Avalon Energy Services, LLC

Experience. Independence. Objectivity.

Secretary of the Commission Pennsylvania Public Utility Commission Keystone Building, 2nd Floor Room N201 Harrisburg, PA 17120

RE: Natural Gas Broker Application, Avalon Energy Services LLC, Docket # A-2014-2424399

June 18, 2014

Dear Secretary of the Commission:

Enclosed please find notarized Proofs of Publication from the six Pennsylvania newspapers that were listed in our application along with our notarized affidavit.

The Philadelphia Daily News - June 4, 2014

The Patriot-News - June 5, 2014

The Scranton Times - June 4, 2014

The Williamsport Sun-Gazette - June 10, 2014

The Erie Times-News – June 4, 2014

The Pittsburgh Post-Gazette - June 4, 2014

Also enclosed please find Bonding Requirement letters from the eleven natural gas LDCs operating in the Commonwealth of Pennsylvania. Each of the letters states that a bond is not required of Avalon Energy Services LLC at this time.

Columbia Gas of PA, Inc

National Fuel

PECO

Peoples Group of Companies: Peoples Natural Gas Company LLC, Peoples TWP, Peoples

Natural Gas LLC - Equitable Division

Philadelphia Gas Works

UGI Utilities Inc: UGI-Central Penn Gas, UGI-Penn Natural Gas, UGI Utilities Gas Division

Valley Energy

If you have any questions please contact me at 1-888-484-8096, extension 201.

Sincerely,

Anne Elisa McDonnell, President

Avalon Energy Services, LLC

5507 Lambeth Road

Bethesda, MD 20814

aemcdonnell@avalonenergy.us

Proof of Publication in The Philadelphia Daily News Under Act. No 587, Approved May 16, 1929

STATE OF PENNSYLVANIA COUNTY OF PHILADELPHIA

Florence Devlin being duly sworn, deposes and says that **The Philadelphia Daily News** is a newspaper published daily, except Sunday, at Philadelphia, Pennsylvania, and was established in said city in 1925, since which date said newspaper has been regularly issued in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said newspaper on the following dates:

June 4, 2014

Affiant further deposes and says that she is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

France Daley

Sworn to and subscribed before me this 4th day of June, 2014.

Mary line Logar

My Commission Expires:

NOTARIAL SEAL Mary Anne Logan, Notary Public City of Philadelphia, Phila. County My Commission Expires 3/30/2013

Copy of Notice of Publication

PUBLIC UTILITY COMMISSION NOTICE
Application of Avalon Energy Services LLC
For Approval To Offer, Render, Furnish Nature
Gas Supply Services as a Marketer/Broker o
Aggregator Engaged in The Business Of Supply
ing Natural Gas Supply Services, To The Publi
in The Commonwealth Of Pennsylvania.
On June 2, 2014, Avalon Energy Services LLC
filed an application with the Pennsylvania Publi
Utility Commission ("PUC") for a license to pro
vide natural gas supply services as (1) a broker
marketer engaged in the business of supplyinnatural gas, and (2) an aggregator engaged in
the business of providing natural gas suppl
services. Avalon Energy Services LLC
pro
poses to sell natural gas and related service
throughout all of Pennsylvania under the provi
sions of the new Natural Gas Choice and Com
petition Act.
The PUC may consider this application withou
a hearing. Protesta directed to the technical of
financial fitness of Avalon Energy Services
LLC may be filed within 15 days of the date of
this notice with the Secretary of the PUC, P.C
Box 3265, Harrisburg, PA 17105-3265. Yoshould send copies of any protest to James C

By and through James C. McDonnell, COO Avaion Energy Services LLC 5507 Lambeth Rd. Bethesda, MD 20814 The Patriot-News Co. 2020 Technology Pkwy Suite 300 Mechanicsburg, PA 17050 Inquiries - 717-255-8213



