



Control Number: 26280



Item Number: 1133

Addendum StartPage: 0

**ANNUAL REPORT FORM FOR**

**AGGREGATORS**

FOR REPORTING PERIOD OF July 1, 2016 to June 30, 2017

FOR AGGREGATOR REGISTRATION NO. 80264

FILED IN PROJECT NO. 26280, *Aggregator Annual Reports*

**Part A: General Information**

*Part A* is applicable to all Aggregators operating in the State of Texas.

1. **Aggregator Names:** Kilowatt Partners, Inc..
2. **Contact Person for this Annual Report:** Stewart G Masterson, Jr., 2668 Warwick Dr. League City, TX 77565, PO Box 518 Kemah, TX 77565 – home address, PO Box 518 Kemah, TX 77565 office address, 832-860-8324 cell, 713-589-5842 office, 1-866-271-4483 fax, stewart@kilowattpartners.net
3. **Aggregator Classification.** *Class II.A*
4. **Scope of Registration.** Aggregator registered pursuant to 25.111(f)(1), the Standard Registration.
5. **Activity with Customers.** 5.a, 5.b Aggregator does not have any customers with any aggregated legal/contractual obligations.
6. **REP Affiliation.** Aggregator is not an affiliate of any REP's. Aggregator has standard independent brokerage relationships with Ameripower, Brilliant Energy, Champion Energy Services, Cirro, Constellation Energy, Direct Energy, Entrust, Frontier Utilities, Fulcrum-Tara Energy, GEXA, Green Mountain Energy, Hudson Energy, Liberty Power, MP2, Reliant, Source Power, Spark, StarTex Power, Summer Energy, Texans Energy, and TriEagle-Crius.
7. **Registration Changes:** There is only the address change since the last Annual Report in the information registered with the Commission.

**Part B: Technical and Customer Protection Information**

Class I, II.A and II.D Aggregators must answer *only* Questions 1-10. Class II.B Aggregators must answer *only* Questions 11 – 15. Class II.C Aggregators must answer *only* Questions 16-20.

**Class I, II.A and Class II.D Aggregators:**

1. **Aggregation Information.** See attachment.
2. **Marketing Policies and Practices.**

- a. Kilowatt Partners, Inc. has not completed any aggregations. Kilowatt Partners has pursued individual customers rather than aggregations with customers being obligated to any common/joint contractual obligations. Kilowatt Partners, Inc. has entered into broker and aggregation agreements with REPs. Kilowatt Partners, Inc. receives commissions from the REPs. Kilowatt Partners has complied with regulatory/agency requirements for disclosure to parties involved in aggregations. Kilowatt Partners will obtain verifiable authorization that a customer has requested their services in any aggregations. Kilowatt Partners will disclose to customers in aggregations in writing how they will be compensated for their services. Kilowatt Partners will not collect and has not collected any payments on behalf of a REP.
  - b. Kilowatt Partners, Inc. websites are kilowattpartners.net, electricitysavings.com, and compareelectric.com
  - c. Kilowatt Partners, Inc. has not contracted with or relied on a third party and/or marketing agent to obtain aggregated customer load or to otherwise provide aggregation services.
3. **Licensure Status.** Aggregator has not had any registration/license/permit suspended or revoked in any state or by a federal authority.
  4. **Complaint History.** Kilowatt Partners, Inc. has had no complaints.
  5. **Legal Disclosures.** Aggregator or its principals, officers or directors have not been (1) convicted or found liable for fraud, theft, larceny, deceit, or violations of any customer protection or deceptive trade laws in any state, (2) convicted for violation of any state or federal criminal laws, (3) found liable for violation of any state or federal civil laws, or (4) penalized by any attorney general, state or federal regulatory agency.
  6. **Other Registrations.** Kilowatt Partners, Inc. is in good standing and has maintained that status. Kilowatt Partners, Inc. paid late fees for filing sales tax forms late. There were no sales taxes due, nor any penalties for sales taxes due.
  7. **Landlord-Tenant Arrangements.** No aggregations during the reporting period have involved agreements between the Aggregator and property owners/managers for energy services to their tenants.
  8. **Billing Agent.** The Aggregator does not function as a billing agent for any REP (that is, does the Aggregator process the REP's billings for energy services to its retail customers).
  9. **Locations Served.** Aggregator has not negotiated any contracts for aggregations so there is no zip code or census tract information to disclose.
  10. **Estimated Savings.** No aggregations completed so there are no savings to disclose.

