

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Clearwater Enterprises, L.L.C., d/b/a Clearwater Energy Services, for approval to offer, render, furnish, or supply natural gas supply services as a(n) [as 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:

Clearwater Enterprises, L.L.C. d/b/a Clearwater Energy Services  
 5637 N. Classen Blvd  
 Oklahoma City, OK 73118  
 405-842-9200  
 www.clearwatereng.com

RECEIVED

MAR 05 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

- 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.

CT Corporation System - registered agent  
 600 N 2nd Street, Suite 401  
 Harrisburg, PA 17101-1071  
 212-894-8940 tele  
 212-590-9180 fax

- 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.

Jenny Thompson - Chief Operating Officer  
 5637 N. Classen Blvd  
 Oklahoma City, OK 73118  
 405-488-6409 tele  
 405-842-9213 fax  
 jthompson@clearwaterenterprises.net

- 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.

James Crumpley  
 Cheek & Falcone  
 6301 Waterford Blvd, Suite 320  
 Oklahoma City, OK 73118  
 405-286-9676 tele 405-286-9559 fax  
 jcrumpley@cheekfalcone.com

- e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** 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 Natural Gas 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 NGSS.

Jenny Thompson - Chief Operating Officer  
 5637 N. Classen Blvd  
 Oklahoma City, OK 73118  
 405-842-9200 x 202 tele  
 405-842-9213 fax  
 jthompson@clearwaterenterprises.net

Tony Say - President  
 5637 N. Classen Blvd  
 Oklahoma City, OK 73118  
 405-842-9200 x 204 tele  
 405-842-9213 fax  
 tss@clearwaterenterprises.net

**2. BUSINESS ENTITY FILINGS AND REGISTRATION**

**a. FICTITIOUS NAME:** *(Select appropriate statement and provide supporting documentation as listed.)*

The Applicant will be using a fictitious name or doing business as ("d/b/a")

Provide a copy of the Applicant's filing with Pennsylvania's Department of State Pursuant to 54 Pa. C.S. §311.

**Or**

The Applicant will not be using a fictitious name.

**b. BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:**

*(Select appropriate statement and provide supporting documentation. As well, understand that Domestic means being formed within Pennsylvania and foreign means being formed outside Pennsylvania.)*

The Applicant is a sole proprietor.

- If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

**Or**

The Applicant is a:

- domestic general partnership (\*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above.
- Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.
- Provide the state in which the business is organized/formed and provide a copy of the Applicant's charter documentation.
- \* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

**or**

The Applicant is a:

- domestic corporation (15 Pa. C.S. §1308)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other (Describe):

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above. See attached
- Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation. Oklahoma - see attached
- Give name and address of officers. TONY SAY, PRESIDENT, 5637 N CLASSEN BLVD, OKC, OK 73118  
JENNY THOMPSON, COO, 5637 N CLASSEN BLVD, OKC, OK 73118  
KORAY BAKIR, VP FINANCE, 5637 N CLASSEN BLVD, OKC OK 73118  
REGINA FORT, VP SALES, 5637 N CLASSEN BLVD, OKC, OK 73118

### 3. AFFILIATES AND PREDECESSORS

*(both in state and out of state)*

a. **AFFILIATES:** Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

No affiliates

b. **PREDECESSORS:** Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

No predecessors

#### 4. OPERATIONS

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

Definitions

- Supplier – an entity which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of an natural gas distribution company
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of natural gas but does not take title to the natural gas.

- The Applicant is presently doing business in Pennsylvania as a
- natural gas interstate pipeline
  - municipality providing service outside its municipal limits
  - local gas distribution company
  - retail supplier of natural gas services in the Commonwealth
  - a natural gas producer
  - a broker/marketer engaged in the business of supplying natural gas services
  - Other. (Identify the nature of service being rendered)

**OR**

- The Applicant is not presently doing business in Pennsylvania.

b. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- Supplier or Aggregator of natural gas services
- Municipal supplier of natural gas services
- Cooperative supplier of natural gas services
- Broker/Marketer engaged in the business of supplying natural gas services
  - Check here to verify that your organization will not be taking title to the natural gas nor will you be making payments for customers.
- Other (Describe):

**c. PROPOSED SERVICES:** Describe in detail the natural gas supply services which the Applicant proposes to offer.

Clearwater activity will include, but not limited to, the contracting of natural gas purchases for resale, the nomination and scheduling of retail natural gas for delivery, purchases of long-term and short-term capacity storage optimization, and risk management products.

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

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Columbia          | <input type="checkbox"/> Philadelphia Gas Works |
| <input type="checkbox"/> National Fuel Gas            | <input type="checkbox"/> UGI Central Penn       |
| <input type="checkbox"/> PECO                         | <input type="checkbox"/> UGI Penn natural       |
| <input type="checkbox"/> Peoples Gas – Equitable Div. | <input type="checkbox"/> UGI Utilities          |
| <input type="checkbox"/> Peoples Natural Gas          | <input type="checkbox"/> Valley Energy          |
| <input type="checkbox"/> Peoples Gas Company          | <input type="checkbox"/> All of the above       |

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

- Residential Customers
- Small Commercial Customers - (Less than 6,000 Mcf annually)
- Residential and Small Commercial as Mixed Meter ONLY (CANNOT BE TAKEN WITH RESIDENTIAL AND/OR SMALL COMMERCIAL ABOVE)
- Large Commercial Customers - (6,000 Mcf or more annually)
- 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.  
April 1, 2018

## 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.

No proceedings to list

- 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. **Applicant should also include if it had a Pennsylvania PUC EGS or NGS license previously cancelled by the Commission.** If the Applicant has no actions or complaints to list, explicitly state such.

No actions or complaints

No previous PA PUC NGS license

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

## 6. PROOF OF SERVICE

**Required of ALL Applicants regardless of operating as a supplier, broker, marketer, or aggregator.**  
(Example Certificate of Service is attached at Appendix C)

- a.) **STATUTORY AGENCIES:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, provide proof of service of a signed and verified Application with attachments on the following:

Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Office of the Small Business Advocate  
Commerce Building, Suite 202  
300 North Second Street  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2 West  
Harrisburg, PA 17120

b.) **NGDCs:** Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, provide Proof of Service of the Application and attachments upon each of the Natural Gas Distribution Companies the Applicant proposed to provide service in. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14. Contact information for each NGDC is as follows.

|  |   |
|--|---|
| <p><b>Columbia Gas of PA, Inc.</b><br/> Michele Caddell<br/> 290 W. Nationwide Blvd.<br/> Columbus, OH 43215<br/> PH: 614.460.6841<br/> FAX: 614.460.8447<br/> e-mail: <a href="mailto:mcaddell@nisource.com">mcaddell@nisource.com</a></p>  |   |
| <p><b>Peoples Natural Gas – Equitable Division</b><br/> Lynda Petrichevich<br/> 225 North Shore Drive<br/> Pittsburgh, PA 15212<br/> PH: 412.208.6528<br/> FAX: 412.208.6577<br/> e-mail: <a href="mailto:Lynda.w.petrichevich@peoples-gas.com">Lynda.w.petrichevich@peoples-gas.com</a></p> | <p><b>National Fuel Gas Distribution Corp.</b><br/> David D. Wolford<br/> 6363 Main Street<br/> Williamsville, NY 14221<br/> PH: 716.857.7483<br/> FAX: 716.857.7479<br/> e-mail: <a href="mailto:wolfordd@natfuel.com">wolfordd@natfuel.com</a></p>        |
| <p><b>The Peoples Natural Gas Company</b><br/> Lynda Petrichevich<br/> 225 North Shore Drive<br/> Pittsburgh, PA 15212<br/> PH: 412.208.6528<br/> FAX: 412.208.6577<br/> e-mail: <a href="mailto:Lynda.w.petrichevich@peoples-gas.com">Lynda.w.petrichevich@peoples-gas.com</a></p>          | <p><b>PECO</b><br/> Carlos Thillet, Manager, Gas Supply and Transportation<br/> 2301 Market Street, S9-2<br/> Philadelphia, PA 19103<br/> PH: 215.841.6452<br/> Email: <a href="mailto:carlos.thillet@exeloncorp.com">carlos.thillet@exeloncorp.com</a></p> |
| <p><b>Peoples Gas Company</b><br/> Lynda Petrichevich<br/> 225 North Shore Drive<br/> Pittsburgh, PA 15212<br/> PH: 412.208.6528<br/> FAX: 412.208.6577<br/> e-mail: <a href="mailto:Lynda.w.petrichevich@peoples-gas.com">Lynda.w.petrichevich@peoples-gas.com</a></p>                      | <p><b>Philadelphia Gas Works</b><br/> Nicholas LaPergola<br/> 800 West Montgomery Avenue<br/> Philadelphia, PA 19122<br/> PH: 215.684.6278<br/> email: <a href="mailto:nicholas.lapergola@pgworks.com">nicholas.lapergola@pgworks.com</a></p>               |
| <p><b>UGI Central Penn</b><br/> David Lahoff<br/> 2525 N. 12<sup>th</sup> Street, Suite 360<br/> Reading, PA 19612-2677<br/> PH: 610.796.3520<br/> Email: <a href="mailto:dlahoff@ugi.com">dlahoff@ugi.com</a></p>   | <p><b>UGI</b><br/> David Lahoff<br/> 2525 N. 12<sup>th</sup> Street, Suite 360<br/> Reading, PA 19612-2677<br/> PH: 610.796.3520<br/> Email: <a href="mailto:dlahoff@ugi.com">dlahoff@ugi.com</a></p>   |
| <p><b>Valley Energy Inc.</b><br/> Ed Rogers<br/> 523 South Keystone Avenue<br/> Sayre, PA 18840-0340<br/> PH: 570.888-9664<br/> FAX: 570.888.6199<br/> email: <a href="mailto:erogers@ctenterprises.org">erogers@ctenterprises.org</a></p>   | <p><b>UGI Penn Natural</b><br/> David Lahoff<br/> 2525 N. 12<sup>th</sup> Street, Suite 360<br/> Reading, PA 19612-2677<br/> PH: 610.796.3520<br/> Email: <a href="mailto:dlahoff@ugi.com">dlahoff@ugi.com</a></p>  |

## 7. FINANCIAL FITNESS

- a. **BONDING:** In accordance with 66 Pa. C.S. Section 2208(c), no natural gas supplier license shall be issued or remain in force unless the applicant or holder furnishes a bond or other security in a form and amount to ensure the financial responsibility of the natural gas supplier. The criteria used to determine the amount and form of such bond or other security shall be set by each NGDC. Provide documentation that the applicant has met the security requirement of each NGDC by submitting the letters sent by the NGDCs stating what bonding amounts they require.
- 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.
- CREDIT AGREEMENTS WITH INTERNATIONAL BANK OF COMMERCE:  
#1 - \$15MM CREDIT FACILITY - \$10MM CASH AND \$5MM LETTERS OF CREDIT, ZERO CASH BALANCE, \$2.12MM LCS  
#2 - \$12MM CREDIT FACILITY - ALL LETTERS OF CREDIT, USING \$10MM CURRENTLY  
Open credit lines with suppliers \$9,380,000
- d. **BROKER PAYMENT STRUCTURE:** If applicant is a broker/marketer, explain how your organization will be collecting your fees.



