonwealth of Virginia, the jurisdiction of which Principal and Surety irrevocably submit themselves. This Bond shall be construed according to the laws of the Commonwealth of Virginia not including its choice of law rules.

[SIGNATURE PAGE FOLLOWS]

REDACTED

COPY

Bond No. S2704434

IN WITNESS WHEREOF, Principal and Surety have executed this Bond, and it shall be effective on the date set forth below.

The persons whose signatures appear below hereby certify they are authorized to execute this surety bond on behalf of Principal and Surety.

Witnesses our hands to be effective this _14th_ day of _January_________, 2021_.

WITNESSES:

By: Susan Lupo

By: Dait

PRINCIPAL
Titan Gas, LLC dba: CleanSky Energy

By: ______________________
Authorized Signature

Name: John Lupo
Title: Chief Accounting Officer
Title: ______________________

SURETY
Platte River Insurance Company
By: ______________________
Attorney-in-Fact

Tracie House, Attorney-in-fact
(Name / Title)

COPY

REDACTED

S2704434

Bond Number

PLATTE RIVER INSURANCE COMPANY
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the **PLATTE RIVER INSURANCE COMPANY**, a corporation of the State of Nebraska, having its principal offices in the City of Middleton, Wisconsin, does make, constitute and appoint

Tracie House

Name of licensed Individual

its true and lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf, as surety, and as its act and deed, any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of $ See Bond Form (Bond Amount) for S2704434 (Bond Number) on behalf of Titan Gas, LLC dba: CleanSky Energy (Principal)

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of **PLATTE RIVER INSURANCE COMPANY** at a meeting duly called and held on the 8th day of January, 2002.

"**RESOLVED**, that the President, Executive Vice President, Vice President, Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings, and other writings obligatory in the nature thereof, one or more resident vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such offices to the business of this company; the signature of such officers and seal of the Company may be affixed to any such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner – Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

IN WITNESS WHEREOF, the **PLATTE RIVER INSURANCE COMPANY** has caused these presents to be signed by its officer undersigned and its corporate seal to be hereto affixed duly attested, this 3rd day of May, 2017.

Attest:

John E. Rzepinski
Vice President, Treasurer & CFO

Suzanne M. Broadbent
Assistant Secretary

PLATTE RIVER INSURANCE COMPANY CORPORATE SEAL NEBRASKA

PLATTE RIVER INSURANCE COMPANY

Stephen J. Sills
CEO & President

STATE OF WISCONSIN
COUNTY OF DANE } S.S.:

On the 3rd day of May, 2017 before me personally came Stephen J. Sills, to me known, who being by me duly sworn, did depose and say: that he resides in the County of New York, State of New York; that he is President of **PLATTE RIVER INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

DAVID J. REGELE NOTARY PUBLIC STATE OF WISCONSIN

David J. Regele
Notary Public, Dane Co., WI
My Commission Is Permanent

STATE OF WISCONSIN
COUNTY OF DANE } S.S.:

I, the undersigned, duly elected to the office stated below, now the incumbent in **PLATTE RIVER INSURANCE COMPANY**, a Nebraska Corporation, authorized to make this certificate, **DO HEREBY CERTIFY** that the foregoing attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at the City of Middleton, State of Wisconsin this 14th day of January, 2021.

PLATTE RIVER INSURANCE COMPANY CORPORATE SEAL NEBRASKA

Antonio Celii
General Counsel, Vice President & Secretary

THIS DOCUMENT HAS BEEN GENERATED FOR A SPECIFIC BOND. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT CALL 800-475-4450.

PR-ePOA (Rev. 05-2017)

COPY

REDACTED

Increase PENALTY RIDER

BOND AMOUNT [redacted] BOND NO. S2704434

To be attached and form a part of Bond No. S2704434 dated the 14th day of January, 2021, executed by Platte River Insurance Company as surety, on behalf of Titan Gas, LLC dba: CleanSky Energy as current principal of record, and in favor of The East Ohio Gas Co dba: Dominion Energy Ohio, as Obligee, and in the amount of [redacted]

In consideration of the agreed premium charged for this bond, it is understood and agreed that Platte River Insurance Company hereby consents that effective from the 28th day of December, 2022, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE Increased:

FROM: [redacted]

TO: [redacted]

The Increase of said bond penalty shall be effective as of the 28th day of December, 2022, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

Signed, sealed and dated this 28th day of December, 2022.

