



700 Veterans Memorial Highway,
Suite #210
Hauppauge, NY 1178
(631)724-9010
www.SouthBayEnergy.com

RECEIVED

FEB 14 2019

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

February 11, 2019

Commonwealth of Pennsylvania
Attn: Office of the Secretary
400 North Street, Keystone Building
Harrisburg, PA 17105

A-2019-3007579

Re: South Bay Energy Corp. Supplementary Submission (NGS)

Greetings:

South Bay Energy Corp. hereby submits the following supplementary materials to become a Natural Gas Supplier:

- Revenue ID Number: 1001348715
- Updated Application Section 7C & corresponding financial agreement.
- Updated Application Section 8D.
- Illinois licenses.
- Corrected Application Affidavit.

Thank you for your help and feedback. Please feel free to contact South Bay with any questions regarding this submission.

Respectfully Submitted,

Brittany Hirson
Operations
South Bay Energy Corp.

FEB 14 2019

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**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.
- 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:

Please see attachment 7. B.

- 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 **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.

South Bay Energy Corp. has a factoring line of credit in place, in which an advance of up to 80% of the net receivables, and up to 50% of unbilled receivables, can be taken.

Agreement attached.

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

FE
(Product/Service)

STERLING NATIONAL BANK
Factoring & Trade Finance Division
500 Seventh Avenue
New York, New York 10018
Financing Agreement

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FEB 14 2019

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

January 18, 2017

South Bay Energy Corp.
700 Veterans Memorial Highway
Hauppauge, New York 11788

Gentlemen:

We are pleased to confirm the terms on which we are to act as your receivable manager/ financier for your sales and/or rendition of services and which are to be invoiced in your name, and assigned to us.

1. During the term of this agreement you hereby sell and assign certain receivables to us as absolute owner thereof each and every accounts receivable, contract rights and all other proceeds resulting from or which may result from the sale of all merchandise owned by you or the sale of which you may control or the rendition of services by you, net of any returns, claims, allowances, and discounts granted to customers on the shortest selling terms indicated on each invoice. Such discounts, credits or allowances may be claimed only by the customer.

2. Accounts receivable resulting from such shipments and/or services are referred to in this Agreement as Accounts. We will purchase Accounts in accordance with the terms of this Agreement and remit to you as herein provided.

3. All Accounts and other evidences of indebtedness and the proceeds thereof (including but without limitation, notes, trade acceptances, etc.) resulting from your shipments or rendition of services made during the duration of this Agreement, and all contract rights relating thereto and all of your rights as vendor as well as all of your rights and remedies as an unpaid seller (including without limitation, the right of replevin, stoppage in transit and reclamation under Section 2-702 of the Uniform Commercial Code or otherwise) and any merchandise reclaimed or returned or any merchandise represented by invoices assigned to us regardless of whether or not it has been shipped, shall be and hereby are assigned to us as absolute owner thereof, and we shall have the right to bring suit to enforce our rights with respect to the same in your name or ours.

As security for any and all Obligations (as hereinafter defined), we shall be entitled to hold and you hereby grant to us a continuing general lien upon, security interest in and to, and right of set-off on or against any of the following, whether now or hereafter existing or acquired, and wherever located (collectively the "Collateral"):

ALL PERSONAL PROPERTY OF THE DEBTOR, OF EVERY KIND AND DESCRIPTION TANGIBLE AND INTANGIBLE, WHETHER NOW OR HEREAFTER EXISTING OR NOW OWNED OR HEREAFTER ACQUIRED AND WHEREVER LOCATED, INCLUDING BUT NOT LIMITED TO INSTRUMENTS, DOCUMENTS, GOODS, INVENTORY, EQUIPMENT, CHATTEL PAPER,

CONTRACT RIGHTS, SUPPORTING OBLIGATIONS, ACCOUNTS, GENERAL INTANGIBLES, TRADEMARKS, TRADESTYLE, AND COMPUTER PROGRAMS, ALL AS DEFINED BY THE UNIFORM COMMERCIAL CODE AND CREDITS, CLAIMS, DEMANDS AND ANY OTHER PROPERTY RIGHTS AND INTERESTS OF THE DEBTOR, TOGETHER WITH THE PROCEEDS, PRODUCTS AND ACCESSIONS OF AND TO ANY THEREOF, ALL TERMS HEREIN SHALL HAVE THE MEANINGS ASCRIBED THERETO BY ARTICLE 9 OF THE NEW YORK U.C.C..

"Obligations" shall mean and include all loans, advances, indebtedness, liabilities, debit balances, letters of credit, acceptances, airway and steamship guaranties, covenants, duties and obligations of whatever kind and nature at any time owing by you to us or any of our Affiliates, whether fixed or contingent, due or to become due, matured or unmatured, no matter how or when arising and whether under this Agreement or otherwise and including all obligations for purchases made by you from any other concern factored or financed by us or any of our Affiliates. For the purpose hereof, "Affiliate" shall mean any person, firm or corporation directly or indirectly controlling, controlled by or in common control with us or any corporation the stock of which is owned or controlled directly or indirectly by Sterling Bancorp.

