

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: 07/28/99
8. DOCKET NO: A-125015	:	9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT:

RESPONDENT/APPLICANT: SHIPLEY OIL COMPANY, INC

COMP/APP COUNTY:

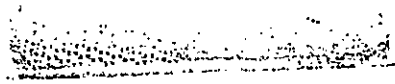
UTILITY CODE: 125015

ALLEGATION OR SUBJECT

APPLICATION OF SHIPLEY OIL COMPANY, INC., D/B/A SHIPLEY ENERGY FOR APPROVAL TO OFFER, RENDER, FURNISH, OR SUPPLY NATURAL GAS SERVICES AS A BROKER/MARKETER AND AGGREGATOR TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA.

**DOCKETED**

AUG 16 1999



**DOCUMENT  
FOLDER**

REVERSE  
CAPTION SHEET

CASE MANAGEMENT SYSTEM

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PARTY/COMPLAINANT: D/B/A SHIPLEY ENERGY COMPANY

RESPONDENT/APPLICANT: SHIPLEY OIL COMPANY, INC

COMP/APP COUNTY: UTILITY CODE: 125015

KJR

ALLEGATION OR SUBJECT

APPLICATION OF SHIPLEY OIL COMPANY, INC., TO BECOME A LICENSED SUPPLIER, BROKER/MARKETER AND AGGREGATOR OF NATURAL GAS SERVICES. COLUMBIA GAS OF PENNSYLVANIA, INC., UGI UTILITIES, INC. AND PENN FUEL GAS COMPANY.

DOCKETED

OCT 25 1999

DOCUMENT  
FOLDER



ORIGINAL

July 27, 1999

RECEIVED

JUL 28 1999

A-125015

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
B-20, North Office Building  
Harrisburg, PA 17120

**RE: APPLICATION FOR NATURAL GAS LICENSE OF SHIPLEY OIL  
COMPANY, INC. D/B/A SHIPLEY ENERGY**

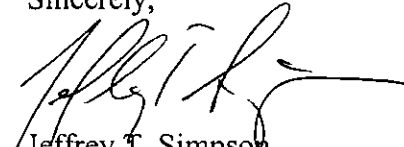
Dear Secretary McNulty:

Please find enclosed for filing a signed and verified original and eight (8) copies, and an electronic version of Shipley Oil Company, Inc.'s application for natural gas license.

Additional copies with attachments have been served on the Consumer Advocate, the Office of the Attorney General (Bureau of Consumer Protection), the Small Business Advocate, the Department of Revenue, Penn Fuel, UGI and Columbia Gas of Pennsylvania, Inc.

Proof of publication in the proper newspapers of Shipley Oil Company, Inc.'s intent to obtain a natural gas license will be completed once your office has assigned a docket number. If you have any questions regarding the attached application or if you require additional information, please contact me at (717)771-1828.

Sincerely,

  
Jeffrey T. Simpson  
Energy Sales Coordinator

DOCUMENT  
FOLDER

Enclosure

50

Sales, Service and Installation of:

Natural Gas • Electricity • Fuel Oil • Diesel • Propane • Central Air Conditioning

**ORIGINAL**

Attachment A

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

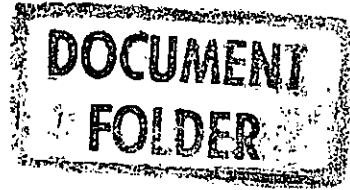
Application of **Shiplely Oil Company, Inc.** , d/b/a **Shiplely Energy** , for approval to offer, render, furnish service as a **Broker/Marketer** and an **Aggregator** engaged in the business of supplying natural gas services to the public in the Commonwealth of Pennsylvania.

**A- 125015**

To the Pennsylvania Public Utility Commission:

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

Shiplely Oil Company, Inc.  
D/b/a Shiplely Energy  
550 East King Street  
P.O. Box 946  
York, PA 17405  
(P) (717)848-4100  
(F) (717)771-1937



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.

None

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:

Jeffrey T. Simpson  
Energy Sales Coordinator  
550 East King Street  
P.O. Box 946  
York, PA 17405  
(P) (717)771-1828  
(F) (717)771-1937

**RECEIVED**

JUL 28 1999

PA 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:

Jeffrey T. Simpson  
Energy Sales Coordinator  
550 East King Street  
P.O. Box 946  
York, PA 17405  
(P) (717)771-1828  
(F) (717)771-1937

**DOCKETED**

AUG 16 1999

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

Albert G. Blakey, Esq.  
Blakey, Yost, Bupp & Schaumann  
17 East Market Street  
York, PA 17401  
(P) (717)845-3674  
(F) (717)854-7839

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:

Not Applicable

4. **FICTITIOUS NAME:**

The Applicant will be using a fictitious name or doing business as ("d/b/a"):

Shiple Energy

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)
- 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.

Give name and address of officers.

W.S. Shipley II  
Chairman of the Board  
1000 Clubhouse Rd.  
York, PA 17403

W.S. Shipley III  
President  
1201 Woodland Rd.  
York, PA 17403

D.E. Wilson  
Exec. Vice President  
543 Hill Street  
York, PA 17403

R.C. Borden  
Exec. Vice President  
2171 Tall Oaks Lane  
York, PA 17403

S.D. Shipley  
Vice Pres. Of Administration  
1000 Clubhouse Rd.  
York, PA 17403

R.M. Beamesderfer  
Vice Pres. of Finance  
990 Brockie Lane  
York, PA 17403

The Applicant is incorporated in the state of **Pennsylvania**.

**See Articles of Incorporation Attached**

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

Affiliate(s) of the Applicant doing business in Pennsylvania are:

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

# Commonwealth of Pennsylvania



Department of State

To All to Whom These Presents Shall Come, Greeting:

**Whereas**, In and by Article VIII of the Business Corporation Law, approved the fifth day of May, Anno Domini one thousand nine hundred and thirty-three, P. L. 364, as amended, the Department of State is authorized and required to issue a

## CERTIFICATE OF AMENDMENT

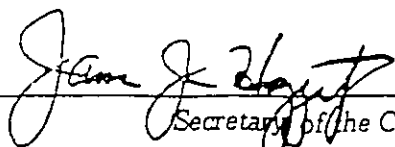
evidencing the amendment of the Articles of Incorporation of a business corporation organized under or subject to the provisions of that Law, and

**Whereas**, The stipulations and conditions of that Law pertaining to the amendment of Articles of Incorporation have been fully complied with by

SHIPLEY-HUMBLE, INC.  
name changed to  
SHIPLEY OIL COMPANY

**Therefore, Know Ye**, That subject to the Constitution of this Commonwealth and under the authority of the Business Corporation Law, I do by these presents, which I have caused to be sealed with the Great Seal of the Commonwealth, extend the rights and powers of the corporation named above, in accordance with the terms and provisions of the Articles of Amendment presented by it to the Department of State, with full power and authority to use and enjoy such rights and powers, subject to all the provisions and restrictions of the Business Corporation Law and all other applicable laws of this Commonwealth.

**Given** under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 11<sup>th</sup> day of May in the year of our Lord one thousand nine hundred and eighty-eight and of the Commonwealth the two hundred twelfth.

  
Secretary of the Commonwealth  
pjd

Commonwealth of Pennsylvania

Department of State  
Corporation Bureau

3-1-68.40 387

ARTICLES  
OF  
INCORPORATION

In compliance with the requirements of the Business Corporation Law, approved the 5th day of May, A.D. 1933, P.L. 364, as amended, the undersigned, all of whom are of full age\* desiring that they may be incorporated as a business corporation, do hereby certify:

1. The name of the corporation is:

SHIPLEY-HUMBLE, INC.

2. The location and post office address of its initial registered office in this Commonwealth is:

550 East King Street York, Pennsylvania 17403 (York)

Number Street City County

3. The purpose or purposes of the corporation which shall be organized under this Act are as follows: (\*\*)

Unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law, approved the 5th day of May, A.D. 1933, P.L. 364, as amended, under which provisions this corporation shall be incorporated; and

Without limitation of the foregoing, to carry on a general petroleum and fuel oil sales and service organization, including the sale at retail and wholesale, and the transportation of gasoline, fuel oil and related products; the sale and service of heating and air-conditioning equipment, and related products; to buy, sell, manipulate and deal in any or all of such materials and supplies for itself or as factor, agent, commission merchant or broker; the purchase, lease or ownership of real and personal property; to maintain and keep storage warehouses for the storage and deposit of all goods, materials and supplies of all kinds and description; and the purchase, lease or maintenance of all manner of tools, machinery and equipment, including

4. The term of its existence is: Perpetual (continued)

5. The aggregate number of shares which the corporation shall have authority to issue is: (\*\*\*)

50,000 shares of \$1 par value common stock.

(\*)One or more corporations or natural persons of full age may incorporate a business corporation under the provisions of this Act.

(\*\*)It shall not be permissible or necessary to set forth any powers enumerated in Section 302 of the Act.  
(\*\*\*) There should be set forth the number and par value of all shares having par value; the number of shares without par value; and the stated capital applicable thereto. If the shares are to be divided into classes, a description of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights granted to, or imposed upon, the shares of each class.

