

COMMONWEALTH OF PENNSYLVANIA

DATE: September 9, 1998
SUBJECT: A-110098
TO: Bureau of Fixed Utility Services
FROM: James J. McNulty, Secretary *ddt*

Attached is a copy of the Application of PP&L EnergyPlus Co., for a license to supply Electricity or Electric Generation Services as a Broker/Marketer and Aggregator engaged in the business of supplying electricity.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: Law Bureau

ddt

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PENNSYLVANIA PUBLIC UTILITY COMMISSION
RECEIPT

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

MORGAN LEWIS & BOCKIUS
417 WALNUT STREET
HARRISBURG PA 17101-1904

DATE 9/ 9/98
RECEIPT # 250070

In re: Electrical Generation fees for PP&L ENERGY PLUS CO

Docket Number A-110098.....\$350.00

REVENUE ACCOUNT: 001780-017601-107

CHECK NUMBER: 02737
CHECK AMOUNT: \$350.00

C. Joseph Meisinger
(for Department of Revenue)

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SECRETARY'S BUREAU

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Jesse A. Dillon
Senior Counsel
Tel. 610.774.5013 Fax 610.774.6726
E-mail: jadillon@papl.com

PP&L, Inc.
Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.5151
<http://www.papl.com/>



September 11, 1998

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James J. McNulty
Secretary
Pennsylvania Public Utility Commission
North and Commonwealth Streets
Harrisburg, Pennsylvania 17105

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Application of PP&L EnergyPlus Co. For Approval To Offer, Render,
Furnish Or Supply Electricity Or Electric Generation Services As A
Broker/Marketer Engaged In The Business Of Supplying Electricity, And
An Aggregator Engaged In The Business Of Supplying Electricity, To
The Public In The Commonwealth Of Pennsylvania;
Application Docket No. A-110098**

Dear Secretary McNulty:

Enclosed for filing is an original and three (3) copies of PP&L EnergyPlus Co.'s ("PP&L EnergyPlus") initial bond in accordance with the Joint Petition for Full Settlement of PP&L's Restructuring Plan and Related Court Proceedings at Docket No. R-00973954. This Settlement was approved by the Pennsylvania Public Utility Commission Order adopted August 27, 1998.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on September 11, 1998, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

Respectfully submitted,

Jesse A. Dillon *haa*
Jesse A. Dillon

Enclosures

cc: Donald H. Muth
Robert Bennett
Certificate of Service

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SRB

Wdo

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PP&L EnergyPlus Co. For
Approval To Offer, Render, Furnish Or
Supply Electricity Or Electric Generation
Services As A Broker/Marketer Engaged In
The Business Of Supplying Electricity, And
An Aggregator Engaged In The Business
Of Supplying Electricity, To The Public In
The Commonwealth Of Pennsylvania;

Docket No. A-110098

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CERTIFICATION OF SERVICE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I hereby certify that I have this day served a true copy of the Application of PP&L EnergyPlus Co. For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Broker/Marketer Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania upon the persons, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant):

VIA FIRST CLASS MAIL

PECO Energy Company
Legal Department
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101

Mark C. Morrow, Esquire
UGI Utilities, Inc. – Electric Division
P.O. Box 858
Valley Forge
Forge, PA 19482

Bonnie Shadle
Citizens Electric Company
Vice President Treasurer
P.O. Box 551
Lewisburg, PA 17837

John L. Munsch
Charles Ault
Allegheny Power
800 Cabin Hill Dr.
Greensburg, PA 15601

Office of Attorney General
1425 Strawberry Square
Harrisburg, PA 17120

Pike County Light & Power Company
One Blue Hill Plaza
21st Floor
Pearl River, NY 10965

David Carroll, Dir of Rates – PA
Metropolitan Edison Company
Pennsylvania Electric Company
2800 Pottsville Pike
Reading, PA 19605

Larry R. Crayne
Richard S. Herskovitz
Duquesne Light Company
411 Seventh Ave., P.O. Box 1930
Pittsburgh, PA 15230

Stephen L. Feld, Attorney
Pennsylvania Power Company
1 East Washington St., P.O. Box 891
New Castle, PA 16103

Irwin A. Popowsky
Consumer Advocate
Office of Consumer Advocate
555 Walnut St.
Forum Place, 5th Fl.
Harrisburg, PA 17101

Bernard A. Ryan, Jr., Esquire
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 North 2nd St.
Harrisburg, PA 17101

Pamela C. Polacek
James P. Dougherty
McNees, Wallace & Nurick
100 Pine St.
P.O. Box 1166
Harrisburg, PA 17108
For Wellsborough Electric Company



Jesse A. Dillon

Dated: September 11, 1998

KNOW ALL MEN BY THESE PRESENTS, That we PP&L ENERGYPLUS CO., Two North Ninth Street, Allentown, PA 18101, hereinafter referred to as the Principal, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, CNA Plaza, Chicago, IL 60685, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, and authorized to do business in the Commonwealth of Pennsylvania, as Surety, are held and firmly bound unto PENNSYLVANIA PUBLIC UTILITY COMMISSION, P.O. Box 3265, Harrisburg, PA 17105, hereinafter referred to as Oblige, in the sum of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00) lawful money of the United States of America, to the payment of which sum, well and truly to be made, we bind ourselves, our executors, administrators, successors, and assigns, firmly by these presents.