Titan Gas, LLC dba: CleanSky Energy
PRINCIPAL

BY: John Ryan, CFO

Platte River Insurance Company
SURETY

BY: Tracie House
Tracie House, ATTORNEY-IN-FACT

PLATTE RIVER INSURANCE COMPANY CORPORATE SEAL NEBRASKA

THE ABOVE BOND IS HEREBY AGREED TO AND ACCEPTED BY:

____
OBLIGEE

BY: _______________________
TITLE

COPY

REDACTED

PLATTE RIVER INSURANCE COMPANY
POWER OF ATTORNEY

S2704434
Bond Number

KNOW ALL MEN BY THESE PRESENTS, That the **PLATTE RIVER INSURANCE COMPANY,** a corporation of the State of Nebraska, having its principal offices in the City of Middleton, Wisconsin, does make, constitute and appoint

Tracie House
Name of Individual

its true and lawful Attorney(s)-in-fact, to make, execute, seal and deliver for and on its behalf, as surety, and as its act and deed, any and all bonds, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of $ See Bond Form (Bond Amount) for S2704434 (Bond Number) on behalf of Titan Gas, LLC dba: CleanSky Energy (Principal)

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of **PLATTE RIVER INSURANCE COMPANY** at a meeting duly called and held on the 8th day of January, 2002.

"**RESOLVED,** that the President, Executive Vice President, Vice President, Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings, and other writings obligatory in the nature thereof, one or more resident vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such offices to the business of this company; the signature of such officers and seal of the Company may be affixed to any such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner – Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

IN WITNESS WHEREOF, the **PLATTE RIVER INSURANCE COMPANY** has caused these presents to be signed by its officer undersigned and its corporate seal to be hereto affixed duly attested, this 1st day of January, 2020.

Attest:

Ryan J. Byrnes
Senior Vice President,
Chief Financial Officer and Treasurer

Suzanne M. Broadbent
Suzanne M. Broadbent
Assistant Secretary

PLATTE RIVER INSURANCE COMPANY CORPORATE SEAL NEBRASKA

PLATTE RIVER INSURANCE COMPANY

John L. Sennott, Jr.
Chief Executive Officer and President

STATE OF WISCONSIN
COUNTY OF DANE } S.S.:

On the 1st day of January, 2020 before me personally came John L. Sennott, Jr., to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is Chief Executive Officer and President of **PLATTE RIVER INSURANCE COMPANY,** the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

DAVID J. REGELE NOTARY PUBLIC STATE OF WISCONSIN

David J. Regele
David J. Regele
Notary Public, Dane Co., WI
My Commission Is Permanent

STATE OF WISCONSIN
COUNTY OF DANE } S.S.:

I, the undersigned, duly elected to the office stated below, now the incumbent in **PLATTE RIVER INSURANCE COMPANY,** a Nebraska Corporation, authorized to make this certificate, **DO HEREBY CERTIFY** that the foregoing attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolution of the Board of Directors, set forth in the Power of Attorney is now in force.

Signed and sealed at the City of Middleton, State of Wisconsin this 28th day of December, 2022.

PLATTE RIVER INSURANCE COMPANY CORPORATE SEAL NEBRASKA

Andrew B. Diaz-Matos
Senior Vice President, General Counsel and Secretary

THIS DOCUMENT HAS BEEN GENERATED FOR A SPECIFIC BOND. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT CALL 800-475-4450.

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REDACTED

Titan Gas, LLC d/b/a Titan Gas and Power
Prepared: April 21, 2023

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.

Prepared by:
John D. Lupo
CAO
jlupo@cleanskyenergy.com
346-327-3104

Assumptions:		2023	2024	2025
Average monthly customer count		[redacted]		
Gas usage				
Dth	**OH EDC's**			
	Dominion Eash Ohio			
	Duke Energy			
	Vectren			
	Columbia Gas of Ohio			
	Total Usage (Dth)			
	Forcasted weighted average cost:			
	Estimate Margin (Dth)			
	Bad Debt (% of Sales)			
	Marketing per month			
	System Cost per month ($.87/Cust.)			
	Supplier Financing (% of Sales)			
	Taxes & Licenses			

P&L Forecast			
Sales			
COGS			
Gross Margin			
Direct Costs:			
Marketing			
System Costs			
Financing Cost			
Bad Debts			
Total Direct Costs:			
G&A Costs			
Taxes & Licenses			
Net P&L			