4. Remittances received by you shall be held in trust for us segregated from your other assets and shall be turned over to us forthwith in the identical form in which received and you hereby grant to us full power and authority to execute and deliver to ourselves such evidences of title as we may deem desirable and to endorse your name upon all checks, notes and other instruments for the payment of money representing Accounts, contract rights or the proceeds thereof, such power being hereby declared to be coupled with an interest and irrevocable.

5. By execution of this Agreement and also by each execution by you of a confirmatory assignment and listing of invoices representing Accounts, and contract rights to us, you represent and warrant that each such item is and shall be based on an actual bona fide sale and delivery of merchandise or rendition of service in the ordinary course of business, unencumbered title to which was in you at the time of sale or rendition of services, that the customer is and shall be unconditionally liable for the payment of the amounts stated in the invoice according to its terms, whether or not sold, without offset, defense or counterclaim; that none of your merchandise is or shall be subject to any pledge or security interest except as we may have approved in writing; that no such Accounts, and contract rights have been or will be assigned, sold, pledged, or hypothecated or otherwise encumbered, except to us; that no other person has or shall have any claim thereto as proceeds of merchandise or otherwise; and that you are not in default to the United States or any state or local subdivision thereof in the payment or deposit of any taxes; that the original invoices bear notice of assignment to us, reading substantially as follows:

MAKE CHECKS PAYABLE ONLY TO:
STERLING NATIONAL BANK
PO BOX 75359
CHICAGO, IL 60675-5359

As used in this Agreement, the term "invoice" includes any and all lists or compilations of merchandise or descriptions of services rendered and price information delivered or sent to customers in any form or format and by any means, including, without limitation, electronic data transfer.

You agree to execute and deliver to us such other and further instruments of assignment, financing statements and other instruments of further assurance as we may reasonably require, but even though you may fail to execute and deliver the same, this Agreement shall nevertheless operate as a complete assignment to us of all Accounts during the life of this Agreement. You will also furnish us a detailed listing of all invoices on assignment forms acceptable to us, and a copy of each original invoice. You represent and warrant to us that any electronic data transfer we receive from you or from anyone acting on your behalf will correctly

and completely represent the transactions and information set forth therein. You authorize us unilaterally to execute and file financing statements in accordance with this and any other agreement between you and us in any state permitting such filing.

You represent and warrant to us that you are solvent and will continue to remain so, that you are an entity organized under the laws of New York, and that your records concerning Accounts, are and will be kept at the address shown at the head of this letter until you notify us otherwise in writing. You shall not change your state of organization without giving us at least 30 days prior written notice of such change.

If applicable, you represent and warrant to us that all inventory has been and will at all times hereafter be manufactured and produced in accordance with the Fair Labor Standards Act of 1938 and all rules, regulations, and orders promulgated there under.

6. We will, on your request and at our sole discretion, advance to you up to 80% of the net amount of undisputed Accounts after goods are shipped or services rendered and the invoices and shipping documents are delivered to us, and after the merchandise or services have been finally accepted by the customer. The balance, as we may determine, is to be retained by us as a reserve. If in our judgment it should be necessary, we may retain an additional amount for customers' returns, allowances, deductions and/or disputes. We also agree to advance up to 50% of unbilled receivables. Unbilled receivables represent product delivered but not yet billed. We shall be entitled to hold all sums to your credit as security for outstanding claims and any and all obligations owing to us or our Affiliates by you, however arising. In our discretion we may at any time remit to you amounts standing to your credit, and subject to the provisions of this Agreement shall remit any amounts withheld after collection thereof by us. From time to time, at your request, we at our sole discretion may make advances in excess of this contractual advance rate, which advances are deemed "Overadvances." Any Overadvances which we, in our sole discretion, make to you, shall bear interest at a rate equal to (2%) percent above the contractual rate of interest set forth in this Agreement. A calculation of the charges for such overadvances will appear in your monthly statement.

7. You shall notify us immediately in the event that any of your customers returns or desires to return merchandise purchased from you or in any other way makes any alleged claim, defense or offset against merchandise, the services rendered, terms, prices, delivery, etc. even if you believe that the customer's allegations are without merit. The occurrence of any of the foregoing or any account that remains unpaid 90 days from invoice date, or of any dispute at any time or of any breach of warranty on your part in relation to such Accounts will render such Accounts and on any other Accounts owed by the same customer as ineligible. The entire responsibility for collecting such Account or Accounts shall be assumed and borne by you and you shall account to us therefore. All disputes are to be adjusted promptly by you at your expense and you are to advise us of adjustments. You shall indemnify and protect us against liability, loss or expense caused by or arising out of the rejection of goods or alleged claims, defenses or offsets of every kind and nature of customers. If you fail to do so we shall have the right at any time, if we so elect, to settle, compromise, adjust or litigate all such disputes or claims directly with your customer or any complainant on such terms and conditions as we deem advisable.

