

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____	
B	This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)	
C	If the plan is a collectively-bargained plan, check here. ☐		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)	

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>U.S. GAS & ELECTRIC, INC. 401(K) PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>01/01/2009</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>U.S. GAS & ELECTRIC, INC.</u> <u>3700 LAKESIDE DRIVE, 6TH FLOOR</u> <u>MIRAMAR, FL 33027</u>	2b	Employer Identification Number (EIN) <u>58-2502341</u>
		2c	Plan Sponsor's telephone number <u>305-947-7880</u>
		2d	Business code (see instructions) <u>561420</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2017	DAVID WEINBERG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 190
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 145
a(2) Total number of active participants at the end of the plan year	6a(2) 157
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits	6c 33
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 190
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 190
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 173
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2A 2E 2G 2J 2R 2T 3D	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan U.S. GAS & ELECTRIC, INC. 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 U.S. GAS & ELECTRIC, INC.	D Employer Identification Number (EIN) 58-2502341

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

	(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation FIDELITY INVESTMENTS INSTITUTIONAL
	04-2647786

	(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
60 64 65 71	RECORDKEEPER	1416	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

JANNEY MONTGOMERY SCOTT LLC

23-1918844

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
55	ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	3052	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

JANNEY MONTGOMERY SCOTT LLC

23-0731260

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
55	ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	1885	Yes ☐ No ☒

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIRST CLEARING LLC

23-2384840

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
55	ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	6126	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ALZGI NFJ INTL VAL A - BOSTON FINA P.O. BOX 8480 BOSTON, MA 02266	0.25%	
(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
EV INC FUND BOSTON A - BNY MELLON P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%	
(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
FKLN RISING DIVS A - FRANKLIN TEMP 94-3167260	0.25%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
HTFD INTL OPPS R4 - HARTFORD ADMIN 41-0679409	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS DIVRS DIVIDND A - INVESCO INV 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS INTL GROWTH A - INVESCO CANAD 5140 YONGE STREET, SUITE 900 TORONTO, ON M2N 6 CA	0.35%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
JANUS TRITON S - JANUS SERVICES LL 43-1804048	0.25%	
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
JPM MID CAP VALUE A - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160	0.25%	
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
MFS AGGR GR ALLOC R3 - MFS SERVICE 04-2865649	0.25%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPHMR DEV MKTS A - OFI GLOBAL ASS 225 LIBERTY STREET NEW YORK, NY 10281		0.25%
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIM REAL RETURN A - BOSTON FINANCI P.O. BOX 8480 BOSTON, MA 02266		0.25%
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIM STKPLUS SM A - BOSTON FINANCIA P.O. BOX 8480 BOSTON, MA 02266		0.25%

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIM TOTAL RETURN A - BOSTON FINANCIAL P.O. BOX 8480 BOSTON, MA 02266	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRU/J MID CAP GR A - PRUDENTIAL MUTUAL 22-3703799	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
WF GOVT SECS A - BOSTON FINANCIAL P.O. BOX 8480 BOSTON, MA 02266	0.20%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
JANNEY MONTGOMERY SCOTT LLC	55	1885
(d) Enter name and EIN (address) of source of indirect compensation NATIONAL FINANCIAL SERVICES LLC 04-3523567		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
JANNEY MONTGOMERY SCOTT LLC	55	3052
(d) Enter name and EIN (address) of source of indirect compensation NATIONAL FINANCIAL SERVICES LLC 04-3523567		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
FIRST CLEARING LLC	55	6126
(d) Enter name and EIN (address) of source of indirect compensation NATIONAL FINANCIAL SERVICES LLC 04-3523567		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <hr/> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>		
A Name of plan <u>U.S. GAS & ELECTRIC, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>U.S. GAS & ELECTRIC, INC.</u>	D Employer Identification Number (EIN) <u>58-2502341</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	13918
(2) Participant contributions	1b(2)	0	26737
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	91999	88560
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	56128	19319
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	4155396	5172116
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	4303523	5320650

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	4303523	5320650
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	417267	
(B) Participants	2a(1)(B)	601049	
(C) Others (including rollovers)	2a(1)(C)	8369	
(2) Noncash contributions	2a(2)	0	1026685
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	55	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		55
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	206936
(B) Common stock	2b(2)(B)	528	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	206408	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		206936
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	48039	-3916
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	51955	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	420
(B) Other	2b(5)(B)	420	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		214470
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		1444650

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	426348	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		426348
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other	2i(4)	1175	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1175
j Total expenses. Add all expense amounts in column (b) and enter total	2j		427523

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1017127
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **MARCUM LLP**

(2) EIN: **11-1986323**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a	X		55973
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>U.S. GAS & ELECTRIC, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>U.S. GAS & ELECTRIC, INC.</u>	D Employer Identification Number (EIN) <u>58-2502341</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
a	The current year	14a	
b	The plan year immediately preceding the current plan year	14b	
c	The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a	The corresponding number for the plan year immediately preceding the current plan year	15a	
b	The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a	Enter the number of employers who withdrew during the preceding plan year	16a	
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment	☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)	
a	Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%	
b	Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more	
c	What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