- 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.

Jenny Thompson - Chief Operating Officer  
5637 N. Classen Blvd  
Oklahoma City, OK 73118  
405-488-6409 tele  
405-418-0129 fax  
jthompson@clearwaterenterprises.net

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

*All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identifications 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.*

## 8. TECHNICAL FITNESS:

To ensure that the present quality and availability of service provided by natural gas distribution companies 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:

- Applicant's previous experience in the natural gas industry.
- Summary and proof of licenses as a supplier of natural gas services in other states or jurisdictions.
- Type of customers and number of customers Applicant currently serves in other jurisdictions.
- Staffing structure and numbers as well as employee training commitments.
- Business plans for operations within the Commonwealth.
- Any other information appropriate to ensure the technical capabilities of the Applicant.

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

- Internal – Applicant will use its own internal resources/employees for marketing
- External NGS – Applicant will contract with a **PUC LICENSED NGS**
- Affiliate – Applicant will use a **NON-NGS affiliate that is a nontraditional marketer and/or marketing services consultant**
- External Third-Party – Applicant will contract with a **NON-NGS third party nontraditional marketer and/or non-selling marketer**
- 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.

d. **OVERSIGHT OF MARKETING:** Explain all methods Applicant will use to ensure all marketing is performed in an ethical manner, for both employees and subcontractors.

Monthly meetings are held between the contract, sales, scheduling departments and management.

Contract preparation and routing have internal checks prior to a contract being signed off and sales staff does not prepare agreements.

For example, the COO or CFO will review credit standards prior to a contract being initiated.

The VP of trading initiates the price range and the sales rep sets the price based on guidelines approved by management.

The contract department prepares the contract and enters into billing system.

The COO reviews a contract for reasonable terms prior to executing the agreement.

A signed agreement is sent back to the sales rep for further delivery to customer.

Accounting and contracts coordinate review of billing on a monthly basis.

e. **OFFICERS:** Identify Applicant's chief officers, and include the professional resumes for any officers directly responsible for operations. All resumes should include date ranges and job descriptions containing actual work experience.

See attached resumes for Tony Say, Koray Bakir, Regina Fort, & Jenny Thompson

## 9. DISCLOSURE STATEMENT:

*(Not applicable for an applicant applying for a license exclusively as a broker/marketer.)*

**DISCLOSURE STATEMENTS:** If proposing to serve Residential and/or Small Commercial (less than 6,000 Mcf annually) Customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix E to this Application.

- Natural gas should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

## 10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

- a. **STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission. Further, the Applicant agrees that it must comply with and ensure that its employees, agents, representatives, and independent contractors comply with the standards of conduct and disclosure set out in Commission regulations at 52 Pa. Code § 62.114.

AGREED

- b. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission:
- Reports of Gross Receipts: Applicant shall file an annual report with the Commission on an annual basis no later than April 30<sup>th</sup> following the end of the calendar year per 52 Pa. Code § 62.110.

AGREED

- c. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. § 2208(d). Transferee will be required to file the appropriate licensing application.

AGREED

- d. **ANNUAL FEES:** The Public Utility Code authorizes the PUC to collect an annual fee of \$350 from suppliers, brokers, marketers, and aggregators selling natural gas in the Commonwealth of PA, and a supplemental fee based on annual gross intrastate revenues, applicable to suppliers only.

ACKNOWLEDGED

- e. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur to the information upon which the Commission relied in approving the original filing. See 52 Pa. Code § 62.105.

AGREED

- f. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

AGREED

**g. NOTIFICATION OF CHANGE:** If your answer to any of these items changes during the pendency of your application or if the information relative to any item herein changes while you are operating within the Commonwealth of Pennsylvania, you are under a duty to so inform the Commission, within thirty (30) days, as to the specifics of any changes which have a significant impact on the conduct of business in Pennsylvania. See 52 Pa. Code § 62.105.

**AGREED**

**h. CEASING OF OPERATIONS:** Applicant is also required to officially notify the Commission if it plans to cease doing business in Pennsylvania, 90 days prior to ceasing operations.

**AGREED**

**i. FILING FEE:** The Applicant has enclosed or paid the required, non-refundable filing fee by **CERTIFIED CHECK OR MONEY ORDER** in the amount of \$350.00 payable to the Commonwealth of Pennsylvania. The Commission does not accept corporate or personal checks for filing fees.

**PAYMENT ENCLOSED**

Payment was included with application that was received on 2/28/18 that was using old form.

## **11. AFFIDAVITS**

**(All affidavits must be notarized before filing.)**

**a.) APPLICATION AFFIDAVIT:** Complete and submit with your filing an officially notarized Application Affidavit stating that all the information submitted in this application is truthful and correct. An example copy of this Affidavit can be found at Appendix A.

**b.) OPERATIONS AFFIDAVIT:** Provide an officially notarized affidavit stating that you will adhere to the Public Utility Code of Pennsylvania and applicable federal and state laws. An example copy of this Affidavit can be found at Appendix B.

## 12. NEWSPAPER PUBLICATIONS

*Required of ALL Applicants regardless of operating as a supplier, broker, marketer, or aggregator.*

Notice of filing of this Application must be published in newspapers of general circulation covering each county in which the applicant intends to provide service. The newspapers in which proof of publication are required is dependent on the service territories the applicant is proposing to serve.

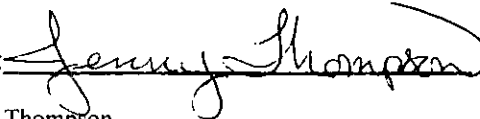
The chart below dictates which newspapers are necessary for each NGDC. For example, an applicant that wants to operate in Peoples – Equitable would need to run ads in both The Erie Times-News and the Pittsburgh Post-Gazette. If the applicant is proposing to serve the entire Commonwealth, please file proof of publication in all seven newspapers.

The only acceptable verification of this requirement is with Notarized Proofs of Publication, which may be requested from each newspaper and must be supplied with this application. Applicants do not need a docket number in their publication. Docket numbers will be issued when all criteria on the item 14 checklist (see below) are satisfied.

|                        | Erie Times-News | Harrisburg Patriot-News | Philadelphia Daily News | Pittsburgh Post-Gazette | Scranton Times-Tribune | Williamsport Sun-Gazette | Johnstown Tribune-Democrat |
|------------------------|-----------------|-------------------------|-------------------------|-------------------------|------------------------|--------------------------|----------------------------|
| Columbia Gas           | X               | X                       |                         | X                       |                        | X                        | X                          |
| National Fuel Gas      |                 |                         |                         | X                       |                        |                          |                            |
| PECO                   |                 |                         | X                       |                         |                        |                          |                            |
| Peoples - Equitable    | X               |                         |                         | X                       |                        |                          |                            |
| Peoples Natural Gas    | X               |                         |                         | X                       |                        |                          | X                          |
| Peoples Gas Company    |                 |                         |                         | X                       |                        |                          |                            |
| Philadelphia Gas Works |                 |                         | X                       |                         |                        |                          |                            |
| UGI                    |                 | X                       | X                       |                         | X                      |                          |                            |
| UGI Central Penn       | X               | X                       | X                       | X                       | X                      | X                        | X                          |
| UGI Penn Natural       |                 | X                       |                         |                         | X                      | X                        |                            |
| Valley Energy          |                 |                         |                         |                         | X                      | X                        |                            |
| Entire Commonwealth    | X               | X                       | X                       | X                       | X                      | X                        | X                          |

*(Example Publications are provided at Appendices F and G)*

## 13. SIGNATURE

Applicant: 

By: Jenny Thompson

Title: Chief Operating Officer

### 14. CHECKLIST

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections is complete.

**Applicant:** Clearwater Enterprises, L.L.C.

|  |  |   |  |
|--|--|---|--|
|  |  | <b>Signature</b>  |  |
| Sent with app rec'd 2/22/18                  |  | <b>Filing Fee (ONLY CERTIFIED CHECK OR MONEY ORDER)</b> |  |
| ✓<br>Applicant's Use                         |  | <b>Application Affidavit</b>                            |  |
| ✓  |  | <b>Operations Affidavit</b>                             |  |
| Originals sent with app rec'd 2/28<br>copies |  | <b>Proof of Publication</b>                             |  |
| ✓  |  | <b>Tax Certification Statement</b>                      |  |
| ✓  |  | <b>Commonwealth Department of State Verification</b>    |  |
| ✓  |  | <b>Certificate of Service</b>                           |  |

PUC Secretary's Bureau Use

Appendix A

APPLICATION AFFIDAVIT

[Commonwealth/State] of Oklahoma :

ss.

County of Oklahoma :

Jenny Thompson, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Chief Operating Officer (Office of Affiant) of Clearwater Enterprises, L.L.C. (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein Clearwater Enterprises, L.L.C. has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as a natural gas supplier pursuant to 66 Pa. C.S. § 2208 (c)(1).

That the Applicant herein Clearwater Enterprises, L.L.C. has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein Clearwater Enterprises, L.L.C. acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein Clearwater Enterprises, L.L.C. acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

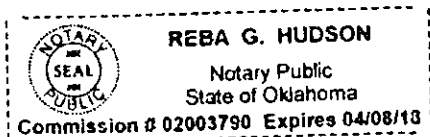
That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

Jenny Thompson  
Signature of Affiant

Sworn and subscribed before me this 5th day of March, 2018.

Reba G. Hudson  
Signature of official administering oath

My commission expires 04/08/18



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Appendix B

OPERATIONS AFFIDAVIT

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[Commonwealth/State] of Oklahoma :

ss.

