

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. **REPORT DATE:**
 September 25, 1998

2. **BUREAU AGENDA NO.**
 OCT-98-OSA-361*

3. **BUREAU:**
 Office of Special Assistants

4. **SECTION(S):**

5. **PUBLIC MEETING DATE:**

6. **APPROVED BY:**

Director: C.W. Davis 7-1877
 Supervisor: R. Albert 7-8108

October 16, 1998

DOCKETED

OCT 26 1998

7. **PERSONS IN CHARGE:**
 P.C. Foster 3-5243

8. **DOCKET NO.:** A-110072

KJR

9. (a) **CAPTION** (abbreviate if more than 4 lines)
 (b) **Short summary of history & facts, documents & briefs**
 (c) **Recommendation**

(a) License Application of Frank J. Richards, P.E. d/b/a The Richards' Energy Group to become a Broker/Marketer

(b) On April 30, 1998, Frank J. Richards, P.E. d/b/a The Richards' Energy Group (Applicant) filed a License Application to operate as a broker/marketer of electric generation and related services. The filing was made pursuant to the provisions of Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809. On July 9, 1998, the Commission issued its Opinion and Order denying the application of The Richards' Energy Group without prejudice. On July 23, 1998, the Applicant filed a Letter Petition for Reconsideration.

(c) The Office of Special Assistants recommends that the Commission adopt the proposed draft Opinion and Order which denies the Applicant's Letter Petition for Reconsideration and thereby affirms the Commission's Order entered July 9, 1998.

94876

10. **MOTION BY:** Commissioner Chm. Quain

Commissioner Rolka - Yes
 Commissioner Brownell - Yes
 Commissioner Wilson - Yes

SECONDED: Commissioner Bloom

CONTENT OF MOTION: Staff recommendation adopted.



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

REFER TO OUR FILE

OCTOBER 19, 1998

A-110072

DOCUMENT
FOLDER

FRANK J RICHARDS PE
THE RICHARDS' ENERGY GROUP
1325 CROWN VETCH DRIVE
LANDISVILLE PA 17538

License Application for The Richards' Energy Group
to become a Broker/Marketer

To Whom It May Concern:

This is to advise you that an Opinion and Order has been adopted by the Commission in Public Meeting on October 16, 1998, in the above entitled proceeding.

An Opinion and Order has been enclosed for your records.

Very truly yours,

James J. McNulty,
Secretary

smk
Encls.
Cert.Mail

SRB

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held October 16, 1998

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice-Chairman
David W. Rolka
Nora Mead Brownell
Aaron Wilson, Jr.

DOCKETED
OCT 22 1998

License Application for The Richards'
Energy Group to become a
Broker/Marketer

A-110072

DOCUMENT
FOLDER

OPINION AND ORDER

BY THE COMMISSION:

Before us for consideration is the Letter Petition for Reconsideration (Petition) of Frank J. Richards, P.E. d/b/a The Richards' Energy Group (Applicant), filed July 23, 1998, seeking reconsideration of our Opinion and Order entered on July 9, 1998, which addressed the Applicant's License Application to operate as a broker/marketer of electric generation and related services.

History of the Proceeding

On April 30, 1998, the Applicant filed a License Application to operate as a broker/marketer of electric generation and related services. The filing was made pursuant to the provisions of Section 2809 of the Public Utility Code (Code), 66 Pa. C.S. §2809.

The Applicant requested a modification of the bonding requirements as required by item #20 of the license application consistent with Section 2809. The Applicant furnished instead a \$5,000 letter of credit in lieu of the \$250,000 bonding requirement. The Applicant stated that it would negotiate contracts between electric suppliers and consumers, but it would not take title to the energy.

Upon review of the Application and the letter of credit provided by the Applicant, we concluded that nothing in the Application justified granting the Applicant a reduced bonding level. In addition, further review of the Application persuaded us that the Applicant's business is indistinguishable from that of other brokers or marketers who act as agents, arranging for the purchase of electricity for their clients. Moreover, we found that the Applicant failed to provide substantial evidence that it deserves treatment as a non-traditional marketer.

