

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105**

**Electric Generation Supplier License  
Cancellations of Companies with an  
Expired Financial Security**

**Public Meeting: April 7,2016  
2490383-OSA  
Docket Nos. M-2015-2490383**

**Application of Sprague Operating  
Resources LLC to Abandon its Electric  
Generation Supplier License**

**A-2015-2494779**

**License Application of Sprague Operating  
Resources LLC for Approval to Offer,  
Render, Furnish or Supply Electricity or  
Electric Generation Services as a  
Broker/Marketer**

**A-2012-2292048**

**MOTION OF VICE CHAIRMAN ANDREW G. PLACE**

Before the Commission is the Petition for Reconsideration and Application to Abandon of Sprague Operating Resources LLC (Sprague) of the Commission's August 28, 2015 Order (Final Order) canceling Sprague's Electric Generation Supplier (EGS) service license.

Sprague received a license from the Commission to provide services as a broker/marketer in Pennsylvania in June 2012 and as such was required to have a bond in the amount of \$10,000 to satisfy its security requirement. By Secretarial Letter in November 2013, the Commission notified Sprague that the expiration of its bond would occur on January 2014 and that Sprague must file a proper financial security with the Commission in order to maintain its EGS license and failure to do so might result in the cancellation of its license. The Commission further notified Sprague by an additional Secretarial Letter in March 2015 that it must file an original financial security with the Commission and that failure to do so might result in cancellation of its EGS license. The latter Secretarial Letter was returned to the Commission as undeliverable.

In July of 2015, the Commission entered a Tentative Order (Tentative Order) which provided that "absent the filing of adverse public comment or an approved security within thirty days after publication in the *Pennsylvania Bulletin*" Sprague and certain other EGS licensees would have their licenses canceled. *Electric Generation Supplier Order of Companies with and Expired Financial Security*, Docket No. M-2015-2490383. The Commission forwarded this Tentative Order to Sprague however it was returned as undeliverable. The day before the Tentative

Order was published in the Pennsylvania Bulletin, Sprague filed an "Application to Abandon" with the Commission. The "Application" stated:

Please let this letter serve as notice to the Pennsylvania (sic) Public Utilities Commission of Sprague Operating Resources LLCs (sic) intent to withdrawel (sic)/abandon its license as an Electric Broker/Marketer in the state.

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Please contact Legal Assistant, Teresa Mitchell at 603-766-7485 should you have any questions or need additional information.

There is no record of any contact by the Commission with Sprague relating to this Application. Subsequent to the reception of the Application to Abandon, the Commission once again sent the Tentative Order to Sprague at another address. This document was not returned to the Commission.

In the Commission's Final Order, we stated that the Tentative Order had become final by operation of law and the EGS license held by Sprague was canceled as Sprague had not filed an adverse comment or approved security within thirty days after the publication of the Tentative Order in the Pennsylvania Bulletin. There was no mention of Sprague's "Application to Abandon" that had been filed prior to the Tentative Order's publication.

Sprague filed a timely Petition for Reconsideration in September 2015 which included copies of a bond for \$250,000, exceeding the \$10,000 required for broker marketers, which covered the entire period when Sprague was a licensed broker marketer and which would expire in January 2016. In January 2016, Sprague filed a Continuation Certificate for the same bond until January 2017.

The Petition for Reconsideration is predicated on the assertion that Sprague had a bond in place although it was not on file with the Commission during the period in question; that Sprague had no Pennsylvania customers during the period in question; and that Sprague's failure to file the bond and to respond to the Commission's many communications was a matter of administrative inadvertence. Although I do not find these arguments persuasive, I believe that under the Duick standard, we should grant the Petition for Reconsideration as the Commission did not consider the filed Application for Abandonment prior to the entry of the Final Order. Given that, I would grant the Petition for Reconsideration. *Duick V. Pennsylvania Gas and Water Company* 1982 Pa. PUC Lexis 4. This position is limited by other specifics in this case including the fact that Sprague is a broker marketer, it had no Pennsylvania customers and also had a bond in place although not on file with the Commission.

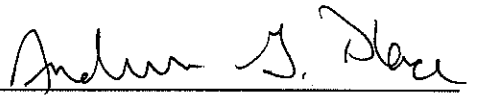
The Commission will therefore consider the Application for Abandonment pursuant to the criteria contained in our regulations as the Application is no longer

moot. 52 Pa. Code § 54.41. Sprague shall continue to comply with all applicable laws and regulations while that application is pending. The Tentative Order shall be held in abeyance with respect to Sprague pending consideration of the Application for Abandonment. Should the Application not be granted, the Commission shall take further action on the Tentative Order with respect to Sprague as is necessary.

**THEREFORE, I move that:**

1. The Petition for Reconsideration be granted and that the Application for Abandonment be duly considered as provided by this Motion.
2. The Office of Special Assistants prepare an Order consistent with this Motion.

**DATE: April 7, 2016**

  
Andrew G. Place, Vice Chairman