

O'BRIEN & RYAN, LLP

ATTORNEYS AT LAW

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www.obrlaw.com

ANTHONY P. DeMICHELE
Direct Dial: (610)-834-6235
Email: ademichele@obrlaw.com

November 18, 2014

Secretary of the Commission
Keystone Building
400 North Street
2nd Floor, Room N201
Harrisburg, PA 17120

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SECRETARY'S BUREAU

RE: AUI Associates, Inc.
Our File No.: 91970.00002

Dear Sir/Madam:

This office represents AUI Associates, Inc. Enclosed herewith for filing, please find the following:

- Signed and notarized NGS License Application on behalf of AUI Associates, Inc.;
- CD-ROM containing a searchable PDF of the NGS License Application; and
- Check No. 64026 in the amount of \$350 for the cost of filing.

Please file this application with the Pennsylvania Public Utility Commission and mail acknowledgement of its acceptance to Len Chylack, President.

If you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,



ANTHONY P. DeMICHELE

APD/jjp

Enclosures

cc: Office of Consumer Advocate (w/ enclosure)
Office of the Attorney General, Bureau of Consumer Protection (w/ enclosure)
Office of the Small Business Advocate (w/ enclosure)
Commonwealth of Pennsylvania, Department of Revenue (w/ enclosure)
Carlos Thillet, Manager, Gas Supply and Transportation (w/ enclosure)
Nicholas LaPergola, Philadelphia Gas Works (w/ enclosure)

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of AUI Associates, Inc., for approval to offer, render, furnish, or supply natural gas supply services as a(n) specified in item #4b below to the public in the Commonwealth of Pennsylvania (Pennsylvania).

To the Pennsylvania Public Utility Commission:

1. IDENTIFICATION AND CONTACT INFORMATION

- a. **IDENTITY OF THE APPLICANT:** Provide name (including any fictitious name or d/b/a), primary address, web address, and telephone number of Applicant:

AUI Associates, Inc.
 1122 Nottingham Drive
 West Chester, PA 19380-4055
 www.energyconsulting.com
 (610) 517-3362 phone / (610) 692-4411 fax

- b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT:** If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

N/A

- c. **REGULATORY CONTACT:** Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

Len D. Chylack, President (ldchylack@energyconsulting.com)
 AUI Associates, Inc.
 1122 Nottingham Drive
 West Chester, PA 19380-4055
 (610) 517-3362 phone / (610) 692-6544 office / (610) 692-4411 fax

- d. **ATTORNEY:** Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

Anthony P. DeMichele, Esquire (ademichele@obrlaw.com)
 O'Brien & Ryan, LLP
 Hickory Pointe
 2250 Hickory Road, Suite 300
 Plymouth Meeting, PA 19462
 (610) 834-8800 phone / (610) 834-1749 fax

- e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** Provide the name, title, address, telephone number, fax number, and e-mail of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Natural Gas Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed NGSS.

Len D. Chylack, President (ldchylack@energyconsulting.com)
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 West Chester, PA 19380-4055
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2. **BUSINESS ENTITY FILINGS AND REGISTRATION**

a. **FICTITIOUS NAME:** *(Select appropriate statement and provide supporting documentation as listed.)*

The Applicant will be using a fictitious name or doing business as ("d/b/a")

Provide a copy of the Applicant's filing with Pennsylvania's Department of State Pursuant to 54 Pa. C.S. §311.

Or

The Applicant will not be using a fictitious name.

b. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:**

(Select appropriate statement and provide supporting documentation. As well, understand that Domestic means being formed within Pennsylvania and foreign means being formed outside Pennsylvania.)

The Applicant is a sole proprietor.

- If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

Or

The Applicant is a:

- domestic general partnership (*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above.
- Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.
- Provide the state in which the business is organized/formed and provide a copy of the Applicant's charter documentation.
- * If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

or

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The Applicant is a:

- domestic corporation (15 Pa. C.S. §1308)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other (Describe):

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above. See Exhibits "B" and "D" attached.
- Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation. See Exhibit "A" attached.
- Give name and address of officers.

Len A. Chylack, CEO
1122 Nottingham Drive
West Chester, PA 19380

Len D. Chylack, President
2019 Fawn Lane
Coatesville, PA 19320

Catherine Chylack
Secretary/Treasurer
1122 Nottingham Drive
West Chester, PA 19380

3. AFFILIATES AND PREDECESSORS

(both in state and out of state)

- a. **AFFILIATES:** Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

N/A

- b. **PREDECESSORS:** Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

N/A

4. OPERATIONS

a. **APPLICANT'S PRESENT OPERATIONS:** *(select and complete the appropriate statement)*

Definitions

- Supplier – an entity which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of an natural gas distribution company
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of natural gas but does not take title to the natural gas.

- The Applicant is presently doing business in Pennsylvania as a
- natural gas interstate pipeline
 - municipality providing service outside its municipal limits
 - local gas distribution company
 - retail supplier of natural gas services in the Commonwealth
 - a natural gas producer
 - a broker/marketer engaged in the business of supplying natural gas services
 - Other. (Identify the nature of service being rendered)

or

- The Applicant is not presently doing business in Pennsylvania.

b. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- Supplier or Aggregator of natural gas services
- Municipal supplier of natural gas services
- Cooperative supplier of natural gas services
- Broker/Marketer engaged in the business of supplying natural gas services
 - Check here to verify that your organization will not be taking title to the natural gas nor will you be making payments for customers.
- Other (Describe):

c. **PROPOSED SERVICES:** Describe in detail the natural gas supply services which the Applicant proposes to offer.

Determining savings on natural gas fixed rate plans that are best for our customers.

d. **PROPOSED SERVICE AREA:** Check the box of each Natural Gas Distribution Company for which the Applicant proposes to provide service.

- | | |
|---|--|
| <input type="checkbox"/> Columbia | <input checked="" type="checkbox"/> Philadelphia Gas Works |
| <input type="checkbox"/> National Fuel Gas | <input type="checkbox"/> UGI Central Penn |
| <input checked="" type="checkbox"/> PECO | <input type="checkbox"/> UGI Penn natural |
| <input type="checkbox"/> Peoples Gas – Equitable Div. | <input type="checkbox"/> UGI Utilities |
| <input type="checkbox"/> Peoples Natural Gas | <input type="checkbox"/> Valley Energy |
| <input type="checkbox"/> Peoples TWP | <input type="checkbox"/> All of the above |

e. **CUSTOMERS:** Applicant proposes to provide services to:

- Residential Customers
- Small Commercial Customers - (Less than 6,000 Mcf annually)
- Residential and Small Commercial as Mixed Meter ONLY (CANNOT BE TAKEN WITH RESIDENTIAL AND/OR SMALL COMMERCIAL ABOVE)
- Large Commercial Customers - (6,000 Mcf or more annually)
- Industrial Customers
- Governmental Customers
- All of above
- Other (Describe):

f. **START DATE:** Provide the approximate date the Applicant proposes to actively market within the Commonwealth.

As soon as possible.

5. COMPLIANCE

- a. **CRIMINAL/CIVIL PROCEEDINGS:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.

No.

- b. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

N/A

- c. **CUSTOMER/REGULATORY/PROSECUTORY ACTIONS:** Identify all formal or escalated actions or complaints filed with or by a customer, regulatory agency, or prosecutory agency against the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, for the prior five (5) years, including but not limited to customers, Utility Commissions, and Consumer Protection Agencies such as the Offices of Attorney General. If the Applicant has no actions or complaints to list, explicitly state such.

N/A

- d. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any actions listed above.

N/A

6. PROOF OF SERVICE

(Example Certificate of Service is attached at Appendix C)

- a.) **STATUTORY AGENCIES:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, provide proof of service of a signed and verified Application with attachments on the following:

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Office of the Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

b.) **NGDCs:** Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, provide Proof of Service of the Application and attachments upon each of the Natural Gas Distribution Companies the Applicant proposed to provide service in. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14. Contact information for each NGDC is as follows.

<p>Columbia Gas of PA, Inc. Thomas C. Heckathorn 200 Civic Center Drive Columbus, OH 43215 PH: 614.460.4996 FAX: 614.460.6442 theckathorn@nisource.com</p>	<p>Peoples Gas – Equitable Division Lynda Petrichevich 375 North Shore Drive, Suite 600 Pittsburg, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 e-mail: Lynda.w.petrichevich@peoples-gas.com</p>
<p>National Fuel Gas Distribution Corp. David D. Wolford 6363 Main Street Williamsville, NY 14221 PH: 716.857.7483 FAX: 716.857.7479 e-mail: wolfordd@natfuel.com</p>	<p>PECO Carlos Thillet, Manager, Gas Supply and Transportation 2301 Market Street, S9-2 Philadelphia, PA 19103 PH: 215.841.6452 Email: carlos.thillet@exeloncorp.com</p>
<p>The Peoples Natural Gas Company Lynda Petrichevich 375 North Shore Drive, Suite 600 Pittsburg, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 e-mail: Lynda.w.petrichevich@peoples-gas.com</p>	<p>Philadelphia Gas Works Nicholas LaPergola 800 West Montgomery Avenue Philadelphia, PA 19122 PH: 215.684.6278 email: nicholas.lapergola@pgworks.com</p>
<p>Peoples TWP LLC (Formerly T. W. Phillips) Lynda Petrichevich 375 North Shore Drive, Suite 600 Pittsburg, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 e-mail: Lynda.w.petrichevich@peoples-gas.com</p>	<p>UGI David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 Email: dlahoff@ugi.com</p>
<p>UGI Central Penn David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 Email: dlahoff@ugi.com</p>	<p>UGI Penn Natural David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 Email: dlahoff@ugi.com</p>
<p>Valley Energy Inc. Robert Crocker 523 South Keystone Avenue Sayre, PA 18840-0340 PH: 570.888-9664 FAX: 570.888.6199 email: bobc@ctenterprises.org</p>	

7. FINANCIAL FITNESS

- a. **BONDING:** In accordance with 66 Pa. C.S. Section 2208(c), no natural gas supplier license shall be issued or remain in force unless the applicant or holder furnishes a bond or other security in a form and amount to ensure the financial responsibility of the natural gas supplier. The criteria used to determine the amount and form of such bond or other security shall be set by each NGDC. Provide documentation that the applicant has met the security requirement of each NGDC by submitting the letters sent by the NGDCs stating what bonding amounts they require.

