

May 29, 2014

Ms. Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62701

Public
14-0346
Report per Order

Re: Ill. C. C. Docket 14-0346; Santanna Natural Gas Corporation d/b/a Santanna Energy Services-Petition for Confidential Treatment

Dear Ms. Rolando:

On April 29, 2014, the Chief Clerk's office received the proprietary and public versions of the Section 451.770 report for Santanna Natural Gas Corporation d/b/a Santanna Energy Services ("Santanna") Also, on April 29, 2014, Santanna filed a verified petition requesting confidential treatment of the proprietary version of that report, which was docketed as Ill. C. C. Docket No. 14-0346.

On May 20, 2014, the Commission entered its Order in Docket 14-0346, granting Santanna's petition for confidential treatment of the proprietary version of the report. Finding (7) and the second and third ordering paragraphs of the Commission's order requires Santanna to submit a letter to the Chief Clerk transmitting public and proprietary versions of Santanna's report and indicating that confidential treatment to the proprietary version was granted in Docket 14-0346 and identifying the date that the order was entered. This letter is being submitted to meet the requirements of the Commission's Order in Docket 14-0346.

If you have any questions you can call me at the number listed above.

Sincerely,

Gerard T. Fox

ILLINOIS COMMERCE
COMMISSION
2014 MAY 30 A 11: 30
CHIEF CLERK'S OFFICE

ARES Reporting Form: To be submitted annually by April 30

PUBLIC

SANTANNA NATURAL GAS CORPORATION d/b/a SANTANNA ENERGY SERVICES

ARES Annual (2014) Recertification under 83 IL Adm. Code 451

Section 451.710 General Provisions for Reporting Requirements

- a) All ARES shall, at all times, continue to remain in compliance with the provisions of the Act and this Part, as now or hereafter amended. If an ARES received a certificate before the effective date of any provision of this Part, which provision applies to applicants seeking certification to serve customers with the same electrical demand or usage characteristics as the ARES, the ARES must demonstrate that it has come into compliance with such provision no later than April 30 of the year following the year during which such amendment took effect.
- b) No later than April 30 of each year, each ARES shall file all reports required under this Subpart. Reports shall be under oath, contain a cover letter title "Part 451 Continuing Compliance" and be filed with the Chief Clerk of the Commission with copies provided to the Office of Retail Market Development – ARES and the Financial Analysis Division – ARES or their successors. The reports shall be identified with the name of the ARES as it appears in the most recent Commission order granting the ARES certification, as well as any post-certification name changes.
- c) For each supporting piece of documentation the ARES provides, it shall specifically state how this information complies with each applicable subsection of this Part 451.
- d) All reports shall provide the name, telephone number, email address and mailing address of at least one person to address questions from Commission Staff pertaining to that report.
- e) All reports made to the Commission by any ARES, other than ARES certified under Subpart E of this Part, and the contents of the reports shall be open to public inspection, unless otherwise ordered by the Commission. The reports shall be preserved in the office of the Commission.
- f) Any ARES acquiring customers from another ARES shall report any such purchase or transfer of customer accounts no later than 30 days after the execution of the transaction. Any ARES receiving customer accounts from another ARES shall be responsible to demonstrate its ability to meet the applicable financial, managerial and technical requirements.
- g) The compliance filing shall include the applicant's name and street address and the names and addresses of all the ARES's affiliated companies involved in electric retail sales or purchases in North America.

Each ARES shall submit a report identified with the name of the ARES as it appears in the most recent Commission order granting the ARES certification.

ARES Name (including all d/b/a): **Santanna Natural Gas Corporation d/b/a Santanna Energy Services**

ICC Docket # for current certification: **12-0407**

ARES Reporting Form: To be submitted annually by April 30

Contact person for issues related to processing the ARES continuing compliance reports:

Name: **Gregory F. Rabaey**
Title: **Vice President, Chief Operating Officer**
Direct Telephone Number: **512-346-2500 ext. 244**
Email Address: **Rabaey@ses4energy.com**
Mailing Address: **7701 San Felipe Blvd, Suite 200, Austin, TX 78729**

ARES Street Address: **7701 San Felipe Blvd, Suite 200**
City, State abbreviation, and ZIP code: **Austin, TX 78729**

Affiliated Companies Name, Contact information, and Address: **NONE**

Affiliate's name
Street number and name
City, State abbreviation, and ZIP code
Telephone Number

Section 451.740 Financial Reporting Requirements

Pursuant to 83Ill. Adm. Code 451.320 and 451.740, Santanna certifies that it continues to maintain the required financial resources for the service authority granted in its Certificate of Service Authority to be an Alternative Retail Electric Supplier, which was granted on August 15th, 2012 in docket no. 12-0407.

