



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

IN REPLY PLEASE  
REFER TO OUR FILE

October 2, 2012

Docket No. A-110173

EUGENE F CARTER JR  
AMERICAN POWERNET MANAGEMENT LP  
45 COMMERCE DRIVE  
WYOMISSING PA 19610

Re: Security Level for American Powernet Management LP

Dear Mr. Carter:

On July 11, 2011, Commission staff sent American Powernet Management LP (APM or Company) a letter regarding APM's "License Bond or Other Financial Security". The letter stated "The Commission's regulations at 52 Pa. Code §54.40(d) require 'the security level for each licensee will be reviewed annually and modified primarily based upon the licensee's reported annual gross receipts information. The security level will be 10% of the licensee's reported gross receipts.'" The letter indicated that the anniversary date occurred on September 7, 2011.

On November 2, 2011, in response to APM's license amendment request, Commission staff sent APM a data request stating "On July 29, 2011, APM submitted a request to amend its license. Please provide gross receipts for the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2010 to be used in the calculation of a bonding requirement for American PowerNet Management, LP. This request is in accordance with 52 PA Code § 54.40 (bonds or other security)." On November 4, 2011, APM filed a response to the data request.

APM did not adjust its bonding level in response to either staff communication. Instead, APM filed a request for a reduced bonding level on February 29, 2012. At this time, a decision on APM's Petition for a bond reduction is pending at P-2012-2294002.

Due to the length of time that APM has operated with a security level that does not meet the requirement of the Commission's regulation at 52 Pa. Code §54.40(d) and the significant difference between the amount of APM's current security and the amount required by the Commission's regulations; we direct APM to file a surety bond or letter of credit in the amount of 10% of the Company's reported gross receipts for the calendar year 2011, as identified in the Company's response to the Commission's April 16, 2012 data request, filed May 3, 2012.

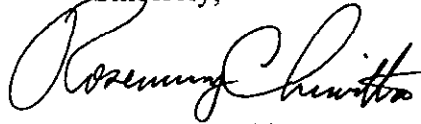
Therefore, APM is directed to file a surety bond or letter of credit in the above amount within 20 days of the date of this letter. Failure to file a surety bond or letter of credit in

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the appropriate amount and within the time limit specified will result in the matter being referred to the Commission's Bureau of Investigation & Enforcement for investigation, and possible enforcement action.

Please direct any questions to James Shurskis, Bureau of Technical Utility Services at (717) 787-8763.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosemary Chiavetta".

Rosemary Chiavetta  
Secretary

cc: James Shurskis