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November 15, 2017

**VIA HAND DELIVERY**

Secretary Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Application of Median Energy PA LLC for Approval to Offer, Render, Furnish or Supply Natural Gas Services as a Supplier**  
**Docket No. A-2017-2628762**

Dear Secretary Chiavetta:

Enclosed please find the responses of Median Energy PA LLC to the data requests issued in this matter. Please note that these responses include a **Confidential** attachment which provides information in response to certain of the requests. The Confidential attachment has been marked as such and provided in a separate envelope for filing under seal.

Thank you and please feel free to contact me if you have any questions or need any additional information.

Very truly yours,

STEVENS & LEE



Michael A. Gruin

Encl.

cc: Jordan Van Order, Bureau of Technical Utility Services (via email)

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• Wilkes-Barre • Princeton • Charleston • New York • Wilmington

A PROFESSIONAL CORPORATION

Docket No. A-2017-2628762  
Median Energy PA LLC  
Responses to Data Requests

1. Reference Application, Section 1.a, Identity of Applicant stating that the name of the applicant is "Median Energy PA, LLC". This is not consistent with the Pennsylvania Department of State filing which shows the company's name as Median Energy PA LLC. Please provide either a corrected application page or submit a letter stating that the application contains typographical errors and stating that the correct name of the applicant consistent with the Pennsylvania Department of State.

**RESPONSE:**

**Applicant confirms that in multiple locations on the Application and Exhibits, the name of the Applicant has a comma (" , ") in the company name. Applicant hereby confirms that the correct legal name of the Applicant is Median Energy PA LLC and that the comma in the Applicant's name should be disregarded wherever it appears in the Application.**

2. Reference Application, Section 4.c, Description of Proposed Services - The applicant did not provide a detailed description of proposed services in the application package. Please submit an updated application page including a detailed description of services which the applicant proposes to offer.

**RESPONSE:**

**As set forth on Exhibit 3, the Applicant proposes to offer variable rate natural gas supply in Pennsylvania initially, and eventually other products, including fixed rate natural gas supply and products with renewable energy components.**

3. Reference Application, Section 4.d Bonding Letters - Applicant failed provide any of the required bonding letters. Please provide the missing documentation.

**RESPONSE:**

**Enclosed herewith please find bonding letters for National Fuel Gas, the three UGI companies, Philadelphia Gas Works, and the three Peoples entities. Median is still awaiting receipt of the required letter from PECO, Columbia Gas, and Valley Energy, and will submit those letters as a supplemental response upon receipt.**

4. Reference Application, Section 7.b, Financial Fitness – Applicant provided unaudited financial statements for Median Energy LLC. Please provide audited financial statements for Median Energy LLC. In addition, please provided a fully executed agreement showing that Median Energy LLC will provide funding to Median Energy PA LLC.

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Median Energy PA LLC  
Responses to Data Requests

**RESPONSE:**

**Enclosed herewith please find the Confidential Agreement between Median Energy Corp. and Median Energy PA LLC.**

**The Question references "Median Energy LLC", but the correct name of the entity is Median Energy Corp. Median Energy Corp. does not have audited financials but has financials prepared and reviewed by outside accountants, which were provided with the Application.**

5. Reference Application, Exhibit 2, - Independent Accountant's Compilation Report stating that "Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of American. Please provide a statement of cash flows.

**RESPONSE:**

**Median Energy does not prepare a statement of cash flows, but has provided its income statement and balance sheet as requested by the Application in section 7.b.**

6. Reference Application, Section 7.c, Supplier Funding Method. Applicant did not provide a detailed explanation of how it will fund its operations. Please provide a detailed explanation including credit agreements, lines of credit, etc. and elaborate how much is available from each funding method.

**RESPONSE:**

**As explain in Exhibit 3, the Applicant will fund its operations from working capital and cash flow from operations. See Enclosed Confidential explanation for further details.**

7. Reference Application, Section 7.f, Taxation, Item 7.a and 7.c Applicant failed to provide a Sales Tax License number and Corporate Box number of Revenue ID Number. Please resubmit a complete Tax Certification Statement.

**RESPONSE:**

**See enclosed Confidential updated Tax Certification Statement**

8. Reference Application, Section 8.a, Technical Fitness - Applicant failed to submit an organizational chart, business plan or description of employee trainings. Please provide the requested information.

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Median Energy PA LLC  
Responses to Data Requests

**RESPONSE:**

**Application Section 8.d provides a detailed description of employee training. Application Exhibit 3 provides an overview of the company's structure and business plan. See also the Confidential Attachment hereto for additional information regarding the Company's structure and business plan.**

9. Reference Application, Section 9, Disclosure Statement. The disclosure statement appears to be missing a page. In addition the disclosure statement references and EGS multiple times rather than and NGS. Please provide a complete disclosure statement. - Applicant failed provide any of the required bonding letters. Please provide the missing documentation.