FILING FEE — \$40.00

NOTE: Excise Tax at the rate of 1/5th of 1% (\$2.00 per \$1,000) will be due and payable at the time of filing of the Articles, computed by multiplying the number of authorized shares having par value by their par value, or if shares of no par stock are authorized, then on the stated capital applicable thereto as well.

ONLY A CLEARLY LEGIBLE ORIGINAL SHOULD BE SUBMITTED. SIGNATURES SHOULD BE IN BLACK INK.



6. The names and addresses of each of the first directors, who shall serve until the first annual meeting, are:

NAME	ADDRESS <small>(Including street and number, if any)</small>
Samuel H. Shipley, Sr.	R.D. 11, Hellam Branch York, Pennsylvania 17406
Sara Shipley Bolton	Wyndham Drive York, Pennsylvania 17403
Lavern H. Brenneman	2233 Loucks Road York, Pennsylvania 17404

7. The names and addresses of each of the incorporators and the number and class of shares subscribed by each are:

NAME	ADDRESS <small>(Including street and number, if any)</small>	NUMBER AND CLASS OF SHARES
Peter O. Clauss	1718 Widener Building 1339 Chestnut Street Philadelphia, Pa. 19107	1 Share Common Stock

IN TESTIMONY WHEREOF, the incorporators have signed and sealed these Articles of Incorporation this  
12th day of December, 1968

..... (SEAL) Peter O. Clauss (SEAL) .....

..... (SEAL) ..... (SEAL)

..... (SEAL) ..... (SEAL)

Approved and filed in the Department of State on the 13th day of December A. D. 1968

Lewis J. Keller  
Secretary of the Commonwealth

aim

NOTE: The Articles must be accompanied with registry statement, executed in triplicate, in the form prescribed by Section 206-B of the Act — all of which should be signed by an incorporator, as such.

vehicles of all manner and description, for use in connection with the aforesaid purposes, and to sell, lease, encumber or otherwise dispose of the ownership or possession and control of such property.

ShIPLEY Stores, Inc.  
550 E. King St.  
York, PA 17403  
*Affiliated through Management Only*

Herman & Shenk Oil and Propane  
601 N. Baltimore Ave.  
Mt. Holly Springs, PA 17065

Bilger Fuels  
167 Willow Ave.  
Middleburg, PA 17842

Arnold Fuel Oil  
2027 W. Maple St.  
Lebanon, PA 17042

*Affiliates are NOT jurisdictional public utilities*

Does the Applicant have any affiliation with or ownership interest in:

(a) any other Pennsylvania retail natural gas supplier licensee or licensee applicant,

No

(b) any other Pennsylvania retail licensed electric generation supplier or license applicant,

No

(c) any Pennsylvania natural gas producer and/or marketer,

No

(d) any natural gas wells or

No

(e) any local distribution companies (LDCs) in the Commonwealth

No

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.

Not Applicable

Provide specific details concerning the affiliation and/or ownership interests involving:

(a) any natural gas producer and/or marketers,

Not Applicable

(b) any wholesale or retail supplier or marketer of natural gas, electricity, oil, propane or other energy sources.

Not Applicable

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.

A-110069

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.

Not Applicable

**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.)

Regional Industrial, Commercial and Residential Heating Oil /  
Petroleum / Propane Distributor

**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.

Pricing, supply and management of natural gas to all classes of end users.

10. **SERVICE AREA:** Generally describe the geographic area in which Applicant proposes to offer services.

Central Pennsylvania

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):

13. **START DATE:** The Applicant currently provides natural gas services to participating residential, commercial and industrial natural gas customers on the Columbia Gas of Pennsylvania distribution system. Applicant proposes to expand such services throughout central Pennsylvania beginning November 1, 1999.

14. **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  
Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

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

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance

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

NUI Valley Cities Gas  
Carnegie Natural Gas Company  
North Penn Gas Company  
 PFG, Inc.  
T. W. Phillips Gas and Oil Company  
PG Energy

National Fuel Gas Distribution Corp.  
The Peoples Natural Gas Company  
 UGI  
Equitable Gas Company  
 Columbia Gas of PA, Inc.  
PECO

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.

15. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix B to this application.

16. **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.

No; Not Applicable

17. **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.

PRIMARY: Robert V. Iosue  
Assistant to the President  
550 East King Street  
P.O. Box 946  
York, PA 17405  
(P) (717)771-1934  
(F) (717)854-5496

SECONDARY: Jeffrey T. Simpson  
Energy Sales Coordinator  
550 East King Street  
P.O. Box 946  
York, PA 17405  
(P) (717)771-1828  
(F) (717)771-1937

b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.

**See Standard Residential Form Attached**

c. If proposing to serve Residential and/or Small Commercial customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix C to this Application.

**See Disclosure Statement Attached**

**18. 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.
- Published parent company financial and 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.
- 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:

- Identify Applicant's chief officers including names and their professional resumes.

William S. Shipley III  
President

David E. Wilson  
Exec. Vice President

Robert C. Borden  
Exec. Vice President

Richard Beamesderfer  
Vice President of Finance

**See Dun & Bradstreet Report and Job Descriptions Attached**

# Natural Gas Enrollment Form



Dear Natural Gas Customer,

Want to reduce your natural gas bills? Select Shiple as your natural gas supplier. It's that simple.

By filling out and returning the form below, you'll save money and have a dependable, reliable, risk-free supply of natural gas whenever you need it. We've already saved our customers nearly \$3 million since we started supplying natural gas back in 1995.

Completely hassle-free.

You'll still receive just one bill. Columbia Gas will still deliver the gas through its pipelines, read your gas meter, respond to gas odor emergencies and charge you for these services. But there will be three key differences. One, Shiple's proven ability to buy natural gas at a lower price than the utility. Two, our knowledgeable customer service people. And three, our outstanding equipment safety and maintenance packages.

The sooner you start, the sooner you'll save.

Select Shiple as your natural gas supplier today. We're the only locally based supplier of natural gas, and we bring seven decades of service and integrity to the energy market. Just fill out and return the enrollment form below, call one of our knowledgeable customer service representatives at 717-848-4100 or 800-839-1849, or visit our web site at [www.ShipleEnergy.com](http://www.ShipleEnergy.com).

Sincerely,

C. Warren Smith III, Manager of Energy Sales

## Choose your way to save.

With our **FIXED PRICE OPTION**, you lock in one guaranteed, fixed low rate for 12 months.

With our **VARIABLE PRICE OPTION**, the price you pay for your natural gas will vary depending on the natural gas market. However, the Variable Price Option comes with a cap that protects you against dramatic surges in market prices. So pick the option that suits your style.

Either way, if you sign up with Shiple, you can save!

Yes, I want to save money on my natural gas bill.

Type of Account	
<input type="checkbox"/>	Residential
<input type="checkbox"/>	Commercial

Name (please print) \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_ Zip \_\_\_\_\_

Phone (\_\_\_\_\_) \_\_\_\_\_

Service Address (if different from mailing address)

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_ Zip \_\_\_\_\_

Columbia Gas Account Number

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Social Security No. \_\_\_\_\_

## Price Option

I agree to purchase my natural gas from Shiple for one year at the price designated below. I have read and I agree to the terms listed on the reverse side.

Offer expires \_\_\_\_\_

Fixed (Same low gas price of \_\_\_\_\_ per ccf for 12 months)

Variable (The gas price is likely to fluctuate from month to month depending on market conditions. Comes with a cap of \_\_\_\_\_ per ccf to protect you against dramatic surges in market prices.)

Signature of Columbia Gas Account Holder

Date \_\_\_\_\_



## Background

Shipley is licensed by the Pennsylvania Public Utility Commission (PUC) to offer and supply natural gas services in Pennsylvania. Our PUC license number is \_\_\_\_\_.

Shipley sets the prices and charges that you pay. The PUC regulates distribution or delivery prices and services. The Federal Energy Regulatory Commission regulates interstate pipeline prices and services.

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 – Charge for moving natural gas to the distribution lines of a distribution company.

Nonbasic Charges – [to be determined]

## Terms of Service

### 1.(a) Basic Service Prices

If you select the Fixed Price Option, you will pay \_\_\_\_\_ per ccf for the commodity of natural gas for the term of this agreement.

If you select the Variable Price Option, your gas price will be determined on a monthly basis depending on market conditions, but will at no time exceed a maximum price (“cap”) of \_\_\_\_\_ per ccf. The Variable Price will be set by Shipley 10 business days before the first day of the month on which the price will take effect.

### (b) Nonbasic Service Prices

[To be determined]

## GENERAL TERMS & CONDITIONS

### 1. Length of Agreement

You will buy your natural gas services for your street address from Shipley beginning with your first meter reading in \_\_\_\_\_ and ending with your first meter reading in \_\_\_\_\_.

### 2. Special Terms and Conditions

[Sign up bonus/Add-on/limited time offers/other sales promotions to be determined]

### 3. Penalties for Late Payment

You agree to pay your monthly charges for Shipley’s natural gas service in their entirety by the due date unless you have been approved to participate in a budget payment plan and you remain current in your budget payments. If timely payment is not made, Shipley will notify you of late payment and will discontinue service 15 days after notice if payment is not made.

