

FILE

22



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PUCO

FACSIMILE TRANSMITTAL SHEET

TO: The Docketing Division Public Utilities Commission	FROM: Richard Faas
COMPANY:	DATE: 2/4/2010
FAX NUMBER: 614-466-0313—614-752-8352	TOTAL NO. OF PAGES INCLUDING COVER: 22
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER: PUCO Case No.10-0041-EL-AGG

☒ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

Dear Sir/Madam:

Applicant in the above referenced case would like to provide the following information for docket.

Responses:

C-3
C-5
C-6
C-7

Thanks for your action.

Sincerely,

Richard Faas

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SM Date Processed FEB 0 8 2010

Exhibit C-7 "Credit Report"

First Innovative Power

Address: 810 Highway 6 S
Houston, TX 77079-4025
United States

Phone: 832-818-4858

**Experian
BIN:** 913041014

Business Type: Unavailable

**Experian File
Established:** May 2009

Experian Years on File: 1 Year

Years in Business: More than 1 Year

This location does not yet have an
estimated Days Beyond Terms
(DBT), or a Payment Trend Indicator.
This is often the result of too few
Payment Tradelines.

Payment Tradelines: 1

UCC Filings: 0

✓ **Bankruptcies:** 0

✓ **Liens:** 0

✓ **Judgments Filed:** 0

✓ **Collections:** 0

Payment Summary

Insufficient information to
produce
Continuous Payment Trends

Insufficient information to
produce
Newly Reported Payment

Insufficient information to
produce
Combined Payment Trends

chart.

Trends
chart.

chart.

Number of Accounts: 1
Present Balance: \$0
Highest Balance: \$500

Number of Accounts: 0
Present Balance: \$0
Highest Balance: \$0

Number of Accounts: 1
Present Balance: \$0
Highest Balance: \$500

	Business Credit Facts Have questions about this report? Get the answers you need and more! NOW
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Exhibit C-6 "Credit Rating"

Intelliscore Plus - FIRST INNOVATIVE POWER

Subcode: 589467

Ordered: 02/04/2010 15:07:46 CST

Transaction number: C720672825

Search Inquiry: First Innovative Power Inc / Houston / TX

**Intelliscore PlusSM****Identifying Information**

FIRST INNOVATIVE POWER
810 HIGHWAY 6 S
HOUSTON, TX 77079-4025
(832) 818-4858

Business Identification Number:
Full Report Number:
Years on File:

913041014
FR-1720672825
1 (FILE ESTABLISHED 05/2009)

Commercial Model

Intelliscore Plus predicts the likelihood of serious credit delinquency within the next 12 months based on business and/or owner/guarantor risk factors. Higher scores indicate lower risk.

Intelliscore Plus: 71**Factors Lowering the Score**

- COMMERCIAL ACCOUNT DELINQUENCY IN LAST 12 MONTHS
- LENGTH OF TIME ON EXPERIAN'S COMMERCIAL INFORMATION FILE

All Industry Risk Comparison

When compared to all businesses, 70% of businesses indicate a higher likelihood of severe delinquency than this business.

Based on your company's action or risk threshold, this business falls within the following category:

LOW-MEDIUM RISK**Business Information - FIRST INNOVATIVE POWER****Business Credit Information**

Current Days Beyond Terms (DBT):	0
Monthly average DBT:	0
Highest DBT previous 6 months:	0
Highest DBT previous 5 quarters:	5
Total continuous trades:	1
Current continuous trade balance:	\$0
Trade balance of all trades (1):	\$0
Average balance previous 5 quarters:	\$80
Highest credit amount extended:	\$500
6 month balance range:	\$0 - \$0

Business Legal Filings and Collections

Bankruptcy filings:	0
Tax lien filings:	0
Judgment filings:	0
Total collections:	0
Sum of legal filings:	\$0
UCC filings:	0
Cautionary UCC filings present?	No

CREDIT LIMIT: _____

TERMS: _____

COMMENTS: _____

SIGNATURE: _____

Experian prides itself on the depth and accuracy of the data maintained on our databases. Reporting your customer's payment behavior to Experian will further strengthen and enhance the power of the information available for making sound credit decisions. Give credit where credit is due. Call 1-800-520-1221, option #4 for more information.

