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Version Revised 02/24/17

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania Loan Processing LLC for approval to offer, render, furnish, or supply electricity or electric generation services as a(n) less specified in item #4b below to the public in the Commonwealth of Pennsylvania (Pennsylvania).

To the Pennsylvania Public Utility Commission:

**1. IDENTIFICATION AND CONTACT INFORMATION**

a. **IDENTITY OF THE APPLICANT:** Provide name (including any fictitious name or d/b/a), primary address, web address, and telephone number of Applicant:

Pennsylvania Loan Processing LLC  
250 Technology Dr  
Clearfield PA 16830  
814.913.3100  
WWW.PAGRAM.COM

b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT:** If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

c. **REGULATORY CONTACT:** Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.  
Steve Nezell SteveN@pagram.com Brian Terborg bterborg@pagram.com  
Director of Finance CFO  
PO Box 290 PO Box 290  
Zachand MI 49464 Zachand MI 49464  
P: 616.748.1874 F: 616.748.3974 P: 616.748.1836 F: 616.748.3936

d. **ATTORNEY:** Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.  
Scholten Faust  
Attn: Tom Bauer tbauer@scholtenfaust.com  
100 North Third Street, PO Box 454  
Grand Haven MI 49417

e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** (Required of ALL Applicants) Provide the name, title, address, telephone number, FAX number, and e-mail **OF THE PERSON AND AN ALTERNATE PERSON (2 REQUIRED)** responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed EGSs.

Steve Nezell Brian Terborg  
Director of Finance CFO  
PO Box 290 PO Box 290  
Zachand MI 49464 Zachand MI 49464  
P: 616.748.1874 F: 616.748.3974 P: 616.748.1836 F: 616.748.3936  
tbauer@pagram.com bterborg@pagram.com

#### 4. OPERATIONS

a. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

*Definitions*

- Supplier - an entity that sells electricity to end-use customers utilizing the jurisdictional transmission and distribution facilities of an EDC.
- Aggregator - an entity that purchases electric energy and takes title to electric energy as an intermediary for sale to retail customers.
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of electric energy but does not take title to electric energy.

The Applicant is presently doing business in Pennsylvania as a

- municipal electric corporation
- electric cooperative
- local gas distribution company
- provider of electric generation, transmission or distribution services
- broker/marketer engaged in the business of supplying electricity services
- Other; identify the nature of service being rendered.

*Corrected*

OR

The Applicant is not presently doing business in Pennsylvania.

*Applying for retail electric supplier license for purpose of self-supply of electricity (LSE) to its facility in Clarfield PA.*

b. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a (may check multiple):

- Generator of electricity
- Supplier of electricity
- Aggregator engaged in the business of supplying electricity
- Broker/Marketer engaged in the business of supplying electricity services
  - Check here to verify that your organization will not be taking title to the electricity nor will you be making payments for customers.
- Electric Cooperative and supplier of electric power
- Other (Describe):

*Corrected*

c. **PROPOSED SERVICES:** Describe in detail the electric services or the electric generation services which the Applicant proposes to offer.

*Self-serving entity of electric generation*

*PGP is seeking Load Serving Entity status and will receive power directly from the PJM transmission system at its Clarfield, PA facility. As such, all electric supply services typically seen from a retail electric supplier will be intended to PGP*

d. **PROPOSED SERVICE AREA:** Check the box of each Electric Distribution Company for which the Applicant proposes to provide service.

- Citizens' Electric
- Duquesne Light
- Met-Ed
- PECO
- Penelec
- Penn Power

- Pike
- PPL
- UGI Utilities
- Wellsboro
- West Penn

Entire Commonwealth of PA

\* e. **CUSTOMERS:** Applicant proposes to provide services to:

- Residential Customers
- Small Commercial Customers - (25 kW and Under)
- Residential and Small Commercial as Mixed Meter ONLY (CANNOT BE TAKEN WITH RESIDENTIAL AND/OR SMALL COMMERCIAL ABOVE)
- Large Commercial Customers - (Over 25 kW)
- Industrial Customers
- Governmental Customers
- All of above (Except Mixed Meter)
- Other (Describe):

f. **START DATE:** Provide the approximate date the Applicant proposes to actively market within the Commonwealth.

*August 20, 2017*

5. COMPLIANCE

- a. **CRIMINAL/CIVIL PROCEEDINGS:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.