**RESPONSE:**

**Median has also applied for an EGS license, which is why a combined disclosure statement was submitted. Median has already submitted its disclosure statement to the Bureau of Consumer Services which has completed its review and approval of the disclosure statement.**



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

October 25, 2017

Michael Gruin  
Median Energy Pa, LLC  
1 Lethbridge Plaza, STE 2  
Mahwah, NJ 07430

RE: UGI Financial Security Requirements

Dear Mr. Gruin,

UGI Utilities, Inc. ("UGIU") has reviewed the request of MEDIAN Energy, Pa. LLC ("MEDIAN") for approval to operate as a Natural Gas Supplier. Based on this review and the requirement that MEDIAN must post security as specified in the UGI Utilities, Inc.-Gas Division ("UGI"), UGI Penn Natural Gas, Inc. ("PNG") and/or UGI Central Penn Gas, Inc. ("CPG") Supplier Coordination Tariffs before it serves customers on the UGI, PNG and/or CPG distribution systems, UGIU has determined that MEDIAN has demonstrated adequate creditworthiness to satisfy any costs UGI, PNG and/or CPG may incur in the event they operate as a supplier of last resort due to a default on the part of MEDIAN.

This determination may change in the event there is a material deterioration in MEDIAN's financial condition, if MEDIAN's obligations to UGI, PNG and/or CPG exceed the amount of the financial security provided, if the financial security is withdrawn or is deemed to be null and void or inadequate due to the material financial deterioration of any guarantor, or if MEDIAN fails to abide by the terms and conditions of the UGI, PNG and/or CPG Gas Tariffs and the UGI, PNG and/or CPG Natural Gas Supplier Coordination Tariffs.

Please feel free to contact me with any additional questions that you may have. I can be reached at (610) 796-3520

Sincerely,

David E. Lahoff  
Manager, Tariff & Supplier Administration  
UGI Utilities, Inc.



# National Fuel

October 20, 2017

Henry Bennett  
Vice President of Operations  
Median Energy PA, LLC  
1 Lethbridge Plaza, Suite 2  
Mahwah, NJ 07430

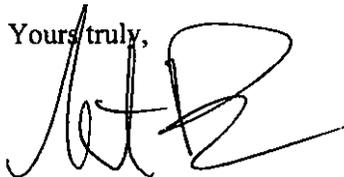
RE: Median Energy PA, LLC

Dear Henry,

Pursuant to 66 Pa. C. S. § 2208 (c), an applicant for a natural gas supplier license in the Commonwealth of Pennsylvania must furnish security to each utility where the supplier will do business to ensure the financial responsibility of such natural gas supplier. To this end, National Fuel Gas Distribution Corporation ("National Fuel") will perform a credit review and analysis of Median Energy PA, LLC ("ME") and determine at the appropriate time whether ME must post a security deposit acceptable to National Fuel in order to operate as a supplier on National Fuel's system.

ME's security requirement to serve Pennsylvania customers is dependent on the type of transportation service utilized by ME. There is no Natural Gas Supplier (NGS) security requirement for customers that will be enrolled in National Fuel's Purchase of Receivable (POR) program. As such, ME will not be required to post security for customers enrolled in the POR program. A security deposit will be required for transportation customers not enrolled in the POR program.

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

Yours truly,  


Nathan E. Barnes  
Transportation Services Department



375 North Shore Drive  
Pittsburgh, Pennsylvania 15212

[www.peoples-gas.com](http://www.peoples-gas.com)

**Lynda W. Petrichevich**  
Vice President, Regulatory Affairs

**Peoples Service Company LLC**  
Phone: 412-208-6528; Fax: 412-208-6577  
Email: [lpetrichevich@peoples-gas.com](mailto:lpetrichevich@peoples-gas.com)

November 3, 2017

**Henry Bennett**  
VP of Operations  
Median Energy PA LLC  
1 Lethbridge Plaza Ste 2  
Mahwah, NJ, 07430

Dear Mr. Bennett:

We are pleased that Median Energy PA LLC has applied for a license to provide natural gas 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 Natural Gas Company LLC – Equitable Division, and Peoples Gas Company LLC (formerly Peoples TWP) (“the Companies”).

Since Median Energy PA LLC is not currently serving customers on the Peoples systems, we have determined at this time that Median Energy PA LLC does not need a bond or other financial security requirement to provide these services to the Company’s customers.

If a Pool is established, and customers are enrolled which alters the creditworthiness requirement or the Company’s exposure to Median Energy PA 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](mailto:Lynda.W.Petrichevich@peoples-gas.com).

Sincerely,

Lynda W. Petrichevich  
Vice President – Regulatory Affairs  
Peoples Natural Gas Company LLC

Cc: Carol Scanlon  
Stephen Kelly



**PHILADELPHIA GAS WORKS**

800 West Montgomery Avenue • Philadelphia, PA 19122

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October 17, 2017

Mr. Michael Gruin  
Median Energy PA, LLC  
c/o A. Stevens & Lee  
17 N. 2<sup>nd</sup> Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101

Dear Mr. Gruin:

Re: Security Requirement for Median Energy PA, LLC

Philadelphia Gas Works ("PGW") is aware that Median Energy PA, 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 service territory of Philadelphia Gas Works. You have stated that, in performing these services, Median Energy PA, LLC will take title to any delivered natural gas.

Under its tariff, Philadelphia Gas Works could require Median Energy PA, LLC to provide a bond or other financial security instrument in an amount that Philadelphia Gas Works determines to be appropriate. Upon final approval of your application to PGW and prior to enrolling customers, security in the first year for firm pools will be required based on your estimated firm pool size. It will be updated annually based on actual firm pool size.

At this time, Median Energy PA, LLC does not need to post a bond or other form of security.

If you have any questions concerning the foregoing, please contact me at 215-684-6278.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicholas LaPergola', is written over a large, stylized flourish.

Nicholas LaPergola  
Director, Supply, Transportation & Control

NL/dls

