



575 Lexington Avenue New York, NY 10022
tel 212 779 7000 fax 212 779 3061

November 20, 2017

Docket No. A-2014-2416214

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

RE: License Bond or Other Financial Security Renewal Notice

To Whom It May Concern:

In regards to Docket No. A-2014-2416214, SmartEnergy requests a reduction of financial security to 5% of the most recent 12 months of gross receipts. In support of this request, please find enclosed:

1. \$350 filing fee
2. Proof of service of the petition on the statutory advocates and affected EDCs
3. Tax Letter of Good Standing from the Department of Revenue
4. Gross receipts report for the most recent four quarters, October 2016 through September 2017 totaling \$15,457,010

Accordingly, we request a reduction in our security to \$772,850.

If you have any questions or concerns, please do not hesitate to reach out to me.

Regards,

Lloyd Spencer
Chief Operating Officer

RECEIVED

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Bureau of Compliance
P.O. Box 280946
Harrisburg, PA 17128-0946
www.revenue.pa.gov



Friday, November-17, 2017

Attention: Lloyd Spencer

RE:

SMARTENERGY HOLDINGS, LLC
575 LEXINGTON AVE FL 4
NEW YORK, NY 10022-6146

Federal EIN: 45-4166532
Social Security Number:
Business Partner Number: 1000751671

Dear Requester,

I am writing to confirm that the above-referenced tax accounts of SMARTENERGY HOLDINGS, LLC are current. All returns have been filed with payment as of Friday, November 17, 2017. This confirmation is not intended to represent a "Bulk Sale Clearance" under the provision of section 1403 of the fiscal code. This letter does confirm that the account above is in good standing.

Sincerely,

PA Department of Revenue,
Bureau of Compliance,
Business License Clearance Division

SmartEnergy Holdings, LLC
Profit and Loss
October - December, 2016

	Total
Income	
46000 Power Sales	
Total 46000 Power Sales	\$ 7,885,152.58
Total Income	\$ 7,885,152.58
Cost of Goods Sold	
51800 Power Cost of Goods Sold	
Total 51800 Power Cost of Goods Sold	\$ 5,214,005.33
Total Cost of Goods Sold	\$ 5,214,005.33
Gross Profit	\$ 2,671,147.25
Expenses	
50000 Contract Services	
Total 50000 Contract Services	\$ 101,985.63
60000 Customer Acquisition Costs	4,994.00
Total 60000 Customer Acquisition Costs	\$ 943,883.55
63000 Marketing	
Total 63000 Marketing	\$ 231,001.08
65000 G&A	
Total 65000 G&A	\$ 253,276.70
68000 Operations	
Total 68000 Operations	\$ 260,288.73
70000 Employee Expenses	
Total 70000 Employee Expenses	\$ 256,919.43
85000 Depreciation	
Total 85000 Depreciation	-\$ 3,576.78
90000 Interest Expense	
Total 90000 Interest Expense	\$ 46,833.41
95000 Taxes	
Total 95000 Taxes	\$ 203,281.00
Total Expenses	\$ 2,293,892.75
Net Operating Income	\$ 377,254.50
Other Expenses	
Total Other Expenses	\$ 174,849.53
Net Other Income	-\$ 174,849.53
Net Income	\$ 202,404.97

SmartEnergy Holdings, LLC
Profit and Loss
 January - March, 2017

	Total
Income	
46000 Power Sales	
Total 46000 Power Sales	\$ 9,975,483.26
Total Income	\$ 9,975,483.26
Cost of Goods Sold	
51800 Power Cost of Goods Sold	
Total 51800 Power Cost of Goods Sold	\$ 7,386,403.01
Total Cost of Goods Sold	\$ 7,386,403.01
Gross Profit	\$ 2,589,080.25
Expenses	
50000 Contract Services	
Total 50000 Contract Services	\$ 107,961.40
60000 Customer Acquisition Costs	
Total 60000 Customer Acquisition Costs	\$ 231,121.66
63000 Marketing	
Total 63000 Marketing	\$ 142,615.03
65000 G&A	
Total 65000 G&A	\$ 287,694.14
68000 Operations	
Total 68000 Operations	\$ 298,726.20
70000 Employee Expenses	
Total 70000 Employee Expenses	\$ 468,631.05
85000 Depreciation	
Total 85000 Depreciation	\$ 3,878.22
90000 Interest Expense	
Total 90000 Interest Expense	\$ 51,874.04
95000 Taxes	
Total 95000 Taxes	\$ 286,284.00
Total Expenses	\$ 1,878,785.74
Net Operating Income	\$ 710,294.51
Other Expenses	
Total Other Expenses	\$ 30,207.71
Net Other Income	-\$ 30,207.71
Net Income	\$ 680,086.80

