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100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

April 6, 2010

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room (2 North)
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Application of Prospect Resources, Inc.; Docket No. A-_____.

Dear Secretary McNulty:

Enclosed for filing with the Pennsylvania Public Utility Commission, on behalf of Prospect Resources, Inc., are an original and three (3) hard copies, as well as an electronic copy, of an application for approval to offer natural gas services in the Commonwealth of Pennsylvania. Also enclosed is a check in the amount of \$350.00 to cover the filing fee.

Please contact me if you have any questions concerning this filing.

Sincerely,



Steven K. Haas
Counsel for Prospect Resources, Inc.

SKH/san
Enclosure

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SECRETARY'S BUREAU

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Prospect Resources, Inc. for approval to offer, render, furnish, or as a broker/marketer engaged in the business of supplying natural gas service to the public in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are:

Prospect Resources, Inc.
8170 McCormick Blvd., Suite 107
Skokie, IL 60076
Phone - (847) 673-1959
Fax - (847) 673-1490

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number.

None

2. a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:

Dr. Yitzchak M. Shkop, President/CEO
Prospect Resources, Inc.
8170 McCormick Blvd., Suite 107
Skokie, IL 60076
Phone - (847) 673-1959
Fax - (847) 673-1490

- b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:

Dr. Yitzchak M. Shkop, President/CEO
8170 McCormick Blvd., Suite 107
Skokie, IL 60076
847-673-1959
847-673-1490

3. a. **ATTORNEY:** If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:

Todd S. Stewart
Steven K. Haas
Hawke McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
Phone - (717) 236-1300
Fax - (717) 236-4841

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SECRETARY'S BUREAU
PA PUC

b. **REGISTERED AGENT:** If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:

PennCorp Service Group, Inc.
600 N. 2nd Street, Suite 401
Harrisburg, PA 17108
Phone: (800) 544-9050; Fax: (717) 238-8232

4. **FICTITIOUS NAME:** (select and complete appropriate statement)

The Applicant will be using a fictitious name or doing business as ("d/b/a"):

Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

OR

The Applicant will not be using a fictitious name.

5. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** (select and complete appropriate statement)

The Applicant is a sole proprietor.

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

OR

The Applicant is a:

- domestic general partnership (*)
- domestic limited partnership (15 Pa. C.S. §8511);
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

Provide proof of compliance with appropriate Department of State filing requirements as indicated above.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

OR

The Applicant is a:

- domestic corporation (none)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other _____

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation.

See Attachment No. 1

Give name and address of officers.

Dr. Yitzchak M. Shkop, President/CEO
Hal Pollack, Executive Vice President of Business Development
8170 McCormack Blvd., Suite 107, Skokie, IL 60076

The Applicant is incorporated in the state of Illinois.

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

Affiliate(s) of the Applicant doing business in Pennsylvania are: None

Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.

- Does the Applicant have any affiliation with or ownership interest in:
- (a) any other Pennsylvania retail natural gas supplier licensee or licensee applicant,
 - (b) any other Pennsylvania retail licensed electric generation supplier or license applicant,
 - (c) any Pennsylvania natural gas producer and/or marketer,
 - (d) any natural gas wells or
 - (e) any local distribution companies (LDCs) in the Commonwealth

If the response to parts a, b, c, or d above is affirmative, provide a detailed description and explanation of the affiliation and/or ownership interest.

- Provide specific details concerning the affiliation and/or ownership interests involving:
- (a) any natural gas producer and/or marketers,
 - (b) any wholesale or retail supplier or marketer of natural gas, electricity, oil, propane or other energy sources.

- Provide the Pa PUC Docket Number if the applicant has ever applied:
- (a) for a Pennsylvania Natural Gas Supplier license, or
 - (b) for a Pennsylvania Electric Generation Supplier license.

If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.

or

- The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.

7. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

- The Applicant is presently doing business in Pennsylvania as a
- natural gas interstate pipeline.
 - municipal providing service outside its municipal limits.
 - local gas distribution company
 - retail supplier of natural gas services in the Commonwealth
 - a natural gas producer
 - Other. (Identify the nature of service being rendered.)

or

- The Applicant is not presently doing business in Pennsylvania.

8. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- supplier of natural gas services.
- Municipal supplier of natural gas services.
- Cooperative supplier of natural gas services.
- Broker/Marketer engaged in the business of supplying natural gas services.
- Aggregator engaged in the business of supplying natural gas services.
- Other (Describe):

9. **PROPOSED SERVICES:** Generally describe the natural gas services which the Applicant proposes to offer.

To provide broker services, acting on behalf of customers in the sale and purchase of natural gas. At no time will Prospect Resources, Inc. take title to natural gas or receive payments from end user customers for natural gas.

10. **SERVICE AREA:** Provide each Natural Gas Distribution Company (NGDC) in which Applicant proposes to offer services.

