

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of ARM Energy Management, LLC, d/b/a ARM Energy Management, LLC, for approval to offer, render, furnish, or as a(n) [as specified in item #8 below] 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:

ARM Energy Management, LLC
20329 State Highway 249, Suite 450
Houston, TX 77070
Phone: 281-655-3200
Fax: 281-664-0029
www.asset-risk.com

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OCT 10 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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.

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:

Larry F. Derrett
Chief Financial Officer
ARM Energy Management, LLC
20329 State Highway 249, Suite 450
Houston, TX 77070
Phone: 281-655-3217
Fax: 281-664-0029

- 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:

Larry F. Derrett
Chief Financial Officer
ARM Energy Management, LLC
20329 State Highway 249, Suite 450
Houston, TX 77070
Phone: 281-655-3217
Fax: 281-664-0029

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

Russ Smith
Durham Jones & Pinegar
111 East Broadway, Suite 900
Salt Lake City, UT 84111
Phone: 801-415-3000, Fax: 801-415-3500

- 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: **N/A as applicant maintains a local office – See Section 5**

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) (a Delaware Corporation)
- 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 next three pages.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "ARM ENERGY MANAGEMENT LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE EIGHTH DAY OF MAY, A.D. 2012, AT 12:45 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY, "ARM ENERGY MANAGEMENT LLC".



5151205 8100H

121217359

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 9980443

DATE: 11-13-12

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:59 PM 05/08/2012
FILED 12:45 PM 05/08/2012
SRV 120527401 - 5151205 FILE

**CERTIFICATE OF FORMATION
OF
ARM ENERGY MANAGEMENT LLC**

I, the undersigned natural person of the age of eighteen years or more, acting as an authorized person of a limited liability company under the Delaware Limited Liability Company Act, as amended, do hereby submit the following Certificate of Formation for such limited liability company:

ARTICLE I

The name of the limited liability company is ARM Energy Management LLC.

ARTICLE II

The address of the limited liability company's initial registered agent in the State of Delaware is 1675 South State Street, Suite B, Dover, County of Kent, Delaware 19901. The name of its registered agent at such address is Capitol Services, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of May, 2012.



Jeannie Diep, Authorized Person



BUREAU OF CORPORATION TAXES
PO BOX 280705
HARRISBURG PA 17128-0705

NOTICE OF CORPORATE REGISTRATION

ARM ENERGY MANAGEMENT LLC
20329 STATE HIGHWAY 249, SUITE 450
HOUSTON TX 77070

REVENUE ID:..... 1000713849
FEIN:..... Not Available → 46-0648796
NOTICE NUMBER:..... BU1000280082
MAIL DATE:..... 07/15/2013
FISCAL YR END:..... 12/31
CERT OF AUTHORITY DATE:..... 06/26/2013

TAXES SUBJECT:
Corporate Net Income
Loans
Foreign Franchise

Welcome to Pennsylvania's business community. The Department of Revenue has been advised that you are authorized to conduct business in Pennsylvania. The above Revenue ID number has been assigned to your business for tax reporting purposes. Please reference this number on all correspondence with the department.

Carefully review your name, address and tax information above for accuracy. If no federal employer identification number (FEIN) is indicated, please provide this number to the department as soon as it is available from the federal government. Write the FEIN and other changes or additions in the top, right-hand corner above and return this letter to the PA DEPARTMENT OF REVENUE, PO BOX 280705, HARRISBURG PA 17128-0705.

FILING REQUIREMENTS

The taxes you are required to report annually are identified above. Tax reports must be filed timely, even if there is no business activity or if the first year in business is less than 12 months. You are obligated to pay timely and file tax returns until you formally dissolve your corporate charter, file an out of existence affidavit or cancel a license or authorization. Failure to file and pay timely may result in penalties and liens. For information on tax due dates, visit the department's website at www.revenue.state.pa.us.

Pay particular attention to the month your fiscal year ends, identified above, for the following reasons:

- For capital stock/foreign franchise, corporate net income and mutual thrift taxes, the first quarterly estimated payments are due within 75 days following the incorporation/authority date.
- A federal subchapter S corporation desiring not to be taxed as a PA S corporation is required to file Form REV-976 on or before the due date or extended due date of the first tax period for which it is to be in effect. REV-976 is available at www.revenue.state.pa.us.

SUBJECTIVITY TO CORPORATE TAXES FOR LIMITED LIABILITY COMPANIES AND BUSINESS TRUSTS

- According to Section 601 of the Tax Reform Code, limited liability companies and business trusts are considered corporations for purposes of capital stock/foreign franchise tax, regardless of how they file with the Internal Revenue Service (IRS).
- Under Section 401, any entity that files as a corporation with the IRS is subject to PA corporate net income tax. A limited liability company or business trust that does not file as a corporation with the IRS is not subject to the PA corporate net income tax.

ELECTRONIC FILING

Payments of \$10,000 or more must be remitted electronically. Register online through the department's e-Services Center at www.revenue.state.pa.us to send tax payments to the department online using e-TIDES.

The Department of Revenue appreciates your cooperation and wishes your business success in Pennsylvania. If you have any questions, visit the Online Customer Service Center at www.revenue.state.pa.us or call the Taxpayer Service & Information Center at 717-787-1064.



Give name and address of officers.

Gil Burciaga – Chairman
Zach Lee – President & CEO
Vinny McConnell – President
Art Cipriani – Partner, President Appalachia
Larry Derrett – Chief Financial Officer
Don Hamilton – Vice President
Samy Marcos – Vice President

All but Art Cipriani reside at:

ARM Energy Management, LLC
20329 State Highway 249, Suite 450
Houston, Texas 77070

Art Cipriani resides at:

ARM Energy Management, LLC
300 Weyman Rd, Suite 480
Pittsburgh, PA 15236

The Applicant is incorporated in the state of Delaware.

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

- Affiliate(s) of the Applicant doing business in Pennsylvania are:
Asset Risk Management LLC dba Asset Risk Management Holdings LLC

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

Asset Risk Management LLC dba Asset Risk Management Holdings LLC
20329 State Highway 249, Suite 450
Houston, TX 77070

The above is not a jurisdictional public utility.

- 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.)

See next page.

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.

Supply natural gas commodity and other energy services to marketers and end users.

7. APPLICANT'S PRESENT OPERATIONS:

Asset Risk Management provides comprehensive energy risk management services to oil and gas producers throughout North America. We focus on the development, implementation and continual optimization of hedge strategies that ensure price protection but also create maximum value. ARM Energy Management provides physical marketing, transportation and asset management services delivering secure, competitively priced supplies to market.

In today's market environment, along with the "operational" risks that are inherent in every aspect of exploration, production, drilling, infrastructure development, marketing and distribution, it is imperative that producers become more involved in actively managing "non-operational" risk. Asset Risk Management (ARM) takes a dynamic approach to risk management by implementing strategies that not only provide protection but also create value as the market provides opportunity.

Headquartered in Houston with offices in Chicago and Pittsburgh, ARM has been helping oil and gas producers make better hedging decisions since 2004. We represent more than 70 public and private companies and interact with all major energy commodity counterparties. ARM's value is realized not only in the development and implementation of dynamic strategies, but in the ongoing optimization of those strategies as warranted by market volatility, execution efficiencies, reporting and continual monitoring of technical and fundamental factors in the market with the client's best interests and specific objectives in mind.

ARM Energy Management focuses on physical commodities marketing for both producer clients and consuming markets. We provide physical marketing, supply management, transportation and asset management services to deliver secure, competitively priced supplies and accretive value to our clients. Natural gas, gas liquids and crude oil are marketed to various end user groups including local distribution companies (LDCs), electric utilities, chemical companies, end users and producers throughout the United States.

ARM is led by Chairman Gil Burciaga, who was a founding member of Natural Gas Clearinghouse (now DYNEGY, NYSE: DYN), and CEO & President Zach Lee. Each of the senior members of ARM's executive management team has more than 20 years experience in the energy industry. This experience and deep knowledge of the market distinguishes ARM in the marketplace and enables the company to deliver faster service, dynamic market opportunities and reliable, cost-effective marketing services.

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

<p>Peoples TWP LLC (Formerly T. W. Phillips) Andrew Wachter 375 North Shore Drive, Suite 600 Pittsburgh, PA 15212 PH: 724.431.4935 FAX: 724.287.5021 email: Andrew.Wachter@peoplestwp.com</p>	<p>Peoples Natural Gas Company LLC Lynda Petrichevich 375 North Shore Drive, Suite 600 Pittsburgh, PA 15212 email: Lynda.w.petrichevich@peoples-gas.com PH: 412.208.6528 FAX: 412.208.6577</p>
<p>Equitable Gas Company Jason Dalton 225 North Shore Drive Pittsburgh, PA 15212-5352 PH: 412.395.3266 FAX: 412.395.3335</p>	<p>Columbia Gas of Pennsylvania Inc. Thomas C. Heckathorn 200 Civic Center Drive Columbus, OH 43215 PH: 614.460.4996 FAX: 614.460.6442 email: heckathorn@nisource.com</p>

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 on upon approval (approximate date).

Upon approval of application.