You shall hold returned merchandise subject to our order and at our request deliver possession of returned merchandise to us, and pay to us any proceeds from the subsequent resale thereof. No return will be accepted by you and no discount, credit or allowance will be issued or granted by you to a customer without prior written notice to us, in each case.

8. You agree to pay to us all unpaid Accounts on demand, but we shall have the right at any time to charge back to your account the face amount thereof if any amount has been credited to your account with respect thereto. The charge-back of such items shall not be deemed a reassignment thereof and title thereto shall remain in us, and our rights in the security represented thereby shall continue.

9. For our services hereunder, we shall charge a base management commission equal to .25% of the gross invoice amount of each of your accounts receivable, which commission shall be due and payable by you and chargeable to your account with us, as at the day of the assignment to us. The minimum base management commission payable hereunder for each Contract Year (each twelve month period commencing from the date this Agreement is accepted by you) shall be \$20,000/00, which to the extent of any deficiency shall be chargeable to your account with us at the end of such Contract Year. At our sole discretion, we may elect to charge the difference between the actual commission earned by us and the minimum commission to your account on a monthly basis and if so, the monthly minimum charge shall not be less than \$1,666.66. Said base management commission shall be increased by .25% for each additional 30 days or portion thereof of extended terms, beyond 60 days maximum selling terms. The minimum base management commission on each invoice shall be \$5.00.

10. If at any time you have obligations owing to us, such obligations shall be payable to us on demand and we shall not be required to have any recourse to any security or any other party liable thereon, and we may, in our discretion, charge your account with the amount thereof with the same force and effect as though it were a payment made to you hereunder. If we become liable to the United States on your account by virtue of the Internal Revenue Code (and or the Federal Tax Lien Act of 1966), we may charge the amount thereof to your account whether or not we have made payment, and you shall pay us the amount thereof on demand or present satisfactory proof that you have paid the amount involved to the United States.

11. We shall debit to your account our charges set forth in Paragraph 9 and the interest as provided in this Paragraph 11 hereof and all other items properly chargeable to you and any monies remitted or paid to you or otherwise advanced by us for your account. On or about the 3rd business day of each month we shall make available to you online, through our Ster-link Client Access Program, an abstract of your account as of the last day of the preceding month. Such abstract shall be an account stated and shall be deemed correct unless written objection thereto is made within 30 days after the account has been made available for your online access. Only that portion of the abstract specifically objected to by you in writing shall not be binding. Any charges pursuant to this Paragraph legally constituting interest shall not exceed the maximum contract rate permitted by law for an incorporated or for an unincorporated client, whichever is applicable. Interest as provided herein will be charged on the daily balances resulting from advances or other charges made pursuant hereto, less collections and other monies received hereunder, at the rate specified in this Paragraph. For purposes of calculating interest, collections shall be deemed credited to your account 5 banking days after receipt thereof by us.

All debits in your account shall bear interest daily at a per annum rate equal to 1% above/above the Prime Commercial Interest Rate from time to time as published in the *Wall Street Journal* as its Prime Rate, which is not intended to be the lowest rate available to borrowers. Any change in the interest rate shall take effect on the first business day of the month following the month in which the Prime Rate changes. In no event shall the interest rate charged be less than the interest rate in effect on the date hereof.

12. You will keep records of all transactions which may be pertinent to this Agreement and all such records shall be available to us and our representatives for examination at any time. The expense of such examination shall be borne by you together with all reasonable out-of-pocket expenses and shall in no event be less than \$1,000.00 per examination day. If at any time we shall be required to pay any State, City, Local or Federal sales, use, or excise tax on the purchase of any Accounts or contract rights hereunder, you will repay to us the amount of tax so paid.

13. You agree to furnish us with balance sheets, statements of profit and loss, financial statements and such other information regarding your business affairs and financial conditions as we may from time to time require, and in any event, a statement of your financial position for each fiscal year prepared and reviewed by your regularly engaged certified public accountant.

14. This Agreement expresses the entire understanding between the parties. Failure by us to insist upon strict performance shall not be deemed to be a waiver of our right to require strict performance, and any waiver by us must be in writing and shall then be for the particular instance only. A waiver by us of any right or remedy on any one occasion shall not be construed as a waiver of any such right or remedy which we would otherwise have on any future occasion, whether similar in kind or otherwise. The terms of this Agreement shall not be waived, modified or altered unless in writing by both parties hereto. Our remedies hereunder shall be deemed to be cumulative and not exclusive. If any of the terms of this Agreement shall differ with the terms of any other agreement between you and us that which gives us greater rights shall prevail.

15. All notices given under this Agreement shall be sent by certified mail to the business address of the party to whom notice shall be given.

