



June 7, 2016

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

RE: Dockets 12-1926-EL-AGG & 12-1925-GA-AGG
American Utility Management, Inc.'s ("AUM") Electric & Natural Gas Renewal
Applications (Electric cert 12-542E(2) & Natural Gas cert 12-262G(2))

Dear Public Utility Commission:

At this time American Utility Management, Inc. is seeking renewal of its electric & natural gas certificates.

Therefore, AUM has attached the renewal registration applications, copies, and financials sealed as confidential for your consideration.

If additional information is required, please let me know and it will be provided.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Peterson", with a long horizontal line extending to the right.

Jeffrey Peterson
EVP – General Counsel

Enc: Renewal Applications

RECEIVED-DOCKETING DIV
2016 JUN -9 AM 11:05
PUCO

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Technician DW Date Processed JUN 09 2016



Public Utilities Commission

PUCO USE ONLY – Version 1.08		
Date Received	Renewal Certification Number	ORIGINAL AGG Case Number
		12 - 1925 - GA-AGG

RENEWAL CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS BROKERS/AGGREGATORS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (*Example: Exhibit A-15 - 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, 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

A-2 Applicant information:

Legal Name American Utility Management, Inc.
Address 333 E. Butterfield Road, 3rd Floor, Lombard, IL 60148
Telephone No. 630-218-1400 Web site Address www.aum-inc.com
Current PUCO Certificate No. 12-262G(2) Effective Dates July 27, 2014 through July 27, 2016

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

Name American Utility Management, Inc.
Address 333 E. Butterfield Road, 3rd Floor, Lombard, IL 60148
Web site Address www.aum-inc.com Telephone No. 630-218-1400

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

American Utility Management, Inc. AUM

A-5 Contact person for regulatory or emergency matters:

Name Jeffrey Peterson Title EVP - General Counsel
Business Address 333 E. Butterfield Rd. 3rd Floor, Lombard, IL 60148
Telephone No. 630-218-1400 Fax No. 630-218-1401 Email Address jpeterson@aum-inc.com

2016 JUN -9 AM 11:07
PUCO

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

Name Dimitris Kapsis Title Chief Energy Officer
Business address 333 E. Butterfield Rd. 3rd Floor, Lombard, IL 60148
Telephone No. 630-218-1400 Fax No. 630-218-1401 Email Address dkapsis@aum-inc.com

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

Customer service address P.O. Box 4957, Oak Brook, IL 60522-4957
Toll-Free Telephone No. 866-520-1245 Fax No. 866-520-1245 Email Address customerservice@aum-inc.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 CSC - Lawyers Incorporating Services Title Registered Agent
Business address 50 West Broad Street, Suite 1800, Columbus, OH 43215
Telephone No. 800-927-9800 Fax No. 302-363-5454 Email Address

A-9 Applicant's federal employer identification number 36-3988580

A-10 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 |

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.)

<input checked="" type="checkbox"/> Columbia Gas of Ohio	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Dominion East Ohio	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Duke Energy Ohio	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Vectren Energy Delivery of Ohio	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input type="checkbox"/> 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.

☐ Columbia Gas of Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Dominion East Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Duke Energy Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Industrial	Beginning Date of Service	End Date

☐ Vectren Energy Delivery of Ohio

<input type="checkbox"/> Residential	Beginning Date of Service	End Date
<input type="checkbox"/> Small Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service	End Date
<input type="checkbox"/> 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:

<input type="checkbox"/>	Columbia Gas of Ohio	Intended Start Date
<input type="checkbox"/>	Dominion East Ohio	Intended Start Date
<input type="checkbox"/>	Duke Energy Ohio	Intended Start Date
<input type="checkbox"/>	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 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-16 Exhibit A-16 "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-17 Exhibit A-17 "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 Exhibit B-5 "Disclosure of Consumer Protection Violations,"** 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 **Exhibit B-5 "Disclosure of Consumer Protection Violations,"** detailing such violation(s) and providing all relevant documents.

- B-6 Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** 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 **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** 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 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, labeled as 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 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 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 satisfy collateral requirements to conduct retail electric/gas business activity (e.g., parental or third party guarantees, 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 **NATURAL GAS 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 current 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 current 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.

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 functions.
- 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.

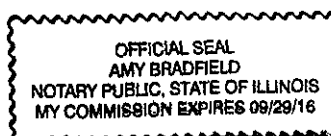
 - *Ex-General Counsel*
Applicant Signature and Title

Sworn and subscribed before me this 8 day of June Month 2016 Year


Signature of official administering oath

Amy Bradfield
Print Name and Title

My commission expires on 9/29/16





The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of)

American Utility Management, Inc.)

for a Certificate or Renewal Certificate to Provide)
Competitive Retail Natural Gas Service in Ohio.)

Case No. 12 - 1925 - GA-AGG

County of DuPage

State of Illinois

Jeffrey Peterson

[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

Mr. AA - EVP General Counsel

Sworn and subscribed before me this

8

day of

June

Month

2016

Year

Amy Bradfield
Signature of Official Administering Oath

Amy Bradfield
Print Name and Title



My commission expires on

9/29/16

(CRNGS Broker/Aggregator Renewal - Version 1.08, Revised May 2016)

Page 7 of 7

A. APPLICANT INFORMATION EXHIBITS

Exhibit A-14 Principal Officers, Directors & Partners

Michael Miller: Chief Executive Officer: mmiller@aum-inc.com

Mr. Miller joined AUM in 2000 as an Executive Vice President and was named President in 2001. Before joining AUM, Michael worked in property management and was Vice President, Asset Management for AMLI Residential Properties, a Chicago-based REIT.

Michael oversaw the expansion of AUM from a small regional utility conservation company, focused on resident billing and utility submetering services, to a national energy management services provider offering invoice processing and energy procurement services.

