

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. REPORT DATE: April 25, 2006	2. BUREAU AGENDA NO. MAY-2006-FUS-1032*
3. BUREAU: Fixed Utility Services	
4. SECTION(S): Energy	5. PUBLIC MEETING DATE: May 4, 2006
6. APPROVED BY: Director: Rosenthal 3-5242 Mgr/Spvr: Rodrock 3-6185 Legal Review: <i>[Signature]</i>	
7. PERSONS IN CHARGE: Rodrock/Shurskis 3-6185	9. EFFECTIVE DATE OF FILING: N/A
8. DOCKET NO.: A-110169	

10. (a) **CAPTION** (abbreviate if more than 4 lines)
 (b) **Short summary of history & facts, documents & briefs**
 (c) **Recommendation**

**DOCUMENT
FOLDER**

- (a) License Application of Energy Savers, Inc.
(Home Office: Pittsburgh, PA)
- (b) On March 31, 2006, Energy Savers, Inc. filed an application for a license to operate as an intermediary as a consultant, broker or marketer of electricity supply services to commercial, industrial and governmental customers in the service territory of Duquesne Light Company, within the Commonwealth of Pennsylvania.

The License Application is filed in accordance with the requirements of Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

Energy Savers, Inc. requests a reduction in the amount of security bond pursuant to 66 Pa. C.S. Section 2809 and 52 Pa. Code Section 54.40(d).

- (c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed Order.

11. **MOTION BY:** Commissioner Chm. Holland

SECONDED: Commissioner Cawley

Commissioner Shane - Yes
Commissioner Pizzingrilli - Yes
Commissioner Fitzpatrick - Yes

CONTENT OF MOTION: Staff recommendation adopted.

DOCKETED
MAY 30 2006



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

May 8, 2006

REFER TO OUR FILE

A-110169

JAMES R BEHR PRESIDENT
ENERGY SAVERS INC
306 MCKNIGHT PARK DRIVE
PITTSBURGH PA 15237-6534

DOCUMENT
FOLDER

The Application of Energy Savers, Inc. for approval to begin to offer, render, furnish or supply consulting, broker or marketer services regarding electricity supply and generation services, as an intermediary, to the public in the service territory of Duquesne Light Company within the Commonwealth of Pennsylvania.

To Whom It May Concern:

This is to advise you that an Order has been adopted by the Commission in Public Meeting on May 4, 2006 in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

Enclosure
Certified Mail
LJM

RJP

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held May 4, 2006

Commissioners Present:

Wendell F. Holland, Chairman
James H. Cawley, Vice Chairman
Bill Shane
Kim Pizzingrilli
Terrance J. Fitzpatrick

License Application of Energy Savers, Inc.
for Approval to Offer, Render, Furnish
or Supply Electricity or Electric Generation Services
as an Intermediary as a Consultant, Broker or
Marketer of Electricity Supply Services.

Docket No.
A-110169

ORDER

BY THE COMMISSION:

On March 31, 2006, Energy Savers, Inc. ("Energy Savers") filed an application seeking to become a licensed electric generation service supplier in the Commonwealth of Pennsylvania. The application was filed pursuant to the Commission's regulations at 52 Pa. Code §§ 54.31-54.43, which became effective on August 8, 1998, and which were established under Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

§2809 provides in pertinent part that:

License Requirement.--No person or corporation,
including municipal corporations which choose to provide
service outside their municipal limits except to the extent

provided prior to the effective date of this chapter, brokers and marketers, aggregators and other entities, shall engage in the business of an electric generation supplier in this Commonwealth unless the person or corporation holds a license issued by the Commission. 66 Pa. C.S. §2809.

An electric generation supplier is defined as:

A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators or any other entities, that sells to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company, or that purchases, brokers, arranges or markets electricity or related services to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company. 66 Pa. C.S. §2803.

It is important to note that a licensee must comply with, and be governed by, applicable Chapter 56 residential service regulations as set forth in the Commission Order *Guidelines for Maintaining Customer Service at the Same Level of Quality Pursuant to 66 Pa. C.S. §2807(d), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. Code Chapter 56 Pursuant to §2809(e) and (f) and Addressing the Application of Partial Payments (M-00960890 F0011)*. Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa Code Chapter 56) is applicable to residential accounts. An electric generation supplier cannot physically disconnect a residential customer from the electricity grid; therefore, the rules relating to residential service termination are not applicable to electric generation suppliers. An electric generation supplier may seek to terminate its generation service through an appropriate written notice to the customer and the distribution company. The residential customer can then attempt to repair their relationship with the supplier, seek a new supplier, or default to utility service at capped rates in accordance with the utility's obligations under Section 2807(e), 66 Pa. C.S. §2807(e). The customer would only be

disconnected from the electricity grid pursuant to appropriate regulations if the customer failed to meet its obligations to the utility or the electric generation supplier that has been designated by the Commission as the provider of last resort.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives and employees have agreed to lawfully abide by all Commission regulations, procedures and orders, 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.

