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VIA FEDERAL EXPRESS & TELECOPY

February 4, 2010

Mr. Paul Diskin
Pennsylvania Public Utility Commission
Keystone Building, 400 North Street
2nd Floor, Room N201
Harrisburg, PA 17120

RE: U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric ("USG&E")
Natural Gas Supplier Application
Your File No. A-2009-2121686

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PA P.U.S.
SECRETARY'S BUREAU

Dear Mr. Diskin:

In regards to the above referenced matter, enclosed herewith is an original Amendment to Order with certificate of service, together with three fully executed copies of the same. Also enclosed, is a formatted CD containing an electronic version of the executed Amendment.

Pursuant to Section 13 of the Application, we are simultaneously forwarding a completed executed copy of the Application together with certificate of service to PPL Gas Utilities Corporation, UGI, Columbia Gas of PA, Inc., UGI-Penn Natural Gas and National Fuel Distribution Corp.

Please do not hesitate to contact me at (305) 947-7880 ext. 4409 or mmann@USGandE.com with any questions or comments you may have.

Sincerely,

Michelle Mann
Compliance Paralegal


Enclosures:

- cc: Irwin A. Popowsky, Office of Consumer Advocate (w/enclosures)
- Office of the Attorney General, Bureau of Consumer Protection (w/enclosures)
- William R. Lloyd, Jr., Small Business Advocate (w/enclosures)
- Commonwealth of Pennsylvania, Department of Revenue (w/enclosures)
- PPL Gas Utilities Corporation (w/enclosures)
- Columbia Gas of PA, Inc. (w/enclosures)
- UGI (w/enclosures)
- UGI-Penn Natural Gas (w/enclosures)
- National Fuel Gas Distribution Corp. (w/enclosures)

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of §1.54 (relating to service by a party).

Irwin A. Popowsky Office of Consumer Advocate 5th Floor, Forum Place 555 Walnut Street Harrisburg, PA 17120-1921	Office of the Attorney General Bureau of Consumer Protection Strawberry Square, 14th Floor Harrisburg, PA 17120
William R. Lloyd, Jr. Commerce Building, Suite 1102 Small Business Advocate 300 North Second Street Harrisburg, PA 17101	Commonwealth of Pennsylvania Department of Revenue Bureau of Compliance Harrisburg, PA 17128-0946
PPL Gas Utilities Corporation Curtis L. Rounds <u>or</u> Edward L. Farber 555 Camargo Road Quarryville, PA 17566	UGI Utilities David Beasten 2525 North 12 Street Suite 360 Reading, PA 19605-2749
Columbia Gas of PA, Inc. Heather Bauer 200 Civic Center Drive Columbus, OH 43215	National Fuel Gas Distribution Corp. Paul R. Mundy 10 Lafayette Square Buffalo, NY 14203

Dated this 4th day of February, 2010.



Doug Marcille, Esq., CPA
Director, CEO and President
U.S. Gas & Electric, Inc.
290 N.W. 165th Street, PH5
North Miami Beach, Florida 33169
305-947-7880

AMENDMENT TO ORDER

Now comes U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric ("USG&E") and states the following:

WHEREAS, on July 20, 2009, USG&E filed a License Application to operate as a supplier of natural gas supply services and a broker/marketer engaged in supplying natural gas services in the service territories of UGI Central Penn Gas ("UGI-CPG"), UGI Utilities, Inc. ("UGI"), and National Fuel Gas Distribution Corporation ("National Fuel"), within the Commonwealth of Pennsylvania.

WHEREAS, on November 19, 2009, USG&E's License Application was brought before the Pennsylvania Public Utility Commission for review and approval as shown in Exhibit A.

WHEREAS, on November 19, 2009, the Commonwealth of Pennsylvania approved USG&E's License Application to serve commercial and residential customers in the UGI-CPG, UGI, and National Fuel service territories.

WHEREAS, USG&E wishes to amend its License Application to include the UGI-Penn Natural Gas ("UGI-PNG") and Columbia Gas of Pennsylvania ("CGPA") service territories.