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

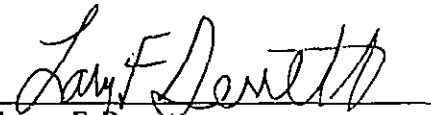
William R. Lloyd, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

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:

Peoples TWP LLC (Formerly T. W. Phillips) Andrew Wachter 375 North Shore Drive, Suite 600 Pittsburgh, PA 15212 PH: 724.431.4935 FAX: 724.287.5021 email: Andrew.Wachter@peoplestwp.com	Peoples Natural Gas Company LLC Lynda Petrichevich 375 North Shore Drive, Suite 600 Pittsburgh, PA 15212 email: Lynda.w.petrichevich@peoples-gas.com PH: 412.208.6528 FAX: 412.208.6577
Equitable Gas Company Jason Dalton 225 North Shore Drive Pittsburgh, PA 15212-5352 PH: 412.395.3266 FAX: 412.395.3335	Columbia Gas of Pennsylvania Inc. Thomas C. Heckathorn 200 Civic Center Drive Columbus, OH 43215 PH: 614.460.4996 FAX: 614.460.6442 email: theckathorn@nisource.com

I certify that a true and correct copy of the foregoing application form licensing within to Commonwealth of Pennsylvania as a Natural Gas Supplier and all attachments will have been served.


Larry F. Derrett
CFO, AKM Energy Management, LLC

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OCT 10 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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.

N/A

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.

Phillip Sabol
Sr. V.P., Marketing
ARM Energy Management, LLC
300 Weyman Road, Suite 480
Pittsburgh, PA 15236
Phone: 412-886-1800
Fax: 412-886-1900

- b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers. **N/A (NAESB attached on next page to be utilized with industrial & large commercial customers)**
- 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.

N/A

17. **FINANCIAL FITNESS:** All Financial Information will be sent under separate **CONFIDENTIAL** cover.
- 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.
 - Published parent company financial and credit information.

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: _____

The parties to this Base Contract are the following:

PARTY A ARM Energy Management, LLC	PARTY NAME	PARTY B
ARM Energy Management, LLC 20329 State Highway 249 Suite 450 Houston, TX 77070	ADDRESS	
www. <u>asset-risk.com</u>	BUSINESS WEBSITE	www. _____
	CONTRACT NUMBER	
07-860-9451	D-U-N-S® NUMBER	
<input checked="" type="checkbox"/> US FEDERAL: 46-0648796 <input type="checkbox"/> OTHER: _____	TAX ID NUMBERS	<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER: _____
	JURISDICTION OF ORGANIZATION	
<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	COMPANY TYPE	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
ATTN: <u>Gas Desk</u> TEL#: <u>281-655-3200</u> FAX#: <u>281-664-0029</u> EMAIL: _____	• COMMERCIAL	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: <u>Gas Scheduling</u> TEL#: <u>281-655-3200</u> FAX#: <u>281-664-0029</u> EMAIL: _____	• SCHEDULING	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: <u>Contract Administration</u> TEL#: <u>281-655-3200</u> FAX#: <u>281-664-0029</u> EMAIL: _____	• CONTRACT AND LEGAL NOTICES	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: <u>Credit Department</u> TEL#: <u>281-655-3200</u> FAX#: <u>281-664-0029</u> EMAIL: _____	• CREDIT	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: <u>Confirmation Department</u> TEL#: <u>281-655-3200</u> FAX#: <u>281-664-0029</u> EMAIL: _____	• TRANSACTION CONFIRMATIONS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
ACCOUNTING INFORMATION		
ATTN: <u>Gas Accounting</u> TEL#: <u>281-655-3200</u> FAX#: <u>281-664-0029</u> EMAIL: _____	• INVOICES • PAYMENTS • SETTLEMENTS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure <input checked="" type="checkbox"/> Oral (default) OR <input type="checkbox"/> Written	Section 10.2 Additional Events of Default <input checked="" type="checkbox"/> No Additional Events of Default (default) <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: _____ <input type="checkbox"/> Party B: _____ <input type="checkbox"/> Transactional Cross Default <u>Specified Transactions:</u> _____ _____
Section 2.7 Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) OR <input type="checkbox"/> _____ Business Days after receipt	
Section 2.8 Confirming Party <input checked="" type="checkbox"/> Seller (default) OR <input type="checkbox"/> Buyer <input type="checkbox"/> _____	
Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) OR <input type="checkbox"/> Spot Price Standard	Section 10.3.1 Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) OR <input type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.	
Section 2.31 Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) OR <input type="checkbox"/> _____	Section 10.3.2 Other Agreement Setoffs <input type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular OR <input checked="" type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR <input type="checkbox"/> Seller Pays Before and At Delivery Point	
Section 7.2 Payment Date <input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) OR <input type="checkbox"/> Day of Month following Month of delivery	Section 15.5 Choice Of Law _____ Texas _____
Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check	Section 15.10 Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) OR <input type="checkbox"/> Confidentiality does not apply
Section 7.7 Netting <input checked="" type="checkbox"/> Netting applies (default) OR <input type="checkbox"/> Netting does not apply	
x Special Provisions Number of sheets attached: <u>To Be Determined</u>	
I Addendum(s) : _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

ARM Energy Management, LLC	<i>PARTY NAME</i>	
By: _____	<i>SIGNATURE</i>	By: _____
Larry F. Derrett	<i>PRINTED NAME</i>	[Insert Name]
CFO	<i>TITLE</i>	[Insert Title]

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.
- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this

Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related

events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

	Date: _____ Transaction Confirmation #: _____
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This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____
--	---

Contract Price: \$ ____/MMBtu or _____

Delivery Period: Begin: _____, ____ End: _____, ____

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
---	---	---

Delivery Point(s): _____
 (If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____
---	--

- 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.
- 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. See next pages.
- Identify Applicant's chief officers including names and their professional resumes. See next pages.
- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

Larry F. Derrett
 Chief Financial Officer
 ARM Energy Management, LLC
 20329 State Highway 249, Suite 450
 Houston, TX 77070
 Phone: 281-655-3217
 Fax: 281-664-0029

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 next pages
- A copy of any Federal energy license currently held by the Applicant. **N/A**
- Proposed staffing and employee training commitments.

ARM Energy Management's (AEM) personnel have over 20 years of individual experience in all facets (buyer, regulator and marketer) of the natural gas industry. AEM's current trained staffing includes personnel in the following areas: scheduling/nomination, sales and marketing, and accounting. AEM will utilize its current professional personnel, and add experienced personnel as needed, to ensure our customers receive the utmost in customer service and value. AEM also trains its personnel to back up other personnel as required.

- Business plans. See next pages.

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. **Agreed**

October 7, 2013

RECEIVED

Mr. Phill Sabol
Arm Energy Management, LLC
300 Weyman Road, Suite 480
Pittsburgh PA 15236

OCT 10 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. Sabol:

We are pleased that Arm Energy Management, LLC has applied for a license to provide natural gas broker/marketer services on the distribution system of Equitable Gas Company, LLC ("Equitable").

Arm Energy Management, LLC has indicated only brokering and consulting services will be provided. Therefore, we have determined at this time that Arm Energy Management, LLC does not need a bond or other financial security requirement to provide these services to Equitable's customers.

If the creditworthiness requirement or Equitable's exposure to Arm Energy Management, LLC changes in the future, Equitable may deem it appropriate to require Arm Energy Management, LLC to provide a bond or other financial instrument.

Should you have any additional questions or concerns regarding a bond or other financial security instruments of Equitable, please do not hesitate to contact me at (412) 395-3370.

Sincerely,



Matthew D. Stanczak
Director, Process Improvement

October 1, 2013

Columbia Gas of Pennsylvania

ATTN: *Connie Brown*

200 Civic Center Drive

Columbus, OH 43215

RECEIVED

OCT 10 2013

RE: GDS Credit Evaluation

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Ms. Brown,

ARM Energy Management (AEM) is in the process of filing an application to become an approved NGS in PA. As part of this application, AEM must provide proof of bonding/credit requirements to each NGDC we are proposing to provide service in.

To initiate this credit evaluation, please find enclosed the following **confidential** information :

- Current audited financial statements prepared in the last 12 months
- Most recent Annual Report, audited 10K and 10Q;
- List of parent company and other affiliates;
- Names, addresses, and telephone numbers of 3 trade references;
- Names, addresses, and telephone numbers of banking institution contacts.
- A non-refundable \$100 fee for this credit evaluation.

We will be filing the PA PUC NGS License application while this credit evaluation is in process. We will inform the PA PUC in this application that we have initiated the NGDC creditworthiness process by including a copy of this letter in our filing.

If you have any questions, please feel free to contact me at (412) 886-1800.

Sincerely,

Phillip M. Sabol

Senior VP, Marketing

Enclosures



375 North Shore Drive
Suite 600
Pittsburgh PA 15212

www.peoples-gas.com

October 1, 2013

Phill Sabol
Senior VP - Marketing
Arm Energy Management, LLC
20329 State Highway 249
Suite 450
Houston, Texas 77070

RECEIVED

OCT 10 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. Sabol:

This letter serves as notification that Peoples Natural Gas Company does not require Arm Energy Management, 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.Petrichovich@peoples-gas.com.

