

DOCKET NO.:

A-125055

RESPONDENT OR APPLICANT: SPRAGUE ENERGY CORP

PARTY OR COMPLAINANT:

ENTRY TYPE	DATE	BUREAU	PERSONNEL
1 N	11/19/99	SEC	STABLEY
APPLICATION OF SPRAGUE ENERGY CORP AS A BROKER/MARKETER AND AGGREGATOR			
2 N	11/24/99	SEC	STABLEY
SEC MEMO TO FUS ASSIGNING APPLICATION			
3 N	11/24/99	SEC	STABLEY
SEC LETTER TO APPLICANT ACKNOWLEDGING RECEIPT OF APPLICATION			
4 N	11/30/99	SEC	FRISCIA
RECEIPT OF \$350.00 FILING FEE ISSUED			
5 N	01/24/00	SEC	ADAMS
APPLICANT FILED PROOF OF SERVICE & PROOF OF PUBLICATION			
6 N	02/07/00	SEC	FRISCIA
APPLICANT FILED PROOFS OF PUBLICATION (2)			
7 N	01/13/00	SEC	MOTTER
APPLICANT FILED INFO NEEDED TO COMPLETE APPLICATION AS INSTRUCTED BY FUS			
8 N	02/10/00	SEC	FRISCIA
ORDER SERVED TO PARTIES			
9 N	02/10/00	SEC	FRISCIA
LICENSE FOR NATURAL GAS SUPPLIER DATED 2/10/00 ISSUED			
10 N	02/10/00	SEC	PATRICK
RECOM ADOPTED LICENSE APPLICATION APPROVED CONDITIONALLY			
11 N	08/08/02	SEC	MOTTER
SEC LTR APPROVES MODIFICATION OF LICENSE TO INCLUDE ADDL SVC TERRITORY OF PGW			
12 N	08/08/02	SEC	MOTTER
LICENSE FOR NATURAL GAS SUPPLIER DATED 2/10/00 ISSUED			
13 N	04/21/03	SEC	PATRICK
SPRAGUE ENERGY CORP FLD LTR ADVISING OF ADDRESS CHANGE			

1. REPORT DATE: 00/00/00 :
2. BUREAU: FUS :
3. SECTION(S): : 4. PUBLIC MEETING DATE:
5. APPROVED BY: : 00/00/00
DIRECTOR: :
SUPERVISOR: :
6. PERSON IN CHARGE: : 7. DATE FILED: 11/19/99
8. DOCKET NO: A-125055 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT:

RESPONDENT/APPLICANT: SPRAGUE ENERGY CORP

COMP/APP COUNTY:

UTILITY CODE: 125055

ALLEGATION OR SUBJECT

APPLICATION OF SPRAGUE ENERGY CORP. FOR APPROVAL TO OFFER, RENDER, FURNISH OR SUPPLY NATURAL GAS SERVICES AS A BROKER/MARKETER AND AGGREGATOR IN THE SERVICE AREAS OF NUI VALLEY CITIES GAS, PENN FUEL, T W PHILLIPS GAS AND OIL COMPANY, PG ENERGY, CARNEGIE NATURAL GAS COMPANY, NATIONAL FUEL GAS DISTRIBUTION CORP., THE PEOPLES NATURAL GAS COMPANY, UGI, EQUITABLE GAS COMPANY, COLUMBIA GAS OF PA, INC. AND PECO TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA.

DOCUMENT
FOLDER

DOCKETED

NOV 24 1999

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of SPRAGUE ENERGY CORP, for approval to offer, render, furnish, or as a(n) [as specified in item #8 below] to the public in the Commonwealth of Pennsylvania

A-125055

To the Pennsylvania Public Utility Commission:

- 1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are:
 SPRAGUE ENERGY CORP
 TWO INTERNATIONAL DRIVE, SUITE 200
 PORTSMOUTH, NH 03801
 (P) (603) 431-1000
 (F) (603) 430-5320

RECEIVED

NOV 19 1999

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address and telephone number.

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

N/A

- 2 a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:
 Thomas F. Withka, Vice President Natural Gas Marketing
 Sprague Energy Corp.
 Two International Drive
 Suite 200
 Portsmouth, NH 03801
 (P) 603-430-5350
 (F) 603-430-5320

DOCUMENT FOLDER

- b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:
 Frank Mazurek, Natural Gas Account Manager PA/NY region
 212 State Street
 Belle Vernon, PA 15012
 (P) 724-929-3630
 (F) 724-929-3631

DOCKETED

NOV 24 1999

- 3 a. **ATTORNEY:** If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:
 N/A

- b. **REGISTERED AGENT:** If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:
 Frank Mazurek, Natural Gas Account Manager PA/NY region
 212 State Street
 Belle Vernon, PA 15012
 (P) 724-929-3630
 (F) 724-929-3631

ORIGINAL

- 4. **FICTITIOUS NAME:** (select and complete appropriate statement)

The Applicant will be using a fictitious name or doing business as ("d/b/a")

70

Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

OR

The Applicant will not be using a fictitious name.

5 **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** (select and complete appropriate statement)

The Applicant is a sole proprietor

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

OR

The Applicant is a:

- domestic general partnership (*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

Provide proof of compliance with appropriate Department of State filing requirements as indicated above.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124

OR

The Applicant is a:

- domestic corporation (none)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other _____

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation. **SEE ATTACHED**

Give name and address of officers.

SEE ATTACHED

The Applicant is incorporated in the state of **DELAWARE**.

Microfilm Number _____

Entity Number 1000955

Filed with the Department of State on DEC 22 1993

[Signature]
Secretary of the Commonwealth C.A.

APPLICATION FOR AN AMENDED CERTIFICATE OF AUTHORITY
FOREIGN CORPORATION
DSCB:15-4126/6126 (Rev 90)

Indicate type of corporation (check one):

Foreign Business Corporation (15 Pa.C.S. § 4126)

Foreign Nonprofit Corporation (15 Pa.C.S. § 6126)

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) the undersigned foreign corporation, desiring to receive an amended certificate of authority hereby states that:

- The name under which the corporation currently holds a certificate of authority to do business within the Commonwealth of Pennsylvania is: S&S-Hartwell & Co., Inc.
- The name of the jurisdiction under the laws of which the corporation is incorporated is: Delaware
- The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, New Cast				
Number and Street	City	State	Zip	County
- The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) _____				
Number and Street	City	State	Zip	County
(b) c/o: <u>CT Corporation System</u>				<u>Philadelphi</u>
Name of Commercial Registered Office Provider				County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

(Check if applicable):

The foregoing reflects a change in Pennsylvania registered office.

- The corporation desires that its certificate of authority be amended to change the name under which it is authorized to transact business in the Commonwealth of Pennsylvania to:

Sprague Energy Corp.

4585-625

DSCB:15-4126/61 Rev 90)-2

6. (If the name set forth in Paragraph 5 is not available for use in this Commonwealth, complete the following):

The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is:

This corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors in compliance with the requirements of the applicable provisions of 15 Pa. C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

7. (Check one of the following as applicable):

The change of name reflects a change effected in the jurisdiction of incorporation.

Documents complying with the applicable provisions of 15 Pa.C.S. § 4123(b) or 6123(b) (relating to exception; name) accompany this application.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this Application for an Amended Certificate of Authority to be signed by a duly authorized officer this 10th day of December, 19 93

S&S-Hartwell & Co., Inc.
(Name of Corporation)
BY: Teresa L. Sears
(Signature)
Teresa L. Sears
TITLE: Assistant Secretary

Commonwealth of Pennsylvania

8767 798

Department of State



CERTIFICATE OF AUTHORITY

To All to Whom These Presents Shall Come, Greeting:

Whereas, Under the provisions of the Corporation Law, a Foreign Corporation is required to obtain a "Certificate of Authority" before it may do business in the Commonwealth and

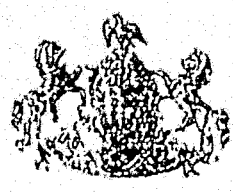
Whereas,

SSS-HARTWELL & CO., INC.

has presented to the Department of State an Application for the same, and in accordance with the requirements of the law, has designated as its registered office in this Commonwealth
123 SOUTH BROAD STREET C/O C T CORPORATION SYSTEM
PHILADELPHIA, PA 19109

Therefore, Know Ye, I Do By These Presents, issue unto such corporation, this Certificate of Authority to transact in the Commonwealth of Pennsylvania the business of

SALE OF PETROLEUM PRODUCTS AND COAL



Given under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 2nd day of November in the year of our Lord one thousand nine hundred and eighty-seven and of the Commonwealth the two hundred twelfth

James J. Shoyt
Secretary of the Commonwealth

1006953

CAPTION PARALEGAL SERVICES
ATTN: PAULA WASHBURN
P O BOX 1477
HARRISBURG, PA 17105



SPRAGUE ENERGY CORP.

OFFICERS

(603) 431-1000

James M. Kantelis	President/CEO	2 International Dr., Suite #200 Portsmouth, NH 03801
Charles T. Hoepper	C.F.O.	2 International Dr., Suite #200 Portsmouth, NH 03801
Thomas M. Huntón	Sr. V.P. Marketing	2 International Dr., Suite #200 Portsmouth, NH 03801
Thomas F. Flaherty	Vice-Pres.	2 International Dr., Suite #200 Portsmouth, NH 03801
Thomas F. Withka	Vice-Pres.	2 International Dr., Suite #200 Portsmouth, NH 03801
Robert K. Blanchard	Vice-Pres.	2 International Dr., Suite #200 Portsmouth, NH 03801
John W. Moore	Controller	2 International Dr., Suite #200 Portsmouth, NH 03801

DIRECTORS

Lawrence D. Milligan	c/o Axel Johnson Inc, 300 Atlantic St, Stamford CT 06901
Joseph F. Smorada	c/o Axel Johnson Inc, 300 Atlantic St, Stamford CT 06901

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

Affiliate(s) of the Applicant doing business in Pennsylvania are:

Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.

- Does the Applicant have any affiliation with or ownership interest in:
- (a) any other Pennsylvania retail natural gas supplier licensee or licensee applicant,
 - (b) any other Pennsylvania retail licensed electric generation supplier or license applicant,
 - (c) any Pennsylvania natural gas producer and/or marketer,
 - (d) any natural gas wells or
 - (e) any local distribution companies (LDCs) in the Commonwealth

If the response to parts a, b, c, or d above is affirmative, provide a detailed description and explanation of the affiliation and/or ownership interest.

Provide specific details concerning the affiliation and/or ownership interests involving:

- (a) any natural gas producer and/or marketers,
- (b) any wholesale or retail supplier or marketer of natural gas, electricity, oil, propane or other energy sources

Provide the Pa PUC Docket Number if the applicant has ever applied:

- (a) for a Pennsylvania Natural Gas Supplier license, or
- (b) for a Pennsylvania Electric Generation Supplier license.

If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.

OR

The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania

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

The Applicant is presently doing business in Pennsylvania as a

- natural gas interstate pipeline.
- municipal providing service outside its municipal limits
- local gas distribution company
- retail supplier of natural gas services in the Commonwealth
- a natural gas producer
- Other. **Marketer of Natural Gas Services.**

or

The Applicant is not presently doing business in Pennsylvania.

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

- supplier 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.
- Aggregator engaged in the business of supplying natural gas services.
- Other (Describe).

9 **PROPOSED SERVICES:** Generally describe the natural gas services which the Applicant proposes to offer.

Broker/Marketer supplying natural gas services.
Aggregator
Balancing/Nominating Services

10 **SERVICE AREA:** Generally describe the geographic area in which Applicant proposes to offer services.

Sprague proposes to offer services in all of the New England States, New York, New Jersey and Pennsylvania.

11 **CUSTOMERS:** Applicant proposes to initially provide services to:

- Residential Customers
- Commercial Customers - (Less than 6,000 Mcf annually)
- Commercial Customers - (6,000 Mcf or more annually)
- Industrial Customers
- Governmental Customers
- All of above
- Other (Describe).

12 **START DATE:** The Applicant proposes to begin delivering services on ASAP
(approximate date).

13 **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following:

Irwin A. Popowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120-1921

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

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

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Any of the following Natural Gas Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

<p>NUI Valley Cities Gas (NUI Transportation Services) Mike Vogel PO Box 3175 Union, NJ 07083-1975 PH: 908.289.5000 ext. 5441 FAX: 908.2898.6444</p>	<p>National Fuel Gas Distribution Corp. James E. Patterson 10 Lafayette Square Buffalo, NY 14203 PH: 716.857.7130 FAX: 716.857-7823</p>
<p>Penn Fuel (North Penn Gas Company & Penn Fuel Gas) Jim Evans or Tom Olsen 2 North 9th Street GENA94 Allentown, PA 18101 PH: 610.774.7981 610.774.4975 FAX: 610.774.5694 610.774.4975 e-mail: jevans@papl.com or teolson@papl.com</p>	<p>The Peoples Natural Gas Company Joe Gregorini or Bill McKeown 625 Liberty Avenue Pittsburgh, PA 15222 e-mail: jgregorini@png.cng.com PH: 412.497.6851 or 412.497.6840 FAX: 412.497.6630</p>
<p>T. W. Phillips Gas and Oil Company Robert M. Hovanec 205 North Main Street Butler, PA 16001 PH: 724.287.2725 FAX: 724.287.5021 e-mail: rhovanec@twphillips.com</p>	<p>UGI David Beaston or Bob Krieger PO Box 12677 or 225 Morgantown Rd Reading, PA 15222 Reading, PA 15222 PH: 610.796.3425 PH: 610.796.3516 FAX: 610.796.3559</p>
<p>PG Energy Richard N. Marshall or Wendy K. Saxe One PEI Center Wilkes-Barre, PA 18711-0601 e-mail: marshall@pgenergy.com or saxe@pgenergy.com PH: 570.829.8795 FAX: 570.829.8652</p>	<p>Equitable Gas Company Antionette Litchy 200 Allegheny Center Mall Pittsburgh, PA 15212-5352 PH: 412.395.3117 FAX: 412.395.3156</p>
<p>Carnegie Natural Gas Company Donald A. Melzer 800 Regis Avenue Pittsburgh, PA 19236 PH: 412.655.8510 ext 331 FAX: 412.655.0335</p>	<p>Columbia Gas of PA, Inc. Paula Frauen or Shirley Bardes-Hasson 650 Washington Road Pittsburgh, PA 15228 e-mail: pfrauen@columbiaenergygroup.com PH: 412.572.7131 FAX: 412.572.7161</p>
<p>Sprague is currently doing business with the following LDC's: NUI Valley Cities Gas, National Fuel Gas Distribution Corp., The Peoples Natural Gas Co., UGI, Equitable Gas Company, Carnegie Natural Gas Co., Columbia Gas of PA, Inc.. In the future, we may do business with all of the above LDC's.</p>	<p>PECO Kevin Carrabine 300 Front Street Building 2 Conshohocken, PA 19428 PH: 610.832.6413</p>

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14.

14 **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as **Appendix B** to this application

APPENDIX A

**COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

TAX CERTIFICATION STATEMENT

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 8.5" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME <u>Springue Energy Corp.</u>	2. BUSINESS PHONE NO. (603) 431-1000 CONTACT PERSON(S) FOR TAX ACCOUNTS: <u>Judith Benaud</u>
----------------------------------------------------------------	-----------------------------------------------------------------------------------------------------

3. TRADE/FICTITIOUS NAME (IF ANY)

4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP)
Two International Dr., Ste # 200, Portsmouth, NH 03801

5. TYPE OF ENTITY SOLE PROPRIETOR PARTNERSHIP CORPORATION

8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)

NAME (PRINT) <u>James M. Kantelis</u> <u>President / CEO</u>	SOCIAL SECURITY NUMBER (OPTIONAL) _____
NAME (PRINT) <u>Charles T. Hepper</u> <u>Chief Financial Officer</u>	SOCIAL SECURITY NUMBER (OPTIONAL) _____
NAME (PRINT) <u>Thomas M. Horton</u> <u>Sr. V.P. - Marketing</u>	SOCIAL SECURITY NUMBER (OPTIONAL) _____
NAME (PRINT) <u>Thomas F. Flaherty</u> <u>Vice President</u>	SOCIAL SECURITY NUMBER (OPTIONAL) _____
NAME (PRINT) <u>John W. Moxe</u> <u>Controller</u>	SOCIAL SECURITY NUMBER (OPTIONAL) _____

9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. (ALL ITEMS: A, B, AND C MUST BE COMPLETED)

A. SALES TAX LICENSE (8 DIGITS) APPLICATION PENDING N/A <u>99 4 8 9 0 2 2</u> <input type="checkbox"/> <input type="checkbox"/>	C. CORPORATE BOX NUMBER (7 DIGITS) APPLICATION PENDING N/A <u>6 3 4 4 8 2 5</u> <input type="checkbox"/> <input type="checkbox"/>
B. EMPLOYER ID (FIN) (9 DIGITS) APPLICATION PENDING N/A <u>02 0 4 1 5 4 4 0</u> <input type="checkbox"/> <input type="checkbox"/>	

10. Do you have PA employees either resident or non-resident? YES NO
 11. Do you own any assets or have an office in PA? YES NO

NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS

<u>Natalie Hebert</u> PA SALES AND USE TAX	<u>Lynne Brunelle</u> EMPLOYER TAXES	<u>Judith Benaud, Tax Help</u> CORPORATE TAXES
PHONE: <u>(603) 431-1000</u>	PHONE: <u>(603) 431-1000</u>	PHONE: <u>(603) 431-1000</u>

Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers: (717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)

15. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

N/A

16. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** All services should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

a. **Contacts for Consumer Service and Complaints:** Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Distribution Company, the Pennsylvania Public Utility Commission or other agencies.

b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers. **See Attached**

c. If proposing to serve Residential and/or Small Commercial customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix B to this Application.

N/A

17. **FINANCIAL FITNESS:**

A Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
- Published parent company financial and credit information.
- Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form or other independent financial service reports. **See Attached.**
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements
- Such other information that demonstrates Applicant's financial fitness. **See enclosed Sprague folder.**

B Applicant must provide the following information.

- identify Applicant's chief officers including names and their professional resumes.

Contacts for Consumer Service and Complaints: Customer concerns/complaints would be handled by Michelle Gerbino, Natural Gas Administration or Susan Stadvec, Senior Natural Gas Accountant. If the concerns/complaints can not be handled at these levels then they would be directed to Thomas F. Withka, Vice President Natural Gas Marketing. Sprague Energy Corp.'s employees are all trained to take any and all appropriate actions to resolve customer concerns/complaints. We do everything possible to handle all issues until the customers are satisfied.

Michelle Gerbino, Natural Gas Administration (603) 430-5338
Sue Stadvec, Sr. Natural Gas Accountant (603) 430-5257

**SPRAGUE ENERGY CORP.
NATURAL GAS SALES AGREEMENT**

This Agreement entered into as of this ___ day of _____, 1999 by and between SPRAGUE ENERGY CORP ("Seller") and _____ (Buyer") as described below. In consideration of the mutual covenants, undertakings, terms and conditions set forth below, the Seller and Buyer agree as follows:

1. Type of Service. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller natural gas ("Gas") on the terms and conditions hereinafter set forth. Each sale and delivery by Seller and purchase and receipt by Buyer shall be pursuant to one of the following available types of services offered by Seller as selected by Buyer and noted on the "Sales Confirmation" delivered by Buyer and accepted by Seller as set forth in Exhibit A. In the event "Type of Service" is not noted on any Sales Confirmation, then the service shall be "Interruptible Service".

a. "Firm Service" shall mean Buyer shall be required to purchase and receive, and Seller shall be required to sell and deliver, one hundred percent (100%) of the volumes of Gas specified in "Gas Quantity" on Buyer's accepted Sales Confirmation. Failure to buy or sell such volumes shall be a breach of this Agreement unless such failure is caused by an event of Force Majeure, as defined herein, or as provided for Article 15.

b. "Interruptible Service" shall mean either Buyer or Seller may interrupt or reduce deliveries or receipts of Gas for any reason, except price, without incurring liability to the other party other than for monies due for Gas actually delivered.

c. "Swing Service" shall mean either Buyer or Seller may interrupt or reduce deliveries of Gas for any reason, including price, without incurring liability to the other party other than for monies due for Gas actually delivered.

2. Sales Confirmation. Each sale and delivery by Seller and purchase and receipt by Buyer shall be pursuant to and documented under a Sales Confirmation as set forth in Exhibit A attached hereto and incorporated herein by reference. Each Sales Confirmation shall cover one or more Delivery Periods and contain such terms and conditions regarding price, type of service, gas quantity, delivery points and other matters as the parties may agree. No Sales Confirmation shall be binding upon Seller unless and until accepted by Seller, which acceptance shall be evidenced by the signature of a duly authorized officer or agent of Seller. Any Sales Confirmation issued by Seller shall be deemed accepted by Buyer two (2) business days after delivery to Buyer, or sooner if countersigned and returned to Seller. Buyer shall be solely responsible for notifying Seller of any inaccuracies in the Sales Confirmation. Each of the parties hereto, covenant and agree that facsimile, fax and other mechanically or electronically produced counterparts and signatures of or on any Sales Confirmation may, for all purposes, be relied upon by the other as if originals. Each Sales Confirmation shall be subject to the terms and conditions of this Agreement and shall be an integral part of this Agreement whether or not annexed hereto.

3. Notice. Any notice, request, demand, or statement given pursuant to this Agreement (including, but not limited to, Sales Confirmations) shall be in writing and deemed given (a) immediately upon confirmed receipt by telex, fax or reputable express service, or directed to the address of the parties as follows (b) two business days after deposited in the United States mail, first class postage, prepaid.

NOTICE/CORRESPONDENCE:

SELLER: SPRAGUE ENERGY CORP.
Two International Drive, Suite 200
Portsmouth, NH 03801
Attn: Natural Gas Administration
Telephone No.: (603) 431-1000
Fax No.: (603) 430-5320

PAYMENT

SELLER SPRAGUE ENERGY CORP.
CHECK PO Box 30749
Hartford, CT 06150

WIRE
TRANSFER: SPRAGUE ENERGY CORP
Chase Manhattan Bank
New York, NY
ABA #021000021
Account # 910-2-720233

NOTICE/CORRESPONDENCE:

BUYER: _____

Attn: _____
Telephone: _____
Fax No: _____

INVOICE

BUYER: _____

Attn: _____

4. Billing On or before the 10th day of each month. Seller shall render to Buyer a billing statement showing the quantity and price of Gas delivered and any other charges (as applicable) for the preceding month. Buyer shall pay Seller the amount shown as due on each such billing statement so that Seller receives payment no later than the earlier to occur of (a) the twenty-fifth (25th) day of the month in which said billing statement is rendered, or (b) within ten days of Buyer's receipt of each billing statement. Failure to pay when due shall be cause for Seller to suspend performance (without further notice) or to terminate this Agreement and any outstanding Sales Confirmation (upon ten days written notice). Interest shall be due on all late payments at the Prime Rate (reported by The Wall Street Journal or its successor publication), plus two and one half percent (Prime + 2 1/2%), or the maximum legal rate if lower. Either party shall be entitled to verifiable billing adjustments requested in writing within two years of the date of the statement to be adjusted.

5. Term This Agreement shall be in full force and effect as of the date first above written and shall continue for an initial term of one year and shall automatically renew for additional one year terms unless terminated by either party at least ninety (90) days prior to the end of any contract year. Notwithstanding any termination of this Agreement, any Sales Confirmation received and accepted by Seller shall be subject to all of the terms and conditions of this Agreement.

6. Credit. Seller and Buyer agree that this Agreement is conditioned upon Buyer meeting the credit requirements as from time to time established by Seller's Corporate Credit Department. Seller's continued performance of its obligations under this Agreement and under any Sales Confirmation shall be contingent upon Buyer continuing to meet said credit requirements. Buyer agrees that Seller may, prior to any sales made hereunder require Buyer to provide a sufficient bond, letter of credit, surety or other evidence of credit worthiness satisfactory to Buyer. Buyer agrees to provide such financial information, financial statements, annual reports, securities filings and credit authorizations as Seller shall reasonably and from time to time request for the purpose of assessing and monitoring Buyer's financial condition and credit worthiness. Any material, adverse change in Buyer's financial condition shall be cause for suspension of Seller's performance hereunder.

7. Pricing. The price Buyer shall pay Seller shall be as set forth in the applicable Sales Confirmation. Buyer shall also be liable for all taxes (including sales, use, distribution, excise or other taxes, but not income taxes), local distribution company ("LDC") fees and similar taxes or charges whether stated separately or made a part of the price.

8. Delivery. The Delivery Point(s) for Gas sold hereunder shall be set forth in the applicable Sales Confirmation. Buyer shall take title to the Gas at the Delivery Point(s). Upon delivery, Seller shall not be responsible or liable for any loss, damage, injury or death caused by the Gas or the further use, transportation or handling thereof.

9. Transport. Definitions (not otherwise provided herein), quality specifications and measurement and tests shall be as set forth in the tariff of the transporter receiving the Gas at the Delivery Point(s). Seller shall deliver the Gas in compliance with said tariff and free of liens into the facilities of the receiving transporter.

10. Nominations. Seller shall be responsible for transportation of the Gas to the Delivery Point(s). Buyer shall be responsible for transportation and handling of the Gas at and from the Delivery Point(s). Buyer and Seller shall cooperate to ensure that delivery nominations are made in a timely manner to all pipelines and the LDC's and that such nominations reflect actual expected deliveries and receipts. If either party becomes aware of any reason why the nominated volumes may not be delivered or taken, that party shall notify the other party as soon as possible. The parties shall cooperate to ensure that corrected nominations are provided to pipelines and LDC's as soon as possible. Both parties shall be obligated to use reasonable efforts to avoid causing pipeline and LDC imbalances and to determine the cause of any pipeline or LDC imbalances for which a penalty may be imposed. The party responsible for any imbalance penalty shall be obligated to pay such penalty. Upon request, Buyer shall provide to Seller copies of Buyer's transporter(s) statements, reports or meter readings pertinent to Gas deliveries hereunder.

11. Applicable Tariffs. The Gas sold hereunder is deregulated pursuant to the Gas Wellhead Decontrol Act of 1989. This Agreement shall be subject to all valid local, state and federal laws and the orders, directives, rules and regulations of any governmental body or official having jurisdiction.

