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September 7, 2018

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

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SECRETARY'S BUREAU
FRONT DESK

Re: Petition of Just Energy Pennsylvania Corp for a Reduction in Level of Bond or Security, Docket No. A-2009-2097544


Dear Secretary Chiavetta,

Enclosed please find Just Energy Pennsylvania Corp's ("JEPC") verified Petition for a Renewal of Reduced Security Level Authorization ("Petition"). This filing includes commercially valuable and sensitive information for which JEPC requests confidential treatment. Accordingly, enclosed is a version of the Petition marked "Public Version" for inclusion in the public record, and a version of the Petition marked "Confidential Version." **JEPC respectfully requests that the Confidential Version of its Petition be maintained by the Pennsylvania Public Utility Commission ("Commission") under seal.** Also enclosed is a filing fee in the amount of \$350.00.

Copies of JEPC's Public Version of its Petition have been served on each of the Public Advocates, the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Technical Utility Services, the Commonwealth of Pennsylvania's Department of Revenue, the Office of Attorney General's Bureau of Consumer Protection and all Pennsylvania electric distribution companies as indicated in the attached Certificate of Service.

Please contact the undersigned if you have any questions regarding this filing. Thank you for your attention to this matter.

Very truly yours,


John F. Povilaitis

JFP/tlg
Enclosures
cc: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Just Energy Pennsylvania Corp : Docket No. A-2009-2097544
For A Reduction in Level of Bond :
or Security :

PETITION OF JUST ENERGY PENNSYLVANIA CORP FOR A
RENEWAL OF REDUCED SECURITY LEVEL AUTHORIZATION

I. Introduction

1. Just Energy Pennsylvania Corp (“JEPC” or “Company”) is an electric generation supplier (“EGS”) authorized by the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) to operate as an electric generation supplier and a broker/marketer and aggregator engaged in the business of supplying electricity to residential, small commercial and large commercial customers in all electric distribution company service territories in the Commonwealth of Pennsylvania. JEPC, f/k/a as Pennsylvania Energy Savings Corp, received its initial license to operate as an EGS in the service territory of Duquesne Light Company by Order of December 23, 2009 at Docket No. A-2009-2097544. By Order of June 21, 2012, JEPC obtained authority to operate as an EGC in all electric distribution company service territories in the Commonwealth of Pennsylvania at Docket No. A-2009-2097544. As a licensed EGS, JEPC is subject to the Commission’s authority to require it to furnish a bond or other security in order to operate in the Commonwealth of Pennsylvania, pursuant to Section 2809(c) of the Public Utility Code (“Code”) and Section 54.40 of the Commission’s regulations. 66 Pa.C. S. §2809(c); 52 Pa.Code §54.40.

2. Section 54.40(d) of the Commission’s regulations requires EGSs to provide a security level of 10% of the licensee’s reported gross receipts. However, a licensee may seek

approval from the Commission of an alternative level of bonding, commensurate with the nature and scope of its operations. 52 Pa.Code §54.40(d). According to the Commission's regulations, the purpose of the bond is to ensure payment of the Pennsylvania Gross Receipts Tax ("GRT") and to ensure the supply of electricity at the retail level in accordance with contracts, agreements or arrangements. 52 Pa.Code §54.40(f)(2). On July 24, 2014, after consideration of formal comments submitted to a December 5, 2013 Tentative Order, the Commission found that requiring an EGS to post a bond or security in the amount of 10% of gross receipts after the first year of operation "may be excessive in relation to the risk intended to be secured, unnecessarily burdening EGSs, and presenting a potential barrier to entry into Pennsylvania's retail electric market."¹ Therefore the Commission announced in the July 24, 2014 Order that it was adopting the policy of accepting Petitions by EGSs to reduce their level of bonding/security after the first year of operation to 5% of the EGS's most recent 12 months of gross revenue or \$250,000, whichever is higher. In addition, the July 24, 2014 Order delegated authority to review uncontested requests for a reduction in the level of bonding to the Bureau of Technical Utility Services.²

3. Based on the July 24, 2014 Order, the Code, the Commission's regulation at Section 54.40(d) and the following supporting material, JEPC respectfully requests that the Commission approve a reduction in its security requirement to 5% of its most recent 12 months of gross revenue.

4. By Secretarial Letter Dated October 12, 2017 at Docket No. A-2009-2097544, Utility Code: 1110954, the Commission approved JEPC's September 6, 2017 Petition for a security reduction, effective to December 9, 2018. This approval synchronized the Company's

¹ *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers: Acceptable Security Instruments*, Docket No. M-2013-2393141 (July 24, 2014) ("July 24, 2014 Order") at 10.