16. This Agreement together with all assignments of Accounts and Contract Rights hereunder shall be deemed made in New York and subject to the laws of the State of New York. At our option, should any controversy arise out of this Agreement or in relation to or in connection with it or any actual or alleged breach thereof, said controversy may be submitted to the Supreme Court of the State of New York, County of New York for determination pursuant to "New York Simplified Procedure for Court Determination of Disputes" as provided for by the New York Civil Practice Law and Rules. You agree that any claim or cause of action by you against us or any of our directors, officers or employees arising out of or relating in any way to this Agreement shall be barred unless asserted by you by the commencement of an action or proceeding by you within one year after the first act, occurrence or omission upon which such claim or cause of action is based. YOU HEREBY AGREE TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK ON ALL DISPUTES OR CONTROVERSIES ARISING UNDER OR RELATING TO THIS AGREEMENT AND DESIGNATE THE SECRETARY OF STATE OF NEW YORK STATE AS YOUR AGENT FOR SERVICE OF PROCESS. YOU FURTHER AGREE TO WAIVE TRIAL BY JURY IN ANY SUIT OR PROCEEDING ARISING UNDER OR RELATING TO THIS AGREEMENT.

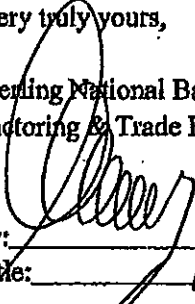
17. This Agreement shall commence as of the 18th day of January, 2017. We shall have the right to terminate this Agreement upon not less than thirty (30) days prior written notice. This Agreement shall continue in effect until two years from the date hereof, and from year to year thereafter unless you notify us of termination not less than sixty (60) days prior to the anniversary of this Agreement in any year. If you request to terminate this Agreement prior to the initial or any renewal term hereof, and we agree to such termination, then and in such event all sums due from you, including but not limited to any remaining minimum base management commission that has not been met, and an early termination fee equal to the average monthly interest and commission paid to us over the prior 12 months, or since the effective date of the agreement (whichever is shorter) multiplied by the remaining months of the agreement, shall be immediately due and payable as set forth hereinafter in this Paragraph 17. If we terminate this Agreement as a result of a default by you under the terms of this Agreement as set forth below, no early termination fee shall be payable by you, but all sums due from you, including but not limited to any remaining minimum base management commission that has not been met shall be immediately due and payable and set forth hereinafter in this Paragraph 17. Notice of termination by you or by us, as the case may be, shall be effected by hand delivery, courier service or the mailing of a certified letter by the terminating party.


Notwithstanding the foregoing, should any of the following "Events of Default" occur: failure by you to pay or perform under the terms or conditions of this Agreement; you submit any information relating to Accounts, your operations or financial condition that is false in any material respect, or you omit to provide material information relating to Accounts, your operations or financial condition; you become insolvent or are unable to meet your debts as they mature, fail, suspend business as a going concern, make an assignment for the benefit of creditors, apply for an extension from your creditors, or a receiver or trustee is appointed for you or your property or a petition in bankruptcy or for reorganization under the Bankruptcy Code filed by or Against you, or should you seek relief under any federal or state insolvency statute, then, we shall have the right to terminate this Agreement forthwith without prior notice. Notwithstanding any termination hereof, this Agreement shall nevertheless be in full force and effect and binding upon you until you have fully paid and performed all of the Obligations. This Agreement binds and benefits each of us and our respective successors and assigns; provided, however, that you may not assign this Agreement or your rights hereunder without our prior written consent. You agree that we may, without notifying you, sell, assign or transfer our rights and obligations under this Agreement, including, without limitation, our rights and obligations with respect to the Accounts and Collateral.

18. Upon the occurrence of any Event of Default, we shall have all of the rights and remedies of a secured party under the Uniform Commercial Code and other applicable law with respect to all Collateral, such rights and remedies provided for herein. All proceeds of Collateral shall be first applied to all costs and expenses of liquidating the Collateral, including attorney's fees and disbursements and then to payment (in such order as we may elect) of all Obligations.

Very truly yours,

Sterling National Bank
Factoring & Trade Finance Division

By:  Ros Gantalo
Title: 1st VP.

By:  Neil Wolfe
Title: Vice President

ACCEPTED AND AGREED TO:

South Bay Energy Corp.

By: 
Stephen Mellis

Title: President



South Bay Energy

Sterling National Bank
Attn: Peter La Moniea
500 Seventh Avenue
New York, N.Y. 10018

South Bay Energy Corp.
700 Veterans Memorial Hwy. #210
Hauppauge, NY 11788

11/27/2018.

Peter,

Please let this letter serve as notice that South Bay Energy Corp. would like to continue its arrangement with Sterling for the next six months. That being said, South Bay will provide notice of cancellation/continuation by 5-27-2019.

Thank you,

Stephen Mellis
South Bay Energy Corp.

- 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 non-selling 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?

South Bay Energy Corp. will utilize a Third Party Verification recording, in addition to a signed agreement in order to effectively verify enrollments that are completed by a door to door sale.

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.

South Bay Energy Corp. will ensure that all employees, associates and subcontractors conduct themselves in a fair, ethical and friendly manner while performing all duties relating to sales and marketing operations. We believe the combination of competitive pricing and friendly service will provide for the best experience possible for all parties involved.