12. Force Majeure. Except for Buyer's obligation to pay for Gas delivered, neither party hereto shall be liable for any failure to perform hereunder when such failure is due to an event of force majeure. "Force majeure", as used herein, shall mean acts of God, present and future valid orders, rules, regulations and tariffs of any governmental entity having jurisdiction over the sale, transport or delivery of Gas, fires, storms, floods, washouts, explosions, breakage or freezing of pipelines, inability to obtain easements or rights-of-way, the making of repairs or alterations to pipelines, production plants, Delivery Points or other facilities, the failure of any pipeline or LDC to accept Gas for delivery for any reason, partial or entire failure of gas supply or any other similar cause, whether of the kind enumerated above or otherwise so long as the causes are not reasonably within the control of the party claiming "force majeure". Any event of force majeure shall, so far as possible, be reported to the other party immediately and remedied with all reasonable dispatch.

13. Default and Remedies. Upon any breach or default of any Firm Service obligation under this Agreement, the non-defaulting party's damages shall be calculated as and equal to said non-defaulting party's losses on repurchase or resale (as the case may be) of the Quantity of Gas set forth in the applicable Sales Confirmation; provided that, if no repurchase by Buyer or resale by Seller is made, then said damages shall be an amount equal to fifteen percent (15%) of the Price set forth in the applicable Sales Confirmation, multiplied by the MMBTU volume of gas not delivered or received, plus the recovery of any unused firm transportation demand charges incurred as a result of the breaching party's failure to deliver or receive the volumes specified in Quantity therein, whether or not said loss is due to failure to obtain or maintain credit, or otherwise.

14. Price Reopener. Provided that Buyer and Seller have agreed to Firm Service under this Agreement with prices fixed to the delivery point, Seller will reopen such fixed pricing based upon the following: Buyer must request in writing that it desires to reopen fixed pricing with said request including the specific months which Buyer wishes to reopen said fixed pricing. If Buyer and Seller agree on an alternative pricing method, the reopened price Buyer pays to Seller will include any and all losses incurred by Seller in establishing such alternative pricing method
(include on Sprague multifuel deals and OK on other deals if requested by the customer)

15. Arbitrage. Provided that Buyer and Seller have agreed to Firm Service under this Agreement with prices fixed to the delivery point, Seller will, upon written request by Buyer, sell Gas as specified under the Sales Confirmation. If Seller's resale price of Gas is less than Buyer's contract price, Buyer will pay Seller the difference between the price provided for under this Agreement and Seller's actual resell price times the volume of Gas. If Seller's resale price is more than Buyer's contract price, Seller will credit Buyer with 50% of the difference between Seller's resale price and Buyer's contract price times the volume of Gas.

(only include on Sprague multifuel deals)

16. Integration, Assignability and Confidentiality. No waiver or forbearance by either Seller or Buyer of any breach or default of the other under this Agreement shall operate as a waiver or forbearance of any future breach or default. This Agreement may not be assigned either party without the prior written consent of the other, subject to credit approval, may not be unreasonably withheld. The terms and conditions hereof shall be kept confidential by the parties except to the extent required to obtain gas transportation or to comply with applicable law. As to all matters of construction and interpretation, this Agreement shall be interpreted, construed and governed by the laws of the State of New Hampshire. This Agreement shall only be amended by a written instrument executed by the parties hereto. This Agreement contains the entire understanding of the parties with respect to the matters contained herein. There are no promises, covenants, or undertakings between the parties other than those expressly set forth herein.

17. Arbitration. The Parties hereto agree that any disputes (which are not within the exclusive jurisdiction of a government agency or commission) relating to this Agreement and the transactions contemplated hereby shall be referred, settled and finally resolved by binding arbitration to be conducted in Manchester, New Hampshire in accordance with the rules of the American Arbitration Association (AAA). The Party initiating arbitration shall notify the other in writing of the issue or issues which may be subject to dispute and, absent resolution thereof within thirty (30) days of the date of said notice, said dispute shall be submitted to arbitration. Each Party shall nominate one arbitrator within ten (10) days of notification of submission to arbitration, and a third shall be chosen within ten (10) days thereof by the two nominated arbitrators or, if they fail to timely appoint an arbitrator, the secretary or other appropriate official of the AAA shall select the third arbitrator. If one Party fails to nominate its arbitrator, the dispute shall be settled by the single arbitrator nominated by the other Party. The arbitrators shall conduct a hearing and within thirty (30) days thereafter, unless such time is extended by agreement of the

11/18/1999

Parties, shall issue a written decision including a determination of the allocation of the cost of arbitration (including attorneys fees) to each of the Parties. The arbitrators shall not have power to amend, modify or add to this Agreement. Subject to such limitation, the decision of the arbitrators (including any determination that the dispute is arbitrable) shall be final and binding on the Parties, and shall be enforceable in any court of competent jurisdiction. BUYER AND SELLER EACH WAIVE TRIAL BY JURY WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

THIS AGREEMENT MAY BE EXECUTED IN MULTIPLE COUNTERPARTS AND THIS AGREEMENT IS EXECUTED BY AN AUTHORIZED REPRESENTATIVE OF THE PARTIES.

SELLER: SPRAGUE ENERGY CORP.

BUYER:

By: _____
Thomas F. Withka
Vice President Natural Gas Marketing

By: _____
Name: _____
Title: _____

Date: _____

Date: _____

By: _____
Name: _____
Title: _____

Date: _____

144584(1/7/99)

Credit Rating

Dun & Bradstreet gives Sprague Energy Corp a credit rating of 1R2. Sprague is a privately owned corporation. Axel Johnson Inc., our parent company, has a rating of 5A2. For further information on Sprague Energy Corp., including our payment history, Sprague's Duns number is 13-136-2733.

REVENUES:	\$1 billion/yr.
AGGREGATE STORAGE:	9.5 million bbls.
ASSETS	Own and operate 13 deep-water oil and materials-handling terminals, Northeast U.S.

TOTAL U.S. ENERGY THROUGHPUT 1 BCF/Day Natural Gas Equivalent

BUSINESS LINES

- Distillate (light) products 22 million bbls/yr
Home Heating Oil, Diesel Fuel, Jet Fuel, Gasoline, Kerosene
- Heavy Fuel Oil 11 million bbls/yr
Various Sulphur Grades
- Materials Handling 2 million tons/yr
Asphalt, Gypsum, Salt, Cement, Caustic Soda, Calcium Chloride, Tallow, Pulp Logs
- Solid Fuels 1.7 million tons/yr
Coal, Tire-Derived Fuel, Wood Chips, Petroleum Coke
- Natural Gas 300,000 MMBtu per day

During 1998 Sprague sold approximately 100 billion cubic feet per day of natural gas to a host of customers ranging from large industrial consumers to major oil companies to smaller commercial concerns. Sprague revenues in natural gas were approximately \$225 million in 1998. Sprague does not sell natural gas at the retail level to residential customers. Natural gas marketing is directed to large industrial and commercial end-users and major trading partners. Sprague markets natural gas to industrials/commercials in New England, NJ, NY, Pa, Ohio, W. Virginia, and Virginia.



Credit Information

Ownership: Sprague Energy Corp.
- a wholly owned subsidiary of Axel Johnson, Inc, Stamford CT
- incorporated 1987
James Kantelis, President, CEO
Charles Hoepper, CFO

Duns #: 13-136-2733 Fed Tax ID# - 020415440

Banks: Fleet Bank acct: #9369337843
1 Landmark Square phone: (203) 358-6289
Stamford, CT 06904-1454 fax: (203) 358-6111
contact: Christopher Chriswell

Chase Manhattan Bank acct: #910-2-720233
1411 Broadway-5th floor phone: (212) 391-7652
New York, NY 10018 fax: (212) 391-7117
contact: Maria Flores

Trades: Coral Energy Resources, L.P. phone: (713) 767-5613
909 Fannin - Ste 700 fax: (713) 767-5445
Houston, TX 77010 contact: Christine Tise

Enron Capital & Trade Resources phone: (713) 853-4828
PO Box 1188 fax: (713) 758-8476
Houston, TX 77251-1188 contact: David Vitrella

El Paso Energy Corp phone: (713) 510-2926
2500 City West Blvd - Ste 1400 fax: (713) 510-2907
Houston, TX 77042 contact: Sharon Kimball

Southern Company phone: (281)584-6927
Energy Marketing LP fax: (281)584-3901
200 West Lake Park Blvd-Ste 200 contact: Sarah Pyles
Houston, TX 77079-2648

For additional information please contact: Lance E. Harvey, CCE, Credit Manager
800-225-1560, x215

- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records

Tracy Culerot
Manager, General Accounting/Financial Reporting
Sprague
200 International Drive, Suite 200
Portsmouth, NH 03801
(603) 430-7242
(603) 430-7275 Fax

18. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by natural gas utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
- The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes. **See Attached**
 - A copy of any Federal energy license currently held by the Applicant.
 - Proposed staffing and employee training commitments.
 - Business plans.
19. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2208(D). Transferee will be required to file the appropriate licensing application.
20. **UNIFORM STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.
21. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:
- a. **Reports of Gross Receipts:** Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on an annual basis no later than 30 days following the end of the calendar year.
- Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 22 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive natural gas market.
22. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing
23. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

Operations Department

Brian Weego
Manager, Gas Supply Operations
Sprague
Two International Drive, Suite 200
Portsmouth, NH 03801-6809
(603) 430-5347
(603) 430-5320 Fax

Thomas P. Withka
Supervisor, Gas Operations
Sprague
Two International Drive, Suite 200
Portsmouth, NH 03801-6809
(603) 430-5345
(603) 430-5320 Fax

Stacy Burrus
Transportation/Exchange Administrator
Sprague
Two International Drive, Suite 200
Portsmouth, NH 03801-6809
(603) 430-7240
(603) 430-5320 Fax

Hector Miranda
Transportation/Exchange Administrator
Sprague
Two International Drive, Suite 200
Portsmouth, NH 03801-6809
(603) 430-7240
(603) 430-5320 Fax

24. FEE: The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

Applicant: Sprague Energy
By: Thomas W. Ph
Title: Vice President

Axel Johnson Inc.

Positioning for the 21st Century



ANNUAL REPORT
ORIGINALLY IN COLOR,
EMBEDDED
PHOTOS NOT RELEVANT.

Financial Highlights

In thousands	Years ended December 31		
	1998	1997	1996
Net sales	\$1,157,432	\$1,342,841	\$1,262,659
Operating income	\$ 24,799	\$ 25,486	\$ 30,862
Net income	\$ 18,064	\$ 9,112	\$ 80,090
Total stockholder's equity	\$ 234,549	\$ 218,869	\$ 250,396

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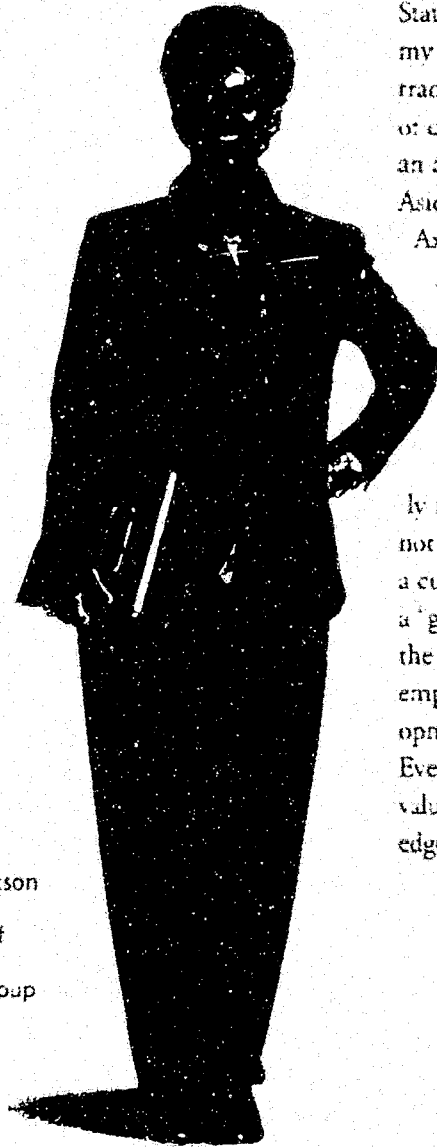
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Axel Johnson Inc. is positioning itself for the 21st century. We are a family-owned company **focused** on areas of particular promise in the global economy. We are **dedicated** to providing leadership products and services within our industries. We have the financial **strength** to invest in and sustain our strategic initiatives. We are rich in the people, know-how and **values** that will enable us to reach our objectives—and reach them as responsible citizens of the world in which we work and live.

Axel Johnson Inc. is a diversified manufacturing and service organization operating in three areas of business: the environment, telecommunications and energy. Based in Stamford, Connecticut, the company has 1,600 employees at 65 locations and a customer base that is increasingly global in scope.

Axel Johnson Inc. has been operating in the United States since 1920, but our roots go back to 1873, when my great grandfather, Axel Johnson, founded a small trading firm in Stockholm. That firm is now a group of companies employing 15,000 people worldwide, with an annual business volume of approximately \$5 billion. Aside from Axel Johnson Inc., companies within the Axel Johnson Group include Axel Johnson AB and Axel Johnson International AB of Stockholm. These companies operate in 30 countries and do business in many more. Trade is a common denominator, with activities ranging from food retailing to the distribution of industrial products.

While Axel Johnson Inc. is legally and financially independent of other Group companies, it shares not only family ownership and a common history, but a culture modeled on a common vision of what makes a "good company." A good company offers customers the highest quality products and services, provides employees with secure jobs and opportunities for development and produces financial rewards for its owners. Every employee is expected to honor the company's values and code of ethics. A good company also acknowledges the role it can play in transforming society by



Antonia Axelson
Johnson,
chairman of
the Axel
Johnson Group

ensuring that its actions have positive consequences, accepting responsibility for the environment and participating in social programs in the communities in which it operates.

As chairman, I have long believed corporate values begin at the top. That is why I am personally engaged in many environmental and social efforts, whether as a member of the Stockholm Environment Institute or as chairman of the City Mission of Stockholm, which sponsors programs for the homeless and needy. It is also why our Group has a global environmental policy that requires our companies to develop programs to safeguard and improve the world around them.

In 1998, Axel Johnson Inc. made a major contribution to the World Childhood Foundation, a group that works to alleviate the plight of abused and neglected children worldwide. Internally, we also conducted a series of intensive ethical leadership workshops, enabling employees from across the company to understand and address ethical dilemmas. Using our statement of values, "Words to Work By," as a framework for discussion, participants debated and resolved issues in numerous relevant case studies. Reinforced by such training, the statement has become a navigational tool for all of our people, who share the belief that to be a good company is good for the world — and for the company.

Words to Work By

Respect for People

Diversity

Integrity

Community Responsibility

Environmental Leadership

Axel Johnson Inc. made substantial progress in 1998 despite mixed results from operations. Net Income, at \$18.1 million, was nearly double last year's. Operating income of \$24.8 million was slightly lower than in 1997, with strong gains at Hekimian Laboratories, Inc., Sprague Energy Corp. and Parkson Corporation offset by more modest results at ADS Corporation and a loss at Larscom Incorporated. While Net Sales of \$1.2 billion were below 1997's, the 14 percent decline was entirely the result of lower energy prices. This decline had no effect on operating earnings, since energy costs declined by a proportional amount.

Financial Results

Our 1998 Net Income was up by \$9.0 million from last year. In 1997, Larscom recorded a \$20.2 million pretax charge for purchased research and development in conjunction with its acquisition of NetEdge. In 1998, Larscom took an additional pretax charge of \$9.1 million to write down the remaining intangible assets of NetEdge and to establish a restructuring reserve. Offsetting this was a \$5.0 million pretax gain realized on the sale of Bird-Johnson Company in May for \$50.7 million in cash. Finally, in 1998, Axel Johnson Inc. enjoyed a reduction in net financial costs. This was due mainly to lower energy prices at Sprague, which reduced working capital needs, and to the cash received for Bird-Johnson. By year's end, our total cash and short-term investments amounted to over \$100 million.



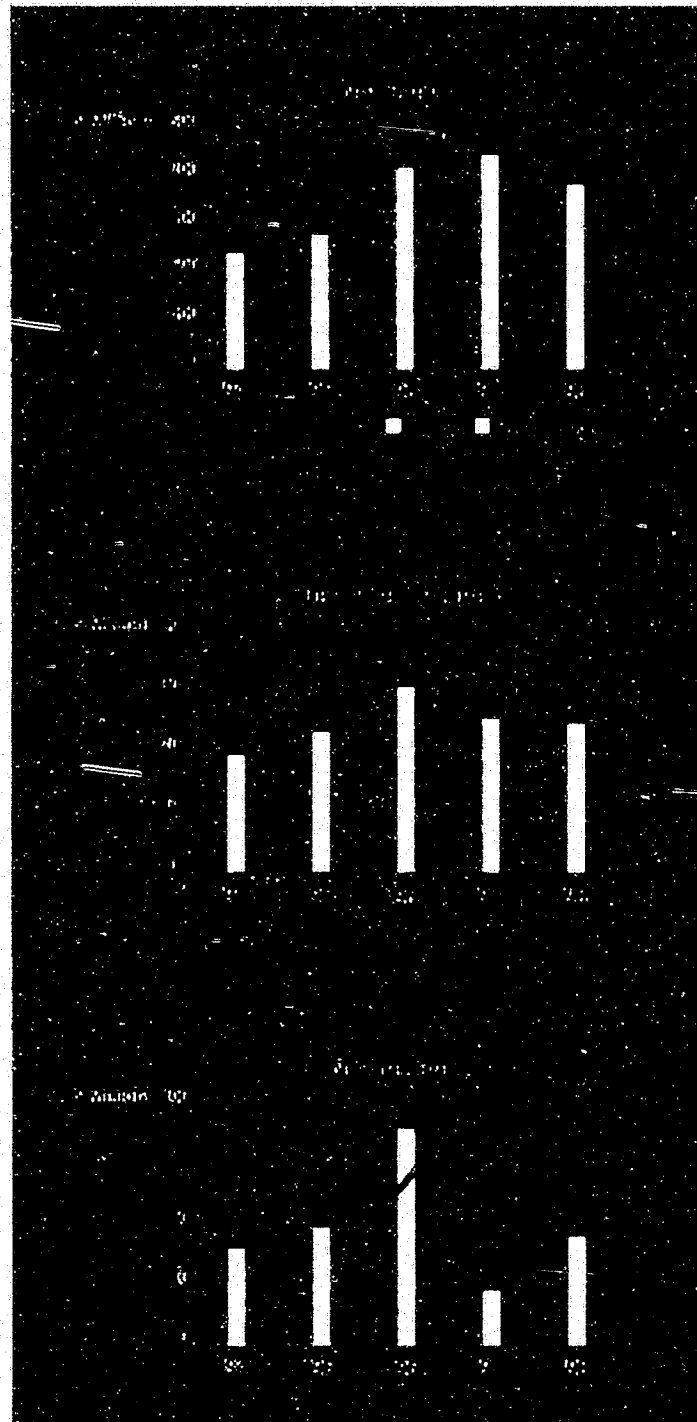
Paul Graf, president
and chief executive officer
of Axel Johnson Inc.

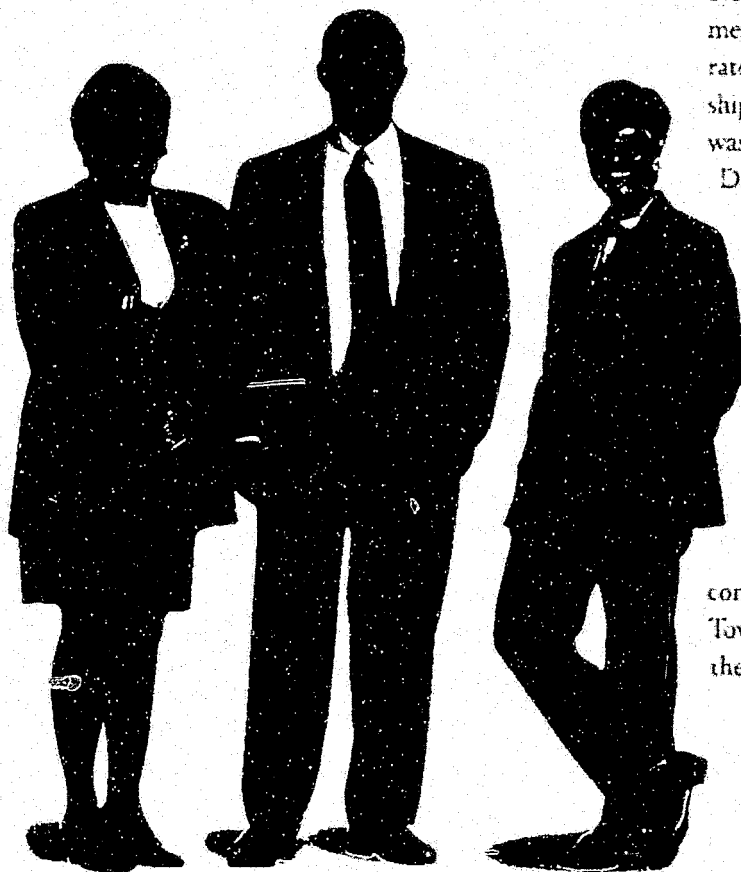
Operating Highlights

Environmental sales and profits rose overall in 1998. At Parkson, which builds equipment used to treat wastewater and potable water, sales grew by 17 percent, boosted by record sales of AquaGuard® Screens. The company also delivered its first BioCAM™ Treatment System, which has expanded Parkson's biological expertise to include anaerobic processes. It is worth noting that sales increased despite lagging exports to Latin America, where activities have slowed due to international economic problems. Parkson's profits were up despite increased competition in nearly every area of its business, thanks to the sales increase and to cost reductions that helped to offset lower prices. As part of its cost reduction effort, Parkson completed installation of a state-of-the-art enterprise computer system. The system integrates design, manufacturing and financial functions across the company, and is expected to help lower costs in the years ahead.

ADS continued to grow in 1998, setting a record in sales of flow monitors and related services. Profits, however, slipped due to increased competition and cost overruns in the development of the company's new IntelliFlow™ line of monitoring devices. Less costly to build than the model it replaces, IntelliFlow finally began shipping in volume at the end of 1998. Since then, industry interest and orders have been strong, and the new monitor is expected to boost sales and profits in 1999.

In the past year, ADS has also expanded its range of activities, adding, for example, advanced supervisory control systems for wastewater collection networks.





At the same time, the company has been working aggressively to trim costs. In 1998, construction began on a new facility for Accusonic Technologies, Inc., ADS's manufacturing and product development arm. The new building will place all manufacturing activity under one roof, significantly reducing the company's cost structure.

Hekimian, the larger of our two telecommunications businesses, made a strong contribution to operating results, generating record sales and profits despite heavy R&D expenses. Increased R&D is an important part of our strategic plan for Hekimian, and in 1998, it resulted in two important new product introductions. The first, *TestDSL™*, allows telephone companies to test lines for high-speed Internet access. The other, *CenterOp Systems™*, enables them to centrally manage network elements that formerly had to be controlled through separate management systems. Both products will begin to ship in 1999. Another noteworthy event at Hekimian was the smooth transition to new leadership. In 1998,

Dr. Robert Ginnings retired after 17 years as president. Named to succeed him was Desmond Wilson, former vice president of sales, who assumed active management of the unit in April.

Sales at Larscom declined in 1998 and the company reported a loss. Larscom's problems were twofold. First, the company did not achieve satisfactory sales levels with products obtained through the acquisition of NetEdge in 1997. Second, increased competition and a string of mergers among major customers dampened sales of the company's main products, particularly late in the year. Toward the end of 1998, Larscom wrote down much of the remaining intangible NetEdge acquisition assets.

From left, Karen Fraser, vice president, human resources; Joe Smorada, senior vice president and chief financial officer; Signe Gates, vice president, general counsel and corporate secretary.

and booked a restructuring charge to cover staff reductions and inventory write-downs. In a reorganization in October, the company's board of directors appointed executive vice president George Donohoe as acting CEO and simultaneously launched an intensive search to find a new president. In sum, overall sales increased but profits declined in telecommunications.

Profits were up sharply at Sprague Energy even though revenues declined due to lower prices. Physical volume was actually up by more than 8 percent during the warmest winter in the Northeast in recent memory. The company also improved its control over the risk of owning energy products that can experience rapid and often unpredictable fluctuations in price. Sprague, in addition, reorganized and revitalized its marketing operations. Today, the unit's enhanced ability to offer customers multiple fuel options reflects the realities of a market that has more energy choices than ever.

In sum, 1998 was a busy year marked by strong gains in some areas and new challenges in others. Intensifying competition is a common theme across all of our businesses, and we are working to reduce costs while increasing our growth rate and profitability.

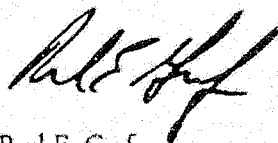
Strategic Outlook

With the sale of Bird-Johnson, we reached a milestone in the fulfillment of our long-range plan to divest non-core businesses and focus on three main areas: the environment, telecommunications and energy. Only ten years ago, the Company was composed of 11

different business units and a half-dozen more subunits engaged in everything from specialty metals to the manufacture of ball bearings. Today, our five operating units are all in our chosen areas of endeavor and we have freed up the resources needed to grow them, as 1998's ending cash balance shows. In 1999, we intend to continue to move this plan forward, expanding our businesses through a combination of internal development and strategic acquisitions.

Besides achieving overall real growth in each of our business areas, we also continued to strengthen human resources in 1998 through programs designed to attract and develop the talent we will need in the years ahead. In addition to new leadership, we have reorganized several units to include product line managers with P&L responsibility and hired and promoted people to fill these newly created positions. In 1998, we also added two new members to our board of directors, John C. McDonald and Anne M. Mulcahy, and appointed Lawrence D. Milligan vice chairman of the board.

The people of Axel Johnson Inc. have never worked harder at making this Company a success. Their efforts have enabled us, despite our challenges, to improve profits and make progress in reaching our strategic objectives. I thank them for their contributions in 1998.



Paul E. Graf
President and Chief Executive Officer
March 3, 1999

In 1998, we passed an **important milestone** in our strategic plan to manage fewer but larger businesses concentrated in areas that represent the best prospects for growth. Today, our five business units focus on the environment, telecommunications and energy.

Environment

Hekimian Laboratories, Inc. designs and manufactures network management, testing and surveillance systems, providing complete system integration and support services. Customers include major regional carriers, global telecommunications companies and corporations that maintain extensive private telecommunications networks.

