

Attachment F

Technical Requirements

Attachment F

Technical Qualifications

Natural Gas Sales Experience Section 551.90(b)

Pursuant to Section 551.90(b) of the Illinois Commerce Commission Administrative Code Title 83 Subchapter D Part 551 (the “Code”), Ambit demonstrates in this Attachment F that it has two or more individuals on its staff with demonstrated four years natural gas sales experience and two years experience working with rules and practices established by the North American Energy Standards Board (NAESB) or its successor.

Ambit Energy receives natural gas sales guidance from its primary natural gas trading partner, Shell Trading North America (formerly Coral Energy) based in Houston, TX, Navigant Consulting based in Chicago, IL, and Randolph Risk Management based in Dallas, Texas as well as by Ambit Energy’s Director of Natural Gas Operations.

Ambit Energy’s employees and retained consultants provide more than seventy (70) years of natural gas procurement and sales (marketing) experience and over twenty (20) years working within the confines of North American Energy Standard Board (NAESB) contracting guidelines and standards of conduct.

John R. Greene
Ambit Energy's Director of Energy Operations

Mr. Greene has more than twenty-four (24) years of natural gas sales experience and more than two years working with rules and practices established by the North American Energy Standards Board (NAESB). From 2007 through 2008, Mr. Greene has been employed as Ambit Energy's Director of Natural Gas Operations. At Ambit Energy, Mr. Greene is responsible for assisting Ambit Energy with energy (including natural gas) trade risk management; natural gas scheduling; composing Ambit's retail natural gas pricing models; and providing advice in the preparation to procure natural gas for Ambit Energy. Throughout the duration of his employment at Ambit Energy, Mr. Greene reviewed and gained familiarity with NAESB contracts and NAESB standards of conduct in addition to his experience working within the rules and practices of NAESB at Nevada Power.

From 2006 through 2007, Mr. Greene worked as a Senior Natural Gas Trader at Nevada Power. Throughout the duration of his employment at Nevada Power, Mr. Greene was responsible in his capacity as senior natural gas trader for selling natural gas on a daily basis; purchasing and selling long-term gas for generation base load supplies; scheduling natural gas to flow on intra- and interstate pipelines; and checking balances on pipelines involved and reducing imbalances on a daily basis. Mr. Greene also was in charge of submitting volumes with delivery points of supply areas to the financial and banking institutions that participate in hedge programs; awarding winners for sales of financial gas after comparing swaps and collars submitted from sale winner companies; and after refreshment of bid prices with New York Mercantile Exchange (NYMEX) contracts or executed by participating financial institutions. Throughout the duration of his employment at Nevada Power, Mr. Greene reviewed and gained familiarity with NAESB contracts and worked within the confines of NAESB's standards of conduct.

From 1994 through 2006, Mr. Greene was the Manager of Energy Sales and Transportation at

E.L. Greene Exploration Company. At E.L. Greene Exploration Company, Mr. Greene was the primary authority to coordinate and manage natural gas sales activities, lead negotiations, and maximize the company's interest in the sale of gas, oil, and petrochemical production. Throughout duration of his employment at E.L. Green Exploration Company, Mr. Greene was accountable for daily, monthly, and seasonal natural gas sales and transportation. Additionally, Mr. Greene directed and recommended natural gas deal structure and natural gas sales negotiation strategies for companies as well as negotiated NAESB contracts relating to sales of natural gas with end-user purchasers.

From 1991 through 1994, Mr. Greene worked as the Contracts Representative for Nomeco Oil & Gas Company. At Nomeco Oil & Gas Company, Mr. Greene purchased natural gas supply in joint ventures for resale, negotiated and drafted natural gas sales contracts, amendments, and other financial agreements to facilitate gas sales transactions. Also, Mr. Greene was responsible for forecasting supply and demand requirements. In addition to the highlighted work experience noted above, from 1987 through 1991, Mr. Greene was Vice President, Energy Sales and Transportation at Capital Gas Ventures where he supervised the company's trading, procurement, and sales of natural gas.

