

CIRA CENTRE, 13<sup>TM</sup> FLOOR 2929 ARCH STREET PHILADELPHIA, PA 19104-2899 TEL: 215.495.6500 FAX: 215.495.6600 www.reaerlaw.com

MARGARET A. MORRIS DIRECT DIAL: (215) 495-6524 E-MAIL: mmorris@regerlaw.com

October 15, 2010

#### Via UPS OVERNIGHT

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

RECEIVED

OCT 1 5 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S SUREAU

Re: Docket No. A-

TES Energy Service, LLP.

**Electric Generation Supplier Application** 

Dear Secretary Chiavetta:

Enclosed for filing are the original and four copies of the Electric Generation Supplier application in the above-captioned matter. The application fee of \$350 is also enclosed. Please time stamp the extra copy and return it to me in the self addressed stamped envelope.

As indicated on the Certificate of Service, a copy of the Application has been provided to those listed in the manner indicated.

If there are any questions, please do not hesitate to contact me.

Very truly yours,

largaret A Morris, Esquire

Reger Rizzo & Darnall LI

MAM Enclosures

cc: Service List [w/enc.]

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of TES Energy Services LP, for approval to offer, render, furnish, or supply electricity or electric generation services as a broker to the public in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are:

TES Energy Services, LP 17480 Dallas Parkway # 20 Dallas, TX 75287 972-447-0447 (tel) 972-447-0400 (fax)

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number.

#### None

2. a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:

Mike Teague, Co-CEO TES Energy Services, LP 17480 Dallas Parkway # 200 Dallas, TX 75287 972-447-0447 (tel) 972-447-0400 (fax) 214-316-8259 (cell)

b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:

Mike Teague, Co-CEO TES Energy Services, LP 17480 Dallas Parkway # 200 Dallas, TX 75287 972-447-0447 (tel) 972-447-0400 (fax) 214-316-8259 (cell) mike@tesenergyservices.com RECEIVED

OCT 15 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

3.a. ATTORNEY: If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:

Margaret A. Morris, Esquire Reger Rizzo & Darnall LLP Cira Centre, 13<sup>th</sup> Floor 2929 Arch Street Philadelphia, PA 19104 (215) 495-6524 tel. (215) 495-6600 fax mmorris@regerlaw.com

b.	REGISTERED AGENT: If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:
	InCorp Services, Inc. 7208 Red Top Rd. Hummelstown, PA 17036 (702) 866-2500 or (800) 2-INCORP (Voice) (702) 866-2689 Fax
4.	FICTITIOUS NAME: (select and complete appropriate statement)
	The Applicant will be using a fictitious name or doing business as ("d/b/a"):
	Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.
	or
	X The Applicant will not be using a fictitious name.
5.	BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS: (select and complete appropriate statement)
	The Applicant is a sole proprietor.
	If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.
	or
	The Applicant is a:
	domestic general partnership (*) domestic limited partnership (15 Pa. C.S. §8511)  X foreign general or limited partnership (15 Pa. C.S. §4124) domestic limited liability partnership (15 Pa. C.S. §8201) foreign limited liability general partnership (15 Pa. C.S. §8211) foreign limited liability limited partnership (15 Pa. C.S. §8211)
	Proof of compliance with Department of State is attached as Appendix A.
	Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.
	TES Partners
	Mike Teague 17380 Dallas Parkway, Suite #200 Dallas, TX 75287
	Pat Teague 17380 Dallas Parkway, Suite #200 Dallas, TX 75287

17380 Dallas Parkway, Suite #200 Dallas, TX 75287
Jim Bono 17380 Dallas Parkway, Suite #200 Dallas, TX 75287
Jerry Gatti 17380 Dallas Parkway, Suite #200 Dallas, TX 75287
* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.
or
The Applicant is a :
domestic corporation (none) foreign corporation (15 Pa. C.S. §4124) domestic limited liability company (15 Pa. C.S. §8913) foreign limited liability company (15 Pa. C.S. §8981) Other Other
Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation.
Give name and address of officers.
The Applicant is incorporated in the state of
AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA: (select and complete appropriate statement)
Affiliate(s) of the Applicant doing business in Pennsylvania are:
Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.  If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.
X The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.
APPLICANT'S PRESENT OPERATIONS: (select and complete the appropriate statement)
The Applicant is presently doing business in Pennsylvania as a
vertically-integrated provider of generation, transmission, and distribution services.