**Class II.B (Political Subdivision Corporation) Aggregators:**

11. **Membership List.** List the municipalities and/or other political subdivisions currently represented by the political subdivision corporation.
12. **List of REPs.** List each REP with which the political subdivision corporation has contracted to provide energy services for the public facilities of two or more of its members.
13. **Locations Served:** List the zip codes and census tracts included in the boundaries of the member political subdivisions that are served with electricity by function of the Aggregator.
14. **Estimated Savings.** Provide an estimate of the total annual savings achieved by the Aggregator for its member political subdivisions in relation to (1) the Price to Beat and (2) the amounts paid in 2001. Explain the assumptions and methods used in the calculation.<sup>1</sup>
15. **Taking Title.** Does the Class II.B Aggregator take title to electricity? If yes, list the business names under which the Aggregator resold electricity,

**Class II.C Aggregators (Political Subdivisions Conducting Citizen Aggregation):**

16. **Participation Level.** How many residents were participating in the Aggregator's citizen aggregation program as of the end of the reporting period (last June 30)?
17. **Subcontracting the Administration.** Has the Aggregator contracted with a third party or another aggregator for the administration of its aggregation of electricity and energy services purchased for its requesting citizens, pursuant to Local Government Code § 304.002(b)? If yes, provide the third party administrator's name, address, telephone number and, if also an aggregator, its Commission registration number. [§§25.111(d)(4)(B)(C) and (e)(8); LGC §304.002]
18. **Verification of Customer Request.** Has the Aggregator obtained and maintained on file verifiable documentation that the citizens who participated in the aggregation expressly, knowingly, and voluntarily elected to participate in the Aggregator's citizen aggregation program? If yes, provide a copy of the consent form used for signature, script used for audio verification, or any other verification documentation. [§§25.111(d)(4)(D) & (e)(8)].
19. **Locations Served:** List each zip code and census tract in which at least one resident participates in the Aggregator's citizen aggregation program.
20. **Estimated Savings.** Provide an estimate of the total annual savings achieved by the Aggregator for residential customers that participate in the Aggregator's citizen aggregation program in relation to (1) the Price to Beat and (2) the amounts paid in 2001. Explain the assumptions and methods used in the calculation.<sup>2</sup>

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<sup>1</sup> *Id.*

<sup>2</sup> *Id.* Follow the instructions for Questions B-10 and B-14 to the extent feasible, explaining any differences in methodology. If all residential customers in the citizen aggregation had a single rate before the citizen aggregation, and experienced the same change in rate due to the aggregation, then the percent change from the PTB and from 2001 could be calculated from the rates themselves without using annual historical usage patterns.

### ***Part C: Financial Information***

*Part C* is applicable only to Class 1, Class II.A and Class II.D Aggregators. Aggregators that are not registered under one or more of these Classes do not need to complete *Part C*, and should proceed to the Affidavit.

Questions in *Part C* refer to the most recent July-to-June reporting period, as well as to any subsequent time for which information relating to these questions is reasonably known and available to the Aggregator. The Commission anticipates that the supporting documentation for the Aggregator's responses to Questions Nos. 4.a.I and 5.b are proprietary in nature.

#### **Questions Applicable to All Class I, II.A and II.D Aggregators:**

1. **Financial Integrity.** Kilowatt Partners, Inc. has not sought bankruptcy protection, become insolvent, nor otherwise been unable to meet its financial obligations on a reasonable and timely basis.
2. **Customer Prepayments.** Aggregator has not taken any deposits or other advance payments from electricity customers.
3. **Ongoing Status.** To the best of its knowledge, the Aggregator is not aware of anything else, nor does it anticipate any potential events before the next report, including anything related to prepayments if applicable, which would be pertinent to its future financial integrity as an Aggregator operating in the State of Texas.

**Questions Applicable Only to Aggregators Who Take Prepayments:**

An Aggregator taking customer prepayments in Texas must respond to either Question 4, if it is registered pursuant the Standard Registration, or Question 5, if it is registered pursuant to the Alternative Limited Registration. The term “customer prepayments” is used here to include both the “customer deposits” and “other advance payments” specified in § 25.111.

4. **Standard Registrants.** Is the Aggregator taking customer prepayments pursuant to §25.111(g)(1), Standard Financial Qualifications? If yes, answer the following questions:

a. **Financial Qualifications.** Depending on the financial method that the Aggregator uses to meet its Standard Financial Qualifications, respond to either alternative, I or II, below: [§25.111(g)(1)(A)-(D)]

**I. Financial Evidence.** Provide a detailed description of the financial evidence used. [§25.111(g)(1)(A)]

In addition, provide the highest amount of customer prepayments received in any month, as well as the December amount if different. Also, provide independent, third party verification of the amount of cash resources available during those months.

If during any month, the Aggregator *either* failed to maintain an excess of cash resources over customer prepayments, *or* the Aggregator ever reduced the level of financial resource support for its prepayments, provide these customer prepayments and cash resources for every month.

**II. Investment Grade Credit.** Provide independent, third-party verification of that credit rating. [§25.111(g)(1)(D).]