AVALON ENERGY SERVICES 5507 LAMBETH RD

BETHESDA

MD 20814

THE PATRIOT NEWS THE SUNDAY PATRIOT NEWS

Proof of Publication

Under Act No. 587, Approved May 16, 1929 Commonwealth of Pennsylvania, County of Dauphin} ss

Marianne Miller, being duly sworn according to law, deposes and says:

That she is a Staff Accountant of The Patriot News Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 2020 Technology Pkwy, Suite 300, in the Township of Hampden, County of Cumberland, State of Pennsylvania, owner and publisher of The Patriot-News and The Sunday Patriot-News newspapers of general circulation, printed and published at 1900 Patriot Drive, in the City, County and State aforesaid; that The Patriot-News and The Sunday Patriot-News were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday/ Community Weekly editions which appeared on the date(s) indicated below. That neither she nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as

to the time, place and character of publication are true; and

That she has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on aforesaid by virtue and pursuant to a resolution unanimously passed and adopted severally by the ctors of the said Company and subsequently duly recorded in the office for the Recording of Deeds hin in Miscellaneous Book "M", Volume 14, Page 317.

Agoresaid by ctors of the shin in Miscell PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE
Application of Avalon Energy Services
LLC For Approval To Offer, Render,
Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator
Engaged in The Business of Supplying
Natural Gas Supply Services, To The
Public in The Commonwealth Of
Pennsylvania,
On June 2, 2014, Avalon Energy
Services LLC filed an application with
the Pennsylvania Public Utility
Commission (*PUC*) for a license to
provide natural gas supply services as
(1) a broker/marketer engaged in the
business of supplying natural gas, and
(2) an aggregator engaged in the
business of providing natural gas supply
services. Avalon Energy Services LLC
proposes to sell natural gas and related
services throughout all of Pennsylvania
under the provisions of the new Natural
Gas Choice and Competition Act.
The PUC may consider this
application without a hearing. Protests
directed to the technical or financial
titness of Avalon Energy Services LLC
may be filed within 15 days of the date of
this notice with the Secretary of the
PUC, P.O. Box 3265, Harrisburg, PA
17105-3265, You should send copies of
any protest to James C. McDonnell, COO
at the address listed below. Please
include the company name on any
correspondence.
By and through James C. McDonnell,
COO
Avalon Energy Services LLC
S507 Lambeth Rd.
Bethesda, MD 20814
1-888-484-8996 ext. 202
Fax 1-888-484-8096

This ad # 000/23028/3 ran on the dates shown below:
June 05, 2014

Sworn to and subscribed before me this 05 day of June, 2014 A.D.

Notary Public

Notarel Seal
Holly Lynn Warfel, Notary Public
Washington Two, Chuphin County
My Commission Expires Dec. 12, 2016
MEMBER, PENNSYLVANIA ASSIVACIA

(Under act P.L. 877 No 160. July 9,1976) The Scranton Times

Commonwealth of Pennsylvania, County of Lackawanna

AVALON ENERGY SERVICES LLC ANNE ELISA MCDONNELL 5507 LAMBETH ROAD BETHESDA MD 20814

Account # 446680 Order # 81522012 Ad Price: 215.30

LEGAL NOTICE PENNSYLVANIA

Gina Krushinski

Being duly sworn according to law deposes and says that (s)he is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

06/04/2014

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true

Sworn and subscribed to before me this 4th day of June A.D., 2014

(Notary Public)

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal Sharon Venturi, Notary Public

City of Scranton, Lackawanna County My Commission Expires Feb. 12, 2018

MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

LEGAL NOTICE

PENNSYLVANIA PUBLIC UTILITY
COMMISSION NOTICE
Application of Avalon Energy Services
LLC For Approval To Offer, Render,
Furnish Natural Gas Supply Services
as a Marketer/Broker or Aggregator
Engaged In The Business Of Supplying Natural Gas Supply Services, To
The Public In The Commonwealth Of
Pennsylvania.
On June 2, 2014, Avalon Energy Services LLC filed an application with the
Pennsylvania Public Utility Commission (*PUC*) for a license to provide
natural gas supply services as (1) a
broker/marketer engaged in the business
of supplying natural gas, and (2)
an aggregator engaged in the business
of providing natural gas supply services. Avalon Energy Services LLC proposes to sell natural gas and related
services throughout all of Pennsylvania under the provisions of the new
Natural Gas Choice and Competition
Act.
The PUC may consider this application