6.

7.

Brian Markham

	municipal electric corporation providing service outside its municipal limits. electric cooperative
	local gas distribution company nonintegrated provider of electric generation, transmission or distribution services.  Other. (Identify the nature of service being rendered.)
	or
	X The Applicant is not presently doing business in Pennsylvania.
8.	APPLICANT'S PROPOSED OPERATIONS: The Applicant proposes to operate as a:
	Generator and supplier of electric power.  Municipal generator and supplier of electric power.  Electric Cooperative and supplier of electric power  Broker/Marketer engaged in the business of supplying electricity.  Aggregator engaged in the business of supplying electricity  Other (Describe):
9.	<b>PROPOSED SERVICES:</b> Generally describe the electric services or the electric generation services which the Applicant proposes to offer.
	Applicant is an energy consulting company of retail electric supply to end user commercial and industrial customers. We work with businesses in the commercial, industrial and government entities to help them make informed decisions on their energy procurement throughout the deregulated territories in PA.
	The Applicant proposes to offer retail electricity procurement services. Fees for electricity procurement services will be collected from the electric supplier ("EGS") through a price adder. Customers will pay the EGS directly; the EGS will then remit our fees to us for our aggregated customers. The Applicant will not be paying any utility (i.e., electricity) bills and/or charges for its customers located in the Commonwealth of Pennsylvania. Customers will continue to receive their electric bills directly from the EGS with whom they have a contract, if billed separately, or directly from the EDC, if combined billing, and will continue to remit payment for their utility billings and/or changes to either their designated EGS or Electric Distribution Company. The Applicant will not be issuing any bills to customers for its licensed services, and we will not be issuing any bills on behalf of any EGS.
	10. <b>SERVICE AREA:</b> Generally describe the geographic area in which Applicant proposes to offer services.
	Throughout the deregulated utility territories in PA.
11.	CUSTOMERS: Applicant proposes to initially provide services to:
	Residential Customers Commercial Customers - (25 kW and Under) Commercial Customers - (Over 25 kW) Industrial Customers Governmental Customers All of above Other (Describe):
12	FERC FILING: Applicant has:
	Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.
	Received approval from FERC to be a Power Marketer at Docket or Case Number

- 13. **START DATE:** The Applicant proposes to begin delivering services on December 1, 2010 (approximate date).
- 14. **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following:

Irwin A. Popowsky Office of Consumer Advocate 5th Floor, Forum Place 555 Walnut Street Harrisburg, PA 17120 Office of the Attorney General Bureau of Consumer Protection Strawberry Square, 14th Floor Harrisburg, PA 17120

William R. Lloyd, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania Department of Revenue Bureau of Compliance Harrisburg, PA 17128-0946

Any of the following Electric Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

Gary A. Jack, Assistant General Counsel **Duquesne Light Company** 411 Seventh Street, MD 16-4 Pittsburgh, PA 15219

John P. Litz, Division Controller **UGI Utilities, Inc. Electric Division**400 Stewart Road
P.O. Box 3200
Hanover Industrial Estates
Wilkes-Barre, PA 18773-3200

(Metropolitan Edison Company or Pennsylvania Electric Company)
Blaine W. Uplinger, Jr., Director of Governmental and Regulatory Affairs
FirstEnergy
100 APC Building
800 North third Street
Harrisburg, PA 17102-2025

Paul E. Russell, Associate General Counsel PPL Two North Ninth Street Allentown, PA 18108-1179

Carol C. Reilly, Manager, Energy Acquisition **PECO Energy Company** 2301 Market Street Philadelphia, PA 19101-8699 215.841.4512 carol.reilly@peco-energy.com

Stephen L. Feld, Attorney
Pennsylvania Power Company
First Energy Corporation
76 South Main Street
Akron, OH 44308

John L. Munsch, Attorney **Allegheny Power** 800 Cabin Hill Drive Greensburg, PA 15601-1689

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14.

- 15. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix B to this application.
- 16. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or

a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

#### No such action taken.

- 17. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.
  - a. Contacts for Consumer Service and Complaints: Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission or other agencies.

#### See name and info in 2a and 2b.

#### Alternate contact:

Linda Graham TES Services, LP 17380 Dallas Parkway, Suite #200 Dallas, TX 75287 972-447-0447 ext 0 972-447-0400 (fax)

b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.

