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Confidential Release

Case Number: 02-1908-GA-CRS

Date of Confidential Document:

September 15, 2004

Today's Date: April 18, 2011

Description – Renewal Application

ECONNERGY
BREAK FREE™

The power to choose. The power to save.

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Public Utilities Commission of Ohio
Docketing Division
13th Floor
180 East Broad Street
Columbus, OH 43215-3793

RECEIVED-DOCKETING DIV
2004 SEP 15 AM 11:20
PUCO

September 14, 2004

Re: CRNGS Case # 02-1908-GA-CRS

Enclosed please find the renewal application of ECONnergy Energy Company, Inc.

There are an unredacted original and copy with Motion for Protective Order, and 10 redacted copies with the confidential information removed.

If there are any questions, please contact:

Jonathan Gewirtz
845-371-2288 x1113 or gewirtzj@econnergy.com

Thank you,

The Public Utilities Commission of Ohio

RENEWAL CERTIFICATION FILING INSTRUCTIONS
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

I. ***Where to File:*** Applications should be sent to: Public Utilities Commission of Ohio (PUCO or Commission), Docketing Division, 13th Floor, 180 East Broad Street, Columbus Ohio 43215-3793.

II. ***What to File:*** Applicant must submit one original notarized application signed by a principal officer and ten copies, including all exhibits, affidavits, and other attachments. All attachments, affidavits, and exhibits should be clearly identified. ***For example, Exhibit A-15 should be marked "Exhibit A-15 - Corporate Structure."*** All pages should be numbered and attached in a sequential order.

IMPORTANT REQUIREMENT: ***The renewal application must be docketed in the applicant's original GA-CRS case number.*** **Therefore, applicant should enter that number on the renewal application form when filing a renewal application.**

III. ***When to File:*** Pursuant to Rule 4901:1-27-09 of the Ohio Administrative Code, renewal applications shall be filed between 30 and 120 days from the prior certificate's expiration date.

IV. ***Renewal Application Form:*** The renewal application form is available on the PUCO Web site, ***www.puco.Ohio.gov*** or directly from the Commission located at: Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.

V. ***Confidentiality:*** If any of an applicant's answers require the applicant to disclose what the applicant believes to be privileged or confidential information not otherwise available to the public, the applicant should designate at each point in the application that the answer requires the applicant to disclose privileged and confidential information. Applicant must still provide that privileged and confidential information (***separately filed and appropriately marked***). Applicant must fully support any request to maintain the confidentiality of the information it believes to be confidential or proprietary in a motion for protective order, filed pursuant to Rule 4901:1-1-24 of the Ohio Administrative Code.

VI. ***Commission Process for Certification Renewal:*** An application for renewal shall be made on forms approved and supplied by the Commission. The applicant shall complete the appropriate renewal form in its entirety and supply all required attachments, affidavits, and evidence of capability specified by the form at the time an application is filed. The Commission renewal process begins when the Commission's Docketing Division receives and time/date stamps the application. An incomplete application may be suspended or rejected. An application that has been suspended as incomplete will cause delay in renewal.

The Commission may approve, suspend, or deny an application within 30 days. If the Commission does not act within 30 days, the renewal application is deemed automatically approved on the 31st day after the official filing date. If the Commission suspends the renewal application, the Commission shall notify the applicant of the reasons for such suspension and may direct the applicant to furnish additional information. The Commission shall act to approve or deny a suspended application within 90 days of the date that the renewal application was suspended. Upon Commission approval, the applicant shall receive notification of approval and a numbered, renewed certificate that specifies the service(s) for which the applicant is certified and the dates for which the certificate is valid. Unless otherwise warranted, the renewed certification designation will remain consistent with the previously granted certification. For example, a certified marketer will renew as a certified marketer.

Unless otherwise specified by the Commission, the competitive retail natural gas service (CRNGS) supplier's renewed certificate is valid for an additional period of two years, beginning and ending on the dates specified on the certificate. The applicant may renew its certificate in accordance with Rule 4901:1-27-09 of the Ohio Administrative Code.

CRNGS suppliers, which include marketers, shall inform the Commission of any material change to the information supplied in a renewal application within thirty (30) days of such material change in accordance with Rule 4901:1-27-10 of the Ohio Administrative Code.

VII. ***Contractual Arrangements for Capability Standards:*** If the applicant is relying upon contractual arrangements with a third-party, to meet any of the certification requirements, the applicant must provide with its application all of the following:

- The legal name of any contracted entity;
- A statement that a valid contract exists between the applicant and the third-party;
- A detailed summary of the contract(s), including all services provided thereunder; and
- The documentation and evidence to demonstrate the contracting entity's capability to meet the requirements as if the contracting entity was the applicant.

VIII. ***Questions regarding filing procedures should be directed to:***

Edith Binford at (614) 466-4821 or Edith.Binford@puc.state.oh.us, or
Rick Reese at (614) 466-0793 or Rick.Reese@puc.state.oh.us

IX. ***Governing Law:*** The certification/renewal of CRNGS suppliers is governed by Chapters 4901:1-27 and 4901:1-29 of the Ohio Administrative Code, and Section 4929.20 of the Ohio Revised Code.

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PUCO USE ONLY - Version 6.04.1		ORIGINAL CRS Case Number
Date Received	Renewal Certification Number	
		- - GA-CRS

RENEWAL CERTIFICATION APPLICATION
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (***Example: Exhibit A-16 - Company History***). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may directly input information onto the form. You may also download the form by saving it to your local disk.

SECTION A - APPLICANT INFORMATION AND SERVICES

A-1 Applicant intends to renew its certificate as: (check all that apply)

☐ **Retail Natural Gas Aggregator** ☐ **Retail Natural Gas Broker** ☑ **Retail Natural Gas Marketer**

A-2 Applicant information:

Legal Name ECONnergy Energy Company, Inc.

Address 286 N. Main Street, Spring Valley, NY 10977

Telephone No. 845-371-2288 / 800-805-8586 Web site Address www.econnergy.com

Current PUCO Certificate No. 02-040(1) Effective Dates 10/18/02 - 10/17/04

A-3 Applicant information under which applicant will do business in Ohio:

Name ECONnergy Energy Company, Inc.

Address 286 N. Main Street, Spring Valley, NY 10977

Web site Address www.econnergy.com Telephone No. 845-371-2288 / 800-805-8586

A-4 List all names under which the applicant does business in North America:

ECONnergy Energy Company, Inc. Mirabito Gas & Electric

AllEnergy Gas Marketing

A-5 Contact person for regulatory or emergency matters:

Name Jonathan Gewirtz Title Regulatory Affairs

Business Address 286 N. Main Street, Spring Valley, NY 10977

Telephone No. 845-371-2288 x1113 Fax No. 940-234-7269 Email Address gewirtzj@econnergy.com

A-6 Contact person for Commission Staff use in investigating customer complaints:

Name Alexsa Torres Title Customer Service Supervisor

Business address 286 N. Main Street, Spring Valley, NY 10977

Telephone No. 800-805-8586 x5103 Fax No. 845-371-1789 Email Address regulatorycomplaints@econner

A-7 Applicant's address and toll-free number for customer service and complaints

Customer service address PO Box 1020, Spring Valley, NY 10977

Toll-Free Telephone No. 800-805-8586 Fax No. 845-371-1789 Email Address service@econnergy.com

A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee

Name Tom Turner Title Sales Representative

Business address 3613 Shannon Road, Cleveland Heights, OH 44118

Telephone No. 216-397-7770 Fax No. 216-932-0610 Email Address

A-9 Applicant's federal employer identification number 13 394 8227

A-10 Applicant's form of ownership: (Check one)

☐ **Sole Proprietorship** ☐ **Partnership**

☐ **Limited Liability Partnership (LLP)** ☐ **Limited Liability Company (LLC)**

☑ **Corporation** ☐ **Other**

A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers.* (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)

✔	Cincinnati Gas & Electric	✔	Residential	✔	Small Commercial	✔	Large Commercial / Industrial
✔	Columbia Gas of Ohio	✔	Residential	✔	Small Commercial	✔	Large Commercial / Industrial
✔	Dominion East Ohio	✔	Residential	✔	Small Commercial	✔	Large Commercial / Industrial
✔	Vectren Energy Delivery of Ohio	✔	Residential	✔	Small Commercial	✔	Large Commercial / Industrial

A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.

☐ **Cincinnati Gas & Electric**

☐	Residential	Beginning Date of Service		End Date	
☐	Small Commercial	Beginning Date of Service		End Date	
☐	Large Commercial	Beginning Date of Service		End Date	
☐	Industrial	Beginning Date of Service		End Date	

☐ **Columbia Gas of Ohio**

☐	Residential	Beginning Date of Service		End Date	
☐	Small Commercial	Beginning Date of Service		End Date	
☐	Large Commercial	Beginning Date of Service		End Date	
☐	Industrial	Beginning Date of Service		End Date	

✔ **Dominion East Ohio**

✔	Residential	Beginning Date of Service	July 2001	End Date	
✔	Small Commercial	Beginning Date of Service	July 2001	End Date	
☐	Large Commercial	Beginning Date of Service		End Date	
☐	Industrial	Beginning Date of Service		End Date	

☐ **Vectren Energy Delivery of Ohio**

☐	Residential	Beginning Date of Service		End Date	
☐	Small Commercial	Beginning Date of Service		End Date	
☐	Large Commercial	Beginning Date of Service		End Date	
☐	Industrial	Beginning Date of Service		End Date	

A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:

☐	Cincinnati Gas & Electric	Intended Start Date	
☐	Columbia Gas of Ohio	Intended Start Date	
☐	Dominion East Ohio	Intended Start Date	
☐	Vectren Energy Delivery of Ohio	Intended Start Date	

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

A-14 **Exhibit A-14 "Principal Officers, Directors & Partners,"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-15 **Exhibit A-15 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.