U.S. GAS & ELECTRIC, INC. 401(k) PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

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Required Supplemental Schedules

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Schedule H, Line 4a - Schedule of Delinquent Participant Contributions	14

INDEPENDENT AUDITORS' REPORT

To the Trustees and Plan Administrator of
U.S. Gas & Electric, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of U.S. Gas & Electric, Inc. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule of assets (held at end of year). We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) and supplemental schedule of delinquent participant contributions as of and for the year ended December 31, 2016 are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Marcum LLP

Miami, FL
October 4, 2017

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Investments, at Fair Value	<u>\$ 5,279,995</u>	<u>\$ 4,303,523</u>
Receivables		
Participant contributions	26,737	--
Employer contributions	<u>13,918</u>	<u>--</u>
Total Receivables	<u>40,655</u>	<u>--</u>
Total Assets	<u>5,320,650</u>	<u>4,303,523</u>
Liabilities and Net Assets Available for Benefits		
Liabilities	<u>--</u>	<u>--</u>
Net Assets Available for Benefits	<u><u>\$ 5,320,650</u></u>	<u><u>\$ 4,303,523</u></u>

The accompanying notes are an integral part of these financial statements.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2016

Additions to Net Assets

Investment Income

Net appreciation in fair value of investments	\$ 210,554
Dividends and interest	<u>207,411</u>

Total Investment Income \$ 417,965

Contributions

Participant	601,049
Employer	417,267
Rollover	<u>8,369</u>

Total Contributions 1,026,685

Total Additions 1,444,650

Deductions From Net Assets

Benefits paid to participants	426,348
Administrative expenses	<u>1,175</u>

Total Deductions 427,523

Net Increase 1,017,127

Net Assets Available for Benefits - Beginning 4,303,523

Net Assets Available for Benefits - Ending \$ 5,320,650

The accompanying notes are an integral part of these financial statements.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the U.S. Gas & Electric, Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

GENERAL

The Plan, which was established on January 1, 2009, is a defined contribution plan covering eligible employees of U.S. Gas & Electric, Inc. (the “Employer,” the “Company,” or the “Plan Sponsor”) who have reached age 18 and on the first day of the quarter following the completion of six months of service, as defined in the Plan document. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

CONTRIBUTIONS

Each year, participants may contribute up to 100% of pre-tax or after-tax (Roth) annual eligible compensation up to the maximum amount allowable per the annual limits established in the Internal Revenue Code (“IRC”). Participants who are 50 years of age or older may elect to defer additional amounts (called “catch-up contributions”) to the Plan for that year. These “catch-up contributions” are also subject to IRC limitations. In addition, participants may be permitted to deposit distributions received from other plans and certain individual retirement accounts into the Plan (“Rollovers”).

In order to maintain “safe harbor” status, the Plan Sponsor will make matching contributions equal to three percent of each participant’s eligible compensation for the Plan year. In addition, each year, the Plan Sponsor may make discretionary matching contributions to the Plan up to four percent of a participant’s eligible compensation for the Plan year. During the year ended December 31, 2016, there were no discretionary matching contributions to the Plan.

Participants direct the investment of their contributions into various investment options offered by the Plan.

PARTICIPANT ACCOUNTS

Each participant’s account is credited with the participant’s contributions, the Company’s safe harbor matching contributions, any Rollovers into the Plan, and an allocation of the Company’s discretionary matching contributions, if any, and Plan earnings or losses. Each participant’s account is reduced by any withdrawals or distributions and an allocation of administrative fees paid by the Plan. Allocations are based on participant earnings or accounts balances, as defined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account balance.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

VESTING

Participants are immediately 100% vested in their elective deferrals, catch-up contributions, Rollovers, and the Company's safe harbor matching contributions. However, to be vested in discretionary matching contributions made by the Plan Sponsor to the Plan, participants must be employed with the Plan Sponsor for a specified period of time.

A participant is 100% vested in discretionary matching contributions after six years of service according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

A participant must provide a minimum of 1,000 hours of service each year to complete a year of vesting service.

PAYMENT OF BENEFITS

Upon termination of service due to death, disability or retirement, a participant or the named beneficiary may elect to receive a distribution of the vested portion of the participant's account balance in the form of a single lump-sum payment. Withdrawals under the Plan are allowed for hardship (as defined by the IRC) or the attainment of age 59^{1/2}.

