

## MEMORANDUM

Pennsylvania Public Utility Commission

Docket No. A-2017-2636652

Utility Code:1220477

In response to request for additional data from the PUC please see the following pages. Additionally, please see the below verification statement.

I, Thomas F. Beaty, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature:

A handwritten signature in black ink, appearing to read "Thomas F. Beaty". The signature is fluid and cursive, with a large initial "T" and "B".

Thomas F. Beaty (Tom Beaty), President & CEO

Insight Sourcing Group Holdings, Inc.

Insight Sourcing Group, LLC

## 4. OPERATIONS

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

Definitions

- Supplier – an entity which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of an natural gas distribution company
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of natural gas but does not take title to the natural gas.

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

**or**

- The Applicant is not presently doing business in Pennsylvania.

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

- Supplier or Aggregator of natural gas services
- Municipal supplier of natural gas services
- Cooperative supplier of natural gas services
- Broker/Marketer engaged in the business of supplying natural gas services
  - Check here to verify that your organization will not be taking title to the natural gas nor will you be making payments for customers.
- Other (Describe):

c. **PROPOSED SERVICES:** Describe in detail the natural gas supply services which the Applicant proposes to offer.

Insight Sourcing Group, LLC will be working direct with clients to provide brokerage services for the purchasing of and natural gas. Insight Sourcing Group will not take title to natural gas but act as a broker between the customer and licensed natural gas supplier.

d. **PROPOSED SERVICE AREA:** Check the box of each Natural Gas Distribution Company for which the Applicant proposes to provide service.

- |   |  |
|---|--|
| <input type="checkbox"/> Columbia                     | <input type="checkbox"/> Philadelphia Gas Works      |
| <input type="checkbox"/> National Fuel Gas            | <input type="checkbox"/> UGI Central Penn            |
| <input type="checkbox"/> PECO                         | <input type="checkbox"/> UGI Penn natural            |
| <input type="checkbox"/> Peoples Gas – Equitable Div. | <input type="checkbox"/> UGI Utilities               |
| <input type="checkbox"/> Peoples Natural Gas          | <input type="checkbox"/> Valley Energy               |
| <input type="checkbox"/> Peoples TWP                  | <input checked="" type="checkbox"/> All of the above |

Please see the attached letters from each utility regarding bonding letters or financial requirements.

e. **CUSTOMERS:** Applicant proposes to provide services to:

- Residential Customers
- Small Commercial Customers - (Less than 6,000 Mcf annually)
- Residential and Small Commercial as Mixed Meter ONLY (**CANNOT BE TAKEN WITH RESIDENTIAL AND/OR SMALL COMMERCIAL ABOVE**)
- Large Commercial Customers - (6,000 Mcf or more annually)
- Industrial Customers
- Governmental Customers
- All of above (Except Mixed Meter)
- Other (Describe):

f. **START DATE:** Provide the approximate date the Applicant proposes to actively market within the Commonwealth.

Upon licensure



# VALLEY ENERGY

523 S. Keystone Avenue, P.O. Box 340, Sayre, PA 18840  
800/998-4427 • 570/888-9664 • FAX 570/888-6199

December 19, 2017

Tom Beaty, VP Enterprise Energy Solutions  
Insight Sourcing Group, LLC  
5555 Triangle Parkway, Suite 300shar  
Norcross, GA 30092

Dear Mr. Beaty:

We understand that Insight Sourcing Group, 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 Insight Sourcing Group, LLC intends to only provide natural gas aggregating, brokering and consulting services at this time, we have determined that Insight Sourcing Group, LLC will not be required to post a bond or other form of financial security instrument to provide these services in our service area. However, if the services provided change in the future, we reserve the right to require security from Insight Sourcing Group, LLC as deemed appropriate.

If you have any questions, please contact Jamie Levering at 570-888-9664.

Sincerely,

Edward E. Rogers  
President & CEO

EER/ss

cc: J. Levering, Valley Energy  
[jtaylor@licenseogix.com](mailto:jtaylor@licenseogix.com)



December 7, 2017

Tom Beaty  
Insight Sourcing Group, LLC  
5555 Triangle Parkway, Suite 300  
Norcross, GA 30092

Dear Tom Beaty :

We are pleased that Insight Sourcing Group, LLC 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, Insight Sourcing Group, LLC 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. Insight Sourcing Group, LLC has indicated only brokering and consulting services will be provided. Therefore, we have determined at this time that Insight Sourcing Group, LLC 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 Insight Sourcing Group, LLC changes in the future, Columbia Gas might deem it appropriate to require Insight Sourcing Group, LLC to provide a bond or other financial security instrument.

