DATE OF DEPOSIT

MAY 1 0 2023



May 10, 2023

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

Subject: PA Application for Natural Gas Broker Services – Docket No. A-2023-3039878

Dear Sir/Madame,

We received a letter from the PA PUC dated 4/20/2023 requiring us to answer additional questions about our recently submitted natural gas broker application. Please find enclosed NON-CONFIDENTIAL attachments on behalf of my company Affinity Energy Management, LLC in response to the questions asked.

We are filing all CONFIDENTIAL attachments under a separate sealed cover.

Thank you for your prompt attention to this application and please let us know if you have any questions or need anything else from us.

Sincerely,

Edward C. Jackson
Edward C. Jackson

Principal

Affinity Energy Management, LLC 220 Cherry Blossom Place Hockessin, DE 19707 303-218-8920 Fax 866-480-7811 ed@affinityenergy.net



COMMONWEALTH OF PENNSYLVANIA

PENNSYLVANIA PUBLIC UTILITY COMMISSION COMMONWEALTH KEYSTONE BUILDING 400 NORTH STREET HARRISBURG, PENNSYLVANIA 17120 April 20, 2023

> Docket No. A-2023-3039878 Utility Code: 1226154

EMAIL

CHAD JACKSON
AFFINITY ENERGY MANAGEMENT LLC
220 CHERRY BLOSSOM PLACE
HOCKESSIN DE 19707
chad@affinityenergy.net

DATE OF DEPOSIT

MAY 1 0 2023

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

RE: Natural Gas Supplier License Application

Dear Mr. Jackson:

On April 12, 2023, the Pennsylvania Public Utility Commission (Commission) accepted Affinity Energy Management, LLC's application for a Natural Gas Supplier license. In order for us to complete our analysis of your application, the Energy Industry Group requires answers to the attached questions.

Please use the Commission's efiling system or an overnight delivery service to submit the requested information to the Secretary of the Commission within 30 days from the date of this letter. The Commission accepts all public documents through our efiling system and strongly recommends companies open an efiling account through the Commission's website at https://efiling.puc.pa.gov. Use of the efiling system will ensure that submissions by the company are received timely and receipt can be verified. Failure to respond timely may result in the application being denied.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above and mark the materials "CONFIDENTIAL" in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

The overnight address for hard-copy or confidential responses is:

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission 400 North Street Harrisburg, PA 17120

Your answers should be verified per 52 Pa Code § 1.36. Accordingly, you must provide the following statement with your responses:

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

Signature

Date 5/9/2023

Please note that all documents requiring notary stamps must have original signatures.

If Affinity Energy Management, LLC has decided to withdraw its application, please reply notifying the Commission of such a decision.

Finally, in order to expedite the application review process, please send a copy of your response to Lee Yalcin at https://linear.gov. If any problems arise that prevent a full timely response or if any clarification of these data requests is needed, please contact Lee Yalcin of the Bureau of Technical Utility Services via e-mail at https://linear.gov (preferred) or (717) 787-6723.

Sincerely,

Rosemary Chiavetta

Secretary

Enclosure

Docket No. A-2023-3039878 Affinity Energy Management, LLC

- 1. Reference Application, Section 7.a, Financial Fitness Applicant noted the following: "Not applicable due to only applying to be a broker, not a supplier. We will not take title to any natural gas". However, in attachment three, applicant also provided the needed bonding letters from the natural gas distribution companies. It is a requirement that applicants provide the required bonding letters at the time of application. Please resubmit an updated section 7.a without the notation that the bonding letters are not applicable.
- 2. Reference Application, Section 7.b, Financial Fitness Applicant provided minimal documentation to demonstrate financial fitness. Please provide financial fitness documentation that may include two *recent* consecutive years of financial statements, two *recent* consecutive years of income tax filings, if applicant filed for an extension, please provide a copy thereof. As well as three recent consecutive months of bank statements.
- 3. Reference Application, Section 8.a, Technical Fitness Applicant mentioned being licensed in Delaware and Maryland. Please provide copies of these licenses.
- 4. Reference Application, Section 11, Affidavits The Affidavits submitted referencing Edward C. Jackson as the applicant. This information is inconsistent with the information provided in section 1.a of the application, where the name of the applicant is indicated as Affinity Energy Management, LLC. Please resubmit the affidavits with the correct name of the applicant indicated.