Report of Independent Auditors
and Financial Statements

Titan Gas, LLC

December 31, 2022 and 2021

MOSSADAMS

Table of Contents

Report of Independent Auditors

To the Members
Titan Gas, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Titan Gas, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Titan Gas, LLC as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Titan Gas, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022, the Company adopted new accounting guidance, Accounting Standards Codification (ASC) 842, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Titan Gas, LLC's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Titan Gas, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Titan Gas, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Moss Adams LLP

Portland, Oregon
April 27, 2023

Financial Statements

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Titan Gas, LLC
Balance Sheets
December 31, 2022 and 2021

REDACTED

	2022	2021
ASSETS		
CURRENT ASSETS	[redacted]	[redacted]
Cash and cash equivalents		
Accounts receivable, net		
Unbilled receivables		
Prepaid expenses and other		
Inventory		
Total current assets		
PROPERTY AND EQUIPMENT, net		
RIGHT-OF-USE ASSETS		
OTHER ASSETS		
Restricted cash		
Deposits		
Total other assets		
Total assets		
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES	[redacted]	[redacted]
Accounts payable and accrued expenses		
Pooled credit facility		
Current portion of long-term debt		
Current portion of lease liability		
Customer deposits and overpayments		
Total current liabilities		
LONG-TERM LIABILITIES		
Long-term debt, net of current portion		
Lease liability, net of current portion		
Total long-term liabilities		
TOTAL LIABILITIES		
Members' Equity		
Total liabilities and members' equity		

See accompanying notes.

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Titan Gas, LLC
Statements of Income and Changes in Members’ Equity
Years Ended December 31, 2022 and 2021

	2022	
OPERATING REVENUES	[redacted]	[redacted]
COST OF REVENUES	[redacted]	[redacted]
GROSS PROFIT	[redacted]	[redacted]
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	[redacted]	[redacted]
INCOME FROM OPERATIONS	[redacted]	[redacted]
OTHER INCOME (EXPENSE), net	[redacted]	[redacted]
NET INCOME	[redacted]	[redacted]
MEMBERS' EQUITY, BEGINNING OF YEAR	[redacted]	[redacted]
DISTRIBUTIONS TO MEMBERS	[redacted]	[redacted]
MEMBERS' EQUITY, END OF YEAR	[redacted]	[redacted]

See accompanying notes.

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Titan Gas, LLC
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

REDACTED

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	[redacted]	[redacted]
Net income		
Adjustment to reconcile net income to net cash from operating activities		
Depreciation and amortization		
Provision for doubtful accounts		
Loss on disposal of equipment		
Changes in		
Accounts receivable, net		
Unbilled receivables		
Prepaid expenses and other		
Inventory		
Deposits		
Accounts payable and accrued expenses		
Customer overpayments		
Net cash from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment		
Net cash from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Pooled credit facility advances/repayments, net		
Payments on long-term debt		
Distribution to members		
Net cash from financing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS, beginning of year		
CASH AND CASH EQUIVALENTS, end of year		
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest		
Noncash item		
Conversion of PPP payable to long-term debt		
Right-of-use assets obtained in exchange for operating lease liabilities		

See accompanying notes.

Note 1 – Summary of Significant Accounting Policies

Nature of business – Titan Gas, LLC ("Titan" or "the Company") was organized as a Texas limited liability company in 2005. No member or director shall be liable for the obligations of the Company except as provided by the State of Texas. The Company maintains its accounts on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operations and cash flows are summarized below.

Titan operates as a retail energy supplier under the dba of CleanSky Energy, selling natural gas to residential and commercial consumers in sixteen utility markets and electricity to residential and commercial consumers in thirty-six utility markets in Texas, Illinois, Pennsylvania, Ohio, New Jersey, Massachusetts, Maryland, and the District of Columbia.

The Company's ability to maintain and grow its customer base depends on its ability to provide natural gas and electricity at a reasonable price and its ability to compete effectively with other retail energy companies in the markets Titan serves, including those offering alternative fuel sources.

Recently issued accounting pronouncements – In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU No. 2020-04, *Reference Rate Reform* (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (ASU 2020-04), which was then further clarified by ASU 2021-01. The update provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions, subject to meeting certain criteria, that reference the London Inter-Bank Offered Rate, or another reference rate expected to be discontinued because of reference rate reform. The guidance in ASU 2021-01 is optional and may be elected over time, through December 31, 2024, as reference rate reform activities occur. Once ASU 2021-01 is elected, the guidance must be applied prospectively for all eligible contract modifications. The Company continues to evaluate the impact of ASU 2021-01 and may apply elections, as applicable, as the expected market transition to alternative reference rates continues to develop.