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

NOW, THEREFORE, if the Principal shall faithfully comply with all rules and regulations which have been or may hereafter be in force concerning said License, then this obligation shall be void; otherwise, to remain in full force and effect.

This bond is written in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. Section 2809(c)(1)(i), to assure compliance with applicable provisions of the Public Utility Code, 66 Pa. C.S. Sections 101, et. seq. And the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier; to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility Code, 66 Pa. C.S. Section 2810, and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this bond shall enure first to the benefit of the Commonwealth, and second, to any and all retail electric generation customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contract, agreements or arrangements. Any claims made by the Commonwealth shall have priority over claims made by private individuals. Proceeds of the bond may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth.

Subject, however, to the following:

1. The aggregate liability of the Principal and Surety is limited to the foregoing penal sum which penal sum shall be reduced by any payment made in good faith hereunder.
2. The Principal and Surety shall have no obligation to any claimant other than the Commonwealth unless the claimant furnishes a written notice to Principal and Surety within

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thirty (30) days following a breach for which recovery is demanded, said notice to provide a reasonable explanation of the breach.

3. THIS BOND WILL EXPIRE September 8, 1999 but may be continued by continuation certificate signed by Principal and Surety. The surety may at any time terminate its liability by giving sixty (60) days written notice to the Obligee, and the surety shall not be liable for any default after such sixty-day notice period, except for defaults occurring prior thereto.

SIGNED, SEALED AND DATED this 8th day of September, 1998.

PP&L ENERGYPLUS CO.

By: John Liguia
Vice-President - Market Planning

AMERICAN CASUALTY COMPANY
OF READING, PENNSYLVANIA

By: Sally A. Shaw
Sally A. Shaw, Attorney-in-fact

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article VI—Execution of Obligations and Appointment of Attorney-in-Fact

Section 2. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Executive, Senior or Group Vice President may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

"RESOLVED: That the President, an Executive Vice President, or any Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation."

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That CONTINENTAL CASUALTY COMPANY, an Illinois corporation, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a Connecticut corporation, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a Pennsylvania corporation (herein collectively called "the CNA Surety Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signature and seals herein affixed hereby make, constitute and appoint John R. Mannering, Harry C. Rosenberg, Sally A. Shaw, Kathleen M. Berkelback, Kathryn G. Schneider, Teresa R. Del Bonifro, Matthew J. Rosenberg, Jane L. Cole, David C. Rosenberg, Individually

of Bala Cynwyd, Pennsylvania

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

- In Unlimited Amounts -

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

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

In Witness Whereof, the CNA Sureties Companies have caused these presents to be signed by their Group Vice President and their corporate seals to be hereto affixed on this 28th day of April, 1997.



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

M.C. Vonnahme

Group Vice President

State of Illinois, County of Cook, ss:

On this 28th day of April, 1997, before me personally came

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



My Commission Expires June 5, 2000

Eileen T. Pachuta

Notary Public

CERTIFICATE

I, Robert E. Ayo, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of each corporation printed on the reverse hereof are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seals of the said corporations this 8th day of September, 1998.



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

Robert E. Ayo

Assistant Secretary

CNA INSURANCE COMPANIES

AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA STATEMENT OF ASSETS AND LIABILITIES December 31, 1997

ASSETS:

Cash		\$ 667,306
Short-term investments (principally U.S. Government Obligations)		40,393,574
United States Government obligations		714,216,832
Other public bonds		187,383,428
Industrial and miscellaneous bonds		41,469,233
Preferred stocks		-
Common stocks of affiliated companies		289,109,872
Other common stocks		1,611,732
Real Estate		408,229
Premiums and agents' balances in course of collection		63,658,272
Premiums, agents balances and installments booked but deferred and not yet due		21,287,575
Accrued retrospective premiums		33,373,309
Accrued interest dividends and rents		10,416,307
Other Assets		71,152,473
Admitted Assets		<u>\$ 1,475,148,142</u>

LIABILITIES:

Unearned premium reserve		\$ 129,705,862
Reserve for loss and loss adjustment expense		822,040,713
Reserve for taxes, licenses and fees (including federal income taxes)		5,347,154
Other Liabilities		31,973,069
Total Liabilities		<u>\$ 989,066,798</u>

SURPLUS:

Capital paid up (\$5.00 par value)		
Shares authorized: 2,000,000 issued: 840,000		\$ 4,200,000
Surplus		481,881,343
Surplus as Regards Policyholders		<u>486,081,343</u>
Total		<u>1,475,148,141</u>

Failure of items to add to totals shown is due to rounding.

State of Illinois)
) ss
County of Cook)

On this 20th day of April, 1998, before me came Patricia L. Kubera and Mary A. Ribikawskis, known to me personally to be the Group Vice President and the Assistant Secretary, respectively, of the American Casualty Company of Reading, Pennsylvania being fully sworn, certify and attest that the foregoing statement is a true and correct statement of the assets and liabilities of the said company as of the date shown in the statement.


Mary A. Ribikawskis, Assistant Secretary


Patricia L. Kubera, Group Vice-President


Diane Faulkner
Notary Public