### 4. Cancellation Provisions

You agree to notify Shipley at least 30 days in advance if you plan to move. Cancellation for any other reason may occur by notifying Shipley of your desire to cancel 30 days prior to the end of your term.

### 5. Renewal Provision

Your service with Shipley will automatically renew for successive one-year periods at the end of the initial term of this agreement and will incorporate any proposed changes.

### 6. Agreement Expiration/Change in Terms

If you have a fixed term agreement with Shipley 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 advanced notices.

### 7. 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.

### 8. Billing

You will receive a single bill from [your utility company] that will set forth [your utility company’s] charges and Shipley’s charges. If you ask us, Shipley can bill you directly for our service.

### 9. Contact Information

#### Supplier:

Shipley Energy  
550 East King Street  
P.O. Box 946  
York, PA 17405  
1-800-839-1849  
www.ShipleyEnergy.com

#### Distribution Company (Provider of Last Resort):

[Local Distribution Company]  
[ADDRESS]  
[PHONE]

#### Public Utility Commission:

Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105  
1-888-\_\_\_\_\_-\_\_\_\_\_

#### Universal Service Program:

[Utility Company] Universal Service  
1-888-\_\_\_\_\_-\_\_\_\_\_

- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

Richard Beamesderfer  
 Vice President of Finance  
 550 East King Street  
 P.O. Box 946  
 (P) (717)771-1928  
 (F) (717)839-1849

19. **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.

William S. Shipley III  
 President

David E. Wilson  
 Exec. Vice President

Robert C. Borden  
 Exec. Vice President

Richard Beamesderfer  
 Vice President of Finance

**See Dun & Bradstreet Report and Job Descriptions Attached**

- A copy of any Federal energy license currently held by the Applicant.
- Proposed staffing and employee training commitments.
- Business plans.
- Documentation of membership in or other shall be submitted if applicable to the scope and nature of the applicant's proposed services.

20. **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.

21. **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.

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



Dun & Bradstreet

# BusinessScope

THIS REPORT MAY NOT BE REPRODUCED IN WHOLE OR IN PART IN ANY MANNER WHATSOEVER

Copyright 1999 Dun & Bradstreet, Inc.

1000 100000

D-U-N-S: 04-388-7371

Date Printed: June 2, 1999

## SHIPLEY OIL COMPANY (INC)

550 E King St

And Branch(es) or Division(s)

York, PA 17403

TEL: 717-848-4100

Primary SIC: 59 83 ( FUEL OIL DEALER)

Founded: 1969

Current Ownership: 1969

Chief Executive Officer: William S Shipley II

*Thank you for ordering BusinessScope, our new service that lets you see how you compare to other companies in your line of business. We can help you improve your business's profitability by comparing your business to other companies in the same primary line of business and of similar size located in your geographic region. This comparison also allows you to pinpoint areas that may need attention and lets you know how your suppliers, vendors and customers see your company.*

*This is the final Quarterly Update to your company's BusinessScope. If you have any questions, please call our Customer Service Center at 1-800-333-0505. If you would like to renew your BusinessScope service, please call 1-800-888-3867 and ask for 'BusinessScope Renewals'.*

## Executive Summary

Complete financial information on your company was not available as of June 2, 1999. However, an analysis of the typical company in your line of business, approximately the same size and located in the same geographic area is presented on the following pages in the form of a model statement and industry norms developed from Dun & Bradstreet's database.

Model statements are created by D&B using financial statements of businesses in the same primary line of business, in the same geographic location, and with approximately the same asset size, and represent the typical financial position of a business in your industry. For a detailed explanation of the calculation of model statements and industry norms, see Appendix.

Industry norms provide a clear picture of an industry's financial performance over a three year period in a spreadsheet format. Income statement items are presented as a percentage of net sales, while the balance sheet items are presented as a percentage of total assets or capitalization.



# BusinessScope

## Model Statement and Industry Norms

The following Model Statement and industry norms represent the typical business in the primary business of fuel oil retailing industry (SIC 5983) with 196 employees and assets over \$1 million. The Standard Industrial Classification (SIC) is a four digit code used to classify all industries in the United States. This classification allows comparisons to be made between companies with similar operations.

Model Statement		Industry Norms (133 Firms)			
SIC 59 83	1998	Your Stmt.	1998 Ind. %	1997 Ind. %	1996 Ind. %
<b>Income Statement</b>					
Net Sales	29,076,012		100.0	100.0	100.0
Gross Profit	7,646,991		26.3	24.3	24.8
Net Profit After Tax	407,064		1.4	1.8	1.8
Dividends/Withdrawals	843,204		2.9	1.6	2.2
Working Capital	2,195,704		n/a	n/a	n/a
<b>Balance Sheet</b>					
Cash	1,446,939		14.3	14.2	10.8
Accounts Receivable	2,438,547		24.1	28.0	30.4
Notes Receivable	141,658		1.4	4	6
Inventory	920,779		9.1	9.7	9.6
Other Current	607,107		6.0	5.2	6.1
<b>Total Current</b>	<b>5,555,030</b>		<b>54.9</b>	<b>57.5</b>	<b>57.5</b>
Fixed Assets	3,187,312		31.5	29.5	30.0
Other Non-Current	1,376,109		13.6	13.0	12.5
<b>Total Assets</b>	<b>10,118,452</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Accounts Payable	1,365,991		13.5	13.8	15.4
Bank Loans	10,118		1	0	1
Notes Payable	303,554		3.0	4.4	4.2
Other Current	1,679,663		16.6	17.7	16.8
<b>Total Current</b>	<b>3,359,326</b>		<b>33.2</b>	<b>35.9</b>	<b>36.5</b>
Other Long Term	1,608,834		15.9	16.0	15.3
Deferred Credits	40,474		4	3	4
Net Worth	5,109,818		50.5	47.8	47.8
<b>Total Liability &amp; Worth</b>	<b>10,118,452</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Financial information has not been submitted by your business as of June 2, 1999. A complete analysis of your business as it compares to your business peers is precluded until financial information is obtained.

*If you wish to include your financial information in your D&B report, we will send you a new BusinessScope Report free of charge. Send your financial statement to D&B BusinessScope, 899 Eaton Ave., Bethlehem, PA 18025 or call 1-800-333-0505. THIS OFFER IS VALID FOR 30 DAYS FROM THE DATE OF INVOICE.*

# BusinessScope

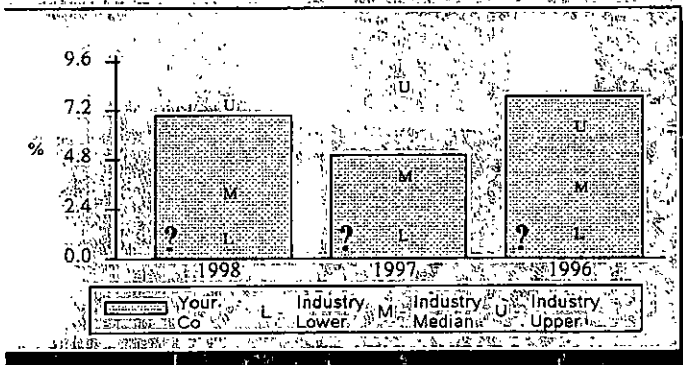
## Analysis: Three Year Ratio Norms

Ratios relate financial components to one another, and aid in the appraisal, analysis and comparison of financial data from year to year. They evaluate your company's strengths and weaknesses, operating results, and growth prospects, and compare them to industry norms. On the following pages, you will see 14 key business ratios divided into three main categories:

- 1) Profitability
- 2) Solvency
- 3) Efficiency

**For Ratio Calculations and description of Industry Quartiles, see Appendix.**

**Profitability Ratios:** Used to evaluate management's ability to control expenses and to earn a return on resources committed to the business.



**Return on Assets (%).** Matches the net profits with the assets available to earn a return. Question Mark (?) in graph designates your company's possible results.