HARDSHIP WITHDRAWALS

A participant who is experiencing a financial hardship, as defined in the Plan document, may request a withdrawal of all or any portion of such participant's salary deferral contributions, Rollovers plus earnings, if any. For the year ended December 31, 2016, hardship withdrawals amounted to approximately \$64,000, which is included in benefits paid to participants in the accompanying Statement of Changes in Net Assets Available for Benefits.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

FORFEITURES

Forfeitures are those amounts of the Plan Sponsor's discretionary matching contributions in which a participant is not fully vested at the time of termination. Forfeitures of non-vested account balances may be used either to pay administrative expenses or to offset the Plan Sponsor's discretionary matching contributions. During the year ended December 31, 2016, there were no forfeitures used to pay administrative expenses or to offset the Plan Sponsor's discretionary matching contributions. At December 31, 2016 and 2015, there were no available forfeitures to reduce future administrative expenses or contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared on the accrual basis of accounting.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management of the Plan determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PLAN EXPENSES

Administrative expenses incurred in relation to the maintenance of the Plan are substantially paid by the Plan Sponsor and are excluded from these financial statements. Certain fees related to investment expenses are charged directly to the participant's account and are included in administrative expenses. The remaining investment related expenses are included in net appreciation (depreciation) of fair value of investments.

RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the participant account balances and the amounts reported in the statements of net assets available for benefits. The Plan, through its investment advisor, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 4, 2017, the date the financial statements were available to be issued.

NOTE 3 – INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected in the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015, the related investment activity reflected in the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2016, and the information reflected in the accompanying supplemental schedule of assets (held at end of year) as of December 31, 2016.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements and Disclosures are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Mutual Funds

Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Self-Directed Brokerage Accounts

Valued based on the fair value of the underlying investments. The underlying investments are carried at fair value based on quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 5,204,193	\$ --	\$ --	\$ 5,204,193
Self-directed brokerage accounts	75,802	--	--	75,802
Investments at Fair Value	\$ 5,279,995	\$ --	\$ --	\$ 5,279,995

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 4,182,059	\$ --	\$ --	\$ 4,182,059
Self-directed brokerage accounts	121,464	--	--	121,464
Investments at Fair Value	\$ 4,303,523	\$ --	\$ --	\$ 4,303,523

NOTE 5 – TAX STATUS

The Plan uses a prototype non-standard plan which received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2014, that the Plan and related trust, as then designed, was in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 – TAX STATUS (CONTINUED)

Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Employer contributions.

NOTE 7 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan document and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. Fees paid by the Plan to Fidelity Management Trust Company for administrative services were approximately \$1,200 for the year ended December 31, 2016.

NOTE 8 – PROHIBITED TRANSACTION

During 2015, participant contributions for certain payroll periods, aggregating approximately \$56,000, were not remitted timely to the Plan. The Department of Labor (“DOL”) requires that participant contributions be remitted to the Plan on the earliest date on which they can be reasonably segregated from the Company’s general assets. Failure to remit participant contributions to the Plan in a timely manner results in a prohibited transaction which must be separately reported to the DOL and may result in penalties to the Plan Sponsor. The lost interest and earnings related to the 2015 late remittances were paid and corrected on January 14, 2016.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Mutual Funds				
*	Fidelity Investments	Fidelity Advisor Freedom 2040 A	**	\$ 739,684
*	Fidelity Investments	Fidelity Advisor Freedom 2030 A	**	665,164
*	Fidelity Investments	Fidelity 500 Index PR	**	448,085
*	Fidelity Investments	Fidelity Advisor Freedom 2045 A	**	423,979
*	Fidelity Investments	Fidelity Advisor Freedom 2035 A	**	379,249
*	Fidelity Investments	Fidelity Advisor Freedom 2020 A	**	347,357
*	Fidelity Investments	Fidelity Advisor Freedom 2025 A	**	286,107
	Invesco	Invesco Diversified Dividend A	**	198,813
	PIMCO	PIMCO Small Cap StocksPLUS AR Strt A	**	191,341
	JPMorgan	JPMorgan Mid Cap Value A	**	175,959
*	Fidelity Investments	Fidelity Advisor Freedom 2050 A	**	171,058
*	Fidelity Investments	Fidelity Extnd Mkt Idx PR	**	142,704
	Janus	Janus Triton S	**	141,495
	Franklin Templeton	Franklin Rising Dividends A	**	103,969
*	Fidelity Investments	Fidelity Advisor Freedom 2055 A	**	100,699
	First Eagle	First Eagle Global A	**	95,582
	Eaton Vance	Eaton Vance Income Fund of Boston A	**	85,960
*	Fidelity Investments	Fidelity Advisor New Insight A	**	70,922
	PIMCO	PIMCO Total Return A	**	39,880
*	Fidelity Investments	Fidelity Advisor Freedom 2010 A	**	38,701
*	Fidelity Investments	Fidelity Advisor Asset Manager 85% A	**	35,984
	Wells Fargo Advantage	Wells Fargo Advantage Government Sec A	**	35,974
*	Fidelity Investments	Fidelity Advisor Small Cap Value A	**	33,310
*	Fidelity Investments	Fidelity Govt Money Market Fund Daily Money	**	32,077
	Invesco	Invesco International Growth A	**	29,125
*	Fidelity Investments	Fidelity Advisor Real Estate Income A	**	25,368

(Continued)

* Represents a party-in-interest as defined by ERISA.