SmartEnergy Holdings, LLC
Profit and Loss
 April - June, 2017

	Total
Income	
46000 Power Sales	
Total 46000 Power Sales	\$ 8,364,555.14
Total Income	\$ 8,364,555.14
Cost of Goods Sold	
Total 51800 Power Cost of Goods Sold	\$ 6,141,768.62
Total Cost of Goods Sold	\$ 6,141,768.62
Gross Profit	\$ 2,222,786.52
Expenses	
50000 Contract Services	
Total 50000 Contract Services	\$ 119,876.46
60000 Customer Acquisition Costs	
Total 60000 Customer Acquisition Costs	\$ 490,488.18
63000 Marketing	
Total 63000 Marketing	\$ 300,157.39
65000 G&A	
Total 65000 G&A	\$ 324,128.47
68000 Operations	
Total 68000 Operations	\$ 338,756.60
70000 Employee Expenses	
Total 70000 Employee Expenses	\$ 265,596.03
85000 Depreciation	
Total 85000 Depreciation	\$ 4,313.72
90000 Interest Expense	
Total 90000 Interest Expense	\$ 82,418.68
95000 Taxes	
Total 95000 Taxes	\$ 190,837.00
Total Expenses	\$ 2,116,572.53
Net Operating Income	\$ 106,213.99
Other Income	
Total Other Income	\$ 496.49
Other Expenses	
Total Other Expenses	\$ 55,370.40
Net Other Income	-\$ 54,873.91
Net Income	\$ 51,340.08

SmartEnergy Holdings, LLC
Profit and Loss
July - September, 2017

	Total
Income	
46000 Power Sales	
Total 46000 Power Sales	\$ 10,494,063.10
Total Income	\$ 10,494,063.10
Cost of Goods Sold	
Total 51800 Power Cost of Goods Sold	\$ 7,729,456.46
Total Cost of Goods Sold	\$ 7,729,456.46
Gross Profit	\$ 2,764,606.64
Expenses	
50000 Contract Services	
Total 50000 Contract Services	\$ 100,436.95
60000 Customer Acquisition Costs	
Total 60000 Customer Acquisition Costs	\$ 761,787.54
63000 Marketing	
Total 63000 Marketing	\$ 250,593.83
65000 G&A	
Total 65000 G&A	\$ 382,583.59
68000 Operations	
Total 68000 Operations	\$ 352,404.16
70000 Employee Expenses	
Total 70000 Employee Expenses	\$ 309,193.88
85000 Depreciation	
Total 85000 Depreciation	\$ 4,527.63
90000 Interest Expense	
Total 90000 Interest Expense	\$ 96,634.28
95000 Taxes	
Total 95000 Taxes	\$ 232,293.00
Total Expenses	\$ 2,490,454.96
Net Operating Income	\$ 274,151.68
Other Income	
Total Other Income	\$ 2,920.45
Other Expenses	
Total Other Expenses	\$ 36,955.88
Net Other Income	-\$ 34,035.43
Net Income	\$ 240,116.25

CERTIFICATE OF SERVICE

On this the 20 day of November 2017, I certify that a true and correct copy of the foregoing filing and all **NON-CONFIDENTIAL** attachments have been served, as either a hardcopy or a searchable PDF version on a cd-rom, upon the following:

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2 West
Harrisburg, PA 17120

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

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

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

Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101

Director of Customer Energy Services
Orange and Rockland Company
390 West Route 59
Spring Valley, NY 10977-5300

Legal Department
West Penn Power d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

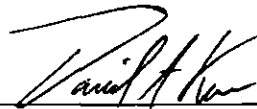
Legal Department
Attn: Paul Russell
PPL
Two North Ninth Street
Allentown, PA 18108-1179

Legal Department
First Energy
2800 Pottsville Pike
Reading PA, 19612

UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, Pa 19612-2677

Citizens' Electric Company
Attn: EGS Coordination
1775 Industrial Boulevard
Lewisburg, PA 17837

Wellsboro Electric Company
Attn: EGS Coordination
33 Austin Street
P. O. Box 138
Wellsboro, PA 16901



Dan Kern, CEO SmartEnergy Holdings, LLC

ORIGIN ID: JRBA (212) 779-7000
DANIEL KERN
575 LEXINGTON AVE.
4TH FLOOR
NEW YORK, NY 10022
UNITED STATES US

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CAD: 104659068/INET3920

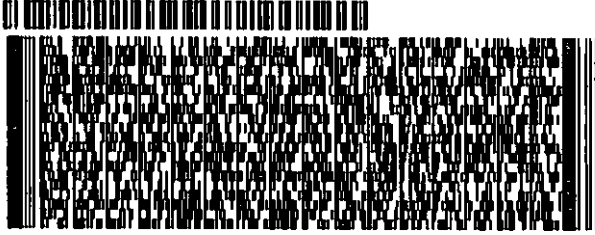
BILL SENDER

TO **ROSEMARY CHIAVETTA**
PA PUBLIC UTILITY COMMISSION
400 NORTH ST.

HARRISBURG PA 17120

(717) 772-7777 REF:
INV. DEPT:
PO

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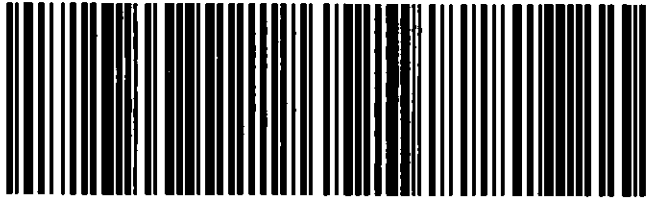


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