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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

June 15, 2011

Pennsylvania Public Utility Commission
Attention: Ms. Rosemary Chiavetta, Secretary
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")
Amendment to Natural Gas Supplier Application
Docket No.: A-2009-2121686

Dear Ms. Chiavetta:

In regards to the above-referenced matter, which was submitted to the Pennsylvania Public Utility Commission on May 24, 2011, enclosed herewith is a copy of correspondence received from Philadelphia Gas Works regarding financial obligations of USG&E.

Please do not hesitate to contact me at (305) 947-7880, extension 4409, or at mmann@usgande.com if you should have any questions regarding the enclosed.

Sincerely,

Michelle Mann
Compliance Paralegal

Enclosure:

cc: Irwin A. Popowsky, Office of Consumer Advocate (w/enclosure)
Office of the Attorney General, Bureau of Consumer Protection (w/enclosure)
William R. Lloyd, Jr., Small Business Advocate (w/enclosure)
Commonwealth of Pennsylvania, Department of Revenue (w/enclosure)

Philadelphia Gas Works



800 W. Montgomery Ave., Philadelphia, PA 19122
Telephone: 215-236-0500

June 13, 2011

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JUN 15 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Ms. Michelle Mann
Compliance Paralegal
USG & E
290 NW. 165th Street, PH 5
North Miami Beach, FL 33169

RE: Security Requirement Bond for USG&E

Dear Mr. Moser:

Philadelphia Gas works (PGW[™]) is aware that USG&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 services territory of Philadelphia Gas Works.

As you know, in making such an application, USG&E must furnish acceptable security to each utility where USG&E will do business. As such, under its tariff, Philadelphia Gas Works could require USG&E to provide a bond or other financial security instrument in an amount that Philadelphia Gas Works determines to be appropriate.

However, you have indicated, and it is Philadelphia Gas Works' understanding, that USG&E intends only to provide natural gas aggregating, brokering and consulting services at this time. You have stated that, in performing these services, USG&E will never take title to any delivered natural gas.

Based upon your representations, Philadelphia Gas Works has determined that, at this time, USG&E does not need to post a bond or other form of security to operate in its service territory. If the services provided by USG&E should change, Philadelphia Gas Works reserves the right to require security from USG&E as it deems appropriate.

If you have any questions concerning the foregoing, please contact me at (215) 684-6899.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas A. Moser". The signature is fluid and cursive, written over the typed name.

Douglas A. Moser
Senior Vice President
Gas Management

DAM:b

From: (305) 947-7880
 Henry Hernandez
 U.S. GAS and ELECTRIC, INC.
 290 NW 165TH ST, PH5
 N MIAMI BEACH, FL 33169

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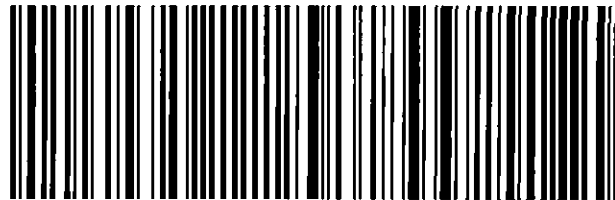
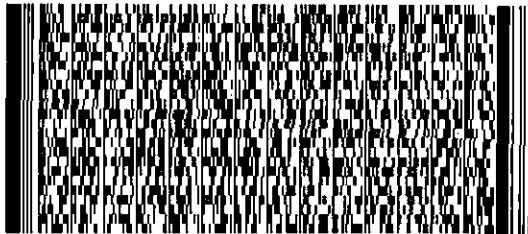
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