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

**Table of Contents**

**Electric Generation Supplier (EGS) Application Package FAQ**

[General and Important Notes](#Section_00)

* 1. [Identification and Contact Information](#Section_01)
  2. [Business Entity Filings and Registration](#Section_02)
  3. [Affiliates and Predecessors](#Section_03)
  4. [Operations](#Section_04)
  5. [Compliance](#Section_05)
  6. [Proof of Service](#Section_06)
  7. [Financial Fitness](#Section_07)

7.a. [EGS Financial Security](#Section_07_a)

7.b. [Financial Records, Statements, and Ratings](#Section_07_b)

1. [Technical Fitness](#Section_08)
2. [Disclosure Statements](#Section_09)
3. [Verifications, Acknowledgements, and Agreements](#Section_10)
4. [Affidavits](#Section_11)
5. [Newspaper Publications](#Section_12)

* General and Important Notes

Q. How accurate does the applicant’s name need to be when written throughout the Application?

A. The applicant’s name must match the Pennsylvania Department of State’s listing exactly, including punctuation, capitalization, spacing, etc. For example, for Application purposes, ABC, LLC is not the same as ABC LLC or Abc, LLC.

Q. Will an Application be rejected if it is not filled out completely?

A. If the Application is missing information (see Section 14 Checklist), it may be held for processing by the Public Utility Commission’s Secretary’s Bureau until the missing information is received.

If some of the information provided is unclear, the Public Utility Commission ‘s staff may issue data requests with a due date. If the applicant does not adequately and timely respond to the data requests, the Commission may deny the Application.

Q. Are EGS Broker/Marketers required to completely fill out the Application?

A. EGS Broker/Marketers must complete all applicable sections of the Application. Any EGS Supplier only or EGS Broker/Marketer only questions will be clearly marked.

Q. Is there an EGS Application filing fee?

A. All applicants are required to provide a $350 filing fee with each Application. The $350 filing fee must be in the form of a certified check or money order payable to the “Commonwealth of PA”.

Q. What is the typical EGS Application processing timeframe?

A. The length of time is dependent on the level of completeness of the Application and the applicant’s adequate and timely responses to Commission data request(s). Applications are **usually** approved within 90 – 120 days.

* Identification and Contact Information (Section 1)

Q. In Section 1.d, the Application requests attorney information. What if the applicant does not have an attorney?

A. Applicants are not required to utilize an attorney. If the applicant utilizes an attorney, please list their name, title, physical address, telephone number, and email address.

Q. In Section 1.e, the Application requests the contact information for a person and an alternate person. Do I have to provide this? What if the applicant is the only person in the entity?

A. All applicants must provide a primary and an alternate contact, including their complete name, title, physical address, telephone number, and email address.

* Business Entity Filings and Registration (Section 2)

Q. How do I determine if my company is a domestic or a foreign entity?

A. A domestic entity is an entity created in the Commonwealth of Pennsylvania. A foreign entity is an entity created outside of the Commonwealth of Pennsylvania.

Q. Do I have to list the names and addresses of my entity’s officers even though they are mentioned in several locations in the Application package?

A. Yes. The applicant must fill out the Application package in its entirety.

* Affiliates and Predecessors (Section 3)

Q. What constitutes an Affiliate?

A. For Application purposes, any parent companies, all subsidiaries, and all companies with common ownership to the applicant are considered affiliates.

Q. What if I don’t have any Affiliates or Predecessors?

A. Applicant should write “None” in these sections.

* Operations (Section 4)

Q. What if, in addition to Electric Generation Supplier services, I am doing additional business in PA?

A. Applicant must identify the nature of all services being rendered in the Commonwealth of Pennsylvania. If the applicant has a Natural Gas Supplier license in the Commonwealth of PA, they should include that information in this section along with the Docket Number.

* Compliance (Section 5)

Q. In Section 5, the Application requests criminal or regulatory proceedings or actions. What if I do not have any?

A. If the applicant does not have any criminal or regulatory proceeding or actions, please indicate that neither the applicant nor any people named in the Application have any criminal or civil/regulatory proceedings to list for the past five years.