*Various proceedings throughout the years that are common in the normal course of business: auto accidents, workers compensation claims, patent filings, etc. None of which are criminal or civil, only related to insurance claims.*

- b. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

- \* c. **CUSTOMER/REGULATORY/PROSECUTORY ACTIONS:** Identify all formal or escalated actions or complaints filed with or by a customer, regulatory agency, or prosecutory agency against the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, for the prior five (5) years, including but not limited to customers, Utility Commissions, and Consumer Protection Agencies such as the Offices of Attorney General. If the Applicant has no actions or complaints to list, explicitly state such.

*They have been none and there are no pending actions.*

- d. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any actions listed above.

**Met-Ed, Pensac, and Penn Power:**  
Legal Department  
First Energy  
2800 Pottsville Pike  
Reading PA, 19612

**UGI:**  
UGI Utilities, Inc.  
Attn: Rates Dept. - Choice Coordinator  
2526 N. 12th Street, Suite 380  
Post Office Box 12677  
Reading, Pa 19612-2677

**Citizens' Electric Company:**  
Citizens' Electric Company  
Attn: EGS Coordination  
1775 Industrial Boulevard  
Lewisburg, PA 17837

**Wellsboro Electric Company:**  
Wellsboro Electric Company  
Attn: EGS Coordination  
33 Austin Street  
P. O. Box 138  
Wellsboro, PA 16901

## 7. FINANCIAL FITNESS

a. **BONDING:** In accordance with 68 Pa. C.S. Section 2808(c)(1)(i), the Applicant is required to file a bond or other instrument to ensure its financial responsibilities and obligations as an EGS. Therefore, the Applicant is...

- Furnishing the **ORIGINAL** of an initial bond, letter of credit or proof of bonding to the Commission in the amount of \$250,000.
- Furnishing the **ORIGINAL** of another initial security for Commission approval, to ensure financial responsibility, such as a parental guarantee, in the amount of \$250,000.
- For Marketers and Brokers** - Filing for a modification to the \$250,000 requirement and furnishing the **ORIGINAL** of an initial bond, letter of credit or proof of bonding to the Commission in the amount of \$10,000. Applicant is required to provide information supporting an amount less than \$250,000. Such supporting information must include indication that the Applicant will not take title to electricity and will not pay electricity bills on behalf of its customers. Further details for modification may be described as well.

### CRITICAL BONDING NOTES:

Applicant is required to maintain a bond or other financial instrument the entire time it maintains an EGS license with the Commonwealth of Pennsylvania. If Applicant's security instrument is not continuous, Applicant **MUST** submit a Rider, Amendment, or Continuation Certificate annually based on the expiration date of its security instrument.

Sixty days (60) prior to the security instrument's expiration date, Applicant should contact Stephen Jaicab at [sjaicab@egs.gov](mailto:sjaicab@egs.gov) to determine the appropriate bonding amount based on a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. Once the amount has been determined, Applicant should overnight the updated security instrument(s) at least thirty (30) days prior to the expiration date to ensure adequate time for staff review and approval of the security instrument(s).

Example version of a bond, letter of credit, and parental guarantee are attached at Appendix D, E, & F, respectively. Applicant's security must follow language from these examples. Any deviation from these examples must be identified in the application and may not be acceptable to the Commission.

b. **FINANCIAL RECORDS, STATEMENTS, AND RATINGS:** Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient)
- Applicant's accounting statements, including balance sheet and income statements for the past two years.
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form, evidence of Moody's, S&P, or Fitch ratings, and/or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements exhibiting accounts over a minimum two year period.
- Bank account statement, tax returns from the previous two years, or any other information that demonstrates Applicant's financial fitness.

c. **SUPPLIER FUNDING METHOD:** If Applicant is operating as anything other than Broker/Marketer only, explain how Applicant will fund its operations. Provide all credit agreements, lines of credit, etc., and elaborate on how much is available on each item.

*Self-funding as lead serving entity*

d. **BROKER PAYMENT STRUCTURE:** If applicant is a broker/marketer, explain how your organization will be collecting your fees.

*N/A - internal ledger transfers*

e. **ACCOUNTING RECORDS CUSTODIAN:** Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

*Brian Terborg  
briant@pagrain.com  
LFO  
PO Box 090  
Zealand MI 49464*

*P: 616-748-1836*

*Steve Newell  
steven@pagrain.com  
Director of Finance  
PO Box 090  
Zealand MI 49464*

*P: 616-748-1874*

f. **TAXATION:** Complete the **TAX CERTIFICATION STATEMENT** attached as Appendix G to this application.

*All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identification numbers (Items 7A through 7C) shall be accompanied by supporting documentation or an explanation validating the absence of such information.*

*Items 7A and 7C on the Tax Certification Statement are designated by the Pennsylvania Department of Revenue. Item 7B on the Tax Certification Statement is designated by the Internal Revenue Service.*

*Sales Tax License - N/A*

*We file Use Tax each month, sales tax is not collected.*

**8. TECHNICAL FITNESS:**

To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided.