Natural Gas Choice and Compensation Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Avalon Energy Services LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265, You should send copies of any protest to James C. McDonnell, COO at the address listed below. Please include the company name on any correspondence.

James C. McDonnell, COO esda, MD 20814 484-8096 ext. 202

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

| STATE OF PENNSYLVANIA |
|-----------------------|
| COUNTY OF LYCOMING |

| Williamsport, Pen Bulletin was estal lished in the Coun | rt Sun and the Gazette nsylvania, being duly s blished in 1801, since v ty of Lycoming aforesai | Publisher of the Sun-Gazette Company, publishers of the Williamsport, Sun-Gazette, successor & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, worn, deposes and says that the Williamsport Sun was established in 1870 and the Gazette & which dates said successor, the Williamsport Sun-Gazette, has been regularly issued and publid, and that a copy of the printed notice is attached hereto exactly as the same was printed and Williamsport Sun-Gazette on the following dates, viz: |
|---|---|---|
| | • | June 10, 2014 |
| | | |
| | PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE | cer daily authorized by the Sun-Gazette Company, publisher of the Williamsport Sun-Gazette, ath and also declares that affiant is not interested in the subject matter of the aforesaid notice in the foregoing statement as to time, place and character of publication are true. |
| | Application of Avalon Energy Services LLC For Approval To Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania. On June 2, 2014, Avalon Energy Services LLC filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a broker/marketer engaged in the business of supplying natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Avalon Energy Services | SUN-GAZETTE COMPANY Sworn to and subscribed before me the / 2 day of / 20/4 Cataly a TSclley Notary Public Cathy A. BILLEY, Notary Public City of Williamsport, Lycoming County My Commission Expires May 15, 2015 STATEMENT OF ADVERTISING COSTS |
| THE SUN-GAZE | LLC proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act. The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Avalon Energy Services LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105, 3265, Harrisburg, PA | To the Sun-Gazette Company, Dr.: For publishing the notice attached hereto on the above state dates |

listed below. Please in-clude the company name on any correspondence.

By and through James C. McDonnell, COO Avalon Energy Services LLC 5507 Lambeth Rd. Bethesda, MD 20814 1-888-484-8096 ext. 202 Fax 1-888-484-8096

SUN-GAZETTE COMPANY

BY Bernard A. Oravec

PROOF OF PUBLICATION THE ERIE TIMES-NEWS

COMBINATION EDITION

AVALON ENERGY SERVICES LLC 5507 LAMBETH RD BETHESDA MD 20814

REFERENCE:

102225

72778

PUC Notice

STATE OF PENNSYLVANIA) COUNTY OF ERIE) SS:

Debra McGraw, being duly sworn, deposes and says that: (1) he/she is a designated agent of the Times Publishing Company (TPC) to execute Proofs of Publication on behalf of the TPC; (2) the TPC, whose principal place of business is at 205 W. 12th Street, Erie, Pennsylvania, owns and publishes the Erie Times-News, established October 2, 2000, a daily newspaper of general circulation, and published at Erie, Erie County Pennsylvania; (3) the subject notice or advertisement, a true and correct copy of which is attached, was published in the regular edition(s) of said newspaper on the date(s) referred to below. Affiant further deposes that he/she is duly authorized by the TPC, owner and publisher of the Erie Times-News, to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

PUBLISHED ON: 06/04/14

TOTAL COST: \$409.00

AD SPACE: 0 Lines

FILED ON: 06/04/14

PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

On June 2, 2014, Avalon Energy Services LLC filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a broker/marketer engaged in the business of supplying natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Avalon Energy Services LLC proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Avalon Energy Services LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to James C. McDonnell, COO at the address listed below. Please include the company name on any correspondence.

