

ORIGINAL

Douglas A. Oglesby
Vice President &
General Counsel

345 California Street, 32nd Floor
San Francisco, CA 94104-2624
415.733.4750
Fax: 415.733.4957

December 4th, 1998

A-110049

RECEIVED

DEC 04 1998

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
Harrisburg, PA 17105-3265

Dear Secretary McNulty:

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Pursuant to 52 Pa. Code § 54.32(g) of the Commission's licensing regulations and in accordance with the Secretarial Letter issued on November 24, 1998, PG&E Energy Services hereby submits this Letter Petition For a Permanent License (Letter Petition). PG&E Energy Services was issued an Interim License on November 4, 1997, Interim License No. 110049. In support of this Letter Petition, PG&E Energy Services provides the following additional and updated information required by 52 Pa. Code § 54.33.

1. PG&E Energy Services has provided the Commission a bond in compliance with 52 Pa. Code § 54.40. Please see Attachment A to this Letter Petition.
2. There are no material changes in the information provided in the original application.
3. The following contact information needs to be updated in the Commission's records:

a) Application Contact:

Ms. Jennifer Chamberlin
345 California St. 32nd Floor
San Francisco, CA 94104
415-733-4589

b) Corporate Address:

PG&E Energy Services
345 California St. 32nd Floor
San Francisco, CA 94104
415-733-4500

c) PEMA Contact:

Ms. Trish Gambino
345 California St. 32nd Floor
San Francisco, CA 94104
415-733-4564

d) Attorney Contact:

Mr. Douglas Oglesby
345 California St. 32nd Floor
San Francisco, CA 94104
415-733-4750

**DOCUMENT
FOLDER**

DOCKETED

DEC 22 1998

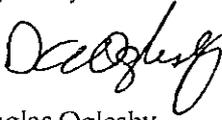
Mr. James McNulty
December 4, 1998
Page 2

e) Tax Information Contact:

Ms. Gretchen Hyland
1100 Louisiana Street
Houston, TX 77002
713-371-6436

Should you have any questions regarding this Letter Petition, please do not hesitate to contact Jennifer Chamberlin at (415) 733-4589.

Very Truly Yours,



Douglas Oglesby
Vice President & General Counsel

cc: Robert Bennett, Bureau of Fixed Utility Services



November 30, 1998

Office of the Prothonotary
Pennsylvania Public Utilities Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: Electric Service Provider Bond

To Whom it May Concern:

Please find enclosed the following bond for PG&E Energy Services:

- Fireman's Fund Bond #111 333 63 215 in the amount of \$250,000 for Electric Service Providers. This bond replaces United States Fidelity and Guaranty Company Bond #74-5723-00027-97.

We ask that you accept this Fireman's Fund bond as a replacement to the United States Fidelity and Guaranty Company Bond. Also, please acknowledge the cancellation of the United States Fidelity and Guaranty Company bond by returning the original bond or a letter stating the cancellation and acceptance of the new bond.

If you should have any questions, please contact June Nakanishi at 415-973-6866.

Sincerely,


Jennifer Chamberlin

Enclosure

Cc: Don Falcone
Doug Oglesby

KNOW ALL BY THESE PRESENTS, That we, PG&E ENERGY SERVICES CORP.

as Principal, and the FIREMAN'S FUND INSURANCE COMPANY a corporation organized under the laws of the State of

California, and authorized to transact the business of surety in the State of Massachusetts

as Surety, are held and firmly bound unto PENNSYLVANIA PUBLIC UTILITY COMMISSION

in the just and full sum

of Two Hundred Fifty Thousand and 00/100 Dollars (\$ 250,000.00),
for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Scaled with our seals, and dated this 18th day of September, 1998.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, WHEREAS, the Principal has applied to the Obligee for a license as an electric generation supplier.

This bond is written in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. § 2809(c)(1)(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 shall enure first to the benefit of the Commonwealth, and second, to any and all retail electric generation customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contract, agreements or arrangements. Any claims made by the Commonwealth shall have priority over claims made by private individuals. Proceeds of the bond 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.

NOW, THEREFORE, if the Principal shall well and truly comply with the application local ordinances, and conduct business in conformity therewith, then this obligation to be void; otherwise to remain in full force and effect.

This bond may be canceled by the Surety by the sending notice in writing to the Obligee, stating when, not less than thirty (30) days thereafter, liability hereunder shall terminate as to subsequent acts or omissions of the Principal.