Larscom Incorporated is a leading developer and marketer of high-speed internetworking equipment. Products include advanced broadband and low-cost digital access devices. Customers range from major service providers to corporate users and government agencies. Larscom equipment is installed on a worldwide basis.



George Donohoe,
executive vice
president and acting
CEO of Larstcom



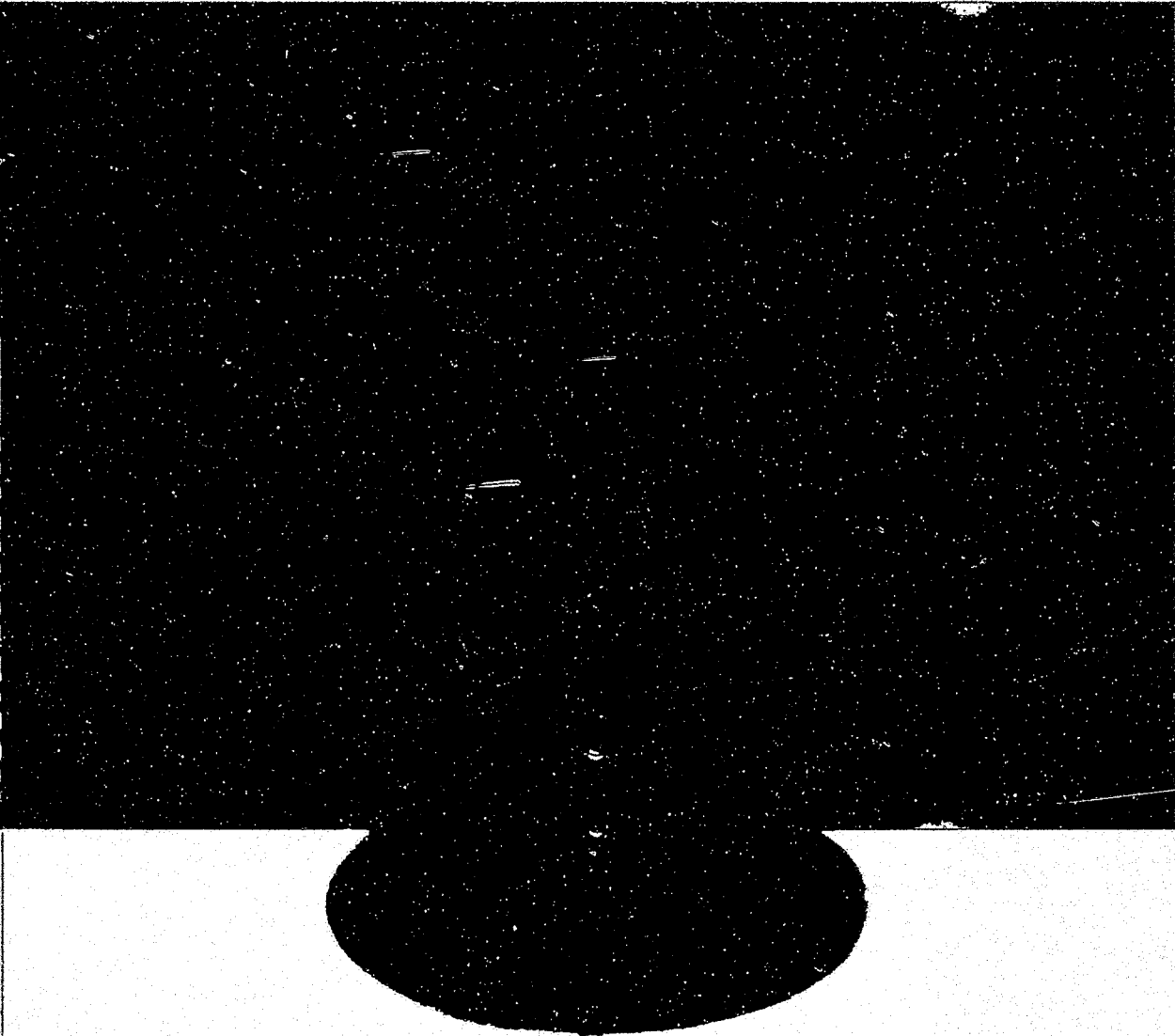
Des Wilson,
president
of Hekimian



Energy

The energy industry is facing a period of significant change and uncertainty. As the industry moves towards a more sustainable future, companies are being forced to re-evaluate their strategies and operations. This is particularly true for those companies that are heavily invested in fossil fuels, as the demand for these resources is expected to decline over the long term. However, there are also opportunities for growth in the renewable energy sector, and companies that are able to adapt to these changes will be well-positioned to succeed in the future.





Anaerobic Process Helps Cover the Bases

In Brinkley, Arkansas, A.C. Humko had a serious problem. The wastewater created in the process of making its fast-selling instant and frozen rice products was far more polluted than the company anticipated when the plant started up. Levels in the carbohydrate-laden effluent were as high as 30,000 parts per million COD (Chemical Oxygen Demand). This is 100 times greater than normal concentrations in municipal wastewater, and far higher than those

handled by traditional aerobic wastewater systems. In 1998, Parkson Corporation arrived at a solution: teaming up conventional Biolac[®] aerobic wastewater treatment equipment with BioCAM, a new anaerobic system specifically designed for high-strength waste. In this combination, BioCAM reduces waste to moderate levels and Biolac treats the reduced effluent so it can be discharged into the municipal treatment system. By the end of the year, Humko's BioCAM-Biolac system was up and running, slashing pollutant concentrations to a mere 500 parts per million COD.

Rising Role of a Fine Screen

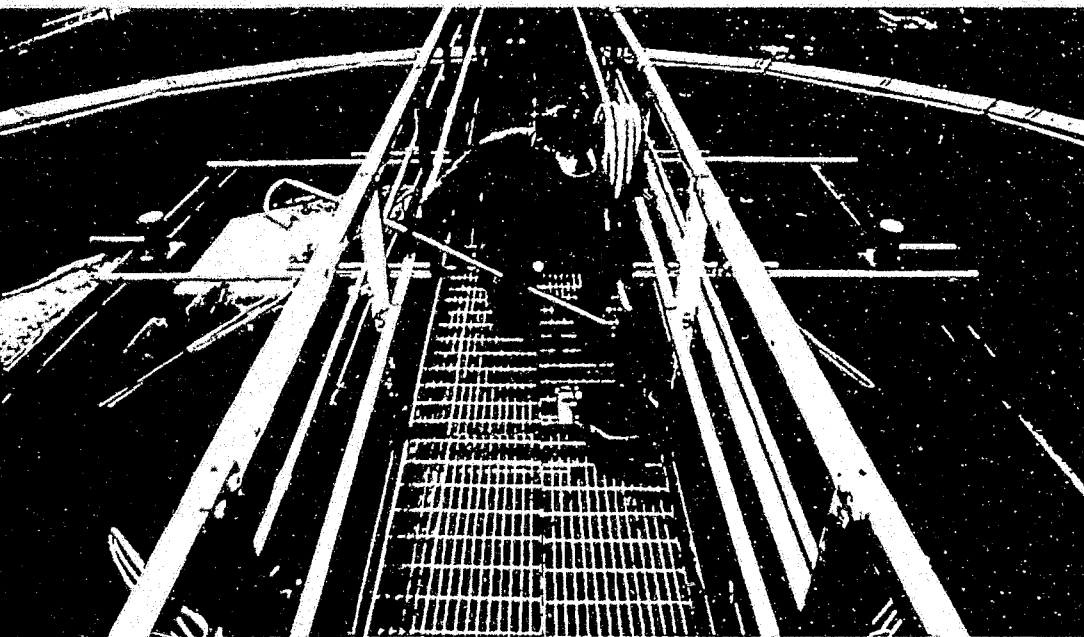
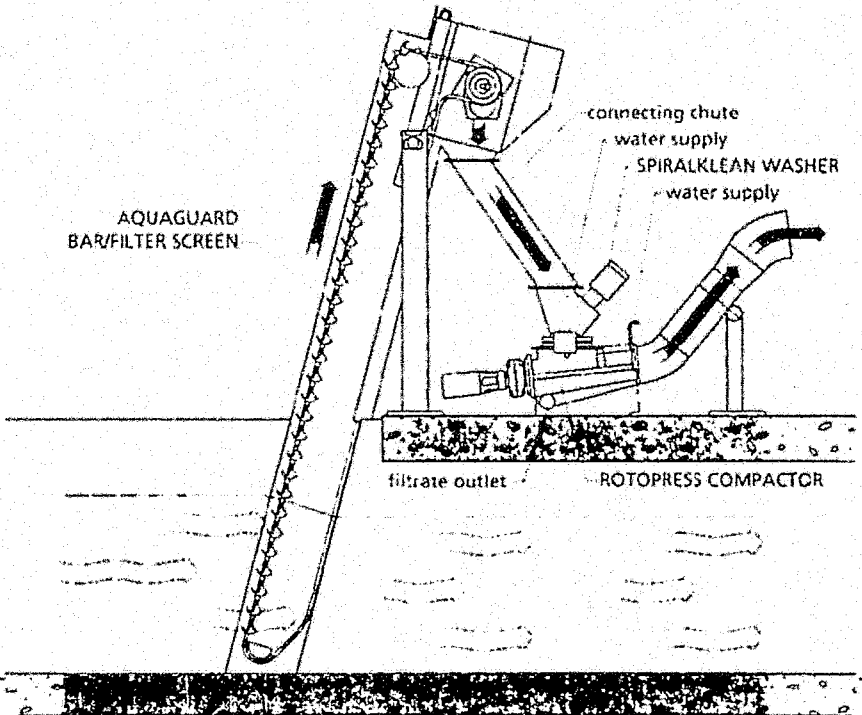
One of Parkson's longest-running products — the AquaGuard Screen — has taken off since 1996 as part of the BioGuard® System. Made up of AquaGuard, the SpiralKlean® Screenings Washer and RotoPress® Screenings Compactor, the system enables wastewater plants to screen out and cleanse nonorganic matter, making it acceptable for landfill disposal.

AquaGuard begins the process by siting water for trash — from rags, bags and coarse materials to particles as small as one millimeter. SpiralKlean then washes the trash and RotoPress compacts it for removal. The process leaves only organic solids in the plant's waste

stream. These solids are often processed into soil supplements for farm and parkland.

The year's most noteworthy BioGuard installation took place in Dallas, Texas, where six of the largest

AquaGuard Screens ever made were dropped into place. Each screen is as tall as a six-story building, weighs approximately 35 tons and screens as much as 80 million gallons of wastewater a day.



At A C Humko's rice-processing plant, a technician tests water chemistry atop a BioCAM tank. BioCAM is a highly cost-effective anaerobic wastewater treatment process. Because its microorganisms thrive without oxygen, it eliminates the considerable cost of providing air to the process. Most effective with high-strength waste, BioCAM is an ideal counterpart to Parkson's Biolac System, an aerobic technology best suited to low-strength waste. In this installation, the technologies are deployed as a two-tier system. Together, they provide an excellent approach to treating high-strength wastewater.

Lowering Costs through Better Design

Parkson technologies must be more than the best — they must also be cost-competitive. That's why reducing costs has been a primary mission of TQM (Total Quality Management), which focuses interdisciplinary teams on improving products and processes. In 1998, a TQM team tackled the company's Aeration Panel™, a device that provides needed oxygen for aerobic wastewater treatment. Thanks to the team, panel air-feeds can now be controlled individually. Injection-molded fittings, meanwhile, have eliminated the potential for costly air leaks and, with a lower profile, exert less stress on the panel's flexible membrane. Such modifications have not only made the Aeration Panel more efficient and durable, they have slashed the cost of manufacturing the air delivery system. Since 1991, similar TQM teams have redesigned every major Parkson line, resulting in better-functioning products at a more competitive cost.

Hand-held scanners, used here by Frank Coyle and Sherry Strohmeyer, are an important part of Parkson's move to ERP. As materials arrive, bar coded information flows automatically to the company database. The ERP system is the result of two years of investigation, planning and implementation. Developed by the Baan Company, the system is a good match for Parkson's Total Quality Management (TQM) program, since it removes departmental "silos" of critical information, organizing and distributing data to facilitate sharing and efficient work flow.

INSIDE PARKSON: ERP GOES ON-LINE

At Parkson, a new era of efficiency began in 1998 with the gradual rollout of the company's new Enterprise Resource Planning (ERP) system. Despite inevitable start-up challenges, the system will provide major benefits in 1999 by controlling and distributing information and coordinating work flow company-wide. Improvements include reduced order-cycle time through a range of new technologies, among them a product configurator that gener-

ates designs based on templates and customer-specific data. Parts costs are reduced, meanwhile, by systems that tie ordering to actual work flow and establish the most economical purchasing patterns and order quantities. Employees are also saving time on data entry and retrieval. Until now, many departments maintained separate databases with redundant information. Now, customer, schedule and job information are contained in a common database.





New Technologies Come to Market

In 1998, ADS again demonstrated its technological leadership with an important advance in flow-monitoring and control software. After the anticipated October release of IntelliFlow, a flow monitor that simplifies and improves data collection, the company rolled out Profile™, a package of advanced collection system management software that turns raw data into useful information for decision making and reporting.

IntelliFlow incorporates a range of features that improve data quality

and communication speed, save labor and rapidly identify potential sewer problems. Small, tough and easy to install, it gives the company's services division a competitive edge and its products division a platform for development of new flow monitor capabilities.

By the end of 1998, the market's enthusiasm for IntelliFlow was already clear, with fourth-quarter shipments of the device pushing monitor sales to a five-year high. This advance in the marketplace is expected to continue in 1999.

With the debut of Profile, meanwhile, ADS now has a single management software that collects

(continued)

Keeping Tabs on the System the Easy Way

As in any town, officials of Crowley, Louisiana, must do everything with one eye on the budget. That is why making operations more efficient is always a top priority. In 1998, Crowley took a big step toward efficiency in its sanitary sewer operations. The agent of change: a SCADA system installed by ADS over the summer and fall.

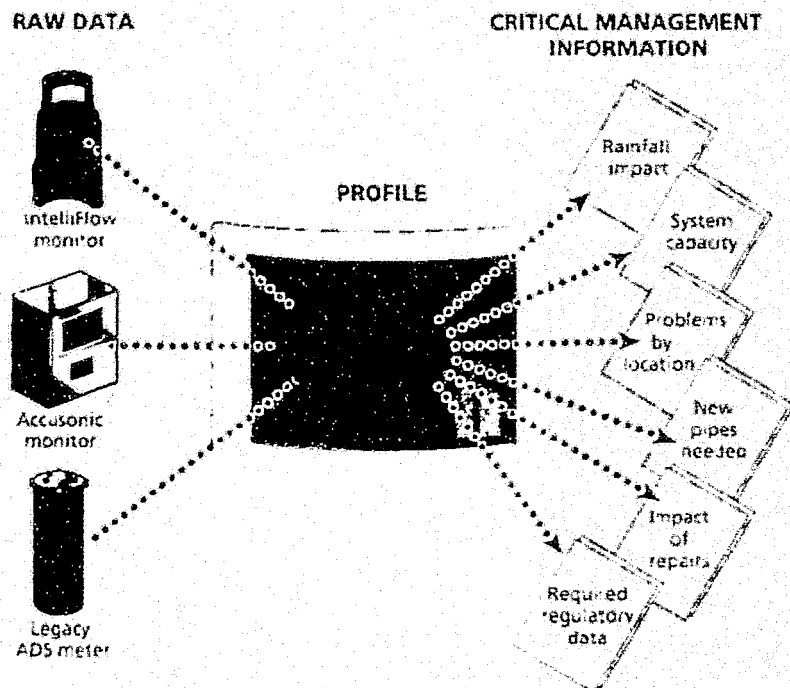
SCADA — Supervisory Control and Data Acquisition — technology was first developed by oil companies to remotely monitor and operate machinery on offshore platforms. Its capabilities are ideally suited to sprawling storm and sanitary sewer systems, whose pumps are numerous, geographically dispersed and critical to public health

and safety. In Crowley, for example, SCADA will enable remote monitoring and control of 17 pump stations scattered throughout this five-mile town of 14,000 people. The system will free employees from the time-consuming (and inefficient) task of visiting pump stations individually to ensure that pumps are running. It will also warn them and allow them to respond to problems before they become emergencies, saving the city potentially big repair bills and possible litigation.

While ADS is not the only company offering SCADA systems, it is the only one also actively involved in storm and wastewater operations. This enables the company to leverage existing relationships, as it has in Crowley. It also assures customers like Crowley's city managers that they are engaging a company with infrastructure experience as well as high-tech expertise.

New Technologies (continued)

and processes data from IntelliFlow and all other ADS measurement products. Using a Microsoft® Access® database, the system stores information in logical fashion, making it simple to access for later analysis and historical reference. With Profile's tools, it is easy to study single and multisite characteristics and problems as well as identify anomalies and long-term trends. By transforming numbers into meaningful information that can be applied to many kinds of analyses, these tools set Profile apart from all other competing software packages.





▲ Mark MarPhersor explains features of a new SCADA system, which provides real-time information on 17 pump stations in the Crowley, Louisiana, sewer system. The system not only monitors conditions, but tracks hours of operation, issuing work orders for routine pump

maintenance. High-water alarms warn operators of potential overflows. Low-water alarms warn of conditions that may lead to pump failures. As the first ADS SCADA deployment, Crowley will be a showcase. By year's end, the company was pursuing bids on other major SCADA installations.

INSIDE ADS: MANAGING INFRASTRUCTURE FOR (AUSTRALIAN) DOLLARS

In 1998, ADS Australia jumped on a rising trend. Under: the outsourcing of an increasing number of infrastructure management tasks. The company's first step was acquisition of closed-circuit television equipment that can run cameras through sewer lines to locate leaks and defects. Follow-on services, such as line cleaning and root removal, are also being offered. Other capabilities will be added as the market develops.

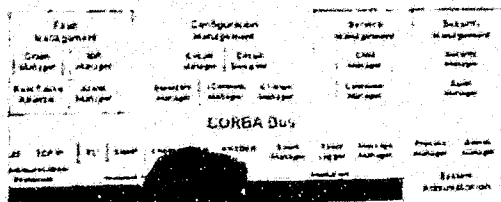
Established eight years ago to install a sewer-monitoring network in Sydney, ADS Australia has since moved on to major projects throughout the Pacific Rim. Its current strategy is to keep adding services as utilities and municipalities increasingly outsource. The ultimate goal: to become a full-service infrastructure maintenance, repair and management company.

While privatization of wastewater management has been growing fastest at treatment plants, cost pressures are no less compelling among pipe networks, pump stations and other facilities. Indeed, for ADS, it already appears 1999 will offer many opportunities. By the end of 1998, the company had bid on \$15 million worth of work in Sydney alone.

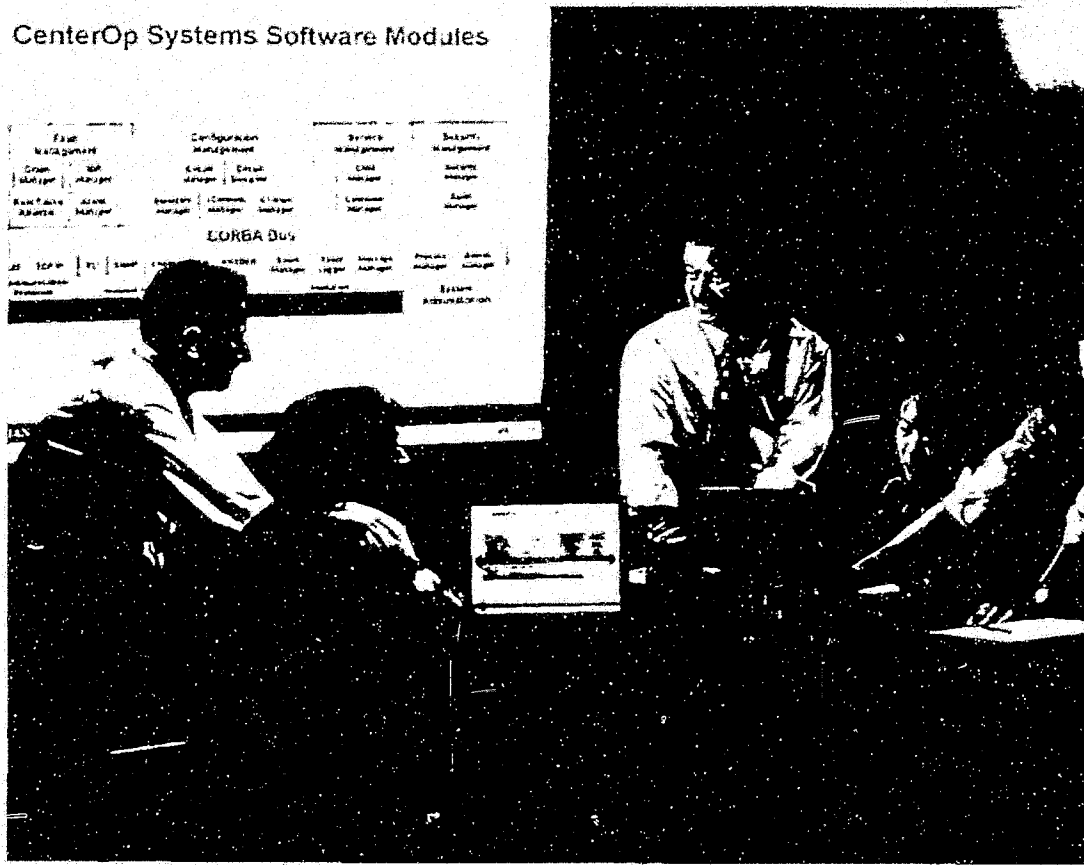
Hekimian succeeds by anticipating advances in telecommunications and delivering solutions as technologies emerge. The company's test and management systems are used by nearly every major North American carrier. Its technologies are applicable worldwide, and growth in **international** markets has only just begun.



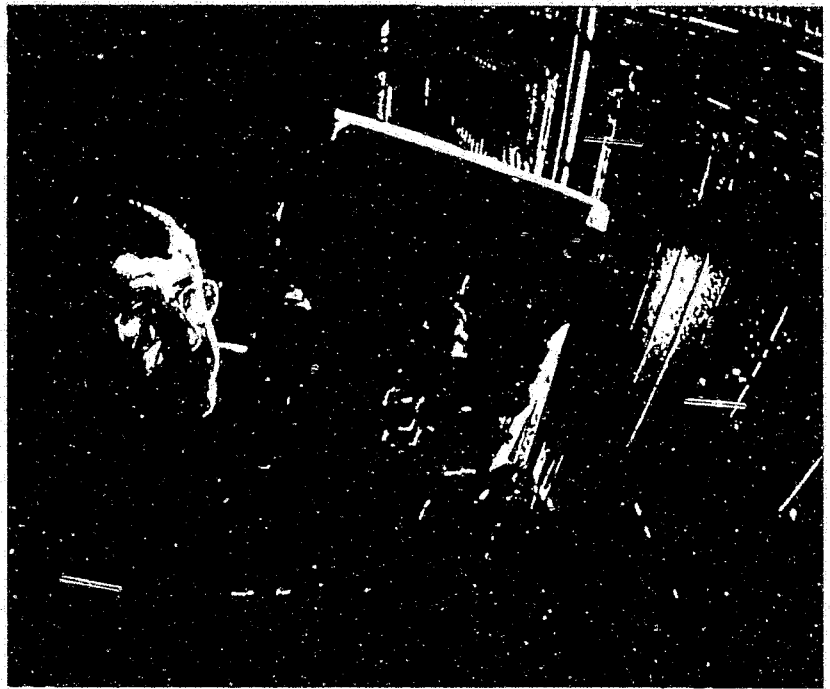
CenterOp Systems Software Modules



A development team reviews refinements to Hekimian's CenterOp Systems, a comprehensive package of technologies for managing network services. CenterOp Systems accelerates the company's push into network management systems. Capabilities offered include surveillance and fault management, element and circuit configuration, and automated routing for circuit and facility provisioning. The new product group builds on the company's deployment last year of a SONET management system, which helped Bell Atlantic bring a multivendor mix of new and old technologies under control. The team includes, from left, David Pelovitz, Deepak Kataria, Vasilios Kountouris, Rona Zhou and Shrinivas Wagle.



Dale Guise installs a TestDSL component at Hekimian's test lab in Rockville, Maryland. TestDSL tests and monitors circuits supporting DSL, among the most promising of all high-speed telecommunications protocols. DSL takes advantage of unused bandwidth on copper circuits — the same circuits that connect most of the world's homes and businesses. Because DSL uses existing infrastructure, it makes delivering high speed access cheaper. This should greatly accelerate the spread of advanced telecommunications services.



Aiding the Dawn of a New High-Speed Era

In the race to wire homes and businesses for high-speed telecommunications access, few advances have more immediate implications than digital subscriber line, or DSL, technology. Unlike other high-speed protocols, DSL requires little new infrastructure. Instead, it exploits the bandwidth potential of existing copper wires, making it far easier and cheaper for carriers to deploy.

Anticipating a likely DSL boom, Hekimian introduced the TestDSL Solution Set in 1998. TestDSL not

only checks the suitability of potential DSL circuits, it helps troubleshoot the same circuits once DSL service is up and running. Like DSL, TestDSL requires little new equipment. Instead, its functions are managed by Hekimian's REACT 2001, a state-of-the-art fault management system that many carriers already have in place.

Hekimian unveiled TestDSL at industry trade shows beginning last summer, then followed up with presentations to individual carriers. These demonstrations quickly generated strong interest among the carriers. Deployments will begin in early 1999.

New Systems for Managing Networks

For Hekimian, 1998 marked the introduction of CenterOp Systems, a new family of network management and operations support technologies. Built with powerful interfaces and design tools, including CORBA and Java™, these systems make it easier than ever for service providers and network managers to design, provision and maintain traditional and emerging network services.

With CenterOp Systems, Hekimian continues to move beyond network fault management, which has been the company's primary focus for more than two decades. Initial modules will be available by mid-1999.