Mr. Greene is certified as a Chartered Industrial Gas Consultant (CIGC) by the Gas Technology Institute (GTI) in Chicago, Illinois. Mr. Greene holds a Master's degree from Pepperdine University and a Bachelor's degree from Texas State University. Mr. Greene has gained more than twenty-four (24) years of gas sales experience and more than four (4) years of experience working with the rules and procedures established by NAESB, sufficient to meet the requirements of Section 551.90(b) of the Code.

Peyton Feltus
Gas Sales and Procurement Strategy
(Ambit Energy Retained Consultant)¹

Mr. Feltus has more than twenty (20) years of natural gas sales experience and more than two years working with rules and practices established by the North American Energy Standards Board. From 1991 through the present, Mr. Feltus is Founder and President of Randolph Risk Management (RRM) and is a natural gas sales and procurement consultant. Throughout the duration of his employment at RRM, Mr. Feltus has advised companies on natural gas supply strategy and related risk management. Throughout the duration of his employment at RRM, Mr. Feltus has been responsible for leading natural gas sales operations and delivery of physical natural gas to customers and assisting companies in building its sales departments that comply with NAESB standards. Prior to founding RRM, Mr. Feltus worked at Johnson Trading from 1988 to 1991, where he provided hedging services to producers and end-users of energy products using over-the-counter and exchange traded instruments. From 1985 to 1988, Mr. Feltus was a retail gas broker at Bear Stearns, specializing in energy (including gas) hedging utilizing exchange trade futures and options on crude oil, heating oil, and natural gas. Mr. Feltus has worked within the confines on NAESB in procuring and selling natural gas.

At Randolph Risk Management alone, Mr. Feltus has gained more than fifteen (15) years of experience of gas sales experience and more than eight (8) years of experience working with the rules and procedures established by NAESB and contract drafting guidelines, sufficient to meet the requirements of Section 551.90(b) of the Code. Mr. Feltus holds a Bachelor's degree from the University of North Carolina at Chapel Hill.

¹ Mr. Feltus is a retained consultant of Ambit. See attached RRM Retainer Agreement, which details the availability of Mr. Feltus to assist Ambit on an ongoing basis with Ambit's gas sale and procurement needs.

NATURAL GAS SUPPLY AND RISK MANAGEMENT STRATEGY AGREEMENT
for
AMBIT ENERGY, LP
February 21, 2008

Ambit Energy LP is marketing natural gas to retail customers in the ConED service territory in New York and is making preparations to market natural gas to retail customers in other markets, including the Illinois service area. Randolph Risk Management (RRM) has been requested to present this proposal to address Ambit Energy's requirements for developing natural gas supply strategy and a related risk management program to economically manage commodity supply costs and identify, monitor, and manage the risks associated with meeting their customer consumption.

Based on our own direct energy supply and risk management experience as well as our experience with helping other energy companies address these same issues, we propose the following phased approach to help Ambit Energy meet these requirements.

We will perform the following tasks:

Phase 1: Risk Identification

1. Meet with the applicable members of the Ambit Energy management team to develop our understanding of the natural gas business plan including forecast sales volumes, load variability, commodity supply operations, targeted gross margins, sales pricing methodology, management risk sensitivity, and regulatory guidelines to supply natural gas within its service territory.
2. Develop a list of specific risks and alternatives to manage or mitigate these risks.

Phase 2: Write a Natural Gas Risk Management Policy

1. We will draft a Risk Management Policy that will serve as the guideline for monitoring, measuring, and managing the natural gas loads, supply and resulting gross margins for Ambit Energy. This will include goal, philosophy, tactics, best practices, checks and balances, and the format for developing executable hedge plans over time. This document will also identify appropriate Ambit Energy staff to comprise a Risk Management Team and establish the scope of the Team's decision making responsibilities and delegation of authority. This document will be the result of several discussions between applicable members of the Ambit Energy management team and RRM to derive a final version that Ambit Energy will implement. We envision that Ambit Energy will revise this document over time to meet the needs of the growing business.
2. RRM will use this process to further educate the Ambit Energy management team about commodity risk management issues. We will do this in a manner that is consistent with the company's business plan such that risk management practice becomes Ambit's corporate culture to help achieve its business goals.