Should any new or updated regulations be released by the Pennsylvania Public Utilities Commission, employees will be notified and given instructions on how to alter their daily operations accordingly.

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 8. E.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

9. DISCLOSURE STATEMENT:

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

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.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

South Bay Energy Corp. :
: :
Application for Certificate of Service : 17-0299
Authority under Section 16-115 of the :
Public Utilities Act. :

ORDER

By the Commission:

I. PRELIMINARY MATTERS

On June 22, 2017, South Bay Energy Corp. ("Applicant") filed a verified application with the Illinois Commerce Commission ("Commission") requesting a certificate of service authority to operate as an alternative retail electric supplier ("ARES") in Illinois pursuant to Section 16-115 of the Public Utilities Act ("Act"), 220 ILCS 5/1-101 *et seq.*, and 83 Ill. Adm. Code 451 ("Part 451"). Applicant submitted its certificate of publication showing that on June 30, 2017, notice of the application was published in the official State newspaper. The Commission Staff requested further information of certain matters in the application. On July 11, 2017, Applicant filed an Amended Application with the additional information and a Motion for Confidential Treatment.

II. BACKGROUND AND AUTHORITY SOUGHT BY APPLICANT

Applicant is a New York corporation authorized to transact business in Illinois. Applicant requests a certificate of authority to operate as an ARES. Applicant seeks a certificate to serve all eligible retail customers in the Commonwealth Edison Company service territory. Applicant is currently licensed as an ARES in New York. Applicant states it is not affiliated with any utility and does not own transmission or generation facilities. Applicant does not seek authority to provide single-billing services, under subpart F of Part 451.

III. REQUIREMENTS UNDER SECTION 16-115(d) OF THE ACT

A. General

Applicant has certified that it will comply with all applicable regulations; that it will provide service only to retail customers eligible to take such services; that it will comply with informational and reporting requirements established by Commission rule; and that it will comply with all other applicable Federal, State, regional and industry laws, regulations, terms, and conditions required to the extent they have application to the services being offered by an ARES. Additionally, Applicant has agreed to submit good faith schedules of transmission and energy in accordance with applicable tariffs. Applicant certifies that it will provide for review by Commission Staff on a confidential basis data related to contracts for the purchase and sale of electric power and energy. Applicant has agreed to adopt and follow rules relating to customer authorizations, billing records, and retail electric services and agrees to retain requests for delivery services transmitted to utilities for a period of not less than two calendar years after the calendar year in which they are created. Applicant has agreed to adopt and follow rules and procedures to preserve the confidentiality of its customers' data.

Applicant asserts it has not been denied an electric supplier license, nor has it had an electric supplier license suspended or revoked by any state.

Applicant certifies it will procure renewable energy resources as required by Section 16-115D and subsection (d) of Section 16-115 of the Act. Applicant also certifies that it will source electricity from clean coal facilities as required by Section 16-116(d)(5) of the Act. Applicant states that it will not use electric generation, transmission or distribution facilities that it owns, controls or operates in serving customers.

Pursuant to the requirements of Subpart D of Part 451, Applicant certifies that any marketing materials that make statements concerning prices, terms and conditions of service shall contain information that adequately discloses the prices, terms and conditions of the products or services that it is offering or selling to the customer. Applicant also certifies that before any customer is switched from another supplier, it will give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer. Applicant further certifies that it will provide documentation to the Commission and to customers that substantiates any claims made regarding the technologies and fuel types used to generate the electricity offered or sold to customers. Applicant commits to provide to its customers itemized billing statements that describe the products and services provided to the customer and their prices; and an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer.

Applicant certifies that it will include materials comprising the consumer education program pursuant to Section 16-117 of the Act with all initial mailings to potential small commercial retail customers and before executing any agreements or contracts with such

customers. Applicant certifies that it will also provide consumer education program materials pursuant to Section 16-117 of the Act, at no charge to small commercial retail customers, upon request. Applicant certifies that it will provide to small commercial retail customers on a semi-annual basis information on how to obtain a list of alternative retail electric suppliers that have been found in the last three years by the Commission to have failed to provide service in accordance with the terms of their contracts pursuant to Section 16-117(g) (4) (C) of the Act.

Pursuant to the requirements of Section 451.50 of Part 451, Applicant provided a License or Permit Bond issued by a qualifying surety authorized to transact business in Illinois.

B. Financial, Technical, and Managerial Requirements

Applicant asserts that it meets the financial qualifications criteria set forth in Part 451.320(a). Included in Attachment D to the Amended Application is information intended to demonstrate that Applicant meets the criteria.

Applicant represents that it meets the technical and managerial qualifications set forth in Section 16-115(d)(1) of the Act and Sections 451.330 and 451.340 of Part 451. The Amended Application and Attachment E contains information regarding the technical and managerial qualifications of Applicant's staff and its agents or contractors. Attachment F to the Amended Application includes a corporate organizational chart. Applicant provided a telephone number and facsimile number through which it states a staff member can be reached at all times.

Applicant states it is relying on one or more agents or contractors to meet the technical and managerial requirements of Part 451 and includes this information in Attachments E, F and G.