REACT Rings the World

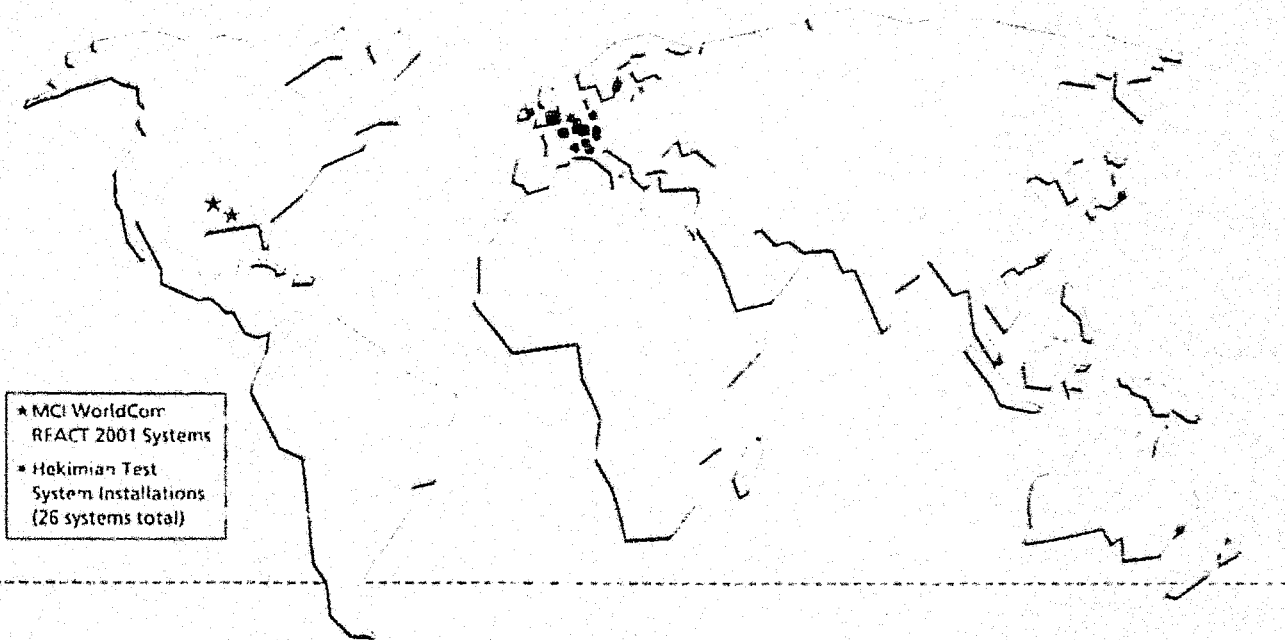
As MCI WorldCom steadily grows, so must its mission-critical network in order to meet increasing demand for voice, data and Internet services. MCI WorldCom now has 22 million customers in more than 20 countries. Hekimian's mission: to keep the networks that many of them depend on running smoothly.

In 1998, as MCI WorldCom

expanded its presence in Europe and Asia, it also expanded deployment of Hekimian's REACT 2001. This leading-edge system tests, monitors and manages circuit repairs network-wide, whether the network covers a region of the country or stretches around the globe. MCI WorldCom's expanded system includes host computers in two U.S. cities and remote test and monitoring equipment throughout Europe and Asia. The host computers are kept separate to create multiple layers of

backup; even if several computers go down, the system remains viable.

Already established in North America, REACT 2001 is being promoted worldwide. This makes the growing MCI WorldCom deployment most opportune. Besides representing increased business with a top-ranked global customer, it provides a live demonstration of the functionality and power of REACT 2001 — and in markets that are more eager than ever for leading-edge network technology.



INSIDE HEKIMIAN: ON THE WEB

In 1998, Hekimian began enhancing and expanding its Internet presence to improve round-the-clock communication with the outside world. One goal has been the creation of a more customer-focused website, one that makes it easier for visitors — from CIOs to network managers — to find personally relevant information. A second goal has been the development of a secure Hekimian extranet, enabling the company's

customers to track orders, check on hardware sent in for service and troubleshoot problems at any hour with on-line assistance.

The projects are part of an ongoing effort to create a seamless electronic environment in which customers, vendors and partners can interact with Hekimian whenever the need arises. Redesign and development work began in the fourth quarter of 1998. "Go live" for the extranet is expected in early 1999.

Larscom is an established player in the global quest for circuit speed. Its broadband products are enabling carriers to serve a wide range of customers, who are using everything from T1/E1 lines to ultra-fast ATM. Its digital access products are opening high-speed access to new users, helping small- and medium-sized businesses gain advanced telecommunications capabilities.



A New Entry Bridges the Bandwidth Gap

The debut of the Orion 2000™ inverse multiplexer for ATM is a prime example of Larscom's ability to (1) understand the needs of its customers and (2) deliver the right product at the right time. Introduced in May, this product is helpful to the further deployment of ATM, an advanced telecommunications protocol. ATM is clearly a technology of choice among network service providers for high-speed transmission of data, voice and video communications. While it is used extensively within core networks, its deployment to customer sites has been hampered by the cost associated with installing DS3 and higher-speed lines.

Orion 2000 creates a bridge that makes ATM more affordable, converting data into a format that can be readily carried by T1 lines. Without huge investments, carriers

(continued)

The 1998 debut of WANmaker TerraUnp™, the world's first plug-and-play digital access device, was a hit with the press and value-added resellers alike. Easy to install, it automatically configures itself to the network and T1 line conditions, eliminating the need for an experienced technician to perform the installation. By the end of the year, Larscom had deals with numerous channel sales outlets, from regional resellers and systems integrators to master distributor TechData, a company serving more than 100,000 resellers worldwide.

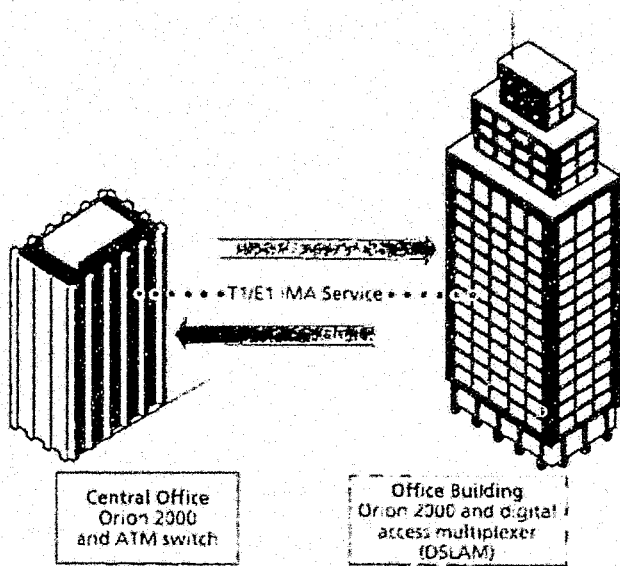


New Entry (continued)

and network managers can now link up existing ATM devices — plus expand services at a price that customers and corporate decision makers can accept. Orion 2000 is one of the few products currently compliant with the ATM Forum's Inverse Multiplexing for ATM (IMA) standard. This means it interoperates readily with all other compliant devices, making it easier to link ATM installations that use equip-

ment from various manufacturers.

The first product of its kind on the market, Orion 2000 was in the test labs of major carriers by the end of 1998 and had already been successfully installed in a U.S. government research network. This positioned the product well in the emerging, and promising IMA market. Widespread carrier deployments are expected to begin by mid-1999.



The Mass Appeal of Digital Access

At one time, Wide Area Networks (WANs) and advanced Internet capabilities were the sole province of large corporate users, who had the money and technical ability to install high-speed lines and interconnections. But with T1 becoming cheaper and ubiquitous, that state of affairs is changing — and this creates a market opportunity for Larscom's WANmaker TerraUno. A true plug-and-play CSU/DSU, TerraUno makes it easy for small- and medium-sized companies to hook local networks to T1 lines, add offices to wide area networks and take full advantage of rapidly emerging Internet applications. Potential TerraUno users range from architects and physicians, who need the ability to transmit large graphic files, to one- or two-person shops that distribute products and services via e-commerce websites.

INSIDE LARSCOM: A BETTER WAY TO MAKE THINGS

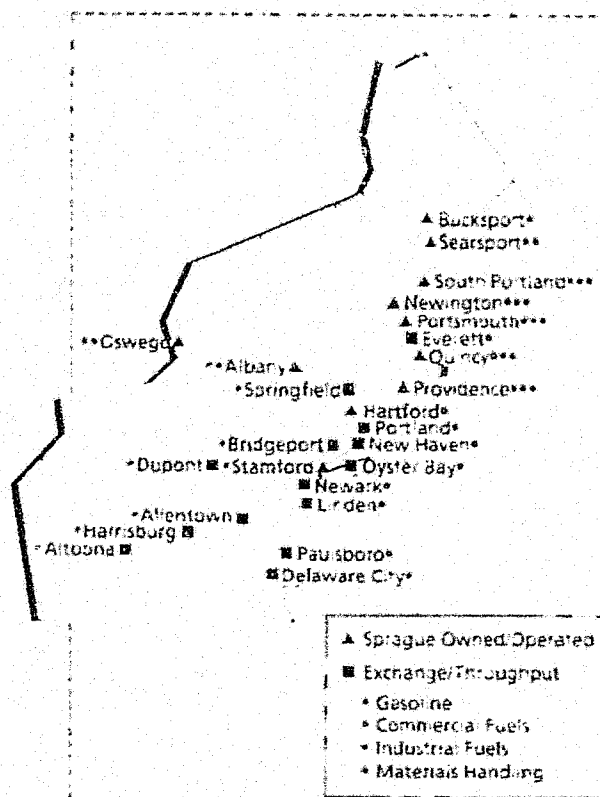
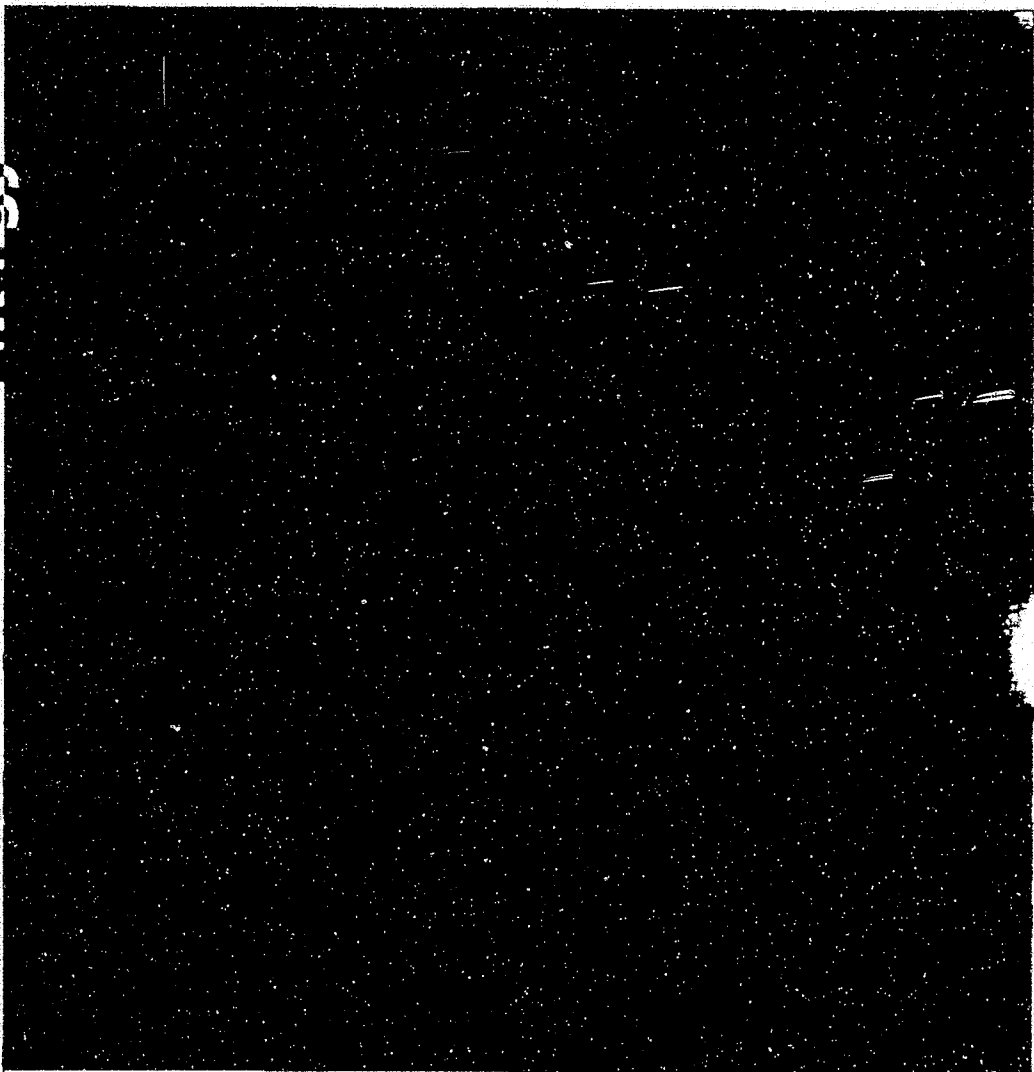
Larscom has made big changes in the way it designs and manufactures its products, streamlining processes, gaining efficiencies and reducing costs. New practices range from outsourcing (including production of the new WANmaker TerraUno) to concurrent development, which makes the design process far more interdisciplinary. Perhaps the most noteworthy change, however, is the adoption of cell manufacturing, which divides the Milpitas shop into highly integrated "minifactories" combining all the skills and people needed for a given product line.

Cell manufacturing radically alters the way people work. Before now, individuals had been trained to perform a single function for all Larscom products, whether it be test, rework, quality assurance or mechanical assembly. Now, employees are cross-trained to perform different tasks on a single product line, not only enabling them to move between skills as work flow requires, but providing a sense of pride and ownership in the entire line.

Cell manufacturing boosts productivity and helps to reduce working inventory. Products can move from start to finish in a single business day.

The Orion production team — including, clockwise from lower left, Tam Bui, Hoa Nguyen, Nghia Nguyen, Hieu Ba Tran, Stanley Wong, Jim Apolis, Seng Han and Doug Cam — is one of three integrated units now at work under Larscom's cell manufacturing model. The transition from activity-based to product based groups began early in the year. By year's end, cell manufacturing was well established and running smoothly. It has made production faster, more flexible, more efficient and more rewarding for the people involved.





A Strategic Network

Among Sprague's great strengths is its strategically located terminal network on deepwater ports throughout the Northeast. This network provides ready access to energy supplies as well as leverage in making exchange agreements that extend the company's marketing reach. The terminals are also the base for a steadily growing business in the handling and transshipment of a wide range of liquid and dry bulk materials. This map of the network includes owned and operated terminals as well as contracted and exchange locations.

Growth on Three Fronts

In 1998, Sprague strengthened its position in transportation fuels. In unbranded gasoline, monthly volume at Avery Lane Terminal in Newington, New Hampshire, climbed to over 200,000 barrels, driven by exchange agreements with several major gasoline retailers. Citgo, Shell and Getty are among those now lifting from the terminal. Sprague, in return, draws gasoline for its customers from terminals operated by its trading partners. While unbranded gasoline is important in its own right, it is also a strategic foothold for Sprague — a platform for future expansion into other segments of the gasoline value chain.

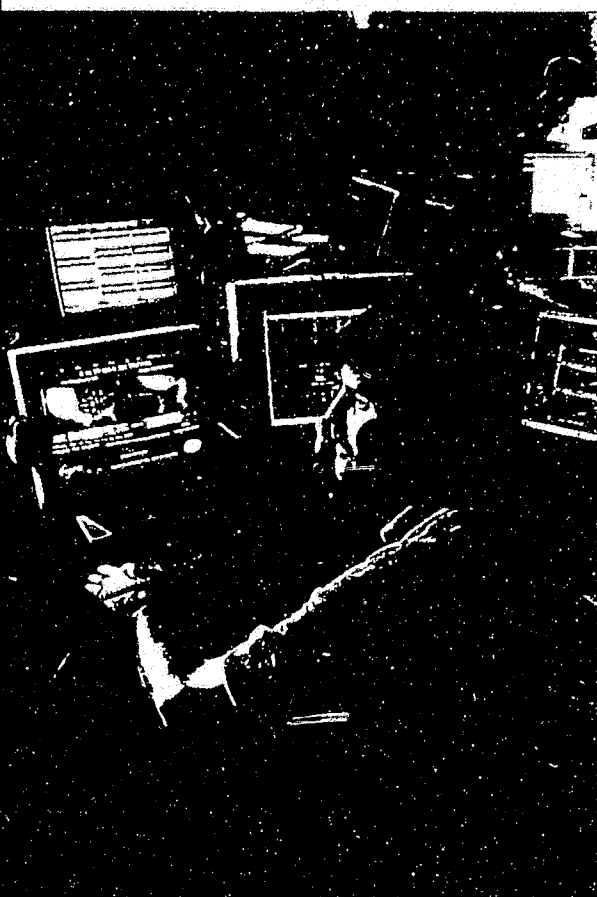
Sprague posted another strong year as a supplier of diesel fuel to New England's truck fleets. The company works closely with suppliers to meet the special requirements of the market, including performance characteristics that are essential in difficult driving conditions and extreme cold.

Sprague is now a major supplier of jet fuel throughout New England and the leading supplier to rapidly expanding regional airports. The key to success: on-time performance and a consistent ability to meet and exceed the stringent quality requirements of major airlines and freight carriers.



▲ Terminal operator Buck Elliott checks tank at Avery Lane, the only gasoline-loading facility between Boston and Portland, Maine. This strategic location has enabled Sprague not only to supply its unbranded

customers, but to reach important exchange agreements with major gasoline retailers. In 1998, volume at the terminal exceeded one-and-a-half million barrels. In 1999, it should reach four million barrels.



Catching the Wave on Natural Gas

With two gas pipelines across New England coming together north of Portland, Maine, the energy picture in the Northeast is changing rapidly. Long a bastion of heavy oil and heating oil, the region will now have an alternative fuel. Sprague's challenge: to be a primary supplier of gas as well as oil to its customers.

Since 1995, Sprague has steadily expanded its gas marketing and trading capabilities. Last year, the company purchased the marketing assets of KCS Energy, gaining new commercial and industrial accounts and adding people and expertise. This year the expansion continued as Sprague doubled its

gas marketing personnel and exceeded sales and profit goals for 1998.

While the region is drawing major competitors, including some of the biggest names in the energy business, Sprague is well positioned for growth in the natural gas market. As a leading energy supplier for more than a century, the company is able to leverage relationships among commercial and industrial customers across New England. Its oil terminal infrastructure, moreover, enables it to serve the market as a total energy supplier working across a range of fuels. Already, Sprague serves many customers who can switch between heavy oil and natural gas. With its name recognition, terminal assets, market knowledge and gas capabilities, the company is in a unique position to meet BTU needs in whatever form.

▲ Richard Dale trades natural gas at Sprague. When major pipelines come on-line, two factors will drive the New England market: the capability of major customers to switch between fuels to get the best price, and the rise of gas-fired cogeneration at industrial customer sites to produce heat, process steam and economical electricity.

INSIDE SPRAGUE: READY FOR THE MULTIFUEL ERA

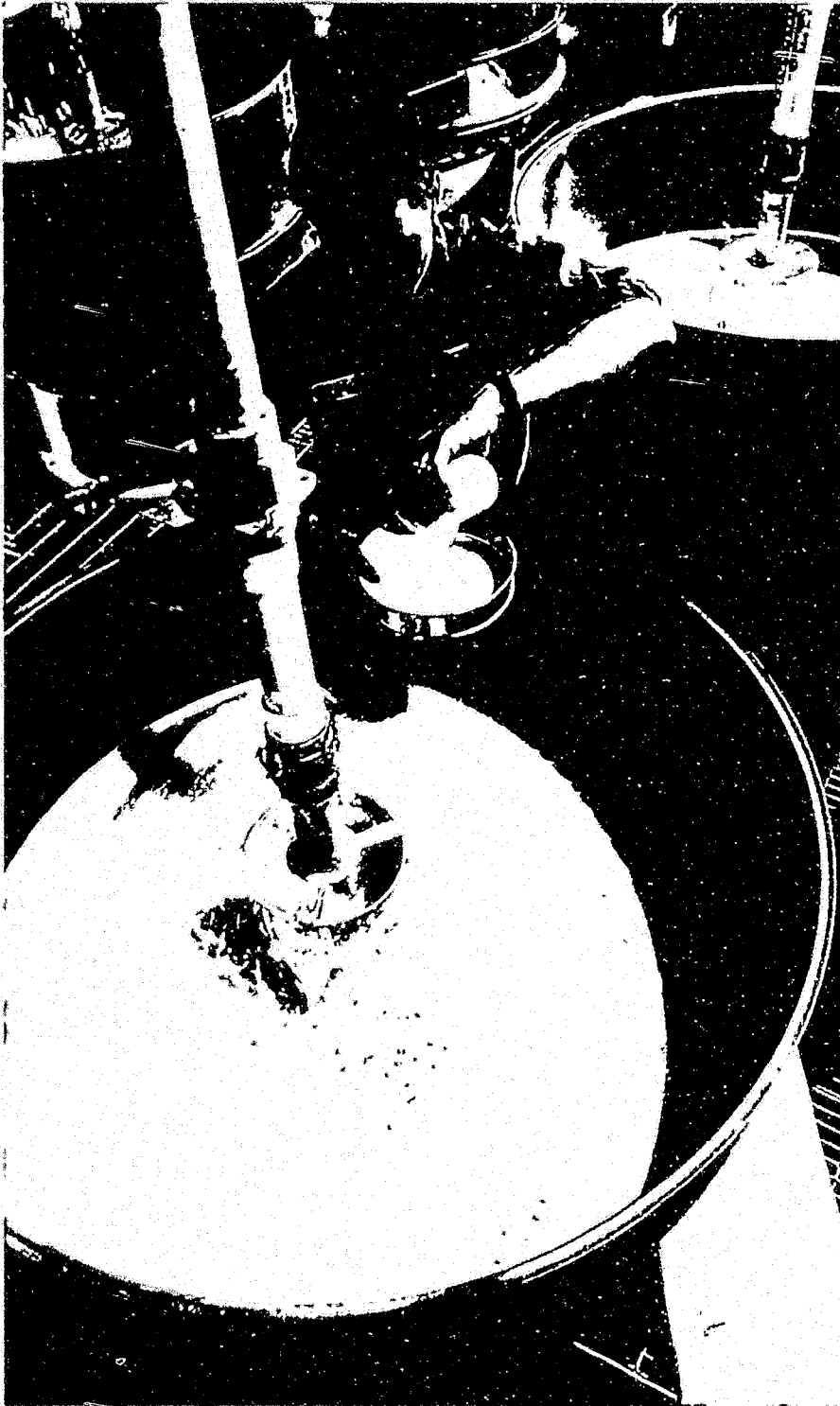
As the New England energy market changes, so too does the structure and culture of Sprague. Because the needs of multifuel customers transcend distinctions between energy types, gone are the days of separate heavy oil, gas, coal and residual product marketing groups. Today, Sprague's marketing personnel are able to work across all fuels, in close coordination with the company's supply and risk managers. Such a transition would not be possible without an evolving service culture strongly focused on understanding the needs of Sprague customers. This

enables the company to create innovative solutions in the marketplace and adapt quickly to an increasingly competitive business environment.

Integrated marketing is one outgrowth of a reorganization in 1998 that divided Sprague into two focused strategic business units. While Bulk Energy Marketing brings cross-fuel purchasing and marketing under one roof, Terminals covers all fuel and materials handling at the docks. As with Bulk Energy Marketing, the terminaling business was on the move in 1998, expanding materials-handling opportunities and increasing value-added services.

Rolf Westphal draws a sample of china clay at Sprague's South Portland processing plant. Used as a coating for printing papers, the clay must be pure and uniform. In a modular building

set back from the dock, it is fine-screened in rapidly vibrating vats. It is then shipped to paper mills throughout the Northeast, Midwest and eastern Canada.



In Maine, Turning Clay into Gold

In 1998, china clay became the latest in a long list of bulk materials now received and distributed at Sprague terminals. The difference? In this case, Sprague is not only handling a high-value bulk product, it is responsible for final processing and quality control, adding value to services rendered.

The clay, which gives printing papers a glossy surface and a feel of substance, arrives as a slurry at the South Portland dock and is off-loaded into specially designed storage tanks. It is then fine-screened to remove impurities and enhance uniformity. Finally, it is distributed by truck and rail to paper mills in Maine, Nova Scotia, Quebec and points farther west.

Under a long-term agreement signed in 1997, the clay is supplied by Dry Branch Kaolin (DBK), one of the world's premier sources. It is shipped from DBK's mine and transshipping facility near the Amazon Basin in Brazil. The quality of the material is considered among the highest in the world. The clay is one of the most valuable products handled at Sprague terminals.

In 1998, some 70,000 tons of clay moved across Sprague's dock. Plans are to increase deliveries to some 200,000 tons annually over the next four years.

