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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE** |

# January 11, 2016

# Docket No. A-110158

# Utility Code: 110158

MICHAEL A GRUIN esquire

STEVENS & LEE

17 NORTH SECOND STREET 16TH FLOOR

HARRISBURG PA 17101

Re: Change of Security Requirement for Electric Generation Suppliers for WGL Energy Services, Inc.

Dear Mr. Gruin:

On December 8, 2015, WGL Energy Services, Inc. (WGL) filed a petition to change its form of security with the Pennsylvania Public Utility Commission from a bond to a parental guarantee for 10% of the most recent twelve (12) months of revenue pursuant to the Commission’s Order entered July 24, 2014 at Docket No. M-2013-2393141.

The Commission’s July 24, 2014, security reduction Order states:

*“At a minimum, Commission staff will require each EGS seeking this change to:*

1. *Provide its gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent 12 months;*
2. *Provide the amount of gross receipts taxes that the EGS has prepaid towards its estimated revenues for the three prior years or the life of its license, whichever is the least period of time;*
3. *Submit documentation, if the EGS is proposing to utilize a parental or corporate guarantee, that demonstrates that the guarantor meets the required long-term security rating from two of the approved rating agencies;*
4. *Provide available AEPS compliance data from the most recent 12 months; and*
5. *Provide copies of all Department of Revenue documents that support the EGS’s request.*

*Depending on the nature of the EGS’s request, Commission staff may seek more information from the EGS, such as demonstration that the EGS has paid Pennsylvania GRT for the previous calendar year(s).”*

Upon review of WGL’s petition to change its form of security, we find that the proposed change to a parental guarantee for 10% of gross receipts does not appear to be unlawful, unjust, unreasonable, or contrary to the public interest. Accordingly, we will grant WGL’s security change request to become effective on the date of this Secretary Letter.

The security change shall be effective for one year and may be renewed annually for additional years by the Commission, provided WGL provides annual documentation of its eligibility for a security change with the Commission’s annual security review pursuant to 52 Pa.Code Section 54.40(d), (90) days prior to the security expiration date. In the event WGL does not provide such documentation to the Commission, its security change will cease and WGL will be required to provide another form of security.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code §5.44, file a Petition of Reconsideration with the Commission within twenty (20) days of the date of this letter. The petition should be addressed to Secretary Rosemary Chiavetta, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120.

If you have any questions related to this filing, please contact Jeff McCracken of the Commission’s Bureau of Technical Utility Services at jmccracken@pa.gov (preferred) or (717) 783-6163.

 Sincerely,

Rosemary Chiavetta

Secretary