

**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.

REALGY'S Annual Reports

As a limited liability company (LLC), the applicant does not have shareholders and therefore does not issue an Annual Report to Shareholders. Information similar to an Annual Report is contained in other sections of this application such as; history, summary of expereince, prinicpal officers, financial statements and liabilities.

**Exhibit C-2 "SEC Filings,"** 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. 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.

#### REALGY'S SEC Filings

The applicant is not a publicly traded company and is therefore not required to make SEC filings.

Applicant does post various filings due to our status as a member of ISOs', licensed by various (disclosed) state regulatory agencies and the Energy Information Agency (EIA).

**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 or tax returns (with social security numbers and account numbers redacted)

REALGY'S SEC Filings

Further documentation is submitted in connection with this Exhibit under seal pursuant to Ohio Administrative Code 4901:1-24-08(A).

- Realgy's 2017 Audited Financials
- Realgy's 2016 Audited Financials

**REALGY, LLC**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2017 AND 2016**

**TOGETHER WITH**  
**AUDITOR'S REPORT**



SCHILLING & ASSOCIATES  
CPA, PC

INDEPENDENT AUDITOR'S REPORT

To the Members of  
Realgy, LLC:

***Report on the Financial Statements***

We have audited the accompanying financial statements of Realgy, LLC which comprise the balance sheet as of December 31, 2017 and 2016, and the related statements of income and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Realgy, LLC as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Schilling & Associates*

SCHILLING & ASSOCIATES

Wheaton, Illinois  
February 22, 2018



EXHIBIT 1

REALGY, LLC  
BALANCE SHEET  
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>A S S E T S</u>		
CURRENT ASSETS:		
Cash	\$ 3,201,673	\$ 2,208,265
Accounts receivable	4,882,852	5,243,117
Prepaid rent	<u>51,450</u>	<u>51,450</u>
Total current assets	<u>\$ 8,135,975</u>	<u>\$ 7,502,832</u>
PROPERTY AND EQUIPMENT:		
Computers and furniture	\$ 465,313	\$ 315,263
Solar equipment	1,133,550	977,750
Less - Accumulated depreciation	<u>(903,921)</u>	<u>(733,008)</u>
Net property and equipment	<u>\$ 694,942</u>	<u>\$ 560,005</u>
OTHER ASSETS:		
Bond and security deposits	<u>\$ 2,357,357</u>	<u>\$ 2,147,322</u>
Total other assets	<u>\$ 2,357,357</u>	<u>\$ 2,147,322</u>
	<u>\$ 11,188,274</u>	<u>\$ 10,210,159</u>
<u>LIABILITIES AND MEMBERS' CAPITAL</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 4,301,603	\$ 4,296,178
Accrued expenses	<u>321,677</u>	<u>317,000</u>
Total current liabilities	<u>\$ 4,623,280</u>	<u>\$ 4,613,178</u>
MEMBERS' CAPITAL:		
Members' capital, beginning of period	\$ 5,596,981	\$ 5,523,977
Net income (EXHIBIT 2)	2,164,750	1,267,294
Members' draws	<u>(1,196,737)</u>	<u>(1,194,290)</u>
Total members' capital, end of period	<u>\$ 6,564,994</u>	<u>\$ 5,596,981</u>
	<u>\$ 11,188,274</u>	<u>\$ 10,210,159</u>

The accompanying notes are an integral part of this statement.

## EXHIBIT 2

REALGY, LLC  
INCOME STATEMENT  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES, less credits and discounts	\$ 47,887,739	\$ 38,539,567
GAS & ELECTRIC USAGE CHARGES	\$ 41,433,725	\$ 30,716,443
GROSS PROFIT	\$ 6,454,014	\$ 7,823,124
OPERATING EXPENSES:		
Adversting and promotion	\$ 558,371	\$ 2,210,105
Bad debts	-	128,008
Bank service charges	21,909	13,767
Computer and internet	108,225	60,894
Depreciation	170,913	178,031
Insurance and bonds	179,130	260,435
Licenses and permits	9,865	160,649
Miscellaneous	5,297	6,799
Office supplies	37,569	71,488
Payroll expenses	2,194,610	2,067,606
Professional fees	84,399	241,257
Rent and related expenses	77,726	105,423
Repairs and maintenance	24,134	50,109
Taxes - State income	102,407	460,384
Taxes - Use	647,422	474,548
Telephone	21,202	24,443
Travel and entertainment	46,901	42,820
Total operating expenses	\$ 4,290,080	\$ 6,556,766
NET INCOME FROM OPERATIONS	\$ 2,163,934	\$ 1,266,358
OTHER INCOME (EXPENSES):		
Interest and dividend income	\$ 816	\$ 936
Total other income	\$ 816	\$ 936
NET INCOME	\$ 2,164,750	\$ 1,267,294

The accompanying notes are an integral part of this statement.