Q. What if I had an EGS license cancelled, do I have to state it here?

A. The applicant must include this information in this section. If the applicant does not answer each question truthfully, the Application may be denied.

* Proof of Service (Section 6)

Q. In Section 6, the Application requests Proof of Service. What does that mean?

A. Providing service simply means the applicant must send a copy of the Application (not including Confidential documentation) to each of the entities listed in this section. Once sent, the applicant must complete the Certificate of Service (Appendix C) demonstrating the requirement has been met.

Q. What happens if I do not want to send my non-confidential information to the entities listed in this section?

A. The Application may be denied.

* Financial Fitness (Section 7)

1. EGS Financial Security

Q.           What is a financial security instrument, and what types of instruments are acceptable?

A.           A financial security instrument is a document all EGS applicants must provide and maintain in order to obtain and retain a PA EGS License.  Types of acceptable documents include a Bond, Letter of Credit, or Parental Guarantee.  However, we urge applicants to utilize Continuous Bonds (Appendix E) or Continuous Letters of Credit (Appendix G), since these instruments don’t have an annual expiration date that may subject the applicant’s license to be cancelled if a renewal isn’t timely received.

Q.           As a broker/marketer, do I need a bond or other financial security instrument?

A.           The applicant is required to provide the Commission with a financial security instrument of the types listed above.

Q. What amount of financial security is required?

A. Broker/Marketers must provide a $10,000 security and Suppliers must provide a $250,000 initial security.

Please note, Broker/Marketer must indicate in its Application that it requests a reduction from $250,000 to $10,000 security if it wishes to only provide a financial security amount of $10,000 (see Section 7.a). If the applicant intends to collect money and/or pay bills for its customers, the applicant may be required to provide an initial financial security instrument in the amount of $250,000.

Please also note, Suppliers must update their financial security level annually. The Commission's regulations at 52 Pa. Code §54.40(d) require the security level for each Supplier to be 10% of the Supplier's most recent reported four (4) quarters of gross receipts. The minimum security level provided may not be less than the initial security level provided when the license was granted. Unless approved by the Commission, the initial security level is $250,000.

Q. Can I provide a copy of my financial security, or do I have to send the original?

A. EGSs must provide an original bond, letter of credit, or other financial instrument using the most recent template on the Commission’s website. Original financial instruments must display “wet” signatures or digital signatures, preferably in blue ink, and display a “raised seal” or original notary stamp. If the documentation filed is not an original, it will be rejected and returned.

Q.           How should an applicant’s name be listed on the financial instrument?

A.           The name of the principal on the original financial instrument must match the applicant’s registered name with the Pennsylvania Department of State’s listing exactly, including punctuation, spacing and capitalization, but excluding any fictious names.  If your company changes its name, you are required to notify the Commission in writing, and obtain the necessary approvals prior to the submission of the financial instrument.

Q. Do I have to follow the provided financial security templates exactly or can I change it?

A. The applicant’s filed financial security must match the Commission provided template, exactly.

Q. What is the purpose of the financial security?

A. The primary purpose of the financial security instrument is to ensure the payment of annual and supplement fees owed to the Commission, gross receipts tax owed to the PA Department of Revenue, and alternative compliance payments owed under the Alternative Energy Portfolio Standards Act. However, the bond also ensures the supply of electricity at retail in accordance with contracts, agreements or arrangements.

1. Financial Records, Statements, and Ratings

Q. In Section 7.b, the Application lists several types of financial fitness documentation. Do I need to provide all the listed items?

A. The applicant must provide enough financial fitness documentation for Commission staff to make a determination that the applicant is financially fit to operate in the Commonwealth of Pennsylvania.

Q. In Section 7.b, the Application lists several types of financial fitness documentation.  If my company does not have financial information, may I submit financial information for my parent company?

A. If the applicant does not have its own financial information, it may submit financial information for its parent.  In this instance, the applicant must submit a notarized letter from its parent company in which the parent company takes full financial responsibility for the applicant.

