



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

IN REPLY PLEASE
 REFER TO OUR FILE

November 5, 1998

STATOIL ENERGY SERVICES INC
 TAX MANAGER
 2800 EISENHOWER AVENUE
 ALEXANDRIA VA 22314

A -
 Invoice Number 98-110005

By order entered on November 5, 1998, at M-00981204, the Pennsylvania Public Utility Commission approved a revised assessment for Fiscal Year July 1, 1998 to June 30, 1999 to be levied upon the Electric Distribution Companies and Electric Generation Suppliers. A copy of the Commission's Order is attached. It explains the reasons why the original assessments are being revised.

Using the revised assessment factors and the gross intrastate operating revenues for 1997, taken from the Assessment Report Form GAO-97 which you filed with the Commission, your revised assessment and amount due is as follows:

PA Public Utility Commission	\$113.00
PA Office of Consumer Advocate	\$11.00
PA Small Business Advocate	\$3.00
Total Revised Assessment	\$127.00
Amount Paid	\$105.00
Amount Due	\$22.00

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Payment of the amount due is required by law to be made within thirty days after receipt of this invoice. See Section 510(c) of the Public Utility Code, 66 Pa. C. S. § 510(c). A failure to make timely payment of the assessment may result in the imposition of fines and/or the revocation of your authority to do business in Pennsylvania.

Your remittance is to be made payable to "Commonwealth of PA." Please mail your payment with a copy of this letter to the following address:

PA Public Utility Commission
 Bureau of Audits / Assessments
 P. O. Box 3265
 Harrisburg, PA 17105-3265

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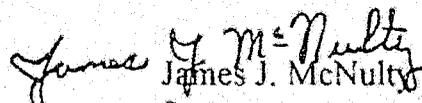
You may file objections to the assessment. Objections must be in writing and set out in detail the grounds upon which you regard the assessment to be excessive, erroneous, unlawful, or invalid. Objections must be filed within 15 days of receipt of this invoice pursuant to 66 Pa. C.S. § 510(c). Your objections will be set for hearing before an administrative law judge. The filing of an objection does not relieve you of the responsibility of paying your assessment within 30 days.

Objections are to be sent to:

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

If you have any questions, please contact Stephen Reed at 717-783-6190.

Sincerely,


James J. McNulty
Secretary

Attachment

Certified Mail

THE LAW FIRM OF

MALATESTA HAWKE & McKEON LLP

MAILING ADDRESS
P.O. BOX 1778
HARRISBURG, PA 17105

JOSEPH J. MALATESTA JR.
WILLIAM T. HAWKE
KEVIN J. McKEON
LOUISE A. KNIGHT
THOMAS J. SNISCAR
NORMAN JAMES KENIARD
LILLIAN SMITH HARRIS
SCOTT T. WYLAND
CRAIG H. BURGRAFF
JANET L. MILLER
SUSAN J. SMITH
TODD S. STEWART

HARRISBURG ENERGY CENTER
100 NORTH TENTH STREET
HARRISBURG, PENNSYLVANIA 17101

(717) 236-1300

FAX (717) 236-4841

<http://www.MHM-LAW.com>

November 12, 1998

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Room B-18, North Office Building
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

98 NOV 12 PM 2:22

DEC 21 1998

RE: Statoil Energy Services, Inc.; Docket No. A-110005, **LETTER
PETITION OF STATOIL ENERGY SERVICES, INC. FOR
PERMANENT LICENSE**

Dear Secretary McNulty:

On April 11, 1997, Eastern Power Distribution, Inc., the predecessor to Statoil Energy Services, Inc. was granted an Interim License as an electric generation supplier in the Commonwealth of Pennsylvania at the above-captioned docket. As a result of a corporate reorganization and name change, Statoil Energy Trading, Inc. came to possess the license formerly held by Eastern Power Distribution, Inc. Statoil Energy Trading, Inc. filed, on June 9, 1998, a petition requesting transfer of its license to Statoil Energy Services, Inc. By letter dated August 18, 1998, the request was granted and the license was transferred to Statoil Energy Services, Inc.

On August 8, 1998, final form regulations regarding the licensing of electric generation suppliers were published in the *Pennsylvania Bulletin*, 28 Pa. Bul. 3760. Those regulations became final upon publication. Specifically, those regulations require electric generation suppliers holding interim licenses to file for a permanent license on or before December 7, 1998. Filings for permanent licenses were to be filed on an application form to be provided by the Commission. To this date, no revised application form has been issued by this Commission. Therefore, Statoil Energy Services, Inc. hereby requests that it be granted a permanent license to act as an EGS in the Commonwealth of Pennsylvania.