Statewide.

11. **CUSTOMERS:** Applicant proposes to initially provide services to:

- Residential Customers
- Commercial Customers - (Less than 6,000 Mcf annually)
- Commercial Customers - (6,000 Mcf or more annually)
- Industrial Customers
- Governmental Customers
- All of above
- Other (Describe):

12. **START DATE:** The Applicant proposes to begin delivering services upon approval of the application by the Commission.

13. **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following:

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

Any of the following Natural Gas Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

<p>Valley Energy Inc. Robert Crocker 523 South Keystone Avenue Sayre, PA 18840-0340 PH: 570.888-9664 FAX: 570.888.6199 email: rcrocker@ctenterprises.org</p>	<p>National Fuel Gas Distribution Corp. David D. Wolford 6363 Main Street Williamsville, NY 14221 PH: 716.857.7483 FAX: 716.857.7479 e-mail: wolfordd@natfuel.com</p>
<p>PPL Gas Utilities Corporation Curtis L. Rounds or Edward L. Farber 555 Camargo Road Quarryville, PA 17566 PH: 717.519.2922 717.519.2923 FAX: 717.806.1907 717.806.1907 e-mail: clrounds@pplweb.com or elfarber@pplweb.com</p>	<p>The Peoples Natural Gas Company Joe Gregorini 1201 Pitt Street Pittsburgh, PA 15221 e-mail: Joseph.A.Gregorini@peoples-gas.com PH: 412.473.4146 FAX: 412.473.4143</p>
<p>T. W. Phillips Gas and Oil Company Robert M. Hovanec 205 North Main Street Butler, PA 16001 PH: 724.287.2725 FAX: 724.287.5021 e-mail: rhovanec@twphillips.com</p>	<p>UGI Chris Brown or Bob Krieger PO Box 12677 or 225 Morgantown Rd Reading, PA 15222 Reading, PA 15222 PH: 610.796.3425 PH: 610.796.3516 FAX: 610.796.3559</p>
<p>PG Energy Richard N. Marshall or Wendy K. Saxe One PEI Center Wilkes-Barre, PA 18711-0601 e-mail: marshall@pgenergy.com or saxe@pgenergy.com PH: 570.829.8795 FAX: 570.829.8652</p>	<p>Equitable Gas Company Jerald Moody 225 North Shore Drive Pittsburgh, PA 15212-5352 PH: 412.395.3209 FAX: 412.395.3335</p>
<p>Carnegie Natural Gas Company Donald A. Melzer 800 Regis Avenue Pittsburgh, PA 19236 PH: 412.655.8510 ext. 331 FAX: 412.655.0335</p>	<p>Columbia Gas of PA, Inc. Heather Bauer 200 Civic Center Drive Columbus, OH 43215 PH: 614.460.6254 or 614.460.5554 FAX: 614.460.4291</p>
<p>Philadelphia Gas Works Eric Burgis 800 West Montgomery Avenue Philadelphia, PA 19122 email: eric.burgis@pgworks.com PH: 215.684.6907 FAX: 215.684.6564</p>	<p>PECO Amy Hamilton, Manager Gas Regulatory and Transportation 2301 Market Street, S9-1 Philadelphia, PA 19103 Email: amy.hamilton@exeloncorp.com PH: 215.841.6783</p>

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14.

14. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix B to this application.

15. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

NO

16. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** All services should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

a. **Contacts for Consumer Service and Complaints:** Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Distribution Company, the Pennsylvania Public Utility Commission or other agencies.

Dr. Yitzchak M. Shkop, President/CEO, 8170 McCormack Blvd., Suite 107, Skokie, IL 60076, Phone: (847) 673-1959; Fax: (847) 673-1490.

Hal Pollack, VP Business Development, 8170 McCormack Blvd., Suite 107, Skokie, IL 60076, Phone: (847) 673-1959; Fax: (847) 673-1490.

b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.

Not applicable.

c. If proposing to serve Residential and/or Small Commercial customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix B to this Application.

Not applicable. As noted in this application, the Applicant provides only broker/marketer services. It does not, at any time, take title to electricity. It does not set the rates that end user customers pay, nor does it establish, maintain or enforce terms and conditions of service.

17. **FINANCIAL FITNESS:**

A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.

See Attachment No. 2.

- Published parent company financial and credit information.

- Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.

See Attachment No. 3.

- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements
- Such other information that demonstrates Applicant's financial fitness.

B. Applicant must provide the following information:

- Provide proof of compliance with bonding/credit requirements for each NGDC the applicant is proposing to provide service in. This requirement is designated by each NGDC and can commonly be found in the NGDC supplier tariff.

To be provided.

- Identify Applicant's chief officers including names and their professional resumes.

See Attachment No. 2.

- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

Dr. Yitzchak M. Shkop, 8170 McCormick Blvd., Suite 107, Skokie, IL 60076, Phone: (847) 673-1959; Fax: (847) 673-1490

18. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by natural gas utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes.

See Attachment No. 2.

- A copy of any Federal energy license currently held by the Applicant.
- Proposed staffing and employee training commitments.
- Business plans.

19. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2208(D). Transferee will be required to file the appropriate licensing application.

20. **UNIFORM STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.

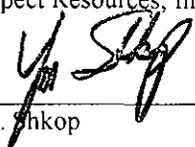
21. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:

- a. **Reports of Gross Receipts:** Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on an annual basis no later than 30 days following the end of the calendar year.

Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 22 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive natural gas market.

22. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing.
23. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.
24. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

Applicant: Prospect Resources, Inc.

By: 
Yitzchak M. Shkop

Title: President/CEO

AFFIDAVIT

State of Illinois :

County of Cook :

Dr. Yitzchak M. Shkop, Affiant, being duly sworn according to law, deposes and says that:

He is the President/CEO of Prospect Resources, Inc.;

That he is authorized to and does make this affidavit for said Applicant;

That Prospect Resources, Inc. the Applicant herein, acknowledges that it may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That Prospect Resources, Inc. the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render natural gas supply service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

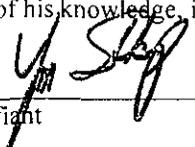
That Prospect Resources, Inc. the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 22 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional natural gas sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

Applicant, by filing this application, waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

That Prospect Resources, Inc. the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, and the standards and billing practices of 52 PA. Code Chapter 56.

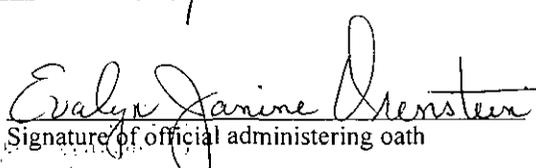
That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Commission's Office of Communications or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief.



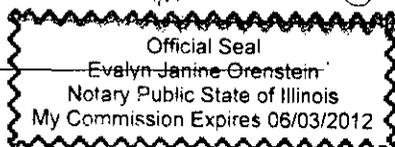
Signature of Affiant

Sworn and subscribed before me this 1st day of April, 2010.



Signature of official administering oath

My commission expires _____



AFFIDAVIT

State of Illinois:

County of Cook

Dr. Yitzchak M. Shkop, Affiant, being duly sworn according to law, deposes and says that:

He is the President/CEO of Prospect Resources, Inc.;

That he is authorized to and does make this affidavit for said Applicant;

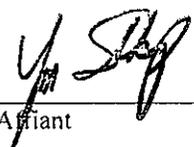
That the Applicant herein, Prospect Resources, Inc., has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as a natural gas supplier pursuant to 66 Pa. C.S. §2208(c)(1).

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

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

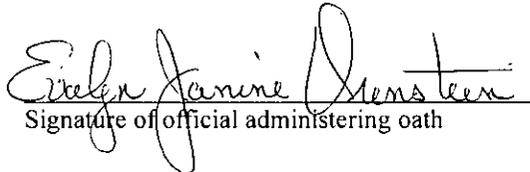
That the Applicant herein, Prospect Resources, Inc., acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief, and that he expects said Applicant to be able to prove the same at hearing.



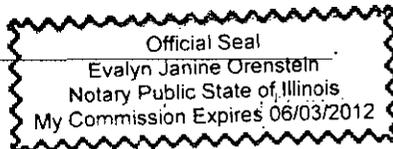
Signature of Affiant

Sworn and subscribed before me this 1st day of April, 2010.



Signature of official administering oath

My commission expires



APPENDIX A

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

TAX CERTIFICATION STATEMENT

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 8 1/2" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME <p style="text-align: center; font-size: 1.2em;">PROSPECT RESOURCES, INC.</p>	2. BUSINESS PHONE NO. (847) 673-1959 CONTACT PERSON(S) FOR TAX ACCOUNTS: <p style="text-align: center; font-size: 1.2em;">Dr. ISAAC SHKOP</p>
3. TRADE/FICTITIOUS NAME (IF ANY) <p style="text-align: center; font-size: 1.2em;">NONE</p>	
4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP) <p style="text-align: center; font-size: 1.2em;">8170 McCormick Blvd. Suite 107 Skokie IL 60076</p>	
5. TYPE OF ENTITY <input type="checkbox"/> SOLE PROPRIETOR <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION	

8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)	
NAME (PRINT) <p style="font-size: 1.2em;">Dr. Yitzchak M. Shkop (OWNER PRES./CEO)</p>	SOCIAL SECURITY NUMBER (OPTIONAL) <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
NAME (PRINT) <p style="font-size: 1.2em;">Dr. Esther M. Shkop (OWNER)</p>	SOCIAL SECURITY NUMBER (OPTIONAL) <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) <div style="border: 1px solid black; width: 100%; height: 20px;"></div>