**Consolidated Statements
of Income**

In thousands	Years ended December 31		
	1998	1997	1996
Net Sales	\$ 1,157,432	\$ 1,342,841	\$ 1,262,059
Operating costs and expenses:			
Cost of products sold	1,014,417	1,220,677	1,143,094
Selling, general, and administrative	91,545	74,456	71,669
Research and development	26,671	22,222	16,434
Total operating costs and expenses	1,132,633	1,317,355	1,231,197
Operating income	24,799	25,486	30,862
Financial and interest expense, net	(798)	(1,921)	(2,670)
Repositioning and other unusual items	(7,844)	(18,556)	(10,581)
Gain on sale of assets	1,463	6,174	49,400
Income from continuing operations before income taxes and minority interest	17,620	11,183	67,011
Income tax provision	(6,157)	(3,657)	(24,703)
Minority interest in consolidated subsidiary company	3,212	1,698	—
Income from continuing operations	14,675	9,224	42,308
Discontinued operations:			
Income (loss) from discontinued operations, net of income taxes	120	(112)	5,745
Gain on sale of discontinued operations, net of income taxes	3,269	—	32,037
Net Income	\$ 18,064	\$ 9,112	\$ 80,090

**Consolidated Statements
of Retained Earnings**

In thousands	Years ended December 31		
	1998	1997	1996
Retained earnings, beginning of year	\$ 215,740	\$ 246,673	\$ 176,314
Net income	18,064	9,112	80,090
Dividend	(2,278)	(40,945)	(9,731)
Retained earnings, end of year	\$ 231,526	\$ 215,740	\$ 246,673

Consolidated Balance Sheets

In thousands	December 31	
	1998	1997
Assets		
Current assets:		
Cash and cash equivalents	\$ 78,391	\$ 17,901
Short-term investments	22,253	20,783
Accounts receivable, net of allowances	142,973	177,389
Inventories	127,479	138,742
Deferred income tax assets	16,342	15,099
Net assets held for sale	—	41,966
Other current assets	5,826	5,125
Total current assets	393,264	417,005
Property, plant, and equipment, less accumulated depreciation	61,111	64,169
Deferred income tax assets	12,405	7,540
Intangible and other assets, net	2,417	11,993
Excess of cost over net assets acquired, net	24,179	26,160
Total assets	\$493,367	\$526,867
Liabilities		
Current liabilities:		
Notes payable to banks	\$ —	\$ 14,700
Current portion of long-term debt	193	359
Accounts payable and accrued liabilities	155,252	158,809
Total current liabilities	155,445	173,868
Long-term debt	50,058	80,260
Other liabilities	7,479	6,535
Deferred income tax liabilities	20,535	19,396
Minority interest	25,301	27,939
Total liabilities	258,818	307,998
Stockholder's equity		
Common stock	95	95
Capital in excess of stated value	4,905	4,905
Currency translation adjustment	(1,768)	(1,661)
Unrealized loss on securities available for sale	(209)	(210)
Retained earnings	231,528	215,740
Total stockholder's equity	234,549	218,869
Total liabilities and stockholder's equity	\$493,367	\$526,867

Consolidated Statements of Cash Flows

In thousands	Years ended December 31		
	1998	1997	1996
Cash flows from operating activities			
Net income	\$ 18,064	\$ 9,112	\$ 80,090
<i>Adjustments to reconcile net income to net cash provided by (used for) operating activities:</i>			
Depreciation and amortization	15,582	11,227	11,972
Repositioning and other unusual items	7,088	18,556	7,081
Provision for doubtful accounts	667	1,336	766
(Income) loss from discontinued operations	(120)	112	(5,760)
Minority interest in consolidated subsidiary company	(3,212)	(1,698)	—
Deferred income taxes	(4,562)	(8,940)	5,663
Gain on sale of assets	(6,508)	(6,174)	(103,243)
<i>Changes in assets and liabilities net of effects from purchase and sale of subsidiaries:</i>			
Accounts receivable	34,188	(5,350)	(41,509)
Inventories	11,162	26,187	(59,127)
Other current assets	222	1,858	(1,316)
Accounts payable and accrued liabilities	(8,238)	(50,728)	47,839
Net cash provided by (used for) operating activities	64,333	(4,502)	(57,544)
Cash flows from investing activities			
Purchase of property, plant, and equipment	(10,335)	(12,560)	(10,404)
Purchase of other assets	(784)	(345)	(1,923)
Acquisitions	(142)	(38,931)	(10,570)
Net proceeds from sale of assets	54,232	10,073	111,487
Purchases of short-term investments	(115,040)	(226,855)	(4,656)
Proceeds from sale and maturity of short-term investments	113,569	209,782	3,850
Cash (used for) provided by discontinued operations	(61)	2,466	(6,842)
Net cash provided by (used for) investing activities	41,439	(56,370)	80,942
Cash flows from financing activities			
Net (paydowns) borrowings under line-of-credit agreements	(14,700)	14,700	(13,900)
Net (paydowns) borrowings of long-term debt	(30,510)	30,070	(50,458)
Proceeds from issuance of private placement debt	—	—	50,000
Proceeds from issuance of common stock of subsidiary	709	3,816	63,278
Net increase (decrease) in payable to parent company	1,604	5,258	(2,590)
Dividend to parent company	(2,278)	(40,045)	(9,731)
Net cash (used for) provided by financing activities	(45,175)	13,799	36,599
Effect of exchange rate change on cash	(107)	(384)	303
Net change in cash and cash equivalents	60,490	(47,457)	60,300
Cash and cash equivalents, beginning of year	17,901	65,358	5,058
Cash and cash equivalents, end of year	\$ 78,391	\$ 17,901	\$ 65,358



Axel Johnson Policy

To Axel Johnson Inc., environmental responsibility is more than a legal mandate — it is something we believe is integral to our role as a “good company.” Our commitment is articulated by the Axel Johnson Group’s Worldwide Environmental Policy. It is monitored by environmental coordinators in each of our business units. It is carried out by employees throughout the company who subscribe to an environmentally responsible culture. And it results in our ability to meet and surpass federal, state and local requirements.

In the past year, Axel Johnson units again contributed to a better environment, whether through conservation, education, environment-friendly products or enlightened workplace policy.

Ecology-Minded Alternatives

At Parkson, the push is ongoing to find alternatives to hazardous chemicals. In 1998, for example, the company began testing alternatives to a passivation solution that removes carbon from stainless steel and provides a protective coating. One candidate: a citrus solution that poses little environmental threat when released. Larum, meanwhile, redesigned shipping cartons to use recyclable cardboard inserts rather than Styrofoam peanuts, while ADS continued to reduce potential hazards posed by disposal of monitor batteries and began exploring a transition to rechargeables.

In some cases, alternative products as well as processes and materials have emerged. Sprague — always seeking cleaner-burning fuels — has accelerated its push into

natural gas, a fuel about to play a bigger role throughout the Northeast. Natural gas is the cleanest burning of all fossil fuels. It emits no particulates and little of the pollutants that cause acid rain. When burned efficiently, it also releases little methane into the atmosphere.

Reduce, Reuse, Recycle

At Parkson, replacement of the company's phone switch has resulted in surprising energy savings. While old equipment required heavy-duty air conditioning to counter heat from mechanical parts, the new, totally digital switch requires far less. Elsewhere, benefits continue to accrue to Hekimian, which previously upgraded plant and headquarters lighting to slash electrical consumption, and at Larscom, which moved into highly energy-efficient headquarters in 1997.

Reduction of material waste was another area of progress in 1998. At Hekimian, nonrecycled solid waste fell by 25 percent in a single year. While cardboard recycling dipped slightly, paper recycling surged by 60 percent. This success came atop strides made in previous years, particularly a decrease in paper consumption achieved through electronic document management. At Larscom, meanwhile, efforts with vendors to reuse shipping containers progressed while convenient location of appropriate bins increased office recy-

cling. The company was lauded for the third straight time by California's Waste Reduction Awards Program, thanks to product, packaging, paper and pallet-recycling initiatives.

Better Environments Inside and Out

In 1998, Sprague continued efforts to be a good neighbor and ever-safer employer. The company kicked off a development program for frontline terminal supervisors that focused on a range of safety and environmental protection issues. Guests included speakers from the U.S. Coast Guard, regulatory agencies and insurance carriers, with whom the company has recently partnered to improve workplace safety. Throughout the year, Sprague also continued to raise safety consciousness company-wide. In recent years, increased safety awareness has cut lost workdays by 75 percent. In the past two years, employees have lost only 16 workdays due to accidents, well below average for companies Sprague's size in the energy industry.

Hekimian also sought to ensure a healthier work environment. In November, the company conducted an extensive air quality survey in its headquarters building, measuring carbon dioxide, carbon monoxide, relative humidity and breathable particulates, as well as airborne fungi, bacterial and ambient airborne hydrocarbon concentrations. Accessible components of the building's heating, ventilation and air-conditioning equipment were evaluated as well. The results, readings all well within acceptable health limits. Previously, two air quality surveys were conducted in Hekimian's manufacturing plant. These tests also had highly satisfactory results.

Board of Directors



Antonia Axson Johnson, far right, with other members of the Board of Directors during a break from their December meeting at Axel Johnson Inc. headquarters in Stamford. From left, Anders Carlberg, Anne Mulcahy, John McDonald, William Turner, Göran Ennerfelt, Suzanne Jaffe, Lawrence Milligan and Paul Graf. Not present in the photograph: Vernon Anderson.

Antonia Axson Johnson
Chairman
Axel Johnson Inc.
Chairman
Axel Johnson AB
Stockholm, Sweden

Vernon R. Anderson
Private investor
Los Altos Hills, California

Anders G. Carlberg
President
Axel Johnson International AB
Stockholm, Sweden

P. Göran Ennerfelt
President and
Chief Executive Officer
Axel Johnson AB
Stockholm, Sweden

Paul E. Graf
President and
Chief Executive Officer
Axel Johnson Inc.

Suzanne D. Jaffe
Managing Director
Hamilton & Company
New York, New York

John C. McDonald
Founder and President
MBX Inc.
La Quinta, California

Lawrence D. Milligan
Vice Chairman
Axel Johnson Inc.

Anne M. Mulcahy
Executive Vice President and
President, General Markets
Operations
Xerox Corporation
Stamford, Connecticut

William I. M. Turner, Jr.
Chairman and
Chief Executive Officer
Exsultate Inc.
Montreal, Canada

Corporate Officers

Antonia Axson Johnson
Chairman of the Board

Lawrence D. Milligan
Vice Chairman

Paul E. Graf
President and
Chief Executive Officer

Joseph F. Smorada
Senior Vice President and
Chief Financial Officer

Karen L. Fraser
Vice President, Human
Resources

Signe S. Gates
Vice President
General Counsel and
Corporate Secretary

Charles W. Seitz
Vice President and Controller

Charles E. Murphy
Treasurer

Wayne L. Parker
Director, Internal Audit

John C. Pascale
Director, Tax


Parkson Corporation
2727 N.W. 62nd Street
Fort Lauderdale, Florida 33309-1771
Phone 954 974-6610
Fax 954 974-6182
www.parkson.com
G. Parks Souther, President

ADS Corporation
ADS Environmental Services
Accusonic Technologies, Inc.
5025 Bradford Boulevard
Huntsville, Alabama 35805-1952
Phone 205 430-3366
Fax 205 430-6633
www.adsenv.com
Thomas H. Neel, President

Hekimian Laboratories, Inc.
15200 Omega Drive
Rockville, Maryland 20850-3240
Phone 301 590-3600
Fax 301 590-3698
www.hekimian.com
Desmond P. Wilson III, President

Larscom Incorporated
1845 McCandless Drive
Milpitas, California 95035-8046
Phone 408 941-4000
Fax 408 956-0118
www.larscom.com
**George M. Donohoe, Executive
Vice President and Acting CEO**

Sprague Energy Corp.
Two International Drive
Portsmouth, New Hampshire 03801-3771
Phone 603 431-1000
Fax 603 431-6371
www.chsprague.com
James M. Kantelis, President

 AXEL JOHNSON INC.

Axel Johnson Inc.
300 Atlantic Street
Stamford, CT 06901-3530
203 326-5200



BRANDED GASOLINE



MORE AND MORE INDEPENDENT GASOLINE STATION OWNER OPERATORS ARE PUMPED UP ABOUT SPRAGUE. WHY? BECAUSE WE HAVE EVERYTHING YOU NEED TO ADD MORE GET UP AND GO TO

To achieve better performance from your gasoline station, try



The brands that matter

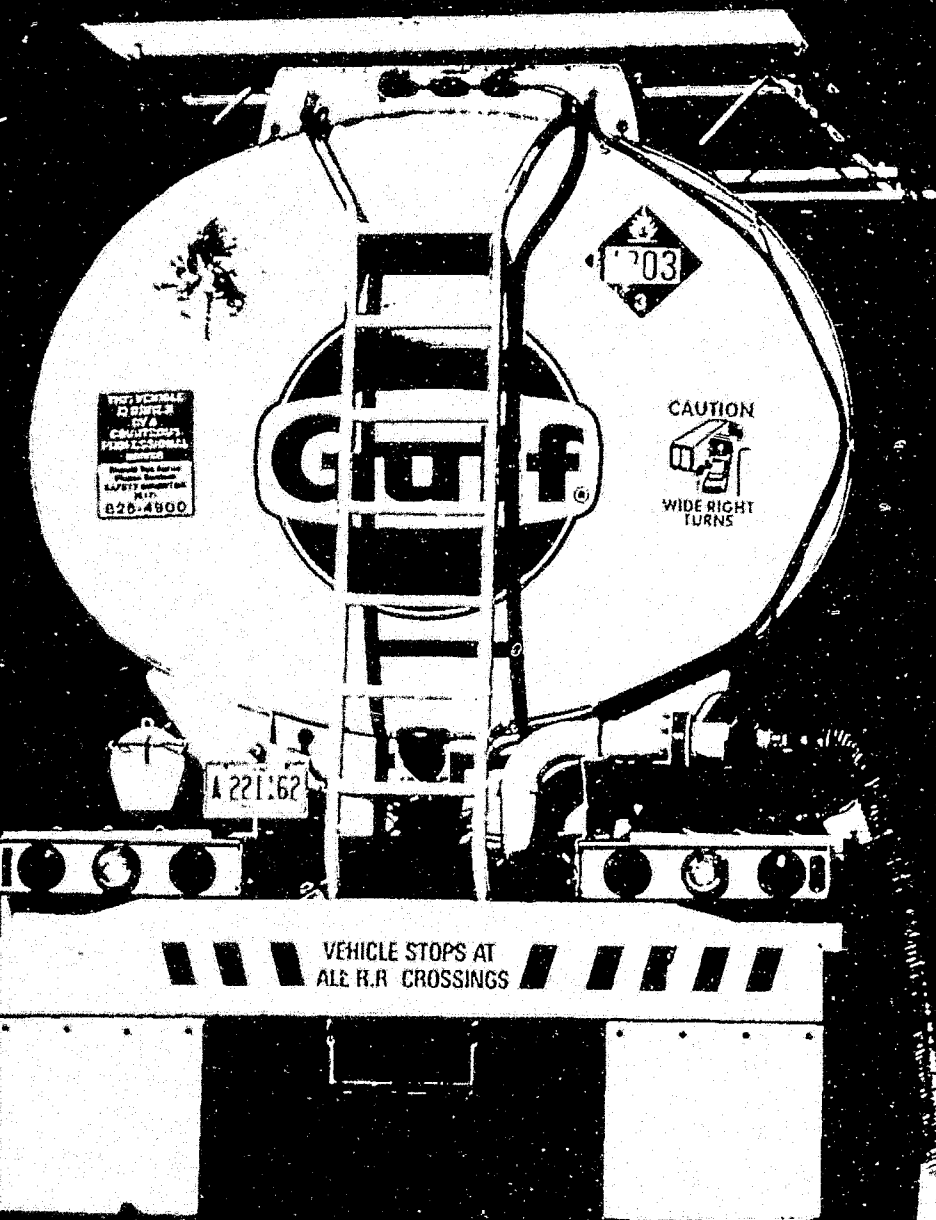
THERE ARE A LOT OF COMPANIES THAT CAN SELL YOU BRANDED GASOLINE. BUT NONE CAN DELIVER ALL THE OTHER INGREDIENTS NECESSARY FOR YOUR SUCCESS. IT'S A FACT: IN ADDITION TO OFFERING CITGO, TEXACO, GULF, PHILIPS 66, AND SPRAGUE BRAND GASOLINES, WE COMBINE OUR UNMATCHED RESOURCES, CAPITAL AND BUYING POWER WITH AN EXTRAORDINARY COMMITMENT TO PERSONAL ATTENTION TO PROVIDE YOU AND YOUR STATION WITH THE FORMULA FOR SUCCESS.



We have it all for you

AT SPRAGUE, WE CAN PROVIDE ANYTHING AN INDEPENDENT STATION OWNER COULD NEED: FINANCING, SITE ANALYSIS, OPERATIONS KNOW-HOW, PROMOTION AND MERCHANDISING PROGRAMS, EMPLOYEE TRAINING, AND, OF COURSE, THE BEST POSSIBLE PRICING. WITH NEARLY 130 YEARS IN THE BUSINESS, WE ALSO HAVE A STRONG NETWORK OF TERMINALS UP AND DOWN THE EASTERN SEABOARD AND A TEAM WHO TRULY UNDERSTANDS THE GASOLINE BUSINESS.

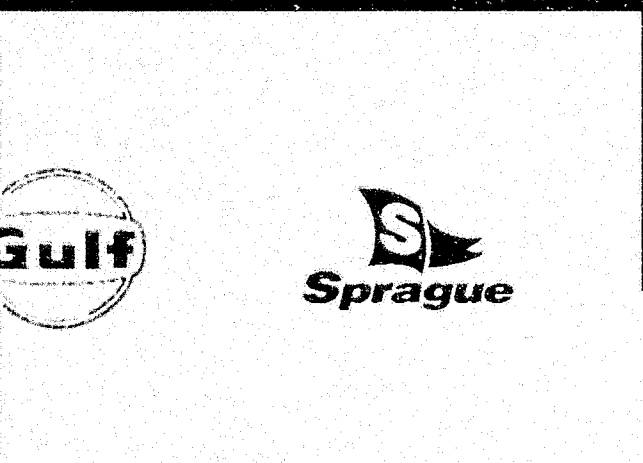
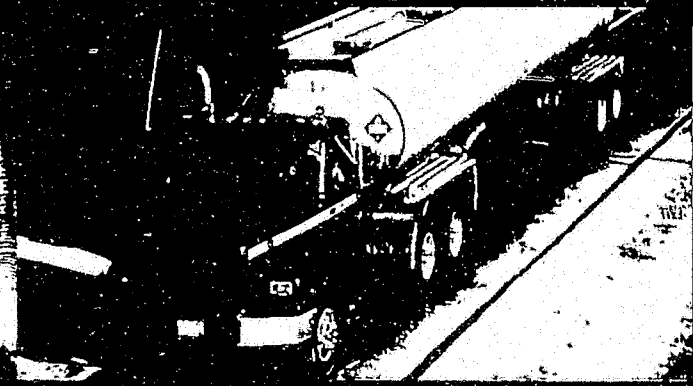
se additives: service, price and selection.



**Put our experience
to work for you.**

SPRAGUE WAS FOUNDED IN 1870 AS THE CHARLES H. SPRAGUE COMPANY, A SUPPLIER OF COAL AND WHALE OIL TO AN ECONOMY HUNGRY FOR ENERGY. SPRAGUE HAS AGGRESSIVELY EXPANDED UPON ITS FUEL PROCUREMENT, HANDLING, AND DELIVERY EXPERTISE, AS WELL AS ITS UNIQUE MARITIME HERITAGE TO BECOME ONE OF THE EASTERN SEABOARD'S LEADING RESOURCES FOR INDUSTRIAL, COMMERCIAL, SPACE HEATING AND TRANSPORTATION FUELS, AND MATERIAL HANDLING SERVICES.

TO FIND OUT HOW YOU CAN BE MORE SUCCESSFUL WITH SPRAGUE, CALL TED XAVIER AT 1-800-305-1560.



Sprague 


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CALL 1-800-225-1560

TWO INTERNATIONAL DRIVE, SUITE 200

PORTSMOUTH, NH 03801-6809

www.spragueenergy.com

 ANAXEL JOHNSON INC COMPANY

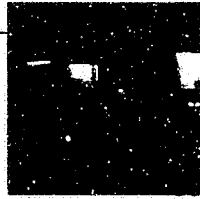


MATERIAL HANDLING SERVICES

CHALLENGE THE MATERIAL HANDLING SPECIALISTS AT SPRAGUE WITH YOUR BULK MATERIAL STORAGE AND TRANSPORT REQUIREMENTS. AND WE'LL CREATE A SOLUTION THAT IS DESIGNED TO GET THE JOB DONE AS COST-EFFICIENTLY AS POSSIBLE.

Sprague's unequalled network of bulk storage facilities and deep gives us the power and energy to handle just about anything.

Strategically located



facilities are the backbone

START WITH 13 STRATEGICALLY LOCATED TERMINALS. ADD STATE-OF-THE-ART LIQUID AND DRY BULK MATERIAL HANDLING FACILITIES AND YOU HAVE A MATERIAL HANDLING INFRASTRUCTURE UNMATCHED ON THE EASTERN SEABOARD. OUR EXTENSIVE NETWORK ALLOWS FOR THE EFFICIENT HANDLING OF MILLIONS OF BARRELS OF PETROLEUM PRODUCTS AND MILLIONS OF TONS OF LIQUID AND DRY BULK MATERIAL ANNUALLY FOR A DIVERSE ROSTER OF COMPANIES LOCATED THROUGHOUT THE NORTHEAST.

Experience and multi-faceted



capabilities are the difference

HANDLING, STORING AND DELIVERING A BROAD RANGE OF PETROLEUM PRODUCTS, COAL AND ALTERNATIVE FUELS OVER THE COURSE OF A HISTORY SPANNING WELL OVER A CENTURY HAS GIVEN SPRAGUE THE STRATEGIC ADVANTAGE, RESOURCES AND EXPERIENCE NECESSARY TO BE INDUSTRY'S CHOICE FOR DIVERSIFIED MATERIAL HANDLING.

SPRAGUE CAN PROVIDE 24-HOUR MATERIAL HANDLING OPERATIONS. NOT TO MENTION VERSATILITY WITH SYSTEMS DESIGNED TO ACCOMMODATE A RANGE OF VESSEL SIZES, LIQUID AND DRY BULK COMMODITIES, AND TRUE INTERMODAL CAPABILITIES PROVIDING SHIP TO STORAGE TO TRUCK/RAIL FREIGHT MANAGEMENT.

Trust your partners at Sprague

LET THE MATERIAL HANDLING SPECIALISTS AT SPRAGUE SOLVE YOUR NEXT STORAGE AND HANDLING PROBLEM. FOR MORE INFORMATION, CALL 1-800-225-1560.

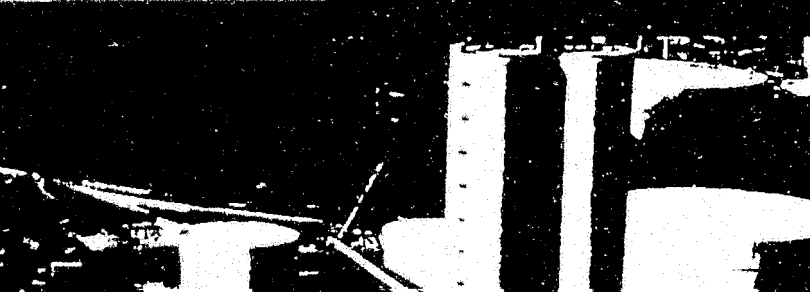


LIQUID AND DRY BULK PRODUCTS CURRENTLY BEING HANDLED:

asphalt
aluminum hydrate
bauxite
calcium chloride
caustic soda
cement
cement clinker
china clay
coal
gypsum
iron oxide
methyl methacrylate monomer
petroleum coke
salt
tallow
vegetable oil
wood chips

PLUS A WIDE RANGE OF PETROLEUM PRODUCTS, INCLUDING:

gasoline
#2 fuel
#4 oil
#6 oil
jet fuel
diesel fuel
kerosene



Sprague 


PUT OUR ENERGY TO WORK FOR YOU.

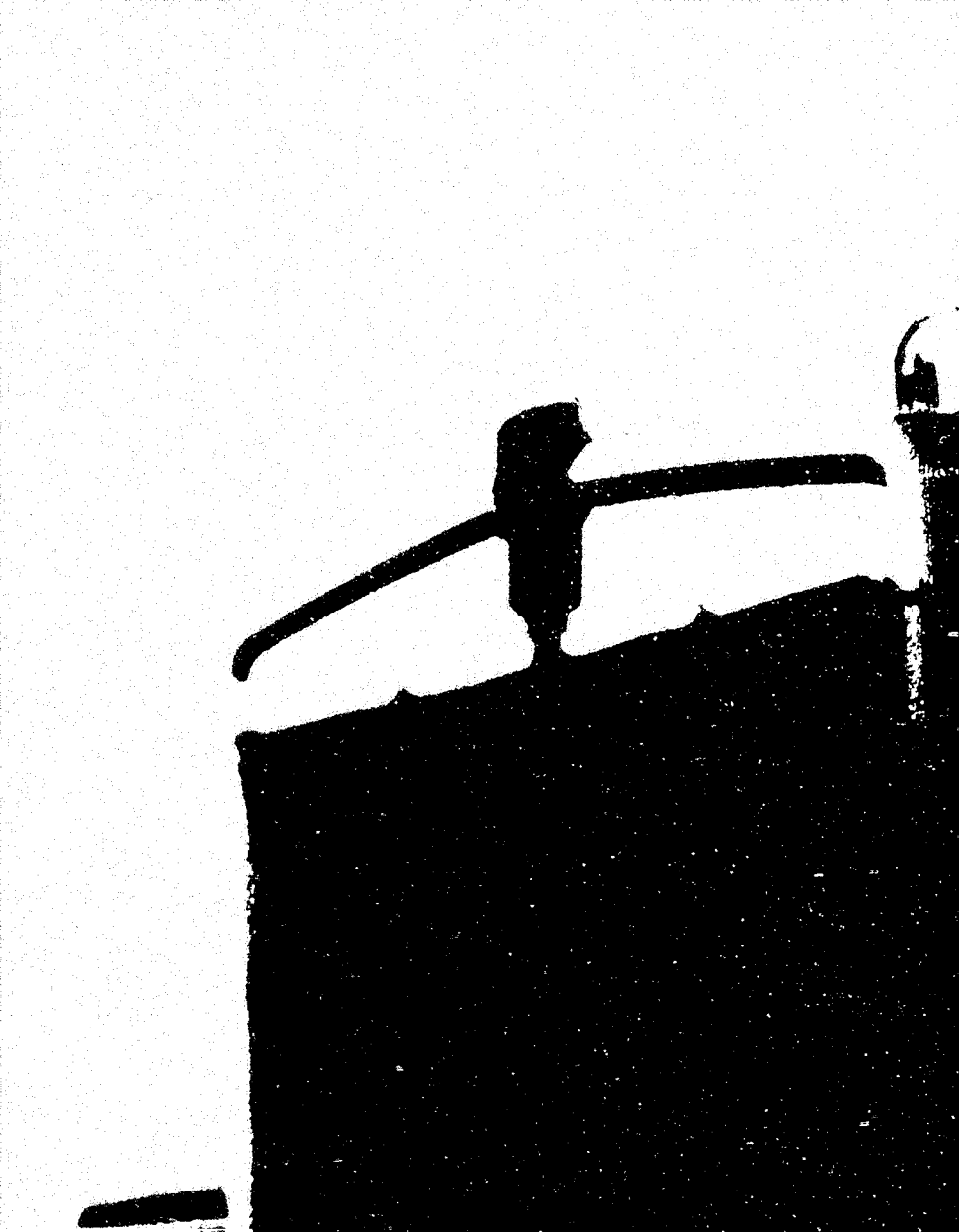
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TODAY'S DIESEL ENGINES REQUIRE THE HIGHEST GRADE DIESEL FUEL FOR THEIR PARTICULAR USE. SPRAGUE DELIVERS WITH THE STRICTEST QUALITY CONTROL PROGRAM IN THE INDUSTRY.