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License or Permit Bond

KNOW ALL PERSONS BY THESE PRESENTS, That we Stateil Energy Services, Inc.

of 2800 Eisenhower Avenue, Alexandria, Virginia 22314

, hereinafter referred to as the Principal, and

Continental Casualty Company

as Surety, are held and firmly bound unto Pennsylvania Public Utility Commission

of Harrisburg, Pennsylvania 17128

, hereinafter referred to as the Obligor, in the sum of

Two Hundred Fifty Thousand Dollars and No Cents

Dollars (\$250,000.00), for the payment of which we bind ourselves, our legal representatives, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the Principal has made application for a license or permit to the Obligor for the purpose of, or to exercise the vocation of Supplying Energy And Energy Services to entities within the Commonwealth of Pennsylvania

NOW, THEREFORE, if the Principal shall faithfully comply with all ordinances, rules and regulations which have been or may hereafter be in force concerning said License or Permit, and shall save and keep harmless the Obligor from all loss or damage which it may sustain or for which it may become liable on account of the issuance of said license or permit to the Principal, then this obligation shall be void; otherwise, to remain in full force and affect.

THIS BOND WILL EXPIRE the 1st day of March, 1999,

but may be continued by continuation certificate signed by the Principal and Surety. The Surety may at any time terminate its liability by giving thirty (30) days written notice to the Obligor, and the Surety shall not be liable for any default after such thirty day notice period, except for defaults occurring prior thereto.

SIGNED, SEALED AND DATED this 11th day of November, 1988,

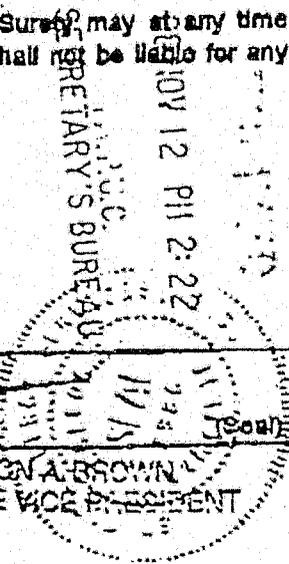
Stateil Energy Services, Inc.

(Principal)

By:

[Handwritten Signature]

CLIFTON A. BROWN
EXECUTIVE VICE PRESIDENT



Continental Casualty Company

(Surety)

By:

John C. Plate

[Handwritten Signature]

(Seal)

Attorney-in-fact

**CONTINENTAL CASUALTY COMPANY
GENERAL PURPOSE RIDER**

To be attached to and form a part of Bond Number 158512798, issued by the Continental Casualty Company, as Surety, on behalf of Statoil Energy Services, Inc. of 2800 Eisenhower Avenue, Alexandria, Virginia 22314, hereinafter referred to as the Principal, and in favor of Pennsylvania Public Utility Commission of Harrisburg, Pennsylvania 17128, hereinafter referred to as the Obligee, in the sum of Two Hundred Fifty Thousand and No Cents Dollars (\$250,000.00), effective the 11th day of November, 1998.

NOW, THEREFORE, It is agreed that

The Pennsylvania Public Utility Commission, Commonwealth is the sole beneficiary. This bond is written in accordance with Section 2809 (c)(1)(i) of the Public Utility Code, 66 Pa.C.S. Section 2809 (c)(1)(i), to assure compliance with applicable provisions of the Public Utility Code, 66 Pa.C.S. Section 101, et seq., and the rules and regulation 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. Section 2810; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this bond shall inure first to the benefit of the Commonwealth, second, to EDCs for the reimbursement of Gross Receipts Tax and third, to Private individuals. 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.

IT IS FURTHER AGREED that all other terms and conditions of this bond shall remain unchanged.

THIS RIDER IS TO BE EFFECTIVE the 11th day of November, 1998

SIGNED, SEALED, DATED this 11th day of November, 1998.

Accepted By:

Pennsylvania Public Utility Commission

By: _____

Statoil Energy Services, Inc.

