**Required of ALL Electric Generation Suppliers regardless of operating as a supplier, broker, marketer, or aggregator.**

**Electric Generation Supplier (EGS) License Bonds**

 EGSs operating as Suppliers are required to provide a financial security instrument that is the greater of $250,000 or 10% of Gross Receipts, unless it has previously received Commission approval for a reduced level from the greater of $250,000 or 10% of Gross Receipts down to the greater of $250,000 or 5% of Gross Receipts.

 EGSs operating exclusively as Brokers/Marketers are required to provide a financial security instrument in the amount of $10,000.

The security instrument must name the Pennsylvania Public Utility Commission as the obligee or beneficiary, and must contain the following unmodified language:

 **NOW THEREFORE,** the condition of this obligation is such that the Principal must act in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. 2809(c)(1)(i), to assure compliance with applicable provisions of the Public Utility Code, 66 Pa. C.S. 101, et seq. and the rules and regulation of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier; to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility Code, 66 Pa. C.S. 2810; to ensure the payment of annual fees as authorized by Act 155 of 2014; to adhere to the requirements of the Alternative Energy Portfolio Standards Act, 73 P.S. § 1648.1 et seq. and 52 Pa.Code 75.1 et seq.; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangement. Payment of claims shall have the following priority: (I) The Commonwealth of Pennsylvania; (II) Electric Distribution Companies for the reimbursement of Gross Receipts Tax; and (III) Private Individuals. Proceeds of the bond may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for the payment of any other tax obligations owed to the Commonwealth of Pennsylvania.

 The **ORIGINAL** bond or other financial instrument must be submitted by overnight delivery to the Secretary of the Pennsylvania Public Utility Commission, 400 North Street, Keystone Building, Harrisburg, PA 17120.

**Continuous Bond**

 **Bond Number:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **KNOW ALL MEN BY THESE PRESENTS** that **[*APPLICANT NAME]*** as Principal, and ***[NAME OF SURETY COMPANY]*** of ***[CITY]****,* ***[STATE]***, as Surety, are firmly bound unto Pennsylvania Public Utility Commission, as Obligee, in the penal sum of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_dollars ($\_\_\_\_\_\_\_\_\_), lawful money of the United States of America for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly, severally, and firmly by these presents.

 **THE CONDITION OF THIS OBLIGATION IS SUCH,** that Whereas the Principal has made application for a license to the Obligee to offer, render, furnish or supply electricity or electric generation services to the public.

 **NOW THEREFORE,** the condition of this obligation is such that the Principal must act in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. 2809(c)(1)(i), to assure compliance with applicable provisions of the Public Utility Code, 66 Pa. C.S. 101, et seq. and the rules and regulation of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier; to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility Code, 66 Pa. C.S. 2810; to ensure the payment of annual fees as authorized by Act 155 of 2014; to adhere to the requirements of the Alternative Energy Portfolio Standards Act, 73 P.S. § 1648.1 et seq. and 52 Pa.Code 75.1 et seq.; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangement. Payment of claims shall have the following priority: (I) The Commonwealth of Pennsylvania; (II) Electric Distribution Companies for the reimbursement of Gross Receipts Tax; and (III) Private Individuals. Proceeds of the bond may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for the payment of any other tax obligations owed to the Commonwealth of Pennsylvania.

 **NOW THEREFORE,** if the Principal shall, during the period commencing on the aforesaid date, faithfully observe and honestly comply with such rules, regulations and statutes that are applicable to an electric generation supplier licensed in Pennsylvania, fulfill its obligation to pay the Gross Receipts Tax to the Commonwealth, fulfill its payment of the annual fees, adhere to the requirements of the Alternative Energy Portfolio Standards Act, and fulfill its obligation to deliver electricity at retail in accordance with contracts, agreements and arrangements, require the execution of this bond, then this obligation shall become void and of no effect.

 **PROVIDED**, the Surety may terminate its future liability under this Bond sixty (60) days after furnishing written notice of such intention to terminate. This termination shall not affect the liability of the Surety and the Principal for any liability incurred by the Principal prior to the effective date of such termination. Any claim under this bond must be instituted within three (3) months of the effective date of termination.

 **THIS BOND WILL REMAIN IN FULL FORCE AND EFFECT** and shall be deemed to be a continuing obligation until terminated.Surety may at any time terminate its liability by giving sixty (60) days written notice of the Obligee, and Surety shall not be liable for any default after such sixty-day notice period, except for defaults occurring prior thereto.

Signed, sealed and dated ***[MONTH DAY, YEAR]***. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Principal

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

COUNTERSIGNED BY Surety

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Surety Agent Attorney-in-Fact