## Not applicable. No residential customer services are intended at this time.

- c. If proposing to serve Residential and/or Small Commercial (under 25 kW) customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix C to this Application.
- 18. **BONDING:** In accordance with 66 PA. C.S. Section 2809(C) (1)(I), the Applicant is:

Furnishing a \$250,000.	сору	of initia	bond	, letter	of	credit	or	proof	of	bonding	to	the	Commission	in	the	amount	of

Furnishing proof of other initial security for Commission approval, to ensure financial responsibility.

X Filing for a modification to the \$250,000 and furnishing a copy of an initial bond, letter of credit or proof of bonding to the Commission for the amount of \$ 10,000. Applicant is required to provide information supporting an amount less than \$250,000.

#### License Bond of \$10,000 is attached as Appendix C.

At the conclusion of Applicant's first year of operation it is the intention of the Commission to tie security bonds to a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. The amount of the security bond will be reviewed and adjusted on an annual basis.

#### 19. FINANCIAL FITNESS:

- A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
   General Partner:

Illuminated Partners, Inc. 17480 Dallas Pkwy #200 Dallas, TX 75287

Limited Liability Partnership: TES Energy Service, LP 17480 Dallas Pkwy #200 Dallas, TX 75287

Published parent company financial and credit information.

Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.

- Balance sheet and income statement attached as Appendix D.
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report
  and Robert Morris and Associates financial form or other independent financial service reports.

Since Applicant is a non-public company, it does not have a credit rating from any of the major ratings agencies and no history with D&B.

- A description of the types and amounts of insurance carried by Applicant which are specifically intended to
  provide for or support its financial fitness to perform its obligations as a licensee.
- · Audited financial statements
- Such other information that demonstrates Applicant's financial fitness.

Financial Fitness Support Letter is attached as Appendix E.

- B. Applicant must provide the following information:
- Identify Applicant's chief officers including names and their professional resumes.

Chief Officers/ CO-CEOs
Mike Teague
Pat Teague

President Brian Markham

#### Resumes attached as Appendix F

 Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

Linda Graham 17480 Dallas Pkwy #200 Dallas, TX 75287 972-447-0447 ext 100 972-447-0400 (FAX)

- 20. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
  - The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes.

Mike Teague and Brian Markham. See Appendix F for resumes.

- Business plans
- Documentation of membership in ECAR, MAAC or other regional reliability councils shall be submitted if applicable to the scope and nature of the applicant's proposed services.
- An affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service.
- 21. TRANSFER OF LICENSE: The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.
- 22. ASSESSMENT: The Applicant acknowledges that Title 66, Chapter 5, Section 510 grants to the Commission the right to make assessments to recover regulatory expenses and that as a supplier of electricity or an electric generation supplier it will be assessed under that section of the Pennsylvania Code. The Applicant also acknowledges that the continuation of its license as a supplier of electricity or an electric generation supplier will be dependent upon the payment of all prior years assessments.
- UNIFORM STANDARDS OF CONDUCT AND DISCLOSURE: As a condition of receiving a license, Applicant 23. agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.
- 24. REPORTING REQUIREMENTS: Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:
  - Applicant shall report its Pennsylvania intrastate gross receipts to the a. Reports of Gross Receipts: Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.
  - b. The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.
  - c. Applicant shall report to the Commission the following information on an annual basis:
  - the percentages of total electricity supplied by each fuel source

Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.

- FURTHER DEVELOPMENTS: Applicant is under a continuing obligation to amend its application if substantial 25. changes occur in the information upon which the Commission relied in approving the original filing.
- 26. FALSIFICATION: The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.
- 27. FEE: The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

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OCT 1 5 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

# **AFFIDAVIT**

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OCT **1 5** 2010

SS.

County of Dallas

State of TEXAS

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

Mike Teague, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He is the CO-CEO of TES Energy Service, LP;

That he is authorized to and does make this affidavit for said Applicant;

That TES Energy Service, LP, the Applicant herein, acknowledges that TES Energy Service, LP may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That TES Energy Service, LP, the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That TES Energy Service, LP, the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28 shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

That TES Energy Service, LP, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D) (2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

Signature of Affiant

Sworn and subscribed before me this \_

\_day of <u>October</u>

JOIC 1941

ME Notary P My Co Sept

MEGAN SEARIGHT Notary Public, State of Texas My Commission Expires September 26, 2012

Signature of official administering path

My commission expires

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# **AFFIDAVIT**

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OCT 1 5 2010

State of TEXAS

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

County of Dallas

Mike Teague, Affiant, being duly sworn/affirmed according to law, deposes and says that:

SS.