A-16 **Exhibit A-16 "Company History,"** provide a concise description of the applicant's company history and principal business interests.

A-17 **Exhibit A-17 "Articles of Incorporation and Bylaws**, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto, ***only if the contents of the originally filed documents changed since the initial application.***

A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.

SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking renewed certification (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).

B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services for which it is seeking renewed certification since applicant last filed for certification.

B-5 **<u>Exhibit B-5 "Disclosure of Consumer Protection Violations,"</u>** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws since applicant last filed for certification.

☒ No ☐ Yes

If Yes, provide a separate attachment labeled as <u>Exhibit B-5 "Disclosure of Consumer Protection Violations,"</u> detailing such violation(s) and providing all relevant documents.

B-6 **<u>Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"</u>** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas since applicant last filed for certification.

☐ No ☒ Yes

If Yes, provide a separate attachment, labeled as <u>Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"</u> detailing such action(s) and providing all relevant documents.

SECTION C - APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

C-1 **<u>Exhibit C-1 "Annual Reports,"</u>** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.

C-2 **<u>Exhibit C-2 "SEC Filings,"</u>** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.

C-3 **<u>Exhibit C-3 "Financial Statements,"</u>** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer-certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer-certified financial statements covering the life of the business.

C-4 **<u>Exhibit C-4 "Financial Arrangements,"</u>** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)

C-5 **<u>Exhibit C-5 "Forecasted Financial Statements,"</u>** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.

C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's current credit report from Experion, Dun and Bradstreet, or a similar organization.

C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant last filed for certification.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

D-1 **Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and the provision of retail ancillary services, as well as other services used to supply natural gas to the natural gas company city gate for retail customers.

D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.

D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

Applicant Signature and Title [signature] Chairman

Sworn and subscribed before me this 14th **day of** September **Month** 2004 **Year**

[signature]
Signature of official administering oath

GARY BONDI, Chairman
Print Name and Title

AVRAM KEILSON
Notary Public, State of New York
No. 02KE5057805
Qualified In Queens County
Commission Expires March 25, 2006

My commission expires on March 25, 2006

The Public Utilities Commission of Ohio

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Competitive Retail Natural Gas Service
Affidavit Form
(Version 6.04.1)

In the Matter of the Application of	)		
ECONnergy Energy Company, Inc.	)	**Case No.**	02 - 1908 -GA-CRS
for a Certificate or Renewal Certificate to Provide	)		
Competitive Retail Natural Gas Service in Ohio.	)		

County of Rockland
State of New York

Gary Bondi [Affiant], being duly sworn/affirmed, hereby states that:

(1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.

(2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.

(3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.

(4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

(5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.

(6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.

(7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.

(8) Affiant further sayeth naught.

Affiant Signature & Title [signature] Chairman

Sworn and subscribed before me this 14th **day of** September **Month** 2004 **Year**

[signature]
Signature of Official Administering Oath

GARY BONDI, Chairman
Print Name and Title

AVRAM KEILSON
Notary Public, State of New York
No. 02KE5057805
Qualified in Queens County
Commission Expires March 25, 2006

My commission expires on March 25, 2006

180 East Broad Street • Columbus, OH 43215-3793 • (614) 466-3016 • www.PUCO.ohio.gov

CRNGS Renewal Application of
ECONnergy Energy Co., Inc.
Sept 2004

EXHIBIT A-14

PRINCIPAL OFFICERS, DIRECTORS & PARTNERS

Gary Bondi
Chairman & Chief Financial Officer
286 North Main Street, Spring Valley, New York 10977
845 371 2288

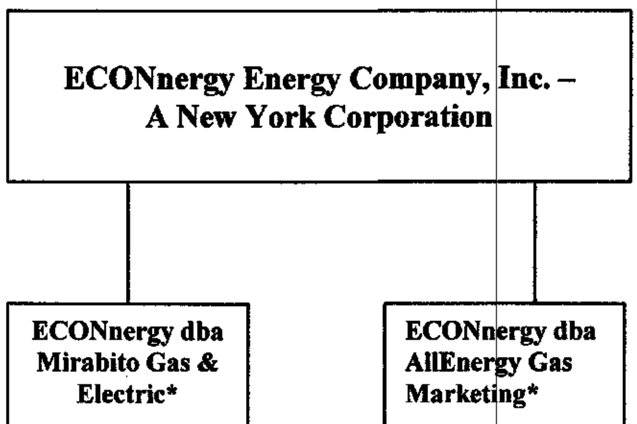
Saul Horowitz
President, Chief Executive Officer
286 North Main Street, Spring Valley, New York 10977
845 371 2288

Jay Corn
Chief Financial Officer
286 North Main Street, Spring Valley, New York 10977
845 371 2288

Seth Zuckerman
Director of Finance
286 North Main Street, Spring Valley, New York 10977
845 371 2288

EXHIBIT A-15

CORPORATE STRUCTURE



***These were entities that ECONnergy acquired and folded into its existing operations, retaining the names for marketing and customer service purposes.**

EXHIBIT A-16

Company History

ECONnergy Energy Company, Inc. ("ECONnergy") was incorporated in the State of New York on May 6, 1997 to coincide with the deregulation of retail natural gas in New York State. ECONnergy began with 50 customers in New York and has since grown to service more than 250,000 residential, commercial and industrial customers in New York, New Jersey, Ohio, Maryland, Texas and Virginia.

ECONnergy's focus is to offer various supply products and offerings that may bring benefit to consumers choosing ECONnergy as their natural gas supplier. ECONnergy has been innovative in offering fixed, variable, and hybrid products to customers.

The sale of natural gas and/or electricity is the sole business of ECONnergy at this time, and we do not own any power generation.

EXHIBIT A-17

Company Bylaws

These remain as submitted upon initial licensing.

United States of America
State of Ohio
Office of the Secretary of State

I, J. Kenneth Blackwell, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations; that said records show ECONNERGY ENERGY COMPANY, INC., a New York corporation, having qualified to do business within the State of Ohio on July 25, 2000 under License No. 1176232 is currently in GOOD STANDING upon the records of this office.

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 13th day of September, A.D. 2004

J Kenneth Blackwell

Ohio Secretary of State

Validation Number: V2004256SE9C7E

EXHIBIT B-1

JURISDICTIONS OF OPERATION

ECONnergy Energy Company, Inc. ("ECONnergy") is currently certified, registered, licensed or otherwise authorized to provide retail natural gas and/or electric service in the following areas:

State	Gas License #	Electric License #
New York	Registration, no license required	SAME
New Jersey	GSL-0020	ESL-0022
Maryland	IR-334	IR-340
DC	Docket GA03-4	
Virginia	G-19	E-13
Texas		REP # 10080
Ohio		

EXHIBIT B-2

EXPERIENCE & PLANS

ECONnergy Energy Company, Inc. ("ECONnergy") was incorporated in the State of New York on May 6, 1997 to coincide with the deregulation of retail natural gas in New York State. ECONnergy began with 50 customers in New York and has since grown to service more than 250,000 residential, commercial and industrial customers in New York, New Jersey, Ohio, Maryland, Texas and Virginia.

ECONnergy markets primarily to residential and small commercial customers in areas where the is an ability to save the customer money by using a variable pricing method. Additionally, ECONnergy seeks in all areas to utilize a consolidated bill, provided by the utility, for invoicing its customers. (This is how it currently bills in Dominion East Ohio's service territory.)

Customer contact is made either through ECONnergy's network of independent agents making "warm" sales to friends, relatives, and neighbors, or through mass marketing channels such as door-to-door or telemarketing.

ECONnergy's customer service department is available Monday through Friday from 9AM to 5PM for questions, comments, or complaints at 800-805-8586. Additionally, customers can contact us by e-mail to service@econnergy.com, USPS to 286 N. Main Street Spring Valley, NY 10977, or via our website at www.econnergy.com.

Customer issues which cannot be resolved in initial contact will be escalated to Supervisor for resolution. If the Supervisor cannot resolve the issue for the customer, it will be escalated to our Dispute Resolution team for follow-up.

EXHIBIT B-3

SUMMARY OF EXPERIENCE

ECONnergy Energy Company, Inc. ("ECONnergy") was incorporated in the State of New York on May 6, 1997 to coincide with the deregulation of retail natural gas in New York State. ECONnergy began with 50 gas customers in New York and today service over 180,000 residential, commercial and industrial gas customers in New York, New Jersey, Ohio, Maryland, and Virginia.

ECONnergy provides to these customers more than 40,000,000 dth/Mcf of natural gas annually.

EXHIBITS B-4, B-5, B-6

DISCLOSURE OF LIABILITIES AND INVESTIGATIONS

To date, there are no existing, pending or past rulings, judgments, contingent liabilities, revocations of authority or regulatory investigations against ECONnergy that could adversely impact its financial or operational status or ability to provide the services it is seeking to be certified to provide.