Q. In Section 7.f, the Tax Certification Statement requires either a Corporate Box Number or a Pennsylvania Department of Revenue ID Number. Can the 7-digt number from the PA Department of State be used in to meet this requirement?

A. The 7-digit number from the PA Department of State should not be entered on the Tax Certification Statement. Any company registered in the Commonwealth of Pennsylvania after March 2013 must contact the Pennsylvania Department of Revenue for its 10‑digit Revenue ID Number. Companies registered prior to March 2013 may have either a 7-digit Corporate Box Number or a 10-digit Revenue ID Number.

* Technical Fitness (Section 8)

Q. In Section 8.a, the Application lists several types of technical fitness documentation. Do I need to provide all the listed items?

A. The applicant must provide enough technical fitness documentation for Commission staff to make a determination that the applicant in technically fit to operate in Pennsylvania.

Q. In Section 8.a, the Application lists several types of technical fitness documentation. What types of technical information do successful applicants typically provide?

A. Successful applicants typically provide at least the applicant’s experience in the energy industry, a business plan, supplier licenses from other states or commonwealths, and detailed résumés (see Section 8.e Officers).

Q. In Section 8.a, the Application lists several types of technical fitness documentation.  If my company does not have the requisite technical fitness, may I use a subcontractor to meet the technical fitness standards?

A. If the applicant does not have its own technical fitness information, it may utilize a subcontractor to establish its technical fitness.  In this instance, the applicant must submit enough technical fitness information for the subcontractor (résumés, company information, company history, etc.) to demonstrate the subcontractor’s ability to provide these services.  The applicant must also submit an executed contract between itself and the subcontractor.

Q. What if I do not have any of the items listed in Section 8.a?

A. If the applicant does not have any of the items listed in Section 8.a, explicitly state as such.

* Disclosure Statements (Section 9)

Q. In Section 9, the Application requires a Disclosure Statement for suppliers proposing to serve Residential and/or Small Commercial customers. Can I file this document as “Confidential”?

A. Disclosure Statements may not be submitted in their entirety as Confidential. However, market sensitive information such as price can be marked Confidential.

Q. Who do I need to contact to get my Disclosure Statement approved?

A. The Disclosure Statement should be submitted along with the Application. It will be provided internally to the Commission’s Bureau of Consumer Services (BCS). BCS may contact the applicant to request revisions. Once the Disclosure Statement is approved by BCS, the applicant must submit a final approved version of the Disclosure Statement to the Secretary’s Bureau before the Application may be approved.

* Verifications, Acknowledgements, and Agreements (Section 10)

Q. What happens if I don’t agree with some of these statements?

A. The Application may be denied.

Q. What happens if I change the wording to some of these statements, for any reason?

A. The Application may be denied.

* Affidavits (Section 11)

Q. What should be entered for the Commonwealth/State, the state where I am when signing the affidavits or the Commonwealth/State my company was formed in?

A. The applicant should list the Commonwealth/State in which the affidavit is signed and notarized.

Q. What is an Affiant?

A. The Affiant is the person authorized to sign the Affidavits and legally bind the company. The space for Affiant should include the name of the entity’s officer, and the space for Office of Affiant should include the person’s position at the company.

Q. What do I put in the “Name of Applicant” blank?

A. The “Name of Applicant” blank should list the applicant’s company name. The applicant should ensure that it uses the proper legal name registered with the PA Department of State (see [General and Important Notes](#Section_00) section, above).

Q. As a broker/marketer, may I change these to remove the parts that seem applicable to suppliers only?

A. The provided Affidavits may not be edited or changed.

* Newspaper Publications (Section 12)

Q. In Section 12, the Application requests that I run ads in certain newspaper publications. Can I run my ads in different newspapers?

A. Applicants may only publish in newspapers listed in Section 12 of the Application package. No other newspaper publications will be accepted.

Q. In Section 12, the Application requests that I run ads in certain newspaper publications. Can I run my ads for these newspapers online?

A. Applicants must publish in these newspapers as hard-copy.

Q. How do I provide notarized proof of the newspaper publications?

A. Applicant should request Notarized Proofs of Publication from the newspapers when they place the ads.