N/A

- b. **FINANCIAL RECORDS, STATEMENTS, AND RATINGS:** Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient)
- Applicant's accounting statements, including balance sheet and income statements for the past two years.
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form, evidence of Moody's, S&P, or Fitch ratings, and/or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements exhibiting accounts over a minimum two year period.
- Bank account statement, tax returns from the previous two years, or any other information that demonstrates Applicant's financial fitness.

See Exhibits "E", "F", "H" and "I" attached.

- c. **SUPPLIER FUNDING METHOD:** If Applicant is operating as anything other than **Broker/Marketer only**, explain how Applicant will fund its operations. Provide all credit agreements, lines of credit, etc., and elaborate on how much is available on each item.

N/A

- d. **BROKER PAYMENT STRUCTURE:** If applicant is a broker/marketer, explain how your organization will be collecting your fees.

AUI Associates, Inc.'s fees are paid by AUI Associates, Inc.'s natural gas suppliers.

- e. **ACCOUNTING RECORDS CUSTODIAN:** Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

Len A. Chylack, CEO
1122 Nottingham Drive
West Chester, PA 19380
(610) 517-3362 phone / (610) 692-4411 fax
lachylack@energyconsulting.com

Len D. Chylack, President
1122 Nottingham Drive
West Chester, PA 19380
(610) 517-3362 phone / (610) 692-4411 fax
ldchylack@energyconsulting.com

- f. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix D to this application.

All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identifications numbers (items 7A through 7C) shall be accompanied by supporting documentation or an explanation validating the absence of such information.

Items 7A and 7C on the Tax Certification Statement are designated by the Pennsylvania Department of Revenue. Item 7B on the Tax Certification Statement is designated by the Internal Revenue Service.

8. TECHNICAL FITNESS:

To ensure that the present quality and availability of service provided by natural gas distribution companies does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided.

- a. **EXPERIENCE, PLAN, STRUCTURE:** such information may include:

- Applicant's previous experience in the natural gas industry.
- Summary and proof of licenses as a supplier of natural gas services in other states or jurisdictions.
- Type of customers and number of customers Applicant currently serves in other jurisdictions.
- Staffing structure and numbers as well as employee training commitments.
- Business plans for operations within the Commonwealth.
- Any other information appropriate to ensure the technical capabilities of the Applicant.

See Exhibit "I" attached.

- b. **PROPOSED MARKETING METHOD** (check all that apply)

- Internal – Applicant will use its own internal resources/employees for marketing
- External NGS – Applicant will contract with a **PUC LICENSED NGS**
- Affiliate – Applicant will use a **NON-NGS affiliate that is a nontraditional marketer and/or marketing services consultant**
- External Third-Party – Applicant will contract with a **NON-NGS third party nontraditional marketer and/or nonselling marketer**
- Other (Describe):

c. **DOOR TO DOOR SALES:** Will the Applicant be implementing door to door sales activities?

- Yes
 No

If yes, will the Applicant be using verification procedures?

- Yes
 No

If yes, describe the Applicant's verification procedures.

d. **OVERSIGHT OF MARKETING:** Explain all methods Applicant will use to ensure all marketing is performed in an ethical manner, for both employees and subcontractors.

AUI Associates, Inc. provides continuing education and training through the year to all AUI's sales and office staff on the company's current marketing programs including proper sales techniques to be performed in an ethical manner.

e. **OFFICERS:** Identify Applicant's chief officers, and include the professional resumes for any officers directly responsible for operations.

Len D. Chylack, President

9. DISCLOSURE STATEMENT:

DISCLOSURE STATEMENTS: If proposing to serve Residential and/or Small Commercial (less than 6,000 Mcf annually) Customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix E to this Application.

Natural gas should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

Not applicable for an applicant applying for a license exclusively as a broker/marketer.

10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

- a. **STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission. Further, the Applicant agrees that it must comply with and ensure that its employees, agents, representatives, and independent contractors comply with the standards of conduct and disclosure set out in Commission regulations at 52 Pa. Code § 62.114.

AGREED

- b. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission:

- **Reports of Gross Receipts:** Applicant shall file an annual report with the Commission on an annual basis no later than April 30th following the end of the calendar year per 52 Pa. Code § 62.110.

AGREED

- c. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. § 2208(d). Transferee will be required to file the appropriate licensing application.

AGREED

- d. **ASSESSMENT:** The Commission does not presently assess Natural Gas Suppliers for the purposes of recovery of regulatory expenses.

ACKNOWLEDGED

- e. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur to the information upon which the Commission relied in approving the original filing. See 52 Pa. Code § 62.105.

AGREED

- f. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

AGREED

g. NOTIFICATION OF CHANGE: If your answer to any of these items changes during the pendency of your application or if the information relative to any item herein changes while you are operating within the Commonwealth of Pennsylvania, you are under a duty to so inform the Commission, within thirty (30) days, as to the specifics of any changes which have a significant impact on the conduct of business in Pennsylvania. See 52 Pa. Code § 62.105.

AGREED

h. CEASING OF OPERATIONS: Applicant is also required to officially notify the Commission if it plans to cease doing business in Pennsylvania, 90 days prior to ceasing operations.

AGREED

i. FEE: The Applicant has enclosed or paid the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

PAYMENT ENCLOSED

11. AFFIDAVITS

a.) **APPLICATION AFFIDAVIT:** Complete and submit with your filing an officially notarized Application Affidavit stating that all the information submitted in this application is truthful and correct. An example copy of this Affidavit can be found at Appendix A.

b.) **OPERATIONS AFFIDAVIT:** Provide an officially notarized affidavit stating that you will adhere to the Public Utility Code of Pennsylvania and applicable federal and state laws. An example copy of this Affidavit can be found at Appendix B.

12. NEWSPAPER PUBLICATIONS

Notice of filing of this Application must be published in newspapers of general circulation covering each county in which the applicant intends to provide service. Below is a list of newspapers which cover the publication requirements for Natural Gas Suppliers looking to do business in Pennsylvania.

The newspapers in which proof of publication are required is dependent on the service territories the applicant is proposing to serve. The chart below dictates which newspapers are necessary for each NGDC. If the applicant is proposing to serve the entire Commonwealth, please file proof of publication in all seven newspapers.

Please file with the Commission the Certification of Publication, along with a Photostatic copy of the notice to complete the notice requirements.

Proof of newspaper publications must be filed with the initial application. Applicants **do not** need a docket number in their publication. Docket numbers will be issued when all criteria on the item 14 checklist (see below) are satisfied.

	Erie Times-News	Harrisburg Patriot-News	Philadelphia Daily News	Pittsburg Post-Gazette	Scranton Times-Tribune	Williamsport Sun-Gazette	Johnstown Tribune-Democrat
Columbia Gas	X	X		X		X	X
Equitable Gas	X			X			
National Fuel Gas				X			
PECO			X				
Peoples Natural Gas	X			X			X
Peoples TWP LLC				X			
Philadelphia Gas Works			X				
UGI		X	X		X		
UGI Central Penn	X	X	X	X	X	X	X
UGI Penn Natural		X			X	X	
Valley Energy					X	X	
Entire Commonwealth	X	X	X	X	X	X	X

(Example Publications are provided at Appendices F and G)

13. SIGNATURE

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NOV 21 2014

Applicant: AUI Associates, Inc.

By: *Lena D. Chyca*
 Title: Pres.

PA PUBLIC UTILITY COMMISSION
 SECRETARY'S BUREAU

14. CHECKLIST

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections is complete.

Applicant: AUI Associates, Inc.

Applicant's Use	Signature	PUC Secretary's Bureau Use
	Filing Fee	
	Application Affidavit	
	Operations Affidavit	
	Proof of Publication	
	Tax Certification Statement	
	Commonwealth Department of State Verification	
	Certificate of Service	

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APPLICATION AFFIDAVIT

NOV 21 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Commonwealth of Pennsylvania :

ss.

County of Chester :

AUI Associates, Inc., Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the President of AUI Associates, Inc.;

That he is authorized to and does make this affidavit for said Applicant;

That the Applicant herein AUI Associates, Inc. has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as a natural gas supplier pursuant to 66 Pa. C.S. § 2208 (c)(1).

That the Applicant herein AUI Associates, Inc. has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein AUI Associates, Inc. acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein AUI Associates, Inc. acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

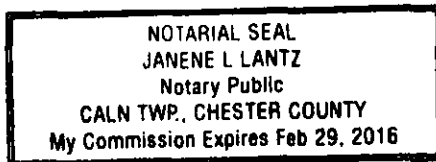
That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

Len J. Chylak
Signature of Affiant

Sworn and subscribed before me this 10th day of November, 2014.