When it comes to providing the right diesel fuel at the right price

Sprague formulates premium diesel fuels for every application



AT SPRAGUE, OUR DIESEL FUELS ARE FORMULATED TO ACHIEVE MAXIMUM PERFORMANCE. WE USE PERFORMANCE-BOOSTING ADDITIVES LIKE SUPERIOR DETERGENTS, COLD FILTER FLOW IMPROVERS, FUEL STABILIZERS, CORROSION INHIBITORS, LUBRICITY ENHANCERS AND DISPERSANTS IN OUR DIESEL FUELS. THESE ADDITIVES HELP REDUCE VEHICLE MAINTENANCE COSTS, INCREASE POWER AND ECONOMY, AND IMPROVE YEAR-ROUND DRIVEABILITY. IF YOU ADD TO THAT OUR QUALITY CONTROL PROGRAM, WHERE WE TEST AND RE-TEST OUR FUELS AT NUMEROUS POINTS ALONG THE WAY, YOU CAN SEE HOW WE CAN ASSURE YOU THE BEST POSSIBLE QUALITY DIESEL FUEL ON THE MARKET.

The industry leader has the resources you need



OUR YEARS IN THE BUSINESS GIVE US UNEQUALLED RESOURCES OF ANOTHER SORT, CAPITAL, BUYING POWER, AND AN EXTENSIVE NETWORK OF DISTRIBUTION TERMINALS AND STORAGE FACILITIES. THE SPRAGUE ADVANTAGE ENSURES YOU GET THE BEST PRODUCT AT THE BEST PRICE. WHAT'S MORE, OUR DIESEL DIVISION IS RUN BY A TEAM WHOSE EXPERIENCE, RESOURCES AND KNOWLEDGE OF DIESEL AND ALL DISTILLATE FUELS IS UNSURPASSED IN THE INDUSTRY.

On-Road Diesel
LOW-SULFUR (0.05% MAX)

PREMIUM: SEASONALLY FORMULATED TO PROVIDE POWER, LUBRICITY AND COLD WEATHER OPERABILITY WITH DETERGENTS, STABILIZERS, LUBRICITY ENHANCERS, CORROSION INHIBITORS, DISPERSANTS AND SEASONAL COLD FLOW IMPROVERS.

Off-Road Diesel
HIGHER SULFUR (ABOVE 0.05%)

DIESEL UN-BLENDED FOR GENERAL USE IN MOST APPLICATIONS.

No.
LOW S

FOR

Sprague really makes the grade.



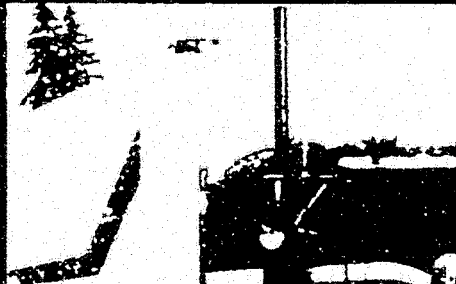
Put Sprague's experience to work for you.

SPRAGUE WAS FOUNDED IN THE CHARLES H. SPRAGUE A SUPPLIER OF COAL AND W TO AN ECONOMY HUNGRY FO SPRAGUE HAS AGGRESSIVELY UPON ITS FUEL PROCUREMENT AND DELIVERY EXPERTISE, AN ITS UNIQUE MARITIME HERIT BECOME ONE OF THE EAST SEABOARD'S LEADING RESO FOR INDUSTRIAL, COMMERCIAL HEATING AND TRANSPORTATION AND MATERIAL HANDLING SERVICES

FOR SPECIFICATIONS AND PRICES ON ALL OUR DIESEL FUELS, CONTACT NICK GNAZZO AT 1-800-225


Diesel
FUEL (0.5% MAX)

SMOKE APPLICATIONS





COAL



SPRAGUE KEEPS UTILITIES, INDUSTRIAL CUSTOMERS AND COAL DEALERS OPERATING IN THE BLACK BY MANAGING EVERY ASPECT OF COAL SUPPLY. WE HANDLE SOURCING, TRANSPORTING, WEIGHING, TESTING, ASH MANAGEMENT, EVEN FINANCING.

The total source for high-quality, low sulfur coal won't leave you



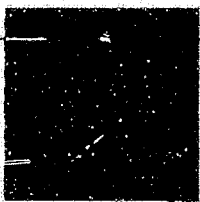
Superior sourcing

SPRAGUE SUPPLIES MILLIONS OF TONS OF COAL ANNUALLY FROM A WIDE VARIETY OF SOURCES. OUR SUPPLIERS SPAN THE GLOBE FROM DOMESTIC MINES IN VIRGINIA, KENTUCKY AND PENNSYLVANIA TO KEY SUPPLIERS HALF WAY ACROSS THE WORLD IN INDONESIA AND SOUTH AMERICA. THIS COVERAGE PROVIDES YOU WITH A STEADY SUPPLY AT COMPETITIVE PRICES. WHEN IT COMES TO YOUR ENERGY REQUIREMENTS, SPRAGUE IS THERE FOR YOU, FROM THE COAL MINE ALL THE WAY TO THE BURNER TIP.



Supply chain management


OUR CONSIDERABLE EXPERIENCE IN SUPPLY CHAIN MANAGEMENT IS AS VITAL AS OUR PROFICIENCY IN SOURCING. SPRAGUE SHIPS DIRECTLY FROM MINES TO CUSTOMERS VIA OCEAN VESSEL, BARGE, RAIL AND TRUCK USING WELL-TRAINED VETERAN CREWS. IF YOUR STORAGE AND RECEIVING CAPABILITIES ARE LIMITED, OUR DEEP WATER TERMINALS ENABLE US TO OFFER YOU ECONOMICAL STORAGE ARRANGEMENTS. WE EVEN OFFER ASH MANAGEMENT SERVICES THAT BENEFIT THE ENVIRONMENT AND SIMPLIFY YOUR OPERATIONS.



Quality assurance every step of the way

QUALITY ASSURANCE IS THE REAL SPRAGUE DIFFERENCE. OUR HIGHLY QUALIFIED FIELD PROFESSIONALS PROVIDE QUALITY ASSURANCE THROUGH THE ENTIRE COAL SUPPLY CHAIN, FROM MINE ALL THE WAY TO YOUR PLANT LOCATION. STRICT SAMPLING AND ANALYSIS ARE PART OF THE ADVANCED ASTM METHODS WE UTILIZE TO INSURE YOUR COAL MEETS YOUR STRICT SPECIFICATIONS.

Financing when you need it



SPRAGUE'S POSITION IN THE MARKETPLACE NOT ONLY MEANS SUPERIOR QUALITY, IT MEANS UNMATCHED RESOURCES AND CAPITAL. OUR STRENGTH ENABLES US TO FINANCE YOUR INVENTORY FOR YOU, A BENEFIT YOU CAN TAKE ALL THE WAY TO THE BANK.

Bituminous Coal

Anthracite Coal

Petroleum Coke

Tire Derived Fuel

Ash Management



cold.



**Put our experience
to work for you.**

SPRAGUE WAS FOUNDED IN 1870 AS THE CHARLES H. SPRAGUE COMPANY, A SUPPLIER OF COAL AND WHALE OIL TO AN ECONOMY HUNGRY FOR ENERGY. SPRAGUE HAS AGGRESSIVELY EXPANDED UPON ITS FUEL PROCUREMENT, HANDLING, AND DELIVERY EXPERTISE, AS WELL AS ITS UNIQUE MARITIME HERITAGE TO BECOME ONE OF THE EASTERN SEABOARD'S LEADING RESOURCES FOR INDUSTRIAL, COMMERCIAL, SPACE HEATING AND TRANSPORTATION FUELS, AND MATERIAL HANDLING SERVICES.

TO FIND OUT HOW YOU CAN PUT SPRAGUE TO WORK AS YOUR TOTAL COAL RESOURCE, CALL 1-800-225-1560.




Sprague 
PUT OUR ENERGY TO WORK FOR YOU

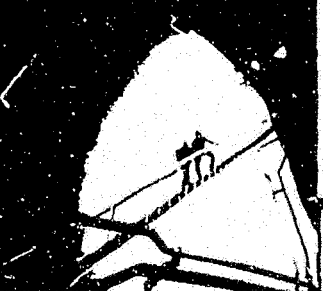
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WHEN IT COMES TO HOME HEATING OIL, PREMIUM DIESEL FUEL, GASOLINE, OR KEROSENE, THE SPRAGUE ADVANTAGE MEANS QUALITY, SERVICE, PERSONNEL AND PRICING THAT IS UNMATCHED IN THE BUSINESS.

Sprague's unparalleled resources and experience are just what



Wholesale fuels with a difference

SPRAGUE IS THE NORTHEAST REGION'S LEADING RESOURCE FOR WHOLESALE FUELS THAT INCLUDE HOME HEATING OIL, PREMIUM DIESEL FUEL, GASOLINE, AND KEROSENE. BY OWNING AND OPERATING OUR OWN EXTENSIVE NETWORK OF STRATEGICALLY LOCATED TERMINALS FROM MAINE TO THE MID-ATLANTIC, WE CAN GUARANTEE A LEVEL OF QUALITY AND SUPPLY AVAILABILITY LIKE NO OTHER WHOLESALE SUPPLIER IN THE MARKET.



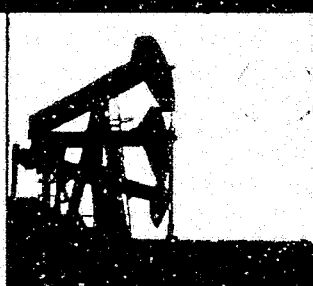
Programs and people that go even further

OUR PROGRAMS AND PEOPLE ALSO GO FURTHER TO HELP PROPEL YOUR BUSINESS. THERE'S OUR PREMIUM DIESEL PROGRAM WHICH ASSURES YOU A QUALITY PRODUCT YEAR-ROUND. WE ALSO OFFER A VARIETY OF CUSTOMER SUPPORT PROGRAMS DESIGNED TO HELP YOU WITH TECHNICAL SUPPORT AND MARKETING. WE WATCH OUT FOR YOUR PROFITABILITY WITH THE MOST EXTENSIVE PRICING PROGRAMS IN THE BUSINESS. BUT MOST IMPORTANTLY, SPRAGUE PROFESSIONALS ARE STATIONED IN EVERY MAJOR MARKET WHERE WE DISTRIBUTE PRODUCT TO GIVE YOU ANSWERS WHEN AND WHERE YOU NEED THEM.

ou need to fuel your business.



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INDUSTRI

WHATEVER YOU PROCESS OR MANUFACTURE, YOU CAN COUNT ON SPRAGUE TO HAVE THE RESIDUAL AND DISTILLATE FUELS TO MEET YOUR NEEDS. FROM #2, 4, 5 AND 6 OILS CUSTOM BLENDED TO YOUR SULFUR SPECIFICATIONS, TO NATURAL GAS, WE DELIVER

The industrial fuels to power your plant or factory. The program



Industrial fuels

AS THE REGION'S LARGEST DISTRIBUTOR OF INDUSTRIAL FUELS, WITH SEVEN STRATEGIC DEEP WATER PORT LOCATIONS, YOU CAN COUNT ON SPRAGUE TO DELIVER A WIDE RANGE OF PRODUCTS IN AN ENVIRONMENTALLY RESPONSIBLE WAY. TO ACCOMMODATE YOUR NEEDS, WE BLEND OUR RESIDUAL OILS TO A RANGE OF 3% TO 3.0% SULFUR SPECIFICATIONS. AS FOR NATURAL GAS, WE KEEP IT FLOWING FROM 20 DISTRIBUTION POINTS IN SEVEN STATES OVER 15 INTERSTATE PIPELINES. AND THANKS TO OUR SUPERB GAS RISK MANAGEMENT SKILLS, YOU'RE ALWAYS ASSURED COMPETITIVE PRICES AND SUPERIOR SERVICE WITH SPRAGUE.



The Sprague Advantage

OUR FUEL DISTRIBUTION NETWORK PROVIDES YOU WITH A HIGH DEGREE OF FLEXIBILITY. SPRAGUE CAN HELP MANAGE YOUR ENERGY REQUIREMENTS OFFERING A VARIETY OF PAYMENT METHODS AND PROVIDING THE OPTION TO SWITCH FROM OIL TO GAS WHEN MARKET CONDITIONS CHANGE. MOREOVER, WE OFFER A HOST OF OTHER ADVANTAGES SUCH AS A BTU OPTION PROGRAM, CUSTOMIZED SERVICE CONTRACTS, AND FIRM AND SWING NATURAL GAS SERVICES. OUR PRODUCTS AND SERVICES ARE BACKED BY THE MOST EXPERIENCED PROFESSIONALS AND "BACK OFFICE" CAPABILITIES IN THE INDUSTRY.

and people that generate solutions.

**Put our experience
to work for you.**

SPRAGUE WAS FOUNDED IN 1870 AS THE CHARLES H. SPRAGUE COMPANY, A SUPPLIER OF COAL AND WHALE OIL TO AN ECONOMY HUNGRY FOR ENERGY. SPRAGUE HAS AGGRESSIVELY EXPANDED UPON ITS FUEL PROCUREMENT, HANDLING, AND DELIVERY EXPERTISE, AS WELL AS ITS UNIQUE MARITIME HERITAGE TO BECOME ONE OF THE EASTERN SEABOARD'S LEADING RESOURCES FOR INDUSTRIAL, COMMERCIAL, SPACE HEATING AND TRANSPORTATION FUELS, AND MATERIAL HANDLING SERVICES.

FOR THE NAME OF THE SPRAGUE REPRESENTATIVE NEAREST YOU, CALL FRANK DAY AT 1-800-225-1560.

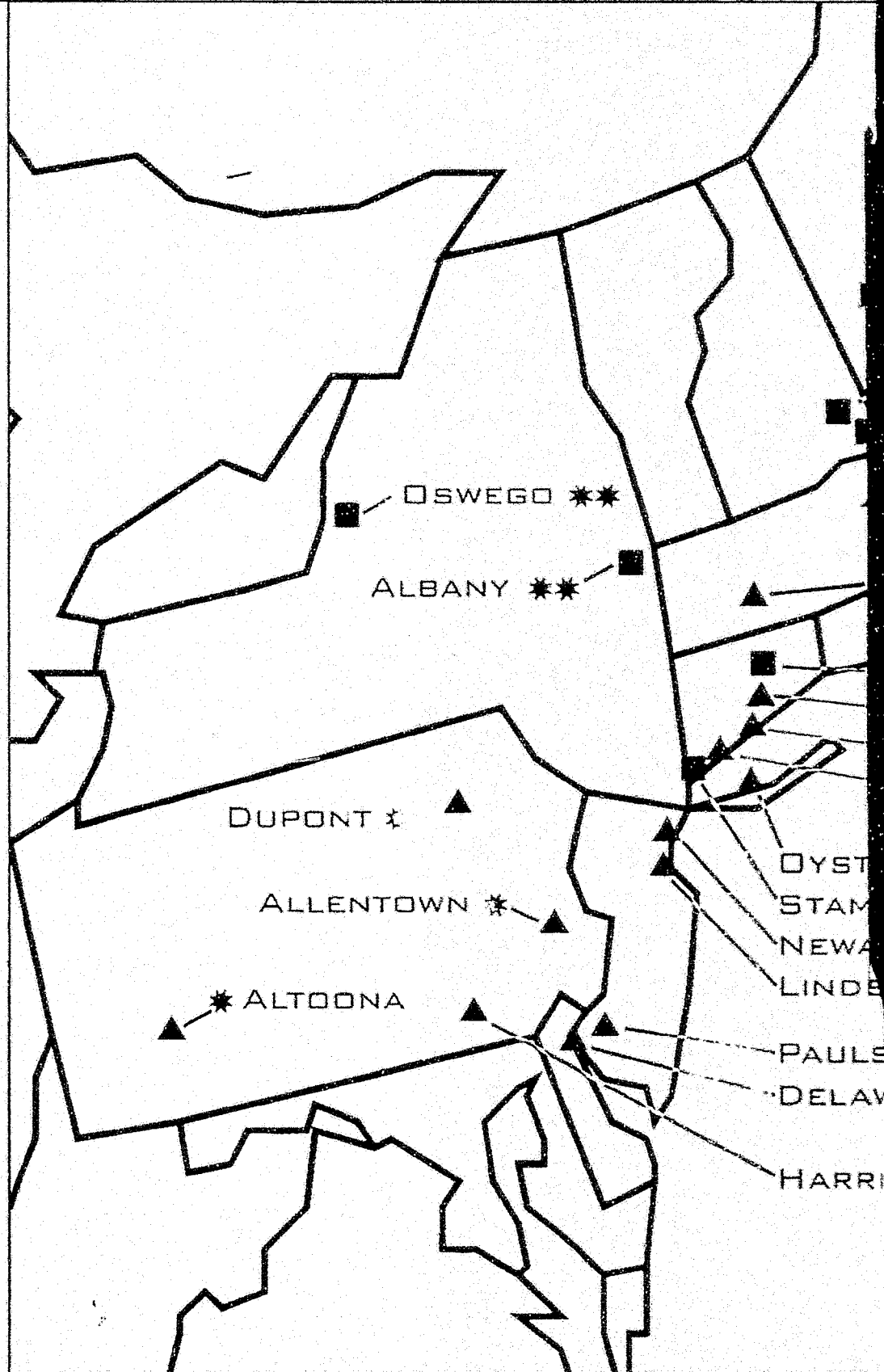




SPRAGUE'S STRATEGICALLY LOCATED DEEP-WATER TERMINALS, SUPPORTED BY OUR EXTENSIVE NETWORK, ARE STAFFED BY EXPERIENCED ENERGY AND MATERIAL HANDLING PROFESSIONALS. THEY AND DISTRIBUTE MILLIONS OF BARRELS OF FUEL EACH YEAR, AS WELL AS MILLIONS OF TONS OF

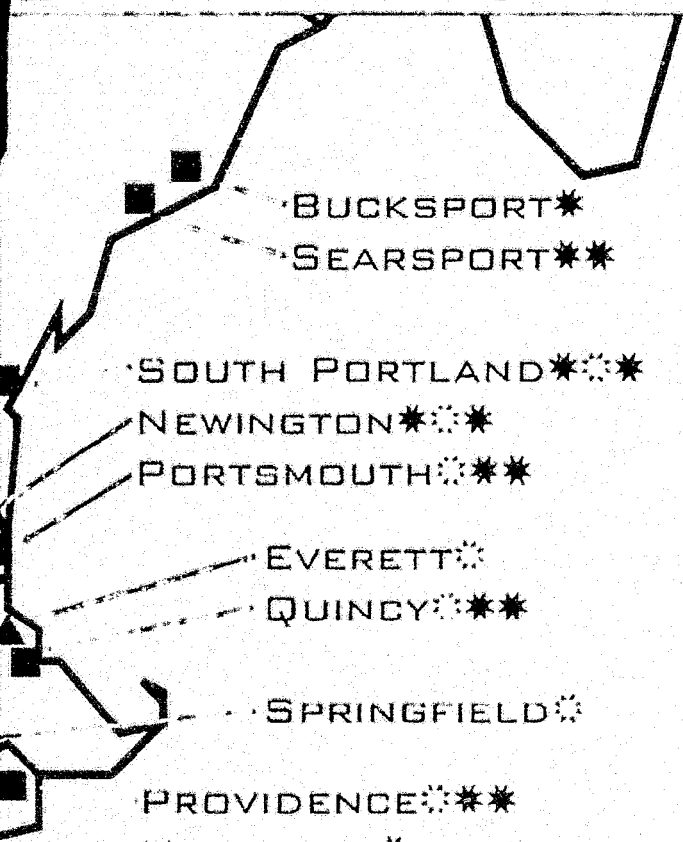
**Strategically located terminals along the Eastern Seaboard.
This network is the backbone of Sprague's commitment to energy.**

- SPRAGUE OWNED/OPERATED
- ▲ EXCHANGE/THROUGHPUT
- ★ GASOLINE
- ✱ COMMERCIAL FUELS
- ✱ INDUSTRIAL FUELS
- ✱ MATERIAL HANDLING



CHANGE/THROUGHPUT
SE TERMINALS RECEIVE. STORE.
LIQUID AND DRY BULK MATERIAL

Logy and material handling.



BUCKSPORT*
SEARSPORT**

SOUTH PORTLAND*⊙*

NEWINGTON*⊙*

PORTSMOUTH⊙**

EVERETT⊙

QUINCY⊙**

SPRINGFIELD⊙

PROVIDENCE⊙**

HARTFORD⊙

PORTLAND⊙

NEW HAVEN⊙

BRIDGEPORT⊙

WATER BAY⊙

WINDFORD⊙

WINDY HARBOR⊙

WINDY HARBOR

WINDY HARBOR⊙

WINDY HARBOR CITY⊙

WINDY HARBOR⊙

Attachment A

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



ORIGINAL

A-125055

Contents of Natural Gas Supplier
(NGS) License Application Package
RECEIVED

NOV 19 1999

- I. Introduction.
- II. License Application.
- III. Tax Certification Statement (Appendix A).
- IV. Sample Disclosure Statement (Appendix B).
- V. Sample Form of Notice (Appendix C).
- VI. Chapter 56 - Standards and Billing Practices for Residential Utility Service. Available from Fry Communications (717) 766-0211 ext. 339.
- VII. Standards of Conduct (Appendix D).

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCUMENT
FOLDER

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

IN REPLY PLEASE
REFER TO OUR FILE
Secretary
717-772-7777

November 24, 1999

A-125055

THOMAS F WITHKA
VICE PRESIDENT NATURAL GAS MARKETING
SPRAGUE ENERGY CORP
TWO INTERNATIONAL DRIVE
SUITE 200
PORTSMOUTH NH 03801

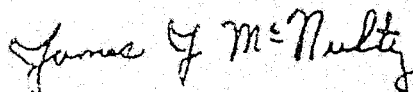
Dear Mr. Withka:

The Application and \$350.00 filing fee of Sprague Energy Corp., filed in this Office on November 19, 1999, for approval to supply Natural Gas Services as a Broker/Marketer and Aggregator engaged in the business of supplying natural gas is hereby acknowledged.

Pursuant to the Commission's Final Order, entered July 16, 1999, at M-00991249F0002, all entities wishing to engage in the business of a natural gas supplier must hold a license issued by the Commission, in order to provide services starting November 1, 1999.

The application will receive the attention of the Commission, and you will be advised of any further necessary procedure.

Sincerely,



James J. McNulty
Secretary

JJM:was

DOCUMENT
FOLDER

DOCKETED

NOV 24 1999

DATE: November 24, 1999
SUBJECT: A-125055
TO: Bureau of Fixed Utility Services
FROM: James J. McNulty, Secretary *JJ*

Attached is a copy of the Application of Sprague Energy Corp., for a license to supply Natural Gas Services as a Broker/Marketer and Aggregator engaged in the business of supplying natural gas.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: LAW
BCS
CMU
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DOCUMENT
FOLDER

DOCKETED

NOV 24 1999

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

SPRAGUE ENERGY CORP
2 INTERNATIONAL DR STE 200
PORTSMOUTH NH 03801

DATE 11/30/99
RECEIPT # 196434

IN RE: Application fees for SPRAGUE ENERGY CORP

Docket Number A-125055..... \$350.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 091384
CHECK AMOUNT: \$350.00

C. Joseph Meisinger
(for Department of Revenue)

DOCUMENT
FOLDER

DOCKETED
DEC 02 1999

ORIGINAL



January 13, 2000

RECEIVED

James J. McNulty, Secretary
PO Box 3265
Harrisburg, PA 17105-3265

JAN 13 2000

Re: Natural Gas Supply Application
Application No. A-125055

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. McNulty:

The following information is being submitted in an effort to fully complete Sprague Energy Corporation's application to become a licensed natural gas supplier in the Commonwealth of Pennsylvania.

Per Ed Rodrock, the following sections are incomplete and the information attached is needed to fully complete the application.

Section 5: Article of Incorporation.

Section 5: Chief Officers' professional resumes.

Section 13: Proof of Service statement.

Section 15: Compliance statement.

Section 18: Operations department - professional resumes.

Affidavit: All three need to be submitted.

DOCKETED

FEB 11 2000

DOCUMENT
FOLDER

If additional information is needed or if there are any questions pertaining to Sprague Energy Corporation's application, please call me at (603) 430-5338.

Sincerely,

Michelle Gerbino
Natural Gas Administration

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"SPRAGUE ENERGY CORP.", A DELAWARE CORPORATION,

WITH AND INTO "S&S-HARTWELL & CO., INC." UNDER THE NAME OF

"SPRAGUE ENERGY CORP.", A CORPORATION ORGANIZED AND EXISTING

UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED

IN THIS OFFICE THE SIXTEENTH DAY OF DECEMBER, A.D. 1993, AT

11:30 O'CLOCK A.M.



Edward J. Freel

Edward J. Freel, Secretary of State

2140249 8100M

AUTHENTICATION:

7375763

950011185

DATE:

01-17-95

5.



SPRAGUE ENERGY CORP.

OFFICERS

(603) 431-1000

James M. Kantelis	President/CEO	2 International Dr., Suite #200 Portsmouth, NH 03801
Charles T. Hoeppe	C.F.O.	2 International Dr., Suite #200 Portsmouth, NH 03801
Thomas M. Hunton	Sr. V.P. Marketing	2 International Dr., Suite #200 Portsmouth, NH 03801
Thomas F. Flaherty	Vice-Pres.	2 International Dr., Suite #200 Portsmouth, NH 03801
Thomas F. Withka	Vice-Pres.	2 International Dr., Suite #200 Portsmouth, NH 03801
Robert K. Blanchard	Vice-Pres.	2 International Dr., Suite #200 Portsmouth, NH 03801
John W. Moore	Controller	2 International Dr., Suite #200 Portsmouth, NH 03801

DIRECTORS

Lawrence D. Milligan	c/o Axel Johnson Inc, 300 Atlantic St, Stamford CT 06901
Joseph F. Smcrada	c/o Axel Johnson Inc, 300 Atlantic St, Stamford CT 06901

5.

Biography

James M. Kantelis, President and Chief Executive Officer

Mr. Kantelis began a 14-year career with British Petroleum PLC (BP) in Cleveland, Ohio, London, England and Brussels, Belgium in 1981. During that time, he held various positions in management, operations, planning, new business development and supply and distribution. During his tenure with BP, he also acted as a loaned executive to the National Petroleum Council in Washington, DC.