County of Oklahoma :

Jenny Thompson, Affiant, being duly [sworn/affirmed] according to law,  
deposes and says that:

[He/she is the Chief Operating Officer (Office of Affiant) of Clearwater Enterprises, L.L.C.  
(Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That Clearwater Enterprises, L.L.C., the Applicant herein, acknowledges that [Applicant] may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That Clearwater Enterprises, L.L.C., the Applicant herein, asserts that [he/she/it] possesses the requisite technical, managerial, and financial fitness to render natural gas supply service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That Clearwater Enterprises, L.L.C., the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 22 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28 shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional natural gas sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

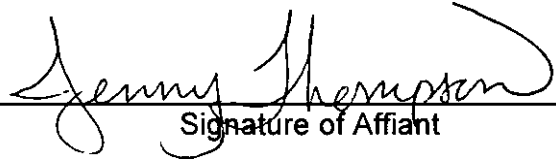


**Appendix B (Continued)**

That Clearwater Enterprises, L.L.C., the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506 and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Office of Communications or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

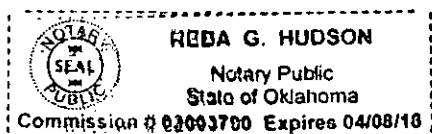
That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

  
\_\_\_\_\_  
Signature of Affiant

Sworn and subscribed before me this 5th day of March, 2018.

  
\_\_\_\_\_  
Signature of official administering oath

My commission expires 04/08/18.




# Additional Information – for Revised Application

11/11

For Application Item #2:

- Pennsylvania Dept of State (Entity #6309635)
- Oklahoma Articles of Organization

PENNSYLVANIA DEPARTMENT OF STATE  
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS

|  |  |
|--|--|
| <p>cls-ctharrisburgfulfillment<br/>@wolterskluwer.com<br/>9659683 SOPA 3</p> | <p>Foreign Registration Statement<br/>DSCB:15-412<br/>(7/1/2015)</p>  <p>TML151016JF1005</p> |
|--|--|

Read all instructions prior to completing. This form may be

Fee: \$250

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. § 412 (relating to foreign registration statement), the undersigned foreign association hereby states that:

1. The type of association is (check only one):

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Business Corporation                 | <input type="checkbox"/> Limited Partnership                     | <input type="checkbox"/> Business Trust           |
| <input type="checkbox"/> Nonprofit Corporation                | <input type="checkbox"/> Limited Liability (General) Partnership | <input type="checkbox"/> Professional Association |
| <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Limited Liability Limited Partnership   |   |

2. The full and proper name of the foreign association as registered in its jurisdiction of formation is:

Clearwater Enterprises, L.L.C.

2A. If the name in 2 does not contain a required designator or if the name in 2 is not available for use in the Commonwealth, the alternate name under which the association is registering in this Commonwealth is:

A resolution of the governors adopting the name in 2A for use in registering to do business in this Commonwealth must be attached.

3. The jurisdiction of formation is: Oklahoma

4. The street and mailing address of the association's principal office.

5637 N. Classen Blvd, Oklahoma City, OK 73118

Number and street    City    State    Zip

4A. The street and mailing address of the office, if any, required to be maintained by the law of the association's jurisdiction of formation in that jurisdiction:

Number and street    City    State    Zip

PA DEPT. OF STATE

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SECRETARY'S BUREAU

DSCB:15-412 - 2

5. The (a) address of the association's proposed registered office in this Commonwealth or (b) name of its Commercial Registered Office Provider and the county of venue is:

Complete part (a) OR (b) -- not both:

(a) \_\_\_\_\_  
 Number and street City OR State Zip County

(b) c/o: CT Corporation System \_\_\_\_\_  
 Name of Commercial Registered Office Provider Dauphin County

6. Check one of the following:

- The association may not have series.
- The association may have one or more series.

7. Effective date of registration of foreign association (check, and if appropriate complete, one of the following):

- The Foreign Registration Statement shall be effective upon filing in the Department of State.
- The Foreign Registration Statement shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
 Date (MM/DD/YYYY) Hour (if any)

8. To be completed by Limited Liability Companies only. Check, and if appropriate complete, one of the following:

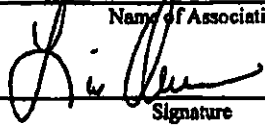
The association is a limited liability company which is not organized to render any of the below professional service(s).

The association is a restricted professional limited liability company organized to render one or more of the following professional service(s): (If this box is checked, one or more of the fields below must be checked.)

- |                                       |   |   |   |
|---------------------------------------|---|---|---|
| <input type="checkbox"/> Chiropractic | <input type="checkbox"/> Dentistry                        | <input type="checkbox"/> Law                | <input type="checkbox"/> Medicine and surgery |
| <input type="checkbox"/> Optometry    | <input type="checkbox"/> Osteopathic medicine and surgery | <input type="checkbox"/> Podiatric medicine | <input type="checkbox"/> Public accounting    |
| <input type="checkbox"/> Psychology   | <input type="checkbox"/> Veterinary medicine              |   |   |

IN TESTIMONY WHEREOF, the undersigned association has caused this Foreign Registration Statement to be signed by a duly authorized representative thereof this 1st day of September, 20 15.

Clearwater Enterprises, L.L.C.  
 \_\_\_\_\_  
 Name of Association

  
 \_\_\_\_\_  
 Signature

Member/Chief Operating Officer  
 \_\_\_\_\_  
 Title

OFFICE OF THE SECRETARY OF STATE



CERTIFICATE  
OF  
LIMITED LIABILITY COMPANY

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WHEREAS, the Articles of Organization of

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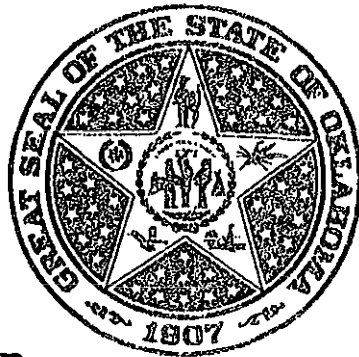
CLEARWATER ENTERPRISES, L.L.C.

PA PUBLIC UTILITY COMMISSION ON  
SECRETARY'S BUREAU

an Oklahoma limited liability company, has been filed in the Office of the Secretary of State as provided by the laws of the State of Oklahoma.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.



Filed in the City of Oklahoma City this 17TH  
day of NOVEMBER, 1999.

*M. De Hunter*  
Secretary of State

By: *Shannon R. [Signature]*

**F I L E D**

NOV 17 1999

**ARTICLES OF ORGANIZATION  
OF  
CLEARWATER ENTERPRISES, L.L.C.,  
OKLAHOMA LIMITED LIABILITY COMPANY**

**OKLAHOMA SECRETARY  
OF STATE**

**TO: THE OKLAHOMA SECRETARY OF STATE  
101 State Capitol  
Oklahoma City, OK 73105**

The undersigned, for the purpose of forming a limited liability company under the Oklahoma Limited Liability Company Act (the "Act"), does hereby execute the following Articles of Organization:

**FIRST.** The name of the limited liability company is CLEARWATER ENTERPRISES, L.L.C. (the "Company").

**SECOND.** The latest date on which the Company is to dissolve is December 31, 2040.

**THIRD.** The purpose of which the Company is formed is the transaction of any or all lawful business for which limited liability companies may be organized under the Act.

**FOURTH.** The street address of the principal place of business of the Company in the State of Oklahoma is 2200 N. W. 50th Street, Suite 121, Oklahoma City, Oklahoma 73112.

**FIFTH.** The name and address of the registered agent of the company in the State of Oklahoma is Tony S. Say, 2200 N. W. 50th, Suite 121, Oklahoma City, Oklahoma 73112.

**SIXTH.** The operating agreement of the company contains restrictions on the authority of members of the Company.

**SEVENTH.** The management of the Company is hereby vested in the following manager: Tony S. Say. Any third person dealing with

the Company may rely absolutely upon the act, deed and/or signature of the manager as being the act of the Company and no third person shall be obliged or privileged to inquire into or otherwise ascertain whether the act of such manager has been duly authorized.

IN WITNESS WHEREOF, these Articles of Organization have been executed on November 11, 1999, by the undersigned.

SOLE ORGANIZER

  
\_\_\_\_\_  
TONY S. SAY



For Application Item #7:

- Bonding - Letter from Columbia Gas of Pennsylvania
- 2 Years of Audited Financial Statements

November 21, 2017

Lisa Owens  
Chief Operating Officer  
Clearwater Enterprises, LLC.  
5637 N Classen BLVD  
Oklahoma City, OK 73118

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Dear Lisa Owens:

We are pleased that Clearwater Enterprises, LLC. has applied for a license to provide Natural Gas Supply Service on the distribution system of Columbia Gas of Pennsylvania, Inc. ("Columbia Gas").

Under Paragraph 2.4.5 of the Rules Applicable to Distribution Service section of the Tariff of Columbia Gas, Clearwater Enterprises, LLC. could be required to provide to Columbia Gas a bond or other financial security instrument in an amount that Columbia Gas determines to be appropriate. We have determined at this time that Clearwater Enterprises, LLC. has met the financial security requirement to provide Natural Gas Supply Service to Columbia Gas customers.

If the creditworthiness requirement or Columbia Gas' exposure to Clearwater Enterprises, LLC. changes in the future, Columbia Gas might deem it appropriate to require Clearwater Enterprises, LLC. to provide a bond or other financial security instrument.

Please feel free to contact me at 614-460-4881 should you have any questions regarding a bond or other financial security instrument requirements of Columbia Gas.

Sincerely,

*Debbie Vair*

Debbie Vair  
Manager of Gas Transportation Service and Nominations



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 and 2014**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

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**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**



## CONTENTS

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| Balance Sheets .....                           | 2 |
| Statements of Income and Members' Equity ..... | 3 |
| Statements of Cash Flows .....                 | 4 |
| Notes to Financial Statements .....            | 5 |



## INDEPENDENT AUDITOR'S REPORT

Members  
Clearwater Enterprises, L.L.C.

### Report on the Financial Statements

We have audited the accompanying financial statements of Clearwater Enterprises, L.L.C. which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income and members' equity, and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Clearwater Enterprises, L.L.C. as of December 31, 2015 and 2014, 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.