In addition to his responsibilities as President of AUM, Michael serves on the Board of Directors of the National Multi Housing Council (NMHC); a participating member of the Data Taxonomy Group funded by the MacArthur Foundation, and has held similar positions with industry groups such as the Chicagoland Apartment Association.

Bob Malpasuto: Chief Financial Officer: malpo@aum-inc.com

Mr. Malpasuto joined AUM in July, 2000 as Executive Vice President of Finance and Technology. Before this he spent five years at AMLI Residential Properties as Chief Information Officer. Prior to joining AMLI, Bob spent four years at Starwood Lodging as Director of Financial Development.

With his financial and technological expertise, Bob has helped AUM develop the multifamily industry's leading platform for resident billing and utility management services. By employing a robust and infinitely scalable Oracle-based system, AUM is the only provider in the industry housing all of these services on the same platform.

In addition to overseeing systems development at AUM, Bob helped create our highly sophisticated Invoice Processing Service, which today processes more than 50,000 invoices a month while eliminating late fees and capturing consumption and cost data to a degree and detail that is unmatched in the multifamily industry.

Dave Carpenter: Chief Strategic Officer: dcarpenter@aum-inc.com

Mr. Carpenter is the product development executive responsible for the creation and enhancement of strategic processes, systems, interfaces and reports of all AUM Products and Services. He is our resident expert in bill payment, system interfaces and data exchange, submetering, web and custom reporting, vacant cost recovery and utility invoice data capture and analysis.

Dave came to AUM in 2002 from Higgins Development, where he provided civil engineering services for residential and commercial properties. He began at our engineering department, where he handled meter installation, repairs, billing and customer support. In this role, he developed the multi-housing industry's first meter diagnostic report. In 2005, Dave initiated invoice pay processing services for AUM that build, test and implement interfaces, controls procedures, work flows, staffing, and metrics.

Dimitris Kapsis: Executive Vice President and Chief Energy Officer: dkapsis@aum-inc.com



Before joining AUM in 2008, Mr. Kapsis worked in the property Management industry and served as Director, Energy management for Archstone, a Denver-based property ownership and management firm.

Dimitris has helped AUM grow into a national energy management services provider that offers energy management planning, facilities audits and energy procurement services.

Dimitris is also active in the Association of Energy Engineers (AEE) and the American Society of Heating, Refrigerating and Air-Conditioning (ASHRE). He also holds several professional certifications, including Certified Energy Manager (CEM®) and Certified Energy Procurement Professional (CEP®).

Exhibit A-15 Company History

AUM OVERVIEW : The Company

Energy Management Partner to Multifamily since 1994

American Utility Management, Inc. (AUM) is the premier energy management, invoice processing, and resident services partner to the multifamily housing industry. Our team's combined knowledge and expertise allows us to provide the industry's most comprehensive suite of energy and utility management services.

We are proud to help our clients recover lost revenue and identify cost savings, and to apply innovations that control their properties' energy and utility expenses.

We make this all happen through customized services that seamlessly integrate into our client's operations and extend time and cost savings benefits to the residents they serve.

In 2012 AUM had 145 employees and served nearly 2,400 apartment communities in 40 states. The Company generated more than 380,000 resident statements monthly representing over \$70 million in recovered costs for multifamily owners. Additionally, AUM processed approx 60,000 utility and energy invoices monthly on behalf of its Client Partners, averaging 99.9% on-time payment and 99.7% data capture accuracy.

Currently AUM has 152 employees and provides energy management, invoice processing, resident services, and vacant cost recovery services. We currently partner with nearly 2,700 apartment communities in 40 states, representing approximately 415,000 billable apartment units and more than 525,000 units under contract. Last year, we increased property values on those Multifamily units by issuing 4.8 million billing statements representing \$1.1 billion in convergent and utility charges with 98.5% on-time billing, processing 853,000 energy and utility invoices worth \$211 million with 99.7% data capture accuracy and 99.9925% on-time payment, and managing 94 million kWh and 16 million Therms through energy commodity procurement.



energy
management

Exhibit A-16 Articles of Incorporation and Bylaws

American Utility Management Inc.'s Articles of Incorporation as attached herein. Nothing has changed from the initial application.

Form BCA-2.10		ARTICLES OF INCORPORATION
(Rev. Jan 1991)		This space for use by Secretary of State
George H. Ryan Secretary of State Department of Business Services Springfield, IL 62786	FILED NOV 21 1994 PAID NOV 21 1994 GEORGE H. RYAN SECRETARY OF STATE	SECRETARY OF STATE This space for use by Secretary of State Date <u>11-21-94</u> Franchise Tax \$ <u>25.00</u> Filing Fee \$ <u>75.00</u> Approved: <u>MA</u> <u>11/21/94</u>
Payment must be made by certified check, cashier's check, Illinois attorney's check, Illinois C.P.A.'s check or money order, payable to "Secretary of State."		

1. CORPORATE NAME: American Utility Management, Inc.

(The corporate name must contain the word "corporation", "company", "incorporated", "limited" or an abbreviation thereof.)

2. Initial Registered Agent: Whitley A Smith
First Name Middle Initial Last Name
Initial Registered Office: 390 Newark Lane
Number Street
Hoffman Estates, IL 60194 Cook
City Zip Code County

3. Purpose or purposes for which the corporation is organized:
(If not sufficient space to cover this point, add one or more sheets of this size.)

The transaction of any or all lawful purposes for which corporations may be incorporated under the Illinois Business Corporation Act of 1983.

4. Paragraph 1: Authorized Shares, Issued Shares and Consideration Received:

Class	Par Value per Share	Number of Shares Authorized	Number of Shares Proposed to be Issued	Consideration to be Received Thereby
Common	\$ 1.00	10,000	1,000	\$ 1,000.00
TOTAL = \$ 1,000.00				

Paragraph 2: The preferences, qualifications, limitations, restrictions and special or relative rights in respect of the shares of each class are:
(If not sufficient space to cover this point, add one or more sheets of this size.)