Santanna continues to possess the sufficient resources to be certified as an ARES able to serve its retail customers because it maintains a line of credit in excess of 10% of its fiscal year 2013 sales with EDF Trading North America, LLC, an unaffiliated wholesale supplier for electric energy delivery to residential and small commercial customers located within the geographical service territories of Commonwealth Edison and Ameren within the State of Illinois.

In support of Santanna's compliance with the financial resource requirements, please reference the following documents:

- **A copy of Santanna's 2013 Reviewed Financial Statements prepared by the company's independent accounting firm, Maxwell Locke and Ritter LLC, is included as Attachment A (complete copy included with confidential report only).**
- **Attachment B – Calculation of 10% of revenues (redacted version included in public report).**
- **Attachment C – Line of Credit Schedule (redacted version included in public report).**

Santanna will be filing a petition requesting confidentiality of the proprietary versions of Attachments A, B, and C.

ARES Reporting Form: To be submitted annually by April 30

Section 451.750 Managerial Reporting Requirements

- a) An ARES shall certify during April of each year that it continues to maintain the required managerial qualifications for the service authority granted in its certificate. An ARES that meets the managerial qualifications requirements by entering into one or more contracts with others to provide the required services must identify each agent or contractor on whom the ARES relies to meet the requirements of this Part and must certify that the agent or contractor will comply with all Sections of this Part applicable to the function or functions to be performed by the respective agent or contractor.
- b) Any changes in personnel, agents or contractors in the past calendar year that were used to meet the managerial qualifications shall be addressed in the annual compliance filing by providing evidence showing how the ARES is continuing to meet the managerial qualifications.

In continuing compliance with 83 Ill. Adm. Code Sections 451.30 and 451.750, Santanna Energy Services states that it continues to meet the requirements of those sections. There have been no changes in the managerial personnel used to meet the requirements of this Section since Santanna's ARES application filing was approved by the Commission in Ill. C.C. Docket 12-0407.

Section 451.760 Technical Reporting Requirements

- a) An ARES shall certify during April of each year that it continues to maintain the required technical qualifications for the service authority granted in its certificate. An ARES that meets the technical qualifications requirements by entering into one or more contracts with others to provide the required services must identify each agent or contractor on whom the ARES relies to meet the requirements of this Part and must certify that the agent or contractor will comply with all Sections of this Part applicable to the function or functions to be performed by the respective agent or contractor.
- b) Any changes in personnel, agents or contractors in the past calendar year that were used to meet the technical qualifications shall be addressed in the annual compliance filing by providing evidence showing how the ARES is continuing to meet the technical qualifications.

In continuing compliance with 83 Ill. Adm. Code Sections 451.330 and 451.760, Santanna Energy Services states that it continues to meet the requirements of those Sections. There have been no changes in the technical personnel used to meet the requirements of this Section since Santanna's ARES application filing was approved by the Commission in Ill. C.C. Docket 12-0407.

Section 451.770 Kilowatt-hour Reporting Requirement

No later than March 1 of every year, each ARES shall file with the Chief Clerk of the Commission, and provide to the Energy Division – ARES and the Financial Analysis Division – ARES or their successors, a report stating the total annual kilowatt-hours delivered and sold to retail customers within

ARES Reporting Form: To be submitted annually by April 30

each utility service territory and the total annual kWh delivered and sold to retail customers in all utility service territories in the preceding calendar year.

PLEASE SUBMIT THE ANNUAL KILOWATT-HOUR REPORT SEPARATE FROM THE PART 451 CONTINUING COMPLIANCE REPORT. The kilowatt-hour Report should be titled "Annual Kilowatt-hour Report". Please state the total annual kilowatt-hours delivered and sold to retail customers within each utility service territory, the total annual kWh delivered and sold to retail customers in all utility service territories, and the calendar year being reported.