Recently adopted accounting standards – In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, Leases (*Topic 842*) ("ASU 2016-02"). ASU 2016-02 outlines a comprehensive lease accounting model and supersedes the current lease guidance. The new guidance requires lessees to recognize lease liabilities and corresponding right-of-use assets ("ROU") for all leases with lease terms of greater than 12 months. It also changes the definition of a lease and expands the disclosure requirements of lease arrangements.

The Company adopted ASU 2016-02 on January 1, 2022 using the modified retrospective transition method as provided by the standard. In accordance with this transition method, results for the reporting period beginning on December 31, 2022 are presented under the new standard, while prior periods were not adjusted and continue to be reported in accordance with the previously applicable accounting guidance. The Company elected the "package of practical expedients," which allows it to not reassess under the new guidance prior conclusions about lease identification, lease classification, and initial direct costs. The Company also elected to not separate lease and non-lease components and the short-term lease recognition exemption for all leases that qualify, which means it will not recognize ROU assets or lease liabilities for leases with lease terms of less than twelve months. The Company did not elect the use-of-hindsight practical expedient.

Use of estimates – The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

Commitments and contingencies – The Company enters into various firm purchases and sale commitments for natural gas and electricity that do not meet the definition of a derivative instrument or for which the Company has elected the normal purchase or normal sales exception. Management does not anticipate that such commitments will result in any significant gains or losses based on current market conditions.

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

The Company is involved in various legal matters arising in the normal course of business. In the opinion of management, the amount of losses that may be sustained, if any, would not have a material effect on the financial statements of the Company.

Cash and cash equivalents – The Company considers demand deposits, money market deposits, and any other short-term investments with an original maturity of three months or less to be cash equivalents. At times, cash balances may exceed federally insured limits. The Company does not believe it is exposed to any significant credit risk on cash and cash equivalents and has not experienced any losses in such accounts.

Restricted cash – The Company has entered into agreements with a wholesale supplier (“Wholesaler”) to supply natural gas and electricity to Titan for resale to approved customers. The Wholesaler requires the Company to maintain a lockbox account in trust for the benefit of Wholesaler. The Company grants Wholesaler a first-priority security interest in all deposits of the lockbox account.

Accounts receivable – Accounts receivable are stated at the amounts that the Company expects to collect on outstanding balances. The Company provides for losses on receivables using the allowance method. The allowance is based on a review of the current status of existing receivables and other circumstances (such as the economy or litigation) which may affect the ability of third-party payers to meet their obligations. Receivables are considered impaired if all payments are not expected to be received in accordance with terms agreed upon by the parties. It is the Company’s policy to charge off uncollectible accounts when management determines the receivable will not be collected. The allowance for doubtful accounts as of December 31, 2022 and 2021 was $989,662 and $281,864, respectively.

The Company conducts business in many utility services markets where the local regulated utility purchases its receivables, and then becomes responsible for billing the customer and collecting payment from the customer ("POR programs"). This POR service results in substantially all of the Company's credit risk being linked to the applicable utility, which generally has an investment-grade rating, and not to the end-use customer. The Company monitors the financial condition of each utility and currently believes that its susceptibility to an individually significant write-off as a result of concentrations of customer accounts receivable with those utilities is remote. Trade accounts receivable that are part of a local utility's POR program are recorded on a gross basis in accounts receivable in the balance sheet. The discount paid to the local regulated utilities is recorded in cost of revenues in the statement of income and changes in members' equity.

Inventory – Inventory consists of natural gas used to fulfill and manage seasonality for fixed and variable- price retail customer load requirements and is valued at the lower of weighted average cost or net realizable value. Purchased natural gas costs are recognized in the statement of income and changes in members' equity, within cost of revenues, when the natural gas is sold and delivered out of the storage facility. There were no inventory impairments recorded for the years ended December 31, 2022 and 2021. When natural gas is sold costs are recognized in the statement of income and changes in members' equity, within cost of revenues, at the weighted average cost value at the time of the sale.