In 1995, Mr. Kantelis accepted the position of Vice President of Planning and Development with Amerada Hess Corporation in New York, and, one year later, he moved to Houston, Texas to serve as Vice President and Associate Managing Director for Bechtel Enterprises Corporation.

In October of 1997, Mr. Kantelis became President & CEO of Sprague Energy Corp., a wholly owned subsidiary of Axel Johnson Inc. of Stamford, Connecticut. Mr. Kantelis is responsible for all day-to-day operations of the Company.

Thomas M. Hunton, Senior Vice President-Energy

Mr. Hunton has 19 years of senior management experience in the petroleum refining and petrochemical industries. He began his 15-year career with Fina, Inc. in June of 1977 as a group leader for their Process Engineering Department. During his term with Fina, Inc. he worked as supply coordinator, marketing manager and general manager of the supply coordination and economics department as well as styrenics and branded wholesale marketing department.

In 1992, Mr. Hunton accepted the position of Senior Vice President of Product Marketing for Phibro Energy USA. He served a four-year term in this position before moving to the Senior Vice President of Strategic Planning and Business Development position.

In April of 1998, Mr. Hunton accepted the position of Senior Vice President-Energy for Sprague Energy Corp. and is responsible for the day-to-day management of the Supply, Commercial, Industrial, Wholesale and Branded Gas departments.

Charles T. Hoepper
Vice President and CFO of Sprague

Mr. Hoepper joined Sprague in March of '98 and has had a many-faceted financial background spanning 20 years.

His diversified financial experiences include USFI of Piscataway, NJ, Suburban Propane Partners LP, MCI, Continental Group, Ernst & Young and Merrill Lynch.

Between 1971 and 1975 he served as a Lieutenant in the US Navy aboard the USS Apache and the USS Paul Revere out of San Diego. In 1978 he received his MBA at St. John's University.

Mr. Hoepper, his wife, and 2 children reside in Hampton, NH.

Thomas F. Flaherty
Vice President - Industrial Marketing

"Mr. Flaherty has 22 years of experience in the energy marketing business. He worked for 6 years with Eastern Associated Coal Corp. in Pittsburgh, beginning in 1977, marketing coal from Eastern's Central Appalachian coal mines to utility and industrial accounts in the eastern U S. During his term with Eastern he sold coal into all of the major eastern markets, and led the introduction of coal production from newly developed coal mines to electric utility accounts.

Mr. Flaherty's tenure with Sprague Energy Corp. in Portsmouth, N H began in 1983. He initially served as Coal Sales Manager at Sprague, where he led Sprague's reentry into the coal marketing business in New England. In 1990 he was promoted to Vice President - Coal Marketing, and in 1998 served as Vice President - Commercial Marketing. He is currently Vice President - Industrial Marketing, where he is responsible for the day to day management of coal, residual fuel oil and natural gas sales to Sprague's industrial customers.

John W. Moore, Controller

Mr. Moore has 17 years experience as a Public Accountant in the natural gas industry. He joined Sprague Energy Corporation in 1998 with prior employment at Basis Petroleum.

Mr. Moore holds a BBA from the Texas Tech University. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accounts.

Robert K. Blanchard, Vice President, Terminal Operations and Marketing

Now in his twelfth year with Sprague Energy Corporation, Robert K. Blanchard currently serves as Vice President of Terminal Operations and Marketing. He is responsible for all the facets of terminal activities, including engineering, marketing, strategic planning and day-to-day operations such as personnel and budgeting.

Prior to joining Sprague, Blanchard served as Outage Coordinator at Maine Yankee Atomic Power Company, planning and scheduling maintenance outage work.

Mr. Blanchard holds a BS degree in Mechanical Engineering from the University of Maine and a MBA from the University of New Hampshire.

Thomas F. Withka, Vice President Natural Gas Marketing

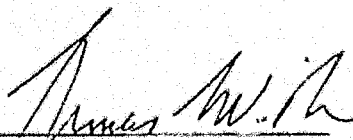
Mr. Withka has 30 years of executive experience with natural gas supply and marketing. During this term he has been Vice President of Rates Supply Marketing for Elizabethtown Gas Company of New Jersey and President of three KCS Energy Operating Companies focusing on natural gas sales and consulting. He has acted as the Vice President of Natural Gas Marketing for Sprague Energy Corp. in Portsmouth, NH for the last three years.

Mr. Withka holds a BS degree from Villanova University and a MBA from Rutgers University.

Mr. Withka is a member of a number of associations including the American Gas Association, the New England Gas Association, and the Interstate Pipeline Association.

PROOF OF SERVICE OF APPLICATION

I hereby certify that I served a true copy of application to offer, render, furnish, or supply natural gas supply services to the public in the Commonwealth of Pennsylvania upon the entities listed: NUI Valley Cities Gas, National Fuel Gas Distribution Corp., The Peoples Natural Gas Co., UGI, Equitable Gas Company, Carnegie Natural Gas Co., Columbia Gas of Pa, Inc.



Thomas F. Withka
Vice President, Natural Gas Marketing
Sprague Energy Corporation

14 **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix A to this application.

15 **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.
Neither the applicant, nor any of the persons identified in the Application have been convicted of a crime involving fraud or similar activity.

16 **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** All services should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

- a. **Contacts for Consumer Service and Complaints:** Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Distribution Company, the Pennsylvania Public Utility Commission or other agencies. **See Attached.**
- b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers. **See Attached**
- c. If proposing to serve Residential and/or Small Commercial customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix B to this Application.

N/A

17. **FINANCIAL FITNESS:**

- A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
 - Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
 - Published parent company financial and credit information.
 - Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.
 - Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form or other independent financial service reports. **See Attached.**
 - A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
 - Audited financial statements
 - Such other information that demonstrates Applicant's financial fitness. **See enclosed Sprague folder.**

18.

Operations Department

Brian Weego

Manager, Gas Supply Operations

Sprague

Two International Drive, Suite 200

Portsmouth, NH 03801-6809

(603) 430-5347

(603) 430-5320 Fax

Thomas P. Withka

Supervisor, Gas Operations

Sprague

Two International Drive, Suite 200

Portsmouth, NH 03801-6809

(603) 430-5345

(603) 430-5320 Fax

Stacy Burrus

Transportation/Exchange Administrator

Sprague

Two International Drive, Suite 200

Portsmouth, NH 03801-6809

(603) 430-7240

(603) 430-5320 Fax

Hector Miranda

Transportation/Exchange Administrator

Sprague

Two International Drive, Suite 200

Portsmouth, NH 03801-6809

(603) 430-7240

(603) 430-5320 Fax

OPERATIONS

Brian Weego, Manager of Gas Supply Operations

Mr. Weego has 13 years experience in the natural gas industry. During this time he held various positions in gas supply planning and operations, trading, and industrial, utility, electric and cogen market development. In 1999, Mr. Weego accepted a position at Sprague Energy Corp. and is responsible for the day to day management of risk management, supply and operations.

Mr. Weego holds a BS degree in Business Management from Lesley College.

Thomas P. Withka, Supervisor Gas Operations

Mr. Withka has 10 years experience in the natural gas industry. He was previously the Operations Supervisor at KCS Energy Management Services responsible for managing natural gas supplies for numerous cogeneration facilities. In 1998, he joined Sprague Energy Corporation as a Supervisor of Gas Operations.

Mr. Withka holds a BS degree in Business Administration from the Villanova University.

Stacy Burrus, Transportation and Exchange Administration

Mrs. Burrus has three years experience in the natural gas industry. She first accepted a position with Sprague Energy Corp. as the Sales Coordinator and has since transitioned to a Transportation and Exchange Administrator.

Mrs. Burrus holds a BS degree in Business Administration from Bentley College.

Hector Miranda, Transportation and Exchange Administration

Mr. Miranda has 6 years experience in the natural gas industry. During this time he has acted as a Gas Supply Analyst for Colonial Gas Company, a Gas volume Analyst for Sempra Energy Trading and, in 1999, excepted a position as a Transportation and Exchange Administrator for Sprague Energy Corporation.

Mr. Miranda holds a BS/BA degree in Finance from the University of Massachusetts.

AFFIDAVIT

State of NEW HAMPSHIRE:

SS.

County of ROCKINGHAM:

THOMAS F. WITHKA, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the **VICE PRESIDENT, NATURAL GAS MARKETING** of **SPRAGUE ENERGY CORPORATION**.

That he is authorized to and does make this affidavit for said Applicant,

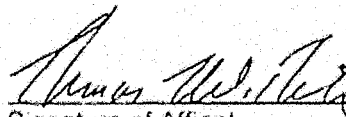
That the Applicant herein **SPRAGUE ENERGY CORPORATION** has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as a natural gas supplier pursuant to 66 Pa. C.S. §2208(c)(1).

That the Applicant herein **SPRAGUE ENERGY CORPORATION** has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein **SPRAGUE ENERGY CORPORATION** acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

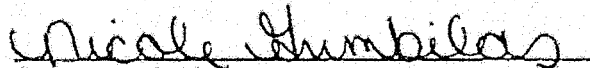
That the Applicant herein **SPRAGUE ENERGY CORPORATION** acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.



Signature of Affiant

Sworn and subscribed before me this 13th day of January, 2000.



Signature of official administering oath

My commission expires Aug 6, 2002.

AFFIDAVIT

State of NEW HAMPSHIRE:

SS.

County of ROCKINGHAM:

THOMAS F. WITHKA, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the **VICE PRESIDENT, NATURAL GAS MARKETING** of **SPRAGUE ENERGY CORPORATION**;

That he is authorized to and does make this affidavit for said Applicant,

That **SPRAGUE ENERGY CORPORATION**, the Applicant herein, acknowledges that **SPRAGUE ENERGY CORPORATION** may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes, or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That **SPRAGUE ENERGY CORPORATION**, the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render natural gas supply service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

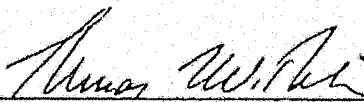
That **SPRAGUE ENERGY CORPORATION**, the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 22 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional natural gas sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

That **SPRAGUE ENERGY CORPORATION**, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, and the standards and billing practices of 52 PA Code Chapter 56.


That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Commission's Office of Communications or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief.



Signature of Affiant

Sworn and subscribed before me this 13th day of January, 2000.



Signature of official administering oath

My commission expires Aug 6, 2002

AFFIDAVIT

State of NEW HAMPSHIRE:

SS

County of ROCKINGHAM:

THOMAS F. WITHKA, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the **VICE PRESIDENT, NATURAL GAS MARKETING** of **SPRAGUE ENERGY CORPORATION**;

That he is authorized to and does make this affidavit for said Applicant,

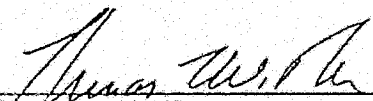
That **SPRAGUE ENERGY CORPORATION**, the Applicant herein certifies that it has caused the notice of the filing of application to be published in the following newspapers on

JANUARY 11, 2000:	ERIE DAILY TIMES
JANUARY 12, 2000:	PATRIOT-NEWS WILLIAMSPORT SUN GAZETTE
JANUARY 13, 2000:	PHILADELPHIA INQUIRER PITTSBURGH POST-GAZETTE SCRANTON TIMES

A copy of the notice as it appeared in each of the above newspapers is attached. Noted on each copy is the newspaper section (name, number or letter), if applicable, and the page number on which the notice appeared.

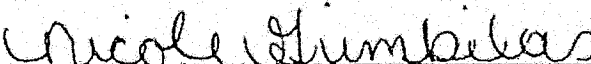
That **SPRAGUE ENERGY CORPORATION**, the Applicant will submit to the Commission the proof of publication from each newspaper in which notice of the application filing was published as soon as it is available.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.



Signature of Affiant

Sworn and subscribed before me this 13th day of January, 2000.



Signature of official administering oath

My commission expires Aug 6, 2002.

ERIG DAILY TIMES

PENNSYLVANIA
Public Utility Commission
Notice

Application for Sprague Energy Corp. for approval to Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged in The Business of Supplying Natural Gas Services, To the Public in the Commonwealth of Pennsylvania Docket No. A-125055.

In November 1999 Sprague Energy filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a broker/marketer of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act. The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Sprague Energy may be filed within 15 days of the date of this notice with the Office of the Secretary, Pennsylvania Public Utility Commission, P.O. Box 3245, Harrisburg, PA 17105-3245. You should send a copy of any protest to Sprague Energy Corp. Please include the PUC's "docket number" on any correspondence, which is A-125055.

Sprague Energy Corp.
200 International Drive
Suite 200

Portsmouth, NH 03801
(603) 431-1000

(603) 430-3320 fax

Attention:

Thomas F. Withka
Vice President,
Natural Gas/Marketing
(932A1-NT-11)

TIMES PUBLISHING CO. PROOF OF PUBLICATION

Invoicing Customer:

Phone: 6034311000 Sys No: 10607 AcctNo: P.O. No:

Name: SPRAGUE ENERGY Subscriber: Caller: LAURIE BOUTHILLIER

Address: TWO INTERNATIONAL DRIVE SUITE 200

PORTSMOUTH NH 03801

Class: 225; LEGAL NOTICES

Start: 01/11/2000 End: 01/11/2000 Times: 1

Ad Number: 93241

Insertion Dates: 01/11/2000

Section - legal notices (classified)

Patriot News

**Pennsylvania
Public Utility Commission**

Notice

Application of Erieview Energy Corp. for approval to drive, render, furnish natural gas supply services on a metered basis or Aerrexent Energy Services, Inc. for the purchase of 5000/1/100 Natural Gas Pennsylvania Decree No. A-12523.

In November 1994 Soroque Energy filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide metered gas supply services on (1) a broker/retailer of natural gas, and (2) and distributor, associated with the business of providing natural gas supply services. Soroque Energy proposes to sell metered gas and related services throughout all of Pennsylvania under the provisions of the new Maryland Gas Choice and Competition Act. The PUC may consider this application without a hearing. Protests directed to the technical or financial aspects of Soroque Energy may be filed with the Office of the Secretary, Pennsylvania Public Utility Commission, P.O. Box 224, Harrisburg, PA 17103-0224. You should send a copy of any protest to Soroque Energy Corp. Please include the PUC's section number in every correspondence, which is A-12523.

Soroque Energy Corp.
300 International Drive

5th Flr 201
Parkersburg, WV 26101

(407) 426-1000
(407) 426-3239 fax

Attention:
Thomas F. Wittke

Vice President, Natural Gas Marketing

Philocephica Inquirer

Classifieds - Legal Notices

For Date: lamc04.800

b ID 1284310615 Page: 0 Pub: P

1AMC04600 01/14 08
SPRAGUE ENERGY

2

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11-JAN-00 12:18:23

ACTUAL SIZE
OF AD

Pennsylvania
Public Utility Commission
Notices

Application of Sprague Energy Corp for approval to Operate, Manage, Purchase Natural Gas Supply Services as a Marketer/Provider or Aggregator Engaged in The Business of Supplying Natural Gas Services, to the Public in the Commonwealth of Pennsylvania Docket No. A134888.
In November 1999 Sprague Energy filed an application with the Pennsylvania Public Utility Commission ("PUC") for approval to provide natural gas supply services as (1) a marketer/provider of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.
The PUC may consider this application without a hearing. Public Electric may be filed within 15 days of the date of publication with the Office of the Secretary, Pennsylvania Public Utility Commission, P. O. Box 9263, Harrisburg, PA 17103-0263. You should send a copy of any protest to Sprague Energy Corp. Please include the PUC's "docket number", an entry correspondence, which is A-125005

ob ID 1284310615 Page: 0 Pub: P

For Date:

1AMCO4800 01/14 Q8**SPRAGUE ENERGY****2****1 L01****Y002.43/0033 c****11-JAN-00 12:19:23***Copy enlarged
for legibility*

**Pennsylvania
Public Utility Commission
Notice**

Application of Sprague Energy Corp for approval to Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged in The Business of Supplying Natural Gas Services, To the Public in the Commonwealth of Pennsylvania Docket No. A125055.

In November 1999 Sprague Energy filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a broker/marketer of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Sprague Energy may be filed within 15 days of the date of this notice with the Office of the Secretary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send a copy of any protest to Sprague Energy Corp. Please include the PUC's "docket number" on any correspondence, which is A-125055

**Sprague Energy Corp.
200 International Drive, Suite 200
Portsmouth, NH 03801
(603) 431-4000
(603) 430-5320 fax
Attention: Thomas F. Withka
Vice President, Natural Gas/Marketing**

* * * Proof * * *

P-G Publishing Co.
34 Blvd. of the Allies
Pittsburgh, PA 15222
412-263-1201

*Classifieds
Legal Notices*

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AdTaker: BRIAN McGervey *4/18 X 203-1410*

Date: Jan 10, 2000

Time: 3:06 PM

Page: 1

*Legal notice
classified ads -*

PENNSYLVANIA
PUBLIC UTILITY
COMMISSION
NOTICE

Application of Sprague Energy Corp. for Approval To Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged in the Business of Supplying Natural Gas Supply Services To The Public in The Commonwealth of Pennsylvania. Docket No. A-125035

In November, 1999, Sprague Energy filed an application with the Pennsylvania Public Utility Commission (PUC) for a license to provide natural gas supply services as (1) a broker/marketer of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Sprague Energy may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send a copy of any protest to Sprague Energy Corp. Please include the PUC's docket number on any correspondence which is A-125035.

Sprague Energy Corp.
200 International Drive
Suite 200
Portsmouth, NH 03801
(603) 430-5226, fax
Attention:
Thomas F. Winko
Vice-President,
Natural Gas/Marketing

Grand Total:

396.50

396.50

Wmspt
Sun-Gazette

Classifieds -
Legal Notices

telling from the outside which of the boxes might hold people.

"There's certainly a growing sophistication on the part of smugglers," said David Bachman, chairman of the University of Washington's China studies program. "I would expect that for each container caught, there must be some multiple that are getting through."

Hong Kong officials have vowed to crack down on human smuggling. Some speculate that rival smuggling gangs have been anonymously tipping off authorities, trying to drive each other out of business.

Despite the arrests and recent deaths, human smuggling is expected to continue as Chinese lured by dreams of financial or political freedom try to get to the United States. The INS estimates as many as 27,000 illegal Chinese were in the United States in 1996.

Doctors Declare Pinochet Unfit

LONDON (AP) — Doctors ruled that Gen. Augusto Pinochet was unfit to stand trial on human rights abuse charges, the government announced Tuesday, opening the possibility that the former Chilean dictator could win his battle against extradition to Spain.

The Home Office said the four-member medical team who examined Pinochet on Jan. 5 unanimously agreed that he was too ill to face trial, "and that no change to that position can be expected."

They did not immediately make available details on why he was considered unfit. But The Sunday Times reported in London last weekend that the doctors had found Pinochet was suffering from a viral infection, diabetes, heart disease and the effects of two mild strokes. His diabetes reportedly has caused a loss of sensation in his hands and feet.

The decision could halt efforts to try Pinochet in connection with the disappearances and killings of thousands of Chileans during his 17-year rule there.

He could be released on humanitarian grounds.

The statement also said Home Secretary Jack Straw felt that he should not extradite Pinochet to Spain until hearing arguments from parties to the case.

The news was greeted with protest and support in Chile.

Officials with the Organization of Relatives of Missing Detainees, a group dedicated to dissidents who disappeared after being arrested under the Pinochet dictatorship, said they were disappointed.

"This is a tremendous frustration and sorrow. A wonderful legal process has been frustrated," said Mireya Garcia, vice president of the organization.

"We believe that although Pinochet is indeed very old and has problems, he was in shape to stand trial."

CLASSIFIED DISPLAYS
Containing Illustrations and/or Borders
1 or 2 consecutive days \$ 10.09 per Inch
3 or more consecutive days \$ 9.53 per Inch
(Outside Local Training Area)
Open Rate Per Line \$ 2.53
Open Rate Per Inch \$ 30.30

Yearly Contract Rates Available To Every Day Advertisers

DEADLINES
Classified in-column ads accepted until 4:30 p.m. the day before publication, 2:30 p.m. on Friday for Saturday and Sunday editions.
Classified display ads accepted until 12 noon 2 days before publication, 12 noon Wednesday for Sunday edition.

Phone
370-326-1551
1-800-339-0289

Pennsylvania Public Utility Commission Notice
Application of Sprague Energy Corp. for approval to Offer, Render, Furnish Natural Gas Supply Services as Marketer/Broker or Aggregator Engaged in The Business of Supplying Natural Gas Services To the Public in the Commonwealth of Pennsylvania Docket No. A-125055.

In November 1999 Sprague Energy filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a Broker/Marketer of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act. The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Sprague Energy may be filed within 15 days of the date of this notice with the Office of the Secretary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send a copy of any protest to Sprague Energy Corp. Please include the PUC's "docket number" and any correspondence, which is A-125055.

Sprague Energy Corp.
200 International Drive
Suite 200
Portsmouth, NH 03801
(603) 431-1000
(603) 430-5320 fax
Attention:
Thomas F. Withka
Vice President, Natural Gas/Marketing

The Plunketts Creek Township ordinance revision committee will hold a work session on Wednesday, January 19, at 7:00 p.m. in the township building.
Christy Mayer, Secretary
Plunketts Creek Township

HAS BEEN CHANGED FROM THE ORIGINAL DEADLINE OF FEBRUARY 14 2000.

These proposals will not commit the County or the Province to any submitted program costs, but will be reviewed by a team of evaluators. Human service providers wishing to receive a request for proposal should contact:

John J. Kravos, Administrator
Tioga Cty Human Svcs Agency
P.O. Box 766
Wellsville, PA 16901
(717)714-5766

The Jersey Shore Area Board of School Directors has established the following schedule of meetings for the 2000 calendar year. All meetings will take place at the Administration Building at 7:30 p.m. The general public is invited to attend.

WORK SESSIONS
January 17
February 22 (Tuesday)
March 20
April 17
May 15
June 19
No meeting
August 21
September 18
October 16
November 20

REGULAR MEETINGS
January 24
February 28
March 27
April 25 (Tuesday)
May 21 (Tuesday)
June 26
July 24
August 28
September 25
October 21
November 28 (Tuesday)
December 4 (Reorganization)
Adrienne F. Craig
Board Secretary

PUBLIC NOTICE
Sealed proposals will be accepted by Pine Creek Township, Clinton County, Pennsylvania at P.O. Box 596, Avis, PA 17721 until 8:00 A.M. on February 2, 2000, for the following:
millings of Bituminous paving
184 linear feet
ID-2 Bituminous scratch
course 264 tons
ID-2 Bituminous leveling
course 390 tons
ID-2 Bituminous wearing
course, 1 1/2" Compacted
Depth 1547 tons
ID-3 Bituminous wearing
course, 2" Compacted Depth
1184 tons

Bids will be opened on Wednesday, February 2, 2000 at 9:00 A.M.
Proposals must be on forms furnished by the township.
The bid must be accompanied by a certified check or bid bond in the amount of 10% of the bid, made payable to the township.
The township reserves the right to reject any and/or all bids.
T.G. Witt, Jr.
Roadmaster

Nippenose Township Supervisors will have a Special meeting for personal matters on Thursday, Jan. 13th @ 7:00 p.m. in the Second Street Office, Antes Fort, Pa.
Henry Hauser
Supervisor

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WEDNESDAY, JANUARY 13, 2000

1-800-448-2288

Monday 9:00 am to 6:00 pm, Saturday 9:30 am to Noon
FAX your ads to us at 610-348-2146; E-mail: Classified@TimesShare.com
Say "CHARGE IT" and we'll bill you or make checks payable to The 1

LEGALIS - 2 **FINANCIAL - 50-60** **REAL ESTATE - 100-158** **FARMERS MARKET - 174-176**

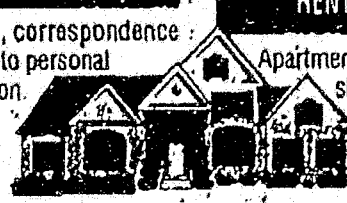
CONCURRENCE - 3-22 **INSTRUCTION/SCHOOLS - 70-86** **RENTALS - 130-158** **ANIMALS - 184-190**

Business opportunities to mortgages & contracts. Homes for sale to lots & acreage, home financing to business, income farm & vacation properties. Fruits & vegetables to feed & fertilizer.

services to lost/Found/ tickets and travel. Schools, correspondence courses to personal instruction. Apartments/turnished, houses, sleeping rooms, farms, vacation & garage rentals to wanted to rent. Veterinarians, boarding, breeding, horses to pet/supplies.

EMPLOYMENT - 29-40 **MERCHANDISE - 201-252**

ment services, help wanted. Antiques, appliances to garage sales, office supplies, sporting goods & miscellaneous for sale.



LEGALIS - 2

NOTIFICATION TO BID
DUNMORE SCHOOL DISTRICT
Proposals for the renovations to the existing Jr./Sr. High School will be received by the School District in the front vestibule of the existing Dunmore Jr./Sr. High School, Warren Street, Dunmore, PA 18615 until 2:00 p.m., February 11, 2000. Bids received after 2:00 will be publicly opened and read aloud at 2:30 in the Auditorium.

Project is renovation of 146,000 sq. ft. to be completed in 4 phases.

Sealed bids are required for the following prime construction items:

- No. 1 Site Construction
- No. 2 Asbestos Abatement
- No. 3 General Construction
- No. 4 Not Used
- No. 5 Roofing Construction
- No. 6 Aluminum Windows, Doors, Storefronts
- No. 7 Glass and Glazing Construction
- No. 8 Acoustical Tile Construction
- No. 9 Carpet & VCT Construction
- No. 10 Terrazzo, Ceramic and Quarry Tile Construction
- No. 11 Painting Construction
- No. 12 Plumbing Construction
- No. 13 HVAC Construction
- No. 14 Electrical Construction
- No. 15 Technology Construction
- No. 16 Casework Construction
- No. 17 Escalator Construction
- No. 18 Furniture, Fixtures and Equipment

LEGALIS - 2

Forge Borough Building, 310 South Main Street, Old Forge, Pennsylvania. All work sessions will be conducted on Tuesday evening at 7:30 p.m. unless otherwise advised.