Ratios	1998 (133 Firms) Industry Quartiles					1997 (233 Firms) Industry Quartiles					1996 (226 Firms) Industry Quartiles			
	Your Co.	% Chg. Prior Yr.	Upper	Median	Lower	Your Co.	% Chg. Prior Yr.	Upper	Median	Lower	Your Co.	Upper	Median	Lower
Profitability - (%)														
Return on Sales			2.5	1.1	2.0			2.8	1.2	4.0		2.5	1.0	3.0
Return on Assets			7.2	3.0	9.0			8.0	3.8	1.0		6.1	3.2	1.1
Return on NW			13.5	6.9	2.3			16.3	8.4	3.2		16.1	7.0	3.0

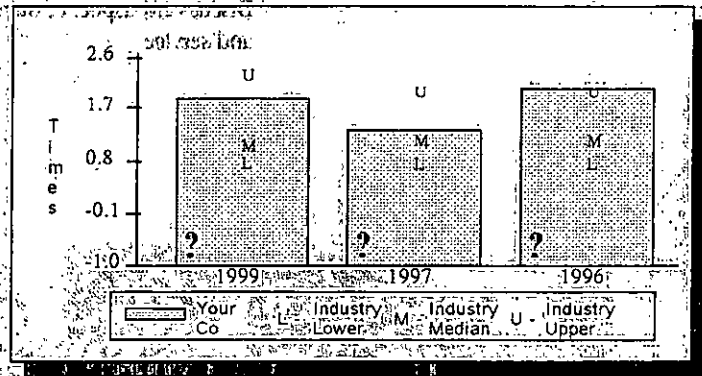
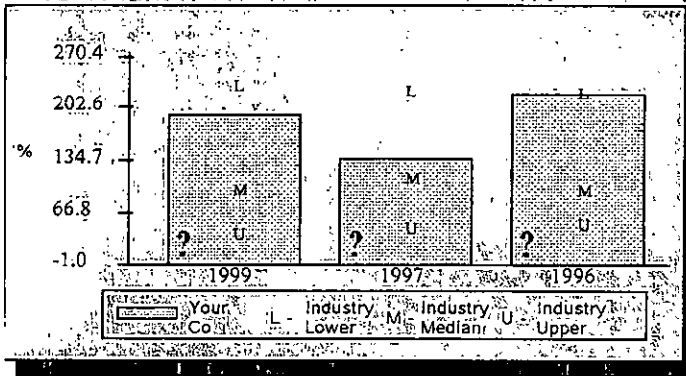
- The median return on sales for the industry was 1.1% in 1998, and improved from 1996 to 1998.
- The median return on assets ratio showed a contrasting trend over the review period and was 3.0% in 1998.
- Gross margins for the industry increased from 1996 to 1998.



# BusinessScope

## Analysis: Three Year Ratio Norms (continued)

**Solvency Ratios:** Used to measure the financial soundness of a business and how well the company can satisfy its obligations.



**Total Liabilities to NW (%)** Total debt to equity ratio is a broad measure of solvency. Question Mark (?) in graph designates your company's possible results.

**Quick Ratio (Times)** Quick Ratio measures short-term debt-paying ability. Question Mark (?) in graph designates your company's possible results.

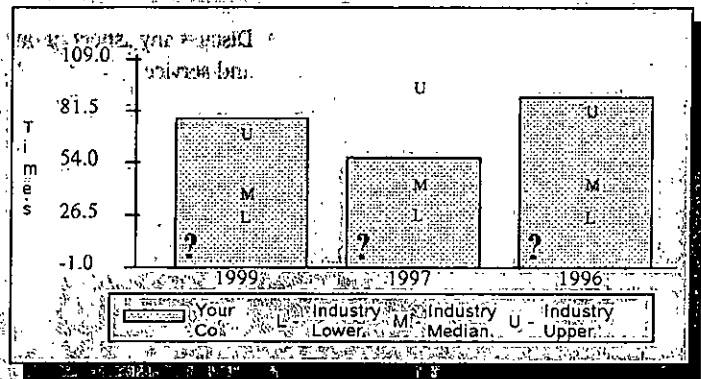
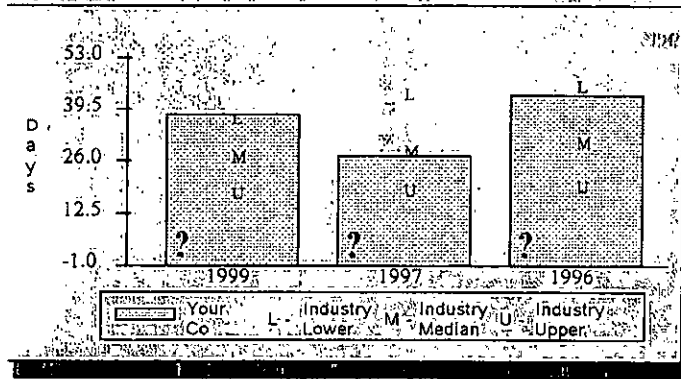
Ratios	1998 (133 Firms) Industry Quartiles					1997 (233 Firms) Industry Quartiles					1996 (226 Firms) Industry Quartiles			
	Your Co.	% Chg. Prior Yr.	Upper	Median	Lower	Your Co.	% Chg. Prior Yr.	Upper	Median	Lower	Your Co.	Upper	Median	Lower
Solvency (%)														
Quick Ratio (Times)			2.2	1.0	.7			1.9	1.1	.7		1.9	1.1	.7
Current Ratio (Times)			3.1	1.6	1.1			2.6	1.6	1.2		2.5	1.6	1.1
Curr. Liab. to NW			25.5	60.2	137.0			30.6	69.9	163.9		36.0	68.1	160.5
Curr. Liab. to Inv.			210.4	316.7	473.7			214.1	300.1	498.1		197.5	293.7	464.5
Total Liab. to NW			35.8	92.4	225.4			42.6	107.4	217.5		48.5	93.9	216.1
Fixed Assets to NW			26.5	59.2	134.6			25.3	56.0	114.8		26.0	59.4	107.6

- In 1998, the typical company in this industry supported its operations fairly evenly with both internal and external funding as noted by total liabilities representing 49.5% of capitalization.
- The median ratio of total debt to net worth held steady from 93.9% in 1996 to 92.4% in 1998.
- The median current ratio was 1.6 times in 1998, which indicated that each dollar of average current liabilities was supported by \$1.60 in current assets.
- The median current ratio held steady from 1996 to 1998.

# BusinessScope

## Analysis: Three Year Ratio Norms (continued)

**Efficiency Ratios:** Used to measure how well a firm manages and controls its assets and how effectively it utilizes those resources to generate sales.



**Collection Period (Days):** Collection period is a key measure of accounts receivable quality. Question Mark (?) in graph designates your company's possible results.

**Inventory Turnover (Times):** Inventory turnover measures how quickly inventory is sold. Question Mark (?) in graph designates your company's possible results.

Efficiency Ratio	1998 (133 Firms) Industry Quartiles				1997 (233 Firms) Industry Quartiles				1996 (226 Firms) Industry Quartiles						
	Your Co.	% Chg Prior Yr	Upper	Median	Lower	Your Co.	% Chg Prior Yr	Upper	Median	Lower	Your Co.	Upper	Median	Lower	
Collection Period			16.8	25.9	36.0			17.5	27.4	42.3			18.6	29.6	44.2
Inventory Turnover			65.9	35.7	24.3			90.9	41.3	25.3			79.1	40.7	24.4
Assets to Sales			24.6	34.8	42.0			22.3	30.1	40.8			23.3	28.7	39.7
Sales to NWC			20.9	10.7	6.2			28.9	12.5	7.1			26.4	13.4	7.8
Accts Pay to Sales			2.2	3.2	4.9			2.2	3.1	4.6			2.3	3.7	5.3

Collection period is measured in Days; Inventory Turnover and Sales to NWC in Times; Assets to Sales and Accts Payable to Sales in %

- The average company in this industry centered investment in current assets in 1998.
- The industry's median collection period was 25.9 days in 1998, and it shortened from 1997 to 1998.
- The median inventory turnover ratio was 35.7 times in 1998. The industry decreased from 1997 to 1998.
- The median accounts payable to sales ratio increased from 1997 to 1998.
- The industry's median assets to sales ratio was 34.8% in 1998.
- The median assets to sales ratio worsened from 1997 to 1998 suggesting a less efficient use of assets.

# BusinessScope

## Payment Capability Analysis

**Your PAYDEX Score: 79 [2 days slow]**  
**Industry Median: 80 [0 days slow]**

*'12 month payment trend has held steady.'*

Shibley Oil Company (Inc)'s Paydex Score (a numerical indicator of payment performance based upon payment experiences in D&B's file) was 79 as of June 2, 1999, which corresponds to average payments of 2 days slow. This score was near the industry median of 80. The company's payment record held steady during the 12 months ended June 1999.

*'Industry payment patterns also held steady.'*

There were 58 experiences reported to D&B during the most recent 12 months, with 39 experiences reported to D&B during the last quarter ended June. Total high credits currently in D&B's file are \$589,650. The highest credit is \$200,000, with an average high credit of \$10,166. Creditors extending discount terms were paid in a more favorable manner as those vendors offering net terms. The largest trade supplier group was petroleum refining at \$500,000, and symbolized 84.7% of the total exposure. Of all payment experiences reported to D&B over the past year, 98% were paid promptly, while 1% were paid within 30 days of terms, 1% of the experiences were paid in excess of 30 days beyond terms.

Payment experiences reflect how bills are met in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc.