IV. CUSTOMER COMPLAINTS

Applicant discloses that it is not the subject of any lawsuits that were filed in a court of law. Applicant further states that it has no other formal complaints filed with a regulatory agency alleging fraud, deception or unfair marketing practices, or other similar allegations.

V. REQUEST FOR CONFIDENTIAL TREATMENT

Application seeks confidential treatment of certain redacted information filed in attachments with the Amended Application. Applicant indicates that these documents contain highly proprietary and confidential commercial and financial information, the disclosure of which to competitors would likely be detrimental to Petitioner given the highly competitive nature of the electric industry. The Commission has reviewed the request for confidential treatment and finds that it is appropriate to grant a two-year period of confidential treatment for the redacted information in the attachments to the Application.

The Commission concurs with Applicant that disclosure of the redacted information and use by a competitor is apt to cause the Applicant competitive harm. Applicant's confidential information in the Commission's possession should, therefore, be accessible only by the Commission and Commission Staff, unless such information is or becomes publicly available from another source.

VI. COMMISSION CONCLUSION AND CERTIFICATE OF SERVICE AUTHORITY

The Commission has reviewed the amended application and all attachments provided by Applicant regarding the technical, financial, and managerial requirements and all other requirements of the Act and Part 451 and finds that the Applicant sufficiently demonstrates compliance with the requirements.

The Commission concludes, therefore, that Applicant's request for a certificate of service authority to operate as an ARES in Illinois should be granted and should include the following authority:

CERTIFICATE OF SERVICE AUTHORITY

IT IS CERTIFIED that South Bay Energy Corp. is granted service authority to operate as an Alternative Retail Electric Supplier as follows:

SERVICES TO BE PROVIDED: The sale of electricity and power.

CUSTOMERS TO BE SERVED: All eligible retail customers.

GEOGRAPHIC REGION(S) SERVED: For the sale of electricity and power in the service area of Commonwealth Edison Company.

VII. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record, is of the opinion and finds that:

- (1) Applicant, South Bay Energy Corp., a corporation organized under the laws of New York, seeks a certificate of service authority to operate as an alternative retail electric supplier under Section 16-115 of the Act;
- (2) the Commission has jurisdiction over the parties hereto and the subject matter hereof;

- (3) the recitals of fact and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact, as required by Section 16-115(d) of the Act;
- (4) Applicant has demonstrated that it possesses sufficient financial, managerial and technical resources and abilities to provide power and energy to all eligible retail customers throughout the service area of Commonwealth Edison Company;
- (5) Applicant has complied with Section 16-115(d)(1) through (5) and (8) of the Act and 83 Ill. Adm. Code 451;
- (6) Section 7(g) of the Illinois Freedom of Information Act (5/ILCS 140/7) exempts from public disclosure:
 - Trade secrets and commercial or financial information obtained from a person or business where such trade secrets or information are proprietary, privileged or confidential, or where disclosure of such trade secrets or information may cause competitive harm;
- (7) Applicant's redacted information falls within the exemption stated in Finding (6);
- (8) The documents and portions of documents for which Applicant seeks proprietary treatment should be exempt from public disclosure under Section 7(g) of the Freedom of Information Act and Section 5-109 of the Act for a period of two years from the date this Order is entered; and
- (9) South Bay Energy Corp. should be granted a certificate of service authority to operate as an alternative retail electric supplier as specified in Section VI of this Order.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that South Bay Energy Corp. is hereby granted a Certificate of Service Authority as set forth in Section VI of this Order.

IT IS FURTHER ORDERED by the Illinois Commerce Commission that the information specified in Finding (8) above shall be afforded proprietary treatment, is exempt from public disclosure and will be accessible only by the Commission and Commission Staff for a period of two years from the date of this Order.

IT IS FURTHER ORDERED that South Bay Energy Corp. shall comply with all applicable Commission rules and orders now and as hereafter amended.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 15th day of August, 2017.

(SIGNED) BRIEN SHEAHAN

Chairman

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

South Bay Energy Corp. :
: :
Application for Certificate of Service : **17-0300**
Authority under Section 19-110 of :
the Public Utilities Act. :

ORDER

By the Commission:

I. PROCEDURAL HISTORY

On June 22, 2017, South Bay Energy Corp. ("Applicant") filed a verified application with the Illinois Commerce Commission ("Commission") requesting a certificate of service authority as an alternative gas supplier ("AGS") in Illinois pursuant to Section 19-110 of the Public Utilities Act ("Act"), 220 ILCS 5/1-101 *et seq.*, and 83 Ill. Adm. Code 551 ("Part 551").

Applicant submitted its certificate of publication showing that on June 30, 2017, notice of the application was published in the official State newspaper. The Commission Staff requested further information of certain matters in the application. On July 11, 2017, Applicant filed an amended application with the additional information and a Motion for Confidential Treatment.