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. The contact information is located in Section 6.b.

Please find required bonding letters as part of attachment 3. We will not take title to any natural gas.

- 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.

CONFIDENTIAL - see attachment 4 balance sheets and P&L statements.

- 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.

Affinity Energy Management - DUNS# 62-382-6737

- 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.

Commercial General Liability - \$1,000,000 each occurrence; \$2,000,000 general agg. Excess/Umbrella Liability - \$2,000,000 Errors & Omissions - \$1,000,000 each claim, \$3,000,000 annual agg.

- 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.

CONFIDENTIAL – see attachment 5 Schedule C from previous two years tax filing, a copy of recently filed tax extension, and 3 consecutive recent months of bank statements.

c. SUPPLIER FUNDING METHOD: If Applicant is operating as anything other than <u>Broker/Marketer only</u>, 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.

Not applicable - operating as a broker.

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

We will be collecting our fees from each winning natural gas supplier. Fees will be paid out to us monthly as onflow gas payments. ACCOUNTING RECORDS CUSTODIAN: Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

Chad Jackson
Energy Consultant
220 Cherry Blossom Place
Hockessin, DE 19707
Cell: 302-593-7545
Fax: 1-866-480-7811

Fax: 1-866-480-7811 chad@affinityenergy.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. Submitting N/A on either the Sales Tax License Number or the Employer ID Number (items 7A and 7B) 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.

CONFIDENTIAL - see attached.

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.

Ed Jackson, principal of the Affinity Energy Management, worked 18 years at an electric and gas utility in DE, Delmarva Power.

Summary and proof of licenses as a supplier of natural gas services in other states or jurisdictions.

DE Broker License PSC Docket # 10-408, Order # 7876 – see copy of license attachment 8. MD Natural Gas Broker License IR-2014 – see copy of license attachment 8.

Type of customers and number of customers Applicant currently serves in other jurisdictions.

Small, medium, and large commercial and industrial customers including the State of DE which is approximately 700,000 Dths / year across hundreds of accounts.

- 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)

HAROLD D. WILLIAMS SUSANNE BROGAN LAWRENCE BRENNER THERESE M. GOLDSMITH



PUBLIC SERVICE COMMISSION

#89, 12/15/10 AM; ML# 126401 License Reference No.: IR-2104

December 15, 2010

DATE OF DEPOSIT

Edward C. Jackson Affinity Energy Management, LLC 220 Cherry Biossom Place Hockessin, DE 19707

MAY 1 0 2023

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

Dear Mr. Jackson:

On November 3, 2010. Affinity Energy Management, LLC filed an Application for a license to supply natural gas or natural gas supply services in Maryland under COMAR 20.54. The Company proposes to provide natural gas broker services in Maryland for commercial and industrial customers as described in the application.

After considering this matter at the December 15, 2010 Administrative Meeting, the Commission granted Affinity Energy Management, LLC a license to supply natural gas or natural gas supply services in Maryland in accordance with its Application (License Reference Number IR-2104). The license granted by the Commission under this Letter Order is limited solely to providing natural gas broker services to commercial and industrial customers.... Additionally, the Commission directed the Company to pay a civil penalty in the amount of \$100. Payment shall be made to "Maryland Public Service Commission" before January 14, 2011.

Finally, Affinity Energy Management, LLC is reminded that it is under a continuing obligation to notify the Commission within 30 days of any changes to the information upon which the Commission relied in granting this license. A copy of the supplemental or updated information is required to be filed concurrently with the Office of People's Counsel.

By Direction of the Commission.