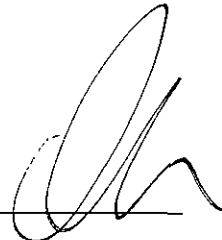
WHEREAS, Exhibit B attached hereto includes proper documentation from UGI-PNG and CGPA service territories which state that USG&E is financially fit to serve customers in both UGI-PNG and CGPA service territories.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual agreements set forth in this Amendment, the receipt and sufficiency of which is acknowledged by USG&E and the Commonwealth of Pennsylvania, the parties agree that the Order issued by the Commonwealth of Pennsylvania on November 19, 2009, under Docket Number A-2009-2121686, be amended to allow USG&E to supply natural gas services in the UGI-PNG and CGPA service territories.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year written below.

U.S. Gas & Electric, Inc. d/b/a
Pennsylvania Gas & Electric

By: _____
Name: Doug Marcille
Title: Director, CEO & President



Pennsylvania Public Utility Commission

By: _____
Name: James J. McNulty
Title: Secretary

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Exhibit A

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**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held November 19, 2009

Commissioners Present:

James H. Cawley, Chairman
Tyrone J. Christy, Vice Chairman
Robert F. Powelson
Kim Pizzingrilli
Wayne E. Gardner

Application of U.S. Gas & Electric, Inc. d/b/a
Pennsylvania Gas & Electric to become a
licensed supplier of natural gas supply services

Docket Number:
A-2009-2121686

ORDER

BY THE COMMISSION:

On July 20, 2009, U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric (USG&E) filed a License Application to operate as a supplier of natural gas supply services and a broker/marketer engaged in the business of supplying natural gas services in the service territories of UGI Central Penn Gas (UGI-CPG), UGI Utilities Inc. (UGI), and National Fuel Gas Distribution Corporation (National Fuel), within the Commonwealth of Pennsylvania. This application was filed pursuant to section 2208 of the Natural Gas Choice and Competition Act (Act), 66 Pa. C.S. §2208 and Title 52 of the Pennsylvania Code, Chapter 62, Subchapter D.

§2208 provides in pertinent part that:

Requirements for Natural Gas Suppliers.--No entity shall engage in the business of a natural gas supplier unless it holds a license issued by the Commission. To the extent that a natural gas distribution company provides natural gas supply service outside of its chartered or certificated territory, it also must hold a license. A license shall not be required for customers who make de minimis incidental sales or resales to themselves, an affiliate or to other nonresidential retail gas customers.

66 Pa. C.S. §2208.

A natural gas supplier is defined as:

An entity other than a natural gas distribution company, but including natural gas distribution company marketing affiliates, which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of a natural gas distribution company. The term includes a natural gas distribution company that provides natural gas supply services outside its certificated service territories. The term includes a municipal corporation, its affiliates or any joint venture, to the extent that it chooses to provide natural gas supply services to retail customers located outside of its corporate or municipal limits, as applicable, other than:

- (i) as provided prior to the effective date of this chapter, pursuant to a certificate of public convenience if required under this title;
- (ii) total natural gas supply services in de minimis amounts;
- (iii) natural gas supply services requested by, or provided with the consent of, the public utility in whose certificated territory the services are provided; or
- (iv) natural gas supply services provided to the municipal corporation itself or its tenants on land it owns or leases, or is subject to an agreement of sale or pending condemnation, as of September 1, 1999, to the extent permitted by applicable law independent of this chapter.

The term excludes an entity to the extent that it provides free gas to end-users under the terms of an oil or gas lease. Notwithstanding any other provision of this title, a natural gas supplier that is not a natural gas distribution company is not a public utility as defined in section 102 (relating to definitions) to

the extent that the natural gas supplier is utilizing the jurisdictional distribution facilities of a natural gas distribution company or is providing other services authorized by the Commission.

66 Pa. C.S. §2202.

As used in the above definition of a natural gas supplier, the term natural gas supply services includes: (i) the sale or arrangement of the sale of natural gas to retail customers; and (ii) services that may be unbundled by the Commission under section 2203(3) of the Act (relating to standards for restructuring of the natural gas utility industry). Natural gas supply service does not include distribution service.