Sincerely,

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



PEOPLES TWP LLC

205 North Main Street
Butler, PA 16001

October 1, 2013

Phill Sabol
Senior VP - Marketing
Arm Energy Management, LLC
20329 State Highway 249
Suite 450
Houston, Texas 77070

RECEIVED

OCT 10 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. Sabol:

This letter serves as notification that Peoples TWP LLC does not require Arm Energy Management, LLC to provide a security or credit enhancement at this time. 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 TWP system. However, if in the future your company desires to establish a Non-Priority One Pool or a Priority One Pool on the Peoples TWP system, it may be required to establish a security or credit enhancement based on the terms set forth under Paragraphs 19 and 20 of the Rules and Regulations of the Peoples TWP Tariff.

If you have any questions feel free to contact me at 724-431-4935 or by email at Andrew.Wachter@peoplestwp.com.

Sincerely,

Andrew Wachter
Manager, Rates and Regulatory Affairs
Peoples TWP LLC

ARM/AEM Management Team

Gil Burciaga

Chairman

Mr. Burciaga was a founding member of Dynegy, Inc. (formerly Natural Gas Clearinghouse). He served as one of six senior vice presidents involved in the startup and growth of this Fortune 500 trading company and market maker, and he was a member of the four-person team responsible for taking the company public. During his tenure (1986-1991), Dynegy was one of the fastest growing companies in the United States. From 1992-1997, Mr. Burciaga was President of NGC Energy Resources, a division focused on the acquisition and operation of downstream natural gas assets including gathering systems, processing plants and natural gas liquids fractionation plants. Acquisitions made in the U.S. and Canada under his direction exceeded \$900 million. From 1985-1992, Mr. Burciaga served as Senior Vice-President of Natural Gas Supply & Trading. Because of deregulation to the merchant role and price controls during this period, Dynegy faced a very volatile natural gas market. Dynegy emerged as a dominant player during this time period and became the largest independent and the second largest natural gas marketer in the United States.

Zach Lee

CEO

Prior to forming Asset Risk Management, Mr. Lee worked for Duke Energy Trading & Marketing, where he managed the Structured Products and Derivatives marketing group. The goal of this team was to enhance the value of Duke's trading organization by leveraging the natural gas derivatives market to create natural gas physical and financial product opportunities for producers and end users. Prior to Duke, Mr. Lee worked for Entergy-Koch Trading in a number of trading roles with a focus on the natural gas and power markets.

Larry Derrett

Chief Financial Officer

Mr. Derrett has an extensive background in energy finance acquired through years of experience in commercial banking and corporate finance. He has 17 years in energy banking with small to mid-cap companies involved in upstream, midstream, and trading. His years in energy banking included stints with InterFirst Bank, CIT, and CIBC where he was Managing Director and led the bank's Midstream effort in the U.S. He has substantial experience in corporate banking as well as structured finance including project financing, securitization and leasing. Mr. Derrett has 14 years of corporate finance experience including treasury management, raising capital, and overseeing accounting and budgeting. His years in Corporate Finance included stints with Coral Energy, Enron Energy Services as CFO and most recently with ERG Energy Reserves, LLC as CFO. Mr. Derrett joined ARM in April of 2013 and is an alumnus of The University of Texas at Austin.

Vinny McConnell

President, ARM Physical (AEM)

Mr. McConnell was one of the first 20 employees of Dynegy, Inc. (formerly Natural Gas Clearinghouse). From 1987-2003 Mr. McConnell, held various managerial positions with Dynegy including Senior Vice President of Term Marketing, Trading Floor Vice President and General Manager, Senior Vice President of Term Supply and Senior Vice President of NGL Marketing and Trading. From 2004 until he joined ARM in 2011, Mr. McConnell utilized his 20 years of experience in the energy industry as a consultant to end users and LDCs in the natural gas and natural gas liquids business. Prior to joining Dynegy in 1987 he held marketing positions with Union Carbide Corporation and Northern Petrochemical.

Art Cipriani

President, ARM Appalachia

Art has nearly 30 years of experience and a proven track record of success and established relationships from well head to city gate. Just prior to starting ARM APPALACHIA, Art was a senior member of the Eagle Energy Partners (now EDFT, NA) team since it's beginning in 2004. He was directly responsible for building Eagle's presence in the Northeast, Mid-Atlantic and Appalachian areas which helped build Eagle Energy from a start-up company in 2004 to one of the largest providers of market services to the wholesale gas and power sectors in North America specializing in energy logistics and asset optimization. Prior to Eagle, Art was an Officer & VP of Dominion Transmission with responsibilities for marketing, customer service, business development, rates and regulatory affairs for the companies' regulated interstate pipeline, storage and LNG subsidiaries. Most notable in Art's energy career was his role from 1984 to 1995 as a partner and Sr. Vice President of Natural Gas Clearinghouse, now known as Dynegy. During his 10 years with NGC/Dynegy, he was responsible for directing, organizing and executing all marketing, origination and trading activities in the East/Northeast, Mid-Atlantic and Midwest regions of the non-regulated gas marketing company. He opened regional offices for NGC/Dynegy in Pittsburgh, Chicago & Boston. During the 5 years prior to NGC, Art was the manager of marketing for Peoples Natural Gas (now Dominion Peoples) in Pittsburgh. He is a Penn State Mechanical Engineer and a life time resident of Pittsburgh

Don Hamilton

Vice President, Crude Oil Marketing

Mr. Hamilton brings with him 33 years of experience in Crude Oil Trading and Logistics as well as in the Finished Product and NGL arenas. A long-time employee of Gary-Williams Energy Corporation, Mr. Hamilton began his career as a marketing representative, handling the marketing, trading and management of finished products and NGLs.

For the past two decades, in the position of Vice President for Supply at Gary-Williams, he managed the crude oil acquisition and trading activities, gaining invaluable experience in all facets of crude oil, including trucking and pipeline operations and economics, rail logistics as well as a detailed knowledge of crude qualities and their related values. Working for a small, independent firm, Mr. Hamilton gained a tremendous creative edge and knowledge base in all activities related to crude oil from both a refiner and producer point of view.

He joins ARM Energy Management as Vice President for Crude Oil Marketing. Mr. Hamilton holds a Bachelor of Arts degree in business administration, with an emphasis on marketing, from the University of Northern Colorado.

Samy Morcos

Vice President, Natural Gas & Liquids Marketing

Mr. Morcos has 14 years of experience managing physical assets in the natural gas industry. Beginning his career at Dynegy his primary responsibility was trading natural gas and providing asset management surrounding Dynegy's West Coast Power fleet, storage and transportation assets, and managing natural gas supplies.

In 2003 Mr. Morcos was one of the original members of the Chevron Natural Gas team and assisted in building that business unit from the ground up. While at Chevron, Mr. Morcos managed all of Chevron's domestic natural gas production in the Western US which included production in the Permian, San Juan, Rocky Mountains and San Joaquin basins. In addition, he was also responsible for managing supplies to Chevron's Richmond and El Segundo Refineries in California as well as all EOR and Cogen Facilities.

In 2007 Mr. Morcos joined Eagle Energy Partners and was a founding member of their West Business Unit. As an instrumental member of that team, he helped develop a portfolio of assets and grew that business unit to become one of the largest marketers of natural gas in the Western US.

Mr. Morcos holds a Bachelor of Science degree in Business Finance from Louisiana State University.

ARM/AEM Management Team

Frank Kronz

Sr. Vice President - Pittsburgh Office

Mr. Kronz has over 17 years physical and energy derivatives experience, most recently with EQT Corporation. When at Columbia Energy Group and CNG Energy Services he focused on natural gas asset management and marketing, with primary responsibility for asset management activities including in excess of 20Bcf contracted storage space on Equitrans, National Fuel, Dominion Transmission, Tennessee and Columbia Transmission as well as third party storage management. Production hedging responsibility included hedge portfolio with a 7 year tenor as well as monetization transaction executions, hedge recommendations and market analysis. Mr. Kronz was also responsible for the supply portfolio and marketing to industrial and large commercial end users such as US Steel and General Motors as well as significant end user portfolios. Mr. Kronz was first employed as a derivatives analyst in the energy industry, progressing to structured products followed by marketing and risk management. Mr. Kronz holds a BS degree in Accounting from Robert Morris University and has spent his entire professional career in Pittsburgh.

Phillip Sabol

Sr. Vice President - Pittsburgh Office

Mr. Sabol has over 26 years of natural gas experience; 18+ years as a non-regulated marketer, 3 years in regulated sales and 5 years as a buyer. Most recently, Mr. Sabol has spent the last 10 years as a non-regulated marketer in providing natural gas commodity and related services to industrial and commercial end users. In 1992, Phill joined Columbia Energy Services (CES), a non-regulated natural gas marketing company. Phill progressed through various sales and marketing positions in his 9 years with CES. He was directly responsible for managing sales professionals and successfully increasing margins through sales to industrial and commercial end users. Phill was a team leader and key marketing member on many task forces to increase sales and company growth in making CES one of the largest marketers in sales by the late 1990's. From 2001-2004, Phill was the Director of Sales for the regulated Columbia Gas Distribution companies. His responsibilities included managing sales personnel and working directly with the top 1000 customers to maintain sales revenue. Phill started his energy career as the energy management coordinator and a member of the natural gas purchasing team for National Steel Corporation. Phill holds a Penn State engineering degree with honors in Engineering Science and is a lifelong resident of Pittsburgh.