DM
PG&E ENERGY SERVICES CORP. (Seal)
BY: [Signature] Principal

(Seal)
Principal

(Seal)
Principal

Countersigned By:

Marjorie J. Arch
Marjorie J. Arch
Pennsylvania Resident Agent

FIREMAN'S FUND INSURANCE COMPANY
BY: [Signature]
THERESA FERMANICH, Attorney-in-Fact

ACKNOWLEDGMENT BY SURETY

STATE OF CALIFORNIA)
County of SAN FRANCISCO)

On September 18, 1998 before me, KELLY ROBERTS , NOTARY PUBLIC, personally appeared THERESA FERMANICH, ATTORNEY-IN-FACT FOR FIREMAN'S FUND INSURANCE COMPANY

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Kelly Roberts* (Seal)



GENERAL
POWER OF
ATTORNEY

FIREMAN'S FUND INSURANCE COMPA

KNOW ALL MEN BY THESE PRESENTS: That FIREMAN'S FUND INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of California, and having its principal office in the County of Marin, State of California, has made, constituted and appointed, and does by these presents make, constitute and appoint

--- THERESA FERMANICH ---

SAN FRANCISCO CA

its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertaking, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is granted pursuant to Article VII, Sections 45 and 46 of By-laws of FIREMAN'S FUND INSURANCE COMPANY now in full force and effect.

"Article VII. Appointment and Authority of Resident Secretaries, Attorney-in-Fact and Agents to accept Legal Process and Make Appearances.

Section 45. Appointment. The Chairman of the Board of Directors, the President, any Vice-President or any other person authorized by the Board of Directors, the Chairman of the Board of Directors, the President or any Vice-President may, from time to time, appoint Resident Assistant Secretaries and Attorneys-in-Fact to represent and act for and on behalf of the Corporation and Agents to accept legal process and make appearances for and on behalf of the Corporation.

Section 46. Authority. The authority of such Resident Assistant Secretaries, Attorneys-in-Fact and Agents shall be as prescribed in the instrument evidencing their appointment. Any such appointment and all authority granted thereby may be revoked at any time by the Board of Directors or by any person empowered to make such appointment."

This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of FIREMAN'S FUND INSURANCE COMPANY at a meeting duly called and held on the 7th day of August, 1984, and said Resolution has not been amended or repealed:

"RESOLVED, that the signature of any Vice-President, Assistant Secretary, and Resident Assistant Secretary of this Corporation, and the seal of this Corporation may be affixed or printed on any power of attorney, on any revocation of any power of attorney, or on any certificate relating thereto, by facsimile, and any power of attorney, any revocation of any power of attorney, or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation."

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused these presents to be signed by its Vice-President, and its corporate

seal to be hereunto affixed this 12th day of December, 19 97.



FIREMAN'S FUND INSURANCE COMPANY

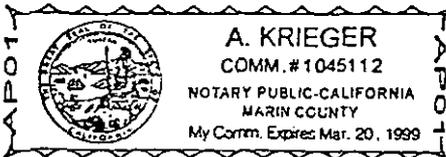
By [Signature]
Vice-President

STATE OF CALIFORNIA
COUNTY OF MARIN

ss.

On this 12th day of December, 19 97, before me personally came M. A. Mallonee, to me known, who, being by me duly sworn, did depose and say: that he is Vice-President of FIREMAN'S FUND INSURANCE COMPANY, the Corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year herein first above written.



[Signature]
Notary Public

CERTIFICATE

STATE OF CALIFORNIA
COUNTY OF MARIN

ss.

I, the undersigned, Resident Assistant Secretary of FIREMAN'S FUND INSURANCE COMPANY, a CALIFORNIA Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore that Article VII, Sections 45 and 46 of the By-laws of the Corporation, and the Resolution of the Board of Directors; set forth in the Power of Attorney, are now in force.

Signed and sealed at the County of Marin. Dated the 18TH day of SEPTEMBER, 19 98.



[Signature]
Resident Assistant Secretary



**PG&E Energy
Services**

A-110049

026025

November 30, 1998

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SECRETARY'S BUREAU

345 California Street, 32nd Floor
San Francisco, CA 94104
415.733.4500
Fax: 415.733.4950

Office of the Prothonotary
Pennsylvania Public Utilities Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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RE: Electric Service Provider Bond

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If you should have any questions, please contact June Nakanishi at 415-973-6866.

Sincerely,

Jennifer Chamberlin

Enclosure

Cc: Don Falcone
Doug Oglesby

SRB

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as Principal, and the FIREMAN'S FUND INSURANCE COMPANY a corporation organized under the laws of the State of
California, and authorized to transact the business of surety in the State of Massachusetts

as Surety, are held and firmly bound unto PENNSYLVANIA PUBLIC UTILITY COMMISSION

in the just and full sum

of Two Hundred Fifty Thousand and 00/100 Dollars (\$ 250,000.00),
for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and
severally, firmly by these presents.

Scaled with our seals, and dated this 18th day of September, 1998

THE CONDITION OF THIS OBLIGATION IS SUCH, That, WHEREAS, the Principal has applied to the Obligee
for a license as an electric generation supplier.

This bond is written in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. § 2809(c)(1)(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 shall enure first to the benefit of the Commonwealth, and second, to any and all retail electric generation customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contract, agreements or arrangements. Any claims made by the Commonwealth shall have priority over claims made by private individuals. Proceeds of the bond 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.

NOW, THEREFORE, if the Principal shall well and truly comply with the application local ordinances, and conduct business in conformity therewith, then this obligation to be void; otherwise to remain in full force and effect.

