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Public Utilities Commission

Original AGG Case Number	Version
14-1991-EL-AGG	May 2016

RENEWAL APPLICATION FOR ELECTRIC AGGREGATORS/POWER BROKERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit C-10 Corporate Structure). 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; 180 East Broad Street, Columbus, Ohio 43215-3793.

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

A. RENEWAL INFORMATION

A-1 Applicant intends to be certified as: (check all that apply)

☒ Power Broker ☐ Aggregator

A-2 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name Prudential Energy Services Corporation
Address 2400 Augusta Dr. STE 352 Houston TX, 77057
PUCO Certificate # and Date Certified 15-916E(1) - 1/11/15
Telephone # (832) 203-7139 Web site address (if any) www.energyprudential.com

A-3 List name, address, telephone number and web site address under which Applicant will do business in Ohio

Legal Name Prudential Energy Services Corporation
Address 2400 Augusta Dr. STE 352 Houston, TX 77057
Telephone # (832) 203-7139 Web site address (if any) www.energyprudential.com

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

Prudential Energy Services Corp.

A-5 Contact person for regulatory or emergency matters

Name Mark Mrusek
Title President
Business address 2400 Augusta Dr. STE 352 Houston, TX 77057
Telephone # (832) 203-7139 Fax # (281) 715-4775
E-mail address mark@energyprudential.com

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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 Je Date Processed DEC 08 2016

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

Name Mark Mrusek
Title President
Business address 2400 Augusta Dr. STE 352 Houston, TX 77057
Telephone # (832) 203-7139 Fax # (281) 715-4775
E-mail address mark@energyprudential.com

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

Customer Service address 2400 Augusta Dr. STE 352 Houston, TX 77057
Toll-free Telephone # (844) 813-2917 Fax # (281) 715-4775
E-mail address mark@energyprudential.com

A-8 Applicant's federal employer identification number # 471774675

A-9 Applicant's form of ownership (check one)

- | | |
|--------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input checked="" type="checkbox"/> Corporation | <input type="checkbox"/> Other _____ |

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

A-10 Exhibit A -10 "Principal Officers, Directors & Partners" provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

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 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 or wholesale electric services including aggregation services.

B-2 Exhibit B-2 "Experience & Plans," provide a 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 4928.10 of the Revised Code.

B-3 **Exhibit B-3 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation 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 it is seeking to be certified to provide.

B-4 Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.
☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-4 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

B-5 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.
☒ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

C. FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why. (This is generally only applicable to publicly traded companies who publish annual reports.)

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

C-3 **Exhibit C-3 “Financial Statements,”** 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. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

C-4 **Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU’s collateral requirements.

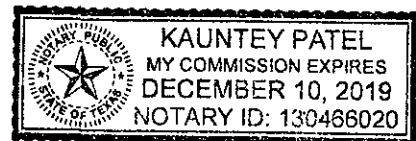
First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody’s, Standard & Poor’s or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody’s, Standard & Poor’s or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody’s, Standard & Poor’s or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company’s financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

- C-5 Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted income statements for the applicant's **ELECTRIC related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.
- C-6 Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Fitch IBCA, Moody's Investors Service, Standard & Poor's, 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 an 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. If an applicant or its parent does not have such a credit rating, enter "N/A" in Exhibit C-6.
- C-7 Exhibit C-7 "Credit Report,"** provide a copy of the applicant's credit report from Experian, Dun and Bradstreet or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.
- 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 within the two most recent years preceding the application.
- C-9 Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10 Exhibit C - 10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.