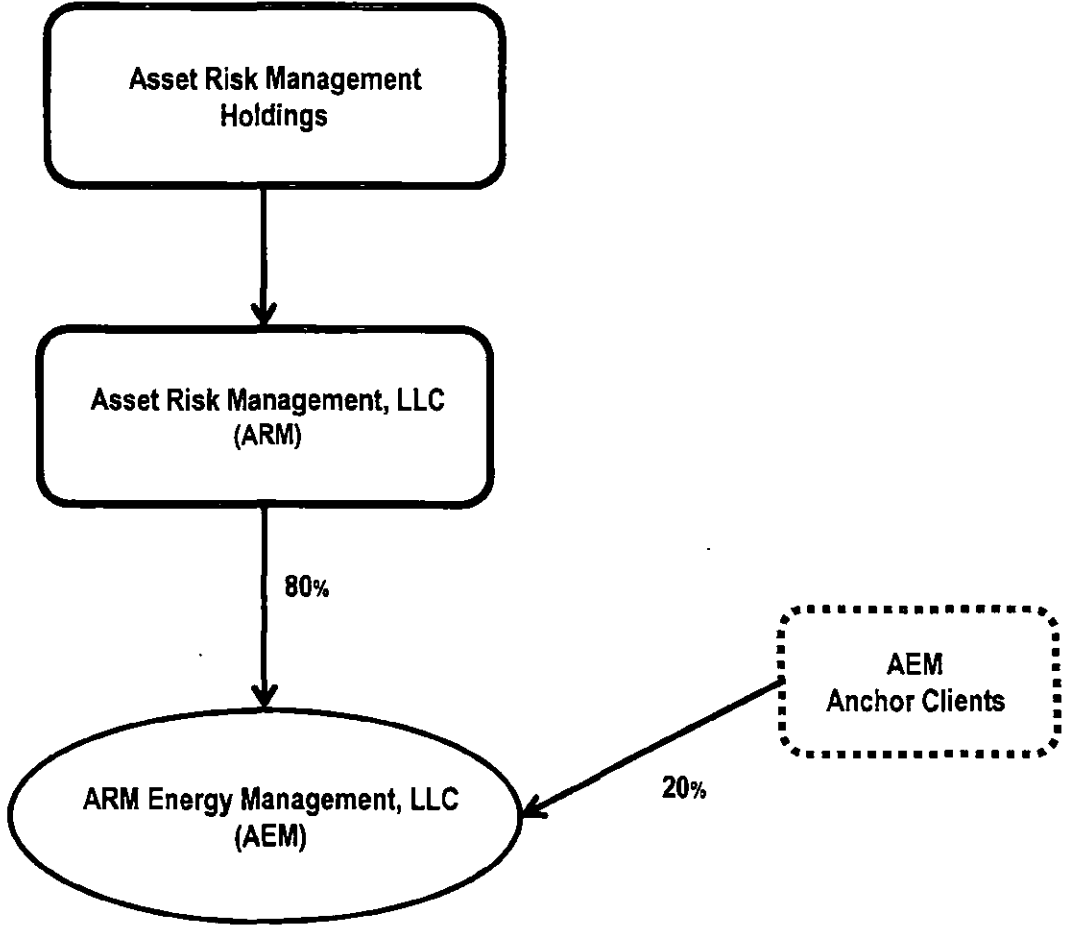
Keith Barnett

Director of Fundamentals Analysis - Houston Office

Prior to joining ARM, Mr. Barnett served as Director of Strategic Analysis for Merrill Lynch Commodities, where he led the effort to create an integrated global point of view for energy commodities that could serve short-term trading and longer-term investment horizons. He also worked most recently with Spring Rock Production, which is producing a state-of-the-art natural gas and oil production forecast for the U.S. and Canada. With more than 30 years experience in the energy industry, Mr. Barnett has worked for leading companies including Chevron, Columbia Gas Transmission, and American Electric Power. He played a major role in two National Petroleum Council studies. Mr. Barnett also served as the Natural Gas Task Force lead for the Edison Electric Institute. He has testified as an expert before the Federal Energy Regulatory Commission and the U.S. Senate Committee on Energy and Natural Resources about natural gas and power matters. Mr. Barnett frequently speaks on the topics of natural gas, power, and global energy markets. He attended Texas A&M University where he received his bachelor's degree in engineering.

Other Key Expertise

Other key functions including scheduling and accounting are being staffed by equally highly qualified individuals or are being outsourced to specialists such as the billing function.



	Customer	Annual Volume	LDC	Facility City State	Zone	MA
1	Accutrax Products		ICPA	Washington, PA	8	35
2	Accon Packaging		ICPA	Washington, PA	8	35
3	Adhesives Research	77000	ICPA	Glen Rock, PA	4	25
4	AIU	930000	ICPA	Vanous	8	Many
5	Aitery's Sausage	25000	ICPA	Mt. Pleasant, PA	8	35
6	Allegheny Housing Authority	22000	ICPA		8	35
7	Allegheny Ludlum	1000000	ICPA	Washington, PA	8	35
8	Alwaste Container Services	22000	ICPA		8	35
9	American Ash Recycling	42000	ICPA	York, PA	4	25
10	American Color Graphics	95000	ICPA	York, PA	4	25
11	American Video	550000	ICPA	New Stanton, PA	8	35
12	AMG	50000	ICPA	Neville Island, PA	8	35
13	Anchor Glass Container	850000	ICPA	Connellsville, PA	8	35
14	Anchor Hocking Specialty	730000	ICPA	Monaca, PA	8	35
15	Armstrong World Industres	250000	ICPA	Beaver Falls, PA	8	35
16	Ashland Chemical	570000	ICPA	Neville Island, PA	8	35
17	BAE Systems	90000	ICPA	York, PA	4	25
18	BAE Systems	25000	ICPA	Lemont Furnace, PA	8	26
19	Bald Eagle School District	185000	ICPA	Wingate, PA	8	36
20	Balford Inc	28000	ICPA		8	36
21	Bellefonte Lume	140000	ICPA	Bellefonte, PA	8	36
22	Best Feeds & Farm Supply	28000	ICPA		8	35
23	Bethunous Paving	28000	ICPA		4	25
24	Blair Stg Steel	48000	ICPA		8	36
25	Boton Metals	300000	ICPA	Bellefonte, PA		
26	Bower Hill @ Mt Lebanon	23000	ICPA		8	35
27	Bretzen Home Community	31000	ICPA	New Oxford, PA	4	25
28	Bnggs Plumbing (Crane)	98000	ICPA	Somerset, PA	8	26
29	Brighton Falls China	25000	ICPA		8	36
30	Calgon Carbon	140000	ICPA	Neville Island, PA	8	35
31	California Upw of PA	44000	ICPA	California, PA	8	35
32	Camrose/Ohio Lume	200000	ICPA	Hanover, PA	4	25
33	Carnage Park Apts	51000	ICPA		8	35
34	Castle Builders	7000	ICPA	New Castle, PA	8	36
35	ICATA	68000	ICPA	State College, PA	8	36
36	Cavent Wire	50000	ICPA	Lemont Furnace, PA	8	35
37	CCAC	3000	ICPA	Pittsburgh, PA	8	35
38	Centre County Chamber of Commerce		ICPA	State College, PA	8	36
39	Centre County Commissioners	23000	ICPA	State College, PA	8	36
40	Centre	144000	ICPA	Ambridge, PA	8	35
41	Ceramic Color & Chemicals	25000	ICPA		8	35
42	Cerro Metals	300000	ICPA	Bellefonte, PA	8	36
43	Church & Dwight		ICPA	York, PA	4	25
44	Clad Metals	38000	ICPA	Canonsburg, PA	8	35
45	Cleveland Brothers Equipment		ICPA	State College, PA	8	36
46	Coastal Lumber	28000	ICPA		8	35
47	Col-Fn Specialty Steel	100000	ICPA	New Brighton, PA	8	36
48	CONSOL Energy	36000	ICPA	Canonsburg, PA	8	35
49	Consol Energy	25000	ICPA		8	35
50	Cooper Industries	71000	ICPA	Hanover, PA	4	25
51	Cooper Industries		ICPA	Washington, PA	8	35
52	CorrFlex Display & Packaging	34000	ICPA	York, PA	4	25
53	CorrFlex Display & Packaging	0	ICPA	York, PA	4	25
54	County of Beaver Mun	53000	ICPA		8	36
55	Coyne International Ent	28000	ICPA		4	25
56	CP Converters	54000	ICPA	York, PA	4	25
57	Crane Ave Ltd Partners	25000	ICPA		8	35
58	Crane Plumbing	110000	ICPA	Somerset, PA	8	26