9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. (ALL ITEMS: A, B, AND C MUST BE COMPLETED)

A. SALES TAX LICENSE (8 DIGITS) <div style="border: 1px solid black; width: 100%; height: 20px;"></div> APPLICATION PENDING <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	C. CORPORATE BOX NUMBER (7 DIGITS) <div style="border: 1px solid black; width: 100%; height: 20px; text-align: center; font-size: 1.2em;">2858909</div> APPLICATION PENDING <input checked="" type="checkbox"/> N/A <input type="checkbox"/> <i>will provide</i>
B. EMPLOYER ID (EIN) (9 DIGITS) <div style="border: 1px solid black; width: 100%; height: 20px; text-align: center; font-size: 1.2em;">20-1486421</div> APPLICATION PENDING <input type="checkbox"/> N/A <input type="checkbox"/>	

10. Do you have PA employees either resident or non-resident?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
11. Do you own any assets or have an office in PA?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS

PA SALES AND USE TAX	Abraham Bajtner, CPA EMPLOYER TAXES (847) 600-0000	Abraham Bajtner, CPA CORPORATE TAXES (847) 600-0000
PHONE	PHONE	PHONE

Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers: (717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)

FORM BCA 2.10 (rev. Dec. 2003)
ARTICLES OF INCORPORATION
 Business Corporation Act

Jesse White, Secretary of State
 Department of Business Services
 Springfield, IL 62758
 Telephone (217) 782-6622
 (217) 782-6961
<http://www.cyberdriveillinois.com>



Doc#: 0420427150
 Eugene "Gene" Moore Fee: \$26.60
 Cook County Recorder of Deeds
 Date: 07/22/2004 09:55 PM Pg: 1 of 2



cashier's
 order
 s check

Jesse White Secretary of State

payable to the Secretary of State.
 SEE NOTE 1 TO DETERMINE FEES!

DATE FILED: 7/15/2004

63642037

Filing Fee: \$150.00 Franchise Tax \$ 25.00 Total \$ 175.00 File # 63642037 Approved: **PHS**

Submit in duplicate Type or Print clearly in black ink Do not write above this line

1. CORPORATE NAME: Prospect Resources, Inc.

(The corporate name must contain the word "corporation", "company", "incorporated", "limited" or an abbreviation thereof.)

2. Initial Registered Agent: Eilsha M. Prero
 Initial Registered Office: 130 East Randolph Street, Suite 3800
Chicago IL 60601 (A P.O. BOX ALONE IS NOT ACCEPTABLE)
Cook
 City ZIP Code County

3. Purpose or purposes for which the corporation is organized:
 (If not sufficient space to cover this point, add one or more sheets of this size.)

To engage in the transaction of any or all lawful purposes for which corporations may be incorporated under the Illinois Business Corporation Act of 1983, as amended.

4. Paragraph 1: Authorized Shares, Issued Shares and Consideration Received:

Class	Number of Shares Authorized	Number of Shares Proposed to be Issued	Consideration to be Received Therefor
Common	10,000	100	\$ 100.00
No par Value			
			TOTAL = \$

Paragraph 2: The preferences, qualifications, limitations, restrictions and special or relative rights in respect of the shares of each class are:
 (If not sufficient space to cover this point, add one or more sheets of this size.)

C-162.23

(over)

GA

5. **OPTIONAL:** (a) Number of directors constituting the initial board of directors of the corporation: _____
 (b) Names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify:

Name	Address	City, State, ZIP

6. **OPTIONAL:** (a) It is estimated that the value of all property to be owned by the corporation for the following year wherever located will be: \$ _____
 (b) It is estimated that the value of the property to be located within the State of Illinois during the following year will be: \$ _____
 (c) It is estimated that the gross amount of business that will be transacted by the corporation during the following year will be: \$ _____
 (d) It is estimated that the gross amount of business that will be transacted from places of business in the State of Illinois during the following year will be: \$ _____

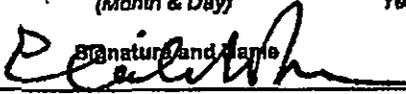
7. **OPTIONAL: OTHER PROVISIONS**

Attach a separate sheet of this size for any other provision to be included in the Articles of Incorporation, e.g., authorizing preemptive rights, denying cumulative voting, regulating internal affairs, voting majority requirements, fixing a duration other than perpetual, etc.