*HoganTaylor LLP*

March 7, 2016

11600 Broadway Ext., Suite 300, Oklahoma City, OK 73114  
P 405.848.2020 F 405.848.7359  
www.hogantaylor.com

**CLEARWATER ENTERPRISES, L.L.C.**

**BALANCE SHEETS**

**December 31, 2015 and 2014**

|   | 2015                 | 2014                 |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| <b>Current assets:</b>  |                      |                      |
| Cash  | \$ 119,706           | \$ 234,608           |
| Accounts receivable:  |                      |                      |
| Billed  | 537,941              | 1,596,871            |
| Unbilled  | 15,303,754           | 28,045,820           |
| Cash collateral and prepaid margin calls  | 1,771,529            | 8,288,500            |
| Prepaid expenses and other  | 864,667              | 462,311              |
| <b>Total current assets</b>   | <b>18,597,597</b>    | <b>38,628,110</b>    |
| Investments   | 892,388              | 677,995              |
| Deposit   | 300,658              | 300,658              |
| <b>Properties and equipment, at cost:</b>                                       |                      |                      |
| Natural gas properties and equipment based on<br>successful efforts accounting: |                      |                      |
| Proved  | 949,268              | 949,268              |
| Unproved  | 234,418              | 234,418              |
| Other properties and equipment:   |                      |                      |
| Furniture and fixtures  | 593,317              | 593,317              |
| Building under capital lease  | 1,762,302            | 1,762,302            |
|   | 3,539,305            | 3,539,305            |
| Accumulated depreciation, depletion and amortization                            | (2,196,173)          | (2,077,946)          |
| <b>Properties and equipment, net</b>  | <b>1,343,132</b>     | <b>1,461,359</b>     |
| <b>Total assets</b>   | <b>\$ 21,133,775</b> | <b>\$ 41,068,122</b> |
| <b>Liabilities and Members' Equity</b>  |                      |                      |
| <b>Current liabilities:</b>   |                      |                      |
| Accounts payable  | \$ 233,323           | \$ 227,216           |
| Pipeline imbalances   | 8,245                | 31,613               |
| Accrued liabilities:  |                      |                      |
| Natural gas purchases   | 14,199,814           | 27,848,970           |
| Other   | 60,319               | 132,779              |
| Unearned revenue  | 174,365              | 142,329              |
| Note payable to bank  | -                    | 4,200,000            |
| Obligations under capital lease due within one year                             | 96,185               | 90,769               |
| <b>Total current liabilities</b>  | <b>14,772,251</b>    | <b>32,673,676</b>    |
| <b>Noncurrent liabilities:</b>  |                      |                      |
| Obligations under capital lease due after one year                              | 1,175,765            | 1,272,389            |
| Asset retirement obligations  | 144,696              | 144,696              |
| <b>Total noncurrent liabilities</b>   | <b>1,320,461</b>     | <b>1,417,085</b>     |
| <b>Total liabilities</b>  | <b>16,092,712</b>    | <b>34,090,761</b>    |
| <b>Members' equity</b>  | <b>5,041,063</b>     | <b>6,977,361</b>     |
| <b>Total liabilities and members' equity</b>                                    | <b>\$ 21,133,775</b> | <b>\$ 41,068,122</b> |

See notes to financial statements.

**CLEARWATER ENTERPRISES, L.L.C.**  
**STATEMENTS OF INCOME AND MEMBERS' EQUITY**  
**Years ended December 31, 2015 and 2014**

|  | 2015           | 2014           |
|--|----------------|----------------|
| Operating revenues:                                    |                |                |
| Natural gas sales                                      | \$ 198,617,095 | \$ 393,235,623 |
| Fee revenues   | 298,289        | 410,442        |
|  | 198,915,384    | 393,646,065    |
| Total operating revenues                               |                |                |
| Operating costs and expenses:                          |                |                |
| Cost of natural gas sales                              | 190,170,129    | 383,525,519    |
| Selling, general and administrative expenses           | 5,350,592      | 6,379,494      |
|  | 195,520,721    | 389,905,013    |
| Total operating costs and expenses                     |                |                |
| Income from operations                                 | 3,394,663      | 3,741,052      |
| Other income (expense):                                |                |                |
| Natural gas exploration and production activities, net | 16,571         | 24,177         |
| Investment activities, net                             | (60,856)       | (268,786)      |
| Other income (expense), net                            | (8,577)        | 35,348         |
|  | (52,862)       | (209,261)      |
| Other income (expense), net                            |                |                |
| Net income   | 3,341,801      | 3,531,791      |
| Members' equity, beginning of year                     | 6,977,361      | 3,776,727      |
| Distributions to members                               | (5,278,099)    | (331,157)      |
| Members' equity, end of year                           | \$ 5,041,063   | \$ 6,977,361   |

**CLEARWATER ENTERPRISES, L.L.C.**

**STATEMENTS OF CASH FLOWS**

**Years ended December 31, 2015 and 2014**

|   | 2015         | 2014         |
|---|--------------|--------------|
| <b>Cash Flows from Operating Activities</b>                                   |              |              |
| Net income  | \$ 3,341,801 | \$ 3,531,791 |
| Adjustments to reconcile net income to net cash used in operating activities: |              |              |
| Depreciation, depletion and amortization                                      | 118,227      | 398,457      |
| Equity in net losses from investments   | 60,607       | 268,786      |
| Changes in operating assets and liabilities:                                  |              |              |
| Accounts receivable - billed  | 1,058,930    | (484,489)    |
| Accounts receivable - unbilled  | 12,742,066   | 7,713,904    |
| Accounts receivable - affiliate   | -            | 200,000      |
| Cash collateral and prepaid margin calls                                      | 6,516,971    | (8,262,000)  |
| Prepaid expenses and other  | (402,356)    | (125,225)    |
| Accounts payable  | 6,107        | 128,278      |
| Pipeline imbalances   | (23,368)     | (26,587)     |
| Accrued liabilities - natural gas purchases                                   | (13,649,156) | (6,935,593)  |
| Accrued liabilities - other   | (72,460)     | (38,721)     |
| Unearned revenue  | 32,036       | 78,216       |
|   | 9,729,405    | (3,553,183)  |
| <b>Net cash provided by (used in) operating activities</b>                    |              |              |
| <b>Cash Flows from Investing Activities</b>                                   |              |              |
| Purchases of investments  | (275,000)    | (70,937)     |
| Distributions from investments  | -            | 10,467       |
|   | (275,000)    | (60,470)     |
| <b>Net cash used in investing activities</b>                                  |              |              |
| <b>Cash Flows from Financing Activities</b>                                   |              |              |
| Borrowings  | 20,600,000   | 8,000,000    |
| Debt principal payments   | (24,800,000) | (3,800,000)  |
| Payments on obligations under capital lease                                   | (91,208)     | (86,072)     |
| Distributions to members  | (5,278,099)  | (331,157)    |
|   | (9,569,307)  | 3,782,771    |
| <b>Net cash provided by (used in) financing activities</b>                    |              |              |
| Net increase (decrease) in cash   | (114,902)    | 169,118      |
| Cash, beginning of year   | 234,608      | 65,490       |
|   | \$ 119,706   | \$ 234,608   |
| <b>Cash, end of year</b>  |              |              |
| <b>Supplemental Disclosure of Cash Flow Information</b>                       |              |              |
| Cash paid for interest  | \$ 48,738    | \$ 18,542    |

See notes to financial statements.



## CLEARWATER ENTERPRISES, L.L.C.

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### Note 1 – Summary of Significant Accounting Policies

##### Nature of operations

Clearwater Enterprises, L.L.C. (the Company) is a limited liability company (LLC) that markets natural gas to industrial, commercial, and utility customers throughout the Midwest on behalf of natural gas producers. An LLC limits its members from liability to creditors to the amount of capital contributed to the LLC.

##### Accounting estimates

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

##### Accounts receivable

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

##### Investments

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

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

general market conditions. The estimation of fair value and whether an other-than-temporary impairment has occurred requires the application of significant judgment and future results may vary from current assumptions.

#### Properties and equipment

The Company leases an office building from a commonly controlled company, and guarantees the lessor's mortgage debt. As of December 31, 2015 and 2014, the lessor's mortgage debt balance was \$1,484,531 and \$1,580,843, respectively. This arrangement meets the variable interest entity criteria to consolidate the lessor company under accounting principles generally accepted in the United States of America. The Company elected to adopt Accounting Standards Update 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*, effective with its 2014 financial statements. Accordingly, the financial statements of the lessor company have been excluded from the accompanying financial statements. The building is leased under a capital lease, which was recorded at the lower of the net present value of the minimum lease payments or the fair value of the building at the inception of the lease. Amortization of the capital lease asset is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease (15 years). See Note 4 for the related capital lease obligation.

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

#### Purchases and sales of natural gas

The Company purchases natural gas from producers and invoices customers in accordance with contractual agreements based on delivered prices. Statements are received from producers in the month subsequent to the production month. Purchase costs not invoiced are accrued and reflected as accrued liabilities in the balance sheet. Customers are invoiced on approximately the 15<sup>th</sup> of each month for the prior month's sales. Amounts for the current month activity are recognized as accounts receivable - unbilled in the balance sheet until invoiced. Revenue from the sale of natural gas is recognized when title passes.

#### Income tax status

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

#### Subsequent events

Management has evaluated subsequent events through March 7, 2016, the date the financial statements were available to be issued.

## Note 2 – Investments

Investments at December 31 consist of the following:

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| Privately held oil and gas company stock | \$ 22,035         | \$ 22,035         |
| Investments in LLCs:                     |                   |                   |
| Cumberland Drive, LLC - 33.33%           | 673,240           | 437,500           |
| 42 Western, LLC - 43.75%                 | 198,150           | 219,496           |
| Other                                    | (1,037)           | (1,036)           |
|  | <u>\$ 892,388</u> | <u>\$ 677,995</u> |

A summary of financial information of the Company's equity method investees in the aggregate is as follows:

|                        | Year ended December 31, |                     |
|------------------------|-------------------------|---------------------|
|                        | 2015                    | 2014                |
| Operating revenues     | \$ 288,911              | \$ 3,128,655        |
| Operating expenses     | 455,487                 | 3,581,517           |
|                        | <u>\$ (166,576)</u>     | <u>\$ (452,862)</u> |
|                        |                         |                     |
|                        | December 31,            |                     |
|                        | 2015                    | 2014                |
| Current assets         | \$ 558,372              | \$ 232,021          |
| Noncurrent assets      | 6,817,802               | 6,839,379           |
|                        | <u>\$ 7,376,174</u>     | <u>\$ 7,071,400</u> |
|                        |                         |                     |
| Current liabilities    | \$ 750,000              | \$ 750,000          |
| Noncurrent liabilities | 4,339,450               | 4,693,100           |
|                        | <u>\$ 5,089,450</u>     | <u>\$ 5,443,100</u> |
|                        |                         |                     |
| Total equity           | <u>\$ 2,286,724</u>     | <u>\$ 1,628,300</u> |

## Note 3 – Credit Facilities

The Company has a credit agreement with a bank expiring on May 1, 2016, which provides for (1) borrowings up to \$10,000,000, subject to a borrowing base re-determined each month, and (2) letters of credit up to \$5,000,000. The borrowing base was \$2,583,299 at December 31, 2015. Borrowings bear interest at the greater of prime plus 0.25% or 4.50% (effective rate of 4.50% at December 31, 2015). Borrowings are required to be used solely for working capital purposes in the natural gas marketing business. Borrowings outstanding at December 31, 2014, were \$4,200,000. There were no borrowings outstanding at December 31, 2015. As of December 31, 2015, the Company had a total of \$2,674,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2016 and are being maintained as security for natural gas purchases.