This bond may be canceled by the Surety by the sending notice in writing to the Obligee, stating when, not less than thirty (30) days thereafter, liability hereunder shall terminate as to subsequent acts or omissions of the Principal.

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DEC 20 1998

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FOLDER

Countersigned By:

Marjorie J. Arch
Marjorie J. Arch
Pennsylvania Resident Agent

PG&E ENERGY SERVICES CORP. (Seal)
Principal
BY: [Signature] (Seal)
Principal
(Seal)
Principal

FIREMAN'S FUND INSURANCE COMPANY
By: [Signature]
THERESA FERMANICH, Attorney-in-Fact

ACKNOWLEDGMENT BY SURETY

STATE OF CALIFORNIA)
County of SAN FRANCISCO)

On September 18, 1998 before me, KELLY ROBERTS , NOTARY PUBLIC, personally appeared
THERESA FERMANICH, ATTORNEY-IN-FACT FOR FIREMAN'S FUND INSURANCE COMPANY

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Kelly Roberts* (Seal)



KNOW ALL MEN BY THESE PRESENTS: That FIREMAN'S FUND INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of California, and having its principal office in the County of Marin, State of California, has made, constituted and appointed, and does by these presents make, constitute and appoint

--- THERESA FERMANICH ---

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its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is granted pursuant to Article VII, Sections 45 and 46 of By-laws of FIREMAN'S FUND INSURANCE COMPANY now in full force and effect.

"Article VII. Appointment and Authority of Resident Secretaries, Attorney-in-Fact and Agents to accept Legal Process and Make Appearances.

Section 45. Appointment. The Chairman of the Board of Directors, the President, any Vice-President or any other person authorized by the Board of Directors, the Chairman of the Board of Directors, the President or any Vice-President may, from time to time, appoint Resident Assistant Secretaries and Attorneys-in-Fact to represent and act for and on behalf of the Corporation and Agents to accept legal process and make appearances for and on behalf of the Corporation.

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This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of FIREMAN'S FUND INSURANCE COMPANY at a meeting duly called and held on the 7th day of August, 1984, and said Resolution has not been amended or repealed:

"RESOLVED, that the signature of any Vice-President, Assistant Secretary, and Resident Assistant Secretary of this Corporation, and the seal of this Corporation may be affixed or printed on any power of attorney, on any revocation of any power of attorney, or on any certificate relating thereto, by facsimile, and any power of attorney, any revocation of any power of attorney, or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation."

IN WITNESS WHEREOF, FIREMAN'S FUND INSURANCE COMPANY has caused these presents to be signed by its Vice-President, and its corporate seal to be hereunto affixed this 12th day of December, 1997.



FIREMAN'S FUND INSURANCE COMPANY

By [Signature]
Vice-President

STATE OF CALIFORNIA
COUNTY OF MARIN

ss.

On this 12th day of December, 1997, before me personally came M. A. Mallonee to me known, who, being by me duly sworn, did depose and say: that he is Vice-President of FIREMAN'S FUND INSURANCE COMPANY, the Corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year herein first above written.



[Signature]
Notary Public

CERTIFICATE

STATE OF CALIFORNIA
COUNTY OF MARIN

ss.

I, the undersigned, Resident Assistant Secretary of FIREMAN'S FUND INSURANCE COMPANY, a CALIFORNIA Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore that Article VII, Sections 45 and 46 of the By-laws of the Corporation, and the Resolution of the Board of Directors; set forth in the Power of Attorney, are now in force.

Signed and sealed at the County of Marin. Dated the 18TH day of SEPTEMBER, 1998.



[Signature]
Resident Assistant Secretary

DATE: December 21, 1998
SUBJECT: A-110049
TO: Bureau of Fixed Utility Services
FROM: James J. McNulty, Secretary

LAF

License Application Update and Request for Permanent License of PG&E Energy Services.

Attached is a copy of a License Application Update and Request for Permanent License filed by PG&E Energy Services.

This matter is being assigned to your Bureau for appropriate action.

Attachment

cc: Law Bureau

laf

DOCUMENT
FOLDER

DOCKETED

DEC 22 1998

EEF

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

IN REPLY PLEASE
REFER TO OUR FILE
A-110049

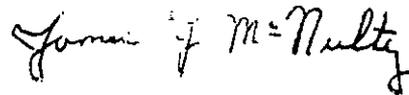
December 23, 1998

Jennifer Chamberlin
PG&E Energy Services
345 California Street
32nd Floor
San Francisco CA 94104

Dear Ms. Chamberlin:

This letter will serve as The United States Fidelity and Guaranty Company to cancel Bond Number 74-5723-00027-97, for the amount of \$250,000.00. That original Bond is enclosed.

Sincerely,



James J. McNulty
Secretary
PA Public Utility Commission

JJM:ddt

Enclosure

cc: PUC Bureau of Fixed Utility Services

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DEC 29 1998

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FOLDER**