**a. EXPERIENCE, PLAN, STRUCTURE:** such information may include:

*We will be outsourcing market operations and LSE services to: Kinect Energy Eno  
450 S. 3rd Suite 4  
Louisville, KY 40202*

*Please see attached additional details*

- Applicant's previous experience in the electricity industry.  
*None - outsourced to Kinect Energy*
- Summary and proof of licenses as a supplier of electric services in other states or jurisdictions.  
*None - only planning to do it at this time*
- Type of customers and number of customers Applicant currently serves in other jurisdictions.  
*See bullet point 2 above*
- Staffing structure and numbers as well as employee training commitments.  
*Outsourced to Kinect Energy PJM Generator Operators*
- Business plans for operations within the Commonwealth.  
*To serve our own electricity requirements/loads within the Commonwealth*
- Documentation of membership in PJM, ECAR, MAAC, other regional reliability councils, or any other membership or certification that is deemed appropriate to justify competency to operate as an EGS within the Commonwealth.  
*Membership # 38864*
- Any other information appropriate to ensure the technical capabilities of the Applicant.  
*Outsourced to Kinect Energy  
Attn: EJ Hazard, P. 502.581.0003  
ehazard@kinectenergy.com*

**b. PROPOSED MARKETING METHOD (check all that apply)**

- Internal - Applicant will use its own internal resources/employees for marketing
- External EGS - Applicant will contract with a PUC LICENSED EGS broker/marketer
- Affiliate - Applicant will use a NON-EGS affiliate marketing company and or individuals.
- External Third-Party - Applicant will contract with a NON-EGS third party marketing company and or individuals
- Other (Describe):

**c. DOOR TO DOOR SALES:** Will the Applicant be implementing door to door sales activities?

- Yes
- No

If yes, will the Applicant be using verification procedures?

- Yes
- No

If yes, describe the Applicant's verification procedures.

### **Technical Fitness Continued**

PGP is going to purchase wholesale power for its principle business of ethanol production. PGP will not generate power for retail sale. The applicant has procured the services of Kinect Energy Group, a subsidiary of World Fuel Services, Inc. as it will schedule retail power for transmission and delivery, and the provision of retail ancillary services as well as the other services used to arrange for purchase and delivery of electricity to its our facility. Kinect Energy's Market Operation's team consist of 10 personnel that are experienced with PJM market operations and will serve as PGP's market operation center. All Kinect Energy scheduling operators are PJM Certified Generation Operator.

Attached are the professional backgrounds of the key members of the Kinect Energy team that will be leading the market operations functions for PGP.





Ed Howard  
Director, Wholesale Electricity Services  
[ehoward@kinectenergy.com](mailto:ehoward@kinectenergy.com)  
Louisville, KY  
502-581-0003 ext.102

#### **Professional Summary**

**Ed Howard is the Director of Wholesale Electricity Services. Ed leads the client management team, wholesale counterparty relationship, and wholesale transition process. With more than 30 years of energy industry experience, Ed's work has included leading operational, strategic, and management consulting engagements during periods of considerable change in the energy industry. He has experience with global corporations, utility companies, power producers, and large end-users of electricity. His energy management experience includes:**

- Utility rate and special contract negotiations (end user and utility side)
- Retail and wholesale energy contract negotiations (EEI, NAESB, ISDA)
- Strategic energy planning for Fortune 500 and Fortune 100 global energy consumers
- Managing (buying and selling) over 15 million MWhs for municipals, large end users, and independent power producers
- Buying and selling over 1 million Renewable Energy Credits (RECs)

**Before joining Kinect Energy Group, Ed held positions with Westar Energy, Inc., Summit Energy Services (Schneider Electric), and Fellow-McCord & Associates (Trane Building Advantage). Ed attended Friends University, in Wichita, KS and is a United States Army Veteran serving in Operation Desert Shield/Desert Storm.**



**Ryan Thompson, Manager of Wholesale Electricity Services**

[rtompson@kinectenergy.com](mailto:rtompson@kinectenergy.com)

Ryan Thompson is the Manager of Wholesale Electricity Services. Ryan leads the Market Operations Center which is staffed 24/7 by a team of PJM certified Generation Operators. Ryan has more than 9 years of energy industry experience. His responsibilities include directing the day-to-day operations involving: scheduling, purchasing, settlement, accounting and ancillary services for both wholesale generation and load in PJM. Ryan has experience working with municipalities, independent power producers, cogeneration and large industrial end-users. His energy management experience includes:

- Managing multiple assets, including load and generation, in PJM, MISO, ERCOT, NYISO and ISO-NE
  - Overseeing the process for large Industrial loads to receive direct access to the wholesale electric markets
  - Managing a combined client portfolio of load and generation in excess of 2 GWs
- Before joining Kinect Energy Group, Ryan held positions with Beach Front Energy, Fellon-McCord & Associates (Trane Building Advantage) and DaCott Power and Transmission Systems. Ryan is certified as a PJM Generation Operator and a NERC Reliability System Operator. Ryan attended the University of Louisville.