Lucille Yeager, Acting Secretary

LEGAL NOTICE
The Pennsylvania Health Care Cost Containment Council is soliciting bids for qualified vendors to conduct a financial and compliance audit of the books, records and documents of the Council, for the fiscal year period 7/1/99 - 6/30/00. Interested parties are requested to contact the Council Office by writing the PA Health Care Cost Containment Council, Suite 400, 226 Market Street, Harrisburg, Pa. 17101, or by calling (717) 232-8787 for copies of the Request for Proposal. Bids are due to the Council Office no later than 5:00 p.m. on 2/14/00. A pre-proposal conference will be held at the above address on 1/19/00 at 10:00 a.m. Potential bidders are invited to submit questions in advance of the pre-proposal conference.

LEGALIS - 2

habitation, demolition, demolition of such dwellings, and fixing penalties for violation. Said Ordinance was duly introduced at the meeting of Scranton City Council held on January 10, 2000 and will be finally acted upon by Council at one of their future meetings. Said Ordinance may be inspected in the City Clerk's Office, Municipal Building, Scranton, PA, during any business day, between the hours of 9:30 a.m. and 4 p.m.

P. James Wintermantel, City Clerk
Scranton, Pennsylvania

NOTICE OF PUBLIC SALE
PACCAR Financial Corp., holder of the security interest in the following described collateral, will foreclose the rights of the debtor and offer to sell as is (1) 1985 Kenworth T600 1XKADR9X3S1056297 for cash to the highest bidder at Motor Truck Equipment Co., Carlisle, 198 East Road, Carlisle, PA 17013 at 11:00 on January 20, 2000. The aforementioned collateral is available for inspection at the above address. PACCAR Financial Corp. reserves the right to bid and to accept or reject any or all bids.

PACCAR Financial Corp.
Earl Bonanni
Collection Representative
(215) 967-1478

LEGALIS - 2

owned businesses to participate in the bidding. The Office of Economic and Community Development under the U.S. Department of Housing and Urban Development will fund this project 100% through the Community Development Block Grant Program.

Pernell Joyce, Esq., Executive Director
Office of Economic & Community Development
John H. Cowley, Business Administrator

PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE
Application of Sprague Energy Corp. for approval to offer, furnish, purchase, sell, lease, or aggregate engaged in the business of supplying natural gas services to the public in the Commonwealth of Pennsylvania Docket No. A-125055.

In November 1999 Sprague Energy filed an application with the Pennsylvania Public Utility Commission (PUC) for license to provide natural gas supply services as (1) a broker/ marketer of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Sprague Energy may be filed within 18 days of the date of this notice with the Office of the Secretary, Pennsylvania Public Utility Commission, PO Box 326, Harrisburg, PA 17105-3265. You should send a copy of any protest to Sprague Energy Corp. Please include the PUC's docket number, which is A-125055.

Sprague Energy Corp.
200 International Drive
Suite 200
Portsmouth, NH 03801
(603) 431-1000
(603) 430-6320 fax
Attention:
Thomas F. White,
Vice President, Natural Gas/Marketing

Lost/Found/Strayed - 10

FOUND DOG - Medium brown, some white & black. Male. Near Keyser Ave., Scranton, 12/28. No collar. Call to describe, Call 683-2684.

FOUND EYEGLASSES - Prescription, In Dec. Playground next to South Abington Elementary School. Call to describe, 881-3968.

FOUND FERRIT - North Scranton area, 1/11. Contact Pet Registry 347-5228

FOUND OVER 2,000 Dogs - Lost Year Alone Call 688-3700 Humane Society Lackawanna County

LOST CAT - GRAY & BLACK TABBY Male. Nourered, declawed. Name is Freddie. Wearing purple collar with tags & phone #. Lost 1/7, near N. Bromley. REWARD! Call 869-3833.

LOST DOG - Keyser Ave. area, on 12/30. Black male. Brown eyes. collar. Answers to: CHOPS. 348-2688

LOST DOG - SHELTIE - Brown & white. Lost in Jessup area, Jan. 1st. REWARD! Call 487-1773 or 489-0129

LOST - EARRING - Silver. Viewmont Mall, 12/26/99. Please call 222-4988

LOST - Female Cocker Spaniel, 13 years old. Built color. Partially blind & deaf. No collar. Answers to "Maggie". Lost in Dickson City, Newark, 489-1514, after 4:30 p.m.

LOST - Kitten, gray & tan with white around her eyes. In East Mountain area. Wasn't wearing a collar. Please call 983-9958

LOST KITTEN - Young female cat. Gray with black spots. Name is Emmy. Lost in Hill Section of Scranton. Call 981-2855

LOST - Male family cat, 2 years old. Raised from kitten. Pure black. No collar. Answers to "O'Ryan". Lost in N. Irving Ave. area. 241-9394

Construction Documents may be obtained from the PDS Solutions. Upon receipt of \$200.00 Per set. Undeveloped checks shall be made payable to the PDS Solutions. Only complete sets of construction documents are available for examination at the following locations:

6 G. Mastriani Co.
1102 N. Elkopolis St.
Dunmore, PA 18612
Phone (870) 348-1648
Fax (870) 348-3125

PDS Solutions
785 Keystone Industrial Park
Dunmore, PA 18612
Phone (870) 342-3000
Fax (870) 342-3201

Bidder's Exchange, 2810 N. Front Street, Scranton, PA 17110

2001 Market Place Street, Harrisburg, PA

PA Contractors Assoc., 1075 Oak Street, Pottsville

Proposals shall be irrevocable for 60 days after bid date, unless delayed due to required approval by governmental agency, sale of bonds, or that of a grant or grant, in which case bids shall be valid for one hundred twenty (120) days in compliance with Act 8317 of 1978, approved November 28, 1978, amended December 12, 1994, and shall be accompanied by certified bid bond. The Surety shall name as Payee of the Dunmore School District.

LEGAL NOTICE
TO: Eleonore Showell
You are hereby notified that the Lackawanna County Children and Youth Services has filed a Petition to terminate your Parental Rights in your son/daughter, Gregory & Daniel Showell. The hearing is scheduled for Feb. 22, 2000, at 9:30 a.m. in the Court of Common Pleas of Lackawanna County, Orphan Court Division, Third Floor, Lackawanna County Courthouse, Scranton, PA. If you wish to defend, you must enter a written appearance personally or by attorney and file your defenses or objections in writing with the Court. You are warned that, if you fail to do so, the case may proceed without you, and a judgment may be entered against you without further notice for the relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS NOTICE TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Northern Pennsylvania Legal Services, Inc.
12th Floor - SNB Plaza
108 N. Washington Ave.
Scranton, PA 18503
Telephone: (570) 342-0184

OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT
CITY OF SCRANTON
PROJECT 99-154 889-154

INVITATION TO BIDDERS
Sealed bids will be received by the City Controller, at her office, 2nd Floor, Municipal Building, until 2 P.M. on Tuesday, February 15, 2000, at which time they will be opened and read aloud in Council Chambers, by the Office of Economic and Community Development for the following:

FRIENDSHIP HOUSE HVAC RENOVATIONS
A pre-bid conference will be held at Friendship House located at 1615 E. Elm Street, Scranton, PA on Wednesday, January 26, 2000 at 10:00 A.M. All bidders are required to have a representative present at this conference. Only those represented at the pre bid conference will be able to submit a bid. Work is to be performed in accordance with the specifications to be obtained from the Office of Economic & Community Development, 340 N. Washington Ave., Scranton, PA. A non-refundable check in the amount of twenty five dollars (\$25.00), for copies of such said documents. Each bidder shall enclose a certified check, bank draft, or money order payable to the City of Scranton.

ATTORNEY SERVICES - 3

A BANKRUPTCY
FREE Conference Lower Fees. Payments OK. Attys. Divorce / NO FAULT. Divorce 344-6300 Pottsville

BANKRUPTCY/DUI
Criminal/Personal Injury, Divorce, Payments OK. Free consultation. Attorney, Fitzgerald, Scranton, PA 18503

FREE AD INFORMATION
If you have one item to sell (non-commercial ads only) and the price is under \$100. The Times-Tribune will print your ad for 5 days at no charge. Price of item must be in ad. Pets, collectibles, video games are not eligible. Ads must be mailed to the Times-Tribune, 149 Penn Ave., Scranton, Pa. 18503

LOST OR FOUND PET REGISTRY
FREE SERVICE

It is given that the project for which construction is being solicited hereby is a project constituting a work project and is subject to applicable provisions of the Pennsylvania Prevailing Wage Act, the Act of 15, 1961, P.L. 887, as amended and supplemented, appropriate prevailing minimum rate as promulgated provisions of said Act must be paid by contractors in connection with performance of the necessary work. It is also given that the project for which construction is being solicited is subject to the Pennsylvania Relations Act, the Act of October 1, 1990, P.L. 244, and the Act of October 1, 1990, P.L. 244.

MEETING NOTICE
The Jefferson Township Sewer Authority will hold its regular meeting on Tuesday, January 18, 2000 at 7:00 p.m. at the Jefferson Township

Work is to be performed in accordance with the specifications to be obtained from the Office of Economic & Community Development, 340 N. Washington Ave., Scranton, PA. A non-refundable check in the amount of twenty five dollars (\$25.00), for copies of such said documents. Each bidder shall enclose a certified check, bank draft, or money order payable to the City of Scranton.

ATTORNEY SERVICES - 3

A BANKRUPTCY
FREE Conference Lower Fees. Payments OK. Attys. Divorce / NO FAULT. Divorce 344-6300 Pottsville

BANKRUPTCY/DUI
Criminal/Personal Injury, Divorce, Payments OK. Free consultation. Attorney, Fitzgerald, Scranton, PA 18503

FREE AD INFORMATION
If you have one item to sell (non-commercial ads only) and the price is under \$100. The Times-Tribune will print your ad for 5 days at no charge. Price of item must be in ad. Pets, collectibles, video games are not eligible. Ads must be mailed to the Times-Tribune, 149 Penn Ave., Scranton, Pa. 18503

LOST OR FOUND PET REGISTRY
FREE SERVICE



ORIGINAL

DOCUMENT
FOLDER

RECEIVED

January 21, 2000

JAN 24 2000

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Natural Gas Supply Application
Application No. A-125055

Please find attached a revised Proof of Service of Application and Proofs of Publication from The Philadelphia Inquirer, The Williamsport Sun Gazette, and The Sunday Patriot News.

If there are any questions, please call me at (603) 430-5338.

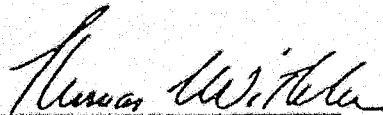
Sincerely,

Michelle Gerbino
Natural Gas Administration

72

PROOF OF SERVICE OF APPLICATION

I hereby certify that I served a true copy of application to offer, render, furnish, or supply natural gas supply services to the public in the Commonwealth of Pennsylvania upon the entities listed: NUI Valley Cities Gas, National Fuel Gas Distribution Corp., The Peoples Natural Gas Co., UGI, Equitable Gas Company, Carnegie Natural Gas Co., Columbia Gas of Pa, Inc., Office of Consumer Advocate, Small Business Advocate, Bureau of Consumer Protection and Department of Revenue on January 13, 2000. Penn Fuel, T.W. Phillips Gas and Oil Company, PG Energy, PFCO were also served a true copy of application on January 21, 2000.



Thomas F. Withka
Vice President, Natural Gas Marketing
Sprague Energy Corporation

RECEIVED

JAN 24 2000

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Proof of Publication in The Philadelphia Inquirer
Under Act. No 160, P.L. 877, July 9, 1976

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

Anna Dickerson being duly sworn, deposes and says that The Philadelphia Inquirer is a daily newspaper published at Broad and Callowhill Streets, Philadelphia County, Pennsylvania, which was established in the year 1829, since which date said daily newspaper has been regularly published and distributed in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of said daily newspaper on the following dates:

January 14th, 2000.

Affiant further deposes and says that he is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that he is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

DOCUMENT
FOLDER

Anna Dickerson

Sworn to and subscribed before me this 14th day of
January, 2000.

Margaret C. Ruchalski
Notary Public

My Commission Expires:

NOTARIAL SEAL
Margaret C. Ruchalski, Notary Public
City of Philadelphia, Phila. County
My Commission Expires May 27, 2002

Copy of Notice of Publication

Pennsylvania
Public Utility Commission
Notice

Application of Sprague Energy Corp for approval to Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged in The Business of Supplying Natural Gas Services, To The Public in the Commonwealth of Pennsylvania Docket No. A-125055.

In November 1999 Sprague Energy filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services as (1) a broker/marketer of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to seek natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Sprague Energy may be filed with in 15 days of the date of this notice with the Office of the Secretary, Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg PA 17105-3265. You should send a copy of any protest to Sprague Energy Corp. Please include the PUC's "docket number" on any correspondence, which is A-125055.

Sprague Energy Corp.
200 International Drive, Suite 200
Portsmouth, NH 03801
(603) 431-4000
(603) 430-5320 fax
Attention: Thomas F. Wilhka
Vice President, Natural Gas/Marketing

RECEIVED
JAN 24 2000
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
FILED
JAN 23 2000

(
) No.
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)

RECEIVED

Term, 19

PROOF OF PUBLICATION OF NOTICE IN THE WILLIAMSPORT
SUN-GAZETTE UNDER ACT NO. 557, APPROVED MAY 18, 1999

JAN 24 2000

STATE OF PENNSYLVANIA
COUNTY OF LYCOMING

(
) ss:

PA PUBLIC UTILITY COMMISSION
SECRETARY

Thomas C. Briley

Publisher of the Sun-Gazette Company, Inc.

of the Williamsport Sun-Gazette, successor to the Williamsport Sun and the Gazette & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, Williamsport, Pennsylvania, being duly sworn, deposes and says that the Williamsport Sun was established in 1870 and the Gazette & Bulletin was established in 1801, since which dates said successor the Williamsport Sun-Gazette has been regularly issued and published in the County of Lycoming aforesaid, and that a copy of the printed notice is attached hereto exactly as the same was printed and published in the regular editions and issues of said Williamsport Sun-Gazette on the following dates, viz:

January 12, 2000

Affiant further deposes that he is an officer duly authorized by the Sun-Gazette Company, publisher of the Williamsport Sun-Gazette, to verify the foregoing statement under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice of publication, and that all the allegations in the foregoing statement as to time, place and character of publication are true.

Paul Briley

SUN-GAZETTE COMPANY

Pennsylvania
Public Utility Commission
Notice

Application of Sprague Energy Corp. for approval to Offer, Render, Furnish Natural Gas Supply Services as Marketer/Broker or Aggregator Engaged in The Business of Supplying Natural Gas Services. To the Public in the Commonwealth of Pennsylvania Docket No. A-125055.
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Sprague Energy Corp.
200 International Drive
Suite 200
Portsmouth, NH 03801
(603) 431-1000
(603) 430-5320 fax
Attention:

Sworn to and subscribed before me

DOCUMENT FOLDER
12th day of January 2000
Cathy A. Livermore
Notary Public

NOTARIAL SEAL
CATHY A. LIVERMORE, Notary Public
Williamsport, Lycoming County
My Commission Expires May 12, 2003

STATEMENT OF ADVERTISING COSTS

To the Sun-Gazette Company, Dr:
For publishing the notice attached hereto on the above stated dates \$ 136.62
Probating same \$
Total \$ 136.62

DOCKETED
JAN 26 2000

THE PATRIOT NEWS

THE SUNDAY PATRIOT NEWS

Proof of Publication

RECEIVED
JAN 24 2000

Under Act No. 587, Approved May 16, 1929

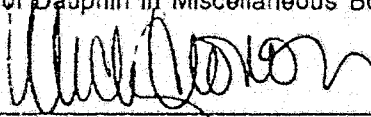
Commonwealth of Pennsylvania, County of Dauphin, ss

Michael Morrow being duly sworn according to law, deposes and says:

That he is the Assistant Controller of THE PATRIOT-NEWS CO., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 812 to 818 Market Street, in the City of Harrisburg, County of Dauphin, State of Pennsylvania, owner and publisher of THE PATRIOT-NEWS and THE SUNDAY PATRIOT-NEWS newspapers of general circulation, printed and published at 812 to 818 Market Street, in the City, County and State aforesaid; that THE PATRIOT-NEWS and THE SUNDAY PATRIOT-NEWS were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday and Metro editions/issues which appeared on the 12th day(s) of January 2000. That neither he nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That he has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on behalf of The Patriot-News Co. aforesaid by virtue and pursuant to a resolution unanimously passed and adopted severally by the stockholders and board of directors of the said Company and subsequently duly recorded in the office for the Recording of Deeds in and for said County of Dauphin in Miscellaneous Book "M", Volume 14, Page 317.



PUBLICATION COPY

Sworn to and subscribed before me this 13th day of January 2000 A.D.

Notarial Seal
Terry L. Russell, Notary Public
Harrisburg, Dauphin County
My Commission Expires June 6, 2002


NOTARY PUBLIC

Member, Pennsylvania Association of Notaries My commission expires June 6, 2002

SPRAGUE ENERGY CORPORATION
ATTN: LAURIE BOYTHILLIER
TWO INTERNATIONAL DRIVE, SUITE 200
PORTSMOUTH, NH 03801

Statement of Advertising Costs

To THE PATRIOT-NEWS CO., Dr.

For publishing the notice or publication attached hereto on the above stated dates	\$	156.88
Probating same	Notary Fee(s)	\$ 1.50
Total	\$	158.38

Publisher's Receipt for Advertising Cost

THE PATRIOT-NEWS CO., publisher of THE PATRIOT-NEWS and THE SUNDAY PATRIOT-NEWS, newspapers of general circulation, hereby acknowledge receipt of the aforesaid notice and publication costs and certifies that the same have been duly paid

THE PATRIOT-NEWS CO.

By

**Pennsylvania
Public Utility Commission
Notice**

Application of Sprague Energy Corp. for approval to Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged in The Business of Supplying Natural Gas Services. To the Public in the Commonwealth of Pennsylvania Docket No. A-125055.

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Sprague Energy Corp.
200 International Drive
Suite 200
Portsmouth, NH 03801
(603) 431-1000
(603) 430-5320 fax
Attention:
Thomas F. Withka
Vice President, Natural Gas/Marketing



DOCUMENT ORIGINAL
FOLDER

February 7, 2000

Re: Natural Gas Supply Application
Application No. A-125055

Attached, you will find Proofs of Publication from The Scranton Times and the Post-Gazette.

If there are any questions, please call me at (603) 430-5338.

Sincerely,

Michelle Gierbino
Natural Gas Administration

RECEIVED

FEB 07 2000

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

SRB

81

PENN AVENUE AT SPRUCE STREET • P.O. BOX 3311 • SCRANTON, PA 18505-3311

PHONE (570) 348-9100

7 BILLED/ACCOUNT NO.

175234

2 BILLED ACCOUNT

6 TERMS OF PAYMENT

SEE OTHER SIDE

5 BILLING PERIOD

3 INVOICE NO.

4 BILLING DATE

1/13/00

SPRAGUE ENERGY
TWO INTERNATIONAL DR
STE 200
PORTSMOUTH NH 03801-6800

RECEIVED

A-125055

LEGAL BILL

10 DATE	11 REFERENCE NUMBER	12 CHARGES OR CREDITS DESCRIPTION/PRODUCT CODE	13 SAU/ DIMENSIONS	14 TIMES	15 BILLED UNITS	16 RATE	17 GROSS AMOUNT	18 NET AMOUNT
13	922104	PUC APP NOTICE	64	1	64.00	2.73	179.72	
13	922104	APP CHG 1/13/00					5.00	

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

THE SCRANTON TIMES UNDER ACT P.D. 877 MC. 160, JULY 9, 1976)
COMMONWEALTH OF PENNSYLVANIA COUNTY OF LACKAWANNA

CAROLYN TIMLIN BEING DULY SWORN ACCORDING TO LAW DEPOSES AND SAYS THAT SHE IS ACCOUNTING CLERK FOR THE SCRANTON TIMES, OWNER AND PUBLISHER OF THE SCRANTON TIMES, A NEWSPAPER OF GENERAL CIRCULATION, ESTABLISHED IN 1870, PUBLISHED IN THE CITY OF SCRANTON, COUNTY AND STATE AFORESAID, AND THAT THE PRINTED NOTICE OR PUBLICATION HERETO ATTACHED IS EXACTLY AS PRINTED IN THE REGULAR EDITIONS OF THE SAID NEWSPAPER ON THE FOLLOWING DATES,
VIZ: HC 1/13/00

AFFIANT FURTHER DEPOSES AND SAYS THAT NEITHER THE AFFIANT NOR THE SCRANTON TIMES IS INTERESTED IN THE SUBJECT MATTER OF THE AFORESAID NOTICE OR ADVERTISEMENT AND THAT ALL ALLEGATIONS IN THE FOREGOING STATEMENT AS TO TIME, PLACE AND CHARACTER OF PUBLICATION ARE TRUE

SWORN AND SUBSCRIBED TO BEFORE ME
THIS 14 DAY OF JAN. A.D. 2000.

DOCUMENT FOLDER

NOTARIAL SEAL
WILLIAM P. NISH, Notary Public
Scranton, Lackawanna County
My Commission Expires Oct. 21, 2000

(NOTARY PUBLIC)

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE
Application of Sprague Energy Corp. for approval to Offer, Render, Furnish Natural Gas Supply Services as a Marketer/Broker or Aggregator Engaged in the Business of Supplying Natural Gas Services to the Public in the Commonwealth of Pennsylvania Docket No. A-125055.
In November 1999 Sprague Energy filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to provide natural gas supply services markets and to engage in the business of providing natural gas supply services through Pennsylvania. The Commission has approved the application and has issued a license to Sprague Energy Corp. for a term of 10 years, beginning on the date of the Commission's order and ending on the date of the Commission's next order. The Commission's order is effective as to all matters not specifically addressed in this notice.

24 AGING

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FEB 07 2000

29 CONTRACT PERFORMANCE

EXPIRATION DATE REQUIREMENT CURRENT MONTH

PENNSYLVANIA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

AMOUNT OF PAYMENT

26 BILLED/ACCOUNT NO.

27

175234

SPRAGUE ENERGY

22 CURRENT NET AMOUNT

184.72

COOKS

apply in person:
Simplex Industries, Inc.
1 Simplex Drive
Scranton, PA 18504

vacation, and holidays
benefits, medical, 401 K
Excellent wages and
Exciting people
Cleaning / Stiding
Trim Carpenters
Framing Carpenters
Spackler
Drywall Finishers
Plumbers, Electricians
experienced
dependably

DOCKETED

The Scranton Times

REMITTANCE ADVICE 2000

TERMS OF PAYMENT

MONTHLY

PAYABLE LAST DAY OF MONTH FOLLOWING BILLING DATE.
A 1% PER MONTH FINANCE CHARGE WILL BE ADDED TO PAST
DUE BALANCES. THIS IS AN ANNUAL PERCENTAGE RATE OF 12%

WEEKLY: PAYABLE ON RECEIPT OF THIS INVOICE

LEGEND

The 29 elements of the Standard Advertising Invoice (SAI)

- | | |
|----------------------------------------------------|-------------------------------------|
| 1. Name and Address of Newspaper, and
Phone No. | 15. SAI Dimensions |
| 2. Billed Account Name and Address | 16. Times Published |
| 3. Invoice Document Number | 17. Billed Units |
| 4. Billing Date | 18. Applicable Rate |
| 5. Billing Period | 19. Gross Amount |
| 6. Terms of Payment | 20. Net Amount |
| 7. Billed Account Number | 21. Current Gross Amount |
| 8. Advertiser Client Number | 22. Current Net Amount Due |
| 9. Advertiser Client Name | 23. Cash Discount |
| 10. Date of Insertion | 24. Aging of Past Due Amounts |
| 11. Newspaper's Reference Number | 25. Total Net Amount Due |
| 12. Other Charges or Credits | 26. Billed Account Number |
| 13. Description | 27. Billed Account Name |
| 14. Product Service Code | 28. Name and Address for Remittance |
| | 29. Contract Performance |

The elements shown above appear on the face of the invoice and are identified by number.

NOT APPLICABLE

Proof of Publication of Notice in Post-Gazette

Under Act No. 587, Approved May 16, 1929, P.L. 1784, as last amended by Act No. 409 of September 29, 1951

Commonwealth of Pennsylvania, County of Allegheny, ss: A. Blanchard, being duly sworn, deposes and says that the Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 and the Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Post-Gazette a newspaper of general circulation on the following dates, viz:

January 13, 2000

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Post-Gazette; that, as such agent, affiant is duly authorized to verify the foregoing statement under oath; that affiant is not interested in the subject matter of the aforesaid notice or publication; and that all allegations in the foregoing statement as to time, place and character of publication are true.

COPY OF NOTICE OR PUBLICATION

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Application of Sprague Energy Corp. for Approval To Offer, Render, Furnish, Retail Gas Supply Services as a Broker/Marketer. Approval is proposed in the Public Utility Code of Pennsylvania, Title 62, Chapter 62.01, Gas Supply Services, to be published in the Commonwealth of Pennsylvania, Pocket No. A-125055, in November, 1999.

Application for the Pennsylvania Public Utility Commission (PUC) for a license to provide natural gas supply services as (1) a broker/marketer of natural gas, and (2) an aggregator engaged in the business of providing natural gas supply services. Sprague Energy proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the new Natural Gas Choice and Competition Act.

The PUC may consider this application without a public hearing. Requests directed to the technical or financial fitness of Sprague Energy may be filed within 15 days of the date of this notice.

For more information, contact Sprague Energy Corp. at 200 International Drive, Suite 200, Portsmouth, NH 03801 (603) 430-5320, fax. Attention: Thomas F. Winko, Vice-President, Natural Gas/Marketing

DOCUMENT FOLDER

A. Blanchard
PG Publishing Company

Sworn to and subscribed before me this day of:

January 24, 2000

Mary E. Wazonegger

Notarial Seal
 Mary E. Wazonegger Notary Public
 Pittsburgh, Allegheny County
 My Commission Expires Feb. 13, 2000
 Member, Pennsylvania Association of Notaries

STATEMENT OF ADVERTISING COSTS

SPRAGUE ENERGY
TWO INTERNAT'L DRIVE
SUITE 200
PORTSMOUTH NH 03801

FEB 07 2000

To PG Publishing Company
PA PUBLIC UTILITY COMMISSION
SECRETARY BUREAU

Total ----- \$ 396.50

Advertiser's Receipt for Advertising Costs

PG Publishing Company, publisher of the Post-Gazette, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

Office
Boulevard of the Allies
PITTSBURGH, PA 15230
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of Post-Gazette, a Newspaper of General Circulation

By _____

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

DOCKETED

FEB 08 2000

Attorney for