EXPEDITED

NOV 21 1994

SECRETARY OF STATE

(over)

5807-272-9

One company. One platform. One focus. One team. The Power of One.

American Utility Management, Inc.

800.418.5393 | aum-inc.com | blog.aum-inc.com

5. **OPTIONAL:** (a) Number of directors constituting the initial board of directors of the corporation: 7
 (b) Names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify:

Name	Residential Address	City, State, ZIP

6. **OPTIONAL:** (a) It is estimated that the value of all property to be owned by the corporation for the following year wherever located will be: \$
 (b) It is estimated that the value of the property to be located within the State of Illinois during the following year will be: \$
 (c) It is estimated that the gross amount of business that will be transacted by the corporation during the following year will be: \$
 (d) It is estimated that the gross amount of business that will be transacted from places of business in the State of Illinois during the following year will be: \$

7. **OPTIONAL: OTHER PROVISIONS**

Attach a separate sheet of this size for any other provision to be included in the Articles of Incorporation, e.g., authorizing preemptive rights, denying cumulative voting, regulating internal affairs, voting majority requirements, fixing a duration other than perpetual, etc.

8. **NAME(S) & ADDRESS(ES) OF INCORPORATOR(S)**

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated November 21, 19 94

Signature and Name
1. <u>Whitley A. Smith</u> Signature (Type or Print Name)
2. <u>Stephen R. Vincent</u> Signature (Type or Print Name)
3. <u> </u> Signature (Type or Print Name)

Address
1. <u>790 Newark Lane</u> Street <u>Jefferson Estates, IL 60194</u> City/Town State Zip Code
2. <u>315 S. Wisconsin #3-5</u> Street <u>Oak Park, IL 60302</u> City/Town State Zip Code
3. <u> </u> Street City/Town State Zip Code

(Signatures must be in ink on original document. Carbon copy, photocopy or rubber stamp signatures may only be used on carbonized copies.)
 NOTE: If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by its president or vice president and verified by him, and attested by its secretary or assistant secretary.

FEE SCHEDULE

- The initial franchise fee is assessed at the rate of 15/100 of 1 percent (\$1.50 per \$1,000) on the paid-in capital represented in this state, with a minimum of \$25.
- The filing fee is \$75.
- The minimum total due (franchise fee + filing fee) is \$100.
(Applies when the Consideration to be Received as set forth in Item 4 does not exceed \$10,000)
- The Department of Business Services in Springfield will provide assistance in calculating the total fees if necessary.

Illinois Secretary of State
 Department of Business Services
 Springfield, IL 62758
 Telephone (217) 782-8622
 782-8623

0-100-17



energy
management

FORM BCA 5.10/5.20 (rev. Dec. 2003)

STATEMENT OF CHANGE OF
REGISTERED AGENT AND/OR
REGISTERED OFFICE
Business Corporation Act

Jesse White, Secretary of State
Department of Business Services
Springfield, IL 62756
217-782-3647
www.cyberdriveillinois.com

Remit payment in the form of a
check or money order payable
to Secretary of State.

FILED

AUG 26 2005

JESSE WHITE
SECRETARY OF STATE

P A I D
AUG 30 2005

DEPARTMENT OF
BUSINESS SERVICES

File # DE807-2789

Filing Fee: \$25 Approved: ES

Submit in duplicate

Type or Print clearly in black ink

Do not write above this line

1. Corporate Name: AMERICAN UTILITY MANAGEMENT, INC.



CP0740478

2. State or Country of Incorporation: ILLINOIS

3. Name and Address of Registered Agent and Registered Office as they appear on the records of the Office of the Secretary of State (before change):

Registered Agent	<u>MICHAEL</u>	<u>G.</u>	<u>MILLER</u>	✓
	First Name	Middle Name	Last Name	
Registered Office	<u>4415 W. HARRISON ST. #503</u>			✓
	Number	Street	Suite No. (P.O. Box alone is unacceptable)	
	<u>HILLSIDE</u>	<u>60182</u>	<u>COOK</u>	✓
	City	ZIP Code	County	

4. Name and Address of Registered Agent and Registered Office shall be (after all changes herein reported):

Registered Agent	<u>MICHAEL</u>	<u>G.</u>	<u>MILLER</u>	
	First Name	Middle Name	Last Name	
Registered Office	<u>2211 YORK ROAD #320</u>			
	Number	Street	Suite No. (P.O. Box alone is unacceptable)	
	<u>OAK BROOK</u>	<u>60523</u>	<u>DUPAGE</u>	<u>022</u>
	City	ZIP Code	County	

5. The address of the registered office and the address of the business office of the registered agent, as changed, will be identical.

6. The above change was authorized by: ("X" one box only)

- a. ☒ Resolution duly adopted by the board of directors. (Note 5)
b. ☐ Action of the registered agent. (Note 6)

SEE REVERSE FOR SIGNATURE(S).

Printed by authority of the State of Illinois - 403 - 25M - C-135.17

7. If authorized by the board of directors, sign here. See Note 5 below.

The undersigned corporation has caused this statement to be signed by a duly authorized officer who affirms, under penalties of perjury, that the facts stated herein are true and correct.

Dated AUGUST 15, 2005 AMERICAN UTILITY MANAGEMENT, INC.
Month & Day Year Exact Name of Corporation

[Signature]
Any Authorized Officer's Signature
MICHAEL G. MILLER, PRESIDENT
Name and Title (type or print)

If change of registered office by registered agent, sign here. See Note 6 below.

The undersigned, under penalties of perjury, affirms that the facts stated herein are true and correct.

