

# Buchanan Ingersoll & Rooney PC

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September 7, 2018

## VIA HAND DELIVERY

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

RECEIVED  
2018 SEP -7 PM 3:47  
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SECRETARY'S BUREAU  
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Re: Petition of Just Energy Solutions, Inc. d/b/a Just Energy for a Reduction in Level of Bond or Security, Docket No. A-110117

Dear Secretary Chiavetta,

Enclosed please find Just Energy Solutions, Inc. d/b/a Just Energy's ("Just Energy") verified Petition for a Renewal of Reduced Security Level Authorization ("Petition"). This filing includes commercially valuable and sensitive information for which Just Energy requests confidential treatment. Accordingly, enclosed is a version of the Petition marked "Public Version" for inclusion in the public record, and a version of the Petition marked "Confidential Version." **Just Energy respectfully requests that the Confidential Version of its Petition be maintained by the Pennsylvania Public Utility Commission ("Commission") under seal.** Also enclosed is a filing fee in the amount of \$350.00.

Copies of Just Energy's Public Version of its Petition have been served on each of the Public Advocates, the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Technical Utility Services, the Commonwealth of Pennsylvania's Department of Revenue, the Office of Attorney General's Bureau of Consumer Protection and all Pennsylvania electric distribution companies as indicated in the attached Certificate of Service.

Please contact the undersigned if you have any questions regarding this filing. Thank you for your attention to this matter.

Very truly yours,

  
John F. Povilaitis

JFP/tlg  
Enclosures  
cc: Certificate of Service

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Just Energy Solutions, : Docket No. A-110117  
Inc. d/b/a Just Energy, For A :  
Reduction in Level of Bond :  
or Security :

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PETITION OF JUST ENERGY SOLUTIONS, INC. d/b/a JUST ENERGY  
FOR A RENEWAL OF REDUCED SECURITY LEVEL AUTHORIZATION

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**I. Introduction**

1. Just Energy Solutions, Inc. d/b/a Just Energy (“Just Energy” or “Company”) is an electric generation supplier (“EGS”) authorized by the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) to provide service to residential, commercial and industrial customers in the PECO service territory. Just Energy, f/k/a as Commerce Energy Corp, received its initial license to operate as an EGS by order of September 15, 1999 at Docket No. A-110117. As a licensed EGS, Just Energy is subject to the Commission’s authority to require it to furnish a bond or other security in order to operate in the Commonwealth of Pennsylvania, pursuant to Section 2809(c) of the Public Utility Code (“Code”) and Section 54.40 of the Commission’s regulations. 66 Pa.C. S. §2809(c); 52 Pa.Code §54.40.

2. Section 54.40(d) of the Commission’s regulations requires EGSs to provide a security level of 10% of the licensee’s reported gross receipts. However, a licensee may seek approval from the Commission of an alternative level of bonding, commensurate with the nature and scope of its operations. 52 Pa.Code §54.40(d). According to the Commission’s regulations, the purpose of the bond is to ensure payment of the Pennsylvania Gross Receipts Tax (“GRT”) and to ensure the supply of electricity at the retail level in accordance with contracts, agreements or arrangements. 52 Pa.Code §54.40(f)(2). On July 24, 2014, after consideration of formal

## PUBLIC VERSION

comments submitted to a December 5, 2013 Tentative Order, the Commission found that requiring an EGS to post a bond or security in the amount of 10% of gross receipts after the first year of operation “may be excessive in relation to the risk intended to be secured, unnecessarily burdening EGSs, and presenting a potential barrier to entry into Pennsylvania’s retail electric market.”<sup>1</sup> Therefore the Commission announced in the July 24, 2014 Order that it was adopting the policy of accepting applications by EGSs to reduce their level of bonding/security after the first year of operation to 5% of the EGS’s most recent 12 months of gross revenue or \$250,000, whichever is higher. In addition, the July 24, 2014 Order delegated authority to review uncontested requests for a reduction in the level of bonding to the Bureau of Technical Utility Services.<sup>2</sup>

3. Based on the July 24, 2014 Order, the Code, the Commission’s regulation at Section 54.40(d) and the following supporting material, Just Energy respectfully requests that the Commission approve a reduction in its security requirement to 5% of its most recent 12 months of gross revenue.