Energy Savers is a Sub-chapter S corporation, incorporated on April 20, 1984, in the Commonwealth of Pennsylvania. Energy Savers proposes to provide consulting, broker or marketer services regarding electricity supply and generation services, as an intermediary, to commercial, industrial and governmental customers in the service territory of Duquesne Light Company, within the Commonwealth of Pennsylvania.

Energy Savers has provided proofs of publication in Pennsylvania newspapers and proofs of service to the interested parties as required by the Commission.

Regarding the financial and technical requirements of the license application, Energy Savers has submitted financial statements for the years ended December 31, 2004, and December 31, 2005. Energy Savers has also provided a Dun & Bradstreet 'Credit eValuator Report,' dated March 20, 2006. Energy Savers is licensed as a natural gas supplier in the Commonwealth of Pennsylvania, at Docket No. A-125064. Sufficient information has been provided by Energy Savers to demonstrate its financial and technical fitness in order to be licensed to operate as an intermediary as a consultant, broker or marketer of electricity supply services in Pennsylvania.

Energy Savers did not provide a \$250,000 bond as required by the license application; however, it did provide a bond in the amount of \$10,000 and requests that the Commission reduce its bonding requirement from \$250,000 to \$10,000. In support of this request, Energy Savers explains that, as a consultant, it will assist its customers in obtaining and/or arranging for third party suppliers of electrical power and assist other licensed EGSs to increase market share. Energy Savers also states that it will not take title to power.

The Commission believes that the reasoning on which Energy Savers based its request for a bond reduction from \$250,000 to \$10,000 is similar to that offered by the seven other EGSs who have successfully petitioned the Commission for a bonding level of \$10,000. Two of the EGSs are Energy Management Resources of Missouri, Inc. ("EMR"), at Docket No. A-110101, whose request was granted August 7, 2003, and Co-eXprise, Inc. ("Co-eX"), at Docket No. A-110166, whose request was granted January 20, 2006. In the case of EMR, the company stated that it operated solely as a consultant that assists its clients in understanding and effectively making the selection of third party electricity suppliers, does not purchase or take title to electricity, and is not responsible for adding and collecting gross receipts taxes. In the case of Co-eX, the company explained that, as a consultant, it will provide its customers with an evaluation and selection process from which to select the best positioned licensed electricity supplier/generator and award business. The Commission believes that Energy Savers operates in a similar manner and therefore should be granted similar relief and be permitted to provide a bond or other approved security in the reduced amount of \$10,000.

Energy Savers has provided the required Pennsylvania Emergency Management Agency ("PEMA") contact information.

As of April 25, 2006, no protests have been filed.

We find that the applicant:

1. Is fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and lawful Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to Standards and Billing Practices for Residential Utility Service).
2. Has agreed to lawfully abide by all Commission regulations, procedures and orders, 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.
3. That the proposed service, to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation and convenience of the public; **THEREFORE,**

IT IS ORDERED:

1. That the application of Energy Savers, Inc. is hereby approved, consistent with this Order.

2. That Energy Savers, Inc.'s request for a reduction in the bond level from \$250,000 to \$10,000 is hereby granted.

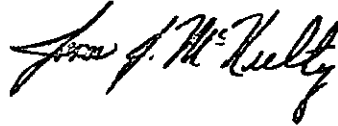
3. That the security amount of \$10,000 shall remain in effect for Energy Savers, Inc. as long as Energy Savers, Inc. does not expand its limited licensed activities beyond energy consulting.

4. That prior to expanding its limited licensed activities beyond energy consulting, Energy Savers, Inc. shall submit a replacement bond or other approved security in an amount required by 52 Pa. Code § 54.40, or other applicable Commission order.

5. That a license be issued authorizing Energy Savers, Inc. to begin to offer, render, furnish or supply electric generation supplier services to the public in the service territory of Duquesne Light Company, within the Commonwealth of Pennsylvania, as specified in the Order.

6. That this proceeding at Docket No. A-110169 be closed.

BY THE COMMISSION,

A handwritten signature in cursive script, appearing to read "James J. McNulty".

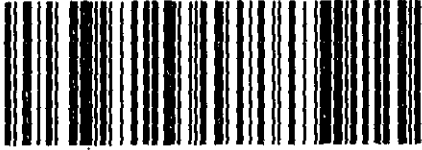
James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: May 4, 2006

ORDER ENTERED: **MAY 08 2006**

2. Article Number



7160 3901 9843 0840 4177

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) Yes

1. Article Addressed to:

A-110169

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JAMES BEHR

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

SHIRLEY BASILAURO 5/10

C. Signature

X Shirley Basilauro

Agent
 Addressee

D. Is delivery address different from item 1?

If YES, enter delivery address below:

Yes
 No

