



Control Number: 51587



Item Number: 154

Addendum StartPage: 0

May 5, 2021

Public Utility Commission of Texas
Central Records Filing Clerk
1701 North Congress Avenue
Austin, Texas 78711-3326

2021 MAY -5 PM 3:16

RECEIVED
FILING CLERK

RE: LPT, LLC d/b/a LPT SP, LLC ("LPT"), REP Certificate Number 10118

Dear Sir or Madam:

This is to inform you that on April 21, 2021, LPT's parent company, Liberty Power Holdings LLC ("LPH") filed a voluntary petition for reorganization under Chapter 11 in the U.S. Bankruptcy Court for the Southern District of Florida, Case No. 21-13797-SMG. Previously, on April 18, 2021, LPT's ultimate parent company, Liberty Power Corp LLC, terminated all of its employees.

On or about April 25, 2021, LPH contracted with the vast majority of former LPC employees to continue servicing LPH and LPT customer accounts and operations. More specifically, the same people that led LPC's customer service, legal, finance, operations, and RPS compliance functions continue to provide those services to LPH and LPT today. Accordingly then, in that respect, there has been no change in the financial or managerial capabilities at LPT. Services have not been impacted.

For further context, LPH filed for Chapter 11 largely as a result of the extreme weather event in Texas which was sudden and dramatic, causing an abrupt spike in wholesale costs of serving Electric Reliability Council of Texas ("ERCOT") customers due to unprecedented market prices for energy and ancillary services. LPH and LPT were able to provide service to their customers during this period and took immediate actions to prioritize services to customers, reduce non-essential spending and preserve liquidity. LPH's business outside of ERCOT in northeastern and Midwest U.S. markets was not impacted and remains robust. However, LPH was forced to pay for the full costs of energy provided to Texas customers in order to maintain ongoing operations, and this large payment necessitated the bankruptcy filing. The financial reorganization will provide LPH a path toward a more robust financial structure that best positions LPH for the future as it navigates what could be a prolonged process of cost recovery.

LPH operates in over fourteen states and the District of Columbia and serves over 330,000 retail customer equivalents. All sales contracts and customer programs in all states in which we operate, are expected to continue as usual. Customers can count on the same high level of service and reliability and LPH anticipates emerging from Chapter 11 as a stronger company.

LPH and LPT are confident that our actions will allow us to continue our operations and serve our customers, and provide the time to put in place a new, stronger financial foundation to move successfully through the fallout of the Texas weather event and to better position us for the

1514

future. LPT intends to continue to provide the same products and services and competitive pricing to Texas customers, and to continue to pay vendors and suppliers under customary terms for goods and services received on or after the bankruptcy filing date.

As of the bankruptcy filing date, LPH had adequate cash on hand and has received a commitment for debtor-in-possession ("DIP") financing. Following Court approval, this financing, combined with cash flow generated by the LPH's ongoing operations, is expected to be sufficient to meet LPH's operational and restructuring needs. As part of the DIP commitment, LPH will explore additional opportunities to maximize value, including a third-party sale process.

LPH was on a strong upward financial trajectory prior to the Texas extreme weather event, including consecutive quarters of EBITDA improvement. The financial impact of the Texas weather event, however, necessitated restructuring actions. LPH filed a petition with the Public Utility Commission of Texas ("PUCT") requesting emergency relief and joined the Coalition of Competitive Retail Electric Providers petition to the PUCT requesting emergency action. These petitions remain pending at the PUCT.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

Stephen Gibelli

Stephen Gibelli
Chief Legal Officer
Liberty Power Holdings LLC
2100 West Cypress Creek Road, Suite 130
Fort Lauderdale, FL 33309
sgibelli@libertypowercorp.com
860-759-9667