

VAPS Annual Report
2018 Financial Summary
-CONFIDENTIAL-

Attachment 1

| Line | Description | 2018 | ASP | BCTS | OSEE | Gas T&S | VEE Energy Manager | Allconnect Mover Program | Appliance Repair (Non ASP) | Customer Requested Fuel Lines | Gas Fuel Line Maint Contracts | Lab Services |
|--|--|----------------------|----------------------|---------------------|---------------------|-------------------|--------------------|--------------------------|----------------------------|-------------------------------|-------------------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (i) | (j) | (k) | (l) | (l) |
| Revenue | | | | | | | | | | | | |
| Plan Gross Revenues | | | | | | | | | | | | |
| 1 | Revenues | \$ 85,904,465 | \$ 72,131,120 | \$ 9,060,993 | \$ 1,497,343 | \$ 401,000 | \$ 198,735 | \$ 1,019,703 | \$ 88,851 | \$ 51 | \$ 50,594 | \$ 1,456,075 |
| 2 | Free Month Incentive Revenue | \$ (252,806) | \$ (252,806) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3 | Net Revenues (RDS) | \$ 85,651,659 | \$ 71,878,314 | \$ 9,060,993 | \$ 1,497,343 | \$ 401,000 | \$ 198,735 | \$ 1,019,703 | \$ 88,851 | \$ 51 | \$ 50,594 | \$ 1,456,075 |
| Expenses: | | | | | | | | | | | | |
| Cost of Goods Sold | | | | | | | | | | | | |
| 4 | Material & labor (including labor overheads) | 37,753,646 | 27,865,042 | 7,092,249 | 618,548 | 193,183 | 382,671 | 23,525 | 91,879 | 194 | 192,148 | 1,294,207 |
| 5 | ACAP Expense | 5,065,868 | 5,065,868 | - | - | - | - | - | - | - | - | - |
| 6 | Field Expense (Payout) | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Total Cost of Goods Sold | 42,819,514 | 32,930,910 | 7,092,249 | 618,548 | 193,183 | 382,671 | 23,525 | 91,879 | 194 | 192,148 | 1,294,207 |
| 8 | Gross Margin | 42,832,145 | 38,947,404 | 1,968,744 | 878,795 | 207,817 | (183,936) | 996,178 | (3,028) | (143) | (141,554) | 161,868 |
| Operational Expense | | | | | | | | | | | | |
| 9 | Schedule, Control & Dispatch | 770,430 | 388,388 | - | - | - | 335,993 | 46,049 | - | - | - | - |
| 10 | Solution Center Costs | 2,882,081 | 2,882,081 | - | - | - | - | - | - | - | - | - |
| 11 | Org & Office Admin | 3,075,537 | 1,741,462 | 989,088 | 79,608 | 47,480 | 217,899 | - | - | - | - | - |
| 12 | Program Amendments | 203,119 | 203,119 | - | - | - | - | - | - | - | - | - |
| 13 | Total Operational Expense | 6,931,167 | 5,215,050 | 989,088 | 79,608 | 47,480 | 553,892 | 46,049 | - | - | - | - |
| Marketing Expense | | | | | | | | | | | | |
| 14 | Promotional Program & Research | 4,483,185 | 4,483,185 | - | - | - | - | - | - | - | - | - |
| 15 | Marketing Supervision | 842,716 | 842,716 | - | - | - | - | - | - | - | - | - |
| 16 | Point Plus | 453,161 | 453,161 | - | - | - | - | - | - | - | - | - |
| 17 | Direct Mail | 1,920,831 | 1,920,831 | - | - | - | - | - | - | - | - | - |
| 18 | Total Marketing Expense | 7,699,893 | 7,699,893 | - | - | - | - | - | - | - | - | - |
| 19 | Total Expenses | 57,450,574 | 45,845,853 | 8,081,337 | 698,156 | 240,663 | 936,563 | 69,574 | 91,879 | 194 | 192,148 | 1,294,207 |
| 20 | Bad Debt - Uncollectibles | 2,175,911 | 2,164,103 | - | - | - | - | - | 9,800 | - | 2,008 | - |
| 21 | Total Expenses including UA's | 59,626,485 | 48,009,956 | 8,081,337 | 698,156 | 240,663 | 936,563 | 69,574 | 101,679 | 194 | 194,156 | 1,294,207 |
| 22 | Margin | 26,025,174 | 23,868,358 | 979,656 | 799,187 | 160,337 | (737,828) | 950,129 | (12,828) | (143) | (143,562) | 161,868 |
| Indirect Expenses: | | | | | | | | | | | | |
| Indirect Operational Expense | | | | | | | | | | | | |
| | Small Tools | 28,048 | 28,048 | - | - | - | - | - | - | - | - | - |
| | Training | 546,201 | 546,201 | - | - | - | - | - | - | - | - | - |
| | Complaints | 32,805 | 32,805 | - | - | - | - | - | - | - | - | - |
| | Total Indirect Operational Expense | 607,054 | 607,054 | - | - | - | - | - | - | - | - | - |
| Indirect Admin Expense | | | | | | | | | | | | |
| | Billing | 240,989 | 240,380 | 31 | 59 | 2 | 15 | 1 | 64 | - | 56 | 380 |
| | Payment Processing | 231,720 | 231,134 | 30 | 56 | 2 | 14 | 1 | 62 | - | 54 | 366 |
| | Total Indirect Admin Expense | 472,708 | 471,514 | 61 | 115 | 4 | 29 | 2 | 126 | - | 111 | 746 |
| Indirect IT/Infrastructure Expense | | | | | | | | | | | | |
| | SAP | 37,112 | 15,807 | 10,309 | 6,873 | 687 | 3,436 | - | - | - | - | - |
| | MDSI | - | - | - | - | - | - | - | - | - | - | - |
| | Radio & Telephone | - | - | - | - | - | - | - | - | - | - | - |
| | Total Indirect IT/Infrastructure Expense | 37,112 | 15,807 | 10,309 | 6,873 | 687 | 3,436 | - | - | - | - | - |
| Indirect Overhead/Corporate Expense | | | | | | | | | | | | |
| | Labor Related | 3,766,259 | 3,272,725 | - | - | - | - | - | - | - | - | 493,534 |
| | Other Corporate Related | 2,427,516 | 2,427,516 | - | - | - | - | - | - | - | - | - |
| | Total Indirect Overhead/Corporate Expense | 6,193,775 | 5,700,241 | - | - | - | - | - | - | - | - | 493,534 |
| | Total Indirect Expenses | 7,310,649 | 6,794,616 | 10,370 | 6,988 | 691 | 3,465 | 2 | 126 | - | 111 | 494,280 |
| | VAPS Indirect Margin | 18,714,525 | 17,073,742 | 969,286 | 792,199 | 159,646 | (741,293) | 950,127 | (12,954) | (143) | (143,673) | (332,412) |

Notes to Attachment 4

- Note 1 Future year revenues, expenses and margin are expected to remain flat and be consistent with 2018 results
Note 2 A separate Balance Sheet, Income Statement, Trial Balance or General Ledger is not available for VAPS programs