ECONnergy has not had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, revoked, or cancelled within the past two years.

However, ECONnergy's CRES provider license has been temporarily suspended by the PUC staff pending updated financials for ECONnergy.

EXHIBIT C-1

ANNUAL REPORTS

ECONnergy Energy Company, Inc. ("ECONnergy") is a privately held company with several private investors. Investors who have at least a 10% ownership in ECONnergy are Gary Bondi (Chairman), Saul Horowitz (CEO), and Credit Suisse First Boston Private Equity. Accordingly, no Annual Reports to Shareholders or similar information is available. Please refer to Exhibit C-3, "Financial Statements," for information concerning ECONnergy's financial condition.

EXHIBIT C-2

SEC FILINGS

ECONnergy Energy Company, Inc. ("ECONnergy") is a privately held company with several private investors. Investors who have at least a 10% ownership in ECONnergy are Gary Bondi (Chairman and CFO), Saul Horowitz (CEO), and Credit Suisse First Boston Private Equity. Accordingly, no filings with the Securities and Exchange Commission is available. Please refer to Exhibit C-3, "Financial Statements," for information concerning ECONnergy's financial condition.

EXHIBIT C-3

FINANCIAL STATEMENTS

Please see the attached audited financials. Also, please note our motion for confidentiality of these items.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ECONNERGY ENERGY COMPANY, INC. AND SUBSIDIARY

March 31, 2003 and 2002

CONFIDENTIAL

CONTENTS

Grant Thornton

Accountants and Business Advisors

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of
ECONnergy Energy Company, Inc.

We have audited the accompanying consolidated balance sheets of ECONnergy Energy Company, Inc. and Subsidiary (a New York corporation) as of March 31, 2003 and 2002, and the related consolidated statements of operations, shareholders' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ECONnergy Energy Company, Inc. and Subsidiary as of March 31, 2003 and 2002, and the consolidated results of their operations and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note A to the financial statements, the Company has suffered recurring losses from operations and has a shareholders' deficit as well as working capital deficiency. Also, the Company is currently in default under the Commodity Purchase Agreement ("CPA") with Sempra Energy Trading Corp ("Sempra") dated December 29, 2002 as it relates to certain financial covenants (see Note K). These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note A. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Grant Thornton LLP

New York, New York
July 21, 2003

CONFIDENTIAL

...YSLER CENTER
...Avenue
..., NY 10017
...99.0100
...70.4520
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ECONnergy Energy Company, Inc and Subsidiary

CONSOLIDATED BALANCE SHEETS

March 31,

ASSETS	2003	2002
CURRENT ASSETS		
Cash	$ 248,199	$ 92
Accounts receivable, net of allowance for doubtful accounts of $8,947,309 and $5,255,374, respectively	46,236,121	20,958,579
Other receivables	169,300	1,927,184
Prepaid expenses	5,992,644	2,730,849
Total current assets	52,646,264	25,616,704
PROPERTY AND EQUIPMENT, net	1,664,703	1,136,970
OTHER ASSETS, net	4,630,126	3,730,879
Total assets	$ 58,941,093	$ 30,484,553
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Bank overdraft payable	$ -	$ 15,719
Accounts payable and accrued expenses	63,548,338	29,581,002
Taxes payable	2,506,153	4,990,660
Other current liabilities	1,888,837	1,430,677
Current portion of lease obligation	34,128	33,738
Total current liabilities	67,977,456	36,051,796
LONG-TERM LIABILITIES		
Long-term taxes payable	1,578,325	1,150,000
Other long-term liabilities	1,072,251	166,625
Long-term portion of lease obligation	-	34,316
Loan payable - related party	107,493	102,268
Total long-term liabilities	2,758,069	1,453,209
Total liabilities	70,735,525	37,505,005
COMMITMENTS AND CONTINGENCIES (NOTE L)		
MANDATORILY REDEEMABLE STOCK	5,937,515	5,909,255
SHAREHOLDERS' DEFICIT		
Series A Convertible Preferred Stock, $.01 par value; 2,500,000 shares authorized; 510,000 issued and outstanding	5,100	5,100
Common stock, $.001 par value; 15,000,000 shares authorized; 3,600,000 issued and outstanding	3,600	3,600
Additional paid-in capital	4,101,618	4,129,878
Deferred compensation	-	-
Retained deficit	(21,842,265)	(17,068,285)
Total shareholders' deficit	(17,731,947)	(12,929,707)
Total liabilities and shareholders' deficit	$ 58,941,093	$ 30,484,553

The accompanying notes are an integral part of these statements.

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ECONergy Energy Company, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF OPERATIONS

Year ended March 31,

	2003	2002
Sales	$189,714,807	$121,379,683
Cost of sales	176,459,624	113,377,724
Gross profit	13,255,183	8,001,959
Selling, general and administrative expenses	18,140,255	13,244,120
Loss from continuing operations before interest and other income, net and income taxes	(4,885,072)	(5,242,161)
Interest expense, net	1,024,992	1,914,759
Other income, net	(1,103,488)	(318,945)
Loss from continuing operations before income taxes	(4,806,576)	(6,837,975)
(Benefit from) provision for income taxes	(32,596)	60,007
Loss from continuing operations	(4,773,980)	(6,897,982)
Loss from discontinued operations	-	(167,301)
NET LOSS	$ (4,773,980)	$ (7,065,283)

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The accompanying notes are an integral part of these statements.

ECONergy Energy Company, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF SHAREHOLDERS' DEFICIT

Years ended March 31, 2003 and 2002

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	Comprehensive loss	Preferred stock Shares	Preferred stock Par value	Common stock Shares	Common stock Par value	Additional paid-in capital	Deferred compensation	Accumulated other comprehensive income	Retained deficit	Total
Balance, March 31, 2001		510,000	$5,100	3,600,000	$3,600	$3,579,894	$(48,945)	$ 62,435	$(10,003,002)	$ (6,400,918)
Net loss	$(7,065,283)								(7,065,283)	(7,065,283)
Other comprehensive loss Foreign currency translation (net of tax expense of $0)	62,435							(62,435)		(62,435)
Comprehensive loss	(7,002,848)									
Issuance of warrants in connection with supplier agreement						578,245				578,245
Accretion of issuance costs						(28,261)				(28,261)
Amortization of deferred compensation							48,945			48,945
Balance, March 31, 2002		510,000	5,100	3,600,000	3,600	4,129,878	-	-	(17,068,285)	(12,929,707)
Net loss									(4,773,980)	(4,773,980)
Accretion of issuance costs						(28,260)				(28,260)
Balance, March 31, 2003	$	510,000	$5,100	3,600,000	$3,600	$4,101,618	$	$	$(21,842,265)	$(17,731,947)

The accompanying notes are an integral part of this statement.

ECONnergy Energy Company, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended March 31,

	2003	2002
Cash flows from operating activities		
Net loss	$ (4,773,980)	$ (7,065,283)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	787,288	721,378
Provision for (benefit from) bad debts	3,691,935	(47,988)
Noncash compensation and interest expense	472,238	254,636
Write-down of investment	200,000	-
Gain from a settlement agreement	(1,658,733)	-
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(28,969,477)	6,459,943
(Increase) decrease in prepaid expenses	(3,261,795)	2,147,590
Decrease (increase) in other receivables	1,757,884	(1,819,516)
Increase in other assets	(1,571,485)	(2,931,298)
Increase in accounts payable and accrued expenses	35,626,069	15,687,697
Decrease in bank overdraft payable	(15,719)	(1,795,992)
(Decrease) increase in taxes payable	(2,484,507)	1,046,988
Increase in other current liabilities	458,160	841,676
Increase in other long-term liabilities	905,626	166,625
Increase in long-term taxes payable	428,325	1,150,000
Increase in loan payable - related party	5,225	1,853
Net cash provided by operating activities	1,597,054	14,818,309
Cash flows from investing activities		
Purchase of property and equipment	(1,315,021)	(755,309)
Net cash used in investing activities	(1,315,021)	(755,309)
Cash flows from financing activities		
Payments under capital lease obligations	(33,926)	(29,351)
Repayments from line of credit	-	(14,091,344)
Net cash used in financing activities	(33,926)	(14,120,695)
Effect of translation adjustment on cash	-	(62,435)
Net increase (decrease) in cash	248,107	(120,130)
Cash, beginning of year	92	120,222
Cash, end of year	$ 248,199	$ 92
Supplemental disclosures of cash flow information:		
Cash paid during the year for		
Income taxes	$ -	$ 41,000
Interest	$ 1,091,253	$ 971,559

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The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2003 and 2002

NOTE A - NATURE OF BUSINESS

ECONnergy Energy Company, Inc. and Subsidiary (the "Company") is a registered Energy Service Company ("ESCO") headquartered in Rockland County, New York. The Company was incorporated on May 6, 1997 in the State of New York. The Company purchases natural gas and electricity from one supplier and then resells it to residential and commercial customers. On April 30, 2002, the Company entered into a five-year agreement with Mirant as its preferred gas and electricity supplier. In January 2003, the Company terminated its agreement with Mirant and entered into a new agreement with Sempra Energy Trading Corp. ("Sempra") (see Note K).