Phase 3: Implementation of the Risk Management Process

1. RRM will assist Ambit Energy in determining the most effective way to establish the natural gas supply operations for the procurement and delivery of physical natural gas to its customers.
2. RRM will assist Ambit Energy to develop appropriate relationships with suitable natural gas suppliers similar to the relationship Ambit Energy has with Shell Energy North America.
3. RRM will work with the Ambit Energy IT staff to define the system for physical and financial natural gas position reporting and reconciliation that is required to support the risk management process as established in the Risk Management Policy.

Phase 4: Continuing Risk Management Advisory Services

1. This phase will focus on continued supervision and training. The scope of this service will be discussed between Ambit Energy and RRM at the completion of Phase 3, as it is too early to determine scope and specific requirements at this time. Simply stated, we know that risk management is a learned skill set that takes time and experience to understand and implement. RRM can continue to assist the Risk Management Team with advisory services on an as needed basis. Many clients have welcomed our continued assistance to support their risk management process as they have found this support to be very cost effective. Our experience in this area will help you gain confidence that your approach to risk management is prudent and that it will become a valuable component of your business.

Compensation for Consulting Services

The initial term of this contract shall commence upon signing and shall continue for three (3) years. This contract shall automatically renew at the end of the initial term for successive twelve (12) month periods unless either party delivers written notice to the other party of an intention to terminate the contract with at least thirty (30) days notice. RRM will bill this work on at an hourly rate of \$300.00 per hour for Phases 1 through 3, with a detailed billing of time charged. Our approach will be to split the work between RRM partners to make efficient use of our time and be able to deliver the results of our work in a timely manner. Additionally we will bill direct expenses for travel, lodging and meals at cost based on expense receipts provided. The compensation for work in Phase 4 can be discussed at the appropriate time based the scope determined.

ACCEPTED:

RANDOLPH RISK MANAGEMENT

BY: [Signature]
NAME: FELIX FELIX
TITLE: PRESIDENT

AMBIT ENERGY, L.P.

BY: [Signature]
NAME: JIM TIMMER
TITLE: CFO



Richard “Rick” G. Smead
Navigant Consulting, Inc.
(Ambit Energy Retained Consultant)²

Richard Smead is a Director of Navigant Consulting, Inc. (NCI). Mr. Smead has more than four (4) years of natural gas procurement experience and more than four (4) year of experience working with NAESB, sufficient to meet the requirements of Section 551.90(b). Mr. Smead is a member of the Board of Directors of the North American Energy Standards Board (NAESB). From 2004 through present, Mr. Smead worked as a Director at NCI, where he is responsible for managing upstream and midstream natural gas industries; straight fixed variable rate design; interruptible gas service issues; and advising on potential acquisitions and strategic advice with respect to procurement of gas pipelines, potential gas supplies, and natural gas sales initiatives. From 2001 through 2004, Mr. Smead was Vice President for the El Paso Pipeline Group. In this position, Mr. Smead was responsible for natural gas acquisition evaluation, gas contracting, and natural gas operations. Prior to the joining El Paso in its merger with The Coastal Corporation (Coastal) in January 2001, Mr. Smead was Senior Vice President for Colorado Interstate Gas Company (CIG). Prior to joining CIG in 1988 as Vice President, he was employed by the Tenneco Gas Group as Director of Rates.

In addition to being a member of the NAESB’s Board of Director, Mr. Smead is a member of the Energy Bar Association, where he serves as Chairman of the Natural Gas Regulation Committee. He was the Fiscal 2002 chair of the Rate Committee of the Interstate Natural Gas Association of America (INGAA). Mr. Smead served as chairman of the American Gas Association (AGA) Rate Committee from 1988 to 1991. Mr. Smead received a Bachelor of Science degree in engineering from the University of Maryland in 1970 and a Juris Doctor from George Washington University in 1979.

² Mr. Smead is a retained consultant of Ambit. See attached NCI Retainer Agreement, which details the availability of Mr. Smead to assist Ambit on an ongoing basis with Ambit’s gas sale and procurement needs.