Please feel free to contact me at 614-460-4712 should you have any questions regarding a bond or other financial security instrument requirements of Columbia Gas.

Sincerely,

*Patricia Chang*

Patricia Chang  
Manager of Choice and Transportation Support Services



**National Fuel**

December 7, 2017

Tom Beaty, CEO  
Insight Sourcing Group, LLC  
5555 Triangle Parkway, Suite 300  
Norcross, GA 30092

Re: Security Requirement for Insight Sourcing Group, LLC

Dear Tom,

National Fuel Gas Distribution Corporation (“NFGDC”) is aware Insight Sourcing Group, LLC (ISG) has filed an application with the Pennsylvania Public Utility Commission to supply natural gas service to the public in Pennsylvania and specifically within the service territory of NFGDC.

As you know, in making such an application, ISG must furnish acceptable security to each utility where ISG will do business. As such, under its tariff, NFGDC could require ISG 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 ISG intends only to provide natural gas aggregating, brokering and consulting services at this time. You have stated that, in performing these services, ISG will never take title to any delivered natural gas.

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

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

Yours truly,

**Nathan E. Barnes**  
Transportation Services Department

December 21, 2017

Insight Sourcing Group, LLC  
c/o LicenseLogix  
140 Grand Street, Suite 300  
White Plains, NY 10601

Re: Broker Requirements

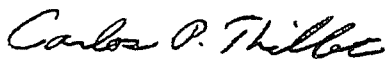
Dear Insight Sourcing Group:

PECO is aware that Insight Sourcing Group 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, Insight Sourcing Group could be required to provide to PECO a bond or other acceptable financial security in an amount that PECO determines to be appropriate. Insight Sourcing Group has indicated that it intends to provide only brokering and consulting services to commercial and industrial customers, and 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 Insight Sourcing Group 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 Insight Sourcing Group or the creditworthiness requirement for PECO's exposure to Insight Sourcing Group changes in the future, PECO reserves the right to require Insight Sourcing Group 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,



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





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)

December 7, 2017

Tom Beaty  
VP Enterprise Energy Solutions  
Insight Sourcing Group, LLC  
5555 Triangle Parkway, Suite 300  
Norcross, GA 30092

Dear Mr. Beaty:

We are pleased that Insight Sourcing Group, 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 Insight Sourcing Group, LLC is not currently serving customers on the Peoples systems, we have determined at this time that Insight Sourcing Group, 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 Insight Sourcing Group, 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

---

December 7, 2017

Mr. Tom Beaty  
Insight Sourcing Group  
Vice President, Enterprise Energy Solutions  
5555 Triangle Parkway, Suite 300shar  
Norcross, GA 30092

Re: Security Requirement Bond for Insight Sourcing Group

Dear Mr. Beaty:

Philadelphia Gas Works ("PGW") is aware that Insight Sourcing Group 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, Insight Sourcing Group must furnish acceptable security to each utility where Insight Sourcing Group will do business. As such, under its tariff, Philadelphia Gas Works could require Insight Sourcing Group 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 Insight Sourcing Group intends only to provide natural gas aggregating, brokering and consulting services at this time. You have stated that in performing these services Insight Sourcing Group will never take title to any delivered natural gas.

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

If you have any questions concerning the foregoing, please contact me at 215-684-6725.

Sincerely,

A handwritten signature in black ink, appearing to read "J.C. Zuk".

John C. Zuk  
Vice President, Gas Supply

NL/dls



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

December 8, 2017

Tom Beaty  
VP Enterprise Energy Solutions  
Insight Sourcing Group, LLC  
5555 Triangle Parkway, Suite 300shar  
Norcross, GA 30092  
RE: INSIGHT Inc. application to serve as a Natural Gas Broker

Dear Mr. Beaty,

Based on your assertion that Insight Sourcing Group, LLC. ("INSIGHT") is applying with the State of Pennsylvania to operate as a natural gas broker/marketer, UGI Utilities Inc. ("UGIU") has concluded that INSIGHT 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 INSIGHT will not be taking title to gas or directly serving end use customers. This also assumes that INSIGHT will be acting in conjunction with 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 INSIGHT 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  
Senior Manager, Tariff & Supplier Administration  
UGI Utilities, Inc.