

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00	:	
2. BUREAU: FUS	:	
3. SECTION(S):	:	
5. APPROVED BY:	:	4. PUBLIC MEETING DATE:
DIRECTOR:	:	00/00/00
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 11/09/99
8. DOCKET NO: A-125049	:	9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT:

RESPONDENT/APPLICANT: NICOLE ENERGY SERVICES, INC.

COMP/APP COUNTY:

UTILITY CODE: 125049

ALLEGATION OR SUBJECT

APPLICATION OF NICOLE ENERGY SERVICES, INC. FOR APPROVAL TO OFFER, RENDER, FURNISH, OR SUPPLY NATURAL GAS SERVICES AS A SUPPLIER, BROKER/MARKETER AND AGGREGATOR TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA, SPECIFICALLY IN THE SERVICE TERRITORIES OF COLUMBIA GAS OF PA, INC.; EQUITABLE GAS COMPANY; AND THE PEOPLES NATURAL GAS COMPANY.

DOCKETED

NOV 10 1999

**DOCUMENT
FOLDER**

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00 :
- 2. BUREAU: FUS :
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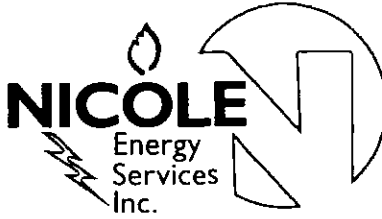
APPLICATION OF NICOLE ENERGY SERVICES, INC. FOR APPROVAL TO OFFER, RENDER, FURNISH, OR SUPPLY NATURAL GAS SERVICES AS A SUPPLIER, BROKER/MARKETER AND AGGREGATOR TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA, SPECIFICALLY IN THE SERVICE TERRITORIES OF COLUMBIA GAS OF PA, INC.; EQUITABLE GAS COMPANY; THE PEOPLES NATURAL GAS COMPANY; NATIONAL FUEL GAS DISTRIBUTION CORPORATION.

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FOLDER

DOCKETED
FEB 02 2000

CORPORATE OFFICE
513 East Rich Street
Suite 306
Columbus, OH 43215
Voice: 614-221-5004
Fax: 614-220-4020



Service with Integrity and Trust

086531

November 9, 1999

Mr. James J. McNulty, Secretary
B-20, North Office Building
Harrisburg, Va. 17120

NOV 15 AM 10:12

A-125049

RECEIVED
SECRETARY'S BUREAU

GEORGIA
400 Colony Square
Suite 200
1201 Peachtree St. NE
Atlanta, GA 30361
Voice: 404-870-9062
Fax: 404-870-9005

Dear Mr. McNulty:

We are applying for a license to provide natural gas supply services in the state of Pennsylvania. The application will be mailed today. Please provide us with a docket number for our application.

Should you need further information, please feel free to call me at (614) 221-5004. Thank you for your assistance in this matter.

MICHIGAN
615 Griswold
Suite 1215
Detroit, MI 48226
Voice: 313-965-4644
Fax: 313-965-4479

Sincerely,

Shirley Mays
Corporate Counsel

NEW YORK
140 Broadway
46th Floor
New York, NY 10005
Voice: 212-858-7649
Fax: 212-858-7750

DOCUMENT
FOLDER

PENNSYLVANIA
52 Pine Creek Road
Suite 202
Wexford, PA 15090
Voice: 412-369-4777
Fax: 412-369-4497

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE
Secretary
717-772-7777

November 10, 1999

A-125049

NICOLE ENERGY SERVICES INC
FREDDIE L FULSON PRESIDENT
SHIRLEY L MAYS ESQ CORPORATE COUNSEL
513 E RICH ST SUITE 306
COLUMBUS OH 43215

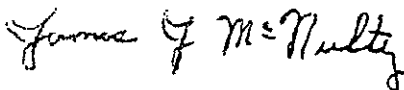
Dear Sir/Madam:

The Application and \$350.00 filing fee of Nicole Energy Services, Inc., filed in this Office on November 9, 1999, for approval to supply Natural Gas Services as a Supplier, Broker/Marketer and Aggregator engaged in the business of supplying natural gas is hereby acknowledged.

Pursuant to the Commission's Final Order, entered July 16, 1999, at M-00991249F0002, all entities wishing to engage in the business of a natural gas supplier must hold a license issued by the Commission, in order to provide services starting November 1, 1999.

The application will receive the attention of the Commission, and you will be advised of any further necessary procedure.

Sincerely,



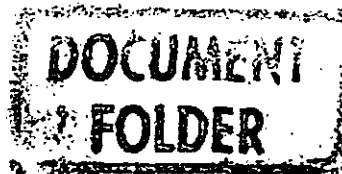
James J. McNulty
Secretary

DOCKETED

NOV 10 1999

JJM:laf

cc: JAMES NORRIS ESQ
ECKERT SEAMANS CHERIN & MELLOTT
600 GRANT ST 42ND FLOOR
PITTSBURGH PA 15219



BEFORE THE PENNSYLVANIA PUBLIC UTILITIES COMMISSION

Application of Nicole Energy Services, Inc., for approval to offer, render, furnish, as a supplier of natural gas services, a broker/marketer engaged in the business of supplying natural gas services, and an aggregator engaged in the business of supplying natural gas services to the public in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

A-125049

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

Nicole Energy Services, Inc.
513 E. Rich Street - Suite 306
Columbus, OH 43215
Voice: (614) 221-5004
Fax: (614) 220-4020

Nicole Energy Services, Inc.
52 Pine Creek Road - Suite 202
Wexford, PA 15090
Voice: (412) 369-4777
Fax: (412) 369-4497

ORIGINAL

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.

Nicole Gas Marketing, Inc.
513 E. Rich Street - Suite 306
Columbus, OH 43215
Voice: (614) 221-5004

RECEIVED

NOV 9 1999

- 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:

Freddie L. Fulson
President
Nicole Energy Services, Inc.
513 East Rich St.-Suite 306
Columbus, OH 43215
Voice: (614) 221-5004
Fax: (614) 220-4020

Shirley L. Mays, Esq.
Corporate Counsel
Nicole Energy Services, Inc.
513 East Rich St.-Suite 306
Columbus, OH 43215
Voice: (614) 221-5004
Fax: (614) 220-4020

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

- 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:

Kim Gardner
Director of Transportation
Nicole Energy Services, Inc
52 Pine Creek Rd.-Suite 202
Wexford, PA 15090
Voice: (412) 369-4777
Fax (412) 369-4497

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FOLDER

NOV 10 1999

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

Shirley L. Mays, Esq.
Corporate Counsel
Nicole Energy Services, Inc
513 East Rich St.-Suite 306
Columbus, OH 43215
Voice: (614) 221-5004
Fax: (614) 220-4020

James Norris, Esq.
Eckert, Seamans, Cherin & Mellott
600 Grant St.- 42nd Floor
Pittsburgh, PA 15219
Voice: (412) 566-6159
Fax: (412) 566-6099

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b. **REGISTERED AGENT:** If 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:

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. *N/A*

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: *N/A*

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

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

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

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

or

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

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation. The Certificate of Authority to conduct business in Pennsylvania is pending. It will be mailed when received.