The Company has a credit agreement with a bank expiring on May 1, 2016, which provides for letters of credit up to \$10,000,000. Borrowings bear interest at the greater of a specified prime rate plus 1% or 6%. There were no borrowings outstanding at December 31, 2015 or 2014. As of December 31, 2015, the Company had a total of \$8,000,000 outstanding in letters of credit with the bank. These letters expire in December 2016 and are being maintained as security for natural gas purchases.

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

#### **Note 4 – Commitments**

##### Capital lease

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

Future minimum lease payments at December 31, 2015, are as follows:

|  |                     |
|--|---------------------|
| 2016   | \$ 168,000          |
| 2017   | 168,000             |
| 2018   | 168,000             |
| 2019   | 168,000             |
| 2020   | 168,000             |
| 2021 to 2026   | <u>854,000</u>      |
| Total  | 1,694,000           |
| Less amount representing interest                        | <u>422,050</u>      |
| Present value of minimum lease payments                  | 1,271,950           |
| Less obligations under capital lease due within one year | <u>96,185</u>       |
| Obligations under capital lease due after one year       | <u>\$ 1,175,765</u> |

##### Postemployment benefits

The Company has severance agreements with several executives which provides for severance payments equal to each executive's base salary for a period of 12 months after termination. Terminations, if any, will be accounted for on an individual basis and a liability will be recognized when probable and estimable. At December 31, 2015, the maximum amount which the Company is contingently liable for under these arrangements is \$1,625,000.

#### **Note 5 – Concentrations of Credit Risk**

The Company has a geographical concentration of credit risk as most of its natural gas customers are located in Oklahoma City, Oklahoma, and the surrounding area. Approximately 40% and 33% of total operating revenues was derived from natural gas sales to three customers in 2015, and two customers in 2014. Unbilled accounts receivable from those customers comprised approximately 39% and 31% of total unbilled accounts receivable at December 31, 2015 and 2014, respectively.



**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 and 2015**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**



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## INDEPENDENT AUDITOR'S REPORT

Members  
Clearwater Enterprises, L.L.C.

### Report on the Financial Statements

We have audited the accompanying financial statements of Clearwater Enterprises, L.L.C. which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and members' equity, and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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

A handwritten signature in black ink that reads "Hogan Taylor LLP".

Oklahoma City, Oklahoma  
March 6, 2017

**CLEARWATER ENTERPRISES, L.L.C.**

**BALANCE SHEETS**

**December 31, 2016 and 2015**

|  | 2016          | 2015          |
|--|---------------|---------------|
| <b>Assets</b>  |               |               |
| Current assets:  |               |               |
| Cash   | \$ 1,447,319  | \$ 119,706    |
| Accounts receivable:   |               |               |
| Billed   | 634,787       | 537,941       |
| Unbilled   | 24,503,277    | 15,303,754    |
| Affiliate  | 315,477       | -             |
| Cash collateral and prepaid margin calls                                     | 644,489       | 1,771,529     |
| Prepaid expenses and other   | 822,471       | 864,667       |
| Total current assets   | 28,367,820    | 18,597,597    |
| Investments  | 1,183,745     | 892,388       |
| Deposit  | 300,658       | 300,658       |
| Properties and equipment, at cost:   |               |               |
| Natural gas properties and equipment based on successful efforts accounting: |               |               |
| Proved   | 880,918       | 949,268       |
| Unproved   | 234,418       | 234,418       |
| Other properties and equipment:  |               |               |
| Furniture and fixtures   | 593,317       | 593,317       |
| Building under capital lease   | 1,762,302     | 1,762,302     |
|  | 3,470,955     | 3,539,305     |
| Accumulated depreciation, depletion and amortization                         | (2,314,399)   | (2,196,173)   |
| Properties and equipment, net  | 1,156,556     | 1,343,132     |
| Total assets   | \$ 31,008,779 | \$ 21,133,775 |
| <b>Liabilities and Members' Equity</b>                                       |               |               |
| Current liabilities:   |               |               |
| Accounts payable:  |               |               |
| Trade  | \$ 492,661    | \$ 233,323    |
| Affiliate  | 448,961       | -             |
| Pipeline imbalances  | 255,540       | 8,245         |
| Accrued liabilities:   |               |               |
| Natural gas purchases  | 23,075,337    | 14,199,814    |
| Affiliate  | 774,736       | -             |
| Other  | 62,459        | 60,319        |
| Unearned revenue   | 235,038       | 174,365       |
| Obligations under capital lease due within one year                          | 101,924       | 96,185        |
| Total current liabilities  | 25,446,656    | 14,772,251    |
| Noncurrent liabilities:  |               |               |
| Obligations under capital lease due after one year                           | 1,073,376     | 1,175,765     |
| Asset retirement obligations   | 144,696       | 144,696       |
| Total noncurrent liabilities   | 1,218,072     | 1,320,461     |
| Total liabilities  | 26,664,728    | 16,092,712    |
| Members' equity  | 4,344,051     | 5,041,063     |
| Total liabilities and members' equity  | \$ 31,008,779 | \$ 21,133,775 |

See notes to financial statements.



**CLEARWATER ENTERPRISES, L.L.C.**

**STATEMENTS OF INCOME AND MEMBERS' EQUITY**

**Years ended December 31, 2016 and 2015**

|  | <u>2016</u>    | <u>2015</u>    |
|--|----------------|----------------|
| Operating revenues:                                    |                |                |
| Natural gas sales                                      | \$ 161,528,365 | \$ 198,617,095 |
| Fee revenues   | 249,281        | 298,289        |
|  | <hr/>          | <hr/>          |
| Total operating revenues                               | 161,777,646    | 198,915,384    |
| Operating costs and expenses:                          |                |                |
| Cost of natural gas sales                              | 151,927,661    | 190,170,129    |
| Selling, general and administrative                    | 6,061,906      | 5,350,592      |
|  | <hr/>          | <hr/>          |
| Total operating costs and expenses                     | 157,989,567    | 195,520,721    |
| Income from operations                                 | 3,788,079      | 3,394,663      |
| Other income (expense):                                |                |                |
| Natural gas exploration and production activities, net | (60,458)       | 16,571         |
| Investment activities, net                             | (58,679)       | (60,856)       |
| Other income (expense), net                            | 58,305         | (8,577)        |
|  | <hr/>          | <hr/>          |
| Other income (expense), net                            | (60,832)       | (52,862)       |
| Net income   | 3,727,247      | 3,341,801      |
| Members' equity, beginning of year                     | 5,041,063      | 6,977,361      |
| Distributions to members                               | (4,424,259)    | (5,278,099)    |
|  | <hr/>          | <hr/>          |
| Members' equity, end of year                           | \$ 4,344,051   | \$ 5,041,063   |

**CLEARWATER ENTERPRISES, L.L.C.**

**STATEMENTS OF CASH FLOWS**

**Years ended December 31, 2016 and 2015**

|   | 2016         | 2015         |
|---|--------------|--------------|
| <b>Cash Flows from Operating Activities</b>                                       |              |              |
| Net income  | \$ 3,727,247 | \$ 3,341,801 |
| Adjustments to reconcile net income to net cash provided by operating activities: |              |              |
| Depreciation, depletion and amortization  | 118,226      | 118,227      |
| Equity in net losses from investments   | 58,643       | 60,607       |
| Loss on disposal of proved natural gas properties                                 | 68,350       | -            |
| Changes in operating assets and liabilities:                                      |              |              |
| Accounts receivable - billed  | (96,846)     | 1,058,930    |
| Accounts receivable - unbilled  | (9,199,523)  | 12,742,066   |
| Accounts receivable - affiliate   | (315,477)    | -            |
| Cash collateral and prepaid margin calls  | 1,127,040    | 6,516,971    |
| Prepaid expenses and other  | 42,196       | (402,356)    |
| Accounts payable - trade  | 259,338      | 6,107        |
| Accounts payable - affiliate  | 448,961      | -            |
| Pipeline imbalances   | 247,295      | (23,368)     |
| Accrued liabilities - natural gas purchases                                       | 8,875,523    | (13,649,156) |
| Accrued liabilities - affiliate   | 774,736      | -            |
| Accrued liabilities - other   | 2,140        | (72,460)     |
| Unearned revenue  | 60,673       | 32,036       |
| Net cash provided by operating activities   | 6,198,522    | 9,729,405    |
| <b>Cash Flows from Investing Activities</b>                                       |              |              |
| Purchases of investments  | (350,000)    | (275,000)    |
| <b>Cash Flows from Financing Activities</b>                                       |              |              |
| Borrowings  | -            | 20,600,000   |
| Debt principal payments   | -            | (24,800,000) |
| Payments on obligations under capital lease                                       | (96,650)     | (91,208)     |
| Distributions to members  | (4,424,259)  | (5,278,099)  |
| Net cash used in financing activities   | (4,520,909)  | (9,569,307)  |
| Net increase (decrease) in cash   | 1,327,613    | (114,902)    |
| Cash, beginning of year   | 119,706      | 234,608      |
| Cash, end of year   | \$ 1,447,319 | \$ 119,706   |
| <b>Supplemental Disclosure of Cash Flow Information</b>                           |              |              |
| Cash paid for interest  | \$ 1,438     | \$ 48,738    |

See notes to financial statements.

**CLEARWATER ENTERPRISES, L.L.C.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016 and 2015**

**Note 1 – Summary of Significant Accounting Policies**

Nature of operations

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

Accounting estimates

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

Accounts receivable

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

Investments

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

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

in the investee for a period of time sufficient to allow for any anticipated recovery in market value and general market conditions. The estimation of fair value and whether an other than temporary impairment has occurred requires the application of significant judgment and future results may vary from current assumptions.

#### Properties and equipment

The Company leases an office building from a commonly controlled company, and guarantees the lessor's mortgage debt. At December 31, 2016 and 2015, the lessor's mortgage debt balance was \$1,389,734 and \$1,484,531, respectively. This arrangement meets the variable interest entity criteria to consolidate the lessor company under accounting principles generally accepted in the United States of America. The Company has previously adopted Accounting Standards Update 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*. Accordingly, the financial statements of the lessor company have been excluded from the accompanying financial statements. The building is leased under a capital lease, which was recorded at the lower of the net present value of the minimum lease payments or the fair value of the building at the inception of the lease. Amortization of the capital lease asset is computed using the straight-line method over the shorter of the estimated useful life of the asset or the period of the related lease (15 years). See Note 4 for the related capital lease obligation.