He is the Co-CEO of TES Energy Service, LP;

That he is authorized to and does make this affidavit for said Applicant;

That the Applicant herein TES Energy Service, LP has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein TES Energy Service, LP has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein TES Energy Service, LP acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein TES Energy Service, LP acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief, and that he expects said Applicant to be able to prove the same at hearing.

Signature of Affiant

Sworn and subscribed before me this 13

\_day of <u>October</u>

19 2010

MEGAN SEARIGHT

Notary Public State of Texas

My Commission Expires

September 26, 2012

Signature of official administering/oath

My commission expires

MEGAN SEARIGHT
Notary Public, State of Texas
My Commission Expires
September 26, 2012

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
CORPORATION BUREAU
401 NORTH STREET, ROOM 206
P.O. BOX 8722
HARRISBURG, PA 17105-8722
WWW.CORPORATIONS.STATE.PA.US/CORP

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OCT 1 5 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

TES Energy Services, LP

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT. THE CORPORATION BUREAU IS HERE TO SERVE YOU AND WANTS TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA.

IF YOU HAVE ANY QUESTIONS PERTAINING TO THE CORPORATION BUREAU, PLEASE VISIT OUR WEB SITE LOCATED AT <u>WWW.CORPORATIONS.STATE.PA.US/CORP</u> OR PLEASE CALL OUR MAIN INFORMATION TELEPHONE NUMBER (717)787-1057. FOR ADDITIONAL INFORMATION REGARDING BUSINESS AND / OR UCC FILINGS, PLEASE VISIT OUR ONLINE "SEARCHABLE DATABASE" LOCATED ON OUR WEB SITE.

ENTITY NUMBER: 3980672

REGER RIZZO & DARNALL LLP 2929 Arch Street, Cira Centre 13th Fl Philadelphia, PA 19104

Entity #: 3980672
Date Filed: 09/14/2010
Basil L Merenda, Acting Secretary
Acting Secretary of the Commonwealth REGER & RIZZO > 917177832244 09/20/2010 NO.284 REBER & RIZZO > 917177832244 14:59 09/14/2818 PRNNSYLVANIA DEPARTMENT OF STATE CORPORATION BUREAU Application for Registration - Foreign Registered Limited Liability General Personship (§ 5211) Registered Limited Liability Choked Personship (§ 1211) Limited Pertnership (# 8383) Limited Liability Company (4 8981' Commonwealth of Pennsylvania APPLICATION FOR REGISTRATION 2 Page(s) Deniel L. Piere - Reger Rizzo & Darnall LLP 2929 Arch Street, Cire Centre 13th Place Philadalphia PA, 19104 Fae: \$250 in compliance with the requirements of the applicable provisions (robuting to registerian), the undersigned, desiring to register to do business in this Commonwealth, hereby stores that: TES Energy Services, LP 2. If the name set forth in paragraph I be not evolvable for mer in this Commonwealth, complete the following): The name under which the limited liability company/limited liability paraeraniphimited paraerable proposes to register and so business in this Commenwestik is: 3. The same of the jurisdiction under the laws of jurish it was organized and the data of its formations Joristicion: Texas Date of Formpion: 10/2/2003 4. The (a) address of its initial registered office in this Commonwealth or (b) name of its commoncial registered office provider and the county of venue to: (a) Number and street Couply State Zho (b) Name of Commercial Registered Office Provider County Dauphin InCorp Services, Inc. 2010 SEP 14 PM 3: 44 PA CEPT TIME STATE 200 PM 4: 29