Transaction with ECONnergy U.K. Limited

In March 2002, the Company decided to wind down its U.K. operations and accordingly, started a voluntary liquidation process, which was completed in April 2002. Accordingly, the U.K. operations for all periods presented are accounted for as discontinued operations in the accompanying consolidated statements of operations.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred recurring operating losses and, based on its current working capital requirements, will require additional funding during the next twelve months to finance its current level of operations. Additionally, the Company may require additional financing to fund revenue growth. These factors raise doubt about the Company's ability to continue as a going concern. The Company is actively pursuing increases to its net cash flows through expense reductions and revenue growth, and additional sources of financing. The Company believes that a combination of increases to operating cash flow and additional financing will generate sufficient cash flow to fund its operations through fiscal 2004. However, there are no assurances that such matters will be successfully consummated. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Consolidation*

   The accompanying consolidated financial statements include the consolidated accounts of the Company and its wholly-owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. *Revenue Recognition*

   The Company recognizes revenue for the sale of natural gas and electricity upon customer usage. Unbilled natural gas and electricity sales are estimated and recorded each period.

3. *Property and Equipment*

   Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their useful lives or the remaining lease term.

4. *Concentration of Credit Risk*

   Financial instruments that potentially subject the Company to concentration of credit risk consist principally of accounts receivable. The Company's mix of accounts receivable is diverse, with no one customer balance in excess of 10% of total accounts receivable. The Company maintains reserves for potential losses.

5. *Fair Value of Financial Instruments*

   The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of these instruments.

6. *Income Taxes*

   The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," which requires accounting for deferred income taxes under the asset and liability method. Deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable in future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

NOTE B (continued)

7. *Internal-Use Computer Software*

In accordance with Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use," the Company capitalizes costs incurred in the application development stage related to the development of the Company's billing system. These development costs are amortized over an estimated useful life of three years.

8. *Customer Acquisition Costs*

Incremental direct customer acquisition costs are being capitalized and amortized over the future benefit period of 24 months. Such costs represent customer acquisition costs incurred in connection with the purchase of new accounts, via third-party direct marketing companies. Customer acquisition costs, net of accumulated amortization as of March 31, 2003 and 2002, were approximately $1,571,000 and $1,775,000, respectively, and are included in the accompanying consolidated balance sheets as other noncurrent assets. Amortization of customer acquisition costs was $2,002,500 and $818,300 in fiscal 2003 and 2002, respectively.

9. *Translation of Foreign Currency*

The Company's consolidated financial statements were prepared in accordance with SFAS No. 52, "Foreign Currency Translation." For the fiscal year ended March 2002, revenues and expenses of the subsidiary have been translated into U.S. dollars at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange at the balance sheet date. The resulting translation adjustments were made directly to a separate component of shareholders' deficit.

10. *Accounting for Long-lived Assets*

The Company accounts for long-lived assets in accordance with the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets to Be Disposed of." SFAS No. 144 requires that long-lived assets and identifiable intangible assets that are not deemed to have indefinite lives will be reviewed for impairment whenever events or changes in circumstances

NOTE B (continued)

indicate that the carrying amounts of the assets may be impaired. Furthermore, these assets are evaluated for continuing value and proper useful lives by comparison to undiscounted expected cash flow projections. Management has performed a review of all long-lived assets and has determined that no impairment of the carrying values of its long-lived assets exists as of March 31, 2003.

11. Stock-based Compensation

The Company accounts for stock-based compensation under the intrinsic-value-based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and discloses the effect of the differences which would result had the Company applied the fair-value-based method of accounting on a pro forma basis, as required by SFAS No. 123, "Accounting for Stock-Based Compensation."

In December 2002, the FASB issued Statement No. 148 ("SFAS No. 148"), "Accounting for Stock-Based Compensation - Transition and Disclosure: an amendment of FASB Statement No. 123" ("SFAS No. 123"), to provide alternative transition methods for a voluntary change to the fair value-based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in annual financial statements about the method of accounting for stock-based employee compensation and the pro forma effect on reported results of applying the fair value-based method for entities that use the intrinsic value method of accounting. This statement is effective for financial statements for fiscal years ending after December 15, 2002.

The Company has elected to continue to utilize APB No. 25 in accounting for its employee stock options. Had the Company determined compensation expense for these stock options under the fair value method of SFAS No. 123, the Company's net loss would have increased to the following pro forma amounts:

	Year ended March 31,	
	2003	2002
Net loss as reported	$4,773,980	$7,065,283
Pro forma net loss	4,911,393	7,065,283

NOTE B (continued)

12. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

13. *Reclassifications*

Certain reclassifications have been made in the fiscal 2002 financial statements to conform to the fiscal 2003 presentation.

14. *New Accounting Pronouncements*

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which is effective for fiscal years beginning after June 15, 2002. SFAS No. 143 requires that the fair value of an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value of the obligation can be made. The adoption of the provisions of SFAS No. 143 is not expected to have a material effect on the Company's consolidated financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of commitment to an exit or disposal plan. SFAS No. 146 will be applied to exit or disposal activities after December 31, 2002. The adoption of SFAS No. 146 had no effect on the Company's consolidated financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation No. 45 ("FIN No. 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN No 45 requires that upon issuance of a guarantee, a guarantor must recognize a liability for the fair value of an obligation assumed under a guarantee. FIN No. 45 also requires additional disclosures by a guarantor in its interim and annual financial statements about the obligations associated with guarantees issued. The recognition provisions of FIN No. 45 are effective for any guarantees issued or modified after December 31, 2002. The disclosure requirements are effective for financial statements for periods ending after December 15, 2002. The adoption of FIN No. 45 did not have a material impact on the Company's financial position or results of operations.

NOTE C - PROPERTY AND EQUIPMENT, NET

As of March 31, 2003 and 2002, property and equipment consisted of the following:

	Estimated useful lives	2003	2002
Furniture and fixtures	7 years	$ 594,009	$ 545,952
Computer equipment	3 years	725,592	378,850
Software	3 years	1,765,432	993,839
Leasehold improvements	Shorter of the life of the lease or the life of the asset	689,179	540,550
		3,774,212	2,459,191
Less accumulated depreciation		(2,109,509)	(1,322,221)
		$ 1,664,703	$ 1,136,970

Included in property and equipment as of March 31, 2003 and 2002 is $139,050 of assets held under capital lease obligations. Depreciation expense for the years ended March 31, 2003 and 2002 amounted to $787,288 and $721,378, respectively.

NOTE D - OTHER ASSETS, NET

Other assets, net, consist of the following as of March 31, 2003 and 2002:

	2003	2002
Deferred financing and commitment costs, net	$ -	$ 558,971
Long-term receivable	165,001	220,000
Customer acquisition costs, net	1,571,121	1,775,432
Employee loans	6,301	4,684
Deposits	2,003,902	921,792
Long-term deferred capacity costs	833,801	-
Other	50,000	250,000
	$4,630,126	$3,730,879

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NOTE E - OBLIGATIONS UNDER CAPITAL LEASE

During 2001, the Company utilized a capital lease for the acquisition of equipment. The interest rate on this lease is 8.5% per annum. The minimum annual payments and present values of these payments as of March 31, 2003 are as follows:

Due in	
2004	$ 35,976
	35,976
Less amount representing interest	(1,848)
	34,128
Less current portion	(34,128)
Non-current portion	$ -

NOTE F - RELATED PARTY TRANSACTIONS

During 1999, a corporation owned by one of the shareholders of the Company loaned the Company $91,055 to fund its operations. The loan bears interest at an annual rate of 5% and matures on April 1, 2004. The balance as of March 31, 2003 and 2002 includes accrued interest.

NOTE G - INCOME TAXES

As of March 31, 2003, the Company had approximately $8.4 million net operating loss ("NOL") carryforward available to offset future taxable income. The NOL carryforward will begin to expire in 2020 unless previously utilized. Pursuant to Sections 382 and 383 of the Internal Revenue Code, annual use of the Company's NOL carryforward may be limited if a cumulative change in ownership of more than 50% occurs within a three-year period. At March 31, 2003, the Company had a deferred tax asset of approximately $8.7 million primarily related to the NOL carryforward, allowance for doubtful accounts depreciation and certain reserves currently nondeductable. The Company has recorded a full valuation allowance against its deferred tax asset due to the uncertainty of its realization and, accordingly, no income tax benefit has been recognized.

NOTE H - SHAREHOLDERS' DEFICIT

On April 22, 1999 and May 27, 1999, the Company consummated a private placement in which the Company issued 50 units and 1 unit, respectively, each unit consisting of 10,000 shares of the Company's 8% Series A Convertible Preferred Stock, par value $.01 per share (the "Series A Preferred Stock"). Each unit was sold at $50,000 per unit, for total aggregate gross proceeds to the Company of $2.55 million. The Series A Preferred Stock is convertible into shares of the Company's common stock, par value $.001 per share (the "Common Stock"), at the option of the holder, at any time, after nine months from the date of issuance or automatically upon the consummation of an underwritten initial public offering of the Common Stock. Upon declaration by the Company's Board of Directors, holders of the Series A Preferred Stock are entitled to cumulative dividends from the date of issuance of such shares at the rate of 8% per year, payable beginning 12 months thereafter. As of March 31, 2003, the undeclared cumulative dividends attributable to the preferred Series A shareholders amounted to $803,879. The Series A Preferred Stock is not redeemable and carries a liquidation preference of $5.00 per share.