----- % of Dollar Amounts -----

In D&B's File  
12 Mos Ending 6/99

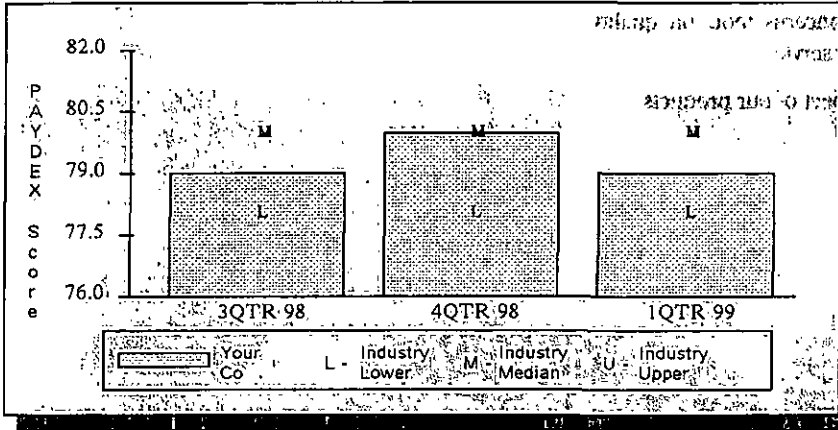
# of EXP #	Dollar Amount \$	Anti-Prompt %	Slow 1-30 %	Slow 31-60 %	Slow 61-90 %	Slow 91+ %
58	589,650	98	1	1	0	0

Detailed Summary of Your Firm's Payment Habits



# BusinessScope

## Payment Capability Analysis (continued)



PAYDEX 79

\*\*\*KEY\*\*\*

PAYDEX	PAYMENT
100	Anticipate
90	Discount
80	Prompt
70	Slow to 15
50	Slow to 30
40	Slow to 60
30	Slow to 90
20	Slow to 120
UN	Unavailable

Payment Profile	
Average High Credit	\$10,166
Total High Credit	\$200,000
Prior Year Paydex	79

**PAYDEX Score Analysis.** The PAYDEX system analyzes the payments in our file for a given business and converts that record into a numerical score. PAYDEX scores are updated daily and are based on as many as 875 trade experiences for a single business. The PAYDEX is tracked over a full 2-year period along with Industry Norm scores for comparison and trend evaluation.

The above chart compares the past year's PAYDEX Scores for **Shipley Oil Company (Inc)** to industry norms:

Every year, over 6,000 companies submit computer tapes of their accounts receivable experiences to Dun & Bradstreet. This provides a flow of payment experiences showing how companies pay their bills. Additionally, direct payment reference checking is employed. The combination of these efforts results in over 270 million payment experiences flowing into the Dun & Bradstreet information base on an annual basis.

To assure that your business's payment habits are more fully represented, you can provide Dun & Bradstreet with names of additional suppliers and vendors by calling our Customer Service Center at 1-800-333-0505.



Dun & Bradstreet

# BusinessScope

## Public Filings

Dun & Bradstreet collects business-related bankruptcies from all federal bankruptcy courts. D&B collects suits, liens, and judgments from thousands of state courthouses. Information is gathered by D&B court reporters and business analysts or sent to D&B electronically by courthouses and third-party sources. BusinessScope does not present UCC filings associated with your business. You may receive them by calling 1-800-333-0505.

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

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

### \*\*\* SUIT(S) \*\*\*

On May 5, 1993 a suit was filed against LEADER FARMS, New Freedom, PA, PHILLIPS CONSTRUCTION INC, Shrewsbury, PA and SHIPLEY OIL COMPANY, York, PA in York County Prothonotary, York, PA. Plaintiff's are as follows: ROBERT & ANN FARRELL ET AL, New Freedom, PA. The amount of the suit is \$30,000.

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.



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# BusinessScope

## News-worthy Events

**MERGER/ACQUISITION:** In Aug 1998, the Company acquired the assets of Arnold Fuel Oil, Bilger Fuels and Herman & Shenk.



Dun & Bradstreet

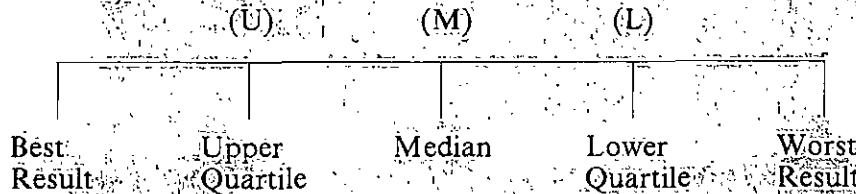
# BusinessScope

## Appendix

**Model Statements (on non-financial cases only):** Are created from averages of financial statements D&B has received from other companies in your line of business and reflect typical income statement and balance sheet items from your industry.

**Industry Norms:** Lists each income statement item as a percentage of total sales and each balance sheet item as a percentage of total assets or total capitalization (liabilities and net worth). These are derived from averages calculated from statements D&B has received from other companies in your industry group.

**Ratio Norms:** The 14 key business ratios are used by lenders and analysts to evaluate a company's strengths and weaknesses. Each of the 14 key ratios is calculated for every firm in your industry group that has submitted a financial statement to D&B. A series of individual ratio results is arranged from the best result to the worst result, and the figure that falls in the middle of the group is designated as the median or midpoint for that ratio (see chart below).



The figure halfway between the median and the best result becomes the upper quartile result. The figure halfway between the median and the worst result becomes the lower quartile result. The upper, median and lower quartile results will be the three figures presented in the ratio norms.

## Geographical Breakdowns:

### Northeast

Connecticut  
 Delaware  
 District of Columbia  
 Maine  
 Maryland  
 Massachusetts  
 New Hampshire  
 New Jersey  
 New York  
 Pennsylvania  
 Rhode Island  
 Vermont

### Central

Illinois  
 Indiana  
 Iowa  
 Kansas  
 Michigan  
 Minnesota  
 Missouri  
 Nebraska  
 North Dakota  
 Ohio  
 South Dakota  
 Wisconsin

### South

Alabama  
 Arkansas  
 Florida  
 Georgia  
 Kentucky  
 Louisiana  
 Mississippi  
 North Carolina  
 Oklahoma  
 South Carolina  
 Tennessee  
 Texas  
 Virginia  
 West Virginia  
 Puerto Rico

### West

Alaska  
 Arizona  
 California  
 Colorado  
 Hawaii  
 Idaho  
 Montana  
 Nevada  
 New Mexico  
 Oregon  
 Utah  
 Washington  
 Wyoming



Dun & Bradstreet

# BusinessScope

## Appendix - Continued

### Solvency Ratios

**Quick Ratio** =  $\frac{\text{Cash} + \text{Accts Rec}}{\text{Total Current liabilities}}$

Shows the dollars of liquid assets (convertible into cash within 30 days) available to cover each dollar of current debt.

**Current Ratio** =  $\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$

Measures the margin of safety present to cover any possible reduction of current assets.

**Current Liabilities to Net Worth** =  $\frac{\text{Total Current Liabilities}}{\text{Net Worth}}$

Contrasts the amounts due creditors within a year with the funds permanently invested by owners. The smaller the net worth and the larger the liabilities, the greater the risk.

**Current Liabilities to Inventory** =  $\frac{\text{Total Current Liabilities}}{\text{Inventory}}$

Tells you how much a firm relies on funds from disposal of unsold inventories to meet debt.

**Total Liabilities to Net Worth** =  $\frac{\text{Total liabilities}}{\text{Net Worth}}$

Compares the company's total indebtedness to the venture capital invested by the owners. High debt levels can indicate greater risk.

**Fixed Assets to Net Worth** =  $\frac{\text{Fixed Assets}}{\text{Net Worth}}$

Reflects the portion of net worth that consists of fixed assets. Generally, a smaller ratio is desired.

### Efficiency Ratios

**Collection Period** =  $\frac{\text{Accounts Receivable}}{\text{Sales}} \times 360$

Reflects the average number of days it takes to collect receivables.

**Inventory Turnover** =  $\frac{\text{Sales}}{\text{Inventory}}$

Determine the rate at which merchandise is being moved and the effect of the flow of funds into a business!

**Assets to Sales** =  $\frac{\text{Total Assets}}{\text{Sales}}$

This rate ties in sales and the total investment in assets that is used to generate those sales.

**Sales to Net Working Capital** =  $\frac{\text{Sales}}{\text{Net Working Capital}}$

(Net Working Capital = Current Assets - Current Liabilities)

Measures the efficiency of management to use its short term assets and liabilities to generate revenues.

**Accounts Payable to Sales** =  $\frac{\text{Accounts Payable}}{\text{Sales}}$

Measures the extent to which the supplier's money is being used to generate sales. When this ratio is multiplied by 365 days, it reflects the average number of days it takes the company to repay its suppliers.

### Profitability Ratios

**Return on Sales (Profit Margin)** =  $\frac{\text{Net Profit after Taxes}}{\text{Sales}}$

Reveals profits earned per dollar of sales and measures the efficiency of the operation.

**Return on Assets** =  $\frac{\text{Net Profit after Taxes}}{\text{Total Assets}}$

This is the key indicator of profitability for a firm. It matches net profits with the assets available to earn a return.

**Return on Net Worth (Return on Equity)** =  $\frac{\text{Net Profit after Taxes}}{\text{Net Worth}}$

Analyzes the ability of the firm's management to realize an adequate return on the capital invested by the owners of the firm.

SHIPLEY OIL COMPANY (INC)  
YORK PA

SEP 12 1997

Page 4  
FULL REVISION-RATING CHANGE

13061

01610

**FILINGS**

(Cont'd) and OTHERS  
WHERE FILED: YORK COUNTY PROTHONOTARY, YORK,  
PA

On 09/11/97, David E Wilson, Vice President, SHIPLEY OIL COMPANY, stated that the suit is still open.