Dated _____, _____, _____
Month & Day Year Signature of Registered Agent of Record

Name (type or print)
 If Registered Agent is a corporation,
 Name and Title of officer who is signing on its behalf

NOTES

1. The registered office may, but need not be, the same as the principal office of the corporation. However, the registered office and the office address of the registered agent must be the same.
2. The registered office must include a street or road address (P.O. Box alone is unacceptable).
3. A corporation cannot act as its own registered agent.
4. If the registered office is changed from one county to another, the corporation must file with the Recorder of Deeds of the new county a certified copy of the Articles of Incorporation and a certified copy of the Statement of Change of Registered Office. Such certified copies may be obtained ONLY from the Secretary of State.
5. Any change of registered agent must be by resolution adopted by the board of directors. This statement must be signed by a duly authorized officer.
6. The registered agent may report a change of the registered office of the corporation for which he/she is a registered agent. When the agent reports such a change, this statement must be signed by the registered agent. If a corporation is acting as the registered agent, a duly authorized officer of such corporation must sign this statement.

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Exhibit A-17 Secretary of State

American Utility Management, Inc. registered to do business in Ohio with the Ohio Secretary of State as evidenced herein. Page 18 provides evidence that American Utility Management, Inc. is still an Active corporation with the Ohio Secretary of State.



DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPIRY	PENALTY	CERT	COPY
03/02/2011	201106001597	FOREIGN LICENSE/FOR-PROFIT (FLP)	125.00	20	00	00	00

Receipt

This is not a bill. Please do not remit payment.

AMERICAN UTILITY MANAGEMENT, INC.
2211 YORK ROAD
SUITE 320
OAK BROOK, IL 60153

STATE OF OHIO CERTIFICATE Ohio Secretary of State, Jon Husted	
2000625	
It is hereby certified that the Secretary of State of Ohio has custody of the business records for AMERICAN UTILITY MANAGEMENT, INC. and, that said business records show the filing and recording of:	
Document(s) FOREIGN LICENSE/FOR-PROFIT	Document No(s): 201106001597
Authorization to transact business in Ohio is hereby given, until surrender, expiration or cancellation of this license.	
 United States of America State of Ohio Office of the Secretary of State	Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 24th day of February, A.D. 2011.  Ohio Secretary of State



energy
management

Corporation Details

Corporation Details		
Entity Number	2000625	
Business Name	AMERICAN UTILITY MANAGEMENT, INC.	
Filing Type	FOREIGN CORPORATION	
Status	Active	
Original Filing Date	02/24/2011	
Expiry Date		
Location:	County:	State: ILLINOIS

Agent / Registrant Information	
CSC-LAWYERS INCORPORATING SERVICE (CORPORATION SERVICE COMPANY) 50 W. BROAD ST SUITE 1800 COLUMBUS, OH 43215 Effective Date: 07/09/2013 Contact Status: Active	

Filings		
Filing Type	Date of Filing	Document Number/Image
FOREIGN LICENSE/FOR-PROFIT	02/24/2011	201106001597
FOREIGN/DESIGNATED APPOINTMENT OF AGENT	10/28/2011	201130501189
DOMESTIC AGENT SUBSEQUENT APPOINTMENT	06/04/2012	201215800649
FOREIGN/DESIGNATED APPOINTMENT OF AGENT	07/09/2013	201319001434

[Return To Search Page](#) [Return To Search List](#) [Printer Friendly Report](#)

http://www5.sos.state.oh.us/ords/f?p=100:7:0::NO:7:P7_CHARTER_NUM:2000625

One company. One platform. One focus. One team. **The Power of One.**

American Utility Management, Inc.

800.418.5393 | aum-inc.com | blog.aum-inc.com

B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

Exhibit B-1 Jurisdictions of Operation

American Utility Management, Inc. is currently authorized in Illinois, New Hampshire, Washington D.C., Massachusetts, Maryland, New Jersey and Pennsylvania.

In Illinois, American Utility Management, Inc. is authorized by the Illinois Commerce Commission to operate as an agent, broker or consultant. This is in accordance with docket number 11-0686 dated October 18, 2011 and the annual renewal report filed prior to March 31, 2014.

In New Hampshire, American Utility Management, Inc. is authorized by the New Hampshire Public Utilities Commission to operate as an electric and natural gas aggregator/broker. This is in accordance with natural gas docket number DM11-076 dated May 9, 2011 and electric docket number DM 11-137 dated July 27, 2011. Both were renewed in 2013 and up for renewal in 2018.

In Washington D.C., American Utility Management, Inc. is authorized by Washington D.C. Public Service Commission to operate as an electric and natural gas aggregator/broker. This is in accordance with natural gas formal case no GA 2013-04 and electric formal case no EA 2013-11 order number 17135 dated May 20, 2013. Both are active until surrendered or revoked.

In Massachusetts, American Utility Management, Inc. is authorized by the Department of Public Utilities to operate as an electric and natural gas broker. This is in accordance with electric license number EB-255 and natural gas license number RA-103. Electric broker license renewal date is November 1, 2016 and natural gas license renewal date is August 17, 2016.

In Maryland, American Utility Management, Inc. is authorized by Maryland Public Service Commission to operate as an electric and natural gas broker. This is in accordance with Electric License Reference Number IR-3435 and Natural Gas License Reference Number IR-3434. Both are active until surrendered or revoked.

In New Jersey, American Utility Management, Inc. is authorized by the Board of Public Utility to operate as an Energy Agent. This is in accordance with Registration # EA-0295 which has a renewal date of July 22, 2016.

In Pennsylvania, American Utility Management, Inc. is authorized by Public Utility Commission to operate as an Broker/Marketer. This is in accordance with Docket No. A-2014-2411025.

Exhibit B-2 Experience & Plans

American Utility Management, Inc. uses only direct sales through its employees and does not outsource. Some of our sale plan includes pitching current clients from other product lines to add brokering services.