By and through James C. McDonnell, COO

Avalon Energy Services LLC 5507 Lambeth Rd. Bethesda, MD 20814

1-888-484-8096 ext. 202 • Fax 1-888-484-8096

Sworn to and subscribed before me this 4th day of June 2014

Affiant:

NOTARY

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal Barbara J. Moore, Notary Public City of Erie, Erie County

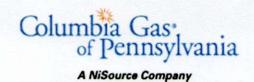
My Commission Expires March 23, 2016
MEMBER, PENNOVLIMANIA ADDICEATION OF NOTARLES

| | of Publication of Notice in Pittsburgh Post-Gazett oved May 16, 1929, PL 1784, as last amended by Act No 409 of Se | |
|---|---|--|
| Pittsburgh Post-Gazette, a newspape established in 1993 by the merging Gazette and Sun-Telegraph was est Pittsburgh Gazette established in 175 been regularly issued in said Count printed and published in the newspaper of general circulation on 104 of June, 2014 Affiant further deposes that he/she is that, as such agent, affiant is duly au | an agent for the PG Publishing Company, a corporation and publisher of thorized to verify the foregoing statement under oath, that affiant is not in | ommonwealth aforesaid, was ress and the Pittsburgh Post-1927 by the merging of the I Pittsburgh Post-Gazette has eto exactly as the same was d Pittsburgh Post-Gazette a f the Pittsburgh Post-Gazette, terested in the subject matter |
| or the afore said notice or publication true. | n, and that all allegations in the foregoing statement as to time, place and | |
| | 1600 | COPY OF NOTICE OR PUBLICATION |
| X | Hackoete | PENNSYLVANIA PUBLIC UTILITY |
| | PG Publishing Company | Application of Avalon |
| June 04, 2 | and subscribed before me this day of: | Energy Services LLC For Approval To Offer, Ren- |
| | OMMONWEALTH OF PENNSYLVANIA Notarial Seal Linda M. Gaertner, Notary Public City of Pittsburgh, Allegheny County My Commission Expires Jan. 31, 2015 BER. PENNSYLVANIA ASSOCIATION OF NOTARIES | der, Furnish Natural Gas Supply Services as a Marketer/Broker or Ag- gregator Engaged in The Business Of Supplying Natural Gas Supply Ser- vices, To The Public In The Commonwealth Of Pennsylvania. On May 31, 2014, Avalon Energy Services LLC filed an application with the Pennsylvania Public Utility Commis- sion ("PUC") for a li- cense to provide natural gas supply services as (1) a broker/marketer en- gaged in the business of supplying natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Avalon Energy Services LLC pro- poses to sell natural gas |
| | | and related services |
| | MENT OF ADVERTISING COSTS | throughout all of Penn- sylvania under the provi- sions of the new Natural |
| | Energy Services, LLC AMBETH RD | Gas Choice and Compe- tition Act. |
| | ANNE ELISA McDONNELL | The PUC may consid- er this application with- out a hearing. Protests |
| BETHES | DA MD 20814-1138 | directed to the technical |
| | | Avaion Energy Services LLC may be filed within 15 days of the date of |
| | To PG Publishing Company | Avalon Energy Services LLC may be filed within 15 days of the date of this notice with the Sec- retary of the PUC, P.O. |
| | | Box 3265, Harrisburg, PA 17105-3265, You should send copies of any pro- |
| Total | \$399.75 | test to James C. McDon- nell, COO at the address listed below. Please in- |
| | | clude the company name on any correspon- |
| PG PUBLISHING COMPAN of general circulation, hereby | r's Receipt for Advertising Costs NY, publisher of the Pittsburgh Post-Gazette, a newspaper y acknowledges receipt of the aforsaid advertising and s that the same have been fully paid. | dence. By and through James C. McDonnell, COO, Avalon Energy Services LLC, 5507 Lambeth Rd., Bethesda, MD 20814, 1-888-484-8096 ext. 202, Fax 1-888-484-8096 |
| Office | PG Publishing Company, a Corporation, Publisher of | |
| 34 Boulevard of the Allies PITTSBURGH, PA 15222 | Pittsburgh Post-Gazette, a Newspaper of General Circulation | |
| Phone 412-263-1338 | By Subject that Damuel J. Arbutine | |
| I hereby certify that the foregoing is subject matter of said notice. | the original Proof of Publication and receipt for the Advertising costs in the | |

