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September 14, 2023

Via Federal Express

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

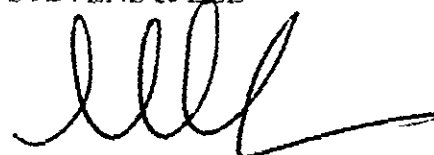
**Re: Application of Rhythm Retail, LLC for Approval to Offer, Render, Furnish or
Supply Electric Generation Services as a Supplier
Docket No. A-2023-3041216**

Dear Secretary Chiavetta:

Enclosed please find Rhythm Retail, LLC's responses to the Data Requests issued by the Bureau of Technical Utility Services in this matter. **Please note that four of the enclosures contain confidential financial information and has been marked as such.** The Applicant respectfully requests that these attachments be given confidential treatment and filed under seal.

Thank you, and please feel free to contact me with any questions or concerns.

Sincerely,
STEVENS & LEE



Michael A. Gruin, Esq.

Enclosures

cc: Jeff McCracken (via email)

DATE OF DEPOSIT

SEP 14 2023

PA Public Utility Commission
Secretary's Bureau

Docket No. A-2023-3041216
Rhythm Retail, LLC
Responses to Data Requests

1. Reference Application, Section 7.b, Financial Fitness – Please provide consolidated financial statements for Rhythm Holdings, LP for calendar year 2022. Please also provide a breakout of the financial statements by subsidiary.

RESPONSE: See Attached **Confidential** 2022 Audited Financial Statements for Rhythm Holdings, LP and breakouts of financial statements for the subsidiaries that had operations.

2. Reference Application, Section 7.b, Financial Fitness – Please provide a letter from Rhythm Holdings, LP in which the company assumes financial responsibility for the applicant's energy operations within the Commonwealth of Pennsylvania.

RESPONSE: See Attached **Confidential** Parental Guaranty

3. Reference Application, Section 8.a, Technical Fitness – Applicant failed to provide a license for each state in which it is licensed to operate in electric and/or natural gas industries. Please provide the missing documentation.

RESPONSE: See Attached Order from the Public Utility Commission of Texas granting Rhythm Ops, LLC a Retail Electricity Provider Certificate. Texas is the only state in which the Applicant or its affiliates is licensed to operate in the electric or natural gas industries.

VERIFICATION

I, Brad Zachary, General Counsel for Rhythm Retail, LLC verify that the information provided in the foregoing responses to data requests is 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 false statements herein are made subject to the penalties of 18 Pa. C.S.A. § 4904, relating to unsworn falsifications to authorities.

Brad Zachary

Date: September 13, 2023

DATE OF DEPOSIT

SEP 14 2023

DOCKET NO. 51142

Public Utility Commission
Secretary's Bureau

APPLICATION OF RHYTHM OPS, LLC	§	PUBLIC UTILITY COMMISSION
FOR A RETAIL ELECTRIC PROVIDER	§	
CERTIFICATE	§	OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Rhythm Ops, LLC for an option 1 retail electric provider (REP) certificate. The Commission issues option 1 REP certificate number 10279 to Rhythm Ops.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Rhythm Ops is a foreign limited liability company registered with the Texas secretary of state under file number 803632298.

Application

2. On August 5, 2020, Rhythm Ops applied for an option 1 REP certificate to provide retail electric services in the entire state of Texas.
3. On August 6, 7, 11, and 19, 2020, Rhythm Ops supplemented its application.
4. Rhythm Ops submitted its application using the Commission-approved form, verified by oath or affirmation, and signed by Predrag Popovic, chief executive officer of Rhythm Ops.
5. In Order No. 2 filed on August 27, 2020, the administrative law judge found the application, as supplemented, administratively complete.

Basic Requirements

6. The requested company name of Rhythm Ops, LLC is registered with the Texas secretary of state and is not deceptive, misleading, vague, or duplicative of a name previously approved for use by an existing REP certificate holder.
7. Rhythm Ops requested one assumed name for the REP certificate: Rhythm. The requested assumed name is registered with the Texas secretary of state and is not deceptive,

misleading, vague, or duplicative of a name previously approved for use by an existing REP certificate holder.