Experience:

American Utility Management, Inc. through its Chief Energy Officer, Dimitris Kapsis provides the necessary experience needed as noted below.

Dimitris joined AUM in 2008, and is responsible for the creation and management of the Energy Solutions group. His leadership had allowed AUM to expand its offerings and become a leading national energy management services provider for the multi-family industry. These Energy Management solutions are inclusive of energy management planning, facility utility auditing, energy commodity procurement, utility variance analysis, rate & tariff analysis, budgeting and benchmarking in addition to AUM's traditional Invoice Processing, Resident Services, and Utility Submetering services. Under Dimitris' Leadership:

- AUM now offers Energy Management services to approximately 1,100 multi-family properties consisting of 200,000 residential apartment units nationwide.
- AUM is responsible for managing a \$15-\$20 million energy commodity hedging program in areas with deregulated electric and natural gas service.
- AUM Rate and Tariff and Tax Exemption Services have contributed to over \$1.2 Million in recovered erroneously billed energy and utility commodity charges and sales taxes. These savings are both immediate in the form of refunds and credits and on-going in the form of reduced rates and tax exemptions.
- AUM is now responsible with the evaluation of energy conservation and sustainability projects for both existing portfolio properties and future property acquisitions & developments, including: Review and evaluation of Return On Investment calculations, project and equipment reliability, lifecycle rate of return, financing options, local and/or federal rebates.
- Directly involved with EPA's Energy Star Portfolio Manager for the creation of national cross-portfolio multifamily property energy and water usage benchmarks. Assisting several clients with properties located within regions that have adopted Portfolio Manager as their energy benchmark tool of choice to conform to new laws and regulations.
- The Company created the definitive solution to Multifamily Benchmarking, AUM Score, including the industry-leading White Paper: Multifamily Energy Benchmarking for Reduced Energy Expense

Prior to joining AUM, Dimitris served as Director, Energy Services for Archstone, a leading multifamily Property owner with an ownership position in 432 communities located in the United States and Europe, representing 72,996 units, including units under construction. Dimitris was responsible for the creation and update of the Energy Management Program for the entire company. Under Dimitris' watch Archstone:

- Developed a companywide Energy Sustainability guide for new developments and upcoming renovations.
- Integrated energy conservation opportunities, LEED requirements, Energy Star requirements and local, state and federal laws and mandates.
- Managed a \$15 Million energy commodity hedging program in areas with deregulated electric and natural gas service.
- Creation and management of a \$75 Million utility budget and re-forecast for electric, natural gas, diesel and water for all the properties owned and managed by the company. Monthly and quarterly variance reports for review by Executive team. Direct communication with accounting team regarding payment issues and accruals

In addition to his responsibilities at AUM, Dimitris is active in the Association of Energy Engineers (AEE) and the American Society of Heating, Refrigerating and Air-Conditioning (ASHRE). He also holds several professional certifications, including Certified Energy Manager (CEM®) and Certified Energy Procurement Professional (CEP®). He is a frequent speaker on Energy Management in Multifamily including:

- Guest Lecturer at Georgia Tech's School of Building Construction
- National Apartment Association
- NMHC Leadership Conference
- EPA Panel Speaker on Energy Star

Dimitris is an advisor to the EPA's development of a Multifamily benchmarking standards, and a member of the Data Taxonomy Data Taxonomy Think Group lead by Fannie Mae, the EPA and funded by the MacArthur Foundation. He received his B.S., Urban Systems Engineering in 1993, and his M.S., Facilities Management in 1997 from George Washington University.

Exhibit B-3 Summary of Experience

In addition to the information stated in Exhibit B-1 & Exhibit B-2, American Utility Management, Inc. has a variety of experience providing electric and natural gas brokering and consulting services in jurisdictions which do not require a license.

American Utility Management, Inc has brokered natural gas contracts in Massachusetts, Rhode Island, Connecticut, New York, Virginia, Washington D.C., Georgia, Illinois, California and Maryland. American Utility Management, Inc. is currently managing approximately 23 million therms of annual natural gas supply for our clients. American Utility Management, Inc. is simply the broker and does not take title in any state for natural gas. Our clients consist of owners' of multi-family housing complexes, commercial retail and a mixture of residential and commercial complexes.

Exhibit B-4 Disclosure of Liabilities and Investigations

American Utility Management, Inc. has no existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the application's financial or operational status or ability to provide the services it is seeking to be certified to provide.

Exhibit B-5 Disclosure of Consumer Protection Violations

American Utility Management, Inc. disclosing as the applicant, a predecessor of the applicant, or any principal officer of the applicant has not ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

Exhibit B-6 Disclosure of Certification Denial, Curtailment, Suspension, or Revocation

American Utility Management, Inc. disclosing as the applicant or a predecessor of the applicant has not 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.

C. APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

Exhibit C-1 Annual Reports

American Utility Management, Inc. is a privately owned Illinois corporation and as such is not required to file annual reports.

Exhibit C-2 SEC Filings

American Utility Management, Inc. is a privately owned Illinois corporation and as such is not required to file with the SEC.

Exhibit C-3 Financial Statements

American Utility Management, Inc.'s 2014 & 2015 balance sheet, income, and cash flow statements will be submitted under seal of confidentiality and are not to be disclosed or distributed.

Exhibit C-4 Financial Arrangements

American Utility Management, Inc. does not currently have financial arrangements to conduct CRES as a business activity. American Utility Management, Inc. will be operating as a broker and consultant in Ohio. Also American Utility Management, Inc. currently does not have any active contracts with any natural gas CRES (acting as a broker); therefore there are no financial contracts to provide.



Exhibit C-5 Forecasted Financial Statements

American Utility Management, Inc.'s forecasted financial statement will be submitted under seal of confidentiality and are not to be disclosed or distributed.