 Signature of Applicant & Title



Sworn and subscribed before me this 6th day of DECEMBER 2016
 Month Year

12-6-2016


 Signature of official administering oath

KAUNTESY PATEL NOTARY PUBLIC
 Print Name and Title

My commission expires on 12-10-2019

AFFIDAVIT

State of Tx :

Houston ss.
(Town)

County of Harris :

Mark M. Rusek, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the President (Office of Affiant) of Prudent Energy Services (Name of Applicant);

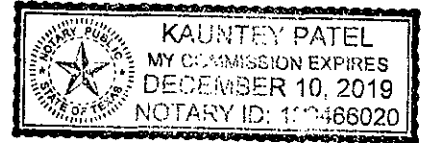
That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
8. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

Kauntey Patel
Signature of Affiant & Title

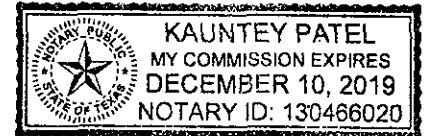


Sworn and subscribed before me this 6th day of DECEMBER 2016
Month Year

Kauntey Patel
Signature of official administering oath

KAUNTEY PATEL NOTARY PUBLIC
Print Name and Title

Mv commission expires on 12-10-2019



12-6-2016

Exhibit A-10 "Principle Officers, Directors & Partners"

Director

Mark Mrusek, President

2400 Augusta Dr. STE 352

Houston, TX 77057

832-203-7139

mark@energyprudential.com

Exhibit B-1 "Jurisdiction of Operations"

Jurisdiction

The only jurisdiction Prudential Energy Services Corporation is currently operating in is Texas.

Exhibit B-2 "Experience and Plans"

The individuals involved with Prudential Energy Services have extensive experience in the deregulated markets. This experience includes: utility tariffs, supplier pricing structures, master sales agreements & NAESB contracts, standard terms & conditions, and contracting processes. Prudential only acts as the intermediary between the supplier and the customer. The customer contracts directly with the supplier. Prudential does not get involved with the billing. Customer receives direct invoicing from the supplier. Prudential will strictly follow the rules and requirements set forth by Section 4928.10 of the Revised Code. Prudential is a consumer advocate and will address all customer inquiries and complaints with the highest priority.

Exhibit B-3 “Disclosure of Liabilities and Investigations”

Prudential Energy Services Corporation has no existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact our financial or operational status or ability to provide the services *we are seeking to provide*.

Exhibit C-1 "Annual Reports"

Exhibit C-1 is not applicable due to the fact that we are not a publicly traded company.

Exhibit C-2 "SEC Filings"

Exhibit C-2 is not applicable due to the fact that we are not required to file any paperwork with the SEC.

Exhibit C-3 "Financial Statements"

We are providing 2015 business tax return in lieu of financial statements. 2015 was our first full year in business. Please see the included 2015 tax return.

Exhibit C-3 "Financial Statements"

We are providing 2015 business tax return in lieu of financial statements. 2015 was our first full year in business. Please see the included 2015 tax return.

Form **1120S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**▶ Do not file this form unless the corporation has filed or is
attaching Form 2553 to elect to be an S corporation.▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

OMB No. 1545-0123

2015

For calendar year 2015 or tax year beginning . . . 2015, ending . . .

A S election effective date 09/05/14	TYPE OR PRINT	Name PRUDENTIAL ENERGY SERVICES	D Employer identification number 47-1774675
B Business activity code number (see instrs) 221100		Number, street, and room or suite no. If a P.O. box, see instructions. 5373 W ALABAMA STE 220C	E Date incorporated 09/05/14
C Check if Schedule M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code HOUSTON TX 77056	F Total assets (see instructions) \$ 0.

G Is the corporation electing to be an S corporation beginning with this tax year? Yes ☐ No ☒ If "Yes," attach Form 2553 if not already filed**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change
(4) ☐ Amended return (5) ☐ S election termination or revocation**I** Enter the number of shareholders who were shareholders during any part of the tax year . . . ▶ 1**Caution.** Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