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**  
09/12/97

WILLIAM S SHIPLEY II, CHAIRMAN OF THE BOARD+ WILLIAM S SHIPLEY III, PRESIDENT+  
DAVID E WILSON, EXECUTIVE VICE PRESIDENT-TREASURER ROBERT C BORDEN JR, EXECUTIVE VICE PRESIDENT  
DIRECTOR(S): The officers identified by (+) and Lavern H Brenneman and Harry C Zimmerman.

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF 09/08/1997:

BUSINESS TYPE: Corporation - Profit DATE INCORPORATED: 12/13/1968  
STATE OF INCORP: Pennsylvania

Authorized capital consists of 50,000 shares common stock, \$1 p value. A charter amendment was filed on May 11 1988 changing the name of this company from Shipley-Humble Inc to Shipley Oil Company (Inc) Business started 1969 by William S Shipley II. 100% of capital stock is owned by the chairman.

WILLIAM S SHIPLEY II born 1930. EDUCATIONAL BACKGROUND: Graduated from Lehigh University, School of Business Administration, Bethlehem, PA in 1953. OCCUPATIONAL BACKGROUND: 1953-1957 employed by C V Hill Company, Trenton, NJ. 1957-1969 active as vice president of York-Shipley Inc, York, PA which position he resigned on the late date. 1969-present active here.

WILLIAM S SHIPLEY III born 1956. EDUCATIONAL BACKGROUND: Graduated from Emory University, Atlanta, GA in 1978 and from Pennsylvania State University, State College, PA in 1980 with a M.B Degree. OCCUPATIONAL BACKGROUND: 1980-1982 employed by Southland Corp, Wilmington, DE as a store manager. 1982-present active here, becoming an officer in 1991.

DAVID E WILSON born 1940. EDUCATIONAL BACKGROUND: Graduated from Elizabethtown College, Elizabethtown, PA in 1962. OCCUPATIONAL BACKGROUND: 1963-1969 employed by York Shipley Inc, York, PA. 1969-present active here, becoming an officer in 1989.

ROBERT C BORDEN JR born 1944. EDUCATIONAL BACKGROUND: Graduated from Richmond Professional Institute, Richmond, VA. OCCUPATIONAL BACKGROUND: 1967-1973 employed by Exxon Corporation, Norfolk, VA. 1973-present active here.

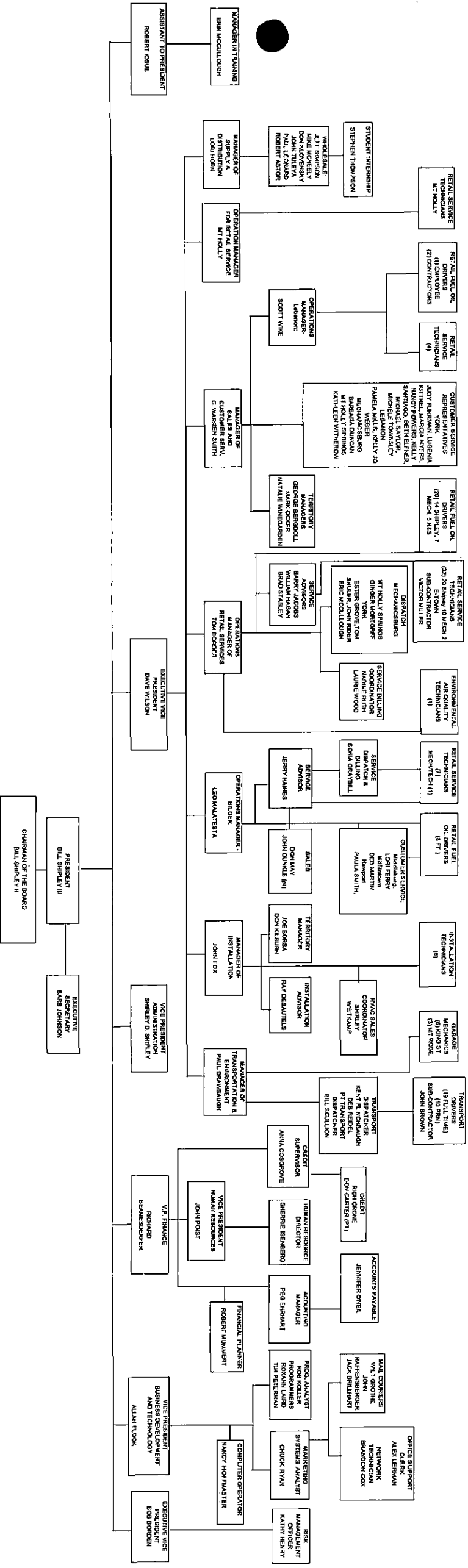
Affiliates: The following are related through common principal management and/or ownership. Shipley Stores Inc, York, PA, started 1994. DUNS #83-519-7245. Operates as a retailer of gasoline and operates convenience stores. Intercompany relations: None reported management.

**OPERATION**  
09/12/97

Retails fuel oil (65%) and wholesales petroleum products including fuel oil, kerosene, diesel fuel and gasoline (29%). Also engaged in installation of heating, ventilation and air conditioning

(CONTINUE

**SHIPLEY OIL COMPANY  
ORGANIZATIONAL CHART**



# ACORD CERTIFICATE OF LIABILITY INSURANCE

PRODUCER  
Willis Corroon Corporation of Maryland  
10 North Park Drive  
Hunt Valley MD 21030  
(410) 527-1200

60614

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY **A** St. Paul Fire and Marine Insurance Company  
(USF&G)

COMPANY **B** Gulf Insurance Company

COMPANY **C** Pennsylvania Manufacturers Indemnity Company

COMPANY **D**

Neil Eckenrode

INSURED

Shipleigh Oil Company  
550 East King Street  
P. O. Box 946  
York PA 17405-0946

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	1CP30027720802	01-SEP-1998	01-SEP-1999	GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS-COMP/OP AGG \$ 2,000,000
					PERSONAL & ADV INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED EXP (Any one person) \$ 5,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	1CP30027720802	01-SEP-1998	01-SEP-1999	COMBINED SINGLE LIMIT \$ 1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY: \$
B	<b>EXCESS LIABILITY</b> <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	CU6086983	01-SEP-1998	01-SEP-1999	EACH OCCURRENCE \$ 5,000,000
					AGGREGATE \$ 5,000,000
					AGGREGATE \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	2298007598519	01-SEP-1998	01-SEP-1999	WC STATUTORY LIMITS OTHER \$
					EL EACH ACCIDENT \$ 500,000
					EL DISEASE-POLICY LIMIT \$ 500,000
					EL DISEASE-EA EMPLOYEE \$ 500,000
OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

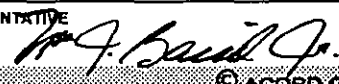
CERTIFICATE HOLDER

Pennsylvania Public Utilities Commission  
PO Box 3265  
Harrisburg PA 17105-3265

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE





CREDIT REFERENCE INFORMATION

Chairman of the Board: W. S. Shipley, II  
Nature of Business: Petroleum Distributors  
Founding Year: 1929

Trade References:

Dauphin Bank  
Attn: Eric Rebert  
2055 S. Queen St.  
York, Pa. 17405

Hamilton Bank  
Attn: Ed Deptula, V. P.  
PO Box 2346  
York, Pa. 17405

Mobil Oil Corp.  
Attn: Carlene Briggs  
Room 3E 275  
40 Liberty Blvd.  
Malvern, Pa. 19355

Star Enterprises  
Attn: Carl Wallace  
12700 Northborough Drive  
Houston, Tx. 77067

Bayway Refining Co.  
Attn: Lizbeth Flannigan  
1400 Park Ave.  
1st Floor-Trading Room  
Linden, NJ. 07036

Sun Oil Company Inc.  
Attn: W. S. Stahlnecker-Credit 21st Fl.  
1801 Market St.  
Philadelphia, Pa. 19103-1699

Pennsylvania Sales Tax Registration #6714002-3

David E. Wilson

Executive Vice President

SHIPLEY OIL COMPANY  
**PRESIDENT**  
1999 JOB DESCRIPTION

**Requirements** - Demonstrated competence in finance and marketing are required. Also, the ability to develop and lead a growing organization and strong verbal and written communication skills are essential.

**Responsibility** - The President is the Chief Operating Officer and has responsibility for the effectiveness of Shipley Companies. This position has responsibility for the annual operating budget, supervision of finance, operations and marketing. The President promotes a good corporate neighbor image in the community. The President advocates continuous improvement in safety, learning, teamwork, growth and fun for everyone in the organization.

**Authority** - The President has authority to spend up to \$100,000, make final recommendations on new acquisitions, site locations, expanding current business or services. This position also makes recommendation on the sale of any of the above. This position approves the allocation of all capital expenses. This position has final review of all hiring, promotions, reviews and dismissals.

**Relationships** - The President reports to the Chairman of the Board of Shipley Oil Company. Reporting to the President are the two Executive Vice Presidents, Vice President of Administration, Vice President - Business Development and Technology, Vice President of Finance, Vice President - Operations of Shipley Stores Inc., Assistant to the President, Executive Secretary and President of Schuchart Oil and Propane. This position has internal contact with all staff managers and employees. External contacts include banks, other oil companies, corporate attorneys, accountants and professional and community organizations.