Terry J. Romine Executive Secretary

TJR/gid

Merwin Sands. Gas Division

WILLIAM DONALD SCHAFFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806

410-767-8000 Toll Free, 1-800-492-0474 FAX: 410-333-6495

MDRS: 1-800-735-2258 (TTY/Voice)

Website: www.psc.state.ind.us/psc/



STATE OF DELAWARE PUBLIC SERVICE COMMISSION

861 SILVER LAKE BOULEVARD CANNON BUILDING, SUITE 100 DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500

FAX:

(302) 739-4849

December 21, 2010

Mr. Edward C. Jackson Affinity Energy Management, LLC 220 Cherry Blossom Place Hockessin, DE 19707

IN THE MATTER OF THE APPLICATION Re: OF AFFINITY ENERGY MANAGEMENT, LLC FOR A CERTIFICATION TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (FILED NOVEMBER 24, 2010) -PSC DOCKET NO. 10-408

Dear Mr. Jackson:

Enclosed are two (2) Certified Copies of Commission Order No. 7876 in the above-captioned matter, which are self-explanatory.

Very truly yours,

Janis Dillard

Acting Executive Director

JD/dn

Enclosures: 2

Certified Mail #00031598332

cc: Joseph Handlon, Esq. (w/encl)

Malika Davis (w/encl)

G. Arthur Padmore (w/encl)

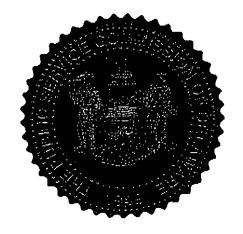
ATTACHMENT 8



The Public Service Commission

STATE OF DELAWARE	1	
COUNTY OF KENT	}	39

I	Janis Dillard	Segretary
of the PU	BLIC SERVICE COMMISSION OF DELA	
I have cor	npared the attached Order with the original	adopted by said Commission,
and that it	is a true and correct transcript of Order No	0
Docket No	o. <u>10-408</u>	
	WITNESS WHEREOF, I have hereunto su	——————————————————————————————————————
the seal of	f the Commission this	day ofA.D.,
20 10		



Document No. 30-11-81-05-01

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)				
OF AFFINITY ENERGY MANAGEMENT, LLC)				
FOR A CERTIFICATE TO PROVIDE)	PSC	DOCKET	NO.	10-40B
ELECTRIC SUPPLY SERVICES WITHIN)				•
THE STATE OF DELAWARE)				
(FILED NOVEMBER 24, 2010))				

ORDER NO. 7876

ELECTRIC SUPPLIER CERTIFICATE

This 21st day of December 2010 the Commission determines and orders the following:

- 1. On November 24, 2010, Affinity Energy Management, LLC ("Affinity" or "Company"), filed an application seeking certification as a retail electric supplier in order to broker the sale or purchase of electric supply service (the "Application"). See 26 Del. C. \$\$1001(2), 1001(11), 1012(a). Under the Electric Utilities Restructuring Act of 1999 (the "Act"), "electric suppliers", which includes brokers, are not "public utilities," and, accordingly, the resulting sales of electric supply service to retail customers are not subject to traditional forms of rate-regulation. See 26 Del. C. \$\$102(2), 202(f).2
- 2. In the Application, the Company reports that it is a broker that will utilize appropriate energy procurement strategies to meet

¹ See 26 Del. C. ch. 10 (2004 Supp.), as amended by the "Electric Utility Retail Customer Supply Act of 2006," 75 Del. Laws Ch. 242 (2006).

² Under the Act, a "broker" is an agent or intermediary in the sale or purchase of electricity to, or by, retail electric customers. Although a broker never takes "title" to the electric supply product, the Act deems a broker an "electric supplier." See 26 Del. C. §§ 1001(2), 1001(11)c.

AFFINITY ENERGY ATTACHMENT 8

Docket No. 10-408, Order No. 7876 Cont'd

the needs of its commercial and industrial customers in Delaware. Staff reports that the Company's application fulfills all of the requirements for an Electric Supplier Certificate to act as a broker as set forth in the Commission's Rules for Certification and Regulations of Electric Suppliers (the "ES Rules"). In particular, Staff reports that the Company appears to possess the financial, operational, managerial, and technical capabilities to operate as a broker of electric supply service. Based on Staff's report, the Commission hereby issues to Affinity an Electric Supplier Certificate, allowing it to broker sales and customer purchases of electric supply services in the State of Delaware consistent with the scheme adopted by the Act and the ES Rules.