Property and equipment – Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated on the straight-line method over the estimated useful life of the asset. Property and equipment are depreciated over five to seven years. Leasehold improvements are amortized over the shorter of the asset life or the remaining lease term. Software development costs are amortized over its useful life. When assets are retired or disposed of, the cost and accumulated depreciation and amortization are removed from the accounts, and any resulting gains or losses are included in income. Maintenance and repairs are charged to expense in the period incurred.

Revenue and cost recognition – The Company's revenues are derived primarily from the sale of natural gas and electricity to retail customers and wholesale counterparties. Revenues are recognized by the Company based on consideration specified in contracts with customers when performance obligations are satisfied by transferring control over products to a customer. Utilizing these criteria, revenue is recognized when the natural gas or electricity is delivered. Similarly, cost of revenues is recognized when the commodity is delivered. Because customers are invoiced at the time title transfers and the Company's right to consideration is unconditional at that time, the Company does not maintain contract asset balances. Additionally, the Company does not maintain contract liability balances, as the performance obligations are satisfied prior to customer payment. The Company offers industry standard payment terms.

Revenues for natural gas and electricity sales are recognized upon delivery under the accrual method. Natural gas and electricity sales that have been delivered but not billed by period end are accrued. Accrued unbilled revenues are based on an analysis ("calendarization") of subsequent two months billings to determine revenue that pertains to November and December delivery billed in a subsequent month.

Costs for natural gas and electricity sales are recognized as the commodity is delivered to the customer under the accrual method. Natural gas and electricity costs that are billed to the Company by suppliers in subsequent months are accrued based on the delivery period.

The Company offers budget billing to its customers. When a customer enrolls in budget billing, the Company takes the customer's annual usage history and divides that amount by 12 months, which represents the monthly billing for that customer. An asset or liability is recorded for the difference between the payment and actual usage.

The Company recognizes costs from the sale of natural gas and electricity volumetrically, as measured by the customer's service utility, as delivered when title passes. Natural gas cost of sales includes the following costs: natural gas, gathering, transportation and storage costs, and electricity cost of sales include the following costs: electric generation and system reliability costs. Costs of both natural gas and electricity can vary significantly between periods based upon short-term and long-term arrangements with suppliers, hedging activities and other factors.

Customer acquisition costs – The Company capitalizes retail natural gas and electricity customer acquisition costs. Capitalized customer acquisition costs of $4,766,591 and $4,032,970 are recorded in current assets representing unamortized acquisition costs as of December 31, 2022 and 2021, respectively. Customer acquisition costs are spending for organic customer acquisitions and do not include customer acquisitions through merger activities. Amortized customer acquisition costs, recorded in selling, general and administrative expenses in the statement of income and changes in members' equity, was $8,701,748 and $9,610,378 for the years ended December 31, 2022 and 2021, respectively. Capitalized acquisition costs consist primarily of hourly and commission-based telemarketing costs, door-to-door agent commissions and other direct advertising costs associated with proven customer generation and are capitalized and amortized over the estimated fifteen-month average life of a customer in accordance with the provisions of FASB ASC 340- 20, Capitalized Advertising Costs.

Recoverability of customer acquisition costs is evaluated based on a comparison of the carrying amount of the customer acquisition costs to the future net cash flows expected to be generated by the customers acquired, considering specific assumptions for customer attrition, per unit gross profit, and operating costs. These assumptions are based on forecasts and historical experience.

Natural gas imbalances – The balance sheet includes natural gas imbalance payables, which primarily result when customers consume more gas than has been delivered by the Company to local distribution companies ("LDCs"). The settlement of natural gas imbalances varies by LDC, but typically the natural gas imbalances are settled in cash or in kind on a monthly or quarterly basis. The imbalances are valued at an estimated net realizable value. The Company recorded an imbalance payable of $35,878 and $33,282 in accrued expenses on the balance sheet as of December 31, 2022 and 2021, respectively.

Sales tax – Sales taxes that Titan collects from its customers are remitted to the various governmental entities on a net basis; therefore, there is no impact on Titan's statement of income and changes in members' equity.

Gross receipts tax – In certain states which Titan does business the Company is charged a gross receipts tax on revenue generated from sales within that state. Titan paid $3,049,154 and $2,608,084 in gross receipts tax for the years ended December 31, 2022 and 2021, respectively. This amount is included in selling, general and administrative expenses on Titan's statement of income and changes in members' equity. At December 31, 2022 and 2021 Titan recorded an accrual for gross receipts tax payable of $795,647 and $572,673, respectively, which is included in accounts payable and accrued expenses on Titan's balance sheet.