** Cost information not required for participant-directed investments.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) (CONTINUED)

DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Mutual Funds (Continued)				
	First Eagle	First Eagle Fund of America A	**	\$ 21,892
*	Fidelity Investments	Fidelity Advisor Freedom 2005 A	**	20,189
*	Fidelity Investments	Fidelity Advisor Asset Manager 40% A	**	20,051
	Prudential Investments	Prudential Jennison Mid Cap Growth A	**	17,761
*	Fidelity Investments	Fidelity Total Bond A	**	16,245
	PIMCO	PIMCO Real Return A	**	16,089
*	Fidelity Investments	Fidelity Advisor Balanced A	**	15,051
	OppenheimerFunds	Oppenheimer Developing Markets A	**	12,581
*	Fidelity Investments	Fidelity Advisor Freedom 2015 A	**	12,075
	Hartford Mutual Funds	Hartford International Opportunities R4	**	6,583
	MFS	MFS Aggressive Growth Allocation R3	**	5,868
*	Fidelity Investments	Fidelity Advisor Asset Manager 60% A	**	1,035
*	Fidelity Investments	Fidelity Advisor Freedom 2060 A	**	227
Self-Directed Brokerage Accounts				
*	Fidelity Investments	Cash Reserves	**	56,483
*	Fidelity Investments	Common Stocks	**	<u>19,319</u>
Total Investments				<u>\$ 5,279,995</u>

* Represents a party-in-interest as defined by ERISA.

** Cost information not required for participant-directed investments.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Corrected Under VFCP PTE 2002-51
2015*	\$ 55,973	\$ --	\$ 55,973	\$ --	\$ --

* The lost interest and earnings related to these late remittances were paid and corrected on January 14, 2016.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

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INDEPENDENT AUDITORS' REPORT

To the Trustees and Plan Administrator of
U.S. Gas & Electric, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of U.S. Gas & Electric, Inc. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule of assets (held at end of year). We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) and supplemental schedule of delinquent participant contributions as of and for the year ended December 31, 2016 are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Marcum LLP

Miami, FL
October 4, 2017

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Investments, at Fair Value	<u>\$ 5,279,995</u>	<u>\$ 4,303,523</u>
Receivables		
Participant contributions	26,737	--
Employer contributions	<u>13,918</u>	<u>--</u>
Total Receivables	<u>40,655</u>	<u>--</u>
Total Assets	<u>5,320,650</u>	<u>4,303,523</u>
Liabilities and Net Assets Available for Benefits		
Liabilities	<u>--</u>	<u>--</u>
Net Assets Available for Benefits	<u><u>\$ 5,320,650</u></u>	<u><u>\$ 4,303,523</u></u>

The accompanying notes are an integral part of these financial statements.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2016

Additions to Net Assets

Investment Income

Net appreciation in fair value of investments	\$ 210,554
Dividends and interest	<u>207,411</u>

Total Investment Income \$ 417,965

Contributions

Participant	601,049
Employer	417,267
Rollover	<u>8,369</u>

Total Contributions 1,026,685

Total Additions 1,444,650

Deductions From Net Assets

Benefits paid to participants	426,348
Administrative expenses	<u>1,175</u>

Total Deductions 427,523

Net Increase 1,017,127

Net Assets Available for Benefits - Beginning 4,303,523

Net Assets Available for Benefits - Ending \$ 5,320,650

The accompanying notes are an integral part of these financial statements.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the U.S. Gas & Electric, Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

GENERAL

The Plan, which was established on January 1, 2009, is a defined contribution plan covering eligible employees of U.S. Gas & Electric, Inc. (the “Employer,” the “Company,” or the “Plan Sponsor”) who have reached age 18 and on the first day of the quarter following the completion of six months of service, as defined in the Plan document. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

CONTRIBUTIONS

Each year, participants may contribute up to 100% of pre-tax or after-tax (Roth) annual eligible compensation up to the maximum amount allowable per the annual limits established in the Internal Revenue Code (“IRC”). Participants who are 50 years of age or older may elect to defer additional amounts (called “catch-up contributions”) to the Plan for that year. These “catch-up contributions” are also subject to IRC limitations. In addition, participants may be permitted to deposit distributions received from other plans and certain individual retirement accounts into the Plan (“Rollovers”).

In order to maintain “safe harbor” status, the Plan Sponsor will make matching contributions equal to three percent of each participant’s eligible compensation for the Plan year. In addition, each year, the Plan Sponsor may make discretionary matching contributions to the Plan up to four percent of a participant’s eligible compensation for the Plan year. During the year ended December 31, 2016, there were no discretionary matching contributions to the Plan.

Participants direct the investment of their contributions into various investment options offered by the Plan.