	Customer	Annual Volume	LDC	Facility City State	Zone	MA
59	Crane Plumbing	20000	CPA	New Castle, PA	8	39
60	Crane Plumbing	98000	CPA	Somerset, PA	8	26
61	Cross Keys Village/Brethren Home	31000	CPA	New Oxford, PA	4	25
62	Crown Cork & Seal	27000	CPA	Hanover, PA	4	25
63	Crown Cork & Seal	98000	CPA	Uniontown	8	35
64	Dal-Tile	80000	CPA	Gettysburg, PA	4	25
65	Dal-Tile	103000	CPA	Gettysburg, PA	4	25
66	Danston Inc	41000	CPA	York, PA	4	25
67	Dawn Food Products	30000	CPA	York, PA	4	25
68	Dentsply	50000	CPA	York, PA	4	25
69	Devibss	6400	CPA	Somerset, PA	8	26
70	DMC Clad Metals		CPA	Mt. Braddock, PA	8	35
71	Doane Pet Care	60000	CPA		8	35
72	Donoco Inc	31000	CPA	Wrightsville, PA	4	25
73	DPSG/Cadbury	140000	CPA	Plano, TX	4	25
74	Duraloy Technologies	64000	CPA	Scottsdale, PA	8	35
75	Duraloy Technologies	0	CPA	Scottsdale, PA	8	35
76	Dynamet	18000	CPA		8	35
77	Dyno Nobel	228000	CPA	Donora, PA	8	35
78	Eisenhart Walkcoverings	22000	CPA	Hanover, PA	4	25
79	Elliott Bros Steel	24000	CPA		8	35
80	Elwood City Forge	560000	CPA	New Castle, PA	8	39
81	Elwood City Hospital	40000	CPA	Elwood City, PA	8	39
82	Elwood Quality Steel	600000	CPA	Elwood City, PA	8	39
83	Elwood Quality-NA Forgemasters	300000	CPA	New Castle, PA	8	39
84	Elwood Quality-North	100000	CPA	New Castle, PA	8	39
85	ESAB Welding	130000	CPA	Hanover, PA	4	25
86	Fastenal Company		CPA	State College, PA	8	36
87	Ferro Corporation (Cerdec)	150000	CPA	Washington, PA	8	35
88	Fife's Dairy/United Dairy	31000	CPA	Uniontown, PA	8	35
89	FKI Industries/Acco Chan	70000	CPA	York, PA	4	25
90	Fleetwood Folding	35000	CPA		8	35
91	Franklin County Nursing Home	27000	CPA	Chambersburg, PA	4	25
92	Frazier Simples		CPA	Washington, PA	8	35
93	Frito Lay	237000	CPA	York, PA	4	25
94	IGE Lighting	335000	CPA	Bridgeville, PA	8	35
95	General Dynamics	57000	CPA	Red Lion, PA	4	25
96	General Electric	0	CPA	Bridgeville, PA	8	35
97	General Shale/Darlington Brick	100000	CPA	Darlington, PA	8	35
98	Genev & College	28000	CPA		8	35
99	Gerard Daniel Worldwide	21000	CPA		4	25
100	Gettysburg College	63000	CPA	Gettysburg, PA	4	25
101	Gettysburg hospital	30000	CPA	Gettysburg, PA	4	25
102	Giant Eagle	75000	CPA		8	35
103	Gicater Mobile Systems	24000	CPA	Dallastown, PA	4	25
104	Glen-Gery Brick	700000	CPA	York, PA	4	25
105	Glenn O. Hawbaker	90000	CPA	State College, PA	8	36
106	Global Stone	75000	CPA	York, PA	4	25
107	Golden Eagle Construction	32000	CPA		8	35
108	Godlieb Inc	32000	CPA		8	
109	Graham Packaging Co	30000	CPA	York, PA	4	25
110	Graymont, Ltd	80000	CPA	Pleasant Gap, PA	8	36
111	Grove USA	125000	CPA	Shady Grove, PA	4	25
112	Hanover Foods	375000	CPA	Hanover, PA	4	25
113	Hanover Hospital	55000	CPA	Hanover, PA	4	25
114	Hanover Hospital	27000	CPA		4	25
115	Hanover Wine Cloth	50000	CPA	Hanover, PA	4	25
116	Harley Davidson	490000	CPA	York, PA	4	25
117	Hentage Valley Health Care/Sewickley	76000	CPA	Sewickley, PA	8	35

		Annual		Facility	
Customer	Volume	LDC	City/State	Zone	MA
118 Highlands Hospital	22000 CPA			8	26
118 Holt & Bogbee Hardwoods	24000 CPA			8	35
120 Hussey Copper	425000 CPA		Leetsdale, PA	8	35
121 Inland Paperboard	86000 CPA		Leetsdale, PA	4	25
122 Inland Paperboard	50000 CPA		Biglerville, PA	4	25
123 Inmetco	240000 CPA		Elkwood Cty, PA	8	39
124 Intergrs Metals	35000 CPA			8	35
125 Interlake Foods	31000 CPA			8	35
126 Interforest	12000 CPA		Darlington, PA	8	35
127 Invensys Metering System	26000 CPA			8	35
128 IPSCO Tubular/NS Group - Koppel	900000 CPA		Ambidge, PA	8	35
129 IPSCO Tubular/NS Group - Koppel	880000 CPA		Koppel, PA	8	39
130 IPSCO Tubular/NS Group - Koppel	220000 CPA		Ambidge, PA	8	35
131 ISP/GAF	400000 CPA		Blue Ridge Summt, PA	4	25
132 Jameson Health System	100000 CPA		New Castle, PA	8	39
133 Keystone Lime Corp	21000 CPA			8	26
134 KMS Refractories	145000 CPA		New Bethlehem, PA	8	26
135 Knouse Foods	140000 CPA		Aspers, PA	4	25
136 LDI Inc	35000 CPA			4	25
137 LE Sman Glass	103000 CPA		MT, Pleasant, PA	8	35
138 Lee Metals	4500 CPA		Neville Island PA	8	35
139 Lehigh Portland Cement	24000 CPA		York, PA	4	25
140 Lindy Paving	81000 CPA			8	35
141 LLWB Refractories	410000 CPA		York, PA	4	25
142 Martin's Famous Pastries	65000 CPA		Greencastle, PA	4	25
143 Martin's Potato Chips	38000 CPA		Chambersburg, PA	4	25
144 Masterbrand Cabinets	48000 CPA		Leetsdale, PA	4	25
145 Masterbrand Cabinets	50000 CPA		Leetsdale, PA	4	25
146 Mayfar Creamery	40000 CPA		Somerset, PA	8	26
147 IMCC Holdings Ltd	21000 CPA			8	35
148 Mercer Lime & Stone	21000 CPA			8	39
149 Mercersburg Academy	18000 CPA		Mercersburg, PA	4	25
150 Metal Improvement Company	37000 CPA		Emgsville, PA	4	25
151 Model Cleaners	40000 CPA		Charlton, PA	8	35
152 Moen's USA	163000 CPA			4	25
153 Mt. Nittany Medical Center	45000 CPA		State College, PA	8	36
154 Nelson Steel	14000 CPA		New Salem, PA	8	26
155 Neville Chemical	240000 CPA		Neville Island, PA	8	35
156 New Castle Refractories	68000 CPA		New Castle, PA	8	39
157 New Enterprise Stone & Lime	63000 CPA		Somerset, PA	8	26
158 New York Wire	134000 CPA		Hanover/Mt. Wolf, PA	4	25
159 Nochem	54000 CPA		Charlton, PA	8	35
160 Norfolk Southern	81000 CPA			8	39
161 O'Gevee, LTD	35000 CPA		Conneksville, PA	8	35
162 O'Gevee, LTD	25000 CPA		Conneksville, PA	8	35
163 Ohio Valley General Hospital	43000 CPA		McKees Rocks, PA	8	35
164 Omni Services	27000 CPA			4	25
165 Ondeo-Nalco	125000 CPA			8	35
166 PA Cold Drawn/PICA/Bance	100000 CPA		Beaver Falls, PA	8	35
167 PA Transformer	82000 CPA		Canonsburg, PA	8	35
168 Penn State	900000 CPA		University Park, PA	8	36
169 Penn State - Fayette	20000 CPA		Lemont Furnace, PA	8	35
170 Penn State Specialty Metals LLC	75000 CPA			8	35
171 Pennex Aluminum	100000 CPA		York, PA	4	25
172 Pfaltzgraf	309000 CPA		York, PA	4	25
173 PH Glatfelter	40000 CPA		Spring Grove, PA	4	25
174 PMAC	22000 CPA		Beaver Falls, PA	8	35
175 Port Authority of Allegheny County	40000 CPA		Pittsburgh, PA	8	35
176 Port Authority of Allegheny County	25000 CPA			8	35