In our Opinion and Order of July 9, 1998, we denied, with prejudice, the request of the Applicant for modification of the \$250,000 initial bond, letter of credit or proof of bonding requirement.

Discussion

In our Order entered July 9, 1998, we found that the Applicant:

1. Is not fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and the lawful Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to

Standards and Billing Practices for Residential Utility Service)

2. That the proposed service to the extent authorized by the license, will not be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

After careful consideration of all matters of record, we found that denial of the application without prejudice was necessary and proper for the service, accommodation and convenience of the public.

Analysis

The standards for granting a Petition for Reconsideration were set forth as follows in *Duick v. Pennsylvania Gas and Water Company*, 56 Pa. P.U.C. 553, 559, December 17, 1982, citing *Pennsylvania Railroad Company v. Pennsylvania Public Service Commission* (1935) 118 Pa. Super Ct 380, 179 Atl 850:

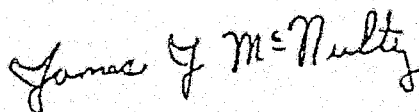
A Petition for Reconsideration, under the provisions of 66 Pa. C.S. §703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part. In this regard we agree with the Court in the *Pennsylvania Railroad Company* case, wherein it was said that “[p]arties.. cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them....” What we expect to see raised in such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission.

As noted above, *Duick* stands for the proposition that it is within the discretion of the Commission, pursuant to Section 703(g) of the Code, 66 Pa. C.S. §703(g), to rescind or amend a prior order in whole or in part. The instant Petition fails to meet those standards since no new and novel arguments have been offered, no error of law is alleged, or no change in circumstances has been demonstrated. To the contrary, the Applicant has restated its request for a modification of the bonding requirements, requesting that we accept the \$5,000 letter of credit that was originally proposed by the Applicant in lieu of the \$250,000 bonding requirement, which we denied in our Opinion and Order entered July 9, 1998.

Based upon the foregoing discussion, we conclude that the Petition does not meet the evidentiary standards articulated in *Duick*. Accordingly, we deny the Petition for Reconsideration of our Opinion and Order entered July 9, 1998; **THEREFORE,**

IT IS ORDERED: That The Richards' Energy Group's Letter Petition for Reconsideration of the Commission's Opinion and Order entered July 9, 1998, is denied.

BY THE COMMISSION,



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: October 16, 1998

ORDER ENTERED: **OCT 19 1998**

12/14/98

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Docket # A-110072
License Application for The Richards' Energy Group
To become a Broker/Marketer

Satisfaction of Bonding Requirement

Dear Sir:

Attached are 5 \$50,000 bonds (\$250,000 total), satisfying the last requirement of the PUC for obtaining my license. Providing 5 smaller bonds instead of 1 \$250,000 bond was found acceptable by PUC staff (see attached fax dated 11/30/98).

Please advise when I should expect to receive my license

Thank you.



Frank J. Richards P.E

Attachments

Also, please return \$5,000 letter of credit previously submitted.

EEF

RECEIVED

DEC 15 1998

PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

FAX TRANSMITTAL SHEET



PENNSYLVANIA PUBLIC UTILITY COMMISSION
Bureau of Fixed Utility Services ("FUS")
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Date: November 30, 1998
To: Frank Richards
Company: The Richards Energy Group
Address:
FAX #: (717) 898-6331
Office Phone #: (717) 898-6330
Sender: Thomas P. Maher, Financial Analyst III
e-Mail:.....Maher@puc.state.pa.us
Office Phone #: (717)787-5704 **FAX #:** (717) 772-1933

Subject: Bond Requirement **Docket #:** A-110072

Comments

Dear Frank, I have been advised by our Law Bureau that the bond language submitted on your behalf by Mr. Jim Gould, is acceptable. Also, your request to submit five (5) \$50,000 bonds is also acceptable. If you have any further questions or need any additional information please call me at the above listed phone number or by e-mail.

Tom Maher

Number of pages sent: 1 (including this page)

Note: If you do not receive the entire document, or have any trouble with the transmission, please contact the sender at the number above. Thank you.