**Pat Frazier, VP of Energy Markets**

[pfrazier@kinectenergy.com](mailto:pfrazier@kinectenergy.com)

Mr. Frazier has over thirty (30) years of experience working within the electric power industry. His experience spans from engineering to executive management in power generation, supply planning, trading, delivery and operations, transmission operations, regulatory affairs and ISO/RTO control center design and operations. Mr. Frazier has worked for both non-profit and for profit companies, and has started and run two electric power management and service companies.

Previous to Kinect Energy Group, Mr. Frazier was:

- CEO and Co-founder of Beach Front Energy Holdings Company;
- Vice-President of Electricity Services for Fellon-McCord & Associates;
- Managing Partner and Co-founder of DaCott Power and Transmission Solutions;
- Vice-President of Power Generation and Energy Operations at American Municipal Power; and
- Manager of Utility Power Sale at LG&E Energy.

Mr. Frazier received both his Bachelor of Science and Master of Engineering degrees in Electrical Engineering from the University of Louisville's Speed School of Engineering.





PJM Interconnection  
2750 Monroe Blvd.  
Audubon, PA 19403

Faith K. Daley  
Senior Paralegal/Contract Administrator  
Ph: 610.666.8875 | Fax 610.666.8211  
[faith.daley@pjm.com](mailto:faith.daley@pjm.com)

September 7, 2017

**Via Email Only**

Steve Newell, Director of Finance  
Pennsylvania Grain Processing, LLC  
250 Technology Drive  
Clearfield, PA 16830

**Re: Letter in Good Standing**

Dear Mr. Newell:

This letter is being provided to Pennsylvania Grain Processing LLC pursuant to your request. Pennsylvania Grain Processing LLC was approved for PJM Interconnection, L.L.C. ("PJM") membership effective December 19, 2016. Pennsylvania Grain Processing LLC is a load serving entity and signed the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region on November 21, 2016.

PJM checked its records, including billing and settlement information, and can confirm that Pennsylvania Grain Processing LLC is currently a member in good standing.

Please feel free to contact me if further information is required.

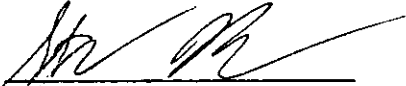
Very truly yours,

A handwritten signature in black ink that reads "Faith K. Daley".

Faith K. Daley  
Senior Paralegal/Contract Administrator

/fkd

I Steve Newell, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification the authorities).



Director of Finance

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ORIGIN ID: HLMA (616) 772-9042  
STEVE NEWELL  
PENNSYLVANIA GRAIN PROCESSING LLC  
2525 84TH AVENUE

ZEELAND, MI 49464  
UNITED STATES US

SHIP DATE: 07SEP17  
ACTWGT: 0.50 LB  
CAD: 111406009/MET3920

BILL SENDER

TO PENNSYLVANIA PUBLIC UTILITY COMMISS  
ROSEMARY CHIAVETTA, SECRETARY  
400 NORTH STREET

HARRISBURG PA 17120

(717) 783-5242

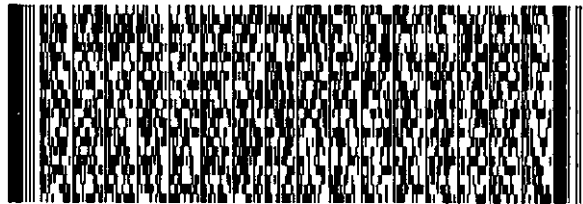
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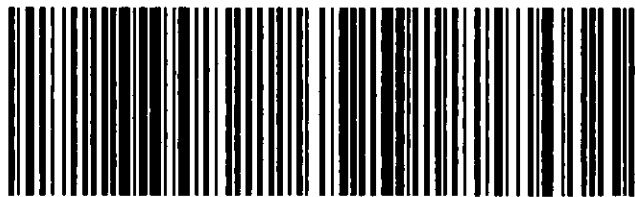
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