End of report

1 of 1 report

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Exhibit C-5 “Forecasted Financial Statements”

Projected Financial Statements

First Innovative Power Inc.
810 Highway 6 South Suite 115
Houston, TX 77079

Prepared by:
FLC Tax Group, Inc.
dba FLC Business Services

Projected Balance Sheet

First Innovative Power, Inc.
810 Highway 6 South Suite 115
Houston, TX 77079

	2010	2011
Current Assets		
Cash & Cash Equivalents	26,385	63,675
Accounts Receivable	-	-
Total Current Assets	<u>26,385</u>	<u>63,675</u>
Property & Equipment		
Equipment	3,700	3,700
Furniture & Fixtures	5,900	5,900
Accumulated Depreciation	(3,786)	(5,296)
Total Property & Equipment	<u>5,814</u>	<u>4,304</u>
Other Assets		
Prepaid Expenses	1,000	875
Total Other Assets	<u>1,000</u>	<u>875</u>
TOTAL ASSETS	<u><u>33,199</u></u>	<u><u>68,854</u></u>
Current Liabilities		
Accounts Payable	2,300	2,300
Credit Cards	6,850	1,500
Accrued Expenses	300	300
Tax Liabilities	-	-
Payroll Liabilities	-	-
Total Current Liabilities	<u>9,450</u>	<u>4,100</u>
Long-Term Liabilities		
Loan Payable	-	-
Notes to Stockholders	-	-
Total Long-Term Liabilities	<u>-</u>	<u>-</u>
Stockholders' Equity		
Equity	1,729	30,064
Stockholders' Distributions	(14,000)	(14,000)
Net Income (Loss)	36,020	48,690
Total Stockholders' Equity	<u>23,749</u>	<u>64,754</u>
TOTAL LIABILITIES & EQUITY	<u><u>33,199</u></u>	<u><u>68,854</u></u>

Projected Income Statement

First Innovative Power, Inc.
810 Highway 6 South Suite 115
Houston, TX 77079

	2010	2011
Revenue		
Gross Sales	196,000	215,000
Other Income	-	-
Total Revenue	<u>196,000</u>	<u>215,000</u>
Operating Expenses		
Salaries & Wages	60,000	60,000
Payroll Taxes	6,090	6,090
Employee Benefits	10,800	11,350
Contract Labor	19,140	20,500
Advertising	1,500	1,500
Professional Services	4,800	4,800
Office Expenses	4,500	4,500
Postage & Shipping	200	200
Rents & Leases	7,885	8,050
License & Permits	400	400
Dues & Subscriptions	500	500
Travel & Entertainment	26,700	28,570
Telephone	3,100	3,100
Utilities	3,050	3,050
Other Expenses	1,500	1,500
Total Operating Expenses	<u>150,165</u>	<u>154,110</u>
Income Before Depreciation, Interest & Taxes	45,835	60,890
Other Expenses		
Amortization & Depreciation	1,300	1,300
Interest & Finance Expense	2,015	2,300
Federal Income Tax	6,500	8,600
Franchise Tax	-	-
Total Other Expenses	<u>9,815</u>	<u>12,200</u>
Net Income (Loss)	<u><u>36,020</u></u>	<u><u>48,690</u></u>

Projected Cash Flow

First Innovative Power, Inc.
810 Highway 6 South Suite 115
Houston, TX 77079

	2010	2011
Cash Receipts		
Income from Sales		
Cash Sales	196,000	215,000
Collections	-	-
Total Cash from Sales	<u>196,000</u>	<u>215,000</u>
Income from Financing		
Interest Income	-	-
Loan Proceeds	-	-
Equity Capital Investments	-	-
Total Cash from Financing	<u>-</u>	<u>-</u>
Total Cash Receipts	196,000	215,000
Cash Disbursements		
Expenses		
Operating Expenses	150,165	154,110
Loan Payments	-	-
Credit Card Payments	15,000	15,000
Income Tax Payments	6,500	8,600
Equipment Purchases	-	-
Other Expenses	-	-
Total Cash Disbursements	<u>171,665</u>	<u>177,710</u>
Net Cash Flow	24,335	37,290
Opening Cash Balance	2,050	26,385
Cash Receipts	196,000	215,000
Cash Disbursements	<u>(171,665)</u>	<u>(177,710)</u>
Ending Cash Balance	<u>26,385</u>	<u>63,675</u>

Projected Financial Statements

First Innovative Power, Inc.