Income tax – The Company is treated as a partnership for income tax purposes and all income and expenses are reported in the tax returns of its members.

The Company applies the provisions of ASC Topic 740, Income Taxes (“ASC 740”), which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. Tax positions that meet the more likely than not recognition threshold may be recognized.

The Company's accounting policy related to income tax penalties and interest assessments is to accrue for these costs and record a charge to general and administrative expense for tax penalties and a charge to interest expense for interest assessments during the period that we take an uncertain tax position through resolution with the taxing authorities or the expiration of the applicable statute of limitations. The Company did not record any amounts related to penalties and interest during the years ended December 31, 2022 and 2021.

Management does not believe that the Company has any material uncertain tax positions at December 31, 2022. The Company’s tax returns for 2021, 2020 and 2019 are still subject to examination by relevant taxing authorities.

Leases – For the year ended December 31, 2021, the Company accounted for leases in accordance with ASC 840, *Leases* (“ASC 840”). The Company categorized leases at their inception as either operating or capital. Under ASC 840, a lease arrangement was classified as a capital lease if at least one of the following criteria were met: (i) transfer of ownership to the Company prior to or shortly after the end of the lease term, (ii) the Company had a bargain purchase option during or at the end of the lease term, (iii) the lease term was equal to 75% or more of the underlying asset’s economic life, or (iv) the present value of future minimum lease payments (excluding executory costs) was equal to 90% or more of the fair value of the leased property.

Rent expense was recorded in operating and administrative expenses in the statements of operations on a straight-line basis over the lease term. Deferred rent was the difference between rent payments and rent expense in any period and was recorded as a liability in the balance sheets and amortized as a reduction of rent expense over the term of the lease.

The Company adopted Topic 842 as of January 1, 2022. Under Topic 842, an arrangement is or contains a lease if there is one or more assets identified and the right to control the use of any identified asset is conveyed to the Company for a period of time in exchange for consideration. Control over the use of an identified asset means the lessee has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. The Company determines lease classification as either operating or finance at lease commencement and upon a modification, if necessary, which governs the pattern of expense recognition and the presentation reflected in the statements of operations over the lease term.

For contracts that contain lease and non-lease components, the Company has made the policy election to combine these into a single lease component. For leases with terms greater than 12 months, the associated lease right-of-use ("ROU") assets and lease liabilities are recognized at the estimated present value of future lease payments over the lease term at the commencement date. The Company's leases do not provide a readily determinable implicit rate; therefore, the Company uses an estimated incremental borrowing rate to discount the future minimum lease payments. For leases containing fixed rental escalation clauses, the escalators are factored into the determination of future minimum lease payments. The Company includes options to extend a lease in its determination of the lease term when it is reasonably certain that such options will be exercised. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Subsequent events – Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date but arose after the balance sheet date and before the financial statements are available to be issued.

Management has evaluated subsequent events through April 27, 2023, the date on which the financial statements were available for issue.

Reclassification – Certain amounts from the prior year statement of cash flow have been reclassified in order to conform to the current year presentation.

Note 2 – Property and Equipment, Net

Property and equipment, net consist of the following at December 31:

	2022	2021
Computer equipment	$ 455,827	$ 434,390
Furniture and fixtures	315,643	293,182
Leasehold improvements	482,743	481,958
Software development cost	880,635	773,135
Total property and equipment	2,134,848	1,982,665
Less: accumulated depreciation and amortization	(1,290,416)	(833,220)
Total property and equipment, net	$ 844,432	$ 1,149,445

Depreciation and amortization expense totaled $459,945 and $408,877 for the years ended December 31, 2022 and 2021, respectively.

Note 3 – Revenue

The following table presents the Company's revenue, disaggregated by type:

	2022	2021
Electric sales	$ 123,770,368	$ 90,995,032
Gas sales	23,921,346	19,287,883
Less: Purchase of receivables	(829,115)	(657,755)
Total	$ 146,862,599	$ 109,625,160

Note 4 – Pooled Credit Facility

At December 31, 2022 and 2021, Titan had a $15,000,000 pooled credit facility with a wholesaler. The maximum amount of borrowings available under this pooled credit facility will range from $7,000,000 to $25,000,000 based on the net worth of the Company and the trailing 12-month volumes of megawatt hours delivered to customers. The pooled credit facility is made up of three credit facilities. The revolving credit facility is to be used for operations of the Company and cannot exceed 50% of the pooled credit facility. The storage credit facility is used to purchase natural gas from the wholesaler or a local distribution company. The collateral credit facility shall be used solely for the purpose of posting required collateral in support of the Company's business with customers in service territories.