Janene Lantz
Signature of official administering oath

My commission expires Feb. 29th 2016



Appendix B

OPERATIONS AFFIDAVIT

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SECRETARY'S BUREAU

Commonwealth of Pennsylvania :

: ss.

County of Chester :

Len D. Chylack, Affiant, being duly [sworn/affirmed] according to law,
deposes and says that:

He is the President of AUI Associates, Inc.;

That he is authorized to and does make this affidavit for said Applicant;

That AUI Associates, Inc., the Applicant herein, acknowledges that [Applicant] may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That AUI Associates, Inc., the Applicant herein, asserts that [he/she/it] possesses the requisite technical, managerial, and financial fitness to render natural gas supply service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That AUI Associates, Inc., the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 22 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28 shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional natural gas sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

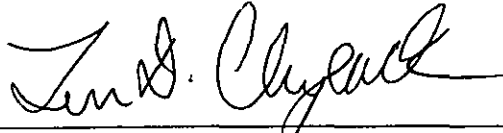
Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

Appendix B (Continued)

That AUI Associates, Inc., the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506 and the standards and billing practices of 52 PA. Code Chapter 56.


That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Office of Communications or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.



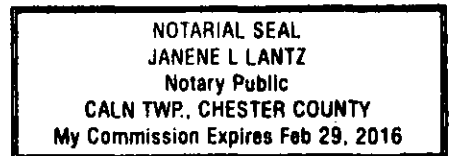
Signature of Affiant

Sworn and subscribed before me this 10th day of November, 2014.



Signature of official administering oath

My commission expires Feb. 29th 2016.



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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit "A"

SHAREHOLDERS AGREEMENT

AGREEMENT made and entered this day of 1991, by and among Leonard A. Chylack, Leonard D. Chylack, Catherine Chylack and Michael Chylack, all residing at 1122 Nottingham Drive, West Chester, Pennsylvania, 19380, (hereinafter sometimes referred to individually as "Shareholder" or collectively as "Shareholders"); and AUI ASSOCIATES, INC., (the "Corporation"), a Pennsylvania corporation presently having its principal place of business at 1122 Nottingham Drive, West Chester, Pa. 19380.

W I T N E S S E T H

WHEREAS all of the issued and outstanding shares of stock of the Corporation are owned by each of the Shareholders as follows:

Leonard A. Chylack	47%
Leonard D. Chylack	47%
Catherine Chylack	5%
Michael Chylack	1%

WHEREAS the Shareholders hereto deem it to be in the best interest of the Corporation to act together concerning the management and operation of the Corporation as well as to make provision for the contingency of the death of any Shareholder and to set forth the manner and method by which a Shareholder may sell his stock during his lifetime.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

FIRST: MANAGEMENT AND OPERATION OF THE CORPORATION

A. Directors and Officers

Each of the Shareholders shall vote to elect the following persons as Directors of the Corporation:

Leonard A. Chylack
Leonard D. Chylack
Catherine Chylack
Michael Chylack

The Officers of the Corporation shall be the following persons:

Leonard A. Chylack	Chief Executive Officer
Leonard D. Chylack	President
Catherine Chylack	Secretary/Treasurer

B. Checks

All checks issued on the corporate bank account shall require the signing of any one (1) of the officers signing singly.

C. Voting

All parties hereby ratify and approve the provision of the Certificate of Incorporation which requires over fifty three percent (53%) of the Directors and/or Shareholders shares to constitute a quorum at any meeting of the Directors and/or Shareholders and over fifty three percent (53%) of the votes of all Shareholders shares to pass any matters at any meetings of Directors and/or Shareholders. In the event of the death of one or any number of the above-named Shareholders, one hundred percent (100%) of the remaining Directors and/or Shareholders shall be required to constitute a quorum and a one hundred percent (100%) vote of the remaining Shareholders shall be required to pass any matters at any meeting of the Directors and/or Shareholders.

D. Employment

In the event that any Shareholder is in need of employment, the Corporation agrees to employ said Shareholder, and the Corporation shall pay and said Shareholder shall accept such compensation as may be granted by the Board of Directors.

E. Indemnification

To the extent that any Shareholder suffers a loss by virtue of having either any personal liability for debts of the Corporation incurred in the ordinary course of business or by virtue of having advanced funds or other property on behalf of the Corporation or guaranteeing the Corporation's credit or any similar obligation, then and in either of such events, each of the other Shareholders severally agrees to indemnify and hold such Shareholders harmless for a percentage of such loss as may be equal to the percentage of stock ownership of the indemnifying Shareholder. It is the intent of the foregoing to provide that all such losses are to be borne by the Shareholders in the same proportion as their stock interest in the Corporation.

SECOND: DEATH OF A SHAREHOLDER

A. Offer

In the event of the death of a Shareholder, the legal representative of his estate shall be required to sell decedent's shares of stock of the Corporation and offer them as follows:

To the surviving Shareholders, pro-rata, in the same percentage as the shares held by each. If any Shareholder fails to accept or indicates his unwillingness to purchase that portion of said shares offered to him, said shares shall be deemed to have been offered to the other Shareholders on a pro-rata basis.

B. Acceptance

Acceptance of the offer, as set forth above, is to be exercised in writing within thirty (30) days from the date of death.

C. Purchase Price

The purchase price for the decedent's shares shall be set forth in the Article herein entitled "PURCHASE PRICE", and the

manner of payment therefor shall be as set forth in the Article of this Agreement entitled "MANNER OF PAYMENT".

D. Closing

Closing shall be held at the office of the attorney for the Corporation on a date and at a time to be mutually agreed upon, but no later than thirty (30) days after either the determination of the purchase price or appointment of a legal representative for the decedent's estate, whichever is later. The Article of this Agreement entitled "CLOSING" sets forth the documents and papers to be executed and/or delivered at closing.

E. Failure to Purchase

In the event the surviving Shareholders fail or refuse to purchase any or all of the shares of a deceased shareholder, the disposition of such remaining shares shall be as set forth in his or her estate or under the intestate laws.

THIRD: LIFETIME SALE OF SHARES

A. Restrictions on Sale

No Shareholder of the Corporation shall sell, transfer, pledge, hypothecate or assign or in any way dispose of all or any part of his stock except by sale to the Corporation or the other Shareholders, as hereinafter provided.

B. Offer and Acceptance

In the event a Shareholder desires to dispose of his stock in the Corporation, he shall offer, by certified mail, all of his shares to the remaining Shareholders, pro-rata, in the same percentage of the shares held by each and at the purchase price set forth herein. The remaining Shareholders shall have the first option to purchase as many of the shares as they can legally purchase. If they cannot legally purchase all of the stock or fail to indicate acceptance of the offer by certified mail within thirty (30) days from the receipt of the offer, then the Corporation shall have the option to purchase all of the remaining balance of said shares. The Corporation, if it desires to purchase the stock as offered, shall indicate its acceptance by certified mail to the seller within sixty (60) days after the receipt of the original offer. In the event that the Corporation purchases the stock, each Shareholder shall have the option of purchasing, with six percent (6%) interest, said shares, pro-rata, to the percentage of shares held by each for a period of one (1) year. If any shareholder fails to purchase that portion of said shares available to him, said shares shall be deemed to be available to the other shareholders on a pro-rata basis.

C. Purchase Price

The purchase price shall be as stated in the Article of this Agreement entitled "PURCHASE PRICE" and the purchase price shall be paid pursuant to the Article of this Agreement entitled "CLOSING".

D. Closing

Closing shall be held no later than thirty (30) days after acceptance and shall take place at the office of the attorney for the Corporation at a time to be mutually agreed upon between the parties. At closing, the selling Shareholder shall deliver to the purchaser his shares of stock duly endorsed for transfer, with the appropriate transfer tax stamps affixed thereon, together with his resignation as an officer and director of the Corporation and an instrument stating that he is terminating any employment agreement with the Corporation, if he or she entered into such an agreement.

E. Failure to Purchase

In the event the remaining Shareholders and the Corporation are not able to purchase all or part of said shares or refuse to purchase all or the balance of such shares, as hereinbefore provided, then and in any of such events, said shares can be offered to any willing outside purchaser.

FOURTH: PURCHASE PRICE

A. Method

The purchase price, in the event of a lifetime sale, pursuant to the Article of this Agreement, shall be as follows:

The price shall be the book value of the offering Shareholder's shares of stocks calculated in the quarterly report of the quarter immediately prior to the one in which the offer occurred. Book value for this purpose shall be determined in accordance with generally accepted accounting principles provided, however, good will or other intangible assets shall be considered to have no value. The determination of the book value shall be binding and conclusive upon all parties.

B. Liability Indemnification

1. The representative of the deceased Shareholder shall indemnify the Corporation against any and all claims or liabilities of the Corporation of any nature existing as of the dates the purchase price is determined to the extent that such claims or liabilities are not reflected or reserved against in full on the books and records of the Corporation including, but not limited to, taxes due to any governmental authority for any period prior to date. The liability hereunder shall be limited to such proportionate stock interest sold by the estate of deceased Shareholder. The foregoing indemnification shall be a continuing one and survive closing.

2. The legal representative shall be entitled to prompt notification by the Corporation of any such additional claims or liabilities and have the right, at his cost and expense, to participate in any such proceedings, legal or otherwise, in connection therewith. Unless such notification is given, the foregoing obligation of indemnification shall terminate.

FIFTH: CLOSING

A. Items at Closing

1. The legal representative of a deceased Shareholder shall be required to deliver appropriate tax waiver and a Certificate of Letters Testamentary or Letters of Administration to the attorney for the purchaser upon receipt of purchase price in full or in cash and notes as provided in "A" above.