Exhibit C-6 Credit Rating

American Utility Management, Inc. is a privately owned Illinois corporation and as such does not have a credit rating. N/A

Exhibit C-7 Credit Report

American Utility Management, Inc.'s Experian Credit Report information is noted below.



Report

[Home](#) | [My reports](#) | [My account](#) | [Feedback](#) | [Help](#) | [Log out](#)

For help reading this report, please review our sample report.

Search inquiry: (My company)

ProfilePlusSM Report

as of: 08/08/18 18:01 ET

American Uti Management Inc

Address: 333 E Butterfield Rd FL 2
Lombard, IL 60148-6817
United States

Experian BIN: 977140208

Business Type: Corporation
Experian File Established: October 2013
Experian Years on File: 3 Years
Years in Business: More than 3 Years

Payment Tradelines (see charts, detail): 1
UCC Filings: 0

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

Lowest 6 Month Balance: \$8,703
Highest 6 Month Balance: \$17,312
Current Total Account Balance: \$0
Highest Credit Amount Extended: \$0


✓ Businesses Scoring Worse: 85%
✓ Bankruptcies: 0
✓ Liens: 0
✓ Judgments Filed: 0
✓ Collections: 0


Credit Summary

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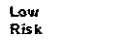
Credit Ranking Score: 86

High Risk





Low Risk



The objective of the Credit Ranking Score is to predict payment behavior. High Risk means that there is a significant probability of delinquent payment. Low Risk means that there is a good probability of on-time payment.

Key Score Factors:

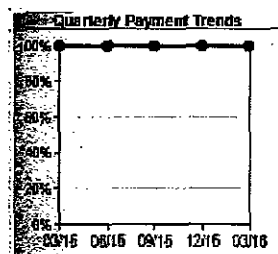
- Number of recently active commercial accounts.
- Length of time on experian's file.
- Ratio of total bal to total high bal across all comm accts.

Recommended Action: Low Risk

Payment Summary

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Insufficient information to produce Monthly Payment Trends chart.

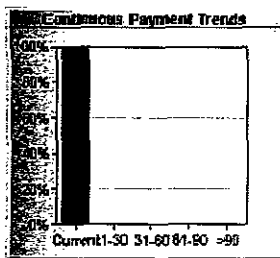


*Percentage of on-time payments by quarter.

Insufficient information to produce Monthly Payment Trends table.

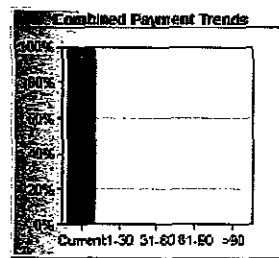
Quarterly Payment Trends - Recent Activity

Date	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
03/15	0%	0%	0%	0%	0%
06/15	0%	0%	0%	0%	0%
09/15	100%	0%	0%	0%	0%
12/15	100%	0%	0%	0%	0%
03/16	100%	0%	0%	0%	0%



*Continuous distribution with DBT.

Insufficient information to produce Newly Reported Payment Trends chart.



*Combined distribution with DBT.

Trade Payment Information

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Payment Experiences (Financial Trades)

Supplier Category	Reported Date	Activity Date	Payment Terms	Recent High Credit	Balance Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT	Comments
Bank	6/01/16		Net 30	\$32,234	\$8,703					Cust 16 Yr

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Exhibit C-8 Bankruptcy Information

American Utility Management, Inc. does not have any reorganizations, protection from creditors or any other form of bankruptcy filings to disclose for 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.

Exhibit C-9 Merger Information

American Utility Management, Inc. does not have information pertaining to any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.



Exhibit C-10 Corporate Structure

American Utility Management, Inc. is a stand-alone entity with no affiliate or subsidiary companies.

D. APPLICANT TECHNICAL CAPABILITY

Exhibit D-1 Operations

American Utility Management, Inc.: AUM OVERVIEW
www.aum-inc.com/blog.aum-inc.com

Power of One

“The Power of One” is the philosophy that drives everything we do and provides the foundation on which we move forward with every project and initiative.

One Company

Our **One Company** provides energy management, invoice processing, resident services, and vacant cost recovery services. We currently partner with nearly 2,700 apartment communities in 40 states, representing approximately 415,000 billable apartment units and more than 525,000 units under contract. **Last year, we increased property values on those Multifamily units by issuing 4.8 million billing statements representing \$1.1 billion in convergent and utility charges with 98.5% on-time billing, processing 853,000 energy and utility invoices worth \$211 million with 99.7% data capture accuracy and 99.9925% on-time payment, and managing 94 million kWh and 16 million Therms through energy commodity procurement.**

One Platform

To meet your unique needs, we apply a custom-built data platform that allows us to address those needs flexibly and comprehensively. Our unparalleled system of data and resource management enables us to analyze each piece of data from every utility bill, readily analyze and evaluate your property's situation, then quickly execute short-term and long-term cost saving solutions.

One Focus

Our **One Focus** is to serve the needs of you, our multifamily client. We approach this service passionately, every day, by providing customized solutions for each multifamily facility and owner. Our working process is customized to act as your virtual energy management department.



One Team

With AUM, you get **One Team** of highly experienced people working for you. We understand every facet of multifamily utilities and energy management and know how to streamline operations through excellent technology and service. Our teams work together seamlessly to share data, insights and understanding about your individual needs.

Exhibit D-2 Operations Expertise

Please refer to Exhibit B-2 Experience & Plans as this will provide evidence of the applicant's current experience and technical expertise.

Also see attached Exhibit D-2 Energy Outlook at the end of this renewal application. AUM's Energy Commodity Purchasing Outlook article provides evidence of the applicant's current experience and technical expertise. The article is listed on American Utility Management, Inc.'s website under the News Heading.