Attorney For

AFFIDAVIT

| State of Maryland : |
|---|
| : SS. |
| County of Montgomery : |
| Anne Elisa McDonnell , Affiant, being duly [sworn/affirmed] according to law, deposes and says that: |
| She is the President of Avalon Energy Services LLC; |
| [That he/she is authorized to and does make this affidavit for said Applicant;] |
| That <u>Avalon Energy Services LLC</u> , the Applicant herein certifies that it has caused the notice of the filing of its license at to be published in the following newspapers on <u>June 4,2014 – June 10, 2014</u> : |
| A copy of the notice as it appeared in each of the above newspapers is attached. Noted on each copy is the newspaper section (name, number or letter), if applicable, and the page number on which the notice appeared. |
| That <u>Avalon Energy Services LLC</u> , the Applicant will submit to the Commission the proof of publication from each newspaper in which notice of the application filing was published as soon as it is available. |
| That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing. |
| And Signature of Affiant |
| Sworn and subscribed before me this |
| Notary Public County Montgomery County Montgomery County My Commission Expires My Commission Expires My Commission O7, 2017 My commission expires Auty 1, 2017 |



May 20, 2014

Anne Elisa Speciale-McDonnell Avalon Energy Services, LLC 5507 Lambeth Road Bethesda, MD 20814

Dear Ms. Speciale-McDonnell:

We are pleased that Avalon Energy Services, LLC ("Avalon Energy Services") has applied for a license to provide Natural Gas Broker/Marketer Services on the distribution system of Columbia Gas of Pennsylvania, Inc. ("Columbia Gas").

Under Paragraph 2.4.5 of the Rules Applicable to Distribution Service section of the Tariff of Columbia Gas, Avalon Energy Services could be required to provide to Columbia Gas a bond or other financial security instrument in an amount that Columbia Gas determines to be appropriate. Avalon Energy Services has indicated only brokering and consulting services will be provided. Therefore, we have determined at this time that Avalon Energy Services does not need a bond or other financial security requirement to provide broker natural gas services to Columbia Gas customers.

If the creditworthiness requirement or Columbia Gas' exposure to Avalon Energy Services changes in the future, Columbia Gas might deem it appropriate to require Avalon Energy Services to provide a bond or other financial security instrument.

Please feel free to contact me at 614-460-6841 should you have any questions regarding a bond or other financial security instrument requirements of Columbia Gas.

Sincerely,

Michele Caddell

Manager of Choice and Nominations



June 6, 2014

Ms. Anne Elisa McDonnell Avalon Energy Services LLC 5507 Lambeth Rd. Bethesda, MD 20814

Re: Security Requirement for Avalon Energy Services LLC:

Dear Anne,

National Fuel Gas Distribution Corporation ("NFGDC") is aware Avalon Energy Services LLC (AES) has filed an application with the Pennsylvania Public Utility Commission to supply natural gas services to the public in Pennsylvania and specifically within the service territory of NFGDC.

As you know, in making such an application, AES must furnish acceptable security to each utility where AES will do business. As such, under its tariff, NFGDC could require AES to provide a bond or other financial security instrument in an amount that NFGDC determines to be appropriate.