		Actual		Facility		
Customer	Volume	LDC	City/State	Zone	MA	
177 Precision Components	31000	ICPA	York, PA	41	25	
178 Precision Kodd Steel	45000	ICPA	Beaver, PA	81	35	
179 PNC Associates	41000	ICPA		81	35	
180 Quebecor World Inc	66000	ICPA	Fairfield, PA	41	25	
181 R H Sheppard	85000	ICPA	Hanover, PA	41	25	
182 RESCO Products/NC Refractories	60000	ICPA	New Castle, PA	81	39	
183 Rutgers-Nease	78000	ICPA	State College, PA	81	36	
184 Rutter's Dairy	50000	ICPA	York, PA	41	25	
185 Sams Canoes	2000	ICPA	Canonsburg, PA	81	35	
188 Schindler Elevator	48000	ICPA	Gettysburg, PA	41	25	
187 SCI Rocknew	104000	ICPA	State College, PA	81	36	
188 Select Industries	31000	ICPA	New Brighton, PA	81	39	
189 Shenango	100000	ICPA	Neville Island, PA	81	35	
190 Shultz Foods	180000	ICPA	Hanover, PA	41	25	
191 Sisters of St. Joseph	21000	ICPA		81	35	
192 SKF USA	70000	ICPA	Hanover, PA	41	25	
193 Snyder of Berlin	120000	ICPA	Berlin, PA	81	26	
194 Snyder's of Hanover	290000	ICPA	Hanover, PA	41	25	
195 Solar Turbines	830000	ICPA	York, PA	41	25	
196 Somerset Hospital Center	60000	ICPA	Somerset, PA	81	26	
197 Southern Die-Casters	50000	ICPA	Shrewsbury, PA	41	25	
198 Specialty Printing	6800	ICPA	Charlertown, PA	81	35	
199 Spectra-Kote	40000	ICPA	Gettysburg, PA	41	25	
200 St. Francis Hospital	27000	ICPA		81	35	
201 St. Clair Hospital	106000	ICPA	Upper St. Clair, PA	81	35	
202 Starbuks	130000	ICPA	York, PA	41	25	
203 Suburban General Hospital	36000	ICPA		81	35	
204 Supelco	22000	ICPA	State College, PA	81	39	
205 T. Bard McIvan Co	37000	ICPA	Hanover, PA	41	25	
206 Tarco Roofing Materials	30000	ICPA	Greencastle, PA	41	25	
207 Tate Access Floors	31000	ICPA	Red Lion, PA	41	25	
208 Timberline Packaging	25000	ICPA		81	26	
209 TMK-IPSCO	900000	ICPA	Koppel, PA	81	39	
210 TMK-IPSCO	1200000	ICPA	Ambidge, PA	81	35	
211 Todd Snau/Shultz Foods	174000	ICPA	York, PA	41	25	
212 Tusearova Inc	52000	ICPA		81	39	
213 U S. Can	50000	ICPA		81	35	
214 Uniontown Hospital	65000	ICPA	Uniontown, PA	81	26	
215 Universal Refractories	50000	ICPA		81	39	
216 Universal Rundle/Crane	35000	ICPA	New Brighton, PA	81	39	
217 Universal Stainless	525000	ICPA	Bridgeville, PA	81	35	
218 Utz Foods	440000	ICPA	Hanover, PA	41	25	
219 Valley Proteins	20000	ICPA	Neville Island, PA	81	35	
220 Varspar	85000	ICPA	Rochester, PA	81	35	
221 Valvoline Col/Ashland	30000	ICPA		81	35	
222 Vesuvius McDanel	80000	ICPA		81	39	
223 Voth Siemens Hydro	80000	ICPA	York, PA	41	25	
224 WVJ College	53000	ICPA	Washington, PA	81	35	
225 Wampler Pagnin's Pride	46000	ICPA	New Oxford, PA	41	25	
226 Washington Hospital	78000	ICPA	Washington, PA	81	35	
227 Waamhouse Inc	22000	ICPA		81	35	
228 Water Gardens	20000	ICPA	New Oxford, PA	41	25	
229 World Kitchen	530000	ICPA	Charlertown, PA	81	35	
230 WorldClass Processing	50000	ICPA	Ambidge, PA	81	35	
231 York Building Products	37000	ICPA	York, PA	41	25	
232 York Casket	26000	ICPA	York, PA	41	25	
233 York College	23000	ICPA	York, PA	41	25	
234 York Container	54000	ICPA	York, PA	41	25	
235 York Hospital	100000	ICPA	York, PA	41	25	

Customer	Annual Volume	LDC	Facility City/State	Zone	MA	
236	York International/Johnson Controls	125000 CFA	York, PA	4	25	
237	York Memorial Hospital	31000 CFA	York, PA	4	25	
238	York Walkoverings	35000 CFA	York, PA	4	25	
239	Yorkdowne Inc	20000 CFA	York, PA	4	25	
240	Yorkdowne Paperboard	216000 CFA	York, PA	4	25	
241	Yough Glass	42000 CFA	Conneksville, PA	8	35	
242	Horsehead/Zinc Corp	500000 CFA/DPG	Monaca, PA	8	35	
243	Horsehead/Zinc Corp	240000 CFA/DPG	Monaca, PA	8	35	
244	IAU	800000 DPG	Various			
245	AMP/CO/Union Electric	600000 DPG	Burgeltstown, PA			
246	CCAC	28000 DPG	Pittsburgh, PA			
247	Chromaglass	14000 DPG	Delmont, PA			
248	Emvirotraj	145000 DPG	Darlington, PA			
249	Gencorp	40000 DPG	Jeannette, PA	8	26	
250	Giant Eagle	200000 DPG				
251	Grove City	80000 DPG				
252	Jeannette Specialty Glass	100000 DPG	Jeannette, PA			
253	Penn State	30000 DPG				
254	PTCA/Alance	35000 DPG	Darlington, PA			
255	Redand Bnck	222000 DPG	Cheswick, PA			
256	Traco	140000 DPG	Cranberry, PA			
257	Trnny Industries	180000 DPG	Lawrenceville, PA			
258	Union Electric/AMP/CO	600000 DPG	Burgeltstown, PA			
259	IAU	1100000 EQT	Various			
260	American Textile Corporation	30000 EQT	Duquesne, PA			
261	AMP/CO/Union Electric	120000 EQT	Camege, PA			
262	Asko, Inc	60000 EQT	West Homestead, PA			
263	Buckeye Refining	100000 EQT	Indiana, PA			
264	CCAC	15000 EQT	Pittsburgh, PA			
265	Giant Eagle	50000 EQT				
266	Kopp Glass	120000 EQT	Swissvale, PA			
267	New Image Press	3000 EQT				
268	Penn State	14000 EQT				
269	Point Park College	30000 EQT				
270	Port Authority of Allegheny County	140000 EQT	Pittsburgh, PA			
271	Trnny Industries	375000 EQT/CFA	McKees Rocks, PA	8	35	
272	Horsehead/Zinc Corp	150000 Peoples	Calamet, IL			
273	Lampus	60000 Peoples				
274	Glen-Gery Bnck	540000 PFG	Bigler, PA	4	25	
275	Glen-Gery Bnck	540000 P&L	Shoemakersville, PA			
276	Horsehead/Zinc Corp	500000 PPL	Palmeron, PA			
277	Redand Bnck	118000 PPL	Rocky Ridge, MD	4	25	
278	Carpenter Technology	2190000 UGI	Reading, PA			
279	Hershey	1800000 UGI	Hershey, PA			
280	WH/EMCO	480000 UGI	Bethlehem, PA			
		31,218,300	Total Annual Volume			
		\$ 0.035	Assumed margin			
		\$ 1,092,641	Total Margin			

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. **Ageed**
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. **Ageed**
- 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. **Ageed**
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. **Ageed**
24. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania. **Enclosed**

Applicant: ARM ENERGY MANAGEMENT, LLC
By: Liam F. Dunphy
Title: CFO

RECEIVED

OCT 10 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PENNSYLVANIA
PUBLIC UTILITY COMMISSION

NOTICE

*Application of **ARM Energy Management, LLC** For Approval To Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.*

ARM Energy Management, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a supplier of natural gas, (2) a broker/marketer engaged in the business of supplying natural gas, and (3) an aggregator engaged in the business of providing natural gas supply services. **ARM Energy Management, LLC** proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **ARM Energy Management, LLC** may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to **ARM Energy Management, LLC** attorney at the address listed below.

By and through Counsel: Russ Smith

ARM Energy Management, LLC

20329 State Highway 249, Suite 450

Houston, TX 77070

Phone: 281-655-3200

Fax: 281-664-0029

Proof of Publication of Notice in Pittsburgh Post-Gazette

Under Act No 587, Approved May 16, 1929, PL 1784, as last amended by Act No 409 of September 29, 1951

Commonwealth of Pennsylvania, County of Allegheny, ss C. Mohamed, being duly sworn, deposes and says that the Pittsburgh Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 by the merging of the Pittsburgh Post-Gazette and Sun-Telegraph and The Pittsburgh Press and the Pittsburgh Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Pittsburgh Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Pittsburgh Post-Gazette a newspaper of general circulation on the following dates, viz:

03 of October, 2013

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Pittsburgh Post-Gazette, that, as such agent, affiant is duly authorized to verify the foregoing statement under oath, that affiant is not interested in the subject matter of the afore said notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

C. Mohamed
PG Publishing Company

Sworn to and subscribed before me this day of:
October 03, 2013

Linda M. Gaertner
COMMONWEALTH OF PENNSYLVANIA

Notarial Seal
Linda M. Gaertner, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Jan. 31, 2015
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

STATEMENT OF ADVERTISING COSTS
ARM Energy Management, LLC
20329 State Hwy 249, Ste 450
Attn: Larry Derrett
Houston TX 77070

To PG Publishing Company

Total ----- \$510.00

Publisher's Receipt for Advertising Costs

PG PUBLISHING COMPANY, publisher of the Pittsburgh Post-Gazette, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

Office
34 Boulevard of the Allies
PITTSBURGH, PA 15222
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of
Pittsburgh Post-Gazette, a Newspaper of General Circulation

By Maria Juree

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

COPY OF NOTICE OR PUBLICATION

PENNSYLVANIA
PUBLIC UTILITY
COMMISSION
NOTICE

Application of ARM Energy Management, LLC For Approval To Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania.