INCOME	1a Gross receipts or sales	1a	106,700.	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a	1c	106,700.	
	2 Cost of goods sold (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1c	3	106,700.	
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4		
DEDUCTIONS SEE INSTRUCTIONS	5 Other income (loss) (see instrs — att statement)	5		
	6 Total income (loss). Add lines 3 through 5.	6	106,700.	
	7 Compensation of officers (see instructions — attach Form 1125-E)	7		
	8 Salaries and wages (less employment credits)	8		
	9 Repairs and maintenance	9		
	10 Bad debts	10		
	11 Rents	11	7,165.	
	12 Taxes and licenses	12	545.	
	13 Interest	13		
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	0.	
TAX AND PAYMENTS	15 Depletion (Do not deduct oil and gas depletion.)	15		
	16 Advertising	16	889.	
	17 Pension, profit-sharing, etc, plans	17		
	18 Employee benefit programs	18		
	19 Other deductions (attach statement)	19	81,914.	
	20 Total deductions. Add lines 7 through 19	20	90,513.	
	21 Ordinary business income (loss). Subtract line 20 from line 6	21	16,187.	
	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b Tax from Schedule D (Form 1120S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)	22c		
	23a 2015 estimated tax payments and 2014 overpayment credited to 2015	23a		
	b Tax deposited with Form 7004	23b	0.	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
23d Add lines 23a through 23c	23d	0.		
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached	24			
25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25	0.		
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26			
27 Enter amount from line 26 Credited to 2016 estimated tax	27	Refunded ▶		

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Date	Signature of preparer	Date
		DIRECTOR	

May the IRS discuss this return with the preparer shown below (see instructions)?

Yes ☐ No ☐**Paid Preparer Use Only**

Print/Type preparer's name ANJALI ARJUNANI	Preparer's signature ANJALI ARJUNANI	Date 09/09/16	Check <input type="checkbox"/> if self-employed	PTIN P01398530
Firm's name ▶ AH CPA'S PLLC	Firm's EIN ▶ 26-4018424			
Firm's address ▶ 3050 POST OAK BLVD, SUITE 550 HOUSTON TX 77056	Phone no. (713) 552-9499			

BAA For Paperwork Reduction Act Notice, see separate instructions.

SPSA0112 08/13/15

Form 1120S (2015)

Schedule B Other Information (see instructions)

Yes No

- 1 Check accounting method: a ☒ Cash b ☐ Accrual c ☐ Other (specify) _____
- 2 See the instructions and enter the:
a Business activity. CONSULTING b Product or service. CONSULTING SERVICE
- 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation X
- 4 At the end of the tax year, did the corporation:
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum % Owned in Profit, Loss, or Capital

- 5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? X
If "Yes," complete lines (i) and (ii) below.
(i) Total shares of restricted stock
(ii) Total shares of non-restricted stock
- b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? X
If "Yes," complete lines (i) and (ii) below.
(i) Total shares of stock outstanding at the end of the tax year
(ii) Total shares of stock outstanding if all instruments were executed
- 6 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? X
- 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.
- 8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) \$ _____
- 9 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____
- 10 Does the corporation satisfy both of the following conditions?
a The corporation's total receipts (see instructions) for the tax year were less than \$250,000
b The corporation's total assets at the end of the tax year were less than \$250,000 X
If "Yes," the corporation is not required to complete Schedules L and M-1.
- 11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? X
If "Yes," enter the amount of principal reduction \$ _____
- 12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions X
- 13 a Did the corporation make any payments in 2015 that would require it to file Form(s) 1099? X
b If "Yes," did the corporation file or will it file required Forms 1099? X

Form 1120S (2015)