However, you have indicated, and it is NFGDC's understanding that AES intends only to provide natural gas aggregating, brokering and consulting services at this time. You have stated that, in performing these services, AES will never take title to any delivered natural gas.

Based upon your representations, NFGDC has determined that, at this time, AES does not need to post a bond or other form of security to operate in its service territory. However, if the services provided by AES change in the future, NFGDC reserves the right to require security from AES as it deems appropriate.

If you have any questions concerning the foregoing, please contact me at 716-857-7599.

Nathan E. Barnes

Transportation Services Department



June 9, 2014

Ms. Anne Elisa McDonnell Avalon Energy Services LLC 5507 Lambeth Rd Bethesda, MD 20814

Re: Bonding Requirements

Dear Anne Elisa McDonnell:

PECO is aware that Avalon Energy Services LLC has applied for a license to provide brokering and consulting services to commercial and industrial customers on the distribution system of PECO.

In making such an application, Avalon Energy Services LLC could be required to provide to PECO a bond or other acceptable financial security in an amount that PECO determines to be appropriate. Avalon Energy Services LLC has indicated that it intends to provide only brokering and consulting services to commercial and industrial customers will not take title to any delivered natural gas; nor will accept any customer payments or deposits. Therefore, PECO has determined at this time that Avalon Energy Services LLC does not need a bond or other financial security requirement, since they are not directly engaging in business with PECO and only providing brokering or consulting services to PECO customers. However, if the services provided by Avalon Energy Services LLC or the creditworthiness requirement for PECO's exposure to Avalon Energy Services LLC changes in the future, PECO reserves the right to require Avalon Energy Services LLC to provide a bond or other financial security instrument.

If you should have any questions regarding this matter, please contact Chris Sauerbaum at 215-841-6422 or myself at 215-841-6452.

Respectfully submitted,

Cala a Thille

Carlos P. Thillet Manager, Gas Supply and Transportation 2301 Market St S9-1 Philadelphia, Pa 19103

375 N. Shore Drive, Suite 600 Pittsburgh, PA 15212

Lynda W. Petrichevich Manager, Rates and Regulatory Affairs

Peoples Service Company LLC Phone: 412-208-6528; Fax: 412-208-6577 Email: lpetrichevich@peoples-gas.com

June 2, 2014

Ms. Anne Elisa McDonnell President Avalon Energy Services LLC 5507 Lambeth Rd Bethesda, MD 20814

Dear Ms. McDonnell:

We are pleased that Avalon Energy Services LLC has applied for a license to provide natural gas broker/marketer services on the Peoples Group of Companies. Specifically you have requested to be licensed as a supplier on the distribution systems of Peoples Natural Gas Company LLC, Peoples TWP, and Peoples Natural Gas LLC – Equitable Division ("the Companies").

Since Avalon Energy Services LLC is not currently operating, and has no immediate plan to operate a Pool on the Peoples systems, we have determined at this time that Avalon Energy Services LLC does not need a bond or other financial security requirement to provide these services to the Company's customers.

If the creditworthiness requirement or the Company's exposure to Avalon Energy Services LLC provision of services on the Peoples' system changes in the future, the Companies may deem it appropriate to require a bond or other financial instrument.

If you have any questions feel free to contact me at 412-208-6528 or by email at Lynda.W.Petrichevich@peoples-gas.com.

Sincerely,

Lynda W. Petrichevich

Manager, Rates and Regulatory Affairs Peoples Natural Gas Company LLC

Cc: Steven Kolich

Carol Miller

SAFETY

CUSTOMER COMMITMENT

TRUST

COMMUNITY

Philadelphia Gas Works



Raymond M. Snyder – Vice President, Gas Management 800 W. Montgomery Avenue, Philadelphia, PA 19122 Telephone: (215) 684-6405 Fax: (215) 684-6602

May 21, 2014

Anne Elisa Speciale-McDonnell Avalon Energy Services, LLC 5507 Lambeth Road Bethesda, MD 20814

Re: Security Requirement for Avalon Energy Services, LLC

Dear Tom:

Philadelphia Gas Works ("PGW") is aware that Avalon Energy Services, LLC, has filed an application with the Pennsylvania Public Utility Commission to supply natural gas services to the public in Pennsylvania and specifically within the services territory of Philadelphia Gas Works.