8. **NAME(S) & ADDRESS(ES) OF INCORPORATOR(S)**

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated July 14, 2004
 (Month & Day) Year

<p>1. <u></u> Signature <u>Elisha M. Prero - Incorporator</u> (Type or Print Name)</p> <p>2. _____ Signature (Type or Print Name)</p> <p>3. _____ Signature (Type or Print Name)</p>	<p>Address</p> <p>1. <u>130 East Randolph Street - Suite 3800</u> Street <u>Chicago, IL 60601</u> City/Town State ZIP Code</p> <p>2. _____ Street City/Town State ZIP Code</p> <p>3. _____ Street City/Town State ZIP Code</p>
---	---

(Signatures must be in **BLACK INK** on original document. Carbon copy, photocopy or rubber stamp signatures may only be used on conformed copies.)

NOTE: If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by a duly authorized corporate officer. Type or print officer's name and title beneath signature.

Note 1: Fee Schedule

The initial franchise tax is assessed at the rate of 15/100 of 1 percent (\$1.50 per \$1,000) on the paid-in capital represented in this State. (Minimum initial franchise tax is \$25)

The filing fee is \$150

The minimum total due (franchise tax + filing fee) is \$175.

Note 2: Return to:

 (Firm name)

 (Attention)

 (Mailing Address)

 (City, State, ZIP Code)

6. The (a) address of this corporation's proposed registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
(b) Name of Commercial Registered Office Provider c/o: <u>PennCorp Service Group Inc.</u>				County <u>Dauphin</u>

7. Check one of the following:

Business Corporation: The corporation is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

Nonprofit Corporation: The corporation is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this Application for Certificate of Authority to be signed by a duly authorized officer thereof this 18th day of March, 2010.

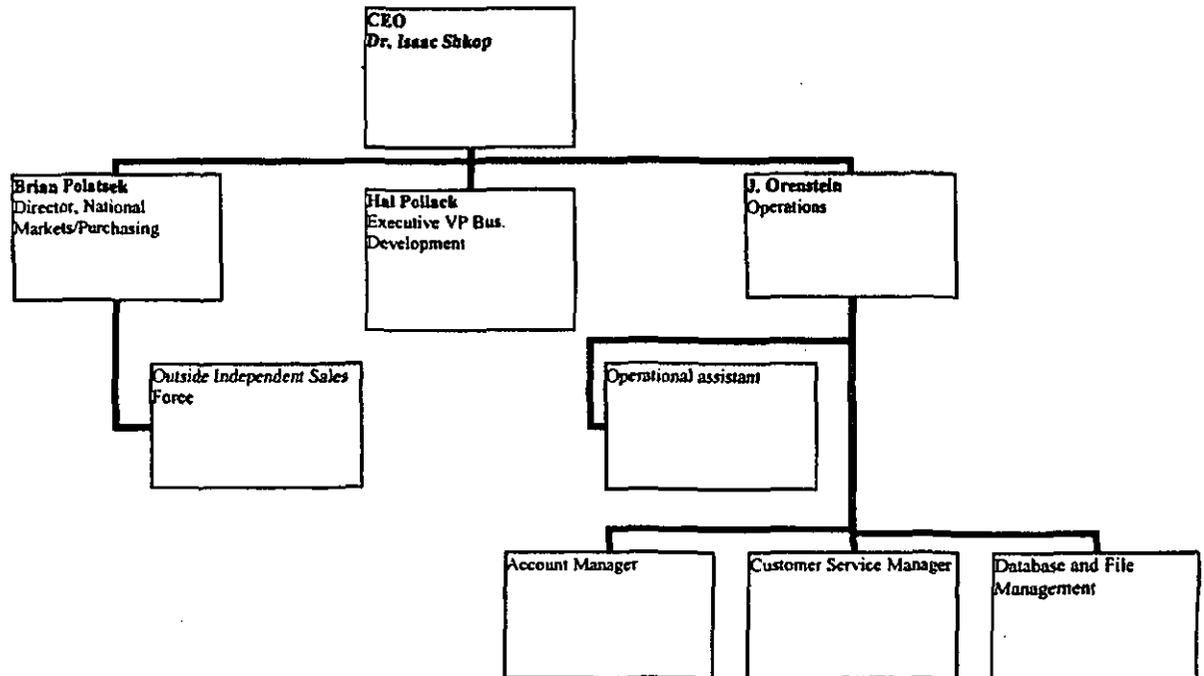
Prospect Resources, Inc.
Name of Corporation

[Signature]
Signature

CEO/President
Title

20. Technical Fitness

Prospect Resources, Inc - Organizational Chart



Prospect Resources Inc. - Managerial and Technical Qualifications

The CEO of Prospect Resources Inc. (PRI), Dr. Isaac Shkop, holds a PhD in Business Administration from the University of Pittsburgh, and was a faculty member in the business school at University of Illinois at Chicago. He was also an associate member at the Chicago Board of Trade, trading financial futures for several years.