Give name and address of officers.

Freddie L. Fulson
President
Nicole Energy Services, Inc.
513 East Rich Street - Suite 306
Columbus, OH 43215
Voice: (614) 221-5004
Fax: (614) 220-4020

The Applicant is incorporated in the state of Ohio.

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

- Affiliate(s) of the Applicant doing business in Pennsylvania are: **N/A**

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

- Does the Applicant have any affiliation with or ownership interest in: **N/A**
- (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-110096 (for #b – EGS)
(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.

Nicole Gas Marketing, Inc.
513 E. Rich Street – Suite 306
Columbus, OH 43215

The above was not a jurisdictional public utility.

or

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

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

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

or

- The Applicant is not presently doing business in Pennsylvania.

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

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

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

Nicole Energy Services, Inc (NES) is an experienced, economical supplier of natural gas. NES offers energy management to assist our customers in developing effective energy strategies. Additionally, NES assists in transportation arrangements, contract negotiations, contract administration, government approvals and consumption monitoring. Once NES has arranged for natural gas supply, the company monitors energy payment schedules, audits bills for accuracy, and assists customers with long term planning and supply security.

10. **SERVICE AREA:** Generally describe the geographic area in which Applicant proposes to offer services. Currently NES service territories are Columbia of Pennsylvania, Equitable Gas and Peoples Natural Gas systems, with the intentions to expand the service territories throughout the State of Pennsylvania as the business continues to grow.

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 November 15, 1999 (approximate date).

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

Bernard A. Ryan, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

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

<p>NUI Valley Cities Gas (NUI Transportation Services) Mike Vogel PO Box 3175 Union, NJ 07083-1975 PH: 908.289.5000 ext. 5441 FAX: 908.289.6444</p>	<p>National Fuel Gas Distribution Corp. James E. Patterson 10 Lafayette Square Buffalo, NY 14203 PH: 716.857.7130 FAX: 716.857-7823</p>
<p>Penn Fuel [North Penn Gas Company & Penn Fuel Gas] Jim Evans <u>or</u> Tom Olsen 2 North 9th Street GENA94 Allentown, PA 18101 PH: 610.774.7981 610.774.4975 FAX: 610.774.5694 610.774.4975 e-mail: jevans@papl.com <u>or</u> teolson@papl.com</p>	<p>The Peoples Natural Gas Company Joe Gregorini <u>or</u> Bill McKeown 625 Liberty Avenue Pittsburgh, PA 15222 e-mail: jgregorini@png.cng.com PH: 412.497.6851 <u>or</u> 412.497.6840 FAX: 412.497.6630</p>
<p>T. W. Phillips Gas and Oil Company Robert M. Hovanec 205 North Main Street Butler, PA 16001 PH: 724.287.2725 FAX: 724.287.5021 e-mail: rhovanec@twphillips.com</p>	<p>UGI David Beaston <u>or</u> Bob Krieger PO Box 12677 <u>or</u> 225 Morgantown Rd Reading, PA 15222 Reading, PA 15222 PH: 610.796.3425 PH: 610.796.3516 FAX: 610.796.3559</p>
<p>PG Energy Richard N. Marshall <u>or</u> Wendy K. Saxe One PEI Center Wilkes-Barre, PA 18711-0601 e-mail: marshall@pgenergy.com <u>or</u> saxe@pgenergy.com PH: 570.829.8795 FAX: 570.829.8652</p>	<p>Equitable Gas Company Antionette Litchy 200 Allegheny Center Mall Pittsburgh, PA 15212-5352 PH: 412.395.3117 FAX: 412.395.3156</p>
<p>Carnegie Natural Gas Company Donald A. Melzer 800 Regis Avenue Pittsburgh, PA 19236 PH: 412.655.8510 ext. 331 FAX: 412.655.0335</p>	<p>Columbia Gas of PA, Inc. Paula Frauen <u>or</u> Shirley Bardes-Hasson 650 Washington Road Pittsburgh, PA 15228 e-mail: pfrauen@columbiaenergygroup.com PH: 412.572.7131 FAX: 412.572.7161</p>
	<p>PECO Kevin Carrabine 300 Front Street Building 2 Conshohocken, PA 19428 PH: 610.832.6413</p>

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

CERTIFICATE OF SERVICE OF PROCESS

I hereby certify that on November 9, 1999 service of process has been made to the company and/or individual named below. Service of process is being made via mail to the address shown below which is the last known address for the named individual.

The Peoples Natural Gas Company
Joe Gregorini or Bill McKeown
625 Liberty Avenue
Pittsburgh, PA 15222

National Fuel Gas Distribution Corp.
James E. Patterson
10 Lafayette Square
Buffalo, NY 14203

Equitable Gas Company
Antionette Litchy
200 Allegheny Center Mall
Pittsburgh, PA 15212-5352

Columbia Gas of PA, Inc.
Paula Frauen or Shirley Bardes-Hasson
650 Washington Road
Pittsburgh, PA 15228

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17128-0946

Bernard A. Ryan, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

Irwin A. Popowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120-1921

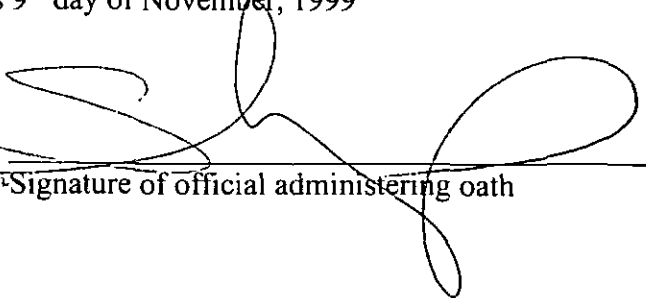
The facts above are true and correct to the best of my knowledge, information, and belief.


Signature

Sworn and subscribed before me this 9th day of November, 1999



SHIRLEY L. MAYS
Notary Public, State of PA
Commission Expires 11/09/01
R.C. 147.03


Signature of official administering oath

14. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached 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.

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.

Kim Gardner
Director of Transportation
52 Pine Creek Road - Suite 202
Wexford, PA 15090
Voice: (412) 369-4777
Fax: (412) 369-4497

Tonya Bubno
Transportation Coordinator
52 Pine Creek Road - Suite 202
Wexford, PA 15090
Voice: (412) 369-4777
Fax: (412) 369-4497

b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers. **We have no intentions on servicing any residential 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.