ARM Energy Management, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a supplier of natural gas, (2) a broker/marketer engaged in the business of supplying natural gas, and (3) an aggregator engaged in the business of providing natural gas supply services. ARM Energy Management, LLC proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of ARM Energy Management, LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to ARM Energy Management, LLC attorney at the address listed below.

By and through
Counsel: Russ Smith
ARM Energy
Management, LLC
20329 State Highway 249,
Suite 450
Houston, TX 77070
Phone: 281-655-3200
Fax: 281-664-0029

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PROOF OF PUBLICATION OF NOTICE IN THE WILLIAMSPORT SUN-GAZETTE UNDER ACT NO. 587, APPROVED MAY 16, 1929

STATE OF PENNSYLVANIA
COUNTY OF LYCOMING

SS:

Bernard A. Oravec Publisher of the Sun-Gazette Company, publishers of the Williamsport, Sun-Gazette, successor to the Williamsport Sun and the Gazette & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, Williamsport, Pennsylvania, being duly sworn, deposes and says that the Williamsport Sun was established in 1870 and the Gazette & Bulletin was established in 1801, since which dates said successor, the Williamsport Sun-Gazette, has been regularly issued and published in the County of Lycoming aforesaid, and that a copy of the printed notice is attached hereto exactly as the same was printed and published in the regular editions of said Williamsport Sun-Gazette on the following dates, viz:

October 3, 2013

Affiant further deposes that he is an officer daily authorized by the Sun-Gazette Company, publisher of the Williamsport Sun-Gazette, to verify the foregoing statement under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice of publication, and that all the allegations in the foregoing statement as to time, place and character of publication are true.

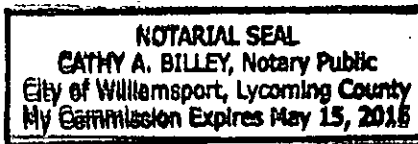
Bernard A. Oravec

SUN-GAZETTE COMPANY

Sworn to and subscribed before me

the 4th day of October 2013

Cathy A. Billey
Notary Public



STATEMENT OF ADVERTISING COSTS

To the Sun-Gazette Company, Dr.:	
For publishing the notice attached	
hereto on the above state dates.....	\$ <u>767.74</u>
Probated same.....	\$
Total.....	\$ <u>767.74</u>

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

COMPANY hereby acknowledges receipt of the aforesaid advertising and publication costs same have been fully paid.

SUN-GAZETTE COMPANY

BY Bernard A. Oravec

PENNSYLVANIA
PUBLIC UTILITY
COMMISSION
NOTICE

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By and through Counsel:
Russ Smith
ARM Energy Management, LLC
20329 State Highway
249, Suite 450
Houston, TX 77070
Tel: 281-655-3200
Fax: 281-684-0029

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AFFIDAVIT

State of Texas :

ss.

County of Harris :

Larry F. Derrett, Affiant, being duly affirmed according to law, deposes and says that:

He is the Chief Financial Officer of ARM Energy Management, LLC:

He is authorized to and does make this affidavit for said Applicant:

That ARM Energy Management, LLC, the Applicant herein, acknowledges that ARM Energy Management, LLC 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 ARM Energy Management, LLC, 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 ARM Energy Management, LLC, 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 of 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 ARM Energy Management, LLC, 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.

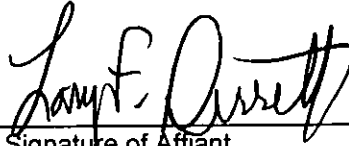
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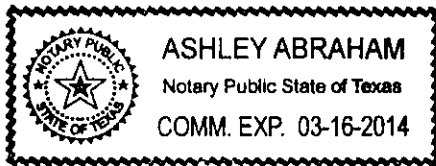
That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Commission's Office of Communications or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections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


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



Signature of Affiant

Sworn and subscribed before me this 8th day of October, 2013.





Signature of official administering oath

My commission expires 03-16-2014.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AFFIDAVIT

State of Texas :

County of Harris :

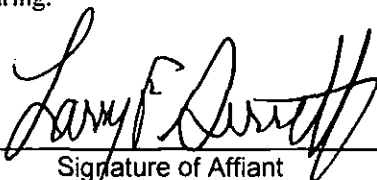
Larry F. Derrett, Affiant, being duly affirmed according to law, deposes and says that:

He is the Chief Financial Officer of ARM Energy Management, LLC.

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

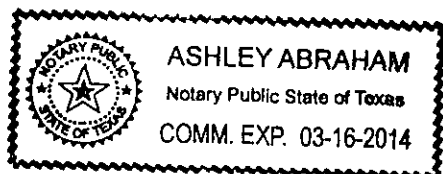
That ARM Energy Management, LLC, the Applicant will submit to the Commission the proof of publication from each newspaper in which notice of the application filing was published as soon as it is available.

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 8th day of October, 2013.





Signature of official administering oath

My commission expires 03-16-2014.

RECEIVED

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AFFIDAVIT

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ss.

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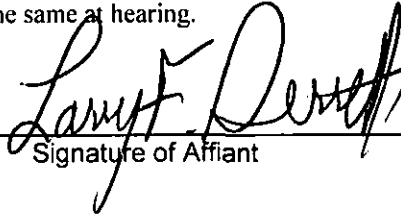
That the Applicant herein ARM Energy Management, LLC has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as a natural gas supplier pursuant to 66 Pa. C.S. §2208(c)(1).

That the Applicant herein ARM Energy Management, LLC has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

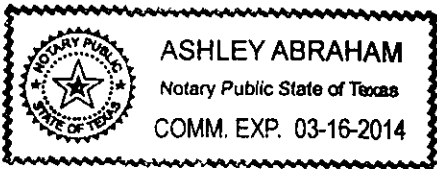
That the Applicant herein ARM Energy Management, LLC acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein ARM Energy Management, LLC 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/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.


Signature of Affiant

Sworn and subscribed before me this 8th day of October, 2013.




Signature of official administering oath

My commission expires 03-16-2014.

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Appendix B

Sample Disclosure Statement Format for Natural Gas Suppliers

This is an agreement for natural gas services, between ARM Energy Management, LLC and customer's name and full address.

Background

We at ARM Energy Management, LLC are licensed by the Pennsylvania Public Utility Commission to offer and supply natural gas services in Pennsylvania. Our PUC license number is A-110XXX.

- We set the prices and charges that you pay. The Public Utility Commission regulates distribution or delivery prices and services. The Federal Energy Regulatory Commission regulates interstate pipeline prices and services.
- If you ask us, we can bill you directly for our service.
- Right of Recision - You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure.

Definitions

- Interstate Pipeline Charges - Charges for moving natural gas to the distribution lines of a distribution company.
- Nonbasic Charges - *Define each nonbasic service being offered.*

Terms of Service

1. (a) **Basic Service Prices** - *Itemize Basic Services you are billing for and their prices.*

You will pay rate per (Mcf/Dth/ccf) for the commodity of natural gas.
Suppliers are to include any variable pricing conditions and limits, if charging a variable rate.

You will pay rate per (Mcf/Dth/ccf) for other natural gas service.
Suppliers are to include transmission service prices if billed.

- (b) **Nonbasic Service Prices** - *Itemize Nonbasic Services you are offering and their prices.*
2. **Length of Agreement**

You will buy your natural gas services for the above street address from company's name beginning date through date of expiration, if any.

3. **Special Terms and Conditions** - *List and explain all that apply.*
- Sign-up bonuses
 - Add-ons
 - Limited time offers
 - Other Sales Promotions
 - Exclusions

4. **Special Services** - *Provide explanation of price, terms and conditions, including advanced metering deployment, if applicable.*

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5. **Penalties, Fees and Exceptions** - List any that apply including a late payment charge. The print size for this section must be larger than the print in the rest of the agreement.

6. **Cancellation Provisions** - This category may consist of both customer initiated cancellation provisions and supplier initiated cancellation provisions.

7. **Renewal Provision** - If this is a fixed term agreement with automatic renewal, explain the procedure here.

8. **Agreement Expiration/Change in Terms**

If you have a fixed term agreement with us and it is approaching the expiration date or if we propose to change our terms of service, we will send you written notice in each of our last three bills or in separate mailings before either the expiration date or the effective date of the changes. We will explain your options in these three advance notices.