4. By Secretarial Letter Dated October 11, 2017 at Docket No. A-110117, Utility Code: 110117, the Commission approved Just Energy’s September 6, 2017 Petition for a security reduction, effective to December 9, 2018. This approval synchronized the Company’s twelve (2) month security reduction period with its annual security renewal period. Just Energy respectfully requests that the Commission set its new bond reduction renewal date as December 9, 2019 for it and its two other affiliates- Hudson Energy Services, LLC (“Hudson Energy”), Docket No. A-2010-2192137, and Just Energy PA Corp (“JEPC”), Docket No. A-2009-2097544. Security reduction renewal requests are being separately filed for Hudson Energy and JEPC requesting

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<sup>1</sup> *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers; Acceptable Security Instruments*, Docket No. M-2013-2393141 (July 24, 2014) (“July 24, 2014 Order”) at 10.

<sup>2</sup> July 24, 2014 Order at 12-13.

the same security reduction periods and annual security renewal dates in order to streamline the entire process for the Commission and the Companies.

**II. Information Provided in Support of Bond Reduction Request**

5. Prior to filing this Application to reduce its bonding requirement, Just Energy informally consulted with Commission staff to obtain guidance as to the appropriate information to support such a request, as was suggested by the Commission in the July 24, 2014 Order.<sup>3</sup> Based on that consultation, this Application includes Confidential Attachments 1 through 5. Confidential Attachment 1 provides Just Energy's gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent twelve (12) months.

6. Confidential Attachment 2, a Tax Status Letter of Good Standing from the Pennsylvania Department of Revenue ("DOR") for Just Energy is not yet available, but will be supplied as a supplemental filing.

7. Confidential Attachment 3 documents Just Energy's full compliance with the requirements of the Alternative Energy Portfolio Standards ("AEPS") Act.

8. Confidential Attachment 4 is proof that Just Energy has prepaid gross receipts taxes.

9. Confidential Attachment 5 is proof that Just Energy is current in its assessment obligation to the PaPUC for regulatory costs.

10. Based on the foregoing information, Just Energy requests that its bonding requirement be reduced to 5% of its most recent twelve (12) months of gross revenue. This amount is reasonable and satisfies the requirements of Section 2809(c) of the Public Utility Code ("Code") and Section 54.40 of the Commission's regulations. 66 Pa.C. S. §2809(c); 52 Pa. Code §54.40.

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<sup>3</sup> *Id.*

**III. Relief Requested and Conclusion**

11. Based on its standing as an EGS licensed to do business in Pennsylvania, the Commission's regulations and the July 24, 2014 Order, Just Energy respectfully requests that it be authorized to amend its current bond security on file with the Commission to 5% of its most recent twelve (12) months of revenue, effective for the period to December 9, 2019. Upon approval of this Petition by the Commission, Just Energy will submit a new bond in this amount that also complies with the Commission's bond requirements for EGSs listed in Section 55.40(f) of the Commission's regulations. 52 Pa.Code §54.40(f).

Respectfully submitted,



John F. Povilaitis  
Buchanan Ingersoll & Rooney PC  
409 North Second Street  
Suite 500  
Harrisburg, PA 17101  
(717) 237-4825

Dated: September 7, 2018

*Counsel for Just Energy Solutions, Inc.  
d/b/a Just Energy*

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**Confidential Attachment 1**  
**(Redacted)**

**Confidential Attachment 2**  
**(Redacted)**

**Confidential Attachment 3**  
**(Redacted)**

**Confidential Attachment 4**  
**(Redacted)**

**Confidential Attachment 5**  
**(Redacted)**

**VERIFICATION**

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

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Dated: September 6, 2018

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Just Energy Solutions, : Docket No. A-110117  
Inc. d/b/a Just Energy, For A :  
Reduction in Level of Bond :  
or Security :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the **public version** of the foregoing document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

**Via First Class Mail**

Small Business Advocate  
300 North Second Street  
Suite 202  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
PO Box 280947  
Harrisburg, PA 17128

Pennsylvania Public Utility Commission  
Bureau of Investigation & Enforcement  
400 North Street, 2<sup>nd</sup> Floor, F West  
Harrisburg, PA 17105-3265

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

Office of Attorney General  
Bureau of Consumer Protection  
15<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120

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

Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101

Legal Department  
First Energy  
2800 Pottsville Pike  
Reading, PA 19612

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

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

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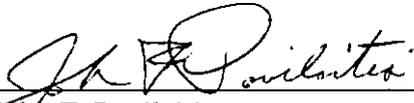
Office of General Counsel  
Attn: Kimberly A. Klock  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

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

UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12<sup>th</sup> Street, Suite 360  
P.O. Box 12677  
Reading, PA 19612-2677

Vice President – Energy Supply  
Corning Natural Gas Holding Corporation  
330 West William Street  
Corning, NY 14830

Dated this 7<sup>th</sup> day of September, 2018.

  
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John F. Povilaitis

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SECRETARY