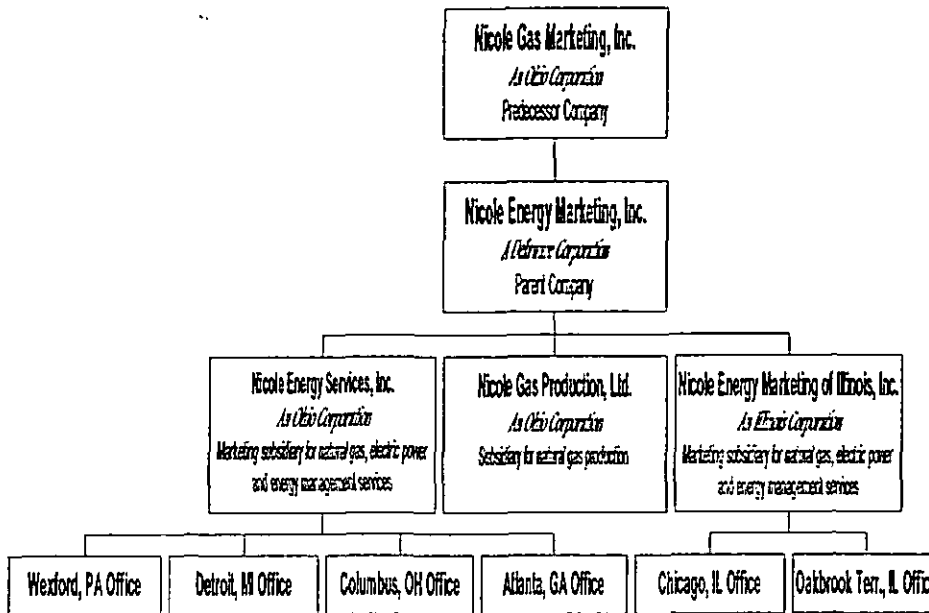
17. **FINANCIAL FITNESS:**

- A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies. See company summary
 - Published parent company financial and credit information. We have enclosed the corporation financial & credit information.
 - Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available. We have provided our balance sheet and income statement for the most recent fiscal year. We do not have 10K's or 10Q's
 - 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. We have provided a copy of our Dun and Bradstreet information.
 - 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.

Corporate Structure

The legal structure is that of a Corporation, and an organizational chart of the company is shown as follows:



Nicole Gas Marketing, Inc., incorporated in 1989, was originally formed to market natural gas in Ohio and Pennsylvania. As a result of deregulation and the company's expansion efforts across the U.S., Nicole Energy Marketing, Inc. (NEM) was formed.

NEM is a 100% minority-owned and operated holding company. Through its subsidiaries, it markets a variety of energy products and offers the following services:

- ◆ Natural Gas Supply
- ◆ Natural Gas Production
- ◆ Electric Power Supply
- ◆ Energy Management Services
- ◆ Energy Monitoring Software

Description of Subsidiary Companies

Nicole Energy Services, Inc. (NES)

Established 1998

NES is the heart of the subsidiary companies. It markets natural gas and electric power in addition to providing ancillary energy management services. NES guides customers in developing in-house strategies for a total energy plan by making transportation and transmission arrangements, handling contract negotiations, performing administrative duties, and monitoring energy consumption. Additionally, it serves as the national marketing arm of NGP to sell natural gas. NES' electric division markets electric power to the Midwest and Mid-Atlantic regions. NES' marketing divisions are located in Columbus, Ohio, Pittsburgh, Pennsylvania, New York, New York, Atlanta, Georgia and Detroit, Michigan.

Nicole Energy Marketing of Illinois, Inc. (NEMI)

Established 1999

NEMI both markets natural gas and provides energy management services described above to the Illinois area. Once deregulation occurs in Illinois, NEMI will market electric power to that geographic region. NEMI has offices in downtown Chicago and the suburb of Oakbrook Terrace.

Nicole Gas Production, Ltd. (NGP)

Established 1998

NGP specializes in natural gas production through its ownership of natural gas wells. NGP began operation in August 1998 through a partnership with Texaco to own and operate gas wells. It provides the natural gas supply for both NEMI and NES and is in the process of significant expansion. NGP's office is located in Columbus, Ohio.

Licenses and Certifications

The company is licensed and certified to do business under the following agencies:

- ◆ U.S. Small Business Administration (SBA) (SDB) 8(a) Program Participant
- ◆ DBE / MBE by the State of Ohio
- ◆ State of Illinois – License to Conduct Business
- ◆ DBE / MBE by the State of Michigan
- ◆ Chicago Transit Authority MBE Certification
- ◆ DBE / MBE by the City of Chicago
- ◆ New York Dept. of Public Service – Authorized Energy Service Co. (ESCO)
- ◆ Pennsylvania Public Utility Commission – Electric Generation Supplier License
- ◆ Pittsburgh National Minority Supplier Council MBE
- ◆ Columbus Regional Minority Supplier Development Council MBE
- ◆ Columbia Gas Customer Choice Program

References and Performance History as of August 31, 1999

<u>Customer</u>	<u>Dates</u>	<u>Dth</u>
The Ohio State University	10/94 - 12/94	200,000
	1/95 - 12/95	400,000
	1/96 - 12/96	400,000
	1/97 - 12/97	400,000
	1/98 - 12/98	250,000
	1/99 - 8/99	142,500

Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services

The State of Ohio	5/96 - 12/96	320,000
	1/97 - 12/97	260,000
	1/98 - 12/98	130,000
	1/99 - 8/99	26,600

Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services

Enron North America Corp.	1/98 - 12/98	1,200,000
	1/99 - 8/99	212,140

Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services

The City of Pittsburgh	1/97 - 12/97	250,000
	1/98 - 10/98	160,000
Electric Power ↗	4/99 - 7/99	30,510 MWh

Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services and Comprehensive Fuel Management

The U.S. Postal Service <i>(Allegheny County)</i>	1/98 - 12/98	26,000
	1/99 - 8/99	21,770

Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services and Comprehensive Fuel Management

<u>Customer</u>	<u>Dates</u>	<u>Dth</u>
City of Bowling Green	12/97 – 12/98	100,000
	1/99 – present	5,000
Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services		
The City of Chicago	4/98 – 12/98	282,000
<i>(Incl. Park District and Public Schools)</i>	1/99 – 7/99	435,764
Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services		
The Detroit Edison Co.	7/98 – 6/99	117,000
Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services		
Allegheny Development Corp.	10/98 – 12/98	60,000
<i>(Pittsburgh International Airport)</i>	1/99 – 8/99	149,200
Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services		
Best Feeds (Joy Dog Food)	6/98 – 12/98	14,400
Pittsburgh, PA	1/99 – 8/99	22,600
Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services		
Bridgestone	4/99 - 8/99	46,600
Noblesville, IN		
Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services		
Glenn O. Hawbaker	4/99 – 8/99	53,600
State College, PA		
Services: Gas Supply & Transportation Nominations, Scheduling and Balancing Services		

Nicole Energy Services, Inc.