Exhibit D-3 Key Technical Personnel

Please refer to Exhibit A-14 Principal Officers, Directors & Partners as this will provide evidence of the key personnel involved in the operational aspects of the applicant's current business, as well as noted below.

Bob Ricobene: Vice President Commercial Energy: BRicobene@aum-inc.com

Mr. Ricobene has spent his entire professional career in the energy industry, primarily focused in the deregulated energy industry. His over 30 years' experience in the energy industry has created an in-depth knowledge base in all aspects of wholesale and retail energy markets, as well as utility operations.

Before joining AUM in 2012, Mr. Ricobene founded Trinity Utility Management, LLC, an energy consulting company, as well as held leadership roles at several energy companies, which include, Direct Energy, Pepco Energy Services, Exelon Energy, Nicor Energy and Commonwealth Edison. Bob has helped lead AUM's growth into the commercial energy industry as well as further developed our energy procurement services. Mr. Ricobene earned a Bachelor's of Science degree in Mechanical Engineering from Bradley University and is a Certified Energy Procurement Professional.

Jeffrey Peterson: Executive Vice President, General Counsel & Secretary: jpeterson@aum-inc.com

Mr. Peterson began his career with AUM in the Engineering Department where he applied his expertise in Civil Engineering to submetering. With the assistance of our paralegals, Jeff compiled an extensive index of regulations dealing with all types of utility billing. Mr. Peterson supervises or processes all regulatory matters for AUM, from property start-up review to governmental agency investigations. He holds regular dialogues with agencies such as NCUC, TCEQ, California DMS, as well as various state consumer protection departments.



Exhibit D-2

AUM Energy Procurement Outlook – June 2016



MENU



Energy Procurement Outlook - June 2016

by Dimitris Kapsis | Jun 07, 2016

Energy Outlook
June 2016 Volume 4 - Issue 6

aum

Outlook

So far, prices have risen every day this month. Have we seen the end of under \$2.00/MMBTU prices?

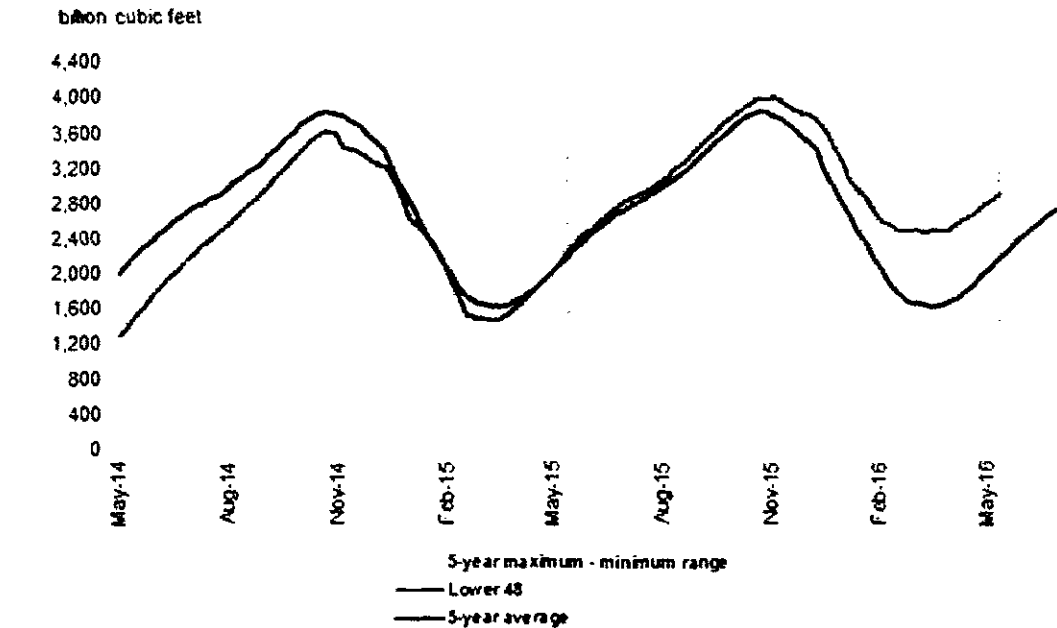
The large reduction in natural gas production and the warm weather forecast are driving prices up. We've been spoiled with record low prices for the first 5 months of 2016. Now, producers have begun to shut down uneconomical production sites and have

slowed the drilling of new rigs. Supply decreased at the same time the demand for natural gas-fired electric generation has increased.

The good news is that prices are still low relative to prices seen in the past 5 years. The question is: How long are you going to wait and watch prices rise before deciding to lock in your winter 2017 rates?

Natural Gas Storage

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration

Production is Down: Less Gas Moving into Storage

Gas production that was moved into storage was respectable last month, but not as robust as seen in recent years. Last month we reported a 47% surplus above the 5-year average storage levels. This month, the DOE is reporting it has been reduced to a 35% surplus. While our stockpile levels remain above the 5-year average, this report may represent a negative trend which could continue for some time.

Natural Gas production is down. The number of drilling rigs has dropped significantly and now sits at a new record low. Just 82 rigs were producing gas last week, down from 140 during the same period last year and 274 rigs below the peak of 356 in late 2014. In addition to the reduction in production, we are experiencing an uptick in natural gas being used in electric generation; further restricting gas from moving into storage.

Our concern: If production remains low and more gas is diverted into power generation, we could see a significant loss in gas storage. This would signal a tightening in the supply-demand balance and possibly send prices further upward. This marks an important (and negative) change in gas prices.