REALGY, LLC  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 2,164,750	\$ 1,267,294
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	\$ 170,913	\$ 178,031
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	360,265	(2,618,072)
(Increase) in prepaid rent	-	(3,270)
Increase in accounts payable	5,426	1,720,399
Increase (decrease) in accrued expenses	<u>4,677</u>	<u>(4,047)</u>
Total adjustments	\$ <u>541,281</u>	\$ <u>(726,959)</u>
Net cash provided by operating activities	\$ <u>2,706,031</u>	\$ <u>540,335</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	\$ (305,852)	\$ (313,280)
Security deposits, net	<u>(210,035)</u>	<u>(133,540)</u>
Net cash used for investing activities	\$ <u>(515,887)</u>	\$ <u>(446,820)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Member distributions	\$ <u>(1,196,736)</u>	\$ <u>(1,194,290)</u>
Net cash (used in) financing activities	\$ <u>(1,196,736)</u>	\$ <u>(1,194,290)</u>
NET INCREASE/(DECREASE) IN CASH	\$ 993,408	\$ (1,100,775)
CASH AT BEGINNING OF PERIOD	<u>2,208,265</u>	<u>3,309,040</u>
CASH AT END OF PERIOD	<u>\$ <u>3,201,673</u></u>	<u>\$ <u>2,208,265</u></u>

The accompanying notes are an integral part of this statement.

REALGY, LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the significant accounting policies, which have been followed in preparing the accompanying financial statements, is set forth below.

Nature of business –

Realgy, LLC (the Company) provides energy producers and consumers, primarily related to the natural gas and electrical industries, with a variety of services. The Company's primary revenue source is related to its sale of natural gas to businesses in Illinois, Indiana, and Michigan. The Company is approved as a "Registered Marketer", whereby it is positioned as a retail provider of natural gas and electricity behind regulated utilities. The Company utilizes third party, commission-based organizations to locate and secure customers and pays a service fee to one of its largest utilities to handle invoicing and collections from its customers, which number in the thousands.

Cash and cash equivalents –

The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Cash in one bank account is subject to withdrawal restrictions by the Company's vendor.

Advertising –

Advertising costs are expensed as incurred.

Shipping and handling costs –

It is the Company's policy to report shipping and handling costs in the Statement of Income as a component of operating costs.

Accounts receivable –

The Company grants trade credit to its customers located primarily in the United States of America. Receivables are valued at management's estimate of the amount that will ultimately be collected. The Company uses the direct write-off method and expenses any amounts deemed uncollectible.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

There were \$-0- and \$128,008 in bad debts during 2017 and 2016, respectively.

Accounts receivable aging consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Current	\$ 4,254,156	\$ 4,335,259
Under 31 days past due	37,789	66,143
31-60 days past due	83,545	1,516
Over 60 days past due	8,677	198,760
Over 90 days past due	<u>631,685</u>	<u>774,439</u>
Total contracts receivable	\$ 5,015,852	\$ 5,376,117
Less - Allowance for bad debts	<u>(133,000)</u>	<u>(133,000)</u>
	<u>\$ 4,882,852</u>	<u>\$ 5,243,117</u>

Property and equipment -

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives ranging from 3 to 7 years. Repair and maintenance costs are expensed as incurred.

Renewals and betterment of property are accounted for as additions to the asset accounts. Upon retirement or other disposition of property, costs and the related accumulated depreciation are removed from the accounts and a gain or loss is reflected in income.

Depreciation -

Depreciation is computed using accelerated and straight-line methods. The cost of all depreciable property is charged to operations over their estimated useful lives which range from 3 to 39 years.



(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Credit risk –

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and trade receivables. The Company places its cash and deposits with high credit quality financial institutions; however, deposits occasionally exceed the federally insured limits. Concentrations of credit risk with respect to customers are for a diversified group of customers located primarily in the Midwestern United States. The Company performs ongoing credit evaluations of its customers and generally do not require collateral.

Use of estimates –

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes –

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the regulations of the Company. The Company is required to file and does file tax returns with the Internal Revenue Service and the States of Connecticut, Illinois, and Indiana.

The federal income tax returns of the Company for 2017, 2016, 2015, and 2014 are subject to examination by the Internal Revenue Service generally for three years after they were filed.