**Expected Results** - The President assembles the team that develops and executes the strategic plan. The President is expected to meet net profit forecast, maintain the balance sheet within bank covenants and provide 15% return on equity.

My signature indicates my confident ability and commitment to perform this job description.

---

W.S. Shipley III

---

Date

3/12/99smi  
Pres.Doc.

SHIPLEY OIL COMPANY  
EXECUTIVE VICE PRESIDENT  
1999 JOB DESCRIPTION

**Requirements** - Comprehensive experience and understanding of business operations, finance and marketing are required for the Executive Vice President, excellent communication skills, analytical skills and the ability to motivate others to peak performance are also required.

**Responsibilities** - The Executive Vice President is responsible for the following: asset acquisition and disposition, insurance, gross profits, building maintenance, and overall public image of the Shipley Companies. This responsibility includes management of certain business expenses. The Executive Vice President is also responsible for leading and coordinating corporate long term acquisition efforts. In addition, the Executive Vice President serves as an advisor and board member to Shipley Stores, Inc. and Schuchart, Inc.

**Authority** - The Executive Vice President has the authority to approve operating expenses within the forecast and approve capital expenses within the forecast. He has the authority to hire, review and promote and dismiss those directly reporting to him with the approval of the President. He has the authority to resolve customer complaints.

**Relationships** - The Executive Vice President reports to the President. Reporting to the Executive Vice President is the Risk Management Officer. Internal relationships include the Board, Executive Vice President, staff managers and associates. External contacts include professional and community organizations, other oil companies and customers.

**Expected Results** - The Executive Vice President is expected to meet or exceed the Company's annual gross profit and net profit forecasts. The Executive Vice President is also expected to develop investment opportunities that exceed 15% return on investment and to develop marketing programs that will improve the performance of existing corporate assets. In addition the Executive Vice President is expected to work with the executive team to develop and execute the approved strategic plans.

My signature indicates my confident ability and commitment to perform this job description.

---

Robert C. Borden

---

Date

3/11/99smi  
EVPBOR.doc

SHIPLEY OIL COMPANY  
**EXECUTIVE VICE PRESIDENT**  
1999 JOB DESCRIPTION

**Requirements** - Comprehensive experience and understanding of business operations, finance and marketing are required for the Executive Vice President. Excellent communications skills, analytical skills and the ability to motivate others to peak performance are also required.

**Responsibility** - The Executive Vice President is responsible for the operation and results of the Company in the absence of the President. Daily Responsibilities include bulk purchases, bulk sales of oil, natural gas and unbranded gas. The Executive Vice President is also responsible for the Retail Heating Oil, HVAC Service & Installation and Transport businesses. This position is responsible for a capital plan, negotiating loans and meeting covenants set by banks, suppliers and owners. In addition, the Executive Vice President serves as an advisor and board member to Shipley Stores, Inc. and Schuchart, Inc.

**Authority** - The Executive Vice President has the authority to supervise the purchase and pricing of petroleum products, negotiate and manage the labor contract, supervise sales of wholesale fuels, and manage the advertising/marketing plan for the Company. This position has the authority to supervise the Retail Heating Oil, HVAC Service & Installation, and Transport operations. He also has the authority to approve operating expenses within the forecast, approve capital expenses under \$100,000 and reject (or endorse) capital expenses over \$100,000. This position can also hire, review, promote and can dismiss those directly reporting to him with the approval of the President.

**Relationships** - This position reports to the President. Reporting to the Executive Vice President are the Operations Manager of Retail Services and the Manager of HVAC Sales and Customer Service, Installation Manager, Manager of Supply & Distribution and Manager of Transportation and Environment. Internal contacts include all staff managers and associates. External contacts include banks, accountants, petroleum suppliers, other oil companies, customers and professional and community organizations.

**Expected Results** - The Executive Vice President is expected to meet net profit forecast, as well as, overall balance sheet objectives established by the Chairman of the Board and creditors. The Executive Vice President is also expected to implement strategies that will improve corporate value and meet return on investment objectives. This position is also responsible for executing the Company Strategic Plan.

My signature indicates my confident ability and commitment to perform this job description.

---

David E. Wilson

---

Date

3/11/99smi  
execpres.doc

SHIPLEY OIL COMPANY  
VICE PRESIDENT OF FINANCE  
1999 JOB DESCRIPTION

**Requirements** - Comprehensive experience and understanding of business operations and finance are required for the Vice President of Finance. Excellent communications skills, ability to read and speak English, analytical skills and the ability to motivate others to peak performance are required.

**Responsibility** - The Vice President is responsible for all accounting operations and controls, financial reporting, daily cash management, long term financing, acquisition and capital investments, and the management of employee benefits. These responsibilities include the compilation and publication of the monthly profit and loss statements, balance sheet, audited corporate financial statements, corporate forecast, proforma financials and conducting year-end physical inventories. Responsibilities of managing employee benefits include purchasing, reviewing, communicating and promoting benefits, conducting employee recognition programs, monitoring all federal, state and local laws as they pertain to employment practices and assisting in union contract negotiations. The Vice President is responsible for Schuchart's financial stability and reporting systems. The Vice President of Finance serves on the Board of Directors for Schuchart, Inc. and as Treasurer of Shipley Stores, Inc.

**Authority** - The Vice President has the authority to analyze all corporate financials and take necessary actions to insure accurate reporting and safeguard of assets. With the approval of the President, recommends annual salary adjustments, hires and terminates personnel supervised. This position has the authority to act with regards to managing employee fringe benefits and human resource issues; advising President of actions taken.

**Relationships** - This position reports to the President. Reporting to this position is the Vice President of Human Resources, Financial Planner, the Shipley Stores Controller, the Shipley Oil Accounting Manager, the Schuchart Accounting Manager and Credit Managers. This position has internal contacts with all other staff positions. External contacts include auditors, competitors, customers, banks, attorneys, various governmental agencies, insurance companies, physicians and actuaries. The Vice President of Finance serves on the Board of Directors for Schuchart, Inc.

**Expected Results** - The Vice President of Finance is expected to have the monthly financial statements published according to schedule, make the presentation of year-end audited financial statements at the Board of Directors meeting, publish the corporate forecast by January 31, complete other financials, maintain internal accounting controls and supervise the processing of all accounting data on a timely and accurate basis. It is expected that employee benefits are purchased, reviewed and promoted on a timely basis, employee manuals are updated according to schedule and benefits are purchased at a competitive price. The Vice President is responsible for implementation of the Administrative strategic goals for both Shipley Oil and Shipley Stores, Inc.

My signature indicates my confident ability and commitment to perform this job description.

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Richard M. Beamesderfer

---

Date

smi 3/19/99  
s:\wwd\vpfinanc

- 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.**

23. **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.

24. **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.

25. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.

Applicant:: Shuply Oil Co. Inc.  
By: Jeffrey T. Fin  
Title: Energy Sales Coordinator

# AFFIDAVIT

Commonwealth of Pennsylvania:

: SS.

County of York :

**William S. Shipley**, Affiant, being duly sworn according to law, deposes and says that:

he is the **President of Shipley Oil Co., Inc. d/b/a Shipley Energy**.

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

That **Shipley Oil Company, Inc.**, the Applicant herein, acknowledges that it 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 **Shipley Oil Company, 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 **Shipley Oil Company, 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 **Shipley Oil Company, 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.

*William P. Pyley*  
Signature of Affiant

Sworn and subscribed before me this 22 day of July, 1999.

*Barbara J. Johnson*  
Signature of official administering oath

My commission expires December 14, 2000.

Notarial Seal  
Barbara J. Johnson, Notary Public  
West Manchester Twp., York County  
My Commission Expires Dec. 14, 2000  
Member, Pennsylvania Association of Notaries



**AFFIDAVIT**

Commonwealth of Pennsylvania :

:

SS.

County of York :

**William S. Shipley, III**, Affiant, being duly sworn according to law, deposes and says that:

He is the **President of Shipley Oil Company, Inc.**;

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

That the Applicant herein, Shipley Oil Company, 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, Shipley Oil Company, Inc., has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

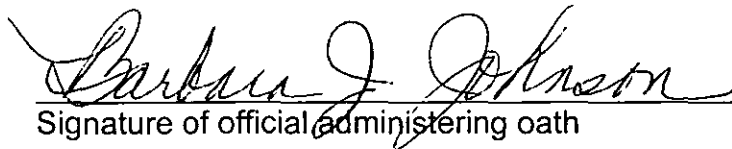
That the Applicant herein, Shipley Oil Company, Inc., acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein, Shipley Oil Company, 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.

  
Signature of Affiant

Sworn and subscribed before me this 21 day of July, 1999.

  
Signature of official administering oath

My commission expires December 14, 2000.