810 Highway 6 South Suite 115

Houston, TX 77079

Assumptions

- 1) There will be no capital purchases of equipment or furniture in 2010 or 2011.
- 2) Credit card outstanding balances will decrease 80% in 2011 as a result of increased cash flow.
- 3) Operations will be sustained by current cash flow resulting in no need for bank financing via long-term business loan.
- 4) Anticipate gross sales to increase 10% each year.
- 5) Wages and payroll taxes anticipated to remain the same over next two years.
- 6) With increased healthcare costs, employee benefits anticipated to increase a minimum of 5% from 2010 to 2011.
- 7) As market share increases, anticipate a 5% increase in contract labor as the need for additional contractors increases.
- 8) Anticipate increased travel expenses as market share increases, minimum of 7% increase in travel expense.

Exhibit C-3 "Financial Statements"

FLC Business Services

6124 Highway 6 North #157 • Houston, TX 77084 • (832) 292-1094 • info@flctaxgroup.com

February 3, 2010

First Innovative Power Inc.
810 Highway 6 South Suite 115
Houston, TX 77079

To whom it may concern:

Per request, enclosed are the following documents pertaining to First Innovative Power Inc.

- Copy of 2008 Year-to-Date compiled financial statements
- 2010-2011 Projected financial statements
- List of assumptions pertaining to projected financial statements

FLC Tax Group, Inc. d/b/a FLC Business Services has provided bookkeeping and tax preparation services to First Innovative Power Inc. since 2008. Compilation of the 2009 Year-to-Date financial statements is in process with an anticipated completion date of February 15, 2010.

FLC Business Services compiled the financial statements for First Innovative Power Inc., see compilation letter, and prepared the 2010-2011 projected financial statements. Should you have any questions please contact Celina Lilly, Executive Director.

FLC Business Services
6124 Highway 6 North #157
Houston, TX 77084-1309
(832) 292-1094 Telephone
info@flctaxgroup.com Email

Sincerely,



Mary Williams
Executive Assistant
FLC Business Services

cc: Celina Lilly, Executive Director
File

Financial Statements

Year Ended 2008

First Innovative Power Inc.
Richard & Carmen Faas
440 Benmar Road Ste 2286
Houston, TX 77060

Prepared by:
FLC Business Services

FLC Business Services

6124 Highway 6 North #157 • Houston, TX 77084 • (832) 292-1094 • info@fictaxgroup.com

Richard & Carmen Faas
First Innovative Power Inc.
440 Benmar Road Suite 2286
Houston, TX 77060

We have compiled the accompanying balance sheet of First Innovative Power Inc., a for-profit corporation as of December 31, 2008 and the related statements of income and cash flows for the period then ended, in accordance with the company's financial records.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We are not licensed by the state of Texas to audit or review the accompanying financial statements and, accordingly, do not express an opinion of any other form of assurance on them.

FLC Business Services
May 26, 2009

BALANCE SHEET

First Innovative Power Inc.
440 Benmar Road Suite 2286 Houston, TX 77060
As of December 31, 2008

ASSETS

CURRENT ASSETS

Cash & Cash Equivalents	\$	56,598.38
Accounts Receivable		<u>0.00</u>

Total Current Assets	\$	56,598.38
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PROPERTY AND EQUIPMENT

Equipment	\$	3,699.86
Furniture & Fixtures		5,870.09
Accumulated Depreciation		<u>(766.33)</u>

Total Property and Equipment	\$	8,803.62
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OTHER ASSETS

Prepaid Expenses	\$	<u>1,000.00</u>
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Total Other Assets	\$	<u>1,000.00</u>
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TOTAL ASSETS	\$	<u>66,402.00</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	3,397.51
Credit Cards		4,851.42
Accrued Expenses		273.51
Tax Liabilities		1,047.56
Payroll Liabilities		<u>0.00</u>

Total Current Liabilities	\$	9,570.00
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LONG-TERM LIABILITIES

Total Long-Term Liabilities		<u> </u>
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Total Liabilities	\$	9,570.00
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STOCKHOLDERS' EQUITY

Equity	\$	1,762.00
Stockholder Distributions		(40,729.71)
Net Income (Loss)	\$	<u>95,799.71</u>

Total Stockholders' Equity	\$	<u>56,832.00</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u>66,402.00</u>
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The accompanying notes are an integral part of these financial statements.
See Accountants' Compilation Report

Profit & Loss Statement

First Innovative Power Inc.

