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June 6, 2017

Via Electronic Filing

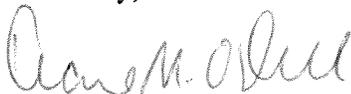
Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of the Retail Energy Supply Association to Simplify the Financial Security 5%
Renewal Process, Docket No. P-2017-_____

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Petition of the Retail Energy Supply Association to Simplify the Financial Security 5% Renewal Process. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/lww
Enclosure

cc: Dan Mumford, OCMO
Kriss Brown, Law Bureau
Darren Gill, TUS

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of RESA's Petition to Simplify Financial Security 5% Renewal Process upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via First Class Mail

Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

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

Legal Department
Attn: Kimberly Klock
PPL
Two North Ninth Street
Allentown, PA 18108-1179

Office of Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101

UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, PA 19612-2677

Legal Department
West Penn Power d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Director of Customer Energy Services
Orange and Rockland Company
390 West Route 59
Spring Valley, NY 10977-5300

Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2 West
P.O. Box 3265
Harrisburg, PA 17105-3265

Met-Ed, Penelec, and Penn Power:
Legal Department
First Energy
2800 Pottsville Pike
Reading, PA 19612

Pennsylvania Department of Revenue
Bureau of Compliance
Fourth and Walnut Streets
First Floor, Strawberry Square
Harrisburg, PA 17120

Citizens' Electric Company
Attn: EGS Coordination
1775 Industrial Boulevard
Lewisburg, PA 17837

Wellsboro Electric Company
Attn: EGS Coordination
33 Austin Street
P. O. Box 138
Wellsboro, PA 16901



Deanne M. O'Dell, Esq.

Dated: June 6, 2017

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of the Retail Energy Supply :
Association to Simplify the Financial : Docket No. P-2017-_____
Security 5% Renewal Process :

**PETITION OF RETAIL ENERGY SUPPLY ASSOCIATION TO
SIMPLIFY FINANCIAL SECURITY 5% RENEWAL PROCESS**

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Date: June 6, 2017

I. INTRODUCTION

Pursuant to Sections 501 and 2802 of the Public Utility Code, 66 Pa. C.S. §§ 501 and 2802, and Section 5.41 of the regulations of the Pennsylvania Public Utility Commission (“Commission”), 52 Pa. Code § 5.41, the Retail Energy Supply Association (“RESA”)¹ respectfully requests that the Commission grant this petition and take such action as appropriate to streamline the current process for electric generation suppliers (“EGSs” or “suppliers”) to maintain their prior-Commission approved security reduction requirements. The Commission’s action in July 2014 to allow EGSs to petition the Commission for approval to maintain financial security in an amount equal to 5% of their of their reported gross receipts in lieu of the historically required 10% and the expansion of acceptable financial credit instruments has provided much appreciated flexibility for EGSs regarding Pennsylvania security requirements.² For many EGSs, the prior 10% requirement and the availability of only two security instruments to satisfy this requirement proved burdensome and created a potential barrier to entry by being financially excessive and not reasonably tailored to protect against identifiable financial losses.

1. Now, after nearly three years of experience with this process, RESA has identified further process refinements that – if approved – would both simplify and make more efficient for both Commission staff and suppliers the renewal process for already approved financial security

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

² *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers; Acceptable Security Instruments*, Docket No. M-2013-2393141, Final Order entered July 24, 2014 (“July 2014 Order”).

reductions. Currently, EGSs who have already received Commission approval to maintain security at a 5% level must submit a new petition every year to the Commission 90 days prior to the security's expiration and await Commission approval prior to being able to continue to maintain the 5% level.³ As explained further below, capping a supplier's initial 5% reduction approval to one year that must be reapproved each year combined with a lack of coordination regarding the expiration of the security instrument creates unnecessary complications for suppliers who need to both ensure compliance with the Commission requirements and to most cost-effectively acquire the appropriately dated financial instrument from other third parties.

RESA believes that the challenges with the current process could be reasonably addressed with a more simplified process which permits EGSs who have already been approved for the 5% level to submit a compliance template (with appropriate supporting documents) to continue the 5% level unless the Commission takes action to the contrary. This refinement would streamline the process and lead to administrative efficiencies for both suppliers and Commission staff. As explained more fully below, the Commission has ample authority to implement RESA's proposed process.