2. All credit cards and corporate property of the deceased Shareholder shall be delivered to the Corporation. Seller shall agree to indemnify the Corporation against expenses incurred on such credit cards or otherwise by the Seller which do not appear on the books and records or were not made in the ordinary course of business.

B. Loans

Any loans owed to the Corporation by the deceased or selling Shareholder shall be paid to the Corporation out of first monies received on the sale of the shares hereunder and any loans owed to the deceased or selling Shareholder by the Corporation shall be paid at the time of closing.

SIXTH: CORPORATE SURPLUS

In the event the Corporation shall not have sufficient surplus to permit it to lawfully purchase the deceased or selling Shareholder's shares of stock, as set forth in this Agreement, the surviving Shareholders and the Seller may promptly take such lawful measures (if any measures are available), as may be appropriate or necessary in order to enable the Corporation to lawfully purchase and pay for Seller's shares of stock.

SEVENTH: ILLEGALITY

If any provisions of this Agreement shall be determined by the arbitrators, or any Court having jurisdiction, to be invalid, illegal or unenforceable, the remainder of this Agreement shall not be affected thereby but shall continue in full force and effect as though such invalid, illegal or unenforceable provision or provisions were not originally a part hereof.

EIGHTH: WAIVER

No waiver or modification of any of the provisions of this Agreement or any of the rights or remedies of the parties hereto shall be valid unless such change is in writing, signed by the party to be charged therewith. No waiver of any of the provisions of this Agreement shall be deemed a waiver of any other provision.

History of AUI Associates, Inc

AUI Associates, Inc, (AUI) has been an energy leader in the natural gas industry since 1994. As a retail marketer of Energy, AUI has a proven history of experience which allows us to offer our clients the most cost-effective programs in the industry. AUI works with our clients to design a strategy that allows their business to take full advantage of the deregulated energy markets.

AUI's customers were the *first* PECO firm customers to start saving back in 1994! AUI's original gas customers are still with us strong today, 20 years later. AUI's aggregation expertise allows customers to achieve saving discounts that the largest users enjoy.

AUI's customers were the *first to save* on PECO's "Lvt" low volume transportation back in 2001.

AUI has been through the lows of the early 1990's to the runaway high's starting after 9/11, peaking post "Katrina", then back to the lows with the recent "shale" gas boom and the latest December 2013 to February 2014 weather related spike in prices. AUI possesses the expertise and experience to utilize the best tools to manage this volatile market expense.

AUI's electric deregulation experience goes back to 1998! AUI was heavily involved in Pennsylvania's 1st electric deregulation phase in the late 1990's to early 2000.

AUI works with our clients to design a strategy that allows their business model to take full advantage of the deregulated energy markets.

AUI Company History

EXHIBITA-13

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Exhibit "B"



Corporations

Online Services | Corporations | Forms | Contact Corporations | Business Services

Business Entity Filing

History

Date: 7/14/2014 (Select the link above to view the Business Entity's Filing History)

Business Name History

Name	Name Type
AUI ASSOCIATES, INC.	Current Name

Business Corporation - Domestic - Information

Entity Number:	2049109
Status:	Active
Entity Creation Date:	9/13/1991
State of Business.:	PA
Registered Office Address:	1122 NOTTINGHAM DR WEST CHESTER PA 19380-0 Chester
Mailing Address:	No Address

Officers

Name:	LEONARD D CHYLACK
Title:	President
Address:	1122 NOTTINGHAM DR WEST CHESTER PA 19380-4055

Name:	CATHERINE CHYLACK
Title:	Secretary
Address:	1122 NOTTINGHAM DR WEST CHESTER PA 19380-4055

Name:	CATHERINE CHYLACK
--------------	-------------------

Title: **Treasurer**
Address: 1122 NOTTINGHAM DR
WEST CHESTER PA 19380-4055

Name: **LEONARD A CHYLACK**
Title: **Vice President**
Address: 1122 NOTTINGHAM DR
WEST CHESTER PA 19380-4055.

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Privacy Policy | Security Policy

AUI Associates, Inc

Experience of applicant and Key personnel

Len A. Chylack and Len D. Chylack, founders of AUI Associates, Inc, have been in the energy Business since 1990 and have been a pioneer and leader in creating retail electric and natural gas service programs that have provided savings for our clients through a variety of energy programs.

Len D. Chylack considers our clientele to be energy partners. Our goal is to provide efficient, reliable and cost effective energy supply.

AUI's president, Len D. Chylack and some of our clients were featured and quoted in a 1996 *Wall Street Journal* front page article on the emerging Natural Gas Deregulated Market.

Len D. Chylack is proud of the long-term relationship he has maintained with many AUI Associates, Inc customers.

Experience & Plans

EXHIBIT B-2

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Exhibit "C"

Reprinted from THE WALL STREET JOURNAL.

TUESDAY, APRIL 16, 1996

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Front Burner

Tired of Phone Wars? Get Ready for a Fight To Sell Natural Gas

Providers Now Can Compete,
So Armies of Salesmen
Begin to Hit the Road

Demi Moore's Big Decision

By PETER FRITSCH

Staff Reporter of THE WALL STREET JOURNAL

As Arnold Schwarzenegger and Demi Moore studied a map of the U.S. natural-gas-pipeline network, a PanEnergy Corp. salesman scripted the scene.

Through the pipelines, Houston-based PanEnergy could deliver gas to fire the ovens at the small chain of Planet Hollywood restaurants in which the two celebrities are partners. The gas, the salesman explained, would be cheaper than that sold by the local utility.

No deal has been struck with the stars, but the brief meeting in January shows the extent to which the \$70 billion retail natural-gas industry is being transformed into a major marketing enterprise, adding pizzazz to a business that has long been as colorless as a gas molecule itself.

Much in the way that long-distance competition sprang up from the break-up of AT&T Corp., natural-gas companies are competing in the wake of deregulation. Gone in ever more places around the country are the days when a small-business owner opens shop and, wanting the gas turned on, picks up the phone and automatically calls the local utility. Now more customers are getting a choice — and often a lower gas bill.

Cutting a Deal

The gas industry calls its revolution "unbundling" — separating the cost of the gas on a customer's bill from its delivery. New suppliers will use the pipelines owned by local utilities to deliver gas, much in the way Sprint Corp. or MCI Communications Corp. use local telephone companies' lines to "deliver" their long-distance service. Like their Baby Bell counterparts, local gas utilities will continue to handle service complaints, such as dispatching a

service person when a customer smells gas.

The gas industry actually began the process of deregulation in 1986, when federal regulators allowed big buyers such as steel plants to cut their own deals for the fuel. The industry took another major step in 1993 when pipelines were forced to open up their systems to third parties.

Those moves have already meant savings for the largest customers. The Archdiocese of Chicago, for example, saved \$8 million over the past five years for its 377 parishes by buying its gas from a unit of Houston-based Enron Corp. instead of local gas companies, says Jack Benware, the archdiocese's director of finance.

But smaller gas buyers, such as homeowners, haven't seen such savings. Through the first 10 months of 1995, the nationwide price that local utilities paid for gas averaged \$2.79 a thousand cubic feet; but residential customers, forced to bear the cost of everything from laying new pipes to heating programs for the poor, paid \$6.22. That gap has risen nearly 60% since 1984.

Now, though, the disparity looks like it may begin to narrow. Small gas marketers — able to take advantage of price differences between markets and free of the obligation to buy gas in bulk as big utilities do — believe they can resell gas to consumers at a lower price than local utilities can. Ultimately, the marketers hope to offer other services traditionally supplied by the local utility, like meter reading, billing and maintenance.

The big money, though, is in deregulated electricity sales. Electric companies are starting to sell natural gas with an eye toward selling retail wattage, a nascent market worth a potential \$200 billion by Enron's estimate. Indeed, analysts said that notion in part motivated Dallas-based Texas Utilities Co.'s move yesterday to purchase gas-pipeline concern Enserch Corp. The \$1.7 billion deal "better positions Texas Utilities to meet customers' total energy needs in a more competitive energy market," Texas Utilities said.

Many small businesses find they are already saving money, by buying gas from new suppliers. "I was hesitant at first because you think it's too good to be true," says George Costalas, owner of Country Squire diner in Broomall, Pa., who estimates he saved \$4,000 last year, or about 10% of his usual bill, by switching gas suppliers. "But the savings are real."

Gas marketers — who run the gamut from large, traditional pipeline companies to local start-ups — aren't just knocking

on the doors of small businesses either. Soon, homeowners in a few states will be able to choose their gas supplier. In coming days, the 10,000 customers in southeastern Wyoming now served by KN Energy Inc., a Lakewood, Colo. gas utility, will get to choose their gas supplier from a ballot of about a dozen companies. KN, bracing for the competition with Enron and others, has already offered customers a net 9% savings — which sounds pretty good to people who typically spend \$600 a year on gas.

Weather Woes

"No matter what the other guys offer, I figure we've already come out ahead," says Paul Covello, a Chevrolet dealer eating breakfast recently at Granny's Place, a restaurant in Torrington, Wyo.

There are no guarantees, of course, that everyone will benefit. Steven Hunter, an area director for Chili's Grill & Bar in southern New Jersey and Philadelphia, frowns as he looks at a \$3,300 January gas bill from Broad Street/Energy One — a 50% increase over what he paid a year ago with the local gas company. Chili's had agreed to index its bill to the price of gas in the commodities markets, in the hopes of lowering its gas costs.