Schedule K Shareholders' Pro Rata Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1 16,187.
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss) 3a	
	b Expenses from other rental activities (attach statement) 3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Interest income	4
	5 Dividends: a Ordinary dividends 5a	
	b Qualified dividends 5b	
	6 Royalties	6
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a
	b Collectibles (28%) gain (loss) 8b	
	c Unrecaptured section 1250 gain (attach statement) 8c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9
	10 Other income (loss) (see instructions) Type ▶	10
Deductions	11 Section 179 deduction (attach Form 4562)	11 2,050.
	12a Charitable contributions	12a
	b Investment interest expense	12b
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c (2)
Credits	d Other deductions (see instructions) Type ▶	12d
	13a Low-income housing credit (section 42(j)(5))	13a
	b Low-income housing credit (other)	13b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c
	d Other rental real estate credits (see instrs) Type ▶	13d
	e Other rental credits (see instrs) Type ▶	13e
	f Biofuel producer credit (attach Form 6478)	13f
Foreign Transactions	g Other credits (see instructions) Type ▶	13g
	14a Name of country or U.S. possession ▶	
	b Gross income from all sources	14b
	c Gross income sourced at shareholder level	14c
	Foreign gross income sourced at corporate level	
	d Passive category	14d
	e General category	14e
	f Other (attach statement)	14f
	Deductions allocated and apportioned at shareholder level	
	g Interest expense	14g
	h Other	14h
	Deductions allocated and apportioned at corporate level to foreign source income	
	i Passive category	14i
	j General category	14j
	k Other (attach statement)	14k
Alternative Minimum Tax (AMT) Items	Other information	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l
	m Reduction in taxes available for credit (attach statement)	14m
	n Other foreign tax information (attach statement)	
	15a Post-1986 depreciation adjustment	15a 0.
	b Adjusted gain or loss	15b
	c Depletion (other than oil and gas)	15c
d Oil, gas, and geothermal properties — gross income	15d	
e Oil, gas, and geothermal properties — deductions	15e	
f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a
	b Other tax-exempt income	16b
	c Nondeductible expenses	16c 2,470.
	d Distributions (attach stmt if required) (see instrs)	16d
	e Repayment of loans from shareholders	16e

Schedule K Shareholders' Pro Rata Share Items (continued)

		Total amount
Other Information	17 a Investment income	17 a
	b Investment expenses	17 b
	c Dividend distributions paid from accumulated earnings and profits	17 c
	d Other items and amounts (attach statement)	
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i	18 14,137.

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2 a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach stmt)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10 a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11 a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13 a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach stmt)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach stmt)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (att stmt)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. The corporation may be required to file Schedule M-3 (see instructions)

1 Net income (loss) per books		5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14i (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14i, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3		8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	-7,693.	0.	0.
2 Ordinary income from page 1, line 21	16,187.		
3 Other additions			
4 Loss from page 1, line 21			
5 Other reductions * STMT	4,520.		
6 Combine lines 1 through 5	3,974.	0.	0.
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	3,974.	0.	0.

SPSA0134 08/13/15

Form 1120S (2015)

Schedule K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

2015

For calendar year 2015, or tax

year beginning _____, 2015

ending _____, 2015

☐ Final K-1

☐ Amended K-1

671113

OMB No. 1545-0123

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See page 2 of form and separate instructions.

Part I Information About the Corporation	
A Corporation's employer identification number 47-1774675	
B Corporation's name, address, city, state, and ZIP code PRUDENTIAL ENERGY SERVICES 5373 W ALABAMA STE 220C HOUSTON, TX 77056	
C IRS Center where corporation filed return Ogden, UT 84201-0013	
Part II Information About the Shareholder	
D Shareholder's identifying number 630-24-1912	
E Shareholder's name, address, city, state, and ZIP code MARK MRUSEK 24059 HWY 337 N WHITESBORO, TX 76273	
F Shareholder's percentage of stock ownership for tax year. 100.00000 %	
<div style="position: absolute; left: -40px; top: 50%; transform: translateY(-50%); white-space: nowrap;">FOR IRS USE ONLY</div>	

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits
	16,187.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	0.
11	Section 179 deduction	16	Items affecting shareholder basis
	2,050.	C	2,470.
12	Other deductions		
17	Other information		
*See attached statement for additional information.			

