



Control Number: 26280



Item Number: 747

Addendum StartPage: 0

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ANNUAL REPORT FORM FOR AGGREGATORS

FOR REPORTING PERIOD OF July 1, 2011 to June 30, 2012

FOR AGGREGATOR REGISTRATION NO. 80031

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:** Discount Energy Corporation dba Energy One, dba Texas Discount Energy
2. **Contact Person for this Annual Report:** Stuart W. Gans, President, Discount Energy Corp., 1527 W. State Hwy 114, Suite 500, PMB 284, Grapevine, TX 76051-8647 , ph.(214)884-6403, fax (972)852-1674, email: sgans@decpr.com
3. **Aggregator Classification.** Class I, Class II.A
4. **Scope of Registration.** Yes. We registered the Standard Registration.
5. **Activity with Customers.** (a) A person² that aggregates private³ customers.
6. **REP Affiliation.** We have signed sales agreements with REP#10008-First Choice Power, Inc., REP#10004-TXU Energy Company, and REP #10034-Cirro Corp., REP # 10080 - ECONergy Energy Company, Accent Energy Texas LP, REP # 10078, StarTex Power, LLC, REP # 10089.
7. **Registration Changes:** There have been NO CHANGES. There are no pending proceedings.

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.** Please see attached Chart A- Aggregation Information.

² The definition of "person" includes an Individual, Partnership, Corporation, or Mutual or Cooperative Association, but not a Political Subdivision Corporation, municipal corporation, electric cooperative, county, hospital district, or other political subdivision.

³ In this question, "private" customers are any that are not a Political Subdivision Corporation, municipal corporation, county, hospital district, or other political subdivision.

747

2. **Marketing Policies and Practices.**

a. We market to business contacts we know of who could make an electricity supplier decision. We also have a website where sign-up is possible. Our Compensation is rebated from the Rep, and is detailed on the customer's bill. We completely disclose in our proposal to a customer how much we are compensated through a REP rebate.

b. Our website address is: www.decpwr.com

c. We did not rely on any third party or marketing agent.

3. **Licensure Status.** NO, we have not had any registration/license/permit suspended or revoked in any state or by a federal authority.

4. **Complaint History.** We have had no complaints.

5. **Legal Disclosures.** NO. Since the last report, we 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.** N/A

7. **Landlord-Tenant Arrangements.** NO. During the reporting period, there were NO involved agreements between the us and property owners/managers for energy services to their tenants

8. **Billing Agent.** NO. We do not function as a billing agent for any REP.

9. **Locations Served.**

Zip Code-78373....Census Tract- 51.02, Zip Code-76011....Census Tract -1130.20

10. **Estimated Savings.** 15 Percent Savings, which is based upon Customer Reports.

Class II.B (Political Subdivision Corporation) Aggregators: -N/A

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.⁴
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): N/A

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.⁵

Part C: Financial Information

Part C is applicable only to Class I, 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

⁴ *Id.*

⁵ *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.

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.** NO, we have not sought bankruptcy protection, become insolvent, or otherwise has been unable to meet our financial obligations on a reasonable and timely basis.
2. **Customer Prepayments.** NO, we have not taken any deposits or other advance payments from electricity customers.
3. **Ongoing Status.** NO, we are not aware of anything else, we do we anticipate any potential events before the next report whatsoever.

Questions Applicable Only to Aggregators Who Take Prepayments: N/A

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 Stuart W. Gans. I am President of the reporting Aggregator, Discount Energy Corporation.

2 I swear and affirm that (check one):

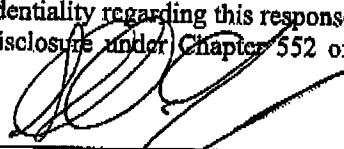
☒ I am an owner, partner, or officer of the registering party, which is registering as a Class I, Class II.A, and/or a Class II.D aggregator.

☐ 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.

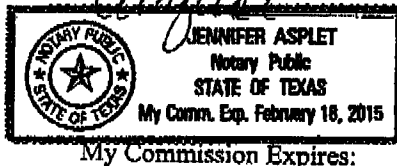
5. I swear and affirm that any assertions of confidentiality regarding this response have been made with a good faith belief that an exception to public disclosure under Chapter 552 of the Texas Government Code applies to the information provided.

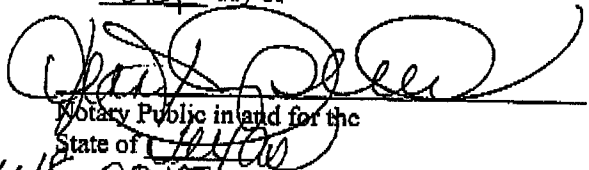

Signature of Affiant/Responsible Party

STUART W. GANS
Typed or Printed Name

Discount Energy Corporation
Name of Reporting Aggregator

SWORN TO AND SUBSCRIBED TO BEFORE ME on the 22 day of August, 2012




Notary Public in and for the
State of Texas