Craig McDonald
Managing Director
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Cell: 484-437-2487
FAX: 215.832.4401

March 13, 2008

Mr. Carl Williams
Director, Business Development and Financial Forecasting
Ambit Energy
Via email: cwilliams@ambitenergy.com

Re: *Retail Operations Support*

Dear Mr. Williams:

Please accept this engagement letter for Navigant Consulting, Inc. ("NCI") to provide assistance to Ambit Energy, as required, to support its retail energy business operations including its operation in Illinois. As we discussed this will be a time and materials, open order agreement. NCI will perform work as specified in requests from you or your designee. These requests can be in the form of an e-mail and will include the services desired and the estimated number of hours or budget. This open-ended agreement shall be effective through the end of 2010.

Commercial Terms

The commercial terms for this engagement are contained in Attachment A, NCI's Terms and Conditions.

Best Regards,


Craig McDonald
Managing Director
Navigant Consulting, Inc.

Agreed and Accepted:

Ambit Energy

Signature: 

Name: JIM TIMMER

Title: CFD

Company: Ambit Energy

Date: 3/13/08

Navigant Consulting, Inc.

Standard Business Terms

(Energy Practice)

1. **Scope** - Navigant Consulting, Inc. ("Navigant Consulting") will perform the services ("Services") set forth in the letter (e-mail) requesting services. Each request will include an estimated number of hours or budget.
2. **Fees and Expenses** - The fees for our Services will be those fees of consultants at the current standard rates while on assignment or any other charge incurred or expenditure made on your behalf will be charged at our cost.
3. **Payment** - Unless otherwise agreed, Navigant Consulting will submit monthly invoices reflecting actual work performed and expenses incurred, plus an administrative fee. An estimated payment of one month's fees will be due at the time of signing or when work is begun whichever occurs earlier. Payment of Navigant Consulting invoices will be due in U.S. funds 30 days after the date of an invoice. Amounts past due more than 30 days will bear interest at a monthly rate of 1% from the due date until payment is received.
4. **Sales Tax** - You are responsible for paying any local, state or federal sales, use or ad valorem tax which might be assessed on our Services. Navigant Consulting will pay any local, state or federal income taxes relating to our Services.
5. **Independent Contractor** - It is understood and agreed that Navigant Consulting will for all purposes be an independent contractor, will not hold itself out as representing or acting in any manner for you, and neither party will have any authority to bind the other to any contract or in any other manner.
6. **Termination** - These terms will be subject to the right of either party to terminate at any time upon not less than ten (10) days' prior written notice to the other party. Upon termination, you will pay the full amount due for services rendered and costs and expenses incurred and not paid for up to that time, and the costs of returning consultant personnel to home base and other reasonable costs and expenses incurred in effecting termination and returning documents.
7. **Responsibility Statement** - Navigant Consulting warrants that the services provided for herein will be performed in a timely, professional manner in accordance with recognized professional consulting standards for similar services and that adequate qualified personnel will be assigned for that purpose. If, during the performance of these services or within one year following completion of the assignment, such services will prove to be faulty or defective by reason of a failure to meet such standards, Navigant Consulting agrees that upon prompt written notification from you prior to the expiration of the one-year period following the completion of the assignment of any such fault or defect, such faulty portion of the services will be redone at no cost to you up to a maximum amount equivalent to the cost of the services rendered under this assignment. **THE FOREGOING WILL CONSTITUTE NAVIGANT CONSULTING'S SOLE WARRANTY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE WORK AND THE ACTIVITIES INVOLVED IN ITS PREPARATION, AND IS MADE IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
8. **Confidentiality** - Navigant Consulting will take reasonable steps to protect any of your confidential information disclosed to us during the course of this engagement, using the same degree of care that we use to protect our own proprietary and confidential information of like kind, which will be at least reasonable care. Upon your written request, all confidential information made available hereunder will be promptly returned to you or destroyed, if such return is impracticable. If Navigant Consulting receives a subpoena or other validly issued administrative request or order seeking confidential information, we will promptly notify you and reasonably cooperate with you if you choose to pursue your legal remedies to prevent disclosure of such confidential information. As used in this paragraph, "confidential information" means any proprietary, privileged or confidential information that you disclose to Navigant Consulting during the course of this engagement. However, confidential information shall not include information (a) previously known to Navigant Consulting, (b) independently developed by Navigant Consulting, (c) acquired by Navigant Consulting from a third party which is not, to

Navigant Consulting's knowledge, under any obligation not to disclose such information, or (d) which is or becomes public through no breach by Navigant Consulting of this Agreement.