But when winter temperatures plummeted, the bill for Chili's soared. Mr. Hunter agrees that over a full year, his bill may end up being lower if he sticks with Broad Street/Energy One, a unit of Utili-Corp United Inc. of Kansas City, Mo. "But," he says, "we won't find out if I can help it."

There are other headaches, too. Because gas marketers aren't always required to pay the same taxes as local utilities, some states are concerned that as marketers land more business, they will take a big bite out of tax revenues. States also have the tough job of determining what happens to the pipeline capacity a local utility is left with when customers buy gas from someone else.

Some observers wonder whether savings for customers will sustain themselves over the long term, after the initial flurry of deal-making fades and the market shakes out to just a few big players.

"Competition is good, there's no question," says Jack Zekoll, a New York Public Service Commission official. "But whether it will ultimately pay for everybody is the question."

Placing Bets

To KN, the future of gas so resembles the long-distance phone-service wars that the company recently hired away an MCI executive to oversee its marketing efforts.

(over please)

Enron has a plan in the works to offer consumers "Energy Bucks" — a program that would reward new customers with various perks like frequent-flier miles.

"You may not know us but we just might be your natural-gas supplier," reads an Enron flier mailed recently to Minnesota businesses. "An Enron representative will be calling you soon with all the details on . . . how the winds of change can blow away your energy problems."

In one experiment, Microsoft Corp., Tele-Communications Inc. and Pacific Gas & Electric Co. are field-testing a television remote control that would allow homeowners to switch gas or long-distance phone companies — as well as pay the electric bill, adjust the air conditioning and even turn on the oven.

But the real battle is being fought in the trenches, as a recent day at the side of PanEnergy gas salesman Leonard Chylack illustrates. Last May, the Houston company had just two salesmen pounding the pavement in the Northeast. Now, Mr. Chylack is one of 100, all on commission.

As he sits across from David and Greg Biles, the wary owners of the Valley Forge Brewing Co., a Pennsylvania micro-brewery and restaurant, Mr. Chylack passes them a brochure entitled "Your Passport to Savings." It shows how they will save a guaranteed 7% — equal to \$1,099 — over what they would pay with local utility Peco Energy Co. Impressed, Mr. Biles eventually agrees to sign up for a year. "Anything that saves me money sounds good," he says.

Halfway across the country, in Guernsey, Wyo., KN salesman Stan Roberts is busily handing out pocket knives, clocks and flashlights — all with the KN logo — to the company's customers. But it will take more than gadgets to keep these customers now that they have a choice. Two years ago, after 16 years without an increase, the utility raised gas rates 40%.

Brand Name Gas

Not surprisingly, with more customers up for grabs, more companies are maneuvering for their business. Major oil and gas producers, for instance, have been busy teaming up with more entrepreneurial marketers to get a piece of the action. NGC Corp. of Houston recently announced a gas marketing venture with Chevron Corp. Shell Oil Co., a unit of Royal Dutch/Shell Group, has joined forces with Tejas Gas Corp., and Mobil Corp. will market gas jointly with PanEnergy.

The goal is to develop "branded" natural gas as familiar as the gasoline sold at the corner station, says PanEnergy Chairman Paul Anderson. "One day we'll be able to send bills with Mobil's flying red horse on them."

It would seem the nation's 375 gas utilities would be doing all they could to fight off the invasion of marketers. But many utilities figure because they aren't allowed to mark up the gas they buy —

building their profit instead on services like meter reading — they have nothing to lose in letting marketers shave a few pennies from the commodity-based portion of their customers' bills.

In fact, some local utilities are even setting up their own nonregulated marketing arms to try to compete.

Shopping Around

Baltimore Gas & Electric Co. is a case in point. Through a new marketing subsidiary, BNG Inc., it now competes with 25 other marketers for the 40,000 commercial and industrial customers in Baltimore Gas's service territory. In February, 766 small companies negotiated separate gas deals, up from 220 in December and none a year ago.

How does Maryland know these customers are saving money? "If you see a higher number of customers, it's probably not because there are an increasing number of suckers out there," says Calvin Timmerman, an official with the Public Service Commission of Maryland. The state is so encouraged by the results that it plans to start a pilot program for residential customers in November.

Similarly, Long Island Lighting Co. in Hicksville, N.Y., will allow pools of residential customers to begin shopping around for natural gas through its "Naturalchoice" plan. "We've taken the view that this is going to happen and we can either get behind it or get run over by it," says Charles Daverio, Lilco's manager of gas operations.

Competition for customers flourishes most where individual states have been able to light a fire under the local utilities. The states hope that as more buyers get their gas from third parties, utilities won't have to store as much gas — a big savings that could be passed on to customers. Likewise, many experts believe that as the local utilities compete with marketers, they will adopt a more entrepreneurial approach throughout their operations; that, too, should lead to savings.

But many newly minted marketers have difficulty convincing customers that a company they have never heard of can be trusted to deliver when temperatures fall below freezing and gas is in short supply. Indeed, a number of small marketers failed to come through this winter, breaking supply contracts and leaving local gas companies holding the bag.

Fearful of what could happen if, for instance, a person freezes to death because a marketer doesn't deliver, most states have set severe fines for non-performance. Stiff a customer in Lilco's service area and it will cost you \$25 per thousand cubic feet, or more than 10 times the current market price of gas.

While such threats may intimidate some gas marketers, most are eagerly forging ahead. The market is changing so fast, says PanEnergy marketing executive Paul Hydok, "it'll make your head spin."

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SECRETARY'S BUREAU

Exhibit "D"

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE

JUNE 24, 2014

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY THAT,

AUI ASSOCIATES, INC.

is duly incorporated as a Pennsylvania Corporation under the laws of the Commonwealth of Pennsylvania and remains a subsisting corporation so far as the records of this office show, as of the date herein.

I DO FURTHER CERTIFY THAT, This Subsistence Certificate shall not imply that all fees, taxes, and penalties owed to the Commonwealth of Pennsylvania are paid.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

Carol A. Rishel

Secretary of the Commonwealth

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit "E"

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit "F"

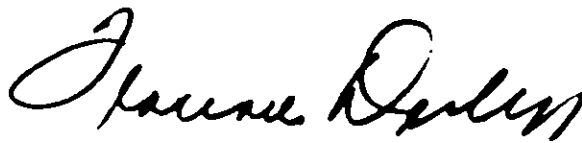
Proof of Publication in The Philadelphia Daily News
Under Act. No 587, Approved May 16, 1929

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

Florence Devlin being duly sworn, deposes and says that **The Philadelphia Daily News** is a newspaper published daily, except Sunday, at Philadelphia, Pennsylvania, and was established in said city in 1925, since which date said newspaper has been regularly issued in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said newspaper on the following dates:

October 20, 2014

Affiant further deposes and says that she is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

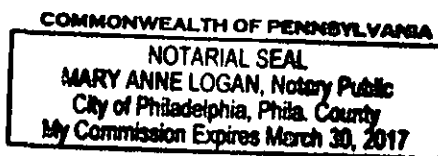


Sworn to and subscribed before me this 20th day of
October, 2014.



Notary Public

My Commission Expires:



Copy of Notice of Publication

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Application of **AUI Associates, Inc.** For Approval To Offer, Render, or Furnish Natural Gas Services as a Supplier, Aggregator, or Marketer /Broker Engaged in The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.

AUI Associates, Inc. will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a supplier or aggregator of natural gas, and (2) a broker/marketer engaged in the business of providing natural gas services. **AUI Associates, Inc.** proposes to sell natural gas and related services in PECO and Philadelphia Gas Works under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **AUI Associates, Inc.** may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3285, Harrisburg, PA 17105-3285. You should send copies of any protest to **AUI Associates, Inc.'s** attorney at the address listed below.

By and through Counsel:
Anthony P. DeMichele, Esquire
O'Brien & Ryan, LLP
Hickory Pointe
2250 Hickory Road, Suite 300
Plymouth Meeting, PA 19462
Phone: (610) 834-8800
Fax: (610) 834-1749

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit "G"

PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF THE APPLICATION OF: A-2012-2334188

The Application of AUI ASSOCIATES for approval to begin to offer, render, furnish or supply electric generation supplier services as a broker/marketer for residential, small commercial (25 kw and under demand), large commercial (over 25 kw demand), industrial, and governmental customers in the PECO electric distribution company service territory within the Commonwealth of Pennsylvania.

EFFECTIVE DATE: January 10, 2013

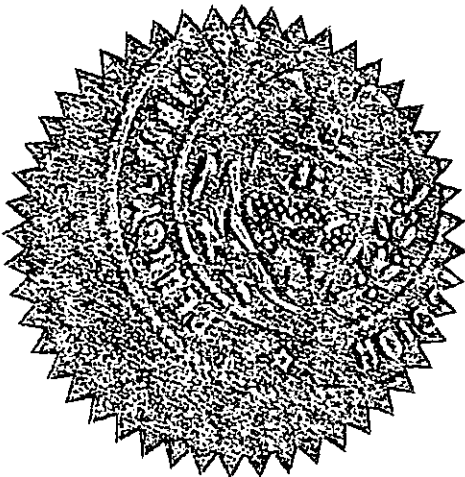
The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing, it has, by its report and order made and entered, found and determined that the granting of the application is necessary or proper for the service, accommodation, convenience and safety of the public and hereby issues, evidencing the Commission's approval, to the applicant this:

LICENSE FOR ELECTRIC GENERATION SUPPLIER.

In Witness Whereof, the PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 13th day of January 2013.