² July 24, 2014 Order at 12-13.

twelve (2) month security reduction period with its annual security renewal period. JEPC respectfully requests that the Commission set its new bond reduction renewal date as December 9, 2019 for it and its two other affiliates - Hudson Energy Services, LLC (“Hudson Energy”), Docket No. A-2010-2192137, and Just Energy Solutions (“JES”), Docket No. A-110117. Security reduction renewal requests are being separately filed for Hudson Energy and JES requesting the same security reduction periods and annual security renewal dates in order to streamline the entire process for the Commission and the companies.

II. Information Provided in Support of Bond Reduction Request

5. Prior to filing this Petition to reduce its bonding requirement, JEPC informally consulted with Commission staff to obtain guidance as to the appropriate information to support such a request, as was suggested by the Commission in the July 24, 2014 Order.³ Based on that consultation, this Petition includes Confidential Attachments 1 through 5. Confidential Attachment 1 provides JEPC’s gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent twelve (12) months.

6. Confidential Attachment 2, a Tax Status Letter of Good Standing from the Pennsylvania Department of Revenue (“DOR”) for JEPC is not yet available, but will be supplied as a supplemental filing.

7. Confidential Attachment 3 documents JEPC’s full compliance with the requirements of the Alternative Energy Portfolio Standards (“AEPS”) Act.

8. Confidential Attachment 4 is proof that JEPC has prepaid gross receipts taxes.

9. Confidential Attachment 5 is proof that JEPC is current in its assessment obligation to the PaPUC for regulatory costs.


³ *Id.*

10. Based on the foregoing information, JEPC requests that its bonding requirement be reduced to 5% of its most recent twelve (12) months of gross revenue. This amount is reasonable and satisfies the requirements of Section 2809(c) of the Public Utility Code (“Code”) and Section 54.40 of the Commission’s regulations. 66 Pa.C. S. §2809(c); 52 Pa. Code §54.40.

III. Relief Requested and Conclusion

11. Based on its standing as an EGS licensed to do business in Pennsylvania, the Commission’s regulations and the July 24, 2014 Order, JEPC respectfully requests that it be authorized to amend its current bond security on file with the Commission to 5% of its most recent twelve (12) months of revenue, effective for the twelve (12) month period to December 9, 2019. Upon approval of this Petition by the Commission, JEPC will submit a new bond in this amount that also complies with the Commission’s bond requirements for EGSs listed in Section 55.40(f) of the Commission’s regulations. 52 Pa.Code §54.40(f).

Respectfully submitted,


John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 North Second Street
Suite 500
Harrisburg, PA 17101
(717) 237-4825

Dated: September 7, 2018

Counsel for Just Energy Pennsylvania Corp

Confidential Attachment 1
(Redacted)

Confidential Attachment 2
(Redacted)


Confidential Attachment 3
(Redacted)

Confidential Attachment 4
(Redacted)

Confidential Attachment 5
(Redacted)

VERIFICATION

I, Kristina Montgomery, Manager, Regulatory Affairs, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

 _____

Dated: September 6, 2018

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Just Energy Pennsylvania Corp : Docket No. A-2009-2097544
For A Reduction in Level of Bond :
or Security :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the **public version** of the foregoing document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

Via First Class Mail

Small Business Advocate
300 North Second Street
Suite 202
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
PO Box 280947
Harrisburg, PA 17128

Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
400 North Street, 2nd Floor, F West
Harrisburg, PA 17105-3265

Citizens' Electric Company
Attn: EGS Coordination
1775 Industrial Boulevard
Lewisburg, PA 17837

Office of Attorney General
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120

Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101

Legal Department
First Energy
2800 Pottsville Pike
Reading, PA 19612

Legal Department
West Penn Power d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Wellsboro Electric Company
Attn: EGS Coordination
33 Austin Street
P.O. Box 138
Wellsboro, PA 16901

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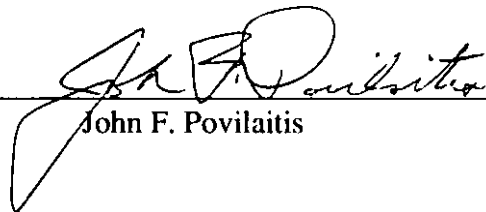
Office of General Counsel
Attn: Kimberly A. Klock
PPL
Two North Ninth Street
Allentown, PA 18108-1179

UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12th Street, Suite 360
P.O. Box 12677
Reading, PA 19612-2677

Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Vice President – Energy Supply
Corning Natural Gas Holding Corporation
330 West William Street
Corning, NY 14830

Dated this 7th day of September, 2018.



John F. Povilaitis

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