PARTICIPANT ACCOUNTS

Each participant’s account is credited with the participant’s contributions, the Company’s safe harbor matching contributions, any Rollovers into the Plan, and an allocation of the Company’s discretionary matching contributions, if any, and Plan earnings or losses. Each participant’s account is reduced by any withdrawals or distributions and an allocation of administrative fees paid by the Plan. Allocations are based on participant earnings or accounts balances, as defined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account balance.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

VESTING

Participants are immediately 100% vested in their elective deferrals, catch-up contributions, Rollovers, and the Company's safe harbor matching contributions. However, to be vested in discretionary matching contributions made by the Plan Sponsor to the Plan, participants must be employed with the Plan Sponsor for a specified period of time.

A participant is 100% vested in discretionary matching contributions after six years of service according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

A participant must provide a minimum of 1,000 hours of service each year to complete a year of vesting service.

PAYMENT OF BENEFITS

Upon termination of service due to death, disability or retirement, a participant or the named beneficiary may elect to receive a distribution of the vested portion of the participant's account balance in the form of a single lump-sum payment. Withdrawals under the Plan are allowed for hardship (as defined by the IRC) or the attainment of age 59^{1/2}.

HARDSHIP WITHDRAWALS

A participant who is experiencing a financial hardship, as defined in the Plan document, may request a withdrawal of all or any portion of such participant's salary deferral contributions, Rollovers plus earnings, if any. For the year ended December 31, 2016, hardship withdrawals amounted to approximately \$64,000, which is included in benefits paid to participants in the accompanying Statement of Changes in Net Assets Available for Benefits.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

FORFEITURES

Forfeitures are those amounts of the Plan Sponsor's discretionary matching contributions in which a participant is not fully vested at the time of termination. Forfeitures of non-vested account balances may be used either to pay administrative expenses or to offset the Plan Sponsor's discretionary matching contributions. During the year ended December 31, 2016, there were no forfeitures used to pay administrative expenses or to offset the Plan Sponsor's discretionary matching contributions. At December 31, 2016 and 2015, there were no available forfeitures to reduce future administrative expenses or contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared on the accrual basis of accounting.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management of the Plan determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PLAN EXPENSES

Administrative expenses incurred in relation to the maintenance of the Plan are substantially paid by the Plan Sponsor and are excluded from these financial statements. Certain fees related to investment expenses are charged directly to the participant's account and are included in administrative expenses. The remaining investment related expenses are included in net appreciation (depreciation) of fair value of investments.

RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the participant account balances and the amounts reported in the statements of net assets available for benefits. The Plan, through its investment advisor, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 4, 2017, the date the financial statements were available to be issued.

NOTE 3 – INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected in the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015, the related investment activity reflected in the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2016, and the information reflected in the accompanying supplemental schedule of assets (held at end of year) as of December 31, 2016.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements and Disclosures are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Mutual Funds

Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Self-Directed Brokerage Accounts

Valued based on the fair value of the underlying investments. The underlying investments are carried at fair value based on quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 5,204,193	\$ --	\$ --	\$ 5,204,193
Self-directed brokerage accounts	75,802	--	--	75,802
Investments at Fair Value	\$ 5,279,995	\$ --	\$ --	\$ 5,279,995

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 4,182,059	\$ --	\$ --	\$ 4,182,059
Self-directed brokerage accounts	121,464	--	--	121,464
Investments at Fair Value	\$ 4,303,523	\$ --	\$ --	\$ 4,303,523

NOTE 5 – TAX STATUS

The Plan uses a prototype non-standard plan which received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2014, that the Plan and related trust, as then designed, was in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 – TAX STATUS (CONTINUED)

Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Employer contributions.

NOTE 7 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan document and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. Fees paid by the Plan to Fidelity Management Trust Company for administrative services were approximately \$1,200 for the year ended December 31, 2016.