(Principal)

By: _____

CLIFTON A. BROWN
EXECUTIVE VICE PRESIDENT

(Seal)

Continental Casualty Company

By: _____

John C. Plate, Attorney-in-Fact

(Seal)

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That CONTINENTAL CASUALTY COMPANY, an Illinois corporation, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a Connecticut corporation, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a Pennsylvania corporation (herein collectively called "the CCC Surety Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signature and seals herein affixed hereby make, constitute and appoint Frank J. Petterson, III, John C. Plata, Jessica J. Whitney, Yvonna R. Ehredt, individually

of Faith Church, Virginia

their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CCC Surety Companies have caused these presents to be signed by their Group Vice President and their corporate seals to be hereto affixed on this 14th day of July, 1998



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

Marvin J. Cashion

Marvin J. Cashion

Group Vice President

State of Illinois, County of Cook, ss:

On this 14th day of July, 1998

, before me personally came Marvin J. Cashion, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



My Commission Expires March 6, 2000

Mary Jo Abel

Mary Jo Abel

Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of each corporation printed on the reverse hereof are still in force. In testimony whereof I have herunto subscribed my name and affixed the seals of the said corporations this 11th day of November, 1998.



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

Mary A. Ribikawskis

Mary A. Ribikawskis

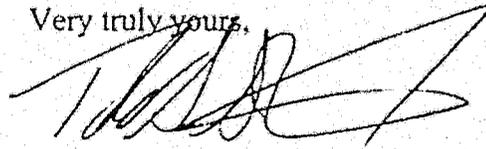
Assistant Secretary

James J. McNulty, Secretary
Re: Letter Petition for Permanent License
Statoil Energy Services, Inc.
November 12, 1998
Page 2

Statoil Energy Services, Inc. represents that no material change has occurred in its operational structure, other than that discussed and decided in the Petition for Transfer of License, noted above. Statoil Energy Services, Inc. has obtained a bond in amount of \$250,000, and which contains the language required by 52 Pa. Code §54.40(f). A copy of the bond is attached hereto. Statoil Energy Services, Inc. further represents that it will abide by the applicable regulations of the Pennsylvania Public Utility Commission.

Statoil Energy Services, Inc. will provide additional information, as required by the Commission, for approval of this letter petition. Any questions concerning this petition should be addressed to the undersigned counsel.

Very truly yours,



Todd S. Stewart
Counsel for Statoil Energy Services, Inc.

ISS/bes

cc: Robert J. Bennett, Bureau of Fixed Utility Services
Patricia Burkett, Law Bureau

CERTIFICATE OF SERVICE

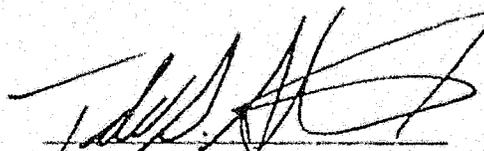
I hereby certify that I have this day served a copy of the foregoing Letter Petition upon the persons and in the manner indicated below.

Service by First Class U.S. Mail:

Irwin Popowsky, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17120

Bernard A. Ryan, Jr., Esquire
Office of Small Business Advocate
Suite 1102 - Commerce Building
300 North Second Street
Harrisburg, PA 17101

Office of Attorney General
14th Floor, Strawberry Square
Harrisburg, PA 17120



Todd S. Stewart

Dated: November 12, 1998

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PA. U.C.
SECRETARY'S BUREAU



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

IN REPLY PLEASE
REFER TO OUR FILE

Secretary's Bureau
PA PUC
717-772-7777

November 24, 1998

A-110005

To Whom It May Concern

The Commission's licensing regulations at 52 Pa. Code §54.32(g) require that all electric generation suppliers who were granted "Interim Licenses" shall apply, by December 7, 1998, for a permanent license by updating its prior license application to include additional and updated information required by 52 Pa. Code §54.33. The purpose of this letter is to set forth the specific information required.

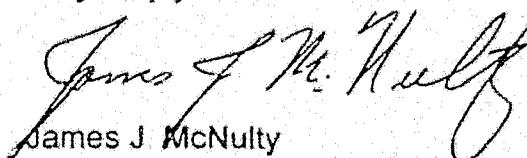
To update its license application, an interim licensee must submit a letter which includes the following:

- (1) Any material changes in the information provided in the original application (e.g., material changes in original organizational structure),
- (2) Any material changes in the scope of operations, i.e. expansion of geographic area in which service will be provided, or addition of other customer classes to which service will be offered; and
- (3) Any change in the customer contact person

Please note that the following are not required:

- (1) Filing of a new application,
- (2) Payment of a filing fee; and
- (3) Publication in newspapers, unless an expansion of service area is being proposed.

Very truly yours,


James J. McNulty
Secretary

DATE: December 18, 1998

SUBJECT: A-110005

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary

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DEC 21 1998

License Application Update and Request for Permanent
License of Statoil Energy Services, Inc.

Attached is a copy of a License Application Update
and Request for Permanent License filed by Statoil
Energy Services, Inc.

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

Attachment

cc: Law Bureau

laf

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