LICENSE OR PERMIT BOND

Bond Number B2803163

KNOW ALL MEN BY THESE PRESENTS, that we, The Richards' Energy Group as Principal, and RELIANCE INSURANCE COMPANY, a corporation organized under the laws of the State of Pennsylvania having its principal office in the city of Philadelphia, Pennsylvania, and authorized to transact the business of Surety in the State of Pennsylvania, as Surety, are held and firmly bound unto THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P.O. Box 3285, Harrisburg, PA 17105, as Obligee, in the aggregate penal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents.

WHEREAS, the said Principal has applied to said Obligee for a license or permit. This bond (or other acceptable financial document) is written in accordance with Section 2809(c) (1) (l) of the Public Utility Code, 66 PA. C.S. & 2809 (c) (l), to assure compliance with applicable provisions of the Public Utility code, 66 PA. C.S. & 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier, to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility code, 66 PA. C.S. & 2810; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this bond (or other acceptable financial document) shall inure first to the benefit of the Commonwealth, second, to any electric distribution company in which the Principal provides electric generation service, and third, to any and all retail electric customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contracts, agreements or arrangements. Claims for payment shall be prioritized from highest to lowest as follows: (1) the Commonwealth; (2) electric distribution companies for the payment of gross receipts tax; and (3) private individuals. Proceeds of the bond (or other acceptable financial document) may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the Principal has made application for a license to the Obligee to offer, render, furnish or supply electricity or electric generation services to the public.

NOW, THEREFORE, if the said Principal shall comply with all rules and regulations contained in said license, provide electric generation supply pursuant to contracts, agreements and arrangements, and pay the full amount of taxes or assessments due, then this obligation shall be void, otherwise to be and remain in full force and effect.

SUBJECT, HOWEVER, to the following conditions:

1. This bond shall be continuous until canceled pursuant to the provisions contained herein, Surety's liability under this bond and any continuations of this bond, shall not be cumulative.

DOCKETED
DEC 22 1998

DOCUMENT
FOLDER

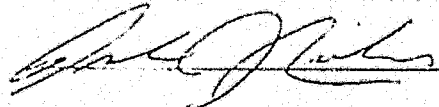
- 2 This bond may be canceled by the Obligee at any time and by the Surety by sending written notice, certified mail of such cancellation to the Obligee stating when, not less than 60 days thereafter, such cancellation shall be effective. Failure or inability of the Principal to file a replacement bond, shall not constitute a loss to the Obligee which is recoverable under this bond. Provided further, that nothing herein shall affect any rights or liabilities which shall have accrued under this bond prior to the date of such cancellation.
- 3 The aggregate liability of the Surety under this bond is limited to the aggregate penal sum stated herein and shall be reduced by any payments made by the Principal or the Surety to the extent of such payments.
- 4 The Principal and Surety shall have no obligation to any claimant other than the Obligee unless the claimant furnishes a written notice to the Principal and Surety within thirty (30) days following a default for which recovery is demanded, said notice to provide a reasonable explanation of the breach. All payments and expenditures by the Surety shall be applied against the above penal sum and in reduction of the limit of liability of the Surety.

In the event of conflict or inconsistency the obligation of the Surety shall be deemed null and void to the extent of any enlargement or augmentation to the liabilities of the Surety prescribed by this Bond.

SIGNED, SEALED AND DATED THIS 14th day of December 1998

The Richards' Energy Group
1325 Crown Vetch Drive
Landisville, PA 17538

BY FRANK J. RICHARDS


Principal

RELIANCE INSURANCE COMPANY

BY James R. Gould
James R. Gould, Attorney-In-Fact

RELIANCE SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Joseph G. Buyakowski, James R. Gould, Alson O. Wolcott, Jr., Bath A. Beamer, of Camp Hill, Pennsylvania their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1998 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1998.

Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this February 1, 1998.



RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

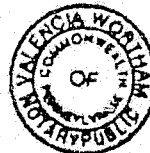
David T. Akers

STATE OF Pennsylvania }
COUNTY OF Philadelphia } ss.

On this, February 1, 1998, before me, Valencia Wortham, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.

Notary Seal
Valencia Wortham, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Nov. 18, 2000



Valencia Wortham
Notary Public in and for the State of Pennsylvania
Residing at Philadelphia

Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 14th day of February 1998.