Santanna Energy Services submitted its Annual Kilowatt – Hour Report separately to the Commission’s Chief Clerk.

Section 451.50 License or Permit Bond Requirements

ARES (required to submit a license or permit bond pursuant to Section 451.50) shall submit a copy of their current license or permit bond as part of this annual recertification report. In the event that a license or permit bond was modified from the previous license or permit bond filed with the Chief Clerk of the Commission, the ARES shall file an additional copy of the modified bond with the Chief Clerk of the Commission and provide a copy of that bond to the Financial Analysis Division pursuant to Section 451.50(c).

In the event that a license or permit bond is cancelled, expires or is drawn upon, the ARES shall execute and maintain an additional or replacement bond such that the cumulative value of all outstanding bonds never falls below the amount required in subsection (a) of this Section. The ARES shall file a copy of the additional or replacement bond with the Chief Clerk of the Commission and provide a copy to the Financial Analysis Division – ARES pursuant to Section 451.50(b).

In compliance with 83 Ill. Admin. Code Section 451.50, Santanna Energy Services continues to maintain the bond filed with the Commission in Docket 12-04-07.

Please send the signed and notarized annual reports to:

Chief Clerk’s Office
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Separate copies for the Office of Retail Market Development, Financial Analysis Division and Consumer Services Division may be placed in same envelope and the Chief Clerk’s Office will distribute them. Please mark each copy as a “Copy” and include one the of the division titles for each copy as applicable.

ARES Reporting Form: To be submitted annually by April 30

VERIFICATION

STATE OF Texas)

COUNTY OF Williamson)

Gregory F. Rabaey, being first duly sworn, deposes and says that he is the **Vice President and Chief Operating Officer** of **Santanna Energy Services**; that he has read the foregoing Annual ARES Continuing Compliance Report of **Santanna Energy Services**, and all of the attachments accompanying and referred to within the Annual ARES Continuing Compliance Report; and that the statements and information contained in the Annual ARES Continuing Compliance Report and the attachments are true, correct and complete to the best of his knowledge, information and belief. **Santanna Energy Services** will remain in continuing compliance with all requirements of the Illinois Public Utilities Act and 83 IL Adm. Code 451.


Signature

Gregory F. Rabaey
Name

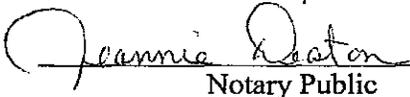
Vice President and Chief Operating Officer
(Corporate Officer of ARES) Position Held

512-346-2500 ext. 244

Contact Phone #

Subscribed and sworn before me

This 25th day of April 2014.


Notary Public



[Stamp of Notary]

Part 451 – Continuing Compliance

Attachment A Public Version

Consolidated Financial Statements

[The entirety of this document, after the cover page, is confidential]

Part 451 – Continuing Compliance

Attachment B

Public Version

Calculation of 10% of Revenues

Santanna Natural Gas Corporation
dba Santanna Energy Services
10 % Revenue Calculation

2013 Retail Revenue	Revenue Multiplier	10% Revenue Calculation
[REDACTED]	10%	[REDACTED]

As demonstrated in 2 (c)(i), Santanna meets the minimum line of credit requirements of the greater of \$ 1,000,000 or 10% of retail revenue.

Part 451 – Continuing Compliance

Attachment C

Public Version

Line of Credit Schedule

Santanna Natural Gas Corporation
 dba Santanna Energy Services
 Line of Credit Schedule
 as of 3/31/2014

Creditor	Borrower	Current Line of Credit*	Current Line of Credit Draw	Current Available Line of Credit
[REDACTED]	Santanna Natural Gas	\$	[REDACTED] \$	[REDACTED]

* Current Line of Credit is adjusted daily in accordance with the Full Requirements definition in Section 1.2 of the Energy Management Agreement (EMA).

Current Line of Credit = EMA Maximum Daily Gas Quantity * 60 Days * Historical 12 mth
 Natural Gas Intelligence first day of the month price (section 1.1, "Index Price", Page 10 of the EMA) +
 Maximum Power Open Positions (Schedule 8.13, EMA) * Avg 45 Highest Daily Market Prices for Electricity
 Current Line of Credit = ((100,000 mmbtu * 60 * \$4.17) + (75,000 mwh * \$35.58))