II. BACKGROUND

2. The Retail Energy Supply Association ("RESA") is a diverse organization of competitive energy suppliers which includes EGSs of varying sizes and business plans serving all types of consumers in Pennsylvania and elsewhere.

3. RESA's attorneys in this matter are:

Deanne O'Dell, Esquire
Sarah Stoner, Esquire

³ *Re: Guidance on Electric Generation Supplier Licensee Financial Security*, Docket No. M-2013-2393141, Secretarial Letter dated April 8, 2016 ("April 2016 Secretarial Letter").

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4. The Pennsylvania Public Utility Code requires that an EGS provide a bond or other security approved by the Commission in “form and amount” to ensure the financial responsibility of the EGS and the supply of electricity at retail in accordance with contracts, agreements or arrangements.⁴ The Commission’s regulations at 52 Pa. Code § 54.40 specifically detail the form and amount of bonds or other security for EGSs.

5. An EGS license applicant is required to have an initial security level of \$250,000.⁵ After the first year of operation, the Commission reviews and modifies the security level for an EGS on an annual basis.⁶

6. Historically, the security level required to be maintained by the EGS for subsequent years was 10% of the EGS’s reported annual gross receipts or \$250,000, whichever is higher.⁷ After the first year of licensing, EGSs were required to ensure that their security level was maintained at the 10% level which EGSs generally did on their own initiative. To the extent EGSs were not maintaining their required obligations, they were contacted by staff. EGSs, however, were not required to submit a new petition each year to the Commission to ensure that their security level remained consistent with their then-current gross receipts.

⁴ 66 Pa.C.S.A. § 2809.

⁵ 52 Pa. Code § 54.40(c).

⁶ 52 Pa. Code § 4.40(d).

⁷ 52 Pa. Code § 54.40(d).

7. However, on July 14, 2014, the Commission adopted the July 2014 Order announcing new policies to: (1) establish a procedure for EGSs to receive approval to reduce their level of security after the first year of operation to 5% of an EGS's most recent 12 months of revenue or \$250,000, whichever is higher; and (2) expand the forms of allowable security instruments.⁸

8. To implement its new policy on security reductions, the Commission established that an EGS must submit a formal petition, with a \$350 fee, to reduce its security with the Secretary's Bureau.⁹ The Commission delegated authority to its Bureau of Technical Utility Services ("TUS") to review uncontested security reduction petitions and to issue Secretarial Letters approving or denying the requests.¹⁰

9. The Commission's July 2014 Order requires EGSs seeking a reduction in the level of security from 10% to 5% of the most recent 12 months of revenue to provide the following information with the request:

- Gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent 12 months;
- The amount of gross receipts taxes that the EGS has prepaid towards its estimated revenues;
- Available Alternative Energy Portfolio Standards ("AEPS") compliance data from the most recent 12 months; and
- Copies of all Department of Revenue documents that support the EGS's request.¹¹

⁸ July 2014 Order at 16-18.

⁹ July 2014 Order at 12.

¹⁰ July 2014 Order at 12-13.

¹¹ July 2014 Order at 16.

II. CURRENT PROCESSES REGARDING FINANCIAL SECURITY REQUIREMENTS

10. On April 8, 2016, a Secretarial Letter was issued providing guidance regarding the Commission's financial security process and establishing the process EGSs are required to follow to maintain previously approved 5% reductions.

11. As set forth in the April 2016 Secretarial Letter, the Commission annually reviews the level of security each supplier maintains to ensure that it continues to be sufficient based on the supplier's most recent four quarters of gross receipts.¹² To provide Commission staff adequate time to review and approve the financial security instrument the Commission requires EGSs to renew their security instrument at least thirty days prior to the then-effective security's expiration date.¹³

12. As part of the EGS license validation procedures, the Commission sends EGSs a 60-day Security Renewal Notice Letter notifying the EGS that it is required to submit original documentation of its bond, or other approved security, at least 30 days prior to the security's expiration date. Suppliers that fail to submit the required documentation are at risk of having their license cancelled.

13. The April 2016 Secretarial Letter also addressed the Commission's expectations regarding suppliers who had already received Commission approval to maintain a reduced 5% level of financial security and clarified that these approved security reductions are only effective for one year.¹⁴

¹² April 2016 Secretarial Letter at 1.

¹³ April 2016 Secretarial Letter at 1.