New Electric Customer Accounts as of August 1999

<u>Customer</u>	<u>Annual Anticipated Volume</u>
General Motors	22,700 Mwh
Standard Steel	6,212 Mwh
St. Barnabas Health Systems	5,256 Mwh

New Natural Gas Customer Accounts as of August 1999

<u>Customer</u>	<u>Annual Anticipated Volume</u>
Wonder Bread <i>(Interstate Brands)</i>	39,000 Dth

NICOLE ENERGY MARKETING, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET

ASSETS AUGUST 31, 1999

CURRENT ASSETS

Cash	\$ 39,602
Restricted deposits	\$ -
Accounts Receivable	
Trade	\$ 3,741,585
Other	\$ 6,460
Inventories	\$ -
Deposits	\$ 92,470
Total current assets	\$ 3,880,116

PROPERTY AND Equipment

At cost , net of accumulated depreciation	\$ 91,047
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OTHER ASSETS

Gas and oil property	\$ 182,400
Deposits	\$ 12,959
Total Other Assets	\$ 195,359
TOTAL ASSETS	\$ 4,166,522

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT LIABILITIES

Note payable	\$ 345,670
Accounts payable	\$ 3,890,385
Accrued expenses	\$ -
Sales tax payable	\$ 17,340
Other liabilities	\$ 198,199
Total current liabilities	\$ 4,451,593

STOCKHOLDERS EQUITY

Common stock	
Shares issued and outstanding	\$ 3,175
Net income	\$ 223,079
Retained earnings/deficit	\$ (511,325)
Total Stockholders Equity	\$ (285,071)

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 4,166,522
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NICOLE ENERGY MARKETING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
August 31, 1999

	Aug-99
NET SALES	5,526,872
COST OF GOODS SOLD	<u>4,188,732</u>
GROSS PROFIT	1,338,140
OPERATING EXPENSES	<u>1,120,150</u>
GAIN/LOSS FROM OPERATIONS	<u>217,991</u>
OTHER INCOME (EXPENSE)	
Interest income	5,180
Miscellaneous income	
Interest expense	<u>(92)</u>
Total other income	<u>5,088</u>
NET PROFIT/(LOSS)	<u><u>223,079</u></u>

Business Information Report™

Page 1 of 5

For: HENRY NICHOLS, CONTROLLER
DUN & BRADSTREET INC

October 5, 1999
1:46 pm

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BUSINESS SUMMARY

NICOLE ENERGY SERVICES, INC	DUNS: 88-406-9113	RATING	CC4
513 E RICH ST STE 306 AND BRANCH(ES) OR DIVISION(S) COLUMBUS OH 43215 TEL: 614 221-5004	NATURAL GAS DISTRIBUTION & PRODUCTION SIC NO. 4924	STARTED SALES F WORTH EMPLOYS HISTORY FINANCIAL CONDITION STATEMENT DATE	1989 \$3,244,812 \$98,072 13(12 HERE) CLEAR UNBALANCED MAY 31 1998

CHIEF EXECUTIVE: FREDDIE L FULSON, PRES-DIR

CUSTOMER SERVICE

If you have questions about this report, please call our Customer Service Center at 1-800-333-0505 from anywhere within the U.S. If you are outside the U.S., contact your local D&B office.

*** Additional Decision Support Available ***

Additional D&B products, credit recommendations and specialized investigations are available to help you evaluate this company or its industry. Call Dun & Bradstreet's Solution Center at 1-800-362-3425 from anywhere within the U.S.

SUMMARY ANALYSIS

The Summary Analysis section reflects information in D&B's file as of October 4, 1999.

RATING SUMMARY

The "CC" portion of the Rating (the Rating Classification) indicates that the company has a worth from \$75,000 to \$125,000. The "4" on the right (Composite Credit Appraisal) indicates an overall "limited" credit appraisal. This credit appraisal was assigned because of D&B's "unbalanced" assessment of the company's May 31, 1998, interim financial statement.

Below is an overview of the company's D&B Rating(s) since 10/29/96:

RATING	DATE APPLIED
--------	--------------

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SUMMARY ANALYSIS (continued)

CC4	07/18/98
FF4	01/31/98
EE3	10/24/97
EE1	07/30/97
EE2	04/29/97
EE3	02/21/97
--	02/06/97
EE3	11/21/96
HH4	11/06/96
GG4	10/29/96

PAYMENT SUMMARY

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is 78.

This PAYDEX score indicates that payments to suppliers average 3 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 93% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL RCV'D #	TOTAL DOLLAR AMOUNTS \$	LARGEST HIGH CREDIT \$	% W/IN TERMS %	DAYS SLOW				
					<31 %	31-60 %	61-90 %	91+ %	
Total in D&B's file	7	1,850	500						
Payment By Industry:									
1 Mfg photograph equip	2	500	250	75	25	-	-	-	
2 Whol office supplies	1	500	500	100	-	-	-	-	
3 Books-print/publish	1	250	250	100	-	-	-	-	
4 Nonclassified	1	250	250	100	-	-	-	-	
5 Radiotelephone commun	1	250	250	100	-	-	-	-	
6 Air courier service	1	100	100	100	-	-	-	-	
Other Payment Categories:									
Cash experiences	0	0	0						
Payment record unknown	0	0	0						
Unfavorable comments	0	0	0						
Placed for collection with D&B	0	0							

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FINANCE (continued)

Curr Assets	1,979,139	Curr Liabs	1,919,843
Fixt & Equip	38,393	Long Term Debt	(375)
Other Assets	11,946	COMMON STOCK	3,175
		RETAINED EARNINGS	106,835
-----		-----	
Total Assets	2,029,478	Total	2,029,478

From JAN 01 1997 to DEC 31 1997 sales \$3,244,812; cost of goods sold \$2,938,924. Gross profit \$305,888; operating expenses \$282,346. Operating income \$23,542; other income \$15,845; other expenses \$26,906; net income before taxes \$12,481; Federal income tax \$(3,200). Net income \$15,681.

Statement received by mail JUN 16 1998. Submitted by Henry Nichols. Prepared from books without audit.

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Item worth shown in summary section was computed after deduction of intangibles, intangible, totaling \$11,938. Fixed assets shown net less \$768 depreciation.

..... INCOME STATEMENT EXPLANATIONS

Other Income: Consists of interest, dividend and miscellaneous income.

Other Expense: Consists of interest expense and loss on sale of marketable securities.

On FEB 19 1999 Freddie L Fulson, pres-dir, referred to the above figures as still representative.

PUBLIC FILINGS

The following data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

* * * UCC FILING(S) * * *

COLLATERAL: All Assets - Products - Proceeds
FILING NO: AN20148
TYPE: Original
SEC. PARTY: FIFTH THIRD BANK OF COLUMBUS,
THE, COLUMBUS, OH
DEBTOR: NICOLE GAS MARKETING INC
DATE FILED: 11/21/1996
LATEST INFO RECEIVED: 12/10/1996
FILED WITH: SECRETARY OF
STATE/UCC DIVISION,
OH

COLLATERAL: Products - Proceeds - Computer equipment - LEASES
FILING NO: AN35327
TYPE: Original
SEC. PARTY: FIFTH THIRD BANK OF COLUMBUS,
DATE FILED: 01/24/1997
LATEST INFO RECEIVED: 03/03/1997
FILED WITH: SECRETARY OF

For: HENRY NICHOLS, CONTROLLER
DUN & BRADSTREET INC

October 5, 1999
1:46 pm

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PUBLIC FILINGS (continued)

DEBTOR:	THE, COLUMBUS, OH NICOLE GAS MARKETING INC	STATE/UCC DIVISION, OH
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The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

HISTORY

02/23/99

FREDDIE L FULSON, PRES-DIR
DIRECTOR(S): THE OFFICER(S)

Business started May 28 1989 by officers. 100% of capital stock is owned by Freddie L Fulson.

FREDDIE L FULSON born 1948. 1975 graduated from Wayne State. 1989-present active here.

OPERATION

02/23/99

Operates as a natural gas distribution company, electric power supply, energy management and software development (100%).