If the amount of financial resources subject to the investment grade rating is limited, the Aggregator must provide the highest amount of customer prepayments received in any months, as well as the December amount if different. If during any month, the Aggregator failed to maintain a financial resource limitation exceeding customer prepayments, provide the data for every month.

b. **Financial Records.** Does the Aggregator maintain detailed financial records of its customer prepayments on an ongoing basis? (These customer records may be inspected by the Commission on request.) If not, explain this deficiency. [§25.111(i)(7)(A).]

c. **Ninety-Day Affidavit.** Has the Aggregator filed the sworn affidavit, demonstrating compliance with its financial requirements, which is required within 90 days of receiving the first payment for aggregation services? If yes, provide a copy of the affidavit that identifies the date it was filed. If no, explain. [§25.111(i)(7)(B).]

- d. **External Notice.** Has the Aggregator relied on an external party, either directly or indirectly, for the financial resources needed to meet its standard financial qualification? If yes, provide evidence that a copy of the Aggregator Rule has been provided to such party, pursuant to §25.111(g)(1)(E). If no notification had been provided, explain.
  - e. **Changing Evidence.** Since the last report, has the Aggregator changed the kind of evidence used to meet its financial qualification? If yes, provide the project number(s) for the amendment proceeding(s) that made this change in the Aggregator's registration. If the financial evidence has changed without an amendment process, explain.
5. **Limited Registrants.** Is the Aggregator taking prepayments under the authority of §25.111(g)(2), the Alternative Financial Qualifications for Limited Registration (limiting business only to customers who contract for 250 kilowatts or more of peak demand electricity)? If yes, answer the following questions:
- a. **Notarized Affidavit.** Has the Aggregator obtained and maintained on file notarized affidavits from each customer stating that the Aggregator does not need to establish the cash and other financial resources otherwise needed to protect customer prepayments? If no, explain. (These affidavits may be inspected by the Commission on request.) [§25.111(g)(2)(A).]
  - b. **Customer Registry.** Provide a list of the Aggregator's customers, including their full names, addresses and telephone numbers. (These customers may be contacted by the Commission.)

## AFFIDAVIT

STATE OF TEXAS     §  
COUNTY OF TRAVIS §

1. My name is Stewart G Masterson, Jr.. I am President of the reporting Aggregator, Kilowatt Partners, Inc.


2 I swear and affirm that (check one):

- ☐ I am an owner, partner, or officer of the registering party, which is registering as a Class I, Class II.A, and/or a Class II.D aggregator.
- ☐ I am an owner, partner, or officer of the registering party, which is registering as a Class II.B or Class II.C aggregator.

3. I swear and affirm that I have personal knowledge of the facts stated in this Aggregator Annual Report, that I am competent to testify to them, and that I have the authority to make this Report on behalf of the reporting Aggregator. I further swear or affirm that all of the statements and/or representations made in this Report are true, complete, and correct. I swear or affirm that the reporting Aggregator is not in material violation of any of the requirements of its registration. I swear or affirm that, if any material violation of the requirements of its registration occurred subsequent to the reporting period applicable to this Report, the reporting Aggregator has notified the Commission of same. I swear or affirm that the reporting Aggregator understands and will comply with all requirements of applicable law and rules.

4. I swear and affirm that the Aggregator is not in violation of any customer protection, disclosure requirements, marketing guidelines, and anti-discrimination laws or Commission rules.

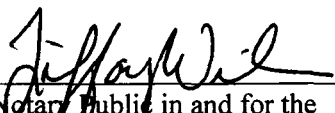
5. I swear and affirm that any assertions of confidentiality regarding this response have been made with a good faith belief that an exception to public disclosure under Chapter 552 of the Texas Government Code applies to the information provided.

  
\_\_\_\_\_  
Signature of Affiant/Responsible Party

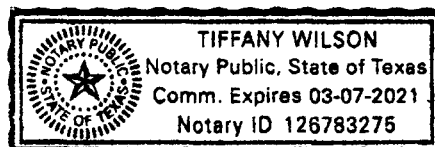
Stewart G Masterson, Jr.  
Typed or Printed Name

Kilowatt Partners, Inc.  
Name of Reporting Aggregator

SWORN TO AND SUBSCRIBED TO BEFORE ME on the 26 day of  
February, 2016

  
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

My Commission Expires: 3-07-21



**CHART A—Aggregation Information****Response to Part B, Question No. 1****ANNUAL REPORT for AGGREGATORS***(Applicable only to Class I, II.A, and/or II.D Aggregators)*

Legal Name Of Aggregator: Kilowatt Partners, Inc.  
 Registration Number 80264 Aggregator Class(es) II.A

(1) Aggregation Group	(2) Customer Type(s)	(3) Total Number of Customers in Aggregation Group	(4) Aggregator Classification	(5) Retail Electric Provider (REP) Name	(6) REP Certification Number	(7) Compensation Source
None	None	None	None	None	None	none