8. Rhythm Ops maintains an office with a physical address located in Texas for the purpose of providing customer service, accepting service of process, and making available books and records for inspection at that office.

Financial Requirements

9. Rhythm Ops meets the access to capital requirements because Rhythm Ops submitted unaudited financial statements demonstrating that its shareholders' equity is at least one million dollars and provided evidence of an irrevocable stand-by letter of credit of \$500,000 payable to the Commission.
10. Rhythm Ops will have the option of collecting customer deposits or advance payments. Rhythm Ops provided evidence that it has an irrevocable stand-by letter of credit payable to the Commission in an amount that will cover 100% of its outstanding customer deposits and residential advance payments held at the close of each month.
11. Rhythm Ops will comply with the financial standards required for the billing and collection of transition charges.
12. Rhythm Ops reported that neither itself, nor any predecessor in interest, has a history of insolvency, bankruptcy, dissolution, merger, or acquisition during the 60 months immediately preceding the application.

Technical and Managerial Requirements

13. Rhythm Ops's application provided the resume of at least one principal employee who has five years of experience in energy commodity risk management of a substantial energy portfolio.
14. Rhythm Ops demonstrated: (a) it has the capability to comply with all applicable Electric Reliability Council of Texas (ERCOT) policies, protocols, guidelines, procedures, and rules; (b) it has the capability to comply with all applicable ERCOT registration and certification requirements; (c) it will comply with all renewable energy portfolio standards; (d) its principals or permanent, managerial employees have at least 15 years combined experience in the competitive retail electric or gas industry; (e) it has at least one principal

or permanent employee with five years of experience in energy commodity risk management of a substantial energy portfolio; (f) it has adequate staffing and employee training to meet all service level commitments; (g) it has the capability and effective procedures to be the primary point of contact for retail electric customers for distribution system service; and (h) it has a customer service plan that complies with the Commission's customer protection and anti-discrimination rules.

15. Rhythm Ops reported, under confidential seal, its complaint history, disciplinary record, or compliance record during the ten years immediately preceding the application from any federal agency, self-regulatory organization, state public utility commission, state attorney general's office, other regulatory agency, the Texas secretary of state, the Texas comptroller's office, or the Office of the Texas Attorney General.
16. Rhythm Ops reported that neither itself, nor its principals, are currently under investigation or have been penalized by an attorney general or any state or federal regulatory authority for violation of any deceptive trade or consumer protection laws or regulations.
17. Rhythm Ops reported that neither itself, nor its principals, have been convicted of or found liable for fraud, theft, larceny, deceit, or violations of any securities laws, customer protection laws, or deceptive trade laws.
18. Rhythm Ops is not currently providing service to customers.
19. Rhythm Ops included with its application an affidavit by Mr. Popovic attesting that the company will register with or be certified by ERCOT and will comply with the technical and managerial requirements of 16 Texas Administrative Code (TAC) § 25.107(g).

