Royal Energy Inc.

10126 Redbud Lane Lenexa, KS 66220 | 913-485-7003 | royal.energy.inc@gmail.com

9/05/17

Pennsylvania Public Utility Commission 400 North Street, Harrisburg, PA 17120

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BURGAU

Dear Pennsylvania Public Utility Commission:

In response to the 8/9/2017 data request, I have included the requested information.

Docket No. A-2017-2617552

I, Derek Chiarelli, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Sincerely

Derek Chiarelli

c. **PROPOSED SERVICES:** Describe in detail the electric services or the electric generation services which the Applicant proposes to offer.

Royal Energy Inc will provide electricity broker services to commercial and small industrial end users. Royal Energy Inc will not hold title to the electricity, nor will it serve as an aggregator.

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

Citizens' Electric	D Pike
Duquesne Light	
Met-Ed	🛄 UGI Utilities
PECO	🔲 Wellsboro
Penelec	🖵 West Penn
Penn Power	
	🛛 Entire Commonwealth of PA

e. CUSTOMERS: Applicant proposes to provide services to:

Residential	Customers

X

XX

Small Commercial Customers - (25 kW and Under)

Residential and Small Commercial as Mixed Meter ONLY (CANNOT BE TAKEN WITH RESIDENTIAL AND/OR SMALL COMMERCIAL ABOVE)

- Large Commercial Customers (Over 25 kW)
- Industrial Customers Governmental Customers
- Governmental Customers
- All of above (Except Mixed Meter)
- Other (Describe):
- f. **START DATE:** Provide the approximate date the Applicant proposes to <u>actively market</u> within the Commonwealth.

08/25/2016

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- **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.
- c. SUPPLIER FUNDING METHOD: If Applicant is operating as anything other than <u>Broker/Marketer only</u>, 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.

Royal Energy Inc will be operating as a broker only.

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

Our organization will be paid by the supplier based on each client's consumption (kWh).

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.

Derek Chiarelli, President 10126 Redbud Lane Lenexa, KS 66220 Phone: 913-485-7003 Fax: 1-800-697-7990 Royal.energy.inc@gmail.com

f. TAXATION: Complete the TAX CERTIFICATION STATEMENT attached as Appendix I 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.

STATE OF WYOMING Office of the Secretary of State

I, EDWARD F. MURRAY, III, SECRETARY OF STATE of the STATE OF WYOMING, do hereby certify that the filing requirements for the issuance of this certificate have been fulfilled.

CERTIFICATE OF INCORPORATION

ROYAL ENERGY INC.

Accordingly, the undersigned, by virtue of the authority vested in me by the law, hereby issues this Certificate.

I have affixed hereto the Great Seal of the State of Wyoming and duly executed this official certificate at Cheyenne, Wyoming on this 8th day of October, 2015.



Filed Date: 10/08/2015

By: _____ Whitney Harmon___

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.

Applicant's marketing will be performed internally with an in-house database. This database has been built internally from previous experiences in working with accounts in Pennsylvania. We have a decade of sales experience in Pennsylvania in the energy industry. We have worked with thousands of businesses in Pennsylvania through this experience. Most marketing would be to known contacts. We will not use subcontractors for sales or marketing.

e. OFFICERS: Identify Applicant's chief officers, and include the professional resumes for any officers directly responsible for operations. All resumes should include date ranges and job descriptions containing actual work experience.

See Attachment # 5

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

f. FERC FILING: Applicant has:

Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.

- Received approval from FERC to be a Power Marketer at Docket or Case Number _____.
- X Not applicable

9. DISCLOSURE STATEMENTS:

Disclosure Statements: If proposing to serve Residential and/or Small Commercial (under 25 kW) Customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix J to this Application.

- Electricity 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.

Royal Energy Inc is only applying for a license exclusively as a broker.

10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

- a. PJM LOAD SERVING ENTITY REQUIREMENT: As a prospective EGS, the applicant understands that those EGSs which provide retail electric supply service (i.e. takes title to electricity) must provide either:
 - proof of registration as a PJM Load Serving Entity (LSE), or

Appendix A



APPLICATION AFFIDAVIT

SS.

SEP - 5 2017

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

[Commonwealth/State] of Missouri :

County of Jackson

Derek Chiarelli, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the CEO______ (Office of Affiant) of Royal Energy Inc._____ (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein Royal Energy Inc. has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

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

That the Applicant herein Royal Energy 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 Royal Energy 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.

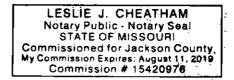
That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing $_{2}$

Signature of Affiant

Sworn and subscribed before me this 5 day of Septem key, 20.17.

Signature of official administering oath

My commission expires <u><u>S</u>[11]1C</u>



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Appendix B

OPERATIONS AFFIDAVIT

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

SS.

[Commonwealth/State] of Missouri :

County of Jackson

Derek Chiarelli, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the CEO (Name of Applicant);]

(Office of Affiant) of Royal Energy Inc.