¹⁴ April 2016 Secretarial Letter at 2.

14. The April 2016 Secretarial Letter informed EGSs that to be eligible to continue to avail themselves of the previously approved security level reduction, an EGS must provide annual documentation of its eligibility for a security reduction at least 90 days prior to its current security's expiration date.¹⁵ EGSs were instructed that annual documentation is required to include at least: (1) a petition for renewal of the security reduction; (2) a \$350 filing fee; (3) proof of service of the petition on statutory advocates and affected electric distribution companies; (4) a Tax Letter of Good Standing from the Pennsylvania Department of Revenue; and, (5) the company's gross receipts for the most recent four quarters. EGSs were cautioned that if the requested documentation was not provided to the Commission, their reduction approval would cease and return to the 10% level of gross receipts.

15. Below is an example of the process flow for the Commission's current process which assumes that the Commission approves an EGS's petition to continue the 5% reduction on the same 20-day timeline each year. The highlighted rows indicate action the EGSs are required to take on a yearly basis to both maintain their previously approved 5% reduction and to ensure their financial security is current.

Initial Approval of 5% reduction	
receives PUC approval for 5% reduction	01/01/17
new security instrument filed	02/01/17
expiration date of security instrument	02/01/18
First Subsequent Year 5% Renewal Request	
Petition due to continue 5% (90 days from expiration)	11/03/17
PUC approval of continuing 5% received	11/23/17
new security instrument to be filed (30 days prior to expiration)	01/02/18
expiration date of security first subsequent year	02/01/19
Second Subsequent Year 5% Renewal Request	
Petition due to continue 5% (90 days from expiration)	11/03/18
PUC approval of continuing 5% received	11/23/18

¹⁵ April 2016 Secretarial Letter at 2.

new security instrument to be filed (30 days prior to expiration)	01/02/19
expiration date of security second subsequent year	02/01/20
Third Subsequent Year 5% Renewal Request	
Petition due to continue 5% (90 days from expiration)	11/03/19
PUC approval of continuing 5% received	11/23/19
new security instrument to be filed (30 days prior to expiration)	12/03/19
expiration date of security second subsequent year	02/01/21

III. EGS EXPERIENCES WITH CURRENT FINANCIAL SECURITY PROCESS

16. RESA has found the ability to qualify for a lower financial security and the flexibility regarding security instruments that may be used to satisfy the requirement are beneficial policy changes that the supplier community fully supports. Well-designed security requirements result in lower costs for EGSs and potentially better prices for consumers while still ensuring reasonable security is available for identifiable risks. Notably, in the three years since the implementation of the new policies, RESA is unaware of any situation in which an approved reduced amount of security for any supplier has been insufficient to address the purposes for which the security is required. RESA is also unaware of any difficulties on behalf of the Commission regarding its ability to acquire the security through the approved security instrument.

17. However, RESA members have found that the process requiring annual petitions and renewed Commission approval to maintain a previously approved reduction in security level can be cumbersome and present unnecessary challenges that could be addressed through a more simplified process which would improve administrative efficiencies for both Commission staff and EGSs.

18. A significant challenge has been coordinating the dates to renew an expiring financial instrument, receive approval to maintain the previously approved 5% security level, and submit an appropriately dated new financial security instrument. The April 2016 Secretarial

Letter contemplates that the petition to continue the 5% reduction will be filed 90 days prior to the security instrument's expiration and that – once granted – the approval is only effective for one year. This timing, however, has led to a number of difficulties for suppliers that have been a challenge to manage and which have required suppliers to seek costly modifications and changes to their financial instruments as required by the third party issuer.

19. Examples of how these timing variances occur include receiving approval for the 5% reduction effective prior to the date of the security's expiration or not receiving the Commission's approval of the request to renew the 5% level until after the security's expiration date. In either scenario, the supplier could be required to renew its security instrument at the 10% level (because the 5% level has not been re-approved) only to adjust it again after the 5% level is approved. The only way EGSs can effectively manage these situations is to “arrange “short term” financial security which can be costly and time consuming for several reasons.

20. First, depending on the type of security instrument used, suppliers need to coordinate not only with the Commission's requirements but also with a third party entity that has its own rules and procedures related to the security instrument. For suppliers operating in multiple jurisdictions with varying security requirements that gain efficiencies by consolidating their varying security requirements, the difficulty of this coordination may be exacerbated as a result of timing variances.