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

#### Purchases and sales of natural gas

The Company purchases natural gas from producers and invoices customers in accordance with contractual agreements based on delivered prices. Statements are received from producers in the month subsequent to the production month. Purchase costs not invoiced are accrued and reflected as accrued liabilities in the balance sheet. Purchases of natural gas from a commonly controlled company were \$3,469,938 in 2016. There were no such purchases in 2015. Customers are invoiced on approximately the 15<sup>th</sup> of each month for the prior month's sales. Amounts for the current month activity are recognized as accounts receivable - unbilled in the balance sheet until invoiced. Revenue from the sale of natural gas is recognized when title passes. Natural gas sales and cost of natural gas sales include risk management pricing transactions for clients and producers. Natural gas sales to a commonly controlled company were \$1,397,221 in 2016. There were no such sales in 2015.

#### Income tax status

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

#### Subsequent events

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

## Note 2 – Investments

Investments at December 31 consist of the following:

|  | 2016                | 2015              |
|--|---------------------|-------------------|
| Privately held oil and gas company stock | \$ 22,035           | \$ 22,035         |
| Investments in LLCs:                     |                     |                   |
| Cumberland Drive, LLC - 33.33%           | 986,509             | 673,240           |
| 42 Western, LLC - 43.75%                 | 176,238             | 198,150           |
| Other                                    | (1,037)             | (1,037)           |
|  | <u>\$ 1,183,745</u> | <u>\$ 892,388</u> |

A summary of financial information of the Company's equity method investees in the aggregate is as follows:

|                    | Year ended December 31, |                     |
|--------------------|-------------------------|---------------------|
|                    | 2016                    | 2015                |
| Operating revenues | \$ 27,129               | \$ 288,911          |
| Operating expenses | 140,330                 | 455,487             |
| Net loss           | <u>\$ (113,201)</u>     | <u>\$ (166,576)</u> |

|                        | December 31,        |                     |
|------------------------|---------------------|---------------------|
|                        | 2016                | 2015                |
| Current assets         | \$ 582,528          | \$ 558,372          |
| Noncurrent assets      | 7,667,164           | 6,817,802           |
| Total assets           | <u>\$ 8,249,692</u> | <u>\$ 7,376,174</u> |
| Current liabilities    | \$ 25,000           | \$ 750,000          |
| Noncurrent liabilities | 5,048,248           | 4,339,450           |
| Total liabilities      | <u>\$ 5,073,248</u> | <u>\$ 5,089,450</u> |
| Total equity           | <u>\$ 3,176,444</u> | <u>\$ 2,286,724</u> |

## Note 3 – Credit Facilities

The Company has a credit agreement with a bank expiring on May 1, 2017, which provides for (1) borrowings up to \$10,000,000, subject to a borrowing base redetermined each month, and (2) letters of credit up to \$5,000,000. The borrowing base was \$4,180,815 at December 31, 2016. Borrowings bear interest at the greater of prime plus 0.25% or 4.5% (effective rate of 4.5% at December 31, 2016). Borrowings are required to be used solely for working capital purposes in the natural gas marketing business. There were no borrowings outstanding at December 31, 2016 or 2015. At December 31, 2016, the Company had a total of \$1,924,000 outstanding in letters of credit with the bank. These letters expire at different dates in 2017 and 2018 and are being maintained as security for natural gas purchases.

The Company has a credit agreement with a bank expiring on May 1, 2017, which provides for letters of credit up to \$10,000,000. Borrowings bear interest at the greater of a specified prime rate plus 1% or 6%. There were no borrowings outstanding at December 31, 2016 or 2015. As of December 31, 2016, the Company had a total of \$10,000,000 outstanding in letters of credit with the bank. These letters expire in March 2017 and December 2017, and are being maintained as security for natural gas purchases.

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

#### **Note 4 – Commitments**

##### Capital lease

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

Future minimum lease payments at December 31, 2016, are as follows:

|  |                     |
|--|---------------------|
| 2017   | \$ 168,000          |
| 2018   | 168,000             |
| 2019   | 168,000             |
| 2020   | 168,000             |
| 2021   | 168,000             |
| 2022 to 2026   | <u>686,000</u>      |
| Total  | 1,526,000           |
| Less amount representing interest                        | <u>350,700</u>      |
| Present value of minimum lease payments                  | 1,175,300           |
| Less obligations under capital lease due within one year | <u>101,924</u>      |
| Obligations under capital lease due after one year       | <u>\$ 1,073,376</u> |

##### Postemployment benefits

The Company has severance agreements with several executives which provides for severance payments equal to each executive's base salary for a period of 12 months after termination. Terminations, if any, will be accounted for on an individual basis and a liability will be recognized when probable and estimable. At December 31, 2016, the maximum amount which the Company is contingently liable for under these arrangements is \$1,625,000.

##### Member redemption

Effective December 31, 2017, the Company is committed to purchase and redeem a member's ownership interest in the Company for \$3 million in cash. The purchase price will be paid in four equal installments of \$375,000 each from January 2017 through October 2017, and the remaining \$1,500,000 will be paid based upon a payment schedule to be determined by the Company and the member, but the last payment will be made no later than June 30, 2019.

**Note 5 – Concentrations of Credit Risk**

The Company has a geographical concentration of credit risk as most of its natural gas customers are located in Oklahoma City, Oklahoma, and the surrounding area. Approximately 25% and 40% of total operating revenues was derived from natural gas sales to two customers in 2016 and three customers in 2015. Unbilled accounts receivable from those customers comprised approximately 14% and 39% of total unbilled accounts receivable at December 31, 2016 and 2015, respectively.

## For Application Item #8a:

- Clearwater Enterprises, L.L.C. is a natural gas retail sales, marketing, and investment company based in Oklahoma City. In addition to providing natural gas sales services to end-users and consumer clients, Clearwater purchases natural gas in the state of Oklahoma and surrounding states from numerous producer clients. Clearwater also invests in the natural gas industry as a working interest owner in properties located in various states.  
Clearwater was established in 1999 by our current president, Tony Say. Mr. Say has extensive experience in the gas marketing industry. He formed one of the first natural gas marketing companies in the United States in 1986. Clearwater is a company committed to customer service within all of our business units. The personnel at Clearwater have a combined natural gas industry experience of over 100 years.
- Most of the other states that we are actively supplying end-users do not require set-up with a utility commission. We are actively supplying end-users in Oklahoma, Kansas, Arkansas, and Missouri. We are also set-up with the state of Ohio – approved PUC attached and plan to be supplying clients by the end of the year.
- Client information by state:
  - Of our current Oklahoma clients, we started serving some of them in May 2002. We currently supply 1423 end-users across Oklahoma Natural Gas, CenterPoint Arkla, Enable Gas Transmission, LLC, Enable Oklahoma Intrastate Transmission, LLC, Oneok Gas Transmission, and Southern Star. Those customers range in size from 900 MMBtus/month to 204,000 MMBtus/month depending on the tariffs of the pipelines. The volume supplied to these clients in 2017 totaled 11,410,000 MMBtus.
  - We have been supplying end-users in Arkansas since July of 2011. We currently supply 10 end-users across CenterPoint Arkla and Arkansas Western Gas. Those customers range in size from 300 MMBtus/month to 49,000 MMBtus/month. The volume supplied to these clients in 2017 totaled 947,000.
  - We have been supplying end-users in Missouri since November of 2012. We currently supply 25 end-users across MGE, Ameren, and Empire. Those customers range in size from 300 MMBtus/month to 99,000 MMBtus/month. The volume supplied to these clients in 2017 total 435,058.
  - We have been supplying end-users in Kansas since July of 2004. We currently supply 174 end-users across Atmos, Kansas Gas Services, and Panhandle Eastern Pipeline Company. Those customers range in size from 300 MMBtus/month to 111,000 MMBtus/month. The volume supplied to these clients in 2017 total 876,600.
- Clearwater has 20 employees. In addition to the President of the company who helps with strategic planning and organizing, we have 5 sales representatives that handle various regions, 2 accountants, 1 natural gas trader, 4 natural gas schedulers, 2 contract admin personnel, 1 admin support staff, and 4 upper management personnel that help with their departments (Accounting, Operations, Contract/Scheduling, and Sales) and strategic issues.
- Clearwater has dedicated one sales representative that will work the territory of the Commonwealth of Pennsylvania and one sales representative that will split his time between the Commonwealth and Ohio. We have dedicated a scheduler that is learning the pipeline requirements for the states of Ohio and Pennsylvania and he will be training the other scheduling staff for back-up.



# The Public Utilities Commission of Ohio

## Ohio Competitive Retail Natural Gas Marketer Certificate

Issued pursuant to Case Number(s):  
**17-1763-GA-CRS**

is  
Ohio Competitive Retail Natural Gas Marketer Certificate Number:  
**17-619G(1)**

Granted to:  
**Clearwater Enterprises, LLC**

Whose office or principal place of business is located at:  
**5637 N. Classen Blvd., Oklahoma City, OK 73118**

And is hereby certified to provide:  
**Retail Natural Gas Marketer Services**  
within the state of Ohio, for a two-year period.

Certification Effective:  
**September 10, 2017 through September 10, 2019**

The certification of Ohio competitive retail natural gas marketers is governed by Chapter 4901:1-27 of the Ohio Administrative Code and section 4929.20 of the Ohio Revised Code.

This Certificate is revocable if all of the conditions set forth in the aforementioned case(s) as well as those under law, are not met.

Certified entity is subject to all rules and regulations of the commission, now existing or hereafter promulgated.