[That he/she is authorized to and does make this affidavit for said Applicant;]

That Royal Energy Inc., the Applicant herein, acknowledges that Royal Energy Inc. 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 Royal Energy Inc., the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render electric 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 Royal Energy 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 28 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 Gross Receipts and power 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).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), 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 Royal Energy Inc., the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) 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 Bureau of Public Liaison 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

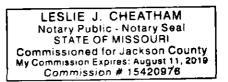
__ day of September, 2017. Sworn and subscribed before me this

Signature of official administering oath

My commission expires <u>SIII</u>?

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The Patriot News LEGAL AFFIDAVIT

AD#: 0007786893

Commonwealth of Pennsylvania,) ss

County of Cumberland)

Shannon Wass being duly sworn, deposes that he/she is principal clerk of the PA Media Group; that The Patriot News is a public newspaper published in the city of Mechanicsburg, with general circulation in Cumberland and Dauphin and surrounding counties, and this notice is an accurate and true copy of ad(s) as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

The Patriot News 08/23/2016

Sworn to and subscribed before me this 24th day of August 2016

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Applications of **Royai Energy Inc** (d/b/a "**Royai Energy Inc**") For Approval To Offer, Render, or Furnish Services as a Broker Engaged In The Business Of Supplying Natural Gas Supply Services and Electricity Broker Services, To The Public In The Commonwealth Of Pennsylvania.

Royal Energy Inc will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as a broker engaged in the business of providing natural gas services. Royal Energy Inc will also be filing an application with the PUC for a license to supply electricity services as a broker engaged in the business of supplying electricity. Royal Energy Inc proposes to sell electricity, natural gas, and related services in the Entire Commonwealth of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act and the Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Royal Energy Inc** may be filed within 15 days of the date of this notice with the Secretary of the PUC, 400 North Street, Harrisburg, PA 17120. You should send copies of any protest to **Royal Energy Inc** attorney at the address listed below.

Royal Energy Inc Legal Inc Corporate Services 600 Grant St Suite 660-B Pittspursh, PA 15219 1-800-697-7990

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL Crystal B. Rosensteel, Notary Public Susquehanna Twp., Dauphin County My Commission Expires June 27, 2020 MEMBER, FENNSYLVANIA ASSOCIATION OF INITARIES

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Customer ROYAL ENERGY INC Account: 1000772789 ROYAL ENERGY INC 600 GRANT STREET SUITE 660-	8	Payor Customer ROYAL ENERGY INC Account: 1000772789 ROYAL ENERGY INC 600 GRANT STREET SUITE 660-B			PO Number Sales Rep.	Jennifer Rogers	
PITTSBURGH PA 15219 USA		PITTSBURGH PA 15219 USA			Order Taker	Jennifer Rogers	
(800)697-7990		(800)697-7990			Order Source		
FAX:					Special Pricing		
Tear Sheets 0		Net /	mount	\$217.15			
Proofs 0		Tax A	mount	\$0.00			
Affidavits 1			mount	\$217.15			
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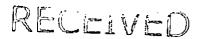
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Royal Energy Inc will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as a broker engaged in the business of providing natural gas services. Royal Energy inc will also be filing an application with the PUC for a license to supply electricity services as a broker engaged in the business of supplying electricity. Royal Energy Inc. proposes to sell electricity, natural gas, and related services in the Entire Commonwealth of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act and the **Electricity Generation Customer** Choice and Competition Act.

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Royal Energy Inc Legal Inc Corporate Services 600 Grant St Sulte 660-B Pittsburgh, PA 15219 1-800-697-7990



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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

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The Scranton Times (Under act P.L 877 No 160. July 9,1976) Commonwealth of Pennsylvania, Comity of Lackawanna

ROYAL ENERYG INC 600 GRANT ST., STE 660-B **PITTSBURGH PA 15219**

Account # 619070 Order # 81976577 Ad Price: 242.05

LEGAL NOTICE PENNSYLVANI

Gina Krushinski

Being duly sworn according to law deposes and says that (s)he is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

08/19/2016

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true and Budnoch

Sworn and subscribed to before me this 19th day of August A.D., 2016

aue Vemas (Notary Public)

COMMONWEALTH OF PERHSYLVANIA Hotorial Seal Carol Demas, Notary Public City of Screnton, Lockawarina County My Commission Expires Jan. 21, 2018 Autor Matematical Effective of Anthony RECENTED

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

LEGAL NOTICE

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE Applications of Royal Energy inc (d/a "Royal Energy inc") for Ap-proval To Offer, Render, or Furnish Services as a Broker Engaged in The Business Of Supplying Nature Business of Supply Rokat Das Supply Services and Electricity Broker Services, To The Public in The Com-monwealth Of Pennsylvania.

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By and through Counsel: Attorney's Name Royal Energy Inc Legal Inc Corporate Services 600 Grant SL Suite 860-8 Pittsburch PA 15210 Pittsburgh, PA 15219 1-800-697-7990



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Account name:	ROYAL ENERGY INC	Approval Code:	402585[126374543]		
	600 GRANT ST., STE 660-B PITTSBURGH PA 15219	Credit Holder Name:	DEREK F CHIARELLI		
Phone number:	913-485-7003				
Payment number:	2571701				
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Amount:	242.05				
Payment description:	CREDIT CARD PAYMENT ROYAL				
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