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appendix A 2 B 3

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# APPENDIX B

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COMMONWEALTH OF PENNSYLVANIA PUBLIC UTILITY COMMISSION

# TAX CERTIFICATION STATEMENT

OCT 1 5 2010

PA PUBLIC UTILITY COMMISSION
SEGRETARY'S BUREAU

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 81/2" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME	2. BUSINESS PHONE NO. <b>972</b> ) 447-0447
Λ	CONTACT PERSON(S) FOR TAX ACCOUNTS:
TES Energy Services, LP 3. TRADE/FICTITIOUS NAME (IF ANY)	er tan manshall
N/A	
4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BO	
17480 Dallas Yarkway, Ste. 200	Dallas TX 75287  PARTNERSHIP CORPORATION
5. TYPE OF ENTITY SOLE PROPRIETOR	PARTNERSHIP CORPORATION
8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)	Limited Partners
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
Kathi Teague	
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
Deborah Teague	
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
James Bono	
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
Brian Markham	
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
Jerry Gatti	
9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. (AL	LITEMS: A, B, AND C MUST BE COMPLETED).
A. SALES TAX LICENSE (8 DIGITS) APPLICATION	C. CORPORATE BOX NUMBER (7 DIGITS) APPLICATION
PENDING N/A	PENDING N/A
B. EMPLOYER ID (EIN) (9 DIGITS: APPLICATION FEDERAL N/A	2(
210-0598068 PENDING NA	
10. Do you have PA employes either resident or non-resident?	☐ YES ► NO
11. Do you own any assets or have an office in PA?	YES NO
Dum Warkem Duan	TAXRETURIS Lian Markham
PA SALES AND USE TAX EMPLOYER TAXES	CORPORATE TAXAS
	rknam Brian Marknam
Telephone inquiries about this form may be directed to	47.0447 PHONE 972.447.0447
- Leicocoge monumes anom this form may be directed to	THE PERMISSING I LENGTIMENT AT PASSENHA OF THE

Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers: (717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

# PETITION REQUESTING A WAIVER OF THE \$250,000 BOND REQUIREMENT AND A \$10,000 BOND IN LIEU THEREOF

NOW COMES the Petitioner/Applicant <u>TES Energy Service</u>, <u>Inc.</u>, and hereby represents as follows in support of its Petition:

- 1. TES Energy Service, Inc. is applying for a license as an electricity broker.
- 2. TES Energy Service. Inc. will not take title to electricity.
- 3. TES Energy Service, Inc. intends to negotiate the purchase of electricity on behalf of customers.
- 4. <u>TES Energy Service, Inc.</u> will market products of suppliers approved by the Pennsylvania Public Utility Commission.
- 5. <u>TES Energy Service, Inc.</u> will not bill utility customers directly and will not collect any money from customers.
- 6. TES Energy Service, Inc. has obtained a bond in the amount of \$10,000.00 from Platte River Insurance Company. The bond is for a period of one year and is effective August 6, 2010 until August 5, 2011 with the right to renew.
- 7. Due to the nature of <u>TES Energy Service</u>, <u>Inc.'s</u> business as a broker, the risk associated to the customers by granting a license to <u>TES Energy Service</u>, <u>Inc.</u> is minimal, if any, and can be adequately covered by the reduced bond of \$10,000.00 (ten thousand dollars).
- 8. TES Energy Service, Inc. is a reliable, credit worthy, financially and ethically sound company.
- 9. <u>TES Energy Service, Inc.</u> will comply with all laws, regulations, decisions, and administrative requirements of the Commonwealth of Pennsylvania, the Public Utility Commission and federal and local governments, including but not limited to all taxing requirements.
- 10. Granting a license to <u>TES Energy Service</u>, <u>Inc.</u> will promote competition and choice in the electricity market.
- 11. A bond in the amount of \$10,000.00 (ten thousand dollars) is sufficient collateral to protect the interests of the applicable customer and ensure the licensee's financial responsibilities under Section 2208 (c)(1)(i) of the Act. This reduced amount is commensurate with the scope of the services being rendered as a broker.
- 12. The undersigned swears under penalty of perjury that the facts contained in this Request for Waiver are true and correct to the best of her knowledge, information and belief.

WHEREFORE, based upon the foregoing, <u>TES Energy Service</u>, <u>Inc.</u> respectfully requests the Public Utility Commission to accept its bond of \$10,000.00 in lieu of the \$250,000 (two hundred and fifty thousand dollar) bond generally required.

TES Energy Service, Inc.