ADDITIONAL TELEPHONE NUMBER(S): Facsimile (Fax) 614 220-4020.

Terms are net 30 days. Sells to commercial concerns. Territory: United States.

EMPLOYEES: 13 which includes officer(s). 12 employed here.

FACILITIES: Occupies premises in a building.

LOCATION: Central business section on main street.

BRANCHES: 52 Pine Creek Rd, Wexford, PA.

10-05(836 /083) 00000 012 083 H

-- END OF REPORT --

Such other information that demonstrates Applicant's financial fitness.

B. Applicant must provide the following information:

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

Henry L. Nichols
Accounting Manager
513 East Rich St.-Suite 306
Columbus, OH 43215
Voice: 614-221-5004
Fax: 614-220-4020

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

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

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. Nicole Energy Services, Inc agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.

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

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

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

22. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing. Nicole Energy Services, Inc understands and will amend its application if substantial changes occur in the information filed in this original filing.

NES MANAGEMENT TEAM

Fred Fulson - Corporate Director

Fred L. Fulson is the founder and corporate director for Nicole Energy Services, Inc. (NES). NES was founded in 1989, with headquarters in Columbus, Ohio and district operations in Atlanta, Georgia, Chicago, Illinois, Detroit, Michigan, Pittsburgh, Pennsylvania and New York, New York. Under Fred's leadership, NES now offers energy management services, natural gas and electricity to Fortune 1000 and Fortune 500 companies, major universities and metropolitan cities. Additionally, Fred is the founder and director of Nicole Gas Productions, Ltd., a natural gas production and drilling company.

Fred brings over 28 years of leadership experience in industries such as: energy, manufacturing, computer science, retail food, publishing and human resources. With his skills he has created, developed, and implemented joint venture opportunities with major corporations, while developing solid business partnerships. These partnerships have proven profitable for both NES and its clients.

Previously, Fred was founder and president of Micronet Computers and Services, Inc. He also established and managed a training center for small businesses throughout the state of Ohio that provided finance, forecasting, federal/state procurement, public relations, and technological client counseling services. During his career he was recognized as a buyer, manager and sales representative for various Fortune 500 companies.

Fred also serves as a government consultant and lobbyist (Agent #2290). He has three years of study toward a Bachelor of Science degree in Business Administration from Wayne State University.

Charles Faulk - Vice President, Nicole Gas Production Ltd.

Charles Faulk brings 30 years of natural gas experience to Nicole Energy. For nine years Columbia Gas Transmission Corporation employed him in positions such as Account Manager, and Gas Acquisition Manager. At other energy firms he served as the Director of Transportation and Director of Contract Administration. He also worked for Eastex Energy, Frontier Natural Gas, Tenneco, Inc. and Skelly Oil Company, located in Houston, Texas. Charles has managed Fortune 500 accounts, and some that were in Ohio, Kentucky, West Virginia, Pennsylvania, Virginia, Maryland, Delaware, New Jersey, New York and Texas. His extensive marketing experience includes securing short term and long term gas supplies, negotiating transportation arrangements and discounts, and providing superior customer service.

Charles possesses a BBA in General Business Administration from the University of Houston, Houston, Texas and received training from the University of Colorado Natural Gas Executive Training Program. He is member of the Ohio Gas Association

and serves as a tutor at Hawthorne Elementary School and Secretary for the BalletMet Columbus Dance Academy Parent's Association.

Bill Waller - Energy Consultant

Bill Waller is an energy consultant for Nicole Energy Services with more than thirty-two years' experience in the energy industry. He has worked as an Independent Landman on behalf of various principals, both major and independent, to develop prospects by acquisition of new properties in Oklahoma, Texas, Kansas, and Arkansas.

Bill was formerly the Division Land Manager for Sunoco Energy Development Company where he managed over 700,000 acres for geothermal, uranium, and oil shale exploration and development. From there he moved to CNG Development Company as the Manager of Land and Contracts, managing over 1.5 million acres of oil and gas property. He has also worked for Consolidated Gas and Columbia Gas in senior management positions. Bill now owns and manages his own company, specializing in oil and gas leasing acquisitions, drilling program development, asset acquisitions and property analysis.

Bill holds a BS degree in Business/Pre-Law from the University of Oklahoma, and has also attended Duquesne University, in Pittsburgh, Pennsylvania. He is a member of the Independent Oil and Gas Associations in New York, Ohio, West Virginia and Pennsylvania, and is the former National Director of the American Association of Professional Landmen.

Ron Barnett - Energy Marketing Consultant

Ron Barnett joins Nicole Energy from American Electric Power in Columbus, Ohio. Ron possesses over seven years' experience in the energy industry, most recently as a Marketing Advisor. In this capacity he was responsible for new business development, key accounts and special projects. Prior to that, he was involved in customer service for American Electric Power, managing billing and metering for key accounts. Ron also served as an Energy Management Advisor for off-peak metering programs for AEP, where he managed accounts watching for energy use and energy conservation.

Ron holds a BS degree in Business Administration from Bowling Green State University in Bowling Green Ohio.

Ron will serve as the NES point of contact for the Electric division. He is also responsible for buying power and load management.

Melanie Diggs - Human Resource Consultant

Melanie Diggs is the founder and president of Vision Resources, Inc., a management consulting firm. As the senior consultant she provides services for national/international consulting firms, wholesale and retail enterprises, and community and social service organizations. Melanie began her professional career

at Bank One, Columbus. Her primary positions were in the Employment and Employee Relations departments. From Bank One, Melanie moved to Quest International where she was employed as the Director of Human Resources and Office Systems for over five years.

Melanie holds a BA from Capital University and an MA degree from The Ohio State University, with a major in Labor and Human Resource Management. She currently serves as a Board Secretary for the Destiny Training Camp, and a staff writer for *Purpose* magazine.

Kim Gardner - Director of Transportation

Kim Gardner has worked in the gas industry for over nine years, formerly employed by Columbia Energy Services. There she was promoted from positions such as Technical Assistant, Accounting Clerk, and Transportation Coordinator to her final position as Energy Analyst. In this capacity Kim was responsible for fuel management for industrials, cogeneration plants and municipals. The fuel management duties included calculating gas supply needs, spot pricing, monitoring banks and imbalances for each Local Distribution Company (LDC), verifying gas supplies and transportation invoices, and month-end reporting. Kim also prepared invoices for each fuel management customer. As a result of Kim's experience with a variety of pipelines and LDCs, she is able to provide substantial savings for Nicole Energy customers for natural gas transportation.

Kim has experience transporting gas on several pipelines including, but not limited to, Columbia Gulf, Columbia Gas, Sabine, Koch Gateway, Transco, Trunkline, Tennessee, Texas Eastern, Midwestern, East Tennessee, CNG, and Appalachian Pool on Columbia Gas. Her experience also extends to transporting intrastate pipelines.

Kim possesses an Associate's degree in Accounting from Duffs Business Institute in Pittsburgh, Pennsylvania, graduating on the Dean's List.

Henry Nichols, Sr. - Accounting/Finance Manager

Henry Nichols possesses over 20 years of experience in the Accounting field. He has worked for both large and small firms, supervising both the accounting and payroll functions.