Witness the seal of the Commission affixed at Columbus, Ohio  
Dated: **September 11, 2017**

By Order of  
The Public Utilities Commission of Ohio



Barcy F. McNeal, Secretary  
Tanowa M. Troupe, Acting Secretary  
Felecia D. Burdett, Acting Secretary

For Application Item #8e:

See attached resumes for:

Tony Say

Koray Bakir

Regina Fort

Jenny Thompson

**RECEIVED**

MAR 05 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

# Tony S. Say

---

5637 N Classen Blvd, Oklahoma City, OK 73118 | 405-842-9200 | tss@clearwaterenterprises.net

## **Professional Experience**

### **PRESIDENT | CLEARWATER ENTERPRISES, L.L.C. | JAN 2000 TO CURRENT**

- Oversee Oil and Gas Marketing Consulting Services
- Oversee all of company's operations including supervision of staff and strategic planning

### **PRESIDENT | CHESAPEAKE ENERGY MARKETING, INC. | DEC 1995 TO JAN 2000**

- Marketed all of Chesapeake Energy Corporation's oil, gas, and liquids production
- Developed an oil and gas hedging strategy for Chesapeake Energy Corporation
- Supervised gas dispatching and contract administration departments

### **PRESIDENT | PRINCETON NATURAL GAS CO. | MAR 1993 TO NOV 1995**

- Formed and operated a third-party marketing business
- Developed hedging strategies for gas producers
- Supervised gas dispatching, gas transportation, and contract administration departments

### **PRESIDENT | CLINTON GAS TRANSMISSION, INC. | AUG 1986 TO MAR 1993**

- Formed and operated a third-party marketing business
- Developed hedging strategies for gas producers
- Supervised gas dispatching, gas transportation, and contract administration departments

### **OIL & GAS SALES MANAGER | TEXAS INTERNATIONAL PETROLEUM CORPORATION | NOV 1985 TO AUG 1986**

- Sold all of the Company's oil and gas and handled take or pay disputes with various intrastate and interstate gas pipelines

### **DISTRICT GAS SUPPLY MANAGER | DELHI GAS PIPELINE CORPORATION | MAR 1982 TO NOV 1985**

- Supervised all phases of gas acquisitions and system extensions for company's North Louisiana District.
- Purchased gas from third party operators and supervised gas gathering system installation

### **GAS SUPPLY COORDINATOR | DELHI GAS PIPELINE CORPORATION | JUN 1981 TO MAR 1982**

- Coordinated supply purchase activity of all district offices
- Reviewed and approved for management execution, all purchase contracts and amendatory agreements
- Drafted base gas purchase agreements to be used by district gas buyers

### **CONTRACT ADMINISTRATOR | DELHI GAS PIPELINE CORPORATION | JUN 1979 TO JUN 1981**

- Administered over 2000 purchase, transportation, exchange, and sales agreements for the company's Gulf Coast, Oklahoma, and Colorado districts.

## **ERCUMENT KORAY BAKIR**

1204 Marlboro Lane  
Nichols Hills, OK 73116  
405.359.8614

---

### **PROFESSIONAL EXPERIENCE**

#### **Clearwater Enterprises - 2004-Present**

**Oklahoma City, OK**

##### **VP of Finance & Investments**

- Manage Investments
- Manage Bank and Financial Institution Relationships
- Manage Accounting and Financing
- Manage Investors
- Prepare Financial Modeling
- Prepare Product Marketing
- Maintain Pipeline Contracts
- Maintain Economic Evaluations of Oil and Gas Projects

#### **A&M Engineering – 2002-2004**

**Tulsa, OK**

##### **Accountant**

- Maintained Accounts Payable and Receivables
- Maintained Payroll
- Managed Office Duties
- Prepared Corporate Financials
- Reconciled Monthly Bank Statements

### **EDUCATION**

#### **B.S. Degree from Baskent University**

**Ankara, Turkey**

- Finance

#### **M.B.A. Degree from Oklahoma City University**

**Oklahoma City, OK**

- Finance

## **REGINA G. FORT**

1204 Canteberry Dr  
Yukon, OK 73099  
405.503.9241

---

### **PROFESSIONAL EXPERIENCE**

#### **Clearwater Enterprises, Inc. - 2001-Present**

**Oklahoma City, OK**

VP of Retail Sales

- Develop new market strategies according to new energy tariffs
- Manage 1000+ customers and maintain accounts
- Risk Management for customers on multiple pipelines
- Buy/Sell natural gas on OGT, PEPL, CEGT, Southern Star
- Prepare budgets for customers based on future market
- Nominated & Balanced pipelines daily to prevent cash out penalties
- Prepared all retail customer invoices monthly
- Assisted in marketing strategies used by Clearwater to increase new business
- Reviewed contracts for most cost-effective terms for each client
- Performed cursory audits on specific issues – statement vs. contract
- Initiated marketing meetings to gain new clients
- Contract administration duties involved producers and pipelines

#### **B D & T, Inc. - March 1998 – September 2001**

**Oklahoma City, OK**

Administration Assistant – Accounting

- Maintained accounts payable, and end-of-month reports
- Maintained all required Sub-Contractor information
- Submitted preliminary documents/plans for upcoming projects
- Prepared superintendent's notebook for each new project
- Prepared final project plans, certifications, warranties, and other required information for job close-out
- Reconciled monthly bank statement
- Composed letters and correspondence as required

### **EDUCATION**

**Southern Nazarene University**

**Bethany, OK**

Received Degree in Business, August 2002

### **HONORS**

Distinguished Achievement Award in Business Leadership at Southern Nazarene University.

## **Jenny Thompson**

805 Marston Dr, Edmond, OK 73034 \* 405-503-6736  
jthompson@clearwaterenterprises.net

### **Professional Experience**

**Clearwater Enterprises, L.L.C., Oklahoma City, OK**

**Chief Operating Officer**

January 2018 to present

- Oversee the daily operations of natural gas marketing from the wellhead to burner tip
- Prepare monthly financials and profit reports
- Review monthly invoices/vouchers versus internal tracking sheets
- Hold monthly meetings between contract, sales, and scheduling teams

**Vice President, Contract Administration and Gas Control**

January 2006 to January 2018

- Managed the contract and scheduling departments
- Reviewed contract language prior to company execution and ensure internal controls were met
- Coordinated supply versus demand needs with schedulers/traders for bid week
- Reviewed volume changes with markets on daily/weekly basis with schedulers/traders as needed
- Trained Contract Administrators and Gas Schedulers

**Contract Administration Manager**

December 2004 to January 2006

- Implemented a contract generation system that utilized pro-forma contracts and mail merge system
- Generated new contracts and amendments for a customer base of 900 entities and 2000 locations
- Tracked contract terms in gas management system for billing purposes and internal spreadsheets for internal use
- Reviewed non-standard contract language
- Coordinated the flow of information between sales, accounting, and scheduling departments

**Enogex, LLC, Oklahoma City, OK**

**Senior Contract Coordinator**

December 2002 to December 2006

- Maintained the contracts for 4 of the 10 largest producers on the Enogex Gas Gathering System
- Maintained the contracts for the Ozark Gas Gathering System
- Coordinated between IT and Contract departments for gas management system change
- Created an Access Database for the Ozark Gas Gathering System contracts
- Worked on internal auditing of contracts to ensure information was entered into gas management system correctly

**Chesapeake Energy Marketing Inc, Oklahoma City, OK**

**Contract Administration Supervisor**

January 1999 to December 2002

- Created marketing election tracking spreadsheets for operated wells and maintained information
- Reviewed wellhead gas balancing position and coordinated volume make-up with the marketing group
- Coordinated with engineering and outside operators to determine monthly volumes for marketing
- Tracked monthly and daily pricing for natural gas, oil, and liquids
- Trained Contract Administrators

**Contract Administrator**

March 1997 to January 1999

- Relayed information on morning drilling reports from engineering to marketing department
- Requested monthly volume information from outside operators on wells Chesapeake was taking kind
- Sent out marketing election letters to non-operators in Chesapeake operated wells
- Requested weekly volume updates from outside operators

### **Education**

**University of Central Oklahoma, Edmond, OK**

**Masters of Business Administration – May 1998**

**Bachelor of Science, Business Education – December 1996**

**Activities and Societies: President's Leadership Council Scholarship Student and Student Government Association**

## For Application Item #12 – Proof of Publications

- The Erie Times-News
- The Tribune Democrat
- Sun-Gazette
- Pittsburgh Post-Gazette
- The Patriot News

~~RECEIVED~~

~~FEB 28 2018~~

~~PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU~~

RECEIVED

MAR 5 - 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

PROOF OF PUBLICATION  
In  
THE ERIE TIMES-NEWS  
COMBINATION EDITION

Clearwater Enterprises LLC  
5637 N Classen Blvd  
Oklahoma City OK 73118

REFERENCE: 95371 302906  
PUC Notice

STATE OF PENNSYLVANIA)  
COUNTY OF ERIE ) SS:

Brenda L. Learn, being duly sworn, deposes and says that: (1) he/she is a designated agent of the Times Publishing Company (TPC) to execute Proofs of Publication on behalf of the TPC; (2) the TPC, whose principal place of business is at 205 W. 12th Street, Erie, Pennsylvania, owns and publishes the Erie Times-News, established October 2, 2000, a daily newspaper of general circulation, and published at Erie, Erie County Pennsylvania; (3) the subject notice or advertisement, was published in the regular edition(s) of said newspaper on the date(s) referred to below. Affiant further deposes that he/she is duly authorized by the TPC, owner and publisher of the Erie Times-News, to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

PUBLISHED ON: 02/09/18

TOTAL COST: \$610.00 AD SPACE: 0 Lines

FILED ON: 02/09/18

**PENNSYLVANIA**  
**PUBLIC UTILITY COMMISSION NOTICE**

*Application of **Clearwater Enterprises, L.L.C.** (d/b/a "**Clearwater Energy Services**") For Approval To Offer, Render, or Furnish Natural Gas Services as a **Supplier or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.***

**Clearwater Enterprises, L.L.C.** will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as a supplier or aggregator of natural gas. **Clearwater Enterprises, L.L.C.** proposes to sell natural gas and related services in Columbia Gas of PA, Inc. under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Clearwater Enterprises, L.L.C.** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Clearwater Enterprises, L.L.C.**'s attorney at the address listed below.

By and through Counsel: James Crumpley

**CHEEK & FALCONE**

6301 Waterford Blvd, Suite 320  
Oklahoma City, OK 73118  
Phone: (405) 286-9676 • FAX: (405) 286-9559

Sworn to and subscribed before me this 12 day of February 2018

Affiant: Brenda L. Learn

NOTARY: Ann K. Wilson

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

Ann K. Wilson, Notary Public

City of Erie, Erie County

My Commission Expires March 16, 2019

MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES



**COMMONWEALTH OF PENNSYLVANIA** }  
*County of Cambria* } SS

**PENNSYLVANIA  
 PUBLIC UTILITY  
 COMMISSION NOTICE**

*Application of Clearwater Enterprises, L.L.C. (d/b/a "Clearwater Energy Services") For Approval To Offer, Render, or Furnish Natural Gas Services as a Supplier or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.*

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*published conti that the annex of The Johnst interested in the character of sai*

*Pa. in the County of Cambria, and Commonwealth of Pennsylvania and notice in the above matter published in said publication in the regular issues Johnstown, PA, on February 8, 2018; and that the Affiant is not notice or advertising and that all of the allegations as to time, place and*

*Christine Marhefka*

**STATEMENT OF ADVERTISING COSTS**

Signed and sworn to on the 8th day of February 2018 by Christine Marhefka

By and through Counsel:  
 James Crumpley  
 Cheek & Falcone  
 6301 Waterford Blvd,  
 Suite 320  
 Oklahoma City, OK 73118  
 Phone: (405) 286-9676  
 FAX: (405) 286-9559

Notary Seal  
 Notary Public  
 Cambria County  
 Commission expires December 6, 2020  
 Commission number 1123017

|                   |                  |               |
|-------------------|------------------|---------------|
| 57 Lines @        | \$2.50 per line  | 142.50        |
| 0.00 Inches @     | \$25.00 per inch | 0.00          |
| Notary Fee        |                  | 5.00          |
| Clerical Fee      |                  | 2.50          |
| <b>Total Cost</b> |                  | <b>150.00</b> |

To The Tribune-Democrat, Johnstown, PA  
 For publishing the notice or publication  
 attached hereto on the above stated dates.