Secretary



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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit "H"



1584 Paoli Pike, West Chester, PA 19380
610 692 4755 FAX 610 692 2695

6/2/2014

Re: AUI ASSOCIATES/LEN CHYLACK

To Whom It May Concern:

This letter is to confirm that AUI Associates has had over a 20 year relationship with M&T Bank in both deposits and lending. All accounts have always been in good standing and all loans have been paid as agreed. AUI Associates currently has multiple checking accounts with average deposits in the five figure range. They also have active lines / letters of credit with us that have always been in good standing.

Len also holds a 20 plus year relationship with M&T Bank on the personal side. He currently holds multiple deposit accounts and securities accounts in the six figure range.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Gomulka', written over a horizontal line.

Jon Gomulka

Banking Officer

When dollar amounts are not considered, then approximately 100% of the company's payments are within terms.

PAYMENT SUMMARY

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Rcv'd (#)	Total Dollar Amt (\$)	Largest High Credit (\$)	Within Terms (%)	Days Slow (%)			
					<31	31-60	61-90	90>

Top industries:

Short-term busn credit	1	1,000	1,000	100	-	-	-	-
Radiotelephone commun	1	250	250	100	-	-	-	-

Other payment categories:

Cash experiences	1	50	50					
Payment record unknown	0	0	0					
Unfavorable comments	0	0	0					

Placed for collections:

With D&B	0	0						
Other	0	N/A						
Total in D&B's file	3	1,300	1,000					

The highest **Now Owes** on file is \$1,000

The highest **Past Due** on file is \$0

D&B receives over 600 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

PAYMENT DETAILS

Detailed Payment History

Date Reported (mm/yy)	Paying Record	High Credit (\$)	Now Owes (\$)	Past Due (\$)	Selling Terms	Last Sale Within (months)
05/14	Ppt	1,000	1,000	0		1 mo
02/13	Ppt	250	0	0		6-12 mos
10/12	(003)	50			Cash account	1 mo

Payments Detail Key: red = 30 or more days beyond terms

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

FINANCE

04/05/2014

The name and address of this business have been confirmed by D&B using available sources.

PUBLIC FILINGS

A check of D&B's public records database indicates that no filings were found for AUI ASSOCIATES, INC. at 1122 Nottingham Dr, West Chester PA.

D&B's extensive database of public record information is updated daily to ensure timely reporting of changes and additions. It includes business-related suits, liens, judgments, bankruptcies, UCC financing statements and business registrations from every state and the District of Columbia, as well as select filing types from Puerto Rico and the U.S. Virgin Islands.

D&B collects public records through a combination of court reporters, third parties and direct electronic links with federal and local authorities. Its database of U.S. business-related filings is now the largest of its kind.

GOVERNMENT ACTIVITY

Activity summary

Borrower (Dir/Guar):	NO
Administrative debt:	NO
Contractor:	NO
Grantee:	NO
Party excluded from federal program(s):	NO

Possible candidate for socio-economic program consideration

Labor surplus area:	N/A
Small Business:	YES (2014)
8(A) firm:	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

D&B Business Information Report

Report Printed: JUN 25 2014
In Date

BUSINESS SUMMARY

AUI ASSOCIATES, INC.

GLOBAL ENERGY RESOURCES
1122 Nottingham Dr
West Chester, PA 19380

This is a **single** location.

D-U-N-S Number: 17-190-2364

Web site: www.globalenergyresources.com

D&B Rating: --
D&B Viability Rating: 21CK

Telephone: 610 692-6544

Fax: 610 692-4411

D&B PAYDEX®:

Chief executive: LEONARD CHYLACK SR, PRES

D&B PAYDEX: 80

When weighted by dollar amount, payments to suppliers average generally within terms.

Year started: 1991

Based on up to 24 months of trade.

Employs: 4

History: INCOMPLETE

SIC: 8742

Line of business: Management consulting services

SUMMARY ANALYSIS

D&B Rating:--

The blank rating symbol should not be interpreted as indicating that credit should be denied. It simply means that the information available to D&B does not permit us to classify the company within our rating key and that further enquiry should be made before reaching a decision. Some reasons for using a "-" symbol include: deficit net worth, bankruptcy proceedings, insufficient payment information, or incomplete history information. For more information, see the D&B Rating Key.

Below is an overview of the company's rating history since 10/17/12:

D&B Rating	Date Applied
--	10/17/12

The Summary Analysis section reflects information in D&B's file as of June 23, 2014.

VIABILITY RATING ANALYSIS

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will no longer be in business within the next 12 months.

D&B VIABILITY RATING:21CK

D&B VIABILITY RATING COMPONENTS:

VIABILITY SCORE:

Viability Score is the first of four components within the D&B Viability Rating. It is a high-level risk indicator that assesses the probability that a company will no longer be in business within the next 12 months, compared to all US businesses within the D&B database. A business is no longer viable when it goes out of business, becomes dormant/ inactive or files for bankruptcy. The ranking ranges from 1 to 9 where 9 reflects the highest probability of becoming no longer viable and 1 reflects the lowest probability.

NOTE: The Viability Score is best used when ranking all businesses within your portfolio based on the probability of becoming no longer viable.

Viability Score: 2

Compared to ALL US Business within D&B Database:

- **Level of risk:** Low Risk
- **Business ranked 2 have a probability of becoming no longer viable:** 2%
- **Percentage of business ranked 2:** 4%
- **Across all US business, the average probability of becoming no longer viable:** 14%

PORTFOLIO COMPARISON:

Portfolio Comparison is the second of four components within the D&B Viability Rating. Portfolio Comparison is a more detailed risk indicator that assesses the viability of a company compared to similar businesses within the same model segment which are determined by the amount and type of data available. A business is no longer viable when it goes out of business, becomes dormant/ inactive or files for bankruptcy. Every business within the D&B database falls into 1 of the following 4 profile segments:

1. Available Financial Data.
2. Established Trade Payments.
3. Limited trade Payments.
4. Firmographics and Business Activity.

The Portfolio Comparison ranking ranges from 1 to 9 where 9 reflects the highest probability of becoming no longer viable and 1 reflects the lowest probability.

NOTE: The Portfolio Comparison is best used when analyzing the individual risk level of a company compared to businesses within the same profile segment.

Portfolio Comparison: 1

Compared to all Business within the same MODEL SEGMENT:

- **Model Segment:** Established Trade Payments
- **Level of risk:** Low Risk
- **Business ranked 1 within this model segment have a probability of becoming no longer viable:** 2%
- **Percentage of business ranked 1 within this model segment:** 11%
- **Within this model segment, the average probability of becoming no longer viable:** 5%

DATA DEPTH INDICATOR:

Data Depth Indicator is the third of four components within the D&B Viability Rating. The Depth of Data Indicator presents the level of data available for a company. Data depth assists in the assessment of whether a company will no longer be viable and includes the following:

1. Financial Attributes.
2. Commercial Trading Activity.
3. Firmographics.

The level of data is represented by a letter on a scale of A - G where A reflects the greatest level of predictive data to make a highly reliable assessment of company viability, and G reflects a minimal level of data which can be considered descriptive. The more comprehensive the data, the more precise the overall D&B Viability Rating becomes. If a company has been placed in the Special Category, a letter ranging from H-M will be assigned to identify the specific reason.

Data Depth: C

Data Depth Indicator Details:

- Rich Firmographics
- Extensive Commercial Trading Activity
- No Financial Attributes

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at <https://iupdate.dnb.com>

COMPANY PROFILE:

Company Profile is the fourth of four components within the D&B Viability Rating. The Company Profile describes a company based on a combination of 4 categories:

1. Financial Data.
2. Trade Payments.
3. Company Size.
4. Years in Business.


A company is characterized by a letter which ranges from A - X; with each letter representing a combination of the 4 categories that make up the company's profile. For example, A describes a company with a comprehensive level data, which has been in business 5+ years, with 50+ employees or \$500K+ in Sales, while X reflects a company with a minimal data, in business < 5 years, with < 10 employees or < \$10K in Sales. Y and Z reflect a Branch and Subsidiary, respectively.

Company Profile: K

Company Profile Details:

- **Financial Data:**Not Available
- **Trade Payments :** Available: 3+Trade
- **Business Size:** Small: Employees: <10 or Sales: <\$10K or Missing
- **Years in Business:**Established (Established: 5+)

CUSTOMER SERVICE

 Need help? Call Customer Service at (800) 932-0025, Monday through Friday, 8:00 AM to 6:00 PM Local Time.

HISTORY

The following information was reported **04/05/2014:**

Officer(s): LEONARD CHYLACK SR, PRES

DIRECTOR(S): THE OFFICER(S)

Incomplete history caption has been applied due to the following factor(s):
Stock ownership is undetermined.

The Pennsylvania Secretary of State's business registration file showed that AUI Associates, Inc. registered as a Corporation on September 13, 1991.

Business started 1991.

LEONARD CHYLACK SR. Antecedents are undetermined.

BUSINESS REGISTRATION

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF JUN 20 2014:

The following data is for informational purposes only and is not an official record. Certified copies may be obtained from the Pennsylvania Department of State.

Registered Name: AUI ASSOCIATES, INC.

Business type: CORPORATION

Corporation type: NOT AVAILABLE

Date incorporated: SEP 13 1991

State of incorporation: PENNSYLVANIA

Filing date: SEP 13 1991

Registration ID: 2049109

Duration: PERPETUAL

Status: ACTIVE

Where filed: SECRETARY OF STATE/CORPORATIONS DIVISION, HARRISBURG, PA

Principals: LEONARD D CHYLACK, PRESIDENT, 1122 NOTTINGHAM DR, WEST CHESTER, PA, 193804055
CATHERINE CHYLACK, SECRETARY, 1122 NOTTINGHAM DR, WEST CHESTER, PA, 193804055
CATHERINE CHYLACK, TREASURER, 1122 NOTTINGHAM DR, WEST CHESTER, PA, 193804055

OPERATIONS

04/05/2014

Description: Provides management consulting services (100%).