21. Second, the different security instruments utilized by suppliers likely have different requirements that each individual supplier needs to manage. For example, suppliers utilizing a letter of credit to satisfy their security requirements may have the option to renew their security at certain intervals after an initial period but bonds may expire and need to be reissued for a longer period of time. For surety bonds used as security, the bonding agencies typically

charge a fee for making modifications or issuing new bonding instruments that can result from timing disconnects. Thus, to the extent EGSs can arrange “short term” financial security to the extent there is a timing variance, doing so is time consuming and potentially costly for suppliers.

22. The current 90 day timing difference from the due date of the renewal petition and the security’s expiration can also create uncertainty about the appropriate amount for the security. Because the amount of security is based on the EGS’s most recent four quarters of gross receipts, there is a potential for approval of the 5% reduction in one quarter and the due date for the security to be in the following quarter. Depending on the supplier’s revenue for that quarter, this could result in a significantly different level of security required than what was contemplated with the renewal petition.

23. Additionally, some suppliers maintain several Pennsylvania EGS licenses, each with different renewal dates. The tables below provide an illustration of how an EGS with three different licenses and three different sets of due dates is required to take action regarding the Pennsylvania security requirements almost every two months (November 2017, January 2017, March 2018, May 2018, July 2018, September 2018). To the extent the financial security process requires actions that cannot be easily automated or managed, suppliers are required to spend significant time and resources for each renewal.

Licensee Number 1	
receives PUC approval for 5% reduction	01/01/17
expiration date of security instrument	02/01/17
Petition due to continue 5% (90 days from expiration)	11/03/17
PUC approval of continuing 5% received	11/23/17
new security instrument to be filed (30 days prior to expiration)	01/02/18

Licensee Number 2	
receives PUC approval for 5% reduction	05/01/17
expiration date of security instrument	06/01/17
Petition due to continue 5% (90 days from expiration)	03/03/18
PUC approval of continuing 5% received	03/23/18
new security instrument to be filed (30 days prior to expiration)	05/02/18

Licensee Number 3	
receives PUC approval for 5% reduction	09/01/17
expiration date of security instrument	10/01/17
Petition due to continue 5% (90 days from expiration)	07/03/18
PUC approval of continuing 5% received	07/23/18
new security instrument to be filed (30 days prior to expiration)	09/01/18

24. Another issue with the current security reduction renewal process is the requirement that EGSs acquire a letter of good standing from the Pennsylvania Department of Revenue. The process for EGSs to obtain a letter of good standing from the Department of Revenue has been lengthy and tedious for some EGSs. Some EGSs, without any outstanding tax clearance issues, waited months for a response from the Department to their request to receive a letter of good standing. While the process for obtaining a letter of good standing appears to be more streamlined recently, suppliers should not be subject to staff shortages or any other Department impediments that create unnecessary delays and administrative burdens.

25. RESA submits that its proposal to streamline the process for security reduction renewals will alleviate the issues addressed above. Simplifying the security reduction renewal process ultimately benefits consumers as suppliers can focus their resources on developing and offering more attractive products and services without increasing the risk of default or an EGS not meeting its obligations. By replacing the requirement for a formal petition to renew a security reduction with a compliance filing requirement, RESA anticipates greater clarity in the

reduction renewal process which will reduce time and resources dedicated by Commission staff and EGSs to each renewal.

IV. PROPOSAL FOR SIMPLIFIED SECURITY REDUCTION RENEWAL PROCESS

26. RESA requests that the Commission move forward with a modified process for EGSs to renew their security reduction requests. RESA proposes the following compliance filing procedures in lieu of a formal petition to maintain a reduced security level:

- (1) The Commission authorize EGSs that have been approved for a 5% financial security reduction to submit a compliance filing template (and supporting documents) to renew their reduced security level. RESA has provided a sample template for the compliance filing in Attachment A.
- (2) The information to be included with the compliance filing would require EGSs to provide their most recent 12 months of gross receipts and the 5% calculation on this total.
- (3) EGSs would also be required to enclose an original financial security instrument in the amount listed in the 5% calculation or evidence that the original financial security instrument is being or has been sent to the Commission. If an EGS has an security instrument on file with the Commission that contains an evergreen, auto-renewal provision and the amount is still enough to cover the 5% calculation, the EGS shall note that in its filing.
- (4) In addition, EGSs would include an attestation signed by an officer that the EGS will pay all taxes that it is subject to in Pennsylvania.