As you know, in making such an application, Avalon Energy Services, LLC, must furnish acceptable security to each utility where Avalon Energy Services, LLC, will do business. As such, under its tariff, Philadelphia Gas Works could require Avalon Energy Services, LLC, to provide a bond or other financial security instrument in an amount that Philadelphia Gas Works determines to be appropriate.

However, you have indicated, and it is Philadelphia Gas Works' understanding, that Avalon Energy Services, LLC, intends only to provide natural gas aggregating, brokering and consulting services at this time. You have stated that, in performing these services, Avalon Energy Services, LLC, will never take title to any delivered natural gas.

Based upon your representations, Philadelphia Gas Works has determined that, at this time, Avalon Energy Services, LLC, does not need to post a bond or other form of security to operate in its service territory. If the services provided by Avalon Energy Services, LLC, should change, Philadelphia Gas Works reserves the right to require security from Avalon Energy Services, LLC, as it deem appropriate.

If you have any questions concerning the foregoing, please contact me at 215-684-6405.

Kind Regards,

Raymond M. Snyder VP, Gas Management



UGI Utilities, Inc. 2525 North 12th Street Suite 360 Post Office Box 12677 Reading, PA 19612-2677

(610) 796-3400 Telephone

June 4, 2014

Ms. Anne Elisa McDonnell Avalon Energy Services LLC 5507 Lambeth Rd Bethesda, MD 20814

RE: Avalon Energy Services, LLC application to serve as a broker/marketer

Dear Ms. McDonnell,

Based on your assertion that Avalon Energy Services, LLC ("AVALON ENERGY") is applying with the State of Pennsylvania to operate as a natural gas broker/marketer, UGI Utilities Inc. ("UGIU") has concluded that AVALON ENERGY will not need to post security with UGI-Central Penn Gas ("CPG"), UGI-Penn Natural Gas ("PNG") or UGI Utilities Gas Division ("UGI"). This is based on the declaration that AVALON ENERGY will not be taking title to gas or directly serving end use customers. This also assumes that AVALON ENERGY will be acting on the behalf of a licensed Natural Gas Supplier who has been approved by the Pennsylvania Public Utility Commission to serve in the applicable UGIU service territories and who has posted the required financial security as specified in the respective UGIU tariffs. If AVALON ENERGY wishes to directly serve Choice customers in the service territories of UGI, PNG and/or CPG in the future as a natural gas supplier, it will have to post security as specified in the respective UGI tariffs prior to the commencement of the service.

Please feel free to contact me with any additional questions that you may have.

Sincerely,

David E. Lahoff

Manager, Tariff & Supplier Administration

UGI Utilities, Inc.



June 2, 2014

VIA EMAIL

Ms. Anne Elisa McDonnell Avalon Energy Services, LLC 5507 Lambeth Rd. Bethesda, MD 20814 aemcdonnell@avalonenergy.us

Dear Ms. McDonnell:

We understand that Avalon Energy Services, LLC has applied with the Pennsylvania Public Utility Commission to supply natural gas services to the public in Pennsylvania including our company's service area.

Because Avalon Energy Services, LLC intends to only provide natural gas aggregating, brokering and consulting services at this time, we have determined that Avalon Energy Services, LLC will not be required to post a bond or other form of financial security instrument to provide this service in our service area. However, if the service provided or failure to meet our requirements for credit worthiness changes in the future, we reserve the right to require security from Avalon Energy Services, LLC as deemed appropriate.

If you have any questions, please contact Mrs. Marjorie Johnston at 570-888-9664.

Sincerely,

Robert J. Crocker President & CEO

RJC/ss

cc: M. Johnston, Valley Energy