Anita Zippert
Secretary



LICENSE OR PERMIT BOND

Bond Number B2803164

KNOW ALL MEN BY THESE PRESENTS that we, The Richards' Energy Group as Principal, and RELIANCE INSURANCE COMPANY, a corporation organized under the laws of the State of Pennsylvania having its principal office in the city of Philadelphia, Pennsylvania, and authorized to transact the business of Surety in the State of Pennsylvania, as Surety, are held and firmly bound unto THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P.O. Box 3285, Harrisburg, PA 17105, as Oblige, in the aggregate penal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents

WHEREAS, the said Principal has applied to said Oblige for a license or permit. This bond (or other acceptable financial document) is written in accordance with Section 2809(c) (1) (I) of the Public Utility Code, 66 PA. C.S. & 2809 (c) (I), to assure compliance with applicable provisions of the Public Utility Code, 66 PA. C.S. & 101, *et seq.* and the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier, to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility Code, 66 PA. C.S. & 2810, and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this bond (or other acceptable financial document) shall inure first to the benefit of the Commonwealth, second, to any electric distribution company in which the Principal provides electric generation service, and third, to any and all retail electric customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contracts, agreements or arrangements. Claims for payment shall be prioritized from highest to lowest as follows: (1) the Commonwealth, (2) electric distribution companies for the payment of gross receipts tax, and (3) private individuals. Proceeds of the bond (or other acceptable financial document) may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the Principal has made application for a license to the Oblige to offer, render, furnish or supply electricity or electric generation services to the public

NOW, THEREFORE, if the said Principal shall comply with all rules and regulations contained in said license, provide electric generation supply pursuant to contracts, agreements and arrangements, and pay the full amount of taxes or assessments due, then this obligation shall be void, otherwise to be and remain in full force and effect

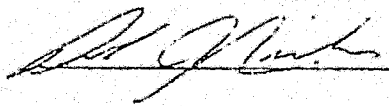
SUBJECT, HOWEVER, to the following conditions:

1. This bond shall be continuous until canceled pursuant to the provisions contained herein. Surety's liability under this bond and any continuations of this bond, shall not be cumulative.

- 2. This bond may be canceled by the Obligee at any time and by the Surety by sending written notice, certified mail of such cancellation to the Obligee stating when, not less than 60 days thereafter, such cancellation shall be effective. Failure or inability of the Principal to file a replacement bond, shall not constitute a loss to the Obligee which is recoverable under this bond. Provided further, that nothing herein shall affect any rights or liabilities which shall have accrued under this bond prior to the date of such cancellation.
- 3. The aggregate liability of the Surety under this bond is limited to the aggregate penal sum stated herein and shall be reduced by any payments made by the Principal or the Surety to the extent of such payments.
- 4. The Principal and Surety shall have no obligation to any claimant other than the Obligee unless the claimant furnishes a written notice to the Principal and Surety within thirty (30) days following a default for which recovery is demanded, said notice to provide a reasonable explanation of the breach. All payments and expenditures by the Surety shall be applied against the above penal sum and in reduction of the limit of liability of the Surety.

In the event of conflict or inconsistency the obligation of the Surety shall be deemed null and void to the extent of any enlargement or augmentation to the liabilities of the Surety prescribed by this Bond.

SIGNED, SEALED AND DATED THIS 14th day of December, 1998.

The Richards' Energy Group
1325 Crown Vetch Drive
Landisville, PA 17538
BY Frank J. Riccio

Principal

RELIANCE INSURANCE COMPANY
BY James R. Gould
James R. Gould, Attorney-In-Fact

RELIANCE SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Joseph G. Buyakowski, James R. Gould, Alton O. Wolcott, Jr., Bath A. Basmar, of Camp Hill, Pennsylvania their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statements of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this February 1, 1998



RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

David T. Akers

STATE OF Pennsylvania }
COUNTY OF Philadelphia } ss.

On this, February 1, 1998, before me, Valencia Wortham, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.

Notarial Seal
Valencia Wortham, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Nov. 18, 2000



Valencia Wortham
Notary Public in and for the State of Pennsylvania
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 14th day of February, 1998.

