



Control Number: 26280



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ANNUAL REPORT FORM FOR AGGREGATORS

FOR REPORTING PERIOD OF July 1, 2001 to June 30, 2002

FOR AGGREGATOR REGISTRATION NO. 80011

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

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Part A: General Information

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

1. **Aggregator Names:** *Priority Power Management, Ltd.*
2. **Contact Person for this Annual Report:** *Jeffrey A. Norwood*
303 W. Wall Street, Suite 1703
Midland, Texas 79701
Telephone: 915.620.9100
Facsimile: 915.620.9145
E-mail: jnorwood@prioritypower.net
3. **Aggregator Classification:** *Class I, Class II.A, and Class II.D*
4. **Scope of Registration:** *Standard Registration*
5. **Activity with Customers:** *5a and 5b*
6. **REP Affiliation:** *None.*
7. **Registration Changes:** *None.*

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:** *Chart A attached.*

2. **Marketing Policies and Practices.**

a. *Priority Power Management contacts potential customers in a variety of ways, including phone calls, mail, and personal contacts. Compensation to Priority Power Management is specifically stated in a contract which the customer executes. All aggregation fees are authorized by the customer, collected by a REP and remitted to Priority Power Management. It is our understanding fees are disclosed on the electric bill to the end user.*

b. *www.prioritypower.net*

c. *Phil Boone*

400 Pine Street, Suite 1010

Abilene, Texas 79601

Telephone: 915.673.2471

Contract Date: November 1, 2001

R.J. Stanley and Associates

Ray Stanley

1750 N. Collins Blvd.

Richardson, Texas 75080

Telephone: 972.644.0303

Contract Date: July 31, 2001

3. **Licensure Status:** *No.*

4. **Complaint History:** *None.*

5. **Legal Disclosures:** *None.*

6. **Other Registrations:** *None.*

7. **Landlord-Tenant Arrangements:** *None.*

8. **Billing Agent:** *Priority Power Management does not act as a billing agent.*

9. **Locations Served:** *See attached chart labeled "Priority Power Management Clients by Zip Code and Census Tract".*

10. **Estimated Savings:** *Savings vary depending on a customer's load factor, demand, and other historic information, so it is impossible to give an overall savings percentage for all customers which is accurate. The price of gas at the time a contract for electric power is executed will also dramatically impact the savings. We can estimate the average savings for many customers is twenty five percent (25%) below the price in 2001 and twenty percent (20%) below the price to beat, but this will vary significantly from customer to customer.*

Class II.B (Political Subdivision Corporation) Aggregators:

(Not applicable to Priority Power Management, Ltd.)

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.¹
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):

(Not applicable to Priority Power Management, Ltd.)

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]

¹ *Id.*

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.²

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:** *No.*
2. **Customer Prepayments:** *No.*
3. **Ongoing Status:** *No.*

² *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.

Questions Applicable Only to Aggregators Who Take Prepayments:

(Not applicable to Priority Power Management, Ltd.)

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 MIDLAND §

1. My name is Jeffrey A. Norwood. I am the Principal Manager of the reporting Aggregator, Priority Power Management, Ltd.

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.

Jeffrey A. Norwood
Signature of Affiant/Responsible Party

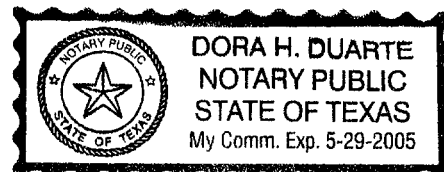
JEFF NORWOOD
Typed or Printed Name

PRIORITY POWER MANAGEMENT
Name of Reporting Aggregator

SWORN TO AND SUBSCRIBED TO BEFORE ME on the 15th day of
November, 2002.

Dora H. Duarte
Notary Public in and for the
State of TEXAS

My Commission Expires: 5-29-05



Priority Power Management Clients By Zip Code and Census Tract			
Zip Code	Tract	Block Group	Block
79701	9	1	1042
79602	134.03	4	4035
76901	9.02	9	9024
79603	112	2	2026
79602	123	1	1031
79601	110	1	1017
79605	114	1	1003
75231	78.15	2	2003
75039	142.01	1	1015
79601	112	2	2021
75231	78.15	2	2003
77089	3504	2	2024
78355	9502	2	2049
79520	203	1	1288
77590	7219	2	2013
79602	117	2	2019
79602	110	1	1043
79602	134.03	4	4035
79602	122	1	1020
79601	110	1	1044
79701	9	1	1034
79705	2	5	5004
79701	9	1	1033
79705	5	1	1049
79705	2	1	1001
79701	101.06	5	5004
79701	6	2	2031
79701	9	1	1041
79705	2	5	5005
79703	4.02	5	5000