440 Benmar Road Suite 2286 Houston, TX 77060

For the period ended December 31, 2008

	<u>Month to Date</u>	<u>Year to Date</u>	<u>%</u>
Income			
Gross Sales	\$ 182,185.14	\$ 182,185.14	100.00%
Cost of Goods Sold	0.00	0.00	0.00%
Other Income	0.00	0.00	0.00%
Total Income	\$ 182,185.14	\$ 182,185.14	100.00%
Expenses			
Payroll Expenses	\$ 43,089.25	\$ 43,089.25	23.65%
Operating Expenses	39,832.26	39,832.26	21.86%
Amortization & Depreciation	766.33	766.33	0.42%
Interest & Finance Expenses	707.38	707.38	0.39%
Bad Debts	0.00	0.00	0.00%
Taxes	1,990.21	1,990.21	1.09%
Total Operating Expenses	\$ 86,385.43	\$ 86,385.43	47.42%
Net Income (Loss)	\$ 95,799.71	\$ 95,799.71	52.58%

STATEMENT OF CASH FLOWS

First Innovative Power Inc.
440 Benmar Road Suite 2286 Houston, TX 77060
For the year ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$	95,799.71
Adjustments to reconcile Net Income (Loss) to net Cash:		
(Increase) Decrease in:		
Increase (Decrease) in:		
Accounts Payable	\$	3,397.51
Credit Cards		1,500.00
Comerica x4017		1,874.93
Comerica x4009		1,601.83
OfficeMax x7515		(125.34)
Accrued Expenses		273.51
Franchise Tax Liability		<u>1,047.56</u>
Total Adjustments	\$	<u>9,570.00</u>
Net Cash Provided By (Used In) Operating Activities	\$	105,369.71

CASH FLOWS FROM INVESTING ACTIVITIES

Equipment	\$	(3,699.86)
Furniture & Fixtures		(5,870.09)
Accumulated Depreciation		766.33
Prepaid Expenses		<u>(1,000.00)</u>
Net Cash Provided By (Used In) Investing Activities	\$	(9,803.62)

CASH FLOWS FROM FINANCING ACTIVITIES

Equity	\$	1,762.00
Distributions to Owners		<u>(40,729.71)</u>
Net Cash Provided By (Used In) Financing Activities	\$	<u>(38,967.71)</u>

NET INCREASE (DECREASE) IN CASH	\$	56,598.38
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CASH AT END OF PERIOD	\$	<u>56,598.38</u>
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First Innovative Power, Inc.
Notes to Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of First Innovative Power, Inc. (Company) have been prepared in conformity with generally accepted accounting principles. Financial transactions of the Company have been recorded using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation is incurred.

NOTE B - CASH & CASH EQUIVALENTS

Cash and cash equivalents includes monies in banks held in checking and savings accounts together with cash in hand.

NOTE C - FIXED ASSETS AND DEPRECIATION

Fixed assets of the Company have been recorded at cost less accumulated depreciation. Depreciation of fixed assets is based on the estimated useful lives of depreciable assets using the straight-line method.

NOTE D - CURRENT LIABILITIES

Accounts payable are non-interest bearing obligations that are stated at the nominal value without exceptions.

Credit cards consist of obligations due to financial institutions with interest rates varying from 20.49% to 20.99% APR.

Notes payable consist of non-interest bearing obligations due to stockholders.

NOTE E - INCOME TAXES

The Company accounts for Federal income taxes based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items that are not taxable or deductible. The Company has taken the S-Corporation election for Federal income tax purposes distributing all profits to shareholders based on percentage of common stock.

In May 2008 the Company incorporated with the state of Texas Secretary of State subjecting the company to the Texas Franchise tax assessment in accordance with the Texas Administrative

First Innovative Power, Inc.
Notes to Financial Statements
December 31, 2008 (Continued)

Code. As of December 31, 2008 First Innovative Power, Inc. reported a net profit of \$95,800 resulting in a Franchise tax liability of \$1,048.

The activities of First Innovative Power, Inc. are not taxable activities under the Texas state and local Sales and Use tax laws. As a result, the Company does not collect sales tax for its services nor remit sales tax to the state of Texas.