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:		
Passive loss		See the Shareholder's Instructions
Passive income		Schedule E, line 28, column (g)
Nonpassive loss		Schedule E, line 28, column (h)
Nonpassive income		Schedule E, line 28, column (j)
2 Net rental real estate income (loss)		See the Shareholder's Instructions
3 Other net rental income (loss)		
Net income		Schedule E, line 28, column (g)
Net loss		See the Shareholder's Instructions
4 Interest income		Form 1040, line 8a
5a Ordinary dividends		Form 1040, line 9a
5b Qualified dividends		Form 1040, line 9b
6 Royalties		Schedule E, line 4
7 Net short-term capital gain (loss)		Schedule D, line 5
8a Net long-term capital gain (loss)		Schedule D, line 12
8b Collectibles (28%) gain (loss)		28% Rate Gain Worksheet, line 4 (Schedule D instructions)
8c Unrecaptured section 1250 gain		See the Shareholder's Instructions
9 Net section 1231 gain (loss)		See the Shareholder's Instructions
10 Other income (loss)		
Code		
A Other portfolio income (loss)		See the Shareholder's Instructions
B Involuntary conversions		See the Shareholder's Instructions
C Sec. 1256 contracts and straddles		Form 6781, line 1
D Mining exploration costs recapture		See Pub 535
E Other income (loss)		See the Shareholder's Instructions
11 Section 179 deduction		See the Shareholder's Instructions
12 Other deductions		
A Cash contributions (50%)		See the Shareholder's Instructions
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Contributions (100%)		
H Investment interest expense		Form 4952, line 1
I Deductions -- royalty income		Schedule E, line 19
J Section 59(e)(2) expenditures		See the Shareholder's Instructions
K Deductions -- portfolio (2% floor)		Schedule A, line 23
L Deductions -- portfolio (other)		Schedule A, line 28
M Preproductive period expenses		See the Shareholder's Instructions
N Commercial revitalization deduction from rental real estate activities		See Form 8582 instructions
O Reforestation expense deduction		See the Shareholder's Instructions
P Domestic production activities information		See Form 8903 instructions
Q Qualified production activities income		Form 8903, line 7b
R Employer's Form W-2 wages		Form 8903, line 17
S Other deductions		See the Shareholder's Instructions
13 Credits		
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings		See the Shareholder's Instructions
B Low-income housing credit (other) from pre-2008 buildings		
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		
D Low-income housing credit (other) from post-2007 buildings		
E Qualified rehabilitation expenditures (rental real estate)		
F Other rental real estate credits		
G Other rental credits		
H Undistributed capital gains credit		Form 1040, line 73, box a
I Biofuel producer credit		See the Shareholder's Instructions
J Work opportunity credit		
K Disabled access credit		
L Empowerment zone employment credit		
M Credit for increasing research activities		
Code		
N Credit for employer social security and Medicare taxes		See the Shareholder's Instructions
O Backup withholding		
P Other credits		
14 Foreign transactions		
A Name of country or U.S. possession		Form 1116, Part I
B Gross income from all sources		
C Gross income sourced at shareholder level		
Foreign gross income sourced at corporate level		
D Passive category		Form 1116, Part I
E General category		
F Other		
Deductions allocated and apportioned at shareholder level		
G Interest expense		Form 1116, Part I
H Other		Form 1116, Part I
Deductions allocated and apportioned at corporate level to foreign source income		
I Passive category		Form 1116, Part I
J General category		
K Other		
Other information		
L Total foreign taxes paid		Form 1116, Part II
M Total foreign taxes accrued		Form 1116, Part II
N Reduction in taxes available for credit		Form 1116, line 12
O Foreign trading gross receipts		Form 8873
P Extraterritorial income exclusion		Form 8873
Q Other foreign transactions		See the Shareholder's Instructions
15 Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment		See the Shareholder's Instructions and the instructions for Form 6251
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal -- gross income		
E Oil, gas, & geothermal -- deductions		
F Other AMT items		
16 Items affecting shareholder basis		
A Tax-exempt interest income		Form 1040, line 8b
B Other tax-exempt income		See the Shareholder's Instructions
C Nondeductible expenses		
D Distributions		
E Repayment of loans from shareholders		
17 Other information		
A Investment income		Form 4952, line 4a
B Investment expenses		Form 4952, line 5
C Qualified rehabilitation expenditures (other than rental real estate)		See the Shareholder's Instructions
D Basis of energy property		See the Shareholder's Instructions
E Recapture of low-income housing credit (section 42(j)(5))		Form 8611, line 8
F Recapture of low-income housing credit (other)		Form 8611, line 8
G Recapture of investment credit		See Form 4255
H Recapture of other credits		See the Shareholder's Instructions
I Look-back interest -- completed long-term contracts		See Form 8697
J Look-back interest -- income forecast method		See Form 8866
K Dispositions of property with section 179 deductions		See the Shareholder's Instructions
L Recapture of section 179 deduction		
M Section 453(j)(3) information		
N Section 453A(c) information		
O Section 1260(b) information		
P Interest allocable to production expenditures		
Q CCF nonqualified withdrawals		
R Depletion information -- oil and gas		
S Reserved		
T Section 108(i) information		
U Net investment income		
V Other information		

