

VIA FEDERAL EXPRESS

July 8, 2011

Pennsylvania Public Utility Commission
Attention: Ms. Rosemary Chiavetta, Secretary
Keystone Building, 400 North Street
2nd Floor, Room N201
Harrisburg, PA 17120

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JUL 08 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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 Peoples Natural Gas 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)



375 North Shore Drive, Suite 600
Pittsburgh, Pennsylvania 15212

www.peoples-gas.com

July 8, 2011

Jessica Alabastro
Compliance Assistant
U.S. Gas & Electric, Inc.
290 N.W. 165th Street, PHS
North Miami Beach, FL 33169

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Ms. Alabastro:

This letter serves as notification that Peoples Natural Gas Company does not require U.S. Gas & Electric, Inc. to provide a security or credit enhancement. A security or credit enhancement is not required because U.S. Gas & Electric, Inc. 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 system. However, if in the future U.S. Gas & Electric, Inc. 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 412-208-6528 or by email at Lynda.W.Petrichevich@peoples-gas.com.

Sincerely,

Lynda W. Petrichevich
Manager, Rates and Regulatory Affairs
Peoples Natural Gas Company LLC

From: (305) 947-7880
 Millie J Folgado
 U.S. GAS and ELECTRIC, INC.
 290 NW 165TH ST, PH5

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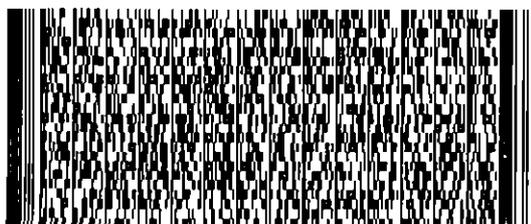
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