In conjunction with this private placement, the Company granted to consultants a commission of 10% of the aggregate purchase price of the units sold in the offering and a warrant to purchase 51,000 shares of Common Stock over a five-year period commencing one year after the closing of the offering at an exercise price of $5.00 per share. The Company has valued the warrant at fair market value, using the Black-Scholes model, and has netted the related expense of $229,162 against the proceeds raised.

NOTE I - MANDATORILY REDEEMABLE STOCK

On June 16, 2000, the Company entered into a Securities Purchase Agreement (the "Agreement") with Credit Suisse First Boston and one of the Company's principal owners whereby it authorized and issued 1,583,114 shares of $.01 par value Convertible Preferred Stock (the "Series B Preferred") for a purchase price of approximately $5,858,600, net of issuance costs. Upon declaration by the Company's Board of Directors, the Series B Preferred shall accrue quarterly cumulative dividends on each outstanding share at a rate of 8% per annum. The dividends begin to accrue from the Original Issue Date (the "Issuance Date") of the preferred stock and are convertible into common stock. The mandatory redemption begins any time after the fifth anniversary of the Issuance Date and requires the Company to redeem all the outstanding Series B Preferred shares at the greater of $3.79 (plus accrued and unpaid dividends) or the fair market value per share of the Series B Preferred. Each holder of the Series B Preferred shall have the right, at any time, to convert any of its shares of Series B Preferred into common stock. The conversion factor is defined within the Agreement. The Series B Preferred has a liquidation preference of $3.79 per share, plus any accrued and unpaid dividend. As of March 31, 2003, the undeclared cumulative dividends attributable to the Series B Preferred shareholders amounted to $1,483,539.

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NOTE I (continued)

In connection with the issuance of Series B Preferred, the Company incurred issuance costs of approximately $140,000. Such costs were recorded as a reduction of the carrying amount of such preferred stock and are being accreted over the five-year period to the earliest redemption date.

NOTE J - STOCK OPTION PLAN

In 1999, the Company adopted a stock option plan (the "1999 Plan"), under which the Company may issue qualified and incentive stock options. Awards may be granted to directors, employees and consultants of the Company as the Board of Directors selects in its discretion. A combined total of 288,000 shares of Common Stock have been reserved for issuance under the 1999 Plan. On May 14, 2002, the Board of Directors approved an increase in the number of shares in the plan to 1,000,000.

For disclosure purposes under SFAS No. 123, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option valuation model with the following weighted-average assumptions:

	2003	2002
Expected life (in years)	10.00	10.00
Risk-free interest rate	4.19%	6.13%
Volatility	0.00	0.00
Dividend yield	0.00	0.00

Utilizing these assumptions, the weighted-average fair value of the options granted is $1.37 and $0 for the years ended March 31, 2003 and 2002, respectively.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because the changes in the subjective input assumptions can materially affect the fair

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NOTE J (continued)

value estimate, in management's opinion the existing models do not necessarily provide a reliable single measure of the fair value of the Company's employee stock options.

A summary of the activity under the 1999 Plan is as follows:

	Shares	Weighted-average exercise price
Outstanding, March 31, 2001	348,300	$5.21
Granted	-	-
Exercised	-	-
Canceled	(3,000)	6.00
Outstanding, March 31, 2002	345,300	5.20
Granted	290,000	4.00
Exercised	-	-
Canceled	(30,000)	6.00
Outstanding, March 31, 2003	605,300	4.58
Options exercisable, March 31, 2003	403,911	4.88

NOTE K - CREDIT AND LOAN FACILITIES

In April 2000, the Company entered into a two-year Loan and Security Agreement (the "Agreement") with RFC Capital Corporation ("RFC"). The Company issued to RFC a warrant to purchase 109,575 shares of common stock at an exercise price of $3.79 per share. In December 2000 and January 2001, RFC amended the Agreement for terms and conditions both mutually beneficial to the Company and RFC. As a result and as partial consideration for the amended terms, the Company issued new and

NOTE K (continued)

additional warrants to RFC, increasing their number of warrant shares to 300,095. The Company has valued these warrants at fair market value of $287,757, using the Black-Scholes model. This amount was recorded as debt discount and was amortized over the term of the Agreement (two years). Amortization expense for the year ended March 31, 2002 was approximately $87,000. The Company paid the entire gross outstanding balance of $15,310,554 through February 2002.

In February 2002, the Company entered into a 90-day Forbearance and Security Agreement with Mirant Americas Energy Marketing, LP ("Mirant"). During the forbearance period and until the Company and Mirant have agreed to negotiate and document a new loan agreement, Mirant extended credit to the Company and in return for this credit, Mirant has accepted and RFC has agreed to assign the Loan and Security Agreement and Promissory Note dated April 2000 (as amended and modified) to Mirant. Under the terms of an Assignment Agreement dated February 2002, Mirant acquired all of RFC's rights, title and interest under the loan documents. Furthermore, the warrants originally issued to RFC were cancelled and new warrants to purchase 300,095 shares of the Company's common stock at an exercise price of $3.79 per share were issued to Mirant. The Company has valued the warrants at fair market value of $578,245, using the Black-Scholes model. This amount is presented as deferred financing cost as of March 31, 2002 and has been amortized over five years (the vesting period).

On April 30, 2002, the Company entered into a sixty-month Aggregator Sale/Purchase Agreement (the "Aggregator Agreement") with Mirant. Mirant and the Company from time to time entered into transactions for the purchase and sale by Mirant of the Company's natural gas and power requirements. This Aggregator Agreement governed the terms and conditions of such transactions. According to the Aggregator Agreement, Mirant was the preferred wholesale gas and power supplier for the Company, such that the Company agreed that before it purchased gas or power from another wholesale supplier, the Company first provided Mirant with the opportunity to match the price, terms and conditions offered by any other supplier. Mirant invoiced the Company for the commodities it purchased and these invoices were payable without interest on the later of (a) ten (10) days after receipt of the relevant invoice, or (b) the twenty-fifth (25th) day of the month in which the invoice was received. Furthermore, Mirant extended payment terms by an additional thirty (30) days. Interest was accrued on the unpaid balances within the extended terms equal to the prime rate of interest as published each day in the *Wall Street Journal*, plus two percent (2%), provided, however, that the interest rate never exceeded the maximum lawful rate. The extended payment terms were based on the Company's receivables and at no time during the term of the Aggregator Agreement did the Company's forward credit exceed $40,000,000 or its outstanding credit exceed $26,000,000.

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NOTE K (continued)

On January 10, 2003, the Company terminated the Aggregator Agreement with Mirant and as a result entered into a Settlement Agreement ("SA") for the outstanding balances it owed. Contemporaneous with the execution of the SA, the Company signed a Promissory Note (the "Note") in the principal amount equal to $2,218,676. The Note requires the Company to repay the principal and accrued interest in eighteen equal installments of $132,291.92 commencing on April 20, 2003 and on the twentieth day of each calendar month thereafter. Interest shall accrue on the unpaid balance of the principal sum at a fixed rate of 7.25% per annum. Amounts due twelve months after the balance sheet date are classified as long-term payable. In connection with the SA, the Company has granted the balance of the unvested warrants to Mirant. As a result of this grant, the Company incurred a charge of $472,238. The SA resulted with the Company recording a gain of $1,658,733, which is included in other income, net in the accompanying statement of operations.

On December 26, 2002, The Company entered into a two-year Commodity Purchase Agreement ("CPA") with Sempra Energy Trading Corp ("Sempra"). The CPA states that the Company agrees to engage Sempra to act as its exclusive supplier for Electric Energy, Gas and UCAP. In addition, Sempra has agreed to grant ECONnergy an extension to its customary payment terms for the supply of such commodity expenses and extended credit up to an aggregate of $30 million. In return, the Company has agreed to secure all of its obligations to Sempra by grant of a first priority security interest on substantially all of its current and future assets including without limitation to all cash and cash equivalents, all accounts receivable and all deposit accounts. Furthermore, the Company has agreed that all payments from its customers and distributors shall be paid to a specific lockbox or by wire to a specific lockbox account which shall be a blocked account under the control of Sempra, from which Sempra shall permit certain payments to be made to the Company for its general corporate purposes. The Company will incur financing fees for outstanding balances due Sempra, calculated on a daily basis and payable monthly in arrears on the tenth day of each month in the amount equal to the LIBOR rate (based on the offered rate for two-month deposits) plus 3%. The CPA contains both financial and nonfinancial covenants and at March 31, 2003, the Company is out of compliance with the Collateral Coverage Ratio, which requires a positive working capital at any time as defined in the CPA.

In conjunction with the KeySpan Energy Services, Inc. Assignment Agreement as mentioned in Note O, on March 21, 2003, Sempra amended the CPA by writing a letter of Amendment to Commodity Purchase Agreement (the "Letter"). The Letter specifies that Sempra will increase the amount of credit available to the Company to $45 million. As a result of the additional credit, Sempra increased the financing fees to LIBOR plus4% and the Company granted Sempra 100,000 warrants at an exercise price of $4.00 per share exercisable at any time until June 30, 2008.

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NOTE L - COMMITMENTS AND CONTINGENCIES

Operating Leases

In October 2001, the Company entered into a five-year lease agreement with the new owners of the Company's headquarters in Spring Valley, New York. The Company's two principal shareholders have a financial interest under this new ownership.