Anita Zippert
Secretary



LICENSE OR PERMIT BOND

Bond Number B2803165

KNOW ALL MEN BY THESE PRESENTS, that we, The Richards' Energy Group as Principal, and RELIANCE INSURANCE COMPANY, a corporation organized under the laws of the State of Pennsylvania having its principal office in the city of Philadelphia, Pennsylvania, and authorized to transact the business of Surety in the State of Pennsylvania, as Surety, are held and firmly bound unto THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P. O. Box 3285, Harrisburg, PA 17105, as Obligee, in the aggregate penal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents

WHEREAS, the said Principal has applied to said Obligee for a license or permit. This bond (or other acceptable financial document) is written in accordance with Section 2809(c) (1) (I) of the Public Utility Code, 66 PA. C.S. & 2809 (c) (I), to assure compliance with applicable provisions of the Public Utility Code, 66 PA. C.S. & 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier; to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility Code, 66 PA. C.S. & 2810; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this bond (or other acceptable financial document) shall inure first to the benefit of the Commonwealth, second, to any electric distribution company in which the Principal provides electric generation service, and third, to any and all retail electric customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contracts, agreements or arrangements. Claims for payment shall be prioritized from highest to lowest as follows: (1) the Commonwealth, (2) electric distribution companies for the payment of gross receipts tax; and (3) private individuals. Proceeds of the bond (or other acceptable financial document) may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the Principal has made application for a license to the Obligee to offer, render, furnish or supply electricity or electric generation services to the public

NOW, THEREFORE, if the said Principal shall comply with all rules and regulations contained in said license, provide electric generation supply pursuant to contracts, agreements and arrangements, and pay the full amount of taxes or assessments due, then this obligation shall be void; otherwise to be and remain in full force and effect.

SUBJECT, HOWEVER, to the following conditions:

1. This bond shall be continuous until canceled pursuant to the provisions contained herein, Surety's liability under this bond and any continuations of this bond, shall not be cumulative.

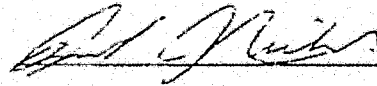
2. This bond may be canceled by the Obligee at any time and by the Surety by sending written notice, certified mail, of such cancellation to the Obligee stating when, not less than 60 days thereafter, such cancellation shall be effective. Failure or inability of the Principal to file a replacement bond, shall not constitute a loss to the Obligee which is recoverable under this bond. Provided further, that nothing herein shall affect any rights or liabilities which shall have accrued under this bond prior to the date of such cancellation.
3. The aggregate liability of the Surety under this bond is limited to the aggregate penal sum stated herein and shall be reduced by any payments made by the Principal or the Surety to the extent of such payments.
4. The Principal and Surety shall have no obligation to any claimant other than the Obligee unless the claimant furnishes a written notice to the Principal and Surety within thirty (30) days following a default for which recovery is demanded, said notice to provide a reasonable explanation of the breach. All payments and expenditures by the Surety shall be applied against the above penal sum and in reduction of the limit of liability of the Surety.

In the event of conflict or inconsistency, the obligation of the Surety shall be deemed null and void to the extent of any enlargement or augmentation to the liabilities of the Surety prescribed by this Bond.

SIGNED, SEALED AND DATED THIS 14th day of December, 1998

The Richards' Energy Group
1325 Crown Vetch Drive
Landisville, PA 17538

BY: Frank J. Richards



Principal

RELIANCE INSURANCE COMPANY

BY: James R. Gould

James R. Gould, Attorney-In-Fact

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Joseph G. Buyakowski, James R. Gould, Alson O. Wolcott, Jr., Beth A. Beamer, of Camp Hill, Pennsylvania their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

- 1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.
- 2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.
- 3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this February 1, 1998.



RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

David T. Akers

STATE OF Pennsylvania }
COUNTY OF Philadelphia } so.

On this, February 1, 1998, before me, Valencia Wortham, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

in witness whereof, I hereunto set my hand and official seal.

Notarial Seal
Valencia Wortham, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Nov. 18, 2000



Valencia Wortham
Notary Public in and for the State of Pennsylvania
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 14th day of December 1998.

