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**SaveOn**  
**ENERGY<sub>SV</sub>**

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

October 17, 2017

**Original AGG Case Number: 13-1989-EL-AGG**

To Whom It May Concern:

To comply with the filing content requirements, we would like to add the following credit report as an amendment to our application for Case Number 13-1989-EL-AGG. Please find the S&P credit report for Red Ventures Holdco, LP, which is the parent company of Save On Energy, LLC, to satisfy Exhibit C-7.

If you should have any additional questions, please contact us directly at [SOELicensing@redventures.com](mailto:SOELicensing@redventures.com).

Thank you,

Save On Energy, LLC  
1101 Red Ventures Drive  
Fort Mill, SC 29707

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## Red Ventures Holdco L.P. Assigned 'B+' Corporate Credit Rating; Outlook Stable; New Debt Rated

26-Sep-2017 12:06 EDT

[View Analyst Contact Information](#)

U.S.-based marketing services provider Red Ventures Holdco L.P. is issuing a proposed \$2.2 billion senior secured first-lien credit facility (comprising a \$2 billion term loan B and a \$200 million revolving credit facility) and a \$400 million senior secured second-lien term loan. The company will use the proceeds from the transaction primarily to fund its planned \$1.4 billion acquisition of Bankrate Inc. and to refinance its existing capital structure. We expect the acquisition to close in the fourth quarter of 2017.

We are assigning our 'B+' corporate credit rating to Red Ventures, our 'B+' issue-level and '3' recovery ratings to the company's proposed first-lien senior secured credit facility, and our 'B-' issue-level and '6' recovery ratings to the proposed senior secured second-lien term loan. The stable rating outlook reflects our view that Red Ventures' new business partnerships and the continuing consumer shift toward digital buying experiences will result in organic revenue growth in the mid- to high-teens percentage range, strong cash flow generation, and debt repayment. We expect this to result in leverage below 5x and discretionary cash flow to debt above 5% by the end of 2018.

CHICAGO (S&P Global Ratings) Sept. 26, 2017--S&P Global Ratings today assigned its 'B+' corporate credit rating to Fort Mill, South Carolina-based Red Ventures Holdco L.P. The rating outlook is stable.

At the same time, we assigned our 'B+' issue-level rating and '3' recovery rating to the company's proposed \$2.2 billion senior secured first-lien credit facility, which consists of a \$200 million revolving credit facility and a \$2 billion first-lien term loan. The '3' recovery rating indicates our expectation for meaningful (50%-70%; rounded estimate: 55%) recovery of principal in the event of a payment default.

We also assigned our 'B-' issue-level rating and '6' recovery rating to the company's proposed \$400 million senior secured second-lien term loan. The '6' recovery rating indicates our expectation for negligible (0%-10%; rounded estimate: 0%) recovery of principal in the event of a payment default.

Red Ventures LLC and New Imagitas Inc. are coborrowers on the debt.

Our corporate credit rating on Red Ventures reflects the company's proven performance-based customer acquisition capabilities, good industry growth prospects, highly profitable affiliate relationships with its clients, and improved scale following the Bankrate Inc. acquisition. The rating also reflects Red Ventures' significant customer and sector concentration, low barriers to entry and risk of technology driven disintermediation, and high leverage.

The stable outlook reflects our view that Red Ventures' new business partnerships and the continuing consumer shift toward digital buying experiences will result in organic revenue growth in the mid- to high-teens percentage range, strong cash flow generation, and debt repayment. We expect this to result in leverage below 5x and discretionary cash flow to debt above 5% by the end of 2018.

We could lower the corporate credit rating if Red Ventures fails to successfully integrate Bankrate into its existing operations or if growth stalls, potentially due to a lack of new business partners or terminated business partnerships, resulting in leverage remaining above 5x and discretionary cash flow to debt below 5% in 2018.

Although unlikely during the next 12 months, we could raise the rating if Red Ventures' EBITDA growth exceeds our expectations, likely from new business partnerships or better-than-expected growth from existing health care partnerships or Bankrate, resulting in more diversification and stronger cash flow measures. This would include leverage approaching 4x and discretionary cash flow to debt above 10%.

#### RELATED CRITERIA

General Criteria: Methodology For Linking Long-Term And Short-Term Ratings (/en\_US/web/guest/article/-/view/sourceId/10011703), April 7, 2017

Criteria - Corporates - General: Recovery Rating Criteria For

Speculative-Grade Corporate Issuers (/en\_US/web/guest/article/-/view/sourceId/9831306), Dec. 7, 2016

Criteria - Corporates - General: Methodology And Assumptions: Liquidity

Descriptors For Global Corporate Issuers (/en\_US/web/guest/article/-/view/sourceId/8956570), Dec. 16, 2014

Criteria - Corporates - Industrials: Key Credit Factors For The Media And

Entertainment Industry (/en\_US/web/guest/article/-/view/sourceId/8389927), Dec. 24, 2013

General Criteria: Group Rating Methodology (/en\_US/web/guest/article/-/view/sourceId/8336067), Nov. 19, 2013

Criteria - Corporates - General: Corporate Methodology: Ratios And

Adjustments (/en\_US/web/guest/article/-/view/sourceId/8330212), Nov. 19, 2013

Criteria - Corporates - General: Corporate Methodology (/en\_US/web/guest/article/-/view/sourceId/8314109), Nov. 19, 2013

General Criteria: Country Risk Assessment Methodology And Assumptions (/en\_US/web/guest/article/-/view/sourceId/8313032), Nov. 19, 2013

General Criteria: Methodology: Industry Risk (/en\_US/web/guest/article/-/view/sourceId/8304862), Nov. 19, 2013

General Criteria: Methodology: Management And Governance Credit Factors

For Corporate Entities And Insurers (/en\_US/web/guest/article/-/view/sourceId/7629699), Nov. 13, 2012

General Criteria: Use Of CreditWatch And Outlooks (/en\_US/web/guest/article/-/view/sourceId/5612636), Sept. 14, 2009

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com) and at [www.spcapitaliq.com](http://www.spcapitaliq.com). All ratings affected by this rating action can be found on the S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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