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

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- General Information, including how to file and definitions

### Definitions

- Subcontractors

Any individual or commercial entity, such as a telemarketing firm, door-to-door salesman or company, or auction-type website, that provides marketing services to retail customers for electrical supply services **under contract to a single licensed EGS**, is not required to obtain an EGS license. However, any individual or commercial entity under contract to multiple EGS entities must obtain an EGS license. Commission Orders or Secretarial Letters issued in response to applications for certification will reflect the appropriate language.

- Electric Cooperative Corporations

15 Pa. C.S. Ch. 74 provides for Electric Cooperative Corporations to be certified by the Commission rather than licensed. Electric Cooperative Corporations seeking certification should use the attached Application. Commission Orders or Secretarial Letters issued in response to applications for certification will reflect the appropriate language.

Q. Is information disclosed in the EGS Application considered public information?

A. Yes. All information disclosed within the Application is considered public information unless specifically labeled confidential.

Q. What is Efiling?

A. The Commission uses an Efiling system that accepts all public documents and **strongly** recommends applicants open an Efiling account through the Commission's website at <http://www.puc.pa.gov/efiling/default.aspx> and follow the instructions. Use of the Efiling system will ensure that submissions by the Applicant are received timely and receipt can be verified. Also, see 52 Pa. Code Chapters 1 and 5.

Q. Can I Efile my Application if it contains confidential information?

A. The Applicant can Efile the **public** part of the Application but is required to separately file the confidential portion by overnight delivery and mark the information as "CONFIDENTIAL" and reference the Applicant's name and the e-filing confirmation page or submit any confidential information (excluding Financial Securities) to the Secretary's SharePoint File system (applicants should contact the Secretary's Bureau in advance to gain access to the SharePoint File system.)

Q. What is the mailing address for the Secretary's Bureau?

A. Pennsylvania Public Utility Commission  
Secretary's Bureau  
400 North Street, Keystone Building  
Harrisburg, PA 17120

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 until the missing information is received.

If some of the information provided is unclear, the Public Utility Commission's staff may issue a deficiency letter or data request(s) with a due date. If the applicant does not adequately and timely respond, the Commission may reject or 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 the Commission deficiency letter or 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?

A. Yes. The applicant must fill out the Application 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. Please note, Not Applicable (N/A) is not an acceptable response.

Q. What if I had an EGS or NGS license previously cancelled in Pennsylvania, 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)

- a. 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. 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.

**b. 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.

- 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 is 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, 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 ads be published in certain newspaper publications. Should I run the ads before or after I submit my Application to the Commission?

A. Newspaper publications should be submitted **AFTER** the Application is submitted to the Commission because the publications **MUST** include a Commission issued Docket Number. Docket numbers are issued to new applicants when an application is submitted to the PUC's Secretary's Bureau. Newspaper publications published without a Commission issued Docket No. **will be rejected.**

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. 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.

Q. Can applicants combine the newspaper publications if an applicant is applying for both an EGS and an NGS license?

A. Yes. Newspaper publication templates for combined EGS and NGS applicants are provided in Appendix L in the EGS Application.

Q. Can an applicant change or shorten the wording in the newspaper publication template?

A. Applicants must follow the templates for newspaper publication to ensure compliance with the regulations or the Application may be denied.