66 Pa. C.S. §2202.

It is important to note that a licensee must comply with, and be governed by, applicable Chapter 56 residential service regulations as set forth in the Commission Order *Guidelines for Maintaining Customer Service at the Same Level of Quality Pursuant to 66 Pa. C. S. §2206(a), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. Code Chapter 56 Pursuant to §2207(b), §2208(e) and (f) and Addressing the Application of Partial Payments* (M-00991249 F003). Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa Code Chapter 56) is applicable to residential accounts. A natural gas supplier cannot physically disconnect a residential customer from the distribution system, and thus, the rules relating to residential service termination are not applicable to natural gas suppliers. A natural gas supplier may seek to terminate its natural gas services through an appropriate written notice to the customer and the local distribution company. The residential customer can then attempt to repair their relationship with the natural gas supplier, seek a new natural gas supplier, or default to the natural gas distribution company's service tariffed rates in accordance with the local distribution company's obligations under Section 2207(a), 66 Pa. C.S. §2207(a). The customer would only be disconnected from the distribution system pursuant to appropriate regulations if the customer failed to meet its obligations to

the natural gas distribution company or the natural gas supplier which has been designated by the Commission as the supplier of last resort.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives and employees have agreed to abide by all Commission regulations, procedures and orders, including Emergency Orders which may be issued verbally or in writing during any emergency situations that may develop from time to time in the course of doing business in Pennsylvania.

USG&E has stated that it seeks a license to provide natural gas supply services to all customer classes in the service territory of UGI-CPG, UGI, and National Fuel.

USG&E has filed a small commercial customer disclosure statement. This statement conforms to structure and format as determined by the Commission. As well, USG&E further states that it does not plan to serve residential customers at this time, and therefore will not file a residential customer disclosure statement. However, USG&E states that if and when it decides to serve residential customers, it will first file a residential customer disclosure statement for review and approval by the Commission.

USG&E has published notice of its application in the Pennsylvania newspapers as required by the Commission to provide service in the service territory of UGI-CPG, UGI, and National Fuel.

Regarding the financial and technical fitness requirements of the license application, USG&E has submitted a Dun & Bradstreet report as of December 31, 2008 for USG&E as well as a recent annual report, dated October 31, 2008, for USG&E's parent company MVC Capital (MVC). MVC is the majority owner of USG&E, owning

approximately 65% of USG&E. The remainder of USG&E is split into ownership shares of 25% by management and a 10% by minority shareholders.

USG&E received its Certificate of Incorporation in the state of Delaware on November 4, 1999, under its original name, Harbortown Corp. On March 15, 2002, USG&E amended its original Delaware Certificate of Incorporation to reflect its current name; U.S. Gas & Electric, Inc. USG&E became registered as a foreign corporation in Pennsylvania on April 8, 2008. Lastly, USG&E became registered to operate in Pennsylvania under the fictitious names, Pennsylvania Gas & Electric and PAG&E, on April 8, 2008 and April 7, 2009, respectively.

USG&E is currently operating under license as a natural gas supplier within the states of New York, New Jersey, Ohio, Indiana, and Michigan. As well, a number of USG&E's Officers exhibit resumes with relevant energy experience. Based on USG&E's expertise and financial information, at this time it appears that USG&E is qualified to supply natural gas supply services.

Section 2208(c)(1), 66 Pa. C.S. §2208(c)(1), provides that a natural gas supplier license shall not be issued unless the applicant furnishes a bond or other security in a form and amount to ensure its financial responsibility. The criteria used to establish the form and amount of the bond or other security is set forth in the natural gas distribution company's tariff. The amount and form of the bond or other security may also be mutually agreed to between the natural gas distribution company and the natural gas supplier. Section 2208 also provides that should the parties fail to achieve an agreement, then the form and amount of bond or other financial security "shall be determined by criteria approved by the Commission." USG&E has provided documentation to evidence its compliance with the Section 2208(c) bonding requirement for the following natural gas

distribution company: UGI Central Penn Gas, UGI Utilities Inc., and National Fuel Gas Distribution Corporation.