The revolver credit facility accrues interest at the higher of 3% or LIBOR plus 3% (6% at December 31, 2022 and 2021). Any outstanding amounts on the collateral and storage credit facility accrue interest at the higher of 3% or LIBOR plus 4% (7% at December 31, 2022 and 2021). Interest on the unpaid principal balance is payable monthly. The pooled credit facility will mature on April 22, 2025. The outstanding balance on the pooled credit facility at December 31, 2022 and 2021 was $13,298,131 and $12,339,473, respectively.

In addition, the Wholesaler has posted collateral worth $2,371,985 and $3,609,898 for the benefit of the Company at December 31, 2022 and 2021, respectively. This is less the collateral liability at December 31, 2022 and 2021 of $354,046 and $328,046, respectively. Substantially all of this collateral reduces available borrowings under the pooled credit facility. Interest accrues at the collateral credit facility rate for posted collateral. The pooled credit facility is secured by the lockbox account, and substantially all assets of the Company. The pooled credit facility is subject to certain covenants. At December 31, 2022, the Company was not in compliance with these covenants. Subsequent to year end, the Company obtained a waiver of these covenants from the Wholesaler for the year ended December 31, 2022.

Interest expense on the pooled credit facility during the year ended December 31, 2022 and 2021 was $845,429 and $614,169, respectively. Interest expense is included in other expenses in the statement of income and changes in members' equity.

Note 5 – Long-term Debt

On April 9, 2020, the Company received a Paycheck Protection Program (PPP) loan in the amount of $1,195,418 administered by the Small Business Administration (SBA), to support eligible small businesses impacted by COVID-19. During the year ended December 31, 2021, the Company received $792,224 for forgiveness of the PPP loan, and it was determined that $403,194 of the PPP loan was not eligible for forgiveness. Monthly principal and interest payments of $10,164 are due at a fixed annual rate of 1.00% until the loan matures on May 9, 2025. As of December 31, 2022 and 2021, $281,188 and $403,194 was outstanding, respectively.

Future maturities of the note payable are as follows at December 31, 2022:

2023	$ 119,788
2024	120,867
2025	40,533
	$ 281,188

Note 6 – Concentrations

Supplies of natural gas and electricity are purchased entirely from a single wholesaler. Should the Wholesaler cease delivery of these commodities, the Company can access other sources of natural gas and electricity. At December 31, 2022 and 2021, amounts due to the Wholesaler included in accounts payable and accrued expenses totaled approximately $11,100,000 and $7,540,000, respectively.

Note 7 – Leases

For the Year Ended December 31, 2022

The Company leases office buildings under non-cancelable operating leases for various terms through 2026. Certain lease agreements include renewal terms, at the Company's option, and rental increases throughout the term.

The Company's operating lease liability and right-of-use asset balances include leases for buildings. The components of lease expense were as follows for the year ended December 31, 2022:

Operating lease costs	$ 465,619

The following table provides supplemental information related to operating leases for the purpose of the measurement of lease liabilities at or for the year ended December 31, 2022:

Operating cash flows for operating leases	$ 457,135
Right-of-use assets obtained in exchange for operating liabilities	1,977,005
Weighted-average remaining lease term for operating leases (years)	3.81
Weighted-average discount rate for operating leases	8.08%

The following is a reconciliation of future undiscounted cash flows to the operating lease liability and the related ROU asset presented on the balance sheet at December 31, 2022:

Year ending December 31,	
2023	$ 580,305
2024	590,740
2025	454,928
2026	260,516
Total undiscounted cash flows	1,886,489
Less present value discount	(223,165)
Total lease liabilities	$ 1,663,324

For the Year Ended December 31, 2021

The future minimum lease payments as of December 31, 2021 were as follows:

Year ending December 31,	
2022	$ 427,092
2023	437,806
2024	448,641
2025	303,475
2026	174,195
	$ 1,791,209

Total rent expense for the year ended December 31, 2021 was $608,943 recorded under accounting standards in effect for the prior period.

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A lien holder can file the same lien in more than one filing location. The appearance of multiple liens filed by the same lien holder against a debtor may be

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