Henry began his accounting career with PPG Industries, working in Craighton, Pennsylvania, Houston, Texas, Eastpoint, Georgia, and Delaware, Ohio. He held a variety of positions in the Accounting departments, managing inventories that exceeded \$35 million.

Henry is a Vietnam Era veteran, serving in the U.S. Army for three years. The majority of his time was spent in Germany as a Fixed Cyphony Repairman, with top secret crypto clearance. He holds a BS degree in Mathematics from Tougaloo College, Tougaloo, Mississippi, and a BS degree in Accounting from Franklin University, Columbus, Ohio.

Edward Payne – Marketing Manager, Nicole Energy Marketing of Illinois, Inc.
Ed Payne possesses over eight years' sales experience, most recently in natural gas and electric sales. With stellar performance at companies such as Pacific Gas & Electric (PG&E), and Santanna Natural Gas, Ed is now responsible for the company's Illinois market. Ed's sales expertise has resulted in key energy accounts with large volumes that were acquired by developing strong customer relationships. Also included in Ed's background is recruitment, training and budget development.

Ed holds a BS degree in Management from Olivet Nazarene University, Kankakee, Illinois, and an AS from Wilbur Wright College, Chicago, Illinois.

David Marks - Pennsylvania Branch Manager

David Marks is a graduate of the University of Pittsburgh, with a major in Accounting and minors in Marketing and Mathematics. In addition to his marketing experience, he has fourteen years' experience in exploration and production activities. David's marketing experience began in the 1990's and includes work at Consolidated Natural Gas (CNG), where he served as Corporate Staff Writer, Manager of Natural Gas Vehicle (NGV) Development, Contract Administrator and Customer Service Manager. He was promoted to Senior Gas Controller, and held an Escript Advisory Board member position, where he was instrumental in developing the first fully proprietary electronic bulletin board for CNG Transmission. As a CNG trader and marketer, David's responsibilities encompassed the Midwest, including Michigan, Indiana, Illinois and Wisconsin; the Permian Basin, including sales into Texas and west into New Mexico; and the entire Rocky Mountain Region.

In 1999 David joined Nicole Energy Services, where he serves as Marketing Manager for the Pittsburgh office. He is also a Planning Commissioner and Urban League Project Director in his community.

Beth Barnett - Communications Coordinator/ Marketing

Beth Barnett joins Nicole Energy Services with ten years of experience in energy marketing. During her tenure at American Electric Power (AEP), she was promoted to a Senior Marketing Representative where she oversaw promotions, advertising, sales, customer service, and other special projects. She was a sales top achiever in revenue generation for the AEP system, receiving Rookie of the Year honors and top salesperson awards three separate times.

Beth was instrumental in developing an "off-peak" program with AEP, designed to assist customers in meeting their load management needs. While at AEP, she was a member of the Building Industry Association and the Central Ohio Air-Conditioning Association. Beth also developed training programs for AEP Employees and customers to help them understand the cost of electricity. During her service at AEP, she was selected to conduct an account audit for street lighting that brought in over \$250,000 per year in additional revenue that wasn't previously being billed.

Beth began her undergraduate studies at The Ohio State University, and received a Bachelor's degree in Marketing from Franklin University, Columbus, Ohio.

Terence Brock - Account Executive and Gas Supply Coordinator

Terence Brock has two years of sales experience and over six years' experience in the fields of pharmacology and psychology. He comes to Nicole Energy Services from Miami, Florida, and complements the Marketing Department with customer service experience, working with clients from a variety of backgrounds and cultures. He is responsible for energy marketing in Ohio and Michigan to large commercial and industrial customers. Terence is also responsible for natural gas pricing for all market areas and purchasing additional gas supply for short markets.

Terence has a BA degree in Psychology from Florida Memorial College, Miami, Florida. Additionally, he completed post-graduate coursework at Florida International University.

Tonya Bubno - Transportation Coordinator

Tonya Bubno joined Nicole Energy Services as the Pittsburgh Office Coordinator with five years of secretarial and administrative background. She was a Legal Secretary major, and graduate of Duff's Business Institute, Pittsburgh, Pennsylvania.

Tonya's experience has been concentrated in the legal field as secretary. She also brings a customer service background to her position. She currently works in NES' Transportation department. Her responsibilities include tariff analysis, nominations, transportation and month end reporting.

Lorraine B. Johnson - Office Coordinator, Pittsburgh

She comes to NES from a Midwest staffing agency where she was the On-Call Staff Coordinator. In this capacity she screened and interviewed candidates, and was responsible for staff scheduling and customer service.

Lorraine completed formal business administration training at the Bradford Business School in Pittsburgh, Pennsylvania. The training encompassed areas such as human resources, management and supervision, cost control, product development, and customer relations. Lorraine's administrative office skills also include payroll and word processing.

To: Nicole Energy Services

Docket No. ER98-2683-000

Waivers and Authorizations Under the Commission's
Regulations Which are Granted or Denied for
Unaffiliated Power Marketers

Waivers and Authorizations Granted/Denied

The following Regulations are waived for power marketers:

- 1) Subparts B and C of Part 35, regarding the filing of rate schedules, except for Sections 35.12(a), 35.13(b), 35.15 (which requires a power marketer to file a Notice of Cancellation or Termination when it ceases its marketing activities), and 35.16 (which requires a power marketer to file a notice of succession whenever its name or operational control is changed).
- 2) Part 41, regarding accounts, records, and memoranda;
- 3) Part 101, regarding the uniform system of accounts; and
- 4) Part 141, regarding statements and reports.

See Citizens Energy Corporation (Citizens Energy), 35 FERC ¶ 61,198 (1986), Citizens Power and Light Corporation (Citizens P&L), 48 FERC ¶61,210 (1989), and Enron Power Marketing, Inc. (Enron), 65 FERC ¶ 61,305 (1993), order on rehearing, 66 FERC ¶ 61,244 (1994).

The requirements of Part 34 of the Commission's Regulations regarding securities and assumptions of liabilities are statutory in nature and cannot be waived. If a power marketer requests blanket approval under Part 34, a notice will be published in the Federal Register establishing a period during which protests may be filed. Absent a request to be heard within the period set forth in the notice, the power marketer is authorized to issue securities and assume obligations or liabilities as guarantor, endorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes, compatible with the public interest, and reasonably necessary or appropriate for such purposes. See Citizens P&L and Enron.

Requests that the Commission waive the requirements of Part 46 of its Regulations regarding interlocking directors are denied. In Enron, the Commission stated that the requirements of Part 46 regarding interlocking directors are statutory in nature and may not be waived.

The full requirements of Part 45 of the Commission's Regulations are waived for power marketers. Instead, a person holding or who may hold an otherwise proscribed interlocking directorate involving the power marketer shall file a sworn application providing: (1) full name and business address, and

Nicole Energy Services

Rate Schedule FERC No. 1 Effective: Date of This Order

Any waivers requested in your application are granted or denied along with the authorizations and subject to the conditions provided in the Appendix.

