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January 22, 2013

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120

Re:

Palmco Energy PA, LLC

License A-2009-2100320

Dear Secretary Chiavetta:

Palmco Energy PA, LLC ("Palmco") respectfully requests permission to supply natural gas at retail to customers located in the service territory of Peoples Natural Gas ("Peoples"). Attached hereto is a letter from Peoples addressing creditworthiness matters.

Accordingly, please amend the natural gas license of Palmco Energy PA, LLC to include Peoples Natural Gas.

Very truly yours,

Palmco Energy PA, LLC

Peter Métza

Cullen and Dykman LLP

44 Wall Street

New York, NY 10005 Attorneys for Palmco

Energy IL, LLC



375 North Shore Drive Suite 600 Pittsburgh PA 15212

January 22, 2013

Robert Palmese Palmco Energy PA, LLC 1350-60 Street Brooklyn, NY 11219

Dear Mr. Palmese:

This letter serves as notification that Peoples Natural Gas Company does not require Palmoo Energy PA, LLC to provide a security or credit enhancement. Our decision is based on the fact that your company 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 your company 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