(2) MEMBER DISTRIBUTIONS:

As a Limited Liability Company (LLC), the Company may distribute previously taxed income. Total distributions in 2017 were \$1,196,737. Total distributions in 2016 were \$1,194,290.

(3) COMMITMENTS:

The Company leases an office building under an operating lease. The operating lease will expire in October, 2018. The lease payment for the next twelve months has been prepaid in November of each year. Total rent expense was \$56,595 and \$58,470 for the year ending December 31, 2017 and 2016, respectively.

The future minimum rental commitment as of December 31, 2017 is as follows:

2018	\$ 61,740
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(4) SUPPLEMENTAL STATEMENT FOR STATEMENT OF CASH FLOWS:

Interest and dividend income received in 2017:	\$ 816
Income taxes paid in 2017:	102,407
Income taxes refunds received in 2017:	-0-

Interest and dividend income received in 2016:	\$ 936
Income taxes paid in 2016:	460,384
Income taxes refunds received in 2016:	-0-

(5) MAJOR SUPPLIERS:

The Company has one supplier who accounted for 83% and 80% of all expenses incurred in 2017 and 2016, respectively.

(6) SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 27, 2018, the date which the financial statements were available to be issued.





139 East Fourth  
EM740  
Cincinnati, Ohio 45202

March 8, 2016

Realgy, LLC dba Realgy Energy Services has met the Electric and Gas Collateral obligations for Duke Energy Corporation as of March 8, 2016.

***Tom Hunt***

Duke Energy Corp  
Certified Supplier Business Center  
[Tom.Hunt@Duke-Energy.com](mailto:Tom.Hunt@Duke-Energy.com)



**Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) 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 forecast should be in an annualized format for the two years succeeding the Application year.

REALGY'S Forecasted Financial Statements

Realgy has provided 2 years of audited financials (2017 and 2016). Realgy has forecasted two years (2019, 2018) based upon our actual 2017 results.

Assumptions in the forecast are identified within the Profit and Loss and Income (expense) forecasts.

Forecast provided by;  
Michael Vrtis  
675 Oakwood Avenue  
West Hartford, CT 06110  
[michael.vrtis@realgy.com](mailto:michael.vrtis@realgy.com)  
860-233-2270 x7000

With assistance by Dirk Shilling and Laura LaRocco.

Further documentation is submitted in connection with this Exhibit under seal pursuant to Ohio Administrative Code 4901:1-24-08(A).

# Income by Customer Summary

January through December 2015

	Jan - Dec 17	Assumption	Jan - Dec 18	Assumption	Jan - Dec 19
Electric Revenue	1.08				
Ameren	5,389,728.36	1.25	6,737,160.45	1.25	8,421,450.56
ComEd	3,424,473.51	1.10	3,766,920.86	1.25	4,708,651.07
MidAmerican Direct	2,800,993.68	1.50	4,201,490.52	1.25	5,251,863.15
New Markets - Ohio			200,000.00	2.00	400,000.00
subtotal	11,615,195.54	1.28	14,705,571.82		18,381,964.78
Gas Revenue					
Citizens	7,142,725.12	1.10	7,856,997.63	1.20	9,428,397.15
Consumers	1,631,733.77	1.10	1,794,907.15	1.20	2,153,888.57
DTE	1,174,379.84	1.10	1,291,817.82	1.20	1,550,181.38
MGU	1,282,000.41	1.10	1,410,200.45	1.20	1,692,240.53
Michigan Consolidated	(69,170.13)	1.10	(76,087.14)	1.20	(91,304.57)
Nicor	4,045,890.82	1.20	4,855,068.98	1.20	5,826,082.78
Nipsco	9,994,781.48	1.20	11,993,737.77	1.20	14,392,485.33
North Shore Gas	141,638.95	1.10	155,802.85	1.20	186,963.42
Peoples Gas	2,566,730.69	1.10	2,823,403.75	1.20	3,388,084.50
Semco	1,909,343.11	1.10	2,100,277.42	1.20	2,520,332.91
Citizens Westfield Direct	74,472.81	1.20	89,367.37	1.20	107,240.85
New Markets - Ohio			300,000.00	2.00	600,000.00
subtotal	29,894,526.85		34,295,494.05		41,154,592.86
Customer Credits	(72,828.40)	1.15	(83,752.66)	1.15	(96,315.55)
TOTAL	41,436,894.00		48,917,313.22		59,440,242.08

**Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, 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 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.

REALGY'S Credit Rating

Applicant does not have a commercial credit rating by Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization.