9. **Dispute Procedures**

Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

10. **Contact Information**

Supplier Name: ARM Energy Management, LLC

Address: 20329 State Highway 249, Suite 450
Houston, Texas 77070

Phone Number: 281-655-3200

Internet Address: www.asset-risk.com

Distribution Company Name: _____

Provider of Last Resort Name: _____

Address: _____

Phone Number: _____

Public Utility Commission (PUC)
Address: P.O. Box 3265 Harrisburg, PA 17105-3265

Natural Gas Competition Hotline Number: 1-888-xxx-xxxx

Universal Service Program Name: _____

Phone Number: _____

APPENDIX D

Standards of Conduct

- (1) The [natural gas distribution company] should apply its tariffs in a nondiscriminatory manner to its affiliate, its own marketing division and any nonaffiliate.
- (2) The [natural gas distribution company] should likewise not apply a tariff provision in any manner that would give its affiliate or division an *unreasonable preference over other marketers* with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or nondelivery, and all other services provided to its affiliated suppliers.
- (3) If a tariff provision is mandatory, the [natural gas distribution company] should not waive the provision for its affiliate or division absent prior approval of the Commission.
- (4) If a tariff provision is not mandatory or provides for waivers, the [natural gas distribution company] should grant the waivers without preference to affiliates and divisions or non-affiliates.
- (5) The [natural gas distribution company] should maintain a chronological log of tariff provisions for which it has granted waivers. Entries should include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. Any chronological log should be open for public inspection during normal business hours.
- (6) The [natural gas distribution company] should process requests for transportation promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. The [natural gas distribution company] should maintain a chronological log showing the processing of requests for transportation services. Any chronological log should be open for public inspection during normal business hours.
- (7) Transportation discounts and fee waivers and rebates provided to the [natural gas distribution company's] or its marketing affiliate's favored customers should be offered to other similarly situated customers and should not be tied to any unrelated service, incentive or offer on behalf of either the parent or affiliate. A chronological log should be maintained showing the date, party,

time and rationale for the action. Any chronological log should be open for public inspection during normal business hours.

- (8) The [natural gas distribution company] should not disclose any customer proprietary information to its marketing affiliate or division, and to the extent that it does disclose customer information, it should contemporaneously provide this same information to other similarly situated marketers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliate any undue advantage related to the disclosure. A chronological log should be maintained showing the date, time and rationale for the disclosure. Any chronological log should be open for public inspection during normal business hours. A natural gas distribution company should not provide information received from non-affiliated customers or suppliers to its affiliated natural gas suppliers.
- (9) The [natural gas distribution company] should justly and reasonably allocate to its marketing affiliate or division the costs or expenses for general administration or support services.
- (10) The [natural gas distribution company] selling surplus gas supplies and/or upstream capacity on a short-term basis (as defined by the Federal Energy Regulatory Commission) to its affiliate should make supplies available to similarly situated marketers on a nondiscriminatory basis. The [natural gas distribution company] should not make any gas supplies and/or upstream capacity available through private disclosure to the [natural gas distribution company's] affiliate unless the availability is made simultaneously with public dissemination in a manner that fairly apprises interested parties of the availability of the gas supplies and/or upstream capacity. The [natural gas distribution company] should maintain a chronological log of these public disseminations. Any chronological log should be open for public inspection during normal business hours.
- (11) The [natural gas distribution company] should not condition or tie agreements to release interstate pipeline capacity to any service in which the [natural gas distribution company] or affiliate is involved.
- (12) The [natural gas distribution company] should not directly or by implication . . . represent to any customer, supplier or third party that an advantage may accrue to any party through use of the [natural gas distribution company's] affiliate or subsidiary.

- (13) The [natural gas distribution company] should establish and file with the Commission a complaint procedure for dealing with any alleged violations of any of the standards listed in paragraphs (1) through (12), this paragraph or paragraphs (14) and (15), excepting for paragraph (9), which should be exclusively under the purview of the Commission. These procedures should be developed in consultation with interested parties during consideration of any tariff guided by this section and §69.191 (relating to general). The Commission may expect establishment of a complaint procedure or other recordkeeping requirements if warranted by subsequent facts or circumstances.
- (14) The [natural gas distribution company] should keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log should include the date and nature of the complaint and the [natural gas distribution company's] resolution of it. Any chronological log should be open for inspection during normal business hours.
- (15) Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. (relating to Public Utility Code) in regard to the allegations.
- (16) Licensees shall provide accurate information about their natural gas supplier services using plain language and common terms. Where new terms are used, such terms must be defined again using plain language: Information should be provided in a format which will allow for comparison of the various natural gas supply services offered and the prices charged for each type of service.
- (17) Licensees shall provide notification of the change in conditions of service, intent to cease operation as a natural gas supplier, explanation of denial of service, proper handling of deposits and proper handling of complaints in accordance with Commission regulations where applicable.
- (18) Licensees shall maintain the confidentiality of customers' historic payment information and right of access to their own load and billing information.
- (19) Licensees shall not discriminate in the provision of natural gas supply services as to availability and terms of service based on race, color, religion, national origin, sex, marital status, age receipt of public assistance income, and exercise of rights under

the Consumer Credit Protection Act, 15 U. S. C. §§1691-1691f; Regulation B, 12 C.F.R. §§202-202.14.

- (20) Licensees will be responsible for any fraudulent deceptive or other unlawful marketing or billing acts performed by their agents or representatives. Licensee shall inform consumers of state consumer protection laws that govern the cancellation or rescission of natural gas supply service contracts. 73 P. S. §201-7.
- (21) The natural gas distribution company shall not give any affiliate or marketing division preference over a non-traditional affiliate in the provision of goods and services such as processing requests for information, complaints and responses to service interruptions. The natural gas distribution company shall provide comparable treatment without regard to a customer's chosen natural gas supplier.
- (22) No transaction between the natural gas distribution company and an affiliated natural gas supplier shall involve an anti-competitive cross-subsidy and all such transactions shall comply with applicable law.
- (23) Natural gas distribution company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated or divisional Supplier, and their offices shall be physically separated from the office(s) used by those working for the Supplier. Such natural gas distribution company employees may transfer to a Supplier provided such transfer is not used as a means to circumvent these interim standards of conduct. Any supplier shall have its own direct line management. Any shared facilities shall be fully and transparently allocated between the natural gas distribution company function and the Supplier function. The natural gas distribution company accounts and records shall be maintained such that the costs a Supplier incurs may be clearly identified.
- (24) (a) Neither the natural gas distribution company nor an affiliated or divisional Supplier may directly or by implication falsely and unfairly represent:
 - that the Pa PUC jurisdictionally regulated services provided by the natural gas distribution company are of a superior quality when power is purchased from an affiliated or divisional Supplier; or

- that the merchant services (for natural gas) are being provided by the natural gas distribution company rather than an affiliated or divisional Supplier;
- that the natural gas purchased from a Supplier that is not an affiliate or division of the natural gas distribution company may not be reliably delivered;
- that natural gas must be purchased from an affiliate or divisional Supplier to receive Pa PUC jurisdictional regulated services.

(b) The natural gas distribution company shall not jointly market or jointly purchase its Pa PUC jurisdictional regulated services with the services of an affiliated or divisional Supplier. This prohibition includes prohibiting the natural gas distribution company from including bill inserts in its natural gas distribution company bills promoting an affiliated or divisional Supplier's services, and further precludes a reference or link from the natural gas distribution company's web-site to any affiliated or divisional supplier.

(c) When an affiliated or divisional Supplier markets or communicates to the public using the natural gas distribution company name or logo, it shall include a disclaimer that states:

(i) That the Supplier is not the same company as the natural gas distribution company; (2) that the prices of the Supplier are not regulated by the Pa PUC; and (3) that a customer does not have to buy natural gas or other products from the Supplier in order to receive the same quality service from the natural gas distribution company. When a Supplier advertises or communicates verbally through radio or television to the public using the natural gas distribution company name or logo, the Supplier shall include at the conclusion of any such communication a disclaimer that includes all of the disclaimers listed in this paragraph.

(25) The natural gas distribution company must: (a) make interstate capacity available for release, assignment, or transfer to its affiliated or divisional Supplier only through the interstate pipeline electronic bulletin boards and the competitive bidding procedures in place on those interstate systems; (b) not give its affiliated or divisional Supplier any preference over non-affiliated or non-divisional Suppliers, or potential non-affiliated or non-divisional Suppliers, in matters relating to the assignment, release, or other transfer of the natural gas distribution company's capacity rights on interstate pipeline systems; and (c) not condition or tie its agreement to release, assign, or otherwise transfer

interstate pipeline capacity to any agreement by a gas Supplier, customer or other third party relating to any service in which its marketing affiliate is involved.

From: (412) 886-1800
Janine Urbanski

Origin ID: PITA



300 Weyman Road
Suite 480
Pittsburgh, PA 15236

Ship Date: 10OCT13
ActWgt: 2.0 LB
CAD: 105694261/INET3430

Delivery Address Bar Code



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Dept #

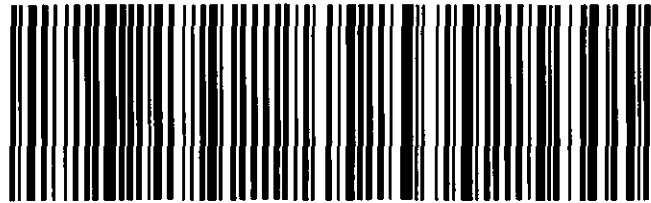
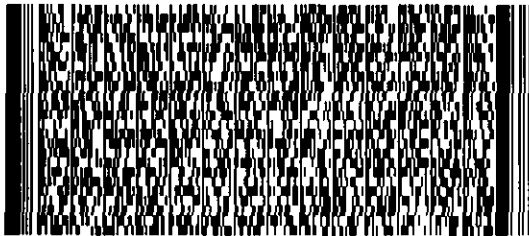
Secretary of the Commission
Keystone Building, 400 North Street
2nd Floor, Room N201
HARRISBURG, PA 17120

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