Under 18 C.F.R. 385.210, interventions are timely if made within the time prescribed by the Secretary. Under 18 C.F.R. 385.214, the filing of a timely motion to intervene makes the movant a party to the proceeding, if no answer in opposition is filed within fifteen days. The filing of a timely notice of intervention makes a State Commission a party to the proceeding.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 CFR 385.713.

Sincerely,

P. Alexander
for Donald J. Gellinas, Director
Division of Rate Applications

(2) all jurisdictional interlocks, identifying the affected companies and the positions held by that person. See Enron.

The Commission reserves the right to require a further showing that neither public nor private interests will be adversely affected by continued Commission approval of the power marketer's issuances of securities or assumptions of liabilities, or by the continued holding of any affected interlocks.

Requests for disclaimer of jurisdiction over brokering activities, in which title to electricity is not taken, must be filed separately as a petition for a declaratory order accompanied by the appropriate filing fee. See Citizens Energy and Heartland Energy Services, Inc., 68 FERC ¶ 61,223 (1994).

Requests that the Commission waive annual charges for power marketers, under Part 382 of the Commission's Regulations, are denied. See Morgan Stanley Capital Group Inc. (Morgan Stanley I), 69 FERC ¶ 61,175 (1994) and Morgan Stanley Capital Group Inc. (Morgan Stanley II), 72 FERC ¶ 61,082 (1995).

Requests for a blanket waiver of the 60-day prior notice requirement for rate schedule filings made by a power marketer's suppliers, are denied. See Aquila Power Corporation, 70 FERC ¶ 61,021 (1995). However, in Central Hudson Gas & Electric Corp., et al., 60 FERC ¶ 61,106, reh'g denied, 61 FERC ¶ 61,089 (1992), and Prior Notice and Filing Requirements under Part II of the Federal Power Act, Docket No. PL93-2-002, 64 FERC ¶ 61,139 (1993), the Commission explained its policy on waiver of notice for all jurisdictional sellers. Responding to concerns that sellers may be unable to file new services 60 days prior to the effective date, the Commission stated that it would grant waiver of the 60 day notice requirement 1) for uncontested filings involving new services that were filed at least one day prior to the commencement of service, or 2) for service agreements under tariffs already on file as long as the service agreements are filed within 30 days after service commences.

Requests for waiver of the provisions of Section 203 regarding the disposition of jurisdictional facilities, the merger or consolidation of such facilities, or the acquisition of the securities of another public utility, are denied. The provisions of Section 203 are statutory in nature and may not be waived. See Resources Recovery (Dade County), Inc., 20 FERC ¶ 61,138 (1982). Requests for clarification that sales of accounts receivable are not dispositions of jurisdictional facilities and are, therefore, not within the scope of Section 203, are granted. See Enron. Requests for clarification that the assignment of a power sales contract constitutes a disposition of jurisdictional facilities under Section 203, are granted. See Enron. Requests for clarification that funds received from the sale of

electricity are not jurisdictional facilities within the meaning of Section 203, are granted. See Citizens Energy. Also, requests for clarification that the requirements of Section 203 do not apply to the facilities of a power marketer that are not involved in the generation, transmission or sale for resale of electric energy, are granted. See Howell Gas Management Co., 40 FERC ¶ 61,336 (1987).

Requests that the Commission waive its requirement that purchasers of electricity under market-based rate schedules certify that the purchase price was equal to or less than its avoided cost, are moot. The Commission dropped the requirement in Louisville Gas & Electric Company, 62 FERC ¶ 61,016 (1993).

Reporting Requirements

Power marketers must provide, within 30 days of the end of each calendar quarter, the following information for each transaction in which it engaged during the prior quarter:

- 1) identification of buyer/seller;
- 2) description of the service, e.g., purchase/sale, firm/non-firm;
- 3) delivery point(s);
- 4) price(s);
- 5) quantities, e.g., MWh/MW; and
- 6) dates of service

See Citizens P&L and Enron.

Requests for different reporting requirements are denied, pending the Commission's completion of the generic review of reporting requirements for all public utilities with market-based rates announced in Morgan Stanley I. See Citizens Lehman Power Sales, 71 FERC ¶ 61,149 (1995).

Requests to include in the quarterly reports only those risk management transactions that result in the actual delivery of electricity, until the Commission issues an order addressing the issue of its jurisdiction over risk management transactions, are granted. See Morgan Stanley I.

Requests to file quarterly transaction reports on a confidential basis are denied. See National Electric Association, L.P., 50 FERC ¶ 61,378 (1990). See also AIG Trading Corporation, 71 FERC ¶ 61,148 (1995), LO&E Power Marketing Inc., 68 FERC ¶ 61,247, and Enron.

Power marketers must file with the Commission any change in status. See Citizens P&L, Enron, and Morgan Stanley II. Changes of

in status include departures from the characteristics the Commission has relied upon in approving the power marketer's market-based pricing, including but not limited to:

- 1) lack of ownership of generation or transmission facilities or other inputs to electric power production other than those identified in the application for market-based rates;
- 2) lack of affiliation with any entity which owns generation or transmission facilities or other inputs to electric power production other than those identified in the application for market-based rates; or
- 3) lack of affiliation with any entity that has a franchised service area.

Requests to file a revised market analysis every three years in lieu of reporting changes on an ongoing basis, are granted. See Morgan Stanley I, as clarified in Engelhard Power Marketing, Inc., 70 FERC ¶ 61,250 (1995).

Revised 7/29/96

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. Nicole Energy Services, Inc understands that the making of false statements and fully believe that all information is true to the best of our knowledge.

24. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania. Nicole Energy Services, Inc has enclosed a check in the amount of the required licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

Applicant: Nicole Energy Services, Inc.

By: Freddie L. Fulson

Title: President

AFFIDAVIT

Commonwealth of Pennsylvania:

: ss.

County of Allegheny :

Freddie L. Fulson, Affiant, being duly affirmed according to law, deposes and says that:

He is the President of Nicole Energy Services, Inc.

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

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

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

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

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

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

[Handwritten Signature]
Signature of Affiant

Sworn and subscribed before me this 9th day of Nov., 19 .



SHIRLEY L. MAYS
Notary Public, State of Ohio
My Commission Has No Expiration Date
R.C. 147.03

[Handwritten Signature]
Signature of official administering oath

My commission expires 2/9.

AFFIDAVIT

Commonwealth of Pennsylvania

:

: ss.

County of Allegheny

:

Freddie L. Fulson, Affiant, being duly affirmed according to law, deposes and says that:

He is the President of Nicole Energy Services, Inc.;

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

That Nicole Energy Services, Inc., the Applicant herein certifies that it has will cause the notice of the filing of its license applic published in the following newspapers on November 9, 1999:

Erie Daily Times
205 West 12th
Erie, Pa. 16534-0001

Patriot-News
812 Market Street
Harrisburg, Pa. 17101-2808

Philadelphia Inquirer
400 North Broad Street
Philadelphia, Pa. 19130-4015

Pittsburgh Post-Gazette
34 Boulevard of the Allies
Pittsburgh, Pa. 15222-1204

Scranton Times
149 Penn Avenue
Scranton, Pa. 18503-2022

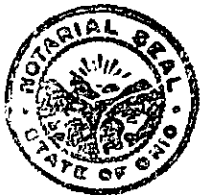
Williamsport Sun Gazette
252 West 4th Street
Williamsport, Pa. 17701-6102

That Nicole Energy Services, Inc., 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/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

Freddie L. Fulson
Signature of Affiant

Sworn and subscribed before me this 9th day of Nov., 1999.