9. **Indemnification** – Navigant Consulting will indemnify and hold you and your officers, directors, employees and affiliates harmless from and against all demands, claims losses, damages, judgments, expenses and costs (including attorneys fees) arising from any and all personal injury or property loss arising out of or connected with the activities of Navigant Consulting, its agents, employees or contractors while in the performance of any of the acts, duties or obligations related to the services provided; provided, however, that you provide Navigant Consulting with reasonable notice, authority and information to defend, and provided further that Navigant Consulting will have no such indemnification obligations to the extent that such demands, claims, losses, damages, judgments, expenses and costs are based on, or arise out of your (or your officers', directors', employees', or affiliates') willful or negligent acts or omissions.

10. **Limitation of Liability** - Notwithstanding any other provision of these Terms or the Letter or Proposal, and in recognition of the relative risks and benefits of this engagement to you and to Navigant Consulting, the parties agree, to the fullest extent permitted by law, to limit the aggregate liability of each party (and its affiliates, directors, officers, employees, agents and representatives) to \$100,000 or the total compensation paid to Navigant Consulting under this Agreement, whichever is greater. This limitation of liability will apply to all suits, claims, actions, losses, damages and costs (including legal fees and expenses) arising from or related to this engagement or the Services and without regard to the legal theory under which such liability may be imposed. Navigant Consulting may agree, at your request, to increase this limitation of liability to a greater sum in exchange for a negotiated increase in Navigant Consulting's fee. Any increase in this limitation of liability must be in writing and must be signed and dated by authorized representatives of Navigant Consulting. Any additional charge for higher liability is consideration for the greater risk assumed by Navigant Consulting and is not a charge for additional insurance.

11. **Exclusion of Certain Damages** - In no event shall either party, its directors, officers, employees, and affiliates be liable for any indirect, consequential or (to the extent permitted by law) punitive damages relating to or arising out of this Agreement or the services provided hereunder, whether in contract, tort (including negligence), strict liability or otherwise, even if such party will have been advised of the possibility of such loss or damage.

12. **Rights to Deliverables** - Any Navigant Consulting report or other document ("Deliverable") prepared pursuant to these Terms shall be only for your internal business purposes and for any specific purposes identified in the Letter or Proposal. Notwithstanding any other provision of these terms or any Letter or Proposal, Navigant Consulting's prior written consent is required for the use of (or reference to) its Deliverables (a) in connection with a public offering of securities or (b) in connection with a financial or business transaction in which you reasonably anticipate that such third party may rely on Navigant Consulting's findings, conclusions or opinions embodied in such Deliverables. Upon payment in full of Navigant Consulting's fees and expenses for this engagement you will obtain all right, title and interest in and to any Deliverables, except for any pre-existing patent, copyright, trademark, intellectual property rights, methodologies, processes, techniques, ideas, concepts, trade secrets and know-how ("Navigant Consulting Knowledge") embodied in such Deliverables. Navigant Consulting grants you a perpetual, non-exclusive, non-transferable license to use and disclose such Navigant Consulting Knowledge solely for your internal business purposes and for any specific purposes identified in the Letter or Proposal. Navigant Consulting may retain a copy of any such Deliverable for its internal recordkeeping purposes or compliance with applicable professional standards.

13. **Intellectual Property Indemnification** - Navigant Consulting will indemnify and hold you and your officers, directors, employees and affiliates harmless from and against any third party claim that any of the Deliverables developed under this Agreement by Navigant Consulting infringes a presently existing United States patent, trademark, or trade secret; provided, however, that you provide Navigant Consulting with timely notice and reasonable authority and information to defend. Navigant Consulting will not indemnify you, however, if the claim of infringement arises out of or is caused by your misuse or modification of such Deliverable or your breach of this Agreement. If such Deliverable is, or in Navigant Consulting's opinion is likely to be, held to constitute an infringing product, Navigant Consulting will at its expense and option either (a) procure the right for you to continue using it; (b) replace it with a non-infringing equivalent; (c) modify it to make it non-infringing or (d) accept return of such Deliverable and refund you the fees paid for such Deliverable. The foregoing remedies constitute your sole and exclusive remedies and Navigant Consulting's entire liability with respect to infringement.

