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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  400 NORTH STREET, HARRISBURG, PA 17120 | **IN REPLY PLEASE REFER TO OUR FILE** |

April 9, 2018

# Docket No. A-110098

# Utility Code: 110098

TERESA L DEVANNEY

TALEN ENERGY MARKETING, LLC

835 HAMILTON ST STE 150

ALLENTOWN PA 18101

Re: Bonding/Security Reduction for Electric Generation Suppliers

Dear Ms. Devanney:

On February 13, 2018, Talen Energy Marketing, LLC (Talen Energy) filed a petition with the Commission for permission to renew its Electric Generation Supplier (EGS) financial security at the level of 5% of its most recent four quarters of revenue.

Talen Energy filed the petition pursuant to the Commission’s Order entered July 24, 2014, at Docket No. M‑2013-2393141 (Reduction Order).

The Reduction Order at page 16 states that an EGS must, among other things, “provide the amount of gross receipt taxes that the EGS has prepaid towards it estimated revenues for the current calendar year”.

On March 12, 2018, Commission staff sent Talen Energy a data request asking for proof of prepayment of gross receipt taxes. On March 19, 2018, Talen Energy filed a response to the data request stating that it will not be prepaying its gross receipt taxes for the current calendar year.

Because Talen Energy failed to prepay its gross receipt taxes, we believe a reduction of Talen Energy’s financial security to 5% of its most recent four quarters of revenue would be impudent, since that level of financial security may not cover Talen Energy’s Gross Receipt Tax liability, as it is intended to do. Therefore, Talen Energy’s petition for a bond reduction is hereby denied.

In accordance with 52 Pa. Code 5.44, this staff action will be deemed to be the final action of the Commission unless a petition of reconsideration is filed with the Secretary of the Commission within 20 days of the date on this notice.

 Sincerely,

Rosemary Chiavetta

Secretary