



National Fuel

July 19, 2016

Tara Nordby, COO
Richards Energy Group, Inc.
781 S. Chiques Road
Manheim, PA 17545

Re: Security Requirement for Richards Energy Group, Inc.

Dear Tara,

National Fuel Gas Distribution Corporation (NFGDC) is aware Richards Energy Group, Inc. (REC) has filed an application with the Pennsylvania Public Utility Commission to supply natural gas service to the public in Pennsylvania and specifically within the service territory of NFGDC.

As you know, in making such an application, (REC) must furnish acceptable security to each utility where (REC) will do business. As such, under its tariff, NFGDC could require (REC) to provide a bond or other financial security instrument in an amount that NFGDC determines to be appropriate.

However, you have indicated, and it is NFGDC's understanding that (REC) intends only to provide natural gas aggregating, brokering and consulting services at this time. You have stated that, in performing these services, (REC) will never take title to any delivered natural gas.

Based upon your representations, NFGDC has determined that, at this time, (REC) does not need to post a bond or other form of security to operate in its service territory. However, if the services provided by (REC) change in the future, NFGDC reserves the right to require security from (REC) as it deems appropriate.

If you have any questions concerning the foregoing, please contact me at 716-857-7599.

Yours truly,

Nathan E. Barnes
Transportation Services Department