In 1984, as one of the pioneers of the deregulated natural gas market in Northern Illinois, Dr. Shkop was involved in shaping many of the rules and regulations currently operant in Northern Illinois while providing natural gas to customers through 1996. After a hiatus of 6 years and at the behest of many former associates and clients, Dr. Shkop established Prospect Resources Inc. in 2005 to offer much needed planning, hedging and energy procurement services to larger energy consumers. PRI operates in conjunction with various national energy suppliers who have agreed to cooperate and supply natural gas and electricity as specified by PRI. Specifically, Dr. Shkop has been procuring electricity for customers since 2006.

Vice President of Business Development, Hal Pollack, is a Certified Public Accountant and holds a Master of Management Degree from Northwestern University's Kellogg Graduate School of Management. Mr. Pollack worked eight years in public accounting and moved from auditing futures brokerage firms to trading financial futures at the Chicago Mercantile Exchange and the Chicago Board of Trade for nine years. Upon leaving the trading floor, Mr. Pollack has been advising customers on how to control telecommunication, natural gas and electricity costs for almost 15 years as president of Corporate Long Distance Specialists, Inc (an Illinois corporation). Specifically, Hal Pollack has been procuring electricity for customers since 2006.

1:38 PM
02/11/10
Cash Basis

Prospect Resources Inc.
Balance Sheet
As of December 31, 2009

	<u>Dec 31, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash In Bank	31,041.68
Total Checking/Savings	<u>31,041.68</u>
Accounts Receivable	
Accounts Receivable	-400.00
Total Accounts Receivable	<u>-400.00</u>
Total Current Assets	30,641.68
Fixed Assets	
Leasehold Improvements	3,735.00
Equipment & Furniture	38,847.89
Furniture	1,367.67
Accumulated Depreciation	-23,541.95
Total Fixed Assets	<u>20,408.61</u>
Other Assets	
Investment Property	11,500.00
Key Card Deposit	30.00
Organization Costs	383.20
Accumulated Amortization	-383.20
Total Other Assets	<u>11,530.00</u>
TOTAL ASSETS	<u><u>62,580.29</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	131.30
Total Accounts Payable	<u>131.30</u>
Credit Cards	
Charge Cards	5,024.99
Total Credit Cards	<u>5,024.99</u>
Other Current Liabilities	
Loan #3470	97,128.71
Accrued SEP	24,749.50
Accrued Liabilities	-658.54
Shkop loan - acct # 7117007910	-125,000.00
Total Other Current Liabilities	<u>-3,780.33</u>
Total Current Liabilities	<u>1,375.96</u>
Total Liabilities	1,375.96
Equity	
common Stock	100.00
Distribution	-220,139.73
Retained Earnings	30,719.07
Net Income	250,524.99
Total Equity	<u>61,204.33</u>
TOTAL LIABILITIES & EQUITY	<u><u>62,580.29</u></u>

1:39 PM
02/11/10
Cash Basis

Prospect Resources Inc.
Profit & Loss
January through December 2009

	<u>Jan - Dec 09</u>
Ordinary Income/Expense	
Income	
Commissions	705,742.67
Annual Service Fees	235,025.19
Total Income	<u>940,767.86</u>
Expense	
Rental	208.00
Client Gift Cards	6,992.25
Administrative Salary	92,251.92
Automobile Expense	9,077.25
Bank Service Charges	74.64
Business Services	599.00
Client Promotion	51.00
Commissions-Asst.	176,301.94
Computer Consulting	2,696.90
Computer Expenses	1,584.68
Consulting	1,089.25
Credit Cards	583.13
Dues and Subscriptions	5,919.58
Equipment	6,385.53
European Office	14,700.00
Furniture and furnishings	1,000.00
Insurance	13,942.47
Interest Expense	7,823.07
Legal Fees	24,418.75
Licenses and Permits	365.00
Loan	0.00
Mid-Eastern Office	33,245.00
Miscellaneous	2,300.00
Moving Expense	586.00
Office	9,884.36
Outside Services	-9,036.19
Payroll Expenses	15,192.69
Postage and Delivery	2,598.57
Printing and Reproduction	32.80
Professional Fees	4,982.50
Rent	33,101.78
Repairs	1,764.32
Travel & Lodging	34,080.70
Utilities	11,754.99
Total Expense	<u>508,631.88</u>
Net Ordinary Income	432,135.98
Other Income/Expense	
Other Income	
Unclassified	-428.99
Total Other Income	-428.99
Other Expense	
SEP IRA Expense	24,750.00
Contributions	53,132.00
Illinois Replacement Tax	4,300.00
Officer's Salary	99,000.00
Total Other Expense	<u>181,182.00</u>
Net Other Income	-181,610.99
Net Income	<u><u>250,524.99</u></u>

Hawke
 MckKeon &
 Sniscak LLP

ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff
Janet L. Miller
Steven K. Haas
William E. Lehman
Katherine E. Lovette
Tori L. Giesler

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

March 19, 2010

Columbia Gas of PA, Inc.
Attn: Heather Bauer
200 Civic Center Drive
Columbus, OH 43215

RECEIVED
2010 APR -5 PM 3:15
PA PUC
SECRETARY'S BUREAU

RE: Application of Prospect Resources, Inc.