USG&E has provided the required Pennsylvania Emergency Management Agency (PEMA) contact information.

As of October 27, 2009, no protests have been filed.

We find that U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric:

1. Is fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and the Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to Standards and Billing Practices for Residential Utility Service).

2. Has agreed to abide by all Commission regulations, procedures and orders, including Emergency Orders, which may be issued verbally or in writing during any emergency situations that may develop from time to time in the course of doing business in Pennsylvania.

3. Has proposed to offer natural gas supply services which, to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Natural Gas Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation and convenience of the public; **THEREFORE,**

IT IS ORDERED:

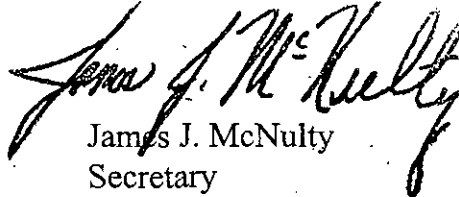
1. That the application of U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric is hereby approved, consistent with this Order.

2. That a license be issued authorizing U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric the right to begin to offer, render, furnish or supply natural gas supply services to all customer classes within the following local distribution company service territories within the Commonwealth of Pennsylvania: UGI Central Penn Gas, UGI Utilities Inc., and National Fuel Gas Distribution Corporation.

3. That U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric is licensed to serve residential customers of UGI Central Penn Gas, UGI Utilities Inc., and National Fuel Gas Distribution Corporation, with the condition that U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric must first file with the Commission a residential customer disclosure statement, and obtain Commission approval of this statement, before U.S. Gas & Electric, Inc. d/b/a Pennsylvania Gas & Electric provides service to residential customers.

4. That this proceeding at Docket No. A-2009-2121686 be closed.

BY THE COMMISSION,


James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: November 19, 2009

ORDER ENTERED: November 20, 2009

Exhibit B



UGI Utilities, Inc.
2525 North 12th Street
Suite 380
Post Office Box 12677
Reading, PA 19612-2677
(610) 796-3400 Telephone

January 6, 2010

Ms. Michelle Mann
U.S. Gas & Electric, Inc.
290 N.W. 165th Street, PH5
N. Miami Beach, FL 33169

RE: U.S. Gas & Electric, Inc Natural Gas Supplier Application

Dear Ms. Mann:

UGI has reviewed the audited financial statements of U.S. Gas & Electric, Inc. Based on these statements, UGI has concluded that U.S. Gas & Electric, Inc. has the financial resources to serve transportation customers on UGI - Penn Natural Gas ("UGI-PNG"). Before U.S. Gas & Electric, Inc. can serve Choice customers on UGI-PNG, it must still post security as specified in the UGI-PNG tariff.

Please feel free to contact me with any additional questions that you may have. I can be contacted at (610) 796-3425.

Sincerely,

A handwritten signature in cursive script that reads "D C Beasten".

David C. Beasten
Director - Rates
UGI Utilities, Inc.

February 2, 2010

Ms. Michele Mann
US Gas & Electric
290 N.W. 165th St. PH5
N. Miami Beach, FL 33169

Dear Ms Mann:

We are pleased that US Gas & Electric has applied for a license to provide Natural Gas Supply Service on the distribution system of Columbia Gas of Pennsylvania, Inc. ("Columbia Gas").

Under Paragraph 2.4.5 of the Rules Applicable to Distribution Service section of the Tariff of Columbia Gas, US Gas & Electric could be required to provide to Columbia Gas a bond or other financial security instrument in an amount that Columbia Gas determines to be appropriate. We have determined at this time that US Gas & Electric does not need a bond or other financial security requirement to provide Natural Gas Supply Service to Columbia Gas customers.

If the creditworthiness requirement or Columbia Gas' exposure to US Gas & Electric changes in the future, Columbia Gas might deem it appropriate to require US Gas & Electric to provide a bond or other financial security instrument.

Please feel free to contact me at 614-460-5554 should you have any questions regarding a bond or other financial security instrument requirements of Columbia Gas.

Sincerely,


Heather Bauer
Director, Gas Transportation and Sales Support