SHIRLEY L. MAYS
Notary Public, State of Ohio
My Commission Has No Expiration Date
R.C. 147.03

Shirley Mays
Signature of official administering oath

My commission expires n/g

AFFIDAVIT

Commonwealth of Pennsylvania

:
: SS.

County of Allegheny

Freddie L. Fulson, Affiant, being duly affirmed according to law, deposes and says that:

He is the President of Nicole Energy Services, Inc;

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

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

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

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

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

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

Freddie L. Fulson, President
Signature of Affiant

Sworn and subscribed before me this 9th day of Nov., 19 .



Shirley L. Mays
Notary Public, State of Ohio
My Commission Has No Expiration Date
R.C. 147.03
Signature of official administering oath

My commission expires n/a.

APPENDIX A

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

TAX CERTIFICATION STATEMENT

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

1. CORPORATE OR APPLICANT NAME Nicole Energy Services, Inc.	2. BUSINESS PHONE NO. (614) 221-5004 and (412) 369-4777 CONTACT PERSON(S) FOR TAX ACCOUNTS: Henry L. Nichols
--	---

3. TRADE/FICTITIOUS NAME (IF ANY)
N/A

4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP)
513 E. Rich Street - Suite Columbus, OH 43215
52 Pine Creek Road-Suite 202 Wexford, PA 15090

5. TYPE OF ENTITY SOLE PROPRIETOR PARTNERSHIP CORPORATION

8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)

NAME (PRINT) Freddie L. Fulson	SOCIAL SECURITY NUMBER (OPTIONAL) _ _ _ _ - _ _ _ - _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) _ _ _ _ - _ _ _ - _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) _ _ _ _ - _ _ _ - _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) _ _ _ _ - _ _ _ - _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) _ _ _ _ - _ _ _ - _ _ _ _ _

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

A. SALES TAX LICENSE (8 DIGITS) APPLICATION PENDING N/A _ _ _ _ - _ _ _ _ _ <input checked="" type="checkbox"/> <input type="checkbox"/>	C. CORPORATE BOX NUMBER (7 DIGITS) APPLICATION PENDING N/A _ _ _ _ _ _ - _ _ _ _ _ <input checked="" type="checkbox"/> <input type="checkbox"/>
B. EMPLOYER ID (EIN) (9 DIGITS) APPLICATION PENDING N/A 3 1 - 1 6 2 9 5 5 5 <input type="checkbox"/> <input type="checkbox"/>	

10. Do you have PA employees either resident or non-resident? YES NO

11. Do you own any assets or have an office in PA? YES NO

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

PA SALES AND USE TAX Hausser & Taylor LLP 471 E. Broad Street, Columbus, OH 43215 PHONE (614) 224-7722	EMPLOYER TAXES ADP 3660 Corporate Drive Columbus, OH 43231-4994 PHONE (614) 901-7403	CORPORATE TAXES Hausser & Taylor, LLP 471 E. Broad Street, Columbus, OH 43215 PHONE (614) 224-7722
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Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers:
(717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)

Attachment A

Appendix B

Sample Disclosure Statement Format for Natural Gas Suppliers

This is an agreement for natural gas services, between Nicole Energy Services, Inc. and customer's name and full address.

Background

We at Nicole Energy Services, Inc. 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.

Page 2 of 2

5. **Penalties, Fees and Exceptions**

Late Payment Fee: If customer fails to remit the full amount payable when due, interest on the unpaid portion shall accrue at a rate equal to the lower of a) the then-effective prime rate of interest published under "Money Rates" by *The Wall Street Journal*, plus two percent (2%) per annum from the date due until the date of payment, or b) the maximum applicable lawful interest rate. If Customer, in good faith, disputes the amount of any such statement or any part thereof, Customer shall pay such amount as it concedes to be correct. If it is ultimately determined that customer owes the disputed amount, Customer shall pay that amount with interest as determined above immediately upon such determination.

6. **Cancellation Provisions** – The Customer shall have the right to terminate for cause in the event of default. Default shall include, but not be limited to, loss of licensure by the PAPUC or failure of the Seller to deliver nominated quantities of natural gas. The right to terminate the agreement is conditioned upon written notice to the Seller by certified prepaid mail. The Seller shall have seventy-two (72) hours after receipt, except as may otherwise be stated in the agreement to show cause why such action should not be taken. The Seller shall have the right to terminate for cause in the event of default. Default shall include, but not be limited to, *failure of Customer to pay the amount of invoice when due.* The right to terminate the agreement is conditioned upon written notice to the Customer by certified prepaid mail. The Customer shall have thirty (30) days after receipt, except as may otherwise be stated in the agreement to show cause why such action should not be taken.

7. **Renewal Provision** – The agreement shall be effective from the date of first delivery for a term of twelve months. Should Customer determine to discontinue service at the expiration of the agreement, Customer shall provide written notice of the decision not to renew the agreement any later than forty-five (45) days prior to the end of the agreement. No earlier than ninety (90) days or later than sixty (60) days prior to the end of the agreement Seller shall, in a bill message or separate notice, notify Customer of Customer's right to renew, terminate, or renegotiate the agreement. Such bill message or notice shall include any changes in the terms and conditions of the agreement. Customer will automatically return to Seller's gas sales service at the conclusion of the agreement unless Seller receives verification of the Customer's intent not to renew the agreement.

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: Nicole Energy Services, Inc.
Address: 52 Pine Creek Road-Suite 202

Wexford, PA 15090

Phone Number: (412) 369-4777

Internet Address: fulson@frontiernet.net

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 C
EXAMPLE FORM OF NOTICE

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Application of Nicole Energy Services, Inc (d/b/a "Trade Name") 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, Docket No. A-125XXX.

On November 8, 1999, Nicole Energy Services, Inc filed 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. Nicole Energy Services, Inc 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 Nicole Energy Services, Inc 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 Nicole Energy Services, Inc attorney at the address listed below. Please include the PUC's "docket number" on any correspondence, which is A-125XXX.

By and through Counsel: Attorney's Name

Company Name

Address

Address

Phone

FAX

PENNSYLVANIA
Public Utility Commission
Notice

*Application of Nicole Energy Services, Inc. For Approval To Offer,
Render, Furnish Natural Gas Supply Services, To The Public In The
Commonwealth Of Pennsylvania. Docket No. A-125049*

On November 9, 1999, Nicole Energy Services, Inc. filed 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. Nicole Energy Services, Inc. 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 hearing. Protests directed to the technical or financial fitness of Nicole Energy Services, Inc. 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 Nicole Energy Services, Inc.'s attorney at the address listed below. Please include the PUC's "docket number" on any correspondence, which is A-125049.

By and through Counsel: Shirley Mays, Esq.

Nicole Energy Services, Inc.

513 E. Rich Street, Suite 306

Columbus, Ohio 43215-5376

Phone: 614-221-5004

Fax: 614-220-4020

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.