Dear Ms. Bauer:

This firm has been retained by Prospect Resources, Inc. ("Prospect") to represent it in an application proceeding before the Pennsylvania Public Utility Commission ("Commission"). Prospect is applying for authority to provide natural gas service throughout Pennsylvania as a broker/marketer. We expect to file this application with the Commission within the next 2-3 weeks. As will be indicated in its application, the company will not take title to natural gas, nor will it receive payments for natural gas from end user customers. It will simply be providing natural gas broker and marketing services to its customers.

Given the nature and limited scope of the authority being sought by Prospect in its application, we believe that a bond or other financial security is unnecessary, and we ask for the concurrence of Columbia Gas of PA, Inc. that it will not require from Prospect a bond or other such security. If you are willing to provide such concurrence, please sign this letter below where indicated and return it to me in the enclosed envelope at your earliest convenience. If you do not agree, I would appreciate it if you would contact me so we can discuss further.

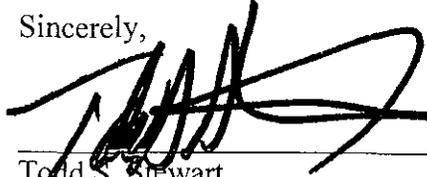
MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

MAR 25 2010

Columbia Gas of PA, Inc.
Attn: Heather Bauer
March 19, 2010
Page 2

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions or comments you may have.

Sincerely,



Todd S. Stewart
Counsel to Prospect Resources, Inc.

AGREED

Signature: Heather Bauer 3/24/10

Printed Name: HEATHER BAUER

SKH/san
Enclosure

Hawke
 Mckeon &
 Sniscak LLP

ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff
Janet L. Miller
Steven K. Haas
William E. Lehman
Katherine E. Lovette
Tori L. Giesler

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

March 19, 2010

Valley Energy, Inc.
Attn: Robert Crocker
523 South Keystone Avenue
Sayre, PA 18840-0340

RECEIVED
2010 APR -5 PM 3:16
PA PUC BUREAU
SECRETARY'S BUREAU

RE: Application of Prospect Resources, Inc.

Dear Mr. Crocker:

This firm has been retained by Prospect Resources, Inc. ("Prospect") to represent it in an application proceeding before the Pennsylvania Public Utility Commission ("Commission"). Prospect is applying for authority to provide natural gas service throughout Pennsylvania as a broker/marketer. We expect to file this application with the Commission within the next 2-3 weeks. As will be indicated in its application, the company will not take title to natural gas, nor will it receive payments for natural gas from end user customers. It will simply be providing natural gas broker and marketing services to its customers.

Given the nature and limited scope of the authority being sought by Prospect in its application, we believe that a bond or other financial security is unnecessary, and we ask for the concurrence of Valley Energy, Inc. that it will not require from Prospect a bond or other such security. If you are willing to provide such concurrence, please sign this letter below where indicated and return it to me in the enclosed envelope at your earliest convenience. If you do not agree, I would appreciate it if you would contact me so we can discuss further.

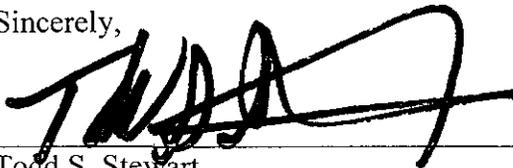
MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

MAR 24 2010

Valley Energy, Inc.
Attn: Robert Crocker
March 19, 2010
Page 2

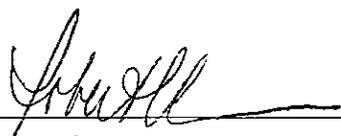
Thank you for your attention to this matter. Please do not hesitate to contact me with any questions or comments you may have.

Sincerely,



Todd S. Stewart
Counsel to Prospect Resources, Inc.

AGREED

Signature: 

Printed Name: ROBERT CROCKER

SKH/san
Enclosure



National fuel

March 25, 2010

Dr. Yitzchak Shkop
Prospect Energy.

Re: Security Requirement for Prospect Energy.

Dear Dr Shkop:

National Fuel Gas Distribution Corporation ("NFGDC") is aware that Prospect Energy. ("P.E.") has filed an application with the Pennsylvania Public Utility Commission to supply natural gas services to the public in Pennsylvania and specifically within the service territory of NFGDC.