The Company is obligated under operating leases for its office space, requiring minimum annual rental payments as follows:

Year ending March 31,	
2004	$193,975
2005	199,794
2006	205,788
2007	122,118
Total minimum lease payments	$721,675

Rent expense was approximately $175,600 and $141,300, respectively, for the years ended March 31, 2003 and 2002.

Contingencies

In March 2002, the Company received notification from the Attorney General's office of New York ("AG"), that it received various consumer complaints concerning customer enrollments. After investigation, it appears that the AG received complaints regarding the manner in which the marketing companies that the Company used to acquire customers were signing such customers up. Without admission of guilt of any violation of law or wrongdoing, the Company has requested a settlement with the AG in the amount of approximately $300,000, of which $125,000 will be paid in fiscal 2004 and the remaining balance of $175,000 will be due in two installments of $87,500 each in fiscal 2005 and fiscal 2006. Accordingly, the Company classified the amount due twelve months subsequent to the balance sheet date as a long-term payable.

From time to time, the Company is a party to litigation arising in the normal course of its business operations. In the opinion of management and counsel, it is not anticipated that the settlement or resolution of any such matters will have a material adverse impact on the Company's financial position, liquidity or results of operations.

NOTE M - EMPLOYEE BENEFIT PLAN

In July 2000, the Company established a 401(k) profit-sharing plan covering all eligible employees. The plan allows employees to defer up to 15 percent of their annual earnings subject to limitation of Section 401(m) of the Internal Revenue Code.

The plan provides that the Company can make discretionary contributions. These contributions would be allocated based on the participant's compensation in proportion to the compensation of all participants. There were no discretionary contributions made during the year ended March 31, 2003 and 2002.

NOTE N - OTHER UTILITY TAXES AND GROSS RECEIPTS TAX

On April 12, 2002, the Company entered into an Installment Payment Agreement with the City of New York Department of Finance ("NYCDOF"), whereby NYCDOF has agreed to allow the Company to pay an amount of approximately $2.3 million due for utility taxes in five monthly installments of $118,817, 30 monthly installments of $50,000 thereafter and a final installment of $200,000 in March 2005. Such installments include an aggregate of $263,275 of interest. Accordingly, the Company classified the amount due twelve months subsequent to the balance sheet date as long-term tax payable.

In March 2003, the Company entered into an initial Installment Payment Agreement with the New York State Department of Taxation and Finance ("NYSDT"), whereby the NYSDT has initially agreed to allow the Company to pay an amount of approximately $1,900,000 due for gross receipts tax in down payments aggregated to $350,000, with the remaining balance in thirty-two monthly installments of $50,000. Such installments include an aggregate amount of $550,000 of estimated accrued penalties and interest. Accordingly, the Company classified the amount due twelve months subsequent to the balance sheet date as long-term tax payable.

NOTE O - SUBSEQUENT EVENTS

In July 2003, the Company received notification from the City of New York Department of Finance ("CONY") stating that the City believes ECONnergy should have been required to collect and remit UXS tax on gas commodity sold to customers in New York City. The Company's position along with the rest of the ESCOs in New York has been that title to the gas commodity takes place outside the State or sales jurisdiction. As such, the Company had not charged the customers nor remitted tax on the gas

CONFIDENTIAL

NOTE O (continued)

commodity. After discussion with other NY ESCOs, the Company's management intends to join an ESCO coalition to challenge the CONY decision to impose the tax on the ESCOs. At this early stage, we cannot predict the likely outcome of the CONY's decision; however, if the outcome will be unfavorable, it may have a material adverse effect on the Company's financial position and results of operations.

On March 17, 2003, with a commencement date of April 1, 2003, the Company entered into an Assignment Agreement with KeySpan Energy Services, Inc. ("KES"), for which the Company would acquire approximately 55,000 KES fixed contract customers, and, in return, the Company would assume all rights, interest, obligations and liabilities associated with the open gas contracts that KES has maintained for these customers. The fixed contracts substantially expire through the period ending November 2003, during which time the customers may choose to remain on a fixed contract or switch to variable monthly pricing.

ECONnergy Energy Company, Inc. and Subsidiary

CONSOLIDATED BALANCE SHEETS

March 31,

ASSETS	2004	2003
CURRENT ASSETS		
Cash	$ 1,915,343	$ 248,199
Accounts receivable, net of allowance for doubtful accounts of $9,903,927 and $8,947,309, respectively	72,293,273	46,236,121
Other receivables	93,849	169,300
Prepaid expenses	8,425,049	5,992,644
Total current assets	82,727,514	52,646,264
PROPERTY AND EQUIPMENT, net	1,881,253	1,664,703
OTHER ASSETS, net	5,386,754	4,630,126
Total assets	$ 89,995,521	$ 58,941,093

LIABILITIES AND SHAREHOLDERS' DEFICIT	2004	2003
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 92,392,885	$ 63,548,338
Taxes payable	3,761,408	2,506,153
Other current liabilities	3,270,220	1,888,837
Current portion of lease obligation	-	34,128
Total current liabilities	99,424,513	67,977,456
LONG-TERM LIABILITIES		
Long-term taxes payable	385,494	1,578,325
Other long-term liabilities	87,500	1,072,251
Loan payable - related party	113,009	107,493
Total long-term liabilities	586,003	2,758,069
Total liabilities	100,010,516	70,735,525
COMMITMENTS AND CONTINGENCIES (NOTE L)		
MANDATORILY REDEEMABLE STOCK	5,965,853	5,937,515
SHAREHOLDERS' DEFICIT		
Series A Convertible Preferred Stock, $.01 par value; 2,500,000 shares authorized; 510,000 issued and outstanding	5,100	5,100
Common stock, $.001 par value; 15,000,000 shares authorized; 3,600,000 issued and outstanding	3,600	3,600
Additional paid-in capital	4,210,295	4,101,618
Retained deficit	(20,703,503)	(21,842,265)
Accumulated other comprehensive income	503,660	-
Total shareholders' deficit	(15,980,848)	(17,731,947)
Total liabilities and shareholders' deficit	$ 89,995,521	$ 58,941,093

The accompanying notes are an integral part of these statements.

ECONnergy Energy Company, Inc. and Subsidiary

CONSOLIDATED STATEMENTS OF OPERATIONS

Year ended March 31,

	2004	2003
Sales	$367,826,451	$189,714,807
Cost of sales	338,500,144	175,987,141
Gross profit	29,326,307	13,727,666
Selling, general and administrative expenses	21,996,275	18,140,255
Profit (loss) from continuing operations before interest and other income, net and income taxes	7,330,032	(4,412,589)
Interest expense, net	6,077,935	1,497,425
Other expense (income), net	47,514	(1,103,488)
Profit (loss) from continuing operations before income taxes	1,204,583	(4,806,576)
Provision for (benefit from) income taxes	65,821	(32,596)
NET INCOME (LOSS)	$ 1,138,762	$ (4,773,980)

The accompanying notes are an integral part of these statements.

CRNGS Renewal Application
of ECONnergy Energy Co.,

EXHIBIT C-4

FINANCIAL ARRANGEMENTS

Please see the attached submission for Exhibit C-3. Contact Jonathan Gewirtz at ECONnergy for any more information if needed.

CRNGS Renewal Application
of ECONnergy Energy Co.,

EXHIBIT C-5

FORECASTED FINANCIAL STATEMENTS

Please see the attached submission for Exhibit C-5. Contact Jonathan Gewirtz at ECONnergy for any more information if needed. Also, please note our motion for confidentiality of these items.

This was prepared by Jay Corn, CFO, ECONnergy. 845-371-2288 x1205, cornj@econnergy.com.

ECONnergy Energy Company
Income Statement Summary (in thousands)
F/Y Ending 2002 through 2006

	Actual(000's) 2002	2003	2004	Projection(000's) 2005	2006
Revenues	$ 121,380	$ 189,715	$ 367,826	$ 488,000	$ 512,400
COGS	113,378	176,460	338,500	448,900	471,345
Gross Profit	8,002	13,255	29,326	39,100	41,055
Gross Margin	6.6%	7.0%	8.0%	8.0%	8.0%
Operating expenses					
SG&A	11,718	13,929	16,345	20,500	21,000
Bad debt	799	3,424	4,809	6,344	6,661
Depreciation and amortization	727	787	842	1,200	1,260
Total operating expenses	13,244	18,140	21,996	28,044	28,921
Operating income (loss)	(5,242)	(4,885)	7,330	11,056	12,134
Interest expense, net	942	964	6,209	8,073	8,222
Other (income) expense	821	(1,042)	(84)	100	100
Total other (income) expense	1,763	(78)	6,125	8,173	8,322
Net income (loss) before taxes	(7,005)	(4,807)	1,205	2,883	3,812
Taxes	60	(33)	66	980	1,296
Net income (loss)	$ (7,065)	$ (4,774)	$ 1,139	$ 1,903	$ 2,516

Note<1> F/Y 2002 & 2003 income statements are audited and final
Note<2> F/Y 2004 is unaudited and preliminary-For Internal Use Only

EXHIBIT C-6

CREDIT RATING

ECONnergy Energy Company, Inc. ("ECONnergy") is a privately held company with several private investors. Because ECONnergy has not issued any corporate debentures, bonds, or otherwise to the public, no credit rating is available. Please refer to Exhibit C-3, "Financial Statements," for information concerning ECONnergy's financial condition.