NOTE 8 – PROHIBITED TRANSACTION

During 2015, participant contributions for certain payroll periods, aggregating approximately \$56,000, were not remitted timely to the Plan. The Department of Labor (“DOL”) requires that participant contributions be remitted to the Plan on the earliest date on which they can be reasonably segregated from the Company’s general assets. Failure to remit participant contributions to the Plan in a timely manner results in a prohibited transaction which must be separately reported to the DOL and may result in penalties to the Plan Sponsor. The lost interest and earnings related to the 2015 late remittances were paid and corrected on January 14, 2016.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Mutual Funds				
*	Fidelity Investments	Fidelity Advisor Freedom 2040 A	**	\$ 739,684
*	Fidelity Investments	Fidelity Advisor Freedom 2030 A	**	665,164
*	Fidelity Investments	Fidelity 500 Index PR	**	448,085
*	Fidelity Investments	Fidelity Advisor Freedom 2045 A	**	423,979
*	Fidelity Investments	Fidelity Advisor Freedom 2035 A	**	379,249
*	Fidelity Investments	Fidelity Advisor Freedom 2020 A	**	347,357
*	Fidelity Investments	Fidelity Advisor Freedom 2025 A	**	286,107
	Invesco	Invesco Diversified Dividend A	**	198,813
	PIMCO	PIMCO Small Cap StocksPLUS AR Strt A	**	191,341
	JPMorgan	JPMorgan Mid Cap Value A	**	175,959
*	Fidelity Investments	Fidelity Advisor Freedom 2050 A	**	171,058
*	Fidelity Investments	Fidelity Extnd Mkt Idx PR	**	142,704
	Janus	Janus Triton S	**	141,495
	Franklin Templeton	Franklin Rising Dividends A	**	103,969
*	Fidelity Investments	Fidelity Advisor Freedom 2055 A	**	100,699
	First Eagle	First Eagle Global A	**	95,582
	Eaton Vance	Eaton Vance Income Fund of Boston A	**	85,960
*	Fidelity Investments	Fidelity Advisor New Insight A	**	70,922
	PIMCO	PIMCO Total Return A	**	39,880
*	Fidelity Investments	Fidelity Advisor Freedom 2010 A	**	38,701
*	Fidelity Investments	Fidelity Advisor Asset Manager 85% A	**	35,984
	Wells Fargo Advantage	Wells Fargo Advantage Government Sec A	**	35,974
*	Fidelity Investments	Fidelity Advisor Small Cap Value A	**	33,310
*	Fidelity Investments	Fidelity Govt Money Market Fund Daily Money	**	32,077
	Invesco	Invesco International Growth A	**	29,125
*	Fidelity Investments	Fidelity Advisor Real Estate Income A	**	25,368

(Continued)

* Represents a party-in-interest as defined by ERISA.

** Cost information not required for participant-directed investments.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) (CONTINUED)

DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Mutual Funds (Continued)				
	First Eagle	First Eagle Fund of America A	**	\$ 21,892
*	Fidelity Investments	Fidelity Advisor Freedom 2005 A	**	20,189
*	Fidelity Investments	Fidelity Advisor Asset Manager 40% A	**	20,051
	Prudential Investments	Prudential Jennison Mid Cap Growth A	**	17,761
*	Fidelity Investments	Fidelity Total Bond A	**	16,245
	PIMCO	PIMCO Real Return A	**	16,089
*	Fidelity Investments	Fidelity Advisor Balanced A	**	15,051
	OppenheimerFunds	Oppenheimer Developing Markets A	**	12,581
*	Fidelity Investments	Fidelity Advisor Freedom 2015 A	**	12,075
	Hartford Mutual Funds	Hartford International Opportunities R4	**	6,583
	MFS	MFS Aggressive Growth Allocation R3	**	5,868
*	Fidelity Investments	Fidelity Advisor Asset Manager 60% A	**	1,035
*	Fidelity Investments	Fidelity Advisor Freedom 2060 A	**	227
Self-Directed Brokerage Accounts				
*	Fidelity Investments	Cash Reserves	**	56,483
*	Fidelity Investments	Common Stocks	**	<u>19,319</u>
Total Investments				<u>\$ 5,279,995</u>

* Represents a party-in-interest as defined by ERISA.

** Cost information not required for participant-directed investments.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Corrected Under VFCP PTE 2002-51
2015*	\$ 55,973	\$ --	\$ 55,973	\$ --	\$ --

* The lost interest and earnings related to these late remittances were paid and corrected on January 14, 2016.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

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INDEPENDENT AUDITORS' REPORT

To the Trustees and Plan Administrator of
U.S. Gas & Electric, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of U.S. Gas & Electric, Inc. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule of assets (held at end of year). We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) and supplemental schedule of delinquent participant contributions as of and for the year ended December 31, 2016 are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Marcum LLP

Miami, FL
October 4, 2017

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Investments, at Fair Value	<u>\$ 5,279,995</u>	<u>\$ 4,303,523</u>
Receivables		
Participant contributions	26,737	--
Employer contributions	<u>13,918</u>	<u>--</u>
Total Receivables	<u>40,655</u>	<u>--</u>
Total Assets	<u>5,320,650</u>	<u>4,303,523</u>
Liabilities and Net Assets Available for Benefits		
Liabilities	<u>--</u>	<u>--</u>
Net Assets Available for Benefits	<u><u>\$ 5,320,650</u></u>	<u><u>\$ 4,303,523</u></u>

The accompanying notes are an integral part of these financial statements.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2016

Additions to Net Assets

Investment Income

Net appreciation in fair value of investments	\$ 210,554
Dividends and interest	<u>207,411</u>

Total Investment Income \$ 417,965

Contributions

Participant	601,049
Employer	417,267
Rollover	<u>8,369</u>

Total Contributions 1,026,685

Total Additions 1,444,650

Deductions From Net Assets

Benefits paid to participants	426,348
Administrative expenses	<u>1,175</u>

Total Deductions 427,523

Net Increase 1,017,127

Net Assets Available for Benefits - Beginning 4,303,523

Net Assets Available for Benefits - Ending \$ 5,320,650

The accompanying notes are an integral part of these financial statements.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the U.S. Gas & Electric, Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