Anita Zippert
Secretary



LICENSE OR PERMIT BOND

Bond Number B2803166

KNOW ALL MEN BY THESE PRESENTS, that we, The Richards' Energy Group as Principal, and RELIANCE INSURANCE COMPANY, a corporation organized under the laws of the State of Pennsylvania having its principal office in the city of Philadelphia, Pennsylvania, and authorized to transact the business of Surety in the State of Pennsylvania, as Surety, are held and firmly bound unto THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P O. Box 3285, Harrisburg, PA 17105, as Obligee, in the aggregate penal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents

WHEREAS, the said Principal has applied to said Obligee for a license or permit This bond (or other acceptable financial document) is written in accordance with Section 2809(c) (1) (i) of the Public Utility Code, 66 PA. C.S. & 2809 (c) (i), to assure compliance with applicable provisions of the Public Utility code, 66 PA. C.S. & 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier, to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility code, 66 PA. C.S. & 2810, and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this bond (or other acceptable financial document) shall inure first to the benefit of the Commonwealth, second, to any electric distribution company in which the Principal provides electric generation service, and third, to any and all retail electric customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contracts, agreements or arrangements. Claims for payment shall be prioritized from highest to lowest as follows: (1) the Commonwealth, (2) electric distribution companies for the payment of gross receipts tax, and (3) private individuals. Proceeds of the bond (or other acceptable financial document) may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the Principal has made application for a license to the Obligee to offer, render, furnish or supply electricity or electric generation services to the public.

NOW, THEREFORE, if the said Principal shall comply with all rules and regulations contained in said license, provide electric generation supply pursuant to contracts, agreements and arrangements, and pay the full amount of taxes or assessments due, then this obligation shall be void, otherwise to be and remain in full force and effect

SUBJECT, HOWEVER, to the following conditions:

- I. This bond shall be continuous until canceled pursuant to the provisions contained herein, Surety's liability under this bond and any continuations of this bond, shall not be cumulative

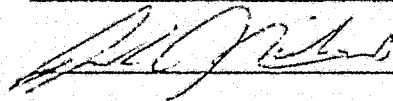
- 2 This bond may be canceled by the Obligee at any time and by the Surety by sending written notice, certified mail, of such cancellation to the Obligee stating when, not less than 60 days thereafter, such cancellation shall be effective. Failure or inability of the Principal to file a replacement bond, shall not constitute a loss to the Obligee which is recoverable under this bond. Provided further, that nothing herein shall affect any rights or liabilities which shall have accrued under this bond prior to the date of such cancellation.
- 3 The aggregate liability of the Surety under this bond is limited to the aggregate penal sum stated herein and shall be reduced by any payments made by the Principal or the Surety to the extent of such payments.
- 4 The Principal and Surety shall have no obligation to any claimant other than the Obligee unless the claimant furnishes a written notice to the Principal and Surety within thirty (30) days following a default for which recovery is demanded, said notice to provide a reasonable explanation of the breach. All payments and expenditures by the Surety shall be applied against the above penal sum and in reduction of the limit of liability of the Surety.

In the event of conflict or inconsistency the obligation of the Surety shall be deemed null and void to the extent of any enlargement or augmentation to the liabilities of the Surety prescribed by this Bond.

SIGNED, SEALED AND DATED THIS 14th day of December, 1998

The Richards' Energy Group
1325 Crown Vetch Drive
Landisville, PA 17538

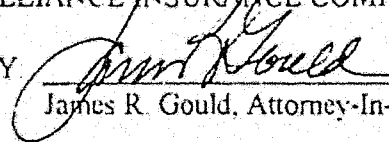
BY Frank J. Richards



Principal

RELIANCE INSURANCE COMPANY

BY



James R. Gould, Attorney-In-Fact

RELIANCE SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA PENNSYLVANIA
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin therein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Joseph G. Buyakowski, James R. Gould, Alson O. Wolcott, Jr., Bath A. Beamer, of Camp Hill, Pennsylvania their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Finance Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this February 1, 1998.



RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

David T. Akers

STATE OF Pennsylvania }
COUNTY OF Philadelphia } ss.

On this, February 1, 1998, before me, Valencia Wortham, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.

Notarial Seal
Valencia Wortham, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Nov. 18, 2000



Valencia Wortham
Notary Public in and for the State of Pennsylvania
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 17th day of November 1998.

Anita Zippert
Secretary



LICENSE OR PERMIT BOND

Bond Number B2803167

KNOW ALL MEN BY THESE PRESENTS, that we, The Richards' Energy Group as Principal, and RELIANCE INSURANCE COMPANY, a corporation organized under the laws of the State of Pennsylvania having its principal office in the city of Philadelphia, Pennsylvania, and authorized to transact the business of Surety in the State of Pennsylvania, as Surety, are held and firmly bound unto THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P. O. Box 3285, Harrisburg, PA 17105, as Oblige, in the aggregate penal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents

WHEREAS, the said Principal has applied to said Oblige for a license or permit. This bond (or other acceptable financial document) is written in accordance with Section 2809(c) (1) (I) of the Public Utility Code, 66 PA. C.S. & 2809 (c) (I), to assure compliance with applicable provisions of the Public Utility code, 66 PA. C.S. & 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier, to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility code, 66 PA. C.S. & 2810, and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this bond (or other acceptable financial document) shall inure first to the benefit of the Commonwealth, second, to any electric distribution company in which the Principal provides electric generation service, and third, to any and all retail electric customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contracts, agreements or arrangements. Claims for payment shall be prioritized from highest to lowest as follows: (1) the Commonwealth, (2) electric distribution companies for the payment of gross receipts tax, and (3) private individuals. Proceeds of the bond (or other acceptable financial document) may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the Principal has made application for a license to the Oblige to offer, render, furnish or supply electricity or electric generation services to the public

NOW, THEREFORE, if the said Principal shall comply with all rules and regulations contained in said license, provide electric generation supply pursuant to contracts, agreements and arrangements, and pay the full amount of taxes or assessments due, then this obligation shall be void, otherwise to be and remain in full force and effect

SUBJECT, HOWEVER, to the following conditions

- 1 This bond shall be continuous until canceled pursuant to the provisions contained herein, Surety's liability under this bond and any continuations of this bond, shall not be cumulative.

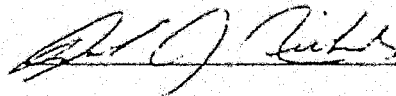
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3. The aggregate liability of the Surety under this bond is limited to the aggregate penal sum stated herein and shall be reduced by any payments made by the Principal or the Surety to the extent of such payments.
4. The Principal and Surety shall have no obligation to any claimant other than the Obligee unless the claimant furnishes a written notice to the Principal and Surety within thirty (30) days following a default for which recovery is demanded, said notice to provide a reasonable explanation of the breach. All payments and expenditures by the Surety shall be applied against the above penal sum and in reduction of the limit of liability of the Surety.

In the event of conflict or inconsistency the obligation of the Surety shall be deemed null and void to the extent of any enlargement or augmentation to the liabilities of the Surety prescribed by this Bond.

SIGNED, SEALED AND DATED THIS 14th day of December 1998.

The Richards' Energy Group
1325 Crown Vetch Drive
Landisville, PA 17538

BY: FRANK J. RICHARDS



Principal

RELIANCE INSURANCE COMPANY

BY: James R. Gould

James R. Gould, Attorney-In-Fact

RELIANCE SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Joseph G. Buyakowski, James R. Gould, Alson O. Wolcott, Jr., Beth A. Beamer., of Camp Hill, Pennsylvania their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.
2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.
3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committee of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1984 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1984.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this February 1, 1998.



RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

David T. Akers

STATE OF Pennsylvania
COUNTY OF Philadelphia

} ss.

On this, February 1, 1998, before me, Valencia Wortham, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.



Notarial Seal
Valencia Wortham, Notary Public
Philadelphia, Philadelphia County
My Commission Expires Nov. 18, 2000

Valencia Wortham
Notary Public in and for the State of Pennsylvania
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 14th day of December 1998.

Anita Zippert
Secretary