- (5) RESA proposes the compliance filing be due 30 days prior to the expiration of an EGS's security to give Commission staff ample opportunity to review filings and communicate any deficiencies. The current 60-day Security Letter sent by TUS to the EGS to notify the EGS about its upcoming expiration date could also serve the purpose of providing notice to EGSs with already-approved security level reductions of the due date to submit a compliance filing template.
- (6) Upon filing of the compliance template, an EGS's 5% financial security reduction would be continued unless the Commission issues a disapproval requiring the supplier to renew its security at the 10% level.

27. There are several advantages to this approach. First, it recognizes that an EGS has already received initial approval to maintain a reduced level of security and allows the approval to continue subject to the EGS submitting the compliance template (and supporting documents) and assuming the Commission does not take action to the contrary. This provides some level of certainty for EGSs who can operationalize processes accordingly and streamline their interactions with third parties responsible for the security instruments. It also does not undermine the ability of the Commission on a case-by-case basis to take the time necessary to address any EGS-specific issue.

28. Another advantage of RESA's proposal is that it relies upon existing notice processes (i.e. the 60-day Security Letter) to establish clear guidance regarding appropriate timelines. This ensures that EGSs and Commission staff are all operating under the same assumptions which should result in operational efficiencies for both EGSs and Commission staff.

29. Additionally, RESA’s proposed process streamlines operations for both EGSs and Commission staff while still ensuring that all the currently required information continues to be provided. For EGSs, they will be able to submit all the required data to the Commission at one time – with the compliance template. Currently, EGSs need to submit a renewal petition and, after receiving approval, submit an updated security instrument. Likewise for Commission staff, all the information will be received at one time with the compliance template. This streamlines both EGS and staff time to get the data and review it. While RESA’s proposal will still require EGSs with multiple licenses to manage differing due dates, enabling one filing with all of the information needed to maintain the current 5% reduction and update the security instrument rather than the current two will enable EGSs to more efficiently manage this obligation.

30. Finally, RESA’s proposed process provides more certainty from an EGS perspective regarding the status of its approval as it does not need to await affirmative action from the Commission to proceed to secure the security instrument. In addition to addressing the concerns identified above about timing variances and shifting due dates, this certainty can be particularly beneficial for enabling EGSs to secure the appropriate security instrument.

V. AUTHORITY FOR COMMISSION ACTION

31. Public Utility Code Section 501 authorizes the Commission to enforce, execute and carry out, by its regulations, orders or otherwise, all provisions of the Code. Regarding on-going security requirements, the current regulation states: “A licensee may seek approval from the Commission of an alternate level of bonding commensurate with the nature and scope of its operations.”¹⁶ Given the flexibility that exists in the text of the current regulation, the

¹⁶ 52 Pa. Code § 54.50(d).

Commission can reasonably rely on this language to implement RESA’s proposed security reduction renewal procedures.

32. The Commission has previously established procedures for EGSs to meet financial security requirements via Secretarial Letter and Commission Orders. Accordingly, the Commission has abundant legal authority to take measures to establish a simplified security reduction renewal process.

33. Importantly, RESA’s proposal does not remove the Commission’s current ability to increase the security requirements for a particular EGS if the Commission finds that such an increase is necessary to ensure the financial responsibility of the EGS and the supply of electricity at retail in accordance with 66 Pa.C.S.A. § 2809(c)(1)(i).

34. RESA submits that the Commission’s objective of the required security level – to “ensure payment of the Gross Receipts Tax and to ensure the supply of electricity at the retail level in accordance with contracts, agreements, or arrangements”¹⁷ – will not be impaired by implementation of RESA’s proposed process for renewing an EGS’s security reduction approval.

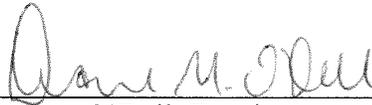
35. Pursuant to RESA’s proposed approach, the Commission would receive updated documentation and information regarding an EGS’s form and amount of security without the need for the Commission to engage in a more burdensome and time-consuming approval process that involves issuance of a Secretarial Letter in response to each security reduction renewal petition.