CRNGS Renewal Application of
ECONnergy Energy Co., Inc.
September, 2004

EXHIBIT C-7

CREDIT REPORT

Please see attached Experian report.

> **Business Profile - ECONNERGY ENERGY COMPANY INC**
Search inquiry: *Econnergy / Spring Valley / NY*

experian

EXPERIAN BUSINESS PROFILE

PAGE	RPT DATE	TIME	PORT	TYPE	
1	07/23/2004	10:52:26	-CHO	PROFILE	340

ECONNERGY ENERGY COMPANY, INC.
441 ROUTE 306
MONSEY NY 10952

FILE NO: N09215500
DATE INCORPORATED: MAY. 1997
PHONE: 914-354-6262

TRADE PAYMENT INFORMATION

ADDITIONAL PAYMENT EXPERIENCES

BUSINESS CATEGORY	DATE REPTD	LAST SALE	PAYMENT TERMS	RECENT HIGH CREDIT $	BALANCE $	CUR	1-30	31-60	61-90	91+	COMMENTS
BUS SERVCS	02-04	08-99	NET 30		0						
COMPUTERS	02-04		NET 30		0						

COMPANY BACKGROUND INFORMATION

THE FOLLOWING WAS PROVIDED BY THE STATE OF NEW YORK.
HISTORY : BUSINESS INCORPORATED ON MAY 6, 1997 AS A FOR-PROFIT CORPORATION. CHARTER NUMBER IS 02140091.
CURRENT STATUS : ACTIVE BUSINESS WITH MOST RECENT FILING ON JUNE 19, 2000.
PRINCIPAL(S) : GARY BONDI, CHAIRMAN

MORE TO FOLLOW - ADDITIONAL SUBJECT IN FILE

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EXPERIAN BUSINESS PROFILE


PAGE    RPT DATE      TIME       PORT     TYPE
 2     07/23/2004  10:52:26    -CHO    PROFILE    340
-------------------------------------------------------------------------------
ECONNERGY ENERGY COMPANY INC             FILE NO:  N10684120
286 N MAIN ST
SPRING VALLEY NY 10977                   PHONE: 845-371-4840
-------------------------------------------------------------------------------
                              EXECUTIVE SUMMARY
                              -----------------

THE PRIMARY BUSINESS FOR ECONNERGY ENERGY COMPANY INC IS WATER, SEWER UTILITY
LINES (SIC 1623). THE BUSINESS WAS INCORPORATED ON MAY 6, 1997.

 DAYS BEYOND TERMS (DBT) FOR ECONNERGY ENERGY COMPANY INC
          AS OF 07/23/04 :   8         ** THIS BUSINESS IS PAYING, ON AVERAGE,
 PREDICTION FOR 09-15-04 :  10           8 DAY(S) LATER THAN INVOICE DUE DATE.**

DBT NORMS
     HEAVY CONST NO HIWAY:   7
           ALL INDUSTRIES:   7
THE MOST FREQUENT PURCHASING TERMS IN THE HEAVY CONST NO HIWAY INDUSTRY ARE:
                                                        NET 30, CONTRCT AND CREDIT

DBT RANGES BASED ON CURRENT PAYMENT BEHAVIOR:
 THIS BUSINESS'S RANGE ===  80% OF U.S. BUSINESSES HAVE A DBT OF  0 - 15,
                            11% OF U.S. BUSINESSES HAVE A DBT OF 16 - 50,
                             5% OF U.S. BUSINESSES HAVE A DBT OF 51 - 90,
                             4% OF U.S. BUSINESSES HAVE A DBT OF OVER 90.

 HISTORICAL PAYMENT GUIDE
   6 MONTH ACCOUNT BALANCE RANGE : $9600-$28800 (CURRENT TOTAL: $21500)
   HIGHEST CREDIT AMOUNT EXTENDED: $17000       (MEDIAN: $1200)
   INDUSTRY PAYMENT COMPARISON   : HAS PAID SOONER THAN 50% OF RELATED FIRMS
   PAYMENT TREND INDICATION      : PAYMENTS ARE INCREASINGLY LATE

 SIGNIFICANT PUBLIC RECORD DATA:
   9 OF 10 UCC FILINGS PLEDGED WITH ONE OR MORE OF THE FOLLOWING COLLATERAL:
   ACCTS REC, INVENTORY, HEREAFTER ACQUIRED PROP
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CONTINUED

experian

EXPERIAN BUSINESS PROFILE

PAGE 3 07/23/2004 ECONNERGY ENERGY COMPANY INC FILE NO: N10684120

TRADE PAYMENT INFORMATION

TRADE PAYMENT EXPERIENCES

(TRADE LINES WITH AN {*} AFTER DATE REPORTED ARE NEWLY REPORTED)

BUSINESS CATEGORY	DATE REPTD	LAST SALE	PAYMENT TERMS	RECENT HIGH CREDIT $	BALANCE $	CUR	1-30	31-60	61-90	91+	COMMENTS
AIR TRANS	05-04	05-04	NET 30	400	0						
+BUREAU	05-04*	05-04	VARIED	700	700	100%					
-BUS SERVCS	06-04		VARIED	500	200				100%		
+BUS SERVCS	06-04*		VARIED	300	300	100%					
=COMPUTERS	06-04	06-04		10000	10000		100%				
+FINCL SVCS	07-04	06-04	NET 30	5600	1700	100%					
PERSNLSVCS	06-04		NET 30	3300	0						
+TELECOM	06-04		NET 15	12600	8600	100%					

PAYMENT TOTALS

	HIGH CREDIT $	BALANCE $	CUR	1-30	31-60	61-90	91+	COMMENTS
CONTINUOUSLY REPORTED(6):	32400	20500	50%	49%		1%		DBT: 8
NEWLY REPORTED(2):	1000	1000	100%					DBT: 0
TRADE LINE TOTALS(8)	33400	21500	52%	47%		1%		DBT: 8

ADDITIONAL PAYMENT EXPERIENCES

BUSINESS CATEGORY	DATE REPTD	LAST SALE	PAYMENT TERMS	RECENT HIGH CREDIT $	BALANCE $	CUR	1-30	31-60	61-90	91+	COMMENTS
AIR TRANS	10-02		VARIED	300	0						
AIR TRANS	06-03		NET 30		0						CUST 2 YR
AIR TRANS	06-03		NET 7		0						
+BUS SERVCS	02-04	02-04	NET 30	15700	1400	100%					
BUS SERVCS	01-04	04-03	NET 30	900	0						
COMPUTERS	02-04		NET 30		0						
GENERAL	05-02	02-02	SPECIAL	17000	0						
GENERAL	09-01	04-01	NET 30	1200	0						SATSFTRY
+LEASING	03-04	03-04	NOTE	4800	300	100%					

CONTINUED

EXPERIAN BUSINESS PROFILE

PAYMENT TRENDS
(BASED ON CONTINUOUSLY REPORTED TRADE LINES)

HEAVY CONST NO HIWAY INDUSTRY: SIC NO. 162

	INDUSTRY CUR	INDUSTRY DBT	BUSINESS DBT	BALANCE $	CUR	DAYS PAST DUE 1-30	31-60	61-90	91+
AS OF 07/23/04:	N/A	N/A	8	20500	50%	49%		1%	
07-01-04:	81%	7	10	28000	39%	60%		1%	
06-01-04:	82%	7	5	18400	64%	36%			
05-01-04:	84%	7	5	19900	67%	33%			
04-01-04:	85%	7	0	10200	100%				
03-01-04:	84%	7	0	9800	100%				
02-01-04:	82%	8	0	9600	100%				

PAYMENT HISTORY--QUARTERLY AVERAGES

	DBT	BALANCE $	CUR	DAYS PAST DUE 1-30	31-60	61-90	91+
2ND-Q-04 (APR-JUN):	1	11700	99%			1%	
1ST-Q-04 (JAN-MAR):	0	9600	100%				
4TH-Q-03 (OCT-DEC):	0	11100	100%				
3RD-Q-03 (JUL-SEP):	0	3200	100%				
2ND-Q-03 (APR-JUN):	0	900	100%				

CONTINUED

EXPERIAN BUSINESS PROFILE

PAGE 5 07/23/2004 ECONNERGY ENERGY COMPANY INC FILE NO: N10684120

PUBLIC RECORD INFORMATION

UCC PROFILE

NUMBER OF UCC FILINGS SUMMARIZED WITH 10 MOST RECENT LISTED BELOW
(A FULL UCC DETAIL REPORT IS AVAILABLE WITHIN 72 HOURS BY ENTERING
UCC-N10684120-C508442645 INTO THE EXPERIAN FILE NUMBER FIELD)

DATE RANGE		CAUTIONARY UCCS *	TOTAL FILED	RELEASED/ TERM'D	CONT	AMENDED/ ASSIGNED
JULY TO PRESENT		0	0	0	0	0
JAN TO JUNE	2004	0	1	0	0	0
JULY TO DEC	2003	0	0	0	0	0
JAN TO JUNE	2003	1	1	0	0	0
JULY TO DEC	2002	4	4	0	0	2
PRIOR TO JULY	2002	4	4	0	0	1
TOTAL		9	10	0	0	3

* THESE ARE CAUTIONARY UCC FILINGS WITH ONE OR MORE OF THE FOLLOWING COLLATERAL: ACCOUNTS, ACCOUNTS RECEIVABLE, CONTRACTS, HEREAFTER ACQUIRED INVENTORY, LEASES, NOTES RECEIVABLE, PROCEEDS.