Informal Disposition

20. More than 15 days have passed since the completion of notice provided in this docket.
21. No person filed a protest or motion to intervene.
22. Rhythm Ops and Commission Staff are the only parties to this proceeding.
23. No party requested a hearing and no hearing is needed.
24. Commission Staff recommended approval of the application, as supplemented.
25. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over the application under PURA¹ § 39.352.
2. The application complies with the requirements of PURA § 39.352 and 16 TAC § 25.107.
3. Rhythm Ops designated its election for option 1 REP certification to provide retail electric services within Texas as required by 16 TAC § 25.107(d)(1).
4. Rhythm Ops maintains a Texas business location in satisfaction of PURA § 39.352(b)(4) and 16 TAC § 25.107(e)(2).
5. The names Rhythm Ops, LLC, and Rhythm are not deceptive, misleading, vague, otherwise contrary to 16 TAC § 25.272, or duplicative, in compliance with 16 TAC § 25.107(e)(1)(B).
6. Rhythm Ops demonstrated compliance with the access to capital requirement in 16 TAC § 25.107(f)(1).
7. Rhythm Ops demonstrated compliance with the requirements of 16 TAC § 25.107(f)(2) and (f)(4)(D) and (E) regarding customer deposits.
8. Rhythm Ops agreed to comply with 16 TAC §§ 25.107(f)(5) and 25.108, relating to the billing and collection of transition charges.
9. Rhythm Ops demonstrated the capability to comply with all applicable rules established by ERCOT in compliance with the requirements of 16 TAC § 25.107(g)(1)(A) and (B).
10. Rhythm Ops demonstrated compliance with all renewable energy portfolio standards in accordance with TAC § 25.173 in satisfaction of 16 TAC § 25.107(g)(1)(C).
11. Rhythm Ops has principals or permanent employees in managerial positions whose combined experience in the competitive electric industry equals or exceeds 15 years, and at least one principal or employee who has five years of experience in energy commodity

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

risk management of a substantial energy portfolio, as required by 16 TAC § 25.107(g)(1)(D) and (E).

12. Rhythm Ops demonstrated that it has experience in competitive retail electric service or a related industry, is committed to adequate staffing and training, will be the primary point of contact for its customers, and has a customer service plan that complies with the Commission's customer protection and anti-discrimination rules as required by 16 TAC § 25.107(g)(1)(F) through (H).
13. Rhythm Ops made the appropriate disclosures required by 16 TAC § 25.107(g)(2).
14. The Commission processed the application in accordance with the requirements of PURA, the Administrative Procedure Act,² and Commission's rules.
15. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission issues REP option 1 certificate number 10279 to Rhythm Ops to provide retail electric services in the entire state of Texas.
2. Rhythm Ops must provide service only under the names Rhythm Ops, LLC, or Rhythm.
3. Rhythm Ops must continuously maintain an office within Texas for the purpose of providing customer service, accepting service of process, and making available in that office books and records sufficient to establish compliance with the requirements of PURA and applicable Commission rules.
4. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

² Tex. Gov't Code §§ 2001.001-903.

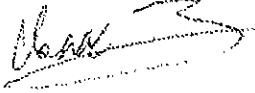
Docket No. 51142

Notice of Approval

Page 6 of 6

Signed at Austin, Texas the 21st day of October 2020.

PUBLIC UTILITY COMMISSION OF TEXAS



ISAAC TA
ADMINISTRATIVE LAW JUDGE

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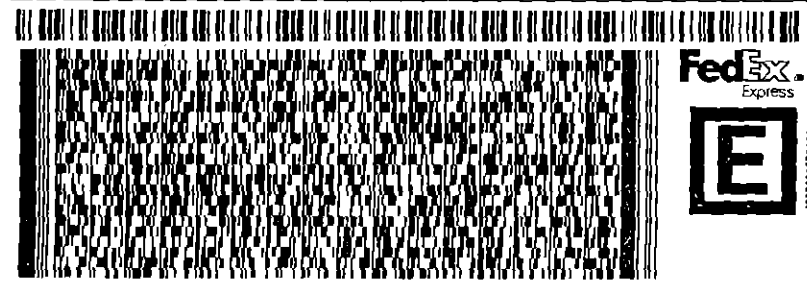
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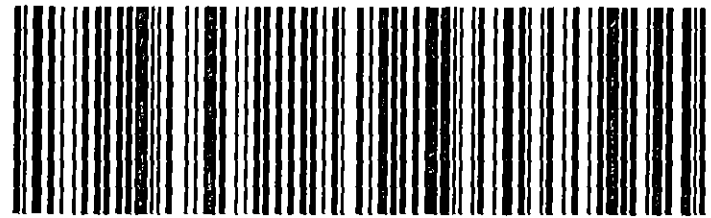
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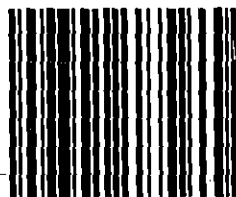
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