Employees: 4 which includes officer(s).

Facilities: Occupies premises in building.

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

87420000 Management consulting services

NAICS:

541611 Administrative Management and General Management Consulting Services

D&B PAYDEX

The D&B PAYDEX is a unique, dollar weighted indicator of payment performance based on up to 3 payment experiences as reported to D&B by trade references.

D&B PAYDEX: 80

When weighted by dollar amount, payments to suppliers average generally within terms.

Based on up to 24 months of trade.

NINTH: SURVIVAL

This Agreement shall bind the parties hereto and their respective heirs, administrators, executors, successors and assigns.

TENTH: ENDORSEMENT

All stock certificates of the Corporation shall contain an endorsement that they are subject to the terms and provisions of this Agreement.

ELEVENTH: NOTICES

All notice required to be given under this Agreement shall be sent by registered or certified mail at the respective addresses of the parties as contained in the records of the Corporation.

TWELFTH: CONSTRUCTION OF TERMS

As used in this Agreement wherever necessary or appropriate, the singular shall be deemed to include the plural and vice-versa, as the context may require.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day, month and year first above written.

AUI ASSOCIATES, INC.

RECEIVED

NOV 21 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit "I"

State of New Jersey



Board of Public Utilities

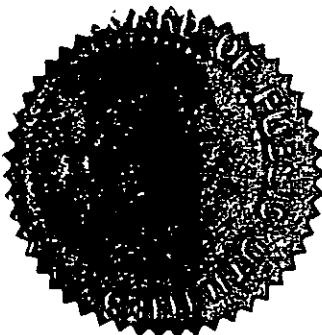
44 S. Clinton Ave., P.O. Box 350, Trenton, New Jersey 08625

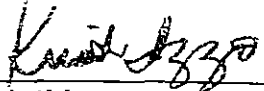
HEREBY REGISTERS

AUI Associates, Inc.
1122 Nottingham Drive
West Chester, Pennsylvania 19380-4055

To conduct business in the State of New Jersey as a

Private Aggregator





Kristi Izzo
Secretary of the Board

Registration No. PA-0146
Effective Date: November 22, 2013
Expiration Date: November 21, 2014

AUI Associates, Inc.

Providing Energy Choices since 1990

Applicant's Experience

Len A & Len D Chylack have been in the energy business since 1990 and AUI Associates, Inc. is one of the most experienced companies in the deregulated energy industry.

AUI's president, Len Chylack, was quoted in a 1996 article in the "Wall Street Journal" on the emerging deregulated natural gas industry with several of AUI's customers featured in the article.

Len Chylack has created many unique retail Natural Gas programs that saved our clients through our aggregation program.

Len Chylack monitors the energy markets and provides our clients directly with regular updates and specifically tailored strategies.

AUI conducts energy supply auctions on behalf of our clients to achieve the lowest cost possible plans and utilizes our extensive energy deregulation experience and expertise on the auction format.

AUI will only accept proposals from energy suppliers we know to be financially secure, reputable and with a strong power deregulation track record.

AUI's fees are generated on our total energy volume and paid directly by the energy suppliers.

AUI Associates, Inc.

Providing Energy Choices since 1990

Business Plan for Operations within the Commonwealth of Pennsylvania

AUI Associates, Inc. has been the undisputed pioneer & leader in the natural gas industry by generating programs that reduced our clients' energy costs since 1994!

AUI aggregated the **first** PECO firm customers to overcome the prohibitively high minimum usage requirement to start saving back in 1994! The original customers are still with us strong today, over 20 years later! Our aggregation expertise allows customers to achieve the same saving discounts only the largest users enjoy.

AUI has been through the lows of the early 90's to the runaway high's starting after September 2011 & peaking post "Katrina", & back to the lows with the recent "shale" gas boom. AUI possesses the expertise & experience to utilize the best tools to manage this volatile expense. These include fixed price, monthly market price, and basis only & triggered pricing options.

AUI's customers were the **first to save** on PECO's "LVT" Low volume transportation back in 2001!

AUI's customers include large national chains to local Mom & Pop businesses.

AUI constantly monitors the energy markets and provides our clients directly with regular updates and specifically tailored strategies.

AUI Associates, Inc. current Jurisdictions:

AUI has fifty-60 small to medium natural gas customers in the State of New Jersey.

AUI has ten-25 small to medium natural gas customers in the State of Ohio.

State of New Jersey



Board of Public Utilities

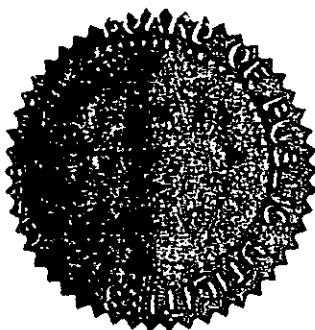
44 S. Clinton Ave., P.O. Box 350, Trenton, New Jersey 08625

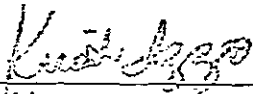
HEREBY REGISTERS

AUI Associates, Inc.
1122 Nottingham Drive
West Chester, Pennsylvania 19380-4055

To conduct business in the State of New Jersey as an

Energy Agent





Kristi Izzo
Secretary of the Board

Registration No. EA-0266
Effective Date: November 22, 2013
Expiration Date: November 21, 2014

Reprinted from THE WALL STREET JOURNAL.

TUESDAY, APRIL 16, 1990

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Front Burner

Tired of Phone Wars? Get Ready for a Fight To Sell Natural Gas

Providers Now Can Compete.
So Armies of Salesmen
Begin to Hit the Road

Demi Moore's Big Decision

By Peter Brunsal

Staff Reports of THE WALL STREET JOURNAL

As Arnold Schwarzenegger and Demi Moore studied a map of the U.S. natural-gas-pipeline network, a PanEnergy Corp. salesman scribbled the same.

Through the pipelines, Houston-based PanEnergy could deliver gas to fire the ovens at the small chain of Planet Hollywood restaurants in which the two celebrities are partners. The gas, the salesman explained, would be cheaper than that sold by the local utility.

No deal has been struck with the stars, but the brief meeting in January shows the extent to which the \$70 billion retail natural-gas industry is being transformed into a major marketing enterprise, adding pizzazz to a business that has long been as colorless as a gas molecule itself.

Much in the way that long-distance corporations sprang up from the breakup of AT&T Corp., natural-gas companies are competing in the wake of deregulation. Gone in ever more places around the country are the days when a small-business owner opens shop and, wanting the gas turned on, picks up the phone and automatically calls the local utility. Now more customers are getting a choice—and often a lower gas bill.

Cutting a Deal

The gas industry calls its revolution "unbundling"—separating the cost of the gas on a customer's bill from its delivery. New suppliers will use the pipelines owned by local utilities to deliver gas, much in the way Sprint Corp. or MCI Communications Corp. use local telephone companies' lines to "deliver" their long-distance service. Like their Baby Bell counterparts, local gas utilities will continue to handle service complaints, such as dispatching a

service person when a customer smells gas.

The gas industry actually began the process of deregulation in 1986, when federal regulators allowed big buyers such as steel plants to cut their own deals for the fuel. The industry took another major step in 1989 when pipelines were forced to open up their systems to third parties.

Those moves have already meant savings for the largest customers. The Archdiocese of Chicago, for example, saved \$8 million over the past five years for its 377 parishes by buying its gas from a unit of Houston-based Enron Corp. instead of local gas companies, says Jack Benware, the archdiocese's director of finance.

But smaller gas buyers, such as homeowners, haven't seen such savings. Through the first 10 months of 1989, the nationwide price that local utilities paid for gas averaged \$2.71 a thousand cubic feet, but residential customers, forced to bear the cost of everything from laying new pipes to heating programs for the poor, paid \$6.75. That gap has risen nearly 60% since 1987.

Now, though, the disparity looks like it may begin to narrow. Small gas marketers—able to take advantage of price differences between markets and free of the obligation to buy gas in bulk as big utilities do—believe they can resell gas to consumers at a lower price than local utilities can. Ultimately, the marketers hope to offer other services traditionally supplied by the local utility, like meter reading, billing and maintenance.

The big money, though, is in deregulated electricity sales. Electric companies are starting to sell natural gas with an eye toward selling retail wattage, a nascent market worth a potential \$90 billion by Enron's estimate. Indeed, analysts said that nation's first motivated Dallas-based Texas Utilities Co.'s move yesterday to purchase gas-pipeline concern Enbridge Corp. The \$1.7 billion deal "better positions Texas Utilities to meet customers' total energy needs in a more competitive energy market," Texas Utilities said.

Many small businesses find they are already saving money by buying gas from new suppliers. "I was hesitant at first because you think it's too good to be true," says George Cristakis, owner of Country Spring diner in Branson, Mo., who estimates he saved \$1,000 last year, or about 18% of his annual bill, by switching gas suppliers. "But the savings are real."

Gas marketers—who run the gamut from large, traditional pipeline companies to local start-ups—are not just knocking

on the doors of small businesses either. Soon, homeowners in a few states will be able to choose their gas supplier. In coming days, the 10,000 customers in southeastern Wyoming now served by KN Energy Inc., a Lakewood, Colo. gas utility, will get to choose their gas supplier from a ballot of about a dozen companies. KN, bracing for the competition with Enron and others, has already offered customers a net 1% savings—which sounds pretty good to people who typically spend \$600 a year on gas.