II. STATUTORY AUTHORITY

Statutory provisions applicable to the certification of alternative gas suppliers are set forth in Section 19-110 of the Act. Subsection 19-110(a) provides in part that Section 19-110 applies only to alternative gas suppliers serving or seeking to serve residential or small commercial customers. Provisions relating to the AGS application process are contained in Subsections (b), (c), (d) and (e). Among other things, the applicant must identify the areas to be served and types of service to be offered, and demonstrate sufficient technical, financial and managerial fitness to provide the proposed services. Generally speaking, the Commission is required to enter an order within 45 days after publication of a "properly filed" application.

Commission rules for certification of alternative gas suppliers are set forth in Part 551. Procedures and requirements pertaining to the application process are contained in Sections 551.20 through 551.110. Procedures for reporting continuing compliance are set out in Sections 551.120 through 551.170.

III. DESCRIPTION OF THE APPLICANT AND OF THE PROPOSED AGS SERVICES

Applicant is a corporation organized and existing under the laws of New York. Applicant provided documentation from the Office of the Secretary of State, State of Illinois, demonstrating that Applicant is licensed to transact business in the State of Illinois. Applicant is an energy retailer in New York and currently has an application pending in New Jersey. Applicant markets and sells primarily through network marketing. Applicant is not affiliated with any utility.

Applicant states that it seeks to be authorized to offer residential and commercial services in the service territories of Northern Illinois Gas Company d/b/a Nicor Gas Company, The Peoples Gas Light and Coke Company, and North Shore Gas Company.

IV. AGS REQUIREMENTS AND OBLIGATIONS

Pursuant to Section 551.20(a), an AGS must certify that it will comply with all Federal, State, regional and industry rules practices, policies, procedures, and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interstate natural gas system and that it will submit good faith schedules of natural gas deliveries in accordance with applicable tariffs. Applicant certifies that it will comply with all applicable terms and conditions required by Section 19-115 of the Act. Applicant asserts it will serve customers who are eligible to take service from an AGS; that it will comply with informational and reporting requirements established by Commission rule; and that it will comply with all other applicable laws and regulations and Commission rules and orders pursuant to Section 551.20.

Applicant indicates it has not been denied a natural gas license in any state in the United States. Applicant indicates it has not had a natural gas supplier license suspended or revoked by any state in the United States.

In accordance with Section 551.40, Applicant agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created. In addition, Applicant agrees to confidential treatment of customer data.

Applicant certifies that all marketing materials that make statements concerning prices, terms and conditions of service shall contain information that adequately discloses the prices, terms and conditions of the products or services that it is offering or selling to the residential or commercial customer. Applicant agrees that before any commercial customer is switched from another supplier, the Applicant will give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the customer.

Applicant certifies that it will provide to the residential customer accurate, timely, and itemized billing statements that describe the products and services provided to the customer and their prices and that specify the gas consumption amount and any service charges and taxes; and an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the residential customer.

Applicant certifies it will provide refunds of any deposits with interest, at a rate set by the Commission which shall be the same as that required of gas utilities, within 30 days after the date that the commercial customer changes gas suppliers or discontinues service if the customer has satisfied all of its outstanding financial obligations to the alternative gas supplier. Applicant also agrees to provide timely refunds of any undisputed overpayments upon oral or written request of the commercial customer.

Applicant states that it will file procedures with the Commission addressing the manner in which any disputed amount for which a residential or commercial customer is billed may be resolved in compliance with Section 551.70(b)(6). Applicant states that while the dispute is pending, the customer shall pay the undisputed portion of the bill or an amount equal to last year's bill at the same location for the same period, normalized for weather, whichever is greater. Applicant affirms that any disputed amount in excess of last year's bill for the same address adjusted for weather shall not be included in the amount that must be paid by the due date. Applicant also agrees to inform its customers how to contact the Commission's Consumer Services Division to pursue an unresolved dispute. Applicant states that its billing statements include a toll-free number and other means by which a customer may contact it with inquiries or complaints. Finally, Applicant agrees to inform its commercial and residential customers how to contact the Commission to obtain consumer education materials provided pursuant to Section 19-125 of the Act.

Applicant asserts that it has obtained a license or permit bond as required by Section 551.50. A copy of Applicant's license or permit bond is attached to its application as Attachment D. Applicant also provides information indicating that it meets the financial criteria pursuant to Section 551.80 in Attachment E. Applicant further submitted information in Attachment F of Applicant's technical and managerial qualifications pursuant to Sections 551.90 and 551.100, respectively.

V. CUSTOMER COMPLAINTS

Applicant discloses that it is not the subject of any lawsuits filed in a court of law or formal complaints filed with a regulatory agency alleging fraud, deception or unfair marketing practices, or other similar allegations.

VI. COMMISSION ANALYSIS AND CONCLUSION

The Commission has reviewed the verified amended application along with all attachments. The Commission finds that the amended application is in order and satisfies the requirements of the Act and Part 551. Applicant has demonstrated that it possesses

sufficient financial, technical, and managerial resources and abilities to provide the sale of natural gas service to eligible customers. The Commission concludes, therefore, that the request for certification as an AGS should be granted as set forth in the first ordering paragraph below.