**PUBLISHER'S RECEIPT FOR ADVERTISING COSTS**

\_\_\_\_\_ for publisher of \_\_\_\_\_  
 a newspaper of general circulation, hereby acknowledges receipt of the aforesaid  
 and publication costs and certifies that the same has been duly paid.

\_\_\_\_\_  
 (Name of Newspaper)

By \_\_\_\_\_

PROOF OF PUBLICATON OF NOTICE IN THE WILLIAMSPORT  
SUN-GAZETTE UNDER ACT NO. 587, APPROVED MAY 16, 1929

STATE OF PENNSYLVANIA

COUNTY OF LYCOMING

SS:

Bernard A. Oravec, Publisher of the Sun-Gazette LLC publishers of the Williamsport Sun-Gazette, successor to the Williamsport Sun and the Gazette & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, Williamsport, Pennsylvania, being duly sworn, deposes and says that the Williamsport sun was established in 1870 and the Gazette & Bulletin was established in 1801, since which dates said successor, the Williamsport Sun-Gazette, has been regularly issued and published in the County of Lycoming aforesaid, and that a copy of the printed notice is attached hereto exactly as the same was printed and published in the regular editions of said Williamsport Sun-Gazette on the following dates, viz:

February 9, 2018

Affiant further deposes that he is an officer daily authorized by the Sun-Gazette LLC, publisher of the Williamsport Sun-Gazette, to verify the foregoing statement under oath and declare that affiant is not interested in the subject matter of the aforesaid notice of publication, and that all the allegations in the foregoing statement as to time, place and character of publication are true.

**PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE**  
*Application of Clearwater Enterprises, L.L.C. (d/b/a "Clearwater Energy Services") For Approval To Offer, Render, or Furnish Natural Gas Services as a Supplier or Aggregator Engaged in The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.*  
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The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Clearwater Enterprises, L.L.C. may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to Clearwater Enterprises, L.L.C.'s attorney at the address listed below.

By and through  
Counsel:  
James Crumpley  
Cheek & Falcone  
6301 Waterford Blvd,  
Suite 320  
Oklahoma City, OK 73118  
Phone: (405) 286-2111  
FAX: (405) 286-9111

*Bernard A. Oravec*  
SUN-GAZETTE LLC

Sworn to and subscribed before me  
The 9<sup>th</sup> day of February 20 18

*Beth A. Miller*  
COMMONWEALTH OF PENNSYLVANIA Notary Public

NOTARIAL SEAL  
BETH A MILLER  
Notary Public  
CITY OF WILLIAMSPORT, LYCOMING COUNTY  
My Commission Expires Apr 18, 2020

STATEMENT OF ADVERTISING COSTS

To the Sun-Gazette LLC, Dr.:  
For publishing the notice attached  
Hereto on the above state dates... \$ 255.68  
Probated same..... \$  
Total..... \$ 255.68

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

THE SUN-GAZETTE LLC hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid

SUN-GAZETTE LLC  
BY Bernard A. Oravec

### Proof of Publication of Notice in Pittsburgh Post-Gazette

Under Act No 587, Approved May 16, 1929, PL 1784, as last amended by Act No 409 of September 29, 1951

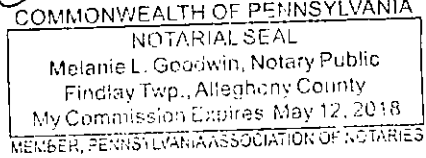
Commonwealth of Pennsylvania, County of Allegheny, ss K. Flaherty, being duly sworn, deposes and says that the Pittsburgh Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 by the merging of the Pittsburgh Post-Gazette and Sun-Telegraph and The Pittsburgh Press and the Pittsburgh Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Pittsburgh Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the \_\_\_\_\_ regular \_\_\_\_\_ editions and issues of the said Pittsburgh Post-Gazette a newspaper of general circulation on the following dates, viz:

#### 08 of February, 2018

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Pittsburgh Post-Gazette, that, as such agent, affiant is duly authorized to verify the foregoing statement under oath, that affiant is not interested in the subject matter of the afore said notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

K. Flaherty  
PG Publishing Company  
Sworn to and subscribed before me this day of:  
February 08, 2018

Melanie L. Goodwin



#### STATEMENT OF ADVERTISING COSTS

Clearwater Enterprises, L.L.C.  
5637 N. Classen Blvd  
Attn: Jenny Thompson  
OKLAHOMA CITY OK 73118

To PG Publishing Company

Total ----- \$410.75

#### Publisher's Receipt for Advertising Costs

PG PUBLISHING COMPANY, publisher of the Pittsburgh Post-Gazette, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

Office  
2201 Sweeney Drive  
CLINTON, PA 15026  
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of  
Pittsburgh Post-Gazette, a Newspaper of General Circulation  
By Shirley J. Artubino Shirley J. Artubino

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

#### COPY OF NOTICE OR PUBLICATION

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE  
Application of Clearwater Enterprises, L.L.C. (d/b/a "Clearwater Energy Services") For Approval To Offer, Render, or Furnish Natural Gas Services as a Supplier or Aggregator Engaged in The Business Of Supplying Natural Gas Supply Services, To The Public in The Commonwealth Of Pennsylvania.  
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By and through Counsel: James Crumpley, Cheek & Falcone, 6301 Waterford Blvd, Suite 320, Oklahoma City, OK 73118, Phone: (405) 286-9676, FAX: (405) 286-9559



Commonwealth of Pennsylvania,) ss  
County of Cumberland)

Crystal Rosensteel being duly sworn, deposes that he/she is principal clerk of PA Media Group; that The Patriot News is a public newspaper published in the city of Mechanicsburg, with general circulation in Cumberland and Dauphin and surrounding counties, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

The Patriot News 02/13/2018

Principal Clerk of the Publisher

Sworn to and subscribed before me this 14th day of February 2018

Notary Public

Commonwealth of Pennsylvania - Notary Seal  
Donna M. Maldonado, Notary Public  
Dauphin County  
My commission expires November 5, 2021  
Commission number 1252842  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
NOTICE**

Application of Clearwater Enterprises, L.L.C. (d/b/a "Clearwater Energy Services") For Approval To Offer, Render, or Furnish Natural Gas Services as a Supplier or Aggregator Engaged in The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.

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By and through Counsel:  
James Crumpley  
Cheek & Falcone  
6301 Waterford Blvd, Suite 320  
Oklahoma City, OK 73118  
Phone: (405) 286-9676  
FAX: (405) 286-9559

**Appendix C**  
**Required of ALL Applicants regardless of operating as a supplier, broker, marketer, or aggregator.**

**CERTIFICATE OF SERVICE**

On this the 5<sup>th</sup> day of March, 2018, I certify that a true and correct copy of the foregoing application form for licensing within the Commonwealth of Pennsylvania as a Natural Gas Supplier and all **NON-CONFIDENTIAL** attachments have been served, as either a hardcopy or a searchable PDF version on a cd-rom, upon the following:

Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Office of the Small Business Advocate  
Commerce Building, Suite 202  
300 North Second Street  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

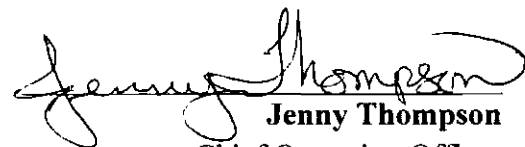
Columbia Gas of PA, Inc.  
Michele Caddell  
290 W. Nationwide Blvd.  
Columbus, OH 43215  
PH: 614.460.6841  
FAX: 614.460.8447  
e-mail: mcaddell@nisource.com

Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2 West  
Harrisburg, PA 17120

**RECEIVED**

MAR 05 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

  
**Jenny Thompson**  
Chief Operating Officer  
Clearwater Enterprises, L.L.C.

ORIGIN ID:TIKA (405) 842-9200  
JACQUE LOCH  
CLEARWATER ENTERPRISES, L.L.C.  
5637 N. CLASSEN BLVD.

OKLAHOMA CITY, OK 73118  
UNITED STATES US

SHIP DATE: 05MAR18  
ACTWGT: 0.60 LB  
CAD: 1827091/NET3980

BILL SENDER

TO **DIANE JACOB**  
**PENNSYLVANIA PUBLIC UTILITY COMMISS**  
**400 NORTH STREET**

5621107F500AS

**HARRISBURG PA 17120**

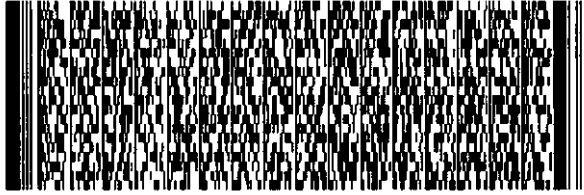
(405) 842-9200

REF

NV  
PO

DEPT

*Revised Utility App*



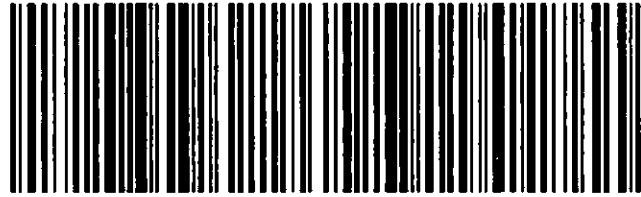
1011118180100

**TUE - 06 MAR 8:00A**  
**FIRST OVERNIGHT**

TRK# 7717 2280 1910  
0201

**X1 MDTA**

17120  
PA-US MDT



**After printing this label:**

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Warning:** Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide. Available on [fedex.com](http://fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including, but not limited to, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special, is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.