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

- 1. That Affinity Energy Management, LLC is hereby granted under 26 Del. C. §1012(a) and the Commission's "Rules for Certification and Regulations of Electric Suppliers" a certificate to do business, and operate, as an "Electric Supplier" (broker) within the State of Delaware. Under this Certificate, Affinity Energy Management, LLC is authorized to broker Electric Supply Service within this State in accordance with 26 Del. C. ch. 10.
- 2. That Affinity Energy Management, LLC shall at all times provide its brokerage of Electric Supply Service in accordance with the requirements imposed by 26 Del. C. ch. 10 and the Commission's "Rules for Certification and Regulations of Electric Suppliers" as presently adopted, or as may be hereafter amended or supplemented. Affinity Energy Management, LLC is hereby notified that a violation of

Docket No. 10-408, Order No. 7876 Cont'd

any applicable statute, rule or other controlling authority may be enforced by the sanctions permitted by 26 Del. C. §1012(a) and §10.2 of the "Rules for Certification and Regulations of Electric Suppliers".

- 3. That Affinity Energy Management, LLC shall, pursuant to the provisions of 26 Del. C. \$1012(c)(2) and \$83.9 and 3.10 of the "Rules for Certification and Regulations of Electric Suppliers," file such reports and pay such fees and assessments as may be required, or may be imposed, by 26 Del. C. \$\$114 and 115.
- 4. That Affinity Energy Management, LLC consents to the jurisdiction of the courts of the State of Delaware for all acts or omissions related to its offering of electric supply services in this State.
- 5. That Affinity Energy Management, LLC is hereby placed on notice that the costs of the proceedings will be charged to it under the provisions of 26 Del. C. §114(b) (1).
- 6. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commussioner

missioner

AFFINITY ENERGY

ATTACHMENT 8

Docket No. 10-408, Order No. 7876 Cont'd

ommi sioner

Commissioner

ATTEST:

and h. Nellen

Appendix A

APPLICATION AFFIDAVIT

DATE OF DEPOSIT

MAY 1 0 2023

State of Delaware

SS.

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

County of New Castle

Edward C. Jackson, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Principal (Office of Affiant) of Affinity Energy Management, LLC (Name of Applicant);]

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

That the Applicant herein Affinity Energy Management, LLC, 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 Affinity Energy Management, LLC, has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein Affinity Energy Management, LLC, 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 Affinity Energy Management, LLC, 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.

Signature of Affiant

Sworn and subscribed before me this

day of

, 2023

Signature of official administering oath

My commission ounired

Diane Gorman Herner Notary Public State of Delaware

My Commission Expires 03-17-2025

DATE OF DEPOSIT

Appendix B

OPERATIONS AFFIDAVIT

MAY 1 0 2023

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

State of Delaware

SS.

County of New Castle

Edward C. Jackson, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Principal (Office of Affiant) of Affinity Energy Management, LLC (Name of Applicant);]

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

That Affinity Energy Management, LLC, the Applicant herein, acknowledges that Affinity Energy Management, LLC 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 Affinity Energy Management, LLC, 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 Affinity Energy Management, LLC, 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 Affinity Energy Management, LLC, 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.

Edward C. Joseph Signature of Affiant

Diane Gorman Herner Notary Public State of Delaware My Commission Expires 03-17-2025

Signature of official administering oath

My commission expires $\frac{3}{17/2025}$

Affinity Energy Management 220 Cherry Blossom Place Hockessin, DE 19707







RECEIVED

MAY I 2 2023

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

UNITED STATES PRIORITY MAIL POSTAL SERVICE. EXPRESS				
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Mari (Spacis), Fill	ba Coca.	100	\$	14377
	Delivery Attempt (MANDOYY)		Employee Signature	= reality
For plokup or USPS Tracking*, visit USPS.com or call 800-222-1811. \$100.00 tracurance included.	Delivery Attempt (MM/DID/YY)		Employee Signature	