Provided From:

Realgy, Llc DUNS: 94-146-7370

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CreditSignal

Summary

Company Info [Update Company Info](#)

- 1100 New Britain Ave Ste 103

West Hartford, CT 06110

Phone: (860) 233-2270

URL:

- DBA's :

Scores and Ratings

Score / Rating:	Status	Last Date Changed
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PAYDEX®	Fair	04/12/2015
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Delinquency

Predictor Class	Fair	02/10/2016
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Financial

Stress Class	Fair	10/12/2015
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Supplier

Evaluation

Rating	Fair	09/15/2015
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D&B

Rating	N/A	02/10/2016
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D&B

Viability Rating Fair

D&B has recently updated their scores. [Learn how these changes affect your business credit profile.](#)

Alerts



There are currently no alerts issued for this company. If you only recently began monitoring this company, you will not receive your first alerts until score changes or events occur. To configure your alerts notification settings, please [Click Here](#)

#### [Configure Alerts](#)

#### Inquiries

You have received 0 new inquiries. Inquiries are the number of individual product(s) purchased by a customer(s) on a D&B D-U-N-S® Number in a rolling one-year(365 days) time period. Although the specific name of the inquiring customer(s) is not available, your product may allow you to see the inquiring customer's industry.

#### Special Events

You have received 0 new special events. Special events display information on your company such as bankruptcies, suits, liens, mergers, acquisitions or changes in ownership that may impact your relationship with other firms or lending institutions.

Dashboard
Summary
Update Company Info
Tools

# Realgy, Llc

DUNS: 94-146-7370

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Summary

Company Info
Update Company Info

1100 New Britain Ave Ste 103  
West Hartford, CT 06110  
Phone: (860) 233-2270  
URL:

DBA's :

Upgrade to CreditBuilder™ Today

Help build your D&B® scores and ratings and benchmark your company against your industry and competitors  
Speak with a Credit Advisor to learn more  
1-800-700-2733

Scores and Ratings

Score / Rating:	Status	Last Date Changed
PAYDEX®	Fair	04/12/2015
Delinquency Predictor Class	Fair	02/10/2016
Financial Stress Class	Fair	10/12/2015
Supplier Evaluation Rating	Fair	09/15/2015
D&B Rating	N/A	02/10/2016
D&B Viability Rating	Fair	

D&B has recently updated their scores. Learn how these changes affect your business credit profile.

Alerts

There are currently no alerts issued for this company. If you only recently began monitoring this company, you will not receive your first alerts until score changes or events occur. To configure your alerts notification settings, please [Click Here](#)

Configure Alerts

Inquiries

You have received 0 new inquiries.  
Inquiries are the number of individual product(s) purchased by a customer(s) on a D&B D-U-N-S® Number in a rolling one-year(365 days) time period. Although the specific name of the inquiring customer(s) is not available, your product may allow you to see the inquiring customer's industry.

Upgrade to View

Special Events

You have received 0 new special events.  
Special events display information on your company such as bankruptcies, suits, liens, mergers, acquisitions or changes in ownership that may impact your relationship with other firms or lending institutions.

Upgrade to View





**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.

REALGY'S Bankruptcy Information

Applicant has never experienced any bankruptcies or anything of that nature so this section is not applicable.

**Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

REALGY'S Merger Information

Applicant has never experienced any dissolutions, mergers, acquisitions, or anything of that nature so this section is not applicable.



**Exhibit C-10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organization 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.

Realgy, LLC (Realgy) is incorporated as a domestic limited liability company under Connecticut state laws. <http://www.concord-sots.ct.gov/CONCORD/online?sn=PublicInquiry&eid=9740>

Realgy Energy Services is a dba (doing-business-as) of Realgy, LLC for providing energy services.

Realgy Energy Services is a dba representing Realgy, LLC as an energy marketer in the following markets;

Indiana: behind [NIPSCO](#) and [Citizens Gas](#)  
State regulatory approval: [IURC](#)

Illinois: behind [NICOR](#), [North Shore](#), [Peoples Energy Mount Carmel](#)  
[MidAmerican](#), [COMED](#) and [AMEREN -Illinois](#)  
State regulatory approval: [ICC](#)

Michigan: behind [MichCon/DTE](#), [SEMCO](#), [MGU](#) and [Consumers](#).  
State regulatory approval: [MPSC](#)

Ohio: behind [Duke Energy](#)  
State regulatory approval: [PUCO](#)

#### REALGY'S ORGANIZATIONAL CHART

*Realgy, LLC is privately owned by the managers. Realgy Energy Services is a dba.*