GENERAL

The Plan, which was established on January 1, 2009, is a defined contribution plan covering eligible employees of U.S. Gas & Electric, Inc. (the “Employer,” the “Company,” or the “Plan Sponsor”) who have reached age 18 and on the first day of the quarter following the completion of six months of service, as defined in the Plan document. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

CONTRIBUTIONS

Each year, participants may contribute up to 100% of pre-tax or after-tax (Roth) annual eligible compensation up to the maximum amount allowable per the annual limits established in the Internal Revenue Code (“IRC”). Participants who are 50 years of age or older may elect to defer additional amounts (called “catch-up contributions”) to the Plan for that year. These “catch-up contributions” are also subject to IRC limitations. In addition, participants may be permitted to deposit distributions received from other plans and certain individual retirement accounts into the Plan (“Rollovers”).

In order to maintain “safe harbor” status, the Plan Sponsor will make matching contributions equal to three percent of each participant’s eligible compensation for the Plan year. In addition, each year, the Plan Sponsor may make discretionary matching contributions to the Plan up to four percent of a participant’s eligible compensation for the Plan year. During the year ended December 31, 2016, there were no discretionary matching contributions to the Plan.

Participants direct the investment of their contributions into various investment options offered by the Plan.

PARTICIPANT ACCOUNTS

Each participant’s account is credited with the participant’s contributions, the Company’s safe harbor matching contributions, any Rollovers into the Plan, and an allocation of the Company’s discretionary matching contributions, if any, and Plan earnings or losses. Each participant’s account is reduced by any withdrawals or distributions and an allocation of administrative fees paid by the Plan. Allocations are based on participant earnings or accounts balances, as defined by the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account balance.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

VESTING

Participants are immediately 100% vested in their elective deferrals, catch-up contributions, Rollovers, and the Company's safe harbor matching contributions. However, to be vested in discretionary matching contributions made by the Plan Sponsor to the Plan, participants must be employed with the Plan Sponsor for a specified period of time.

A participant is 100% vested in discretionary matching contributions after six years of service according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

A participant must provide a minimum of 1,000 hours of service each year to complete a year of vesting service.

PAYMENT OF BENEFITS

Upon termination of service due to death, disability or retirement, a participant or the named beneficiary may elect to receive a distribution of the vested portion of the participant's account balance in the form of a single lump-sum payment. Withdrawals under the Plan are allowed for hardship (as defined by the IRC) or the attainment of age 59^{1/2}.

HARDSHIP WITHDRAWALS

A participant who is experiencing a financial hardship, as defined in the Plan document, may request a withdrawal of all or any portion of such participant's salary deferral contributions, Rollovers plus earnings, if any. For the year ended December 31, 2016, hardship withdrawals amounted to approximately \$64,000, which is included in benefits paid to participants in the accompanying Statement of Changes in Net Assets Available for Benefits.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

FORFEITURES

Forfeitures are those amounts of the Plan Sponsor's discretionary matching contributions in which a participant is not fully vested at the time of termination. Forfeitures of non-vested account balances may be used either to pay administrative expenses or to offset the Plan Sponsor's discretionary matching contributions. During the year ended December 31, 2016, there were no forfeitures used to pay administrative expenses or to offset the Plan Sponsor's discretionary matching contributions. At December 31, 2016 and 2015, there were no available forfeitures to reduce future administrative expenses or contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared on the accrual basis of accounting.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management of the Plan determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PLAN EXPENSES

Administrative expenses incurred in relation to the maintenance of the Plan are substantially paid by the Plan Sponsor and are excluded from these financial statements. Certain fees related to investment expenses are charged directly to the participant's account and are included in administrative expenses. The remaining investment related expenses are included in net appreciation (depreciation) of fair value of investments.

RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the participant account balances and the amounts reported in the statements of net assets available for benefits. The Plan, through its investment advisor, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 4, 2017, the date the financial statements were available to be issued.

NOTE 3 – INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected in the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015, the related investment activity reflected in the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2016, and the information reflected in the accompanying supplemental schedule of assets (held at end of year) as of December 31, 2016.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements and Disclosures are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Mutual Funds

Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Self-Directed Brokerage Accounts

Valued based on the fair value of the underlying investments. The underlying investments are carried at fair value based on quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 5,204,193	\$ --	\$ --	\$ 5,204,193
Self-directed brokerage accounts	75,802	--	--	75,802
Investments at Fair Value	\$ 5,279,995	\$ --	\$ --	\$ 5,279,995

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 4,182,059	\$ --	\$ --	\$ 4,182,059
Self-directed brokerage accounts	121,464	--	--	121,464
Investments at Fair Value	\$ 4,303,523	\$ --	\$ --	\$ 4,303,523

NOTE 5 – TAX STATUS

The Plan uses a prototype non-standard plan which received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2014, that the Plan and related trust, as then designed, was in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 – TAX STATUS (CONTINUED)

Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Employer contributions.