Weather Woes

"No matter what the other guys offer, I figure we've already come out ahead," says Paul Covello, a Chevrolet dealer eating breakfast recently at Granny's Place, a restaurant in Torrington, Wyo.

There are no guarantees, of course, that everyone will benefit. Steven Hunter, an area director for Chili's Grill & Bar in southern New Jersey and Philadelphia, frowns as he looks at a \$1,200 January gas bill from Broad Street Energy Co.—a 24% increase over what he paid a year ago with the local gas company. Chili's had agreed to index its bill to the price of gas in the commodities markets, in the hopes of lowering its gas costs.

But when winter temperatures plummeted, the bill for Chili's soared. Mr. Hunter agrees that over a full year, his bill may end up being lower if he sticks with Broad Street Energy Co., a unit of Utili-Corp United Inc. of Kansas City, Mo. "But," he says, "we won't find out if I can help it."

There are other headaches, too. Because gas marketers aren't always required to pay the same rates as local utilities, some states are concerned that as marketers land more business, they will take a big bite out of tax revenues. States also have the tough job of determining what happens to the pipeline capacity a local utility is left with when customers buy gas from someone else.

Some observers wonder whether savings for customers will sustain themselves over the long term, after the initial flurry of dealmaking fades and the market shakes out to just a few big players.

"Competition is good, there's no question," says Jack Zekoff, a New York Public Service Commission official. "But whether it will ultimately pay for everybody is the question."

Placing Bets

To KN, the future of gas so resembles the long-distance phone-service wars that the company recently hired away an MCI executive to oversee its marketing efforts.

(over page 1)

Enron has a plan in the works to offer consumers "Energy Bucks" — a program that would reward new customers with various perks like frequent-flyer miles.

"You may not know us but we just might be your natural-gas supplier," reads an Enron flier mailed recently to Minnesota businesses. "An Enron representative will be calling you soon with all the details on . . . how the winds of change can blow away your energy problems."

In one experiment, Microsoft Corp., Tele-Communications Inc. and Pacific Gas & Electric Co. are field-testing a television remote control that would allow homeowners to switch gas or long-distance phone companies — as well as pay the electric bill, adjust the air conditioning and even turn on the oven.

But the real battle is being fought in the trenches, as a recent day at the site of PanEnergy gas salesman Leonard Clayback illustrates. Last May, the Houston company had just two salesmen pounding the pavement in the Northeast. Now, Mr. Clayback is one of 100, all on commission.

As he sits across from David and Greg Miles, the wary owners of the Valley Forge Brewing Co., a Pennsylvania micro-brewery and restaurant, Mr. Clayback passes them a brochure entitled "Your Passport to Savings." It shows how they will save a guaranteed 7% — equal to \$1,000 — over what they would pay with local utility Penn Energy Co. Impressed, Mr. Miles eventually agrees to sign up for a year. "Anything that saves the money sounds good," he says.

Halfway across the country, in Casper, Wyo., KN salesman Stan Roberts is busily handing out pocket knives, clocks and flashlights — all with the KN logo — to the company's customers. But it will take more than gadgets to keep these customers now that they have a choice. Two years ago, after 18 years without an increase, the utility raised gas rates 4%.

Brand Name Gas

Not surprisingly, with more customers up for grabs, more companies are maneuvering for their business. Major oil and gas producers, for instance, have been busy teaming up with more entrepreneurial marketers to get a piece of the action. WGC Corp. of Houston recently announced a gas marketing venture with Chevron Corp. Shell Oil Co., a unit of Royal Dutch/Shell Group, has joined forces with Texas Gas Corp., and Mobil Corp. will market gas jointly with PanEnergy.

The goal is to develop "branded" natural gas as familiar as the gasoline sold at the corner station, says PanEnergy Chairman Paul Anderson. "One day we'll be able to send bills with Mobil's flying red horse on them."

It would seem the nation's 375 gas utilities would be doing all they could to hold off the invasion of marketers. But many utilities figure because they aren't allowed to mark up the gas they buy —

building their profit instead on services like meter reading — they have nothing to lose in letting marketers siphon a few pennies from the commodity-based portion of their customers' bills.

In fact, some local utilities are even setting up their own nonregulated marketing arms to try to compete.

Shopping Around

Baltimore Gas & Electric Co. is a case in point. Through a new marketing subsidiary, BNG Inc., it now competes with 25 other marketers for the 40,000 commercial and industrial customers in Baltimore Gas's service territory. In February, 788 small companies negotiated separate gas deals, up from 229 in December and more a year ago.

How does Maryland know these customers are saving money? "If you see a higher number of customers, it's probably not because there are an increasing number of suckers out there," says Calvin Thurneman, an official with the Public Service Commission of Maryland. The state is so encouraged by the results that it plans to start a pilot program for residential customers in November.

Similarly, Long Island Lighting Co. in Hicksville, N.Y., will allow pools of residential customers to begin shopping around for natural gas through its "Naturalchoice" plan. "We've taken the view that this is going to happen and we can either get behind it or get run over by it," says Charles D'averio, LILCO's manager of gas operations.

Competition for customers flourishes most where individual states have been able to light a fire under the local utilities. The states hope that as more buyers get their gas from third parties, utilities won't have to come as much gas — a big savings that could be passed on to customers. Likewise, many experts believe that as the local utilities compete with marketers, they will adopt a more entrepreneurial approach throughout their operations; that, too, should lead to savings.

But many newly minted marketers have difficulty convincing customers that a company they have never heard of can be trusted to deliver when temperatures fall below freezing and gas is in short supply. Indeed, a number of small marketers failed to come through this winter, breaking supply contracts and leaving local gas companies broiling the hog.

Fearful of what could happen if, for instance, a person freezes to death because a marketer doesn't deliver, most states have set severe fines for non-performance. Still a customer in LILCO's service area and it will cost you \$5 per thousand cubic feet, or more than 10 times the current market price of gas.

While such threats may intimidate some gas marketers, most are eagerly forging ahead. The market is changing so fast, says PanEnergy marketing executive Paul Hedek, "it'll make your head spin."

The Public Utilities Commission of Ohio

Ohio Competitive Retail Natural Gas Aggregator/Broker Certificate

Issued pursuant to Case Number(s):

14-1487-GA-AGG

is

Ohio Competitive Retail Natural Gas Aggregator/Broker Certificate Number:

14-389G (1)

Granted to:

AUI Associates, Inc.

Whose office or principal place of business is located at:

1122 Nottingham Drive, West Chester, PA 19380

And is hereby certified to provide:

Retail Natural Gas Aggregator/Broker Services

within the state of Ohio, for a two-year period.

Certification Effective:

September 25, 2014 through September 25, 2016

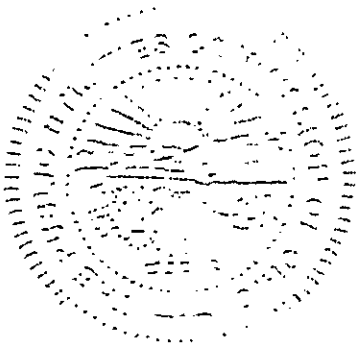
The certification of Ohio competitive retail natural gas aggregators/brokers is governed by Chapter 4901:1-27 of the Ohio Administrative Code and section 4929.20 of the Ohio Revised Code.

This Certificate is revocable if all of the conditions set forth in the aforementioned case(s) as well as those under law, are not met.

Certified entity is subject to all rules and regulations of the commission, now existing or hereafter promulgated.

Witness the seal of the Commission affixed at Columbus, Ohio

Dated: **September 26, 2014**



By Order of
The Public Utilities Commission of Ohio

Felecia D. Burdett

Barcy F. McNeal, Secretary
Tanowa M. Troupe, Acting Secretary
Felecia D. Burdett, Acting Secretary

Business Plan

AUI Associates, Inc, (AUI) has been an energy leader in the natural gas industry since 1994. As a retail marketer of Energy, AUI has a proven history of experience which allows us to offer our clients the most cost-effective programs in the industry. AUI works with our clients to design a strategy that allows their business to take full advantage of the deregulated energy markets.

AUI's customers were the first PECO firm customers to start saving back in 1994! AUI's original gas customers are still with us strong today, 20 years later. AUI's aggregation expertise allows customers to achieve saving discounts that the largest users enjoy.

AUI's customers were the first to save on PECO's "Lvt" low volume transportation back in 2001.

AUI will works with our clients to design a strategy that allows their business model to take full advantage of Pennsylvania's deregulated energy markets.

CERTIFICATE OF SERVICE

On this the 10th day of November 2014, I certify that a true and correct copy of the foregoing application form for licensing within the Commonwealth of Pennsylvania as a Natural Gas Supplier and all attachments have been served, as either a hardcopy or a searchable PDF version on a cd-rom, upon the following:

**Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120**

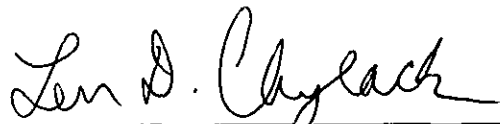
**Office of the Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101**

**PECO
Carlos Thillet, Manager
Gas Supply and Transportation
2301 Market Street, S9-2
Philadelphia, PA 19103**

**Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120**

**Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946**

**Philadelphia Gas Works
Nicholas LaPergola
800 West Montgomery Avenue
Philadelphia, PA 19122**



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