VI. CONCLUSION

¹⁷ 52 Pa. Code § 54.40(f)(2); July 2014 Order at 4-5. The Commonwealth also has an interest in receiving an EGS’s alternative compliance payments. 73 P.S. § 1648.3(f).

For the reasons explained more fully above, RESA recommends that the Commission grant this Petition to Simplify the Financial Security 5% Renewal Process and expeditiously establish the procedures described in this Petition so that electric generation suppliers that have already received approval to reduce their security level may renew their reduced security in an efficient manner. The Commission has ample authority to implement these changes consistent with the flexibility set forth in the Commission's current regulations. If adopted, RESA's proposed procedures will not only improve administrative efficiency for EGSs, but also reduce the burdens on Commission staff that process security reduction renewal requests.

Respectfully submitted,



Deanne O'Dell, Esquire
(Pa. Attorney ID No. 81064)
Sarah C. Stoner, Esquire
(Pa. Attorney ID No. 313793)
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Date: June 6, 2017

Attorneys for the Retail Energy Supply Association

Attachment A

COMPLIANCE FILING TEMPLATE TO MAINTAIN PaPUC 5% SECURITY REQUIREMENT

Sample Company

Bonding/Security Requirement Filing for Continuation of Reduced Security

1. *Sample Company* is a licensed electric generation supplier (“EGS”) in the Commonwealth of Pennsylvania.
2. *Sample Company* has been a licensed EGS for more than one year. *Sample Company* was licensed in *YEAR* in Docket No. A-XXXXXX and has maintained its license in good standing since that time.
3. *Sample Company* is compliant with its current bonding requirements.
4. By Final Order entered July 24, 2014, the Pennsylvania Public Utilities Commission (“Commission”) held that an EGS, following its first year of operations, may petition to have its bonding requirement reduced from 10% to 5% of the EGS’s last 12 months of revenue or \$250,000, whichever is greater. *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers: Acceptable Security Instruments*, Docket No. M-2013-2393141 (Order entered July 24, 2014) (“Bond Reduction Order”).
5. *Sample Company* submitted a petition to reduce its bonding requirement to 5% of its last 12 months of revenue on XX/XX/XXXX.
6. The Commission granted *Sample Company’s* petition to reduce its bonding requirement on XX/XX/XXXX.
7. The current bonding/security requirement in place for *Sample Company* is a bond/letter of credit/parental guarantee, which expires on XX/XX/XXXX.
8. *Sample Company’s* most recent 12 months of gross receipts and the 5% calculation on this total amount are provided in Appendix A.
9. Appendix B is a tax attestation signed by an officer of *Sample Company*.
10. *Sample Company* has enclosed or provided evidence that a bond/letter of credit/parental guarantee in the amount listed in the 5% calculation with an expiration date of XX/XX/XXXX has been or will be submitted to the Commission.

VERIFICATION

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

Dated: _____

Attachment A

CONFIDENTIAL

Appendix A

Gross Revenue for Most Recent 12 Months

Jan 16 \$xx.xx
Feb 16 \$xx.xx
Mar 16 \$xx.xx
Apr 16 \$xx.xx
May 16 \$xx.xx
Jun 16 \$xx.xx
Jul 16 \$xx.xx
Aug 16 \$xx.xx
Sep 16 \$xx.xx
Oct 16 \$xx.xx
Nov 16 \$xx.xx
Dec 16 \$xx.xx
Total \$xxx.xx

5% Calculation

Most Recent 12 Month Total Revenue	\$xxx.xx
Multiplied by 5%	5%
Total for Security Requirement	\$xx.xx

Attachment A

Appendix B

ATTESTATION

I, name, title for *Sample Company*, hereby state that *Sample Company* shall pay all taxes that it is subject to in the Commonwealth of Pennsylvania.

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

Signature of Affiant

Sworn and subscribed before me this _____ day of MONTH, YEAR.

Signature of official administering oath

Print Name and Title

My commission expires _____

VERIFICATION

I, Anthony Cusati, III, hereby state that I am the Pennsylvania State Chairperson for the Retail Energy Supply Association (“RESA”) and am authorized to make this verification on its behalf, and that the facts set forth in the attached Petition are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C .S. § 4904 (relating to unsworn falsification to authorities).

6/6/17

Dated



Anthony Cusati, III, Pennsylvania State Chairperson
Retail Energy Supply Association