NOTE 7 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan document and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. Fees paid by the Plan to Fidelity Management Trust Company for administrative services were approximately \$1,200 for the year ended December 31, 2016.

NOTE 8 – PROHIBITED TRANSACTION

During 2015, participant contributions for certain payroll periods, aggregating approximately \$56,000, were not remitted timely to the Plan. The Department of Labor (“DOL”) requires that participant contributions be remitted to the Plan on the earliest date on which they can be reasonably segregated from the Company’s general assets. Failure to remit participant contributions to the Plan in a timely manner results in a prohibited transaction which must be separately reported to the DOL and may result in penalties to the Plan Sponsor. The lost interest and earnings related to the 2015 late remittances were paid and corrected on January 14, 2016.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Mutual Funds				
*	Fidelity Investments	Fidelity Advisor Freedom 2040 A	**	\$ 739,684
*	Fidelity Investments	Fidelity Advisor Freedom 2030 A	**	665,164
*	Fidelity Investments	Fidelity 500 Index PR	**	448,085
*	Fidelity Investments	Fidelity Advisor Freedom 2045 A	**	423,979
*	Fidelity Investments	Fidelity Advisor Freedom 2035 A	**	379,249
*	Fidelity Investments	Fidelity Advisor Freedom 2020 A	**	347,357
*	Fidelity Investments	Fidelity Advisor Freedom 2025 A	**	286,107
	Invesco	Invesco Diversified Dividend A	**	198,813
	PIMCO	PIMCO Small Cap StocksPLUS AR Strt A	**	191,341
	JPMorgan	JPMorgan Mid Cap Value A	**	175,959
*	Fidelity Investments	Fidelity Advisor Freedom 2050 A	**	171,058
*	Fidelity Investments	Fidelity Extnd Mkt Idx PR	**	142,704
	Janus	Janus Triton S	**	141,495
	Franklin Templeton	Franklin Rising Dividends A	**	103,969
*	Fidelity Investments	Fidelity Advisor Freedom 2055 A	**	100,699
	First Eagle	First Eagle Global A	**	95,582
	Eaton Vance	Eaton Vance Income Fund of Boston A	**	85,960
*	Fidelity Investments	Fidelity Advisor New Insight A	**	70,922
	PIMCO	PIMCO Total Return A	**	39,880
*	Fidelity Investments	Fidelity Advisor Freedom 2010 A	**	38,701
*	Fidelity Investments	Fidelity Advisor Asset Manager 85% A	**	35,984
	Wells Fargo Advantage	Wells Fargo Advantage Government Sec A	**	35,974
*	Fidelity Investments	Fidelity Advisor Small Cap Value A	**	33,310
*	Fidelity Investments	Fidelity Govt Money Market Fund Daily Money	**	32,077
	Invesco	Invesco International Growth A	**	29,125
*	Fidelity Investments	Fidelity Advisor Real Estate Income A	**	25,368

(Continued)

* Represents a party-in-interest as defined by ERISA.

** Cost information not required for participant-directed investments.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) (CONTINUED)

DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Mutual Funds (Continued)				
	First Eagle	First Eagle Fund of America A	**	\$ 21,892
*	Fidelity Investments	Fidelity Advisor Freedom 2005 A	**	20,189
*	Fidelity Investments	Fidelity Advisor Asset Manager 40% A	**	20,051
	Prudential Investments	Prudential Jennison Mid Cap Growth A	**	17,761
*	Fidelity Investments	Fidelity Total Bond A	**	16,245
	PIMCO	PIMCO Real Return A	**	16,089
*	Fidelity Investments	Fidelity Advisor Balanced A	**	15,051
	OppenheimerFunds	Oppenheimer Developing Markets A	**	12,581
*	Fidelity Investments	Fidelity Advisor Freedom 2015 A	**	12,075
	Hartford Mutual Funds	Hartford International Opportunities R4	**	6,583
	MFS	MFS Aggressive Growth Allocation R3	**	5,868
*	Fidelity Investments	Fidelity Advisor Asset Manager 60% A	**	1,035
*	Fidelity Investments	Fidelity Advisor Freedom 2060 A	**	227
Self-Directed Brokerage Accounts				
*	Fidelity Investments	Cash Reserves	**	56,483
*	Fidelity Investments	Common Stocks	**	<u>19,319</u>
Total Investments				<u>\$ 5,279,995</u>

* Represents a party-in-interest as defined by ERISA.

** Cost information not required for participant-directed investments.

See independent auditors' report.

U.S. GAS & ELECTRIC, INC. 401(k) PLAN

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

EIN: 58-2502341

PLAN 001

Plan Year	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Corrected Under VFCP PTE 2002-51
2015*	\$ 55,973	\$ --	\$ 55,973	\$ --	\$ --

* The lost interest and earnings related to these late remittances were paid and corrected on January 14, 2016.

See independent auditors' report.