The Commission notes that Applicant further seeks confidential treatment of certain information contained in Attachment H to its amended application. Applicant indicates that these documents contain highly proprietary and confidential commercial and financial information, the disclosure of which to competitors would likely be detrimental to Applicant given the highly competitive nature of the gas industry. The Commission has reviewed the request for confidential treatment and finds that it is appropriate to grant a two-year period of confidential treatment for the redacted information. Applicant's confidential information in the Commission's possession should, therefore, be accessible only by the Commission and Commission Staff, unless such information is or becomes publicly available from another source.

VII. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record, is of the opinion and finds that:

- (1) Applicant, South Bay Energy Corp., is a corporation organized and existing under the laws of New York, is licensed to do business in the State of Illinois, and seeks authority to operate as an AGS under Section 19-110 of the Act;
- (2) the Commission has jurisdiction over South Bay Energy Corp. and the subject matter hereof;
- (3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (4) as required by Section 19-110(e)(1) of the Act, South Bay Energy Corp. possesses sufficient technical, financial, and managerial resources and abilities to provide natural gas service to eligible customers throughout the areas certificated herein;
- (5) South Bay Energy Corp. shall comply with Section 19-110(e)(2), (3), and (5) of the Act;
- (6) Section 7(1)(g) of the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*, exempts from disclosure:

Trade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary,

privileged or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business, and only insofar as the claim directly applies to the records requested;

- (7) the redacted information identified by South Bay Energy Corp. falls within the exemption stated in Finding (6);
- (8) the documents and portions of documents for which South Bay Energy Corp. seeks proprietary treatment should be exempt from public disclosure under Section 7(1)(g) of the Freedom of Information Act and Section 5-109 of the Act for a period of two years from the date this Order is entered; and
- (9) South Bay Energy Corp. should be granted a Certificate of Service Authority as set out below, and shall thereafter comply with all applicable Commission rules and orders and any applicable amendments thereto.

IT IS THEREFORE ORDERED by the Commission that subject to the conditions set forth herein, South Bay Energy Corp. is hereby granted a Certificate of Service Authority as an alternative gas supplier, and that this Certificate shall read as follows:

CERTIFICATE OF SERVICE AUTHORITY

IT IS CERTIFIED that South Bay Energy Corp. is granted service authority to operate as an Alternative Gas Supplier as follows:

SERVICE TO BE PROVIDED: The sale of natural gas.

CUSTOMERS AND GEOGRAPHIC REGIONS SERVED: All eligible residential and commercial customers in the service areas of Northern Illinois Gas Company d/b/a Nicor Gas Company, The Peoples Gas Light and Coke Company, and North Shore Gas Company.

IT IS FURTHER ORDERED that South Bay Energy Corp. shall comply with all applicable Commission rules and orders now in effect and as hereafter amended.

IT IS FURTHER ORDERED that the documents filed by South Bay Energy Corp. and identified above are afforded proprietary treatment and are exempt from public disclosure and will be accessible only by the Commission and Commission Staff until two years from the date of this Order.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 15th day of August, 2017.

(SIGNED) BRIEN SHEAHAN

Chairman

Appendix A

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APPLICATION AFFIDAVIT

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

[Commonwealth/State] of New York:

ss.

County of Suffolk

Stephen Mellis., Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the President (Office of Affiant) of South Bay Energy Corp. (Name of Applicant);]

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

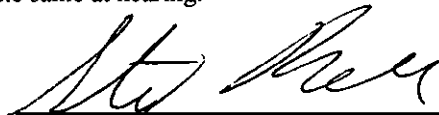
That the Applicant herein _____ has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as a natural gas supplier pursuant to 66 Pa. C.S. § 2208 (c)(1).

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

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

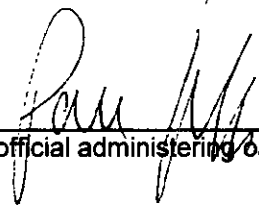
That the Applicant herein _____ acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

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.



Signature of Affiant

Sworn and subscribed before me this 11th day of February, 2019.



Signature of official administering oath

My commission expires _____.

PATRICIA FLEETHAM
Notary Public, State of New York
No. 01FL6011534
Qualified in Suffolk County
Commission Expires February 24, 2019

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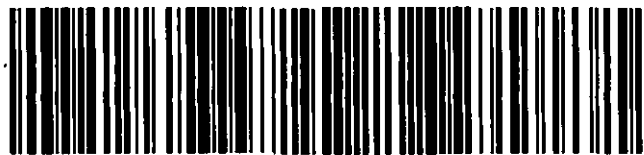
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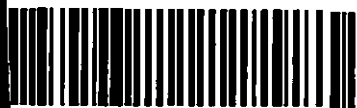
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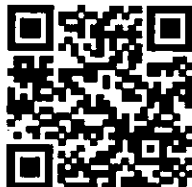
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Hauppauge, NY 11788

TO:

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

Label 228, March 2016

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