14. **Excused Performance** – Navigant Consulting will not be deemed in default of any provision hereof or be liable for any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, civil or military

authority, civil disturbance, war, strikes or other labor disputes, fires, other catastrophes, or other forces beyond its reasonable control.

15. **Related Litigation** – In the event that Navigant Consulting employees (current or former), subcontractors or agents are requested or compelled to testify as a fact witness in any legal proceeding related to Navigant Consulting's work for you, you agree to reimburse Navigant Consulting the regular billing rate per hour for its time expended and for any expenses incurred (at Navigant Consulting's direct cost).

16. **Non-Solicitation** -- Each party agrees that, during the period that Navigant Consulting is providing services hereunder and for a period of twelve (12) months following the termination of such work, neither party will, except with the other party's prior written approval, directly or indirectly through a third party, solicit or hire any employee or staff member of such other party directly or indirectly involved in this work. Each party agrees that in the event of a breach of this restriction, the non-breaching party will suffer substantial economic injury that would be difficult and time-consuming to calculate with precision, and therefore the parties agree that the non-breaching party will be entitled to recover an amount equal to the product of the affected employee's billing rate times 2000 hours, as liquidated damages and not as a penalty. Nothing contained herein will prohibit any party from employing an individual who responds to a general advertisement for employment (whether or not made by a professional search firm).

17. **Conflicts of Interest** - Based on the names of the parties you have provided we are not aware of circumstances that constitute a conflict of interest or that would otherwise impair our ability to provide objective assistance. Our determination of conflicts is based primarily on the substance of our work as opposed to the parties involved. During the course of this engagement, Navigant Consulting may be requested to be retained by parties with interests that may not be consistent with yours. Navigant Consulting agrees that it will not accept retentions that would be adverse to you either (i) on the factual issues that are the subject matter of this engagement; or (ii) that involve the services of Navigant Consulting personnel staffed on this engagement who have received or are likely to receive any Confidential Information of yours.

18. **Notices** - All notices given under or pursuant to the Agreement will be sent by Certified or Registered Mail, Return Receipt Requested, and will be deemed to have been delivered when physically delivered to you or us at the addresses shown on the Letter or Proposal of which these Terms are a part or such other address as you or we may designate by written notice to each other.

19. **Complete Agreement** - It is understood and agreed that these Terms and the Letter or Proposal of which they are a part embody the complete and entire understanding of the parties relating to the subject matter (the "Agreement") and that any and all provisions, negotiations and representations not included herein are hereby abrogated and that such Agreement cannot be changed, modified or varied except by written instrument signed by both parties. In the event you issue a purchase order or memorandum or other instrument covering the services herein provided, it is hereby specifically agreed and understood that any and all terms and conditions contained therein, whether printed or written, will be of no force or effect unless agreed to in writing by Navigant Consulting. No waiver by either party of a breach hereof or a default hereunder will be deemed a waiver by such party of a subsequent breach or default of like or similar nature.

20. **Governing Law and Venue** - **This Agreement will be construed and otherwise governed pursuant to the laws of the State of Delaware, without regard to its conflicts of laws principles. Each party irrevocably agrees that any state or federal court of competent jurisdiction in Chicago, Illinois will be the exclusive venue for resolution of any disputes arising out of this Agreement.**

Technical Qualifications

Natural Gas Sales Experience
Section 551.90(d)

The occupational background information of and Ambit Energy's consultant retainer agreements with Richard "Rick" G. Smead, John R. Greene, and Peyton Feltus as provided in this Attachment F meet the requirements of Section 551.90(b) of the Code, and in the alternative, Section 551.90(d) of the Code, as these three persons' occupational backgrounds demonstrate that Ambit Energy has sufficient technical resources and abilities match the services that it intends to provide to its residential or small commercial customers.