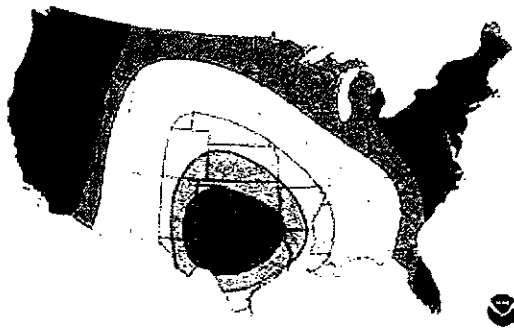
Week of May 27	Week of April 29	Net Change	Last Year	Prior 5-Yr Average
2,907 Bcf	2,625 Bcf		2,195 Bcf	2,154 Bcf

Weather Forecast: Temperatures Are Predicted to be at or Above Normal this Summer
Regionally, June temperatures look to be cooler in Oklahoma and Texas, well above normal in the Pacific Northwest, and normal to above-normal in the remaining Continental U.S.

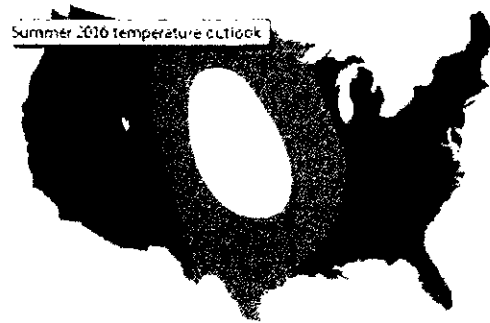
The summer months, June through August, are expected to bring well above average temperatures for the entire West Coast states and the New England states.

If temperatures become above normal for the summer, we will see higher electric demands due to increased air conditioning loads. These AC loads may cause natural gas generation to ramp up faster than expected, thus reducing our storage levels. Any marked storage decreases could send gas prices higher.

30-day Temperature Outlook



3-Month Outlook (6/2016 to 8/2016)



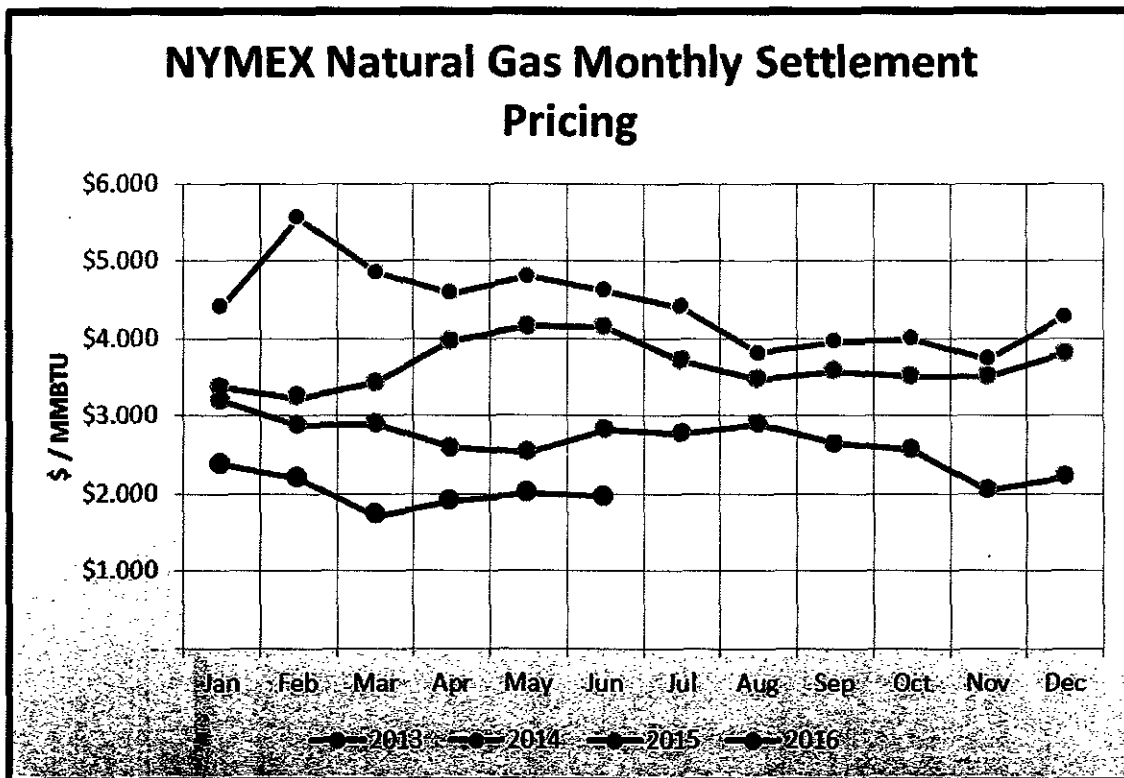
Temperature outlook source: National Oceanic and Atmospheric Administration

Energy Prices

Natural Gas Prices Jump 17% since Last Month

In our last Energy Outlook, prices began to move up; surpassing the \$2.00/MMBTU threshold. Since then, prices have started to spike to \$2.45, an increase of 17%. This is the highest we've experienced since January 8th of this year. The drop in production, warm weather conditions for the summer, and the increase in exports to Mexico are all driving the prices up.

The first week of June has delivered 5 new intra-day trading highs going back to last spring. Front-month prices are up 23% in June (so far).



Bottom Line

Prices Have Jumped - We May Not See Prices Under \$2.00 Again

Prices have spiked and the market conditions do not look favorable in the short-term. Driving the price increase is the large reduction in natural gas production and the warm weather forecast. With natural gas prices at historic lows for the first 5 months of 2016, producers began to shut down uneconomical production sites and slowed the drilling of new rigs. Supply decreased at the same time the demand for natural gas-fired electric generation increased.

Unless summer temperatures get cooler or producers decide to open up the rigs, prices are likely to continue their upward drive.

The good news is prices are still low relative to the past 5 years. The question is: How long are you going to wait and watch prices rise before deciding to lock in your winter 2017 prices rates?

To learn more about AUM's Energy Management solutions, [click here.](#)

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| [Log In](#)

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