UCC-FILED 04-06-04 200404060352144, SEC OF STATE NEW YOR
SECURED PTY: SEMPRA ENERGY TRADING CORP. CT STAMFORD 06902 58 COMMERCE RO
COLLATERAL: UNDEFINED

UCC-FILED 01-15-03 200301150112072, SEC OF STATE NEW YOR
SECURED PTY: SEMPRA ENERGY TRADING CORP. CT STAMFORD 06902 58 COMMERCE RO
COLLATERAL: HEREAFTER ACQUIRED PROP, EQUIP, INVENTORY, UNDEFINED, FURN FIX

UCC-ASSIGN 01-15-03 3012674 1, SEC OF STATE DELAWAR
ORIG FILING: 12-23-02 2319850 8
SECURED PTY: MIRANT AMERICAS ENERGY MARKETING, LP GA ATLANTA 303385416 11
ASSIGNEE: SEMPRA ENERGY TRADING CORP.CT STAMFORD 06902
COLLATERAL: UNDEFINED, INVENTORY, EQUIP

CONTINUED

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EXPERIAN BUSINESS PROFILE

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PAGE  6 07/23/2004 ECONNERGY ENERGY COMPANY INC           FILE NO: N10684120
------------------------------------------------------------------------------
                             UCC PROFILE (CONTINUED)

UCC-FILED     12-17-02 200212172801551, SEC OF STATE NEW YOR
SECURED PTY: MIRANT AMERICAS ENERGY MARKETING, LP GA ATLANTA 303385416 11
ASSIGNEE:     SEMPRA ENERGY TRADING CORP.CT STAMFORD  06902
COLLATERAL:   HEREAFTER ACQUIRED PROP, UNDEFINED, INVENTORY

UCC-FILED     12-17-02 200212172801551, SEC OF STATE NEW YOR
SECURED PTY: MIRANT AMERICAS ENERGY MARKETING, LP GA ATLANTA 303385416 11
COLLATERAL:   HEREAFTER ACQUIRED PROP, UNDEFINED, INVENTORY

UCC-FILED     12-10-02 200212102746915, SEC OF STATE NEW YOR
SECURED PTY: MIRANT AMERICAS ENERGY MARKETING, LLP GA ATLANTA 303385416 1
COLLATERAL:   UNDEFINED, HEREAFTER ACQUIRED PROP, INVENTORY, ACCTS REC, EQUIP,
              FURN FIX

UCC-ASSIGN    01-15-03 200301150112440, SEC OF STATE NEW YOR
ORIG FILING: 12-10-02 2002121027
SECURED PTY: MIRANT AMERICAS ENERGY MARKETING, LLP GA ATLANTA 303385416 1
ASSIGNEE:     SEMPRA ENERGY TRADING CORP.CT STAMFORD  06902
COLLATERAL:   UNDEFINED, HEREAFTER ACQUIRED PROP, INVENTORY, ACCTS REC, EQUIP,
              FURN FIX

UCC-FILED     11-12-02 2002255508, SEC OF STATE NEW YOR
SECURED PTY: NIAGARA MOHAWK POWER CORPORATION NY SYRACUSE 13202 300 ERIE
COLLATERAL:   EQUIP, INVENTORY, FURN FIX, HEREAFTER ACQUIRED PROP, UNDEFINED

UCC-AMENDED  03-21-03 3072060 0, SEC OF STATE DELAWAR
ORIG FILING: 03-18-02 2090161 5
SECURED PTY: MIRAN AMERICAS ENERGY MARKETING, LP GA ATLANTA 303385416 115
ASSIGNEE:     SEMPRA ENERGY TRADING CORP.CT STAMFORD  06902
COLLATERAL:   UNDEFINED, HEREAFTER ACQUIRED PROP, INVENTORY, ACCTS REC, EQUIP,
              FURN FIX

UCC-FILED     09-26-01 2001184180, SEC OF STATE NEW YOR
SECURED PTY: MIRANT AMERICAS ENERGY MARKETING, LP GA ATLANTA 303385416 11
COLLATERAL:   ACCTS REC, INVENTORY, EQUIP, HEREAFTER ACQUIRED PROP, FURN FIX,
              UNDEFINED
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CONTINUED

EXPERIAN BUSINESS PROFILE

PAGE 7 07/23/2004 ECONNERGY ENERGY COMPANY INC FILE NO: N10684120

COMMERCIAL FINANCE RELATIONSHIPS

LEASING RELATIONSHIPS

LEASING COMPANY: FORD MOTOR CREDIT
THE AMERICAN ROAD
DEARBORN, MI MI 48121
(313) 337-5677

LEASE BACKGROUND DATA: LEASE ORIGINATED 11/02. TOTAL LEASE AMOUNT IS $17,644 FOR A TERM OF 36 MONTHS WITH PAYMENTS AT $490 MONTHLY.

LEASE STATUS AS OF 06-04: TOTAL REMAINING BALANCE IS $7,841 WITH ALL PAYMENTS CURRENT.

COMMENTS: PAYS PROMPT

COMPANY BACKGROUND INFORMATION

THE FOLLOWING WAS PROVIDED BY THE STATE OF NEW YORK.

HISTORY : BUSINESS INCORPORATED ON MAY 6, 1997 AS A NON-PROFIT CORPORATION. CHARTER NUMBER IS 2140091.

CURRENT STATUS : AGENT IS THE CORPORATION LOCATED AT 286 N MAIN ST, SPRING VALLEY, NY.

ESTIMATED SALES : $7,500,000

PRINCIPAL(S) :

GARY	BONDI	TITLE: PARTNER
SAUL	HOROWITZ	TITLE: PARTNER
DENISE	STOKES	TITLE: OWNER

INQUIRIES

BUSINESS CATEGORY	2004 JUL	JUN	MAY	APR	MAR	FEB	JAN	2003 DEC	NOV
BUREAU				1					
COMPUTERS					1				
CRED CARD									1

CONTINUED

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EXPERIAN BUSINESS PROFILE

INQUIRY INFORMATION (CONTINUED)

BUSINESS CATEGORY	2004 JUL	JUN	MAY	APR	MAR	FEB	JAN	2003 DEC	NOV
INSURANCE							1		
TOTALS				1	1		1		1

END PROFILE

EXHIBIT C-8

BANKRUPTCY INFORMATION

There are no reorganizations, protection from creditors, or any other form of bankruptcy filings made by ECONnergy Energy Company, Inc.

EXHIBIT C-7

CREDIT REPORT

Please see attached Experian report.

EXHIBIT C-9

MERGER INFORMATION

In May, 2003, ECONnergy Energy Company, Inc. ("ECONnergy") acquired the customers of KeySpan Energy Services. This acquisition added approximately 50,000 natural gas customers in New York City and Long Island to ECONnergy's customer base.

In July, 2003, ECONnergy acquired Mirabito Gas and Electric Corp. and added approximately 2,500 customers to ECONnergy's service. We have retained the Mirabito name and serve these customers as ECONnergy dba Mirabito Gas and Electric.

In November, 2003, ECONnergy acquired a portion of the customer base of AllEnergy New y York Gas Marketing and was authorized to retain the name for approximatel 3,000 customers. We serve them as ECONnergy dba AllEnergy Gas Marketing.

CRNGS Renewal Application of
ECONnergy Energy Co., Inc.
September, 2004

EXHIBITS D-1 and D-2

OPERATIONS and OPERATIONS EXPERTISE

ECONnergy is a retail provider of natural gas and electricity. We do not own generation nor do we sell wholesale power. We sell natural gas and electricity to residential, commercial, and industrial customers. We schedule and arrange delivery of same.

ECONnergy has demonstrated its experience and technical ability to perform these operations by p oviding these same service to over 300,000 customer accounts throughout New York, New Jersey, Maryland, DC, Virginia, Ohio, and Texas. We have served gas customers since 1997 and electric customers since 1998.

EXHIBIT D-3

KEY TECHNICAL PERSONNEL

1. **Saul Horowitz, CEO**
   saul@econnergy.com
   845-371-2288 x1109

   CEO and co-founder. Manages the supply department and managers report to him.

2. **Joseph Roach, Manager of Gas Supply**
   roachj@econnergy.com
   845-371-2288 x1225

   Oversees Daily and Monthly gas purchases. Joined ECONnergy upon our acquisition of Mirabito. Formerly a 17-year gas professional with New York State Electric and Gas, a regulated utility.

3. **Steve Bogin, Gas Scheduler**
   bogins@econnergy.com
   845-371-2288 x1208

   Responsible for gas nominations, emergency contact for supply issues.

4. **Sam Ritter, Analyst**
   ritters@econnergy.com
   845-371-2288 x1110

   Tracks natural gas transactions, responsible for structured products such as fixed or indexed pricing.

5. **Ethan Kagan, Director, Information Technology**
   kagane@econnergy.com
   845-371-2288 x1101

   Responsible for EDI testing and transactions. Ensures communication with LDC systems.