As you know, in making such an application, P.E. must furnish acceptable security to each utility where P.E. will do business. As such, under its tariff, NFGDC could require P.E. 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, P.E. intends only to *provide natural gas aggregating, brokering and consulting services at this time*. You have stated that, in performing these services, P.E. will never take title to any delivered natural gas.

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

If you have any questions concerning the foregoing, please contact me at 716-857-7796.

Yours truly,

Robert C. Smielecki

Robert C. Smielecki
Transportation Services Department

Hawke
 Mckeon &
 Sniscak LLP

ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
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Tori L. Giesler

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

March 19, 2010

PG Energy
Attn: Richard N. Marshall
One PEI Center
Willkes-Barre, PA 18711-0601

RECEIVED
2010 APR -6 PM 3:16
PA PUC
SECRETARY'S BUREAU

RE: Application of Prospect Resources, Inc.

Dear Mr. Marshall

This firm has been retained by Prospect Resources, Inc. ("Prospect") to represent it in an application proceeding before the Pennsylvania Public Utility Commission ("Commission"). Prospect is applying for authority to provide natural gas service throughout Pennsylvania as a broker/marketer. We expect to file this application with the Commission within the next 2-3 weeks. As will be indicated in its application, the company will not take title to natural gas, nor will it receive payments for natural gas from end user customers. It will simply be providing natural gas broker and marketing services to its customers.

Given the nature and limited scope of the authority being sought by Prospect in its application, we believe that a bond or other financial security is unnecessary, and we ask for the concurrence of PG Energy that it will not require from Prospect a bond or other such security. If you are willing to provide such concurrence, please sign this letter below where indicated and return it to me in the enclosed envelope at your earliest convenience. If you do not agree, I would appreciate it if you would contact me so we can discuss further.

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

MAR 29 2010

PG Energy
Attn: Richard N. Marshall
March 19, 2010
Page 2

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions or comments you may have.

Sincerely,



Todd S. Stewart
Counsel to Prospect Resources, Inc.

AGREED

Signature: DC Beasten

Printed Name: DAVID C BEASTEN

SKH/san
Enclosure

It should be noted that if in the future Prospect Resources were to provide natural gas service to end use customers, they would become subject to the security requirements in the OGI Penn Natural Gas Tariff.



PEOPLES NATURAL GAS™

March 31, 2010

Dr. Yitzchak Shkop, President
Prospect Resources, Inc.
8170 McCormick Blvd., Suite 107
Skokie, IL 60076

Dear Dr. Shkop:

This letter serves as notification that Peoples Natural Gas Company does not require Prospect Resources, Inc. to provide a security or credit enhancement. A security or credit enhancement is not required because *Prospect Resources is not currently operating and has no immediate plans to operate a Non-Priority One Pool or a Priority One Pool on the Peoples Natural Gas Company system.* However, if in the future Prospect Resources desires to establish a Non-Priority One Pool or a Priority One Pool on the Peoples Natural Gas Company system, it may be required to establish a security or credit enhancement based on the terms set forth under Paragraphs 6 and 7 of the Rules and Regulations of The Peoples Natural Gas Company Supplier Tariff.

If you have any questions feel free to contact me at 412-473-4146.

Sincerely,

Joseph A. Gregorini
Manager, Pricing and Regulatory Affairs
Peoples Natural Gas Company

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon the persons named and in the manner indicated below which service satisfies the requirements of Pa. R.C.P. 440.

VIA FIRST CLASS MAIL:

Irwin A. Propowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of 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

Valley Energy Inc.
Robert Crocker
523 South Keystone Avenue
Sayre, PA 18840-0340

National Fuel Gas Distribution Corp.
David D. Wolford
6363 Main Street
Williamsville, NY 14221

PPL Gas Utilities Corporation
Curtis L. Rounds or Edward L. Farber
555 Camargo Road
Quarryville, PA 17566

Peoples Natural Gas Company LLC
Joe Gregorini
1201 Pitt Street
Pittsburg, PA 15221

T.W. Phillips Gas and Oil Company
Robert M. Hovanec
205 North Main Street
Butler, PA 16001

UGI
Chris Brown
P.O. Box 12677
Reading, PA 12677

PG Energy
Richard N. Marshall
One PEI Center
Wilkes-Barre, PA 18711-0601

Equitable Gas Company
Jerald Moody
225 North Shore Drive
Pittsburgh, PA 15212-5352

RECEIVED
2010 APR-6 PM 3:16
SECRETARY'S BUREAU
PA PUC

Philadelphia Gas Works
Eric Burgis
800 West Montgomery Avenue
Philadelphia, PA 19122

Columbia Gas of PA, Inc.
Heather Bauer
200 Civic Center Drive
Columbus, OH 43215

PECO
Amy Hamilton, Manger Gas Regulatory and
Transportation
2301 Market Street, S9-1
Philadelphia, PA 19103



Steven K. Haas

Dated this 6th day of April 2010