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2015Department of the Treasury
Internal Revenue Service(99) Information about Form 4562 and its separate instructions is at www.irs.gov/form4562.Attachment
Sequence No. **179**

Name(s) shown on return

Identifying number

PRUDENTIAL ENERGY SERVICES

47-1774675

Business or activity to which this form relates

Form 1120S Line 21

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	2,050.
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	500,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	FURNITURE & FIXTURES	2,050.	2,050.
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	2,050.
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	2,050.
10	Carryover of disallowed deduction from line 13 of your 2014 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	16,187.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	2,050.
13	Carryover of disallowed deduction to 2016. Add lines 9 and 10, less line 12.	13	0.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	0.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2015.	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

Section B — Assets Placed in Service During 2015 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C — Assets Placed in Service During 2015 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	0.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812 10/27/15

Form 4562 (2015)

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24 a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No									24b If 'Yes,' is the evidence written? . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25		
26 Property used more than 50% in a qualified business use:										
27 Property used 50% or less in a qualified business use:										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29		

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2015 tax year (see instructions):					
43 Amortization of costs that began before your 2015 tax year.					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Form 1120S, Page 1, Line 19

Other Deductions

AUTOMOBILE AND TRUCK EXPENSE	1,560.
BANK CHARGES	154.
COMPUTER SERVICES AND SUPPLIES	1,492.
DELIVERY AND FREIGHT	400.
DUES AND SUBSCRIPTIONS	160.
INSURANCE	639.
LEGAL AND PROFESSIONAL	246.
MEALS AND ENTERTAINMENT (50%)	2,471.
OFFICE EXPENSE	625.
OUTSIDE SERVICES	58,562.
SECURITY	360.
SUPPLIES	5,562.
TELEPHONE	203.
TRAVEL	8,977.
LANDSCAPING EXPENS	503.
Total	<u>81,914.</u>

Form 1120S, Page 5, Schedule M-2, Line 5

Schedule M-2, Other Reductions

SECTION 179 EXPENSE	2,050.	
MEALS AND ENTERTAINMENT	2,470.	
Total	<u>4,520.</u>	

Exhibit C-4 "Financial Arrangements"

Not applicable. Prudential Energy Services is not a CRES.

Exhibit C-5 "Forecasted Financial Statements"

Two years of forecasted income statements is provided below.

Prepared by: Mark Mrusek

2400 Augusta Dr. Suite 352, Houston, TX 77057

mark@energyprudential.com

Phone: 832-203-7139

PRUDENTIAL ENERGY SERVICES CORPORATION

	<u>2017</u>	<u>2018</u>
Revenue	\$ 24,000	\$ 28,800
Operating expenses:		
Cost of revenue	11,000	11,000
Sales and marketing	1,000	1,000
General and administrative	<u>500</u>	<u>500</u>
Total operating expenses	<u>12,500</u>	<u>12,500</u>
Operating income	11,500	16,300

Exhibit C-6 "Credit Rating"

N/A

Exhibit C-7 "Credit Report"

N/A

Exhibit C-8 "Bankruptcy Information"

Prudential Energy Services Corporation has not had any reorganizations, protection from creditors or any other form of bankruptcy filings made by Prudential Energy Services Corporation, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

Exhibit C-9 "Merger Information"

Prudential Energy Services Corporation has not incurred any dissolution or merger or acquisition of Prudential Energy Services within the five most recent years preceding the application.

Exhibit C-10 "Corporate Structure"

Prudential Energy Services Corporation is a stand-alone entity with no affiliate or subsidiary companies.