## 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 <u>Shibley Oil Company, Inc.</u>	2. BUSINESS PHONE NO. (717) 848-4100 CONTACT PERSON(S) FOR TAX ACCOUNTS: <u>Richard Beamesderfer, V.P. of Finance</u>
--	---

3. TRADE/FICTITIOUS NAME (IF ANY)  
d/b/a Shibley Energy

4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP)  
550 E. King Street, P.O. Box 946, York, Pennsylvania 17405

5. TYPE OF ENTITY  SOLE PROPRIETOR  PARTNERSHIP  CORPORATION

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

NAME (PRINT) <u>William S. Shibley, II, Chairman of the Board</u>	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
--	---

NAME (PRINT) <u>William S. Shibley, III, President</u>	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
---	---

NAME (PRINT) <u>David E. Wilson, Executive Vice President</u>	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
--	---

NAME (PRINT) <u>Robert C. Borden, Executive Vice President</u>	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
---	---

NAME (PRINT) <u>Shirley D. Shibley, Vice President of Administration</u>	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
<u>Richard M. Beamesderfer, Vice President of Administration</u>	

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

<b>A. SALES TAX LICENSE (8 DIGITS)</b> APPLICATION PENDING N/A <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px;">6</td><td style="border: 1px solid black; padding: 2px;">7</td><td style="border: 1px solid black; padding: 2px;">-</td><td style="border: 1px solid black; padding: 2px;">1</td><td style="border: 1px solid black; padding: 2px;">4</td><td style="border: 1px solid black; padding: 2px;">0</td><td style="border: 1px solid black; padding: 2px;">0</td><td style="border: 1px solid black; padding: 2px;">2</td><td style="border: 1px solid black; padding: 2px;">-</td><td style="border: 1px solid black; padding: 2px;">3</td> </tr> </table> <input type="checkbox"/> PENDING <input type="checkbox"/> N/A	6	7	-	1	4	0	0	2	-	3	<b>C. CORPORATE BOX NUMBER (7 DIGITS)</b> APPLICATION PENDING N/A <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px;">9</td><td style="border: 1px solid black; padding: 2px;">0</td><td style="border: 1px solid black; padding: 2px;">5</td><td style="border: 1px solid black; padding: 2px;">5</td><td style="border: 1px solid black; padding: 2px;">3</td><td style="border: 1px solid black; padding: 2px;">0</td><td style="border: 1px solid black; padding: 2px;">9</td> </tr> </table> <input type="checkbox"/> PENDING <input type="checkbox"/> N/A	9	0	5	5	3	0	9
6	7	-	1	4	0	0	2	-	3									
9	0	5	5	3	0	9												

<b>B. EMPLOYER ID (EIN) (9 DIGITS)</b> APPLICATION PENDING N/A <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px;">2</td><td style="border: 1px solid black; padding: 2px;">3</td><td style="border: 1px solid black; padding: 2px;">-</td><td style="border: 1px solid black; padding: 2px;">1</td><td style="border: 1px solid black; padding: 2px;">7</td><td style="border: 1px solid black; padding: 2px;">0</td><td style="border: 1px solid black; padding: 2px;">2</td><td style="border: 1px solid black; padding: 2px;">4</td><td style="border: 1px solid black; padding: 2px;">8</td><td style="border: 1px solid black; padding: 2px;">3</td> </tr> </table> <input type="checkbox"/> PENDING <input type="checkbox"/> N/A	2	3	-	1	7	0	2	4	8	3	
2	3	-	1	7	0	2	4	8	3		

10. Do you have PA employes 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

<u>Richard Beamesderfer, Vice President of Finance</u>	<u>Richard Beamesderfer, Vice President of Finance</u>	<u>Richard Beamesderfer, Vice President of Finance</u>
PA SALES AND USE TAX	EMPLOYER TAXES	CORPORATE TAXES
PHONE <u>(717)771-1929</u>	PHONE <u>(717)771-1929</u>	PHONE <u>(717)771-1929</u>

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)

**AFFIDAVIT**

Commonwealth of Pennsylvania :

:

SS.

County of York :

:

**David E. Wilson**, Affiant, being duly sworn according to law, deposes and says that:

He is the **Executive Vice President of Shipley Oil Company, Inc., d/b/a Shipley Energy;**

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

That **Shipley Oil Company, Inc., d/b/a Shipley Energy**, the Applicant herein, acknowledges that it has served the following parties with copies of this Application for Natural Gas License and Attachments:

Irwin Popowsky  
Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14<sup>th</sup> Floor  
Harrisburg, PA 17120

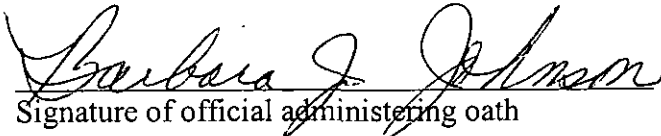
Bernard A. Ryan, Jr.  
Commerce Building, Suite 1102  
Small Business Advocate  
300 North Second Street  
Harrisburg, PA 17101

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

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 any hearing hereof.

  
\_\_\_\_\_  
Signature of Affiant

Sworn and subscribed before me this 26<sup>th</sup> day of July, 1999.

  
\_\_\_\_\_  
Signature of official administering oath

My commission expires December 14, 2000

Notarial Seal  
Barbara J. Johnson, Notary Public  
West Manchester Twp., York County  
My Commission Expires Dec. 14, 2000

Member, Pennsylvania Association of Notaries

Attachment A  
**AFFIDAVIT**

Commonwealth of Pennsylvania :

:

SS.

County of York :

:

**William S. Shipley, III**, Affiant, being duly sworn according to law, deposes and says that:

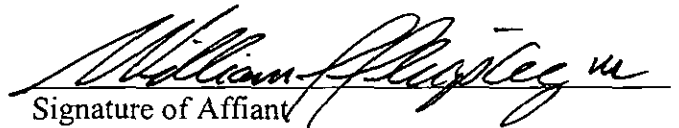
He is the **President of Shipley Oil Company, Inc.**;

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

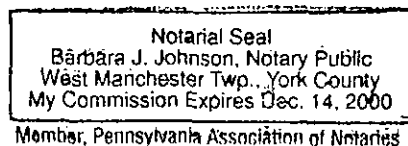
That **Shipley Oil Company, Inc., d/b/a Shipley Energy**, the Applicant herein, acknowledges that it has served the following Natural Gas Distribution Companies, through whose transmission and distribution facilities the Applicant intends to supply customers, with copies of this Application for Natural Gas License and Attachments:

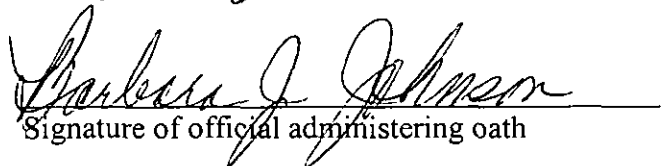
**PFG, Inc.**  
**UGI**  
**Columbia Gas of Pennsylvania, Inc.**

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 any hearing hereof.

  
Signature of Affiant

Sworn and subscribed before me this 22 day of July, 1999.



  
Signature of official administering oath

My commission expires December 14, 2000.

## 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.

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

August 16, 1999

A-125015

ALBERT G BLAKEY ESQ  
BLAKEY YOST BUPP & SCHAUMANN  
17 E MARKET ST  
YORK PA 17401

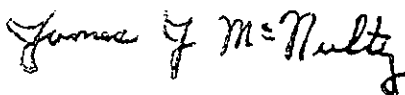
Dear Mr. Blakey:

The Application and \$350.00 filing fee of Shipley Oil Company, Inc., d/b/a Shipley Energy filed in this Office on July 28, 1999, for approval to supply Natural Gas Services as a 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.

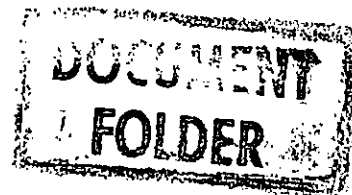
Sincerely,



James J. McNulty  
Secretary

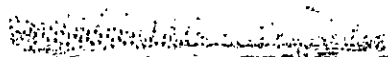
JJM:laf

cc: JEFFREY T SIMPSON ENERGY SALES COORDINATOR  
SHIPLEY OIL COMPANY INC D/B/A SHIPLEY ENERGY  
550 E KING ST P O BOX 946  
YORK PA 17405



DOCKETED

AUG 16 1999



**DATE:** August 16, 1999  
**SUBJECT:** A-125015  
**TO:** Bureau of Fixed Utility Services  
**FROM:** James J. McNulty, Secretary

LAF

Attached is a copy of the Application of Shipley Oil Company, Inc., d/b/a Shipley Energy for a license to supply Natural Gas Services as a Broker/Marketer and Aggregator engaged in the business of supplying natural gas.

Please note that the application is lacking the following item(s):

1. Affidavit attesting to publication in newspaper

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: LAW  
BCS  
CMU  
OTS  
CEEP

laf

**DOCKETED**

AUG 16 1999

**DOCUMENT  
FOLDER**

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

SHIPLEY OIL CO INC  
T/A SHIPLEY ENERGY  
PO BOX 946  
YORK PA 17405

99 AUG 25 PM 12:00  
RECEIVED  
SECRETARY'S BUREAU

DATE 8/24/99  
RECEIPT # 195998

IN RE: Application fees for SHIPLEY OIL CO INC T/A SHIPLEY ENERGY

Docket Number A-125015..... \$350.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 363990 (26590)

CHECK AMOUNT: \$350.00

C. Joseph Meisinger  
(for Department of Revenue)

DOCUMENT  
FOLDER

DOCKETED  
AUG 25 1999

EEF