Applican

By Signature

Margaret A. Morris, Counsel
Printed Name / Title

15,2010

Date

OCT 1 5 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

appendix C 1B3

# T.E.S. ENERGY SERVICES, L.P.

# STATEMENT OF ASSETS, LIABILITIES AND CAPITAL-INCOME TAX BASIS December 31, 2009

## **ASSETS**

CURRENT ASSETS			
Cash-Checking Capital One	\$ 143,019.81		
Cash-Savings Capital One	100,085.35		
Accounts Receivable-Other	2,550.57_		
TOTAL CURRENT ASSETS		\$	245,655.73
PROPERTY AND EQUIPMENT			
Furniture & Fixtures	13,769.42		
Office and Computer Equipment	37,579.59		
Total Property and Equipment	51,349.01		
Less Accumulated Depreciation	(51,143.91)		
NET PROPERTY AND EQUIPMENT		_	205.10_
TOTAL ASSETS		\$_	245,860.83

## LIABILITIES AND CAPITAL

CAPITAL

 Partners' Capital
 \$ 206,826.09

 Distributions
 (527,921.84)

 Current Earnings
 566,956.58

 TOTAL CAPITAL

AL CAPITAL 245,860.83

TOTAL LIABILITIES AND CAPITAL \$ 245,860.83

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

See Accountants' Report

Appendix D/B5

# T.E.S. ENERGY SERVICES, L.P.

# STATEMENT OF REVENUES AND EXPENSES-INCOME TAX BASIS For the Three Months and Twelve Months Ended December 31, 2009

	Current	%	Year-To-Date	%
REVENUES				
Consulting Income \$	577,326.72	100.0	\$ 2,105,941.81	100.0
Interest Income	143.50	0.0	533.54	0.0
TOTAL REVENUES	577,470.22	100.0	2,106,475.35	100.0
OPERATING EXPENSES				
Salaries	231,874.09	40.2	804,768.03	38.2
Payroll Taxes	15,432,19	2.7	58,236.26	2.8
Taxes-Other	262.40	0.0	4,322.85	0.2
Commissions Expense	66,828.24	11.6	210,967.73	10.0
Contract Labor	5,549.37	1.0	13,739.78	0.7
Outside Services	16,303.00	2.8	37,713.50	1.8
HR Administrative Fees	5,649.10	1.0	18,371.80	0.9
Retirement Contributions	0.00	0.0	16,130.44	0.8
Automobile Expense	14,411.99	2.5	52,392.90	2.5
Rent	17,448.00	3.0	56,292.62	2.7
Insurance	17,459.97	3.0	58,815.99	2.8
Office Supplies	8,766.98	1.5	24,502.94	1.2
Postage and Delivery	654.12	0.1	1,730.78	0.1
Printing and Reproduction	149.38	0.0	1,869.70	0.1
Equipment Rental	2,281.18	0.4	10,739.60	0.5
Telephone	6,333.06	1.1	24,315.73	1.2
Dues and Subscriptions	624.00	0.1	3,508.95	0.2
Professional Fees	1,207.50	0.2	10,584.48	0.5
Travel Expenses	7,278.35	1.3	17,586.96	8.0
Bank Fees	450.00	0.1	1,938.50	0.1
Entertainment	14,649.00	2.5	53,775.23	2.6
Licenses and Permits	44.00	0.0	4,678.60	0.2
Advertising and Promotion	2,929.93	0.5	18,695.22	0.9
Other Operating Expenses	10.72	0.0	1,591.30	0.1
TOTAL OPERATING EXPENSES	436,596.57	75.6	1,507,269.89	71.6
OPERATING INCOME	140,873.65	24.4	599,205.46	28.4
OTHER EXPENSES				
Contributions	1,531.94	0.3	15,112.82	0.7
Amortization Expense	0.00	0.0	910.70	0.0
Depreciation Expense	11,942. <u>04</u>	2.1	16,225.36	0.8
TOTAL OTHER EXPENSES	13,473.98	2.3	32,248.88	1.5
NET INCOME \$	127,399.67	22.1	\$ 566,956.58	26.9

See Accountants' Report

appendix D2 105

# SHORT & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
1811 PRESTION ROAD, SUITE 620
DALLAS, TEXAS 75252
TELEPHONE (972) 733-3393 FACSIMILE (972)733-3174

To the Partners T.E.S. Energy Services, L.P. Dallas, Texas

We have compiled the accompanying statement of assets, liabilities, and capital-income tax basis of T.E.S. Energy Services, L.P. (a partnership), as of June 30, 2010, and the related statement of revenues and expenses-income tax basis for the six months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Partnership for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statement, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Short and Associates, P.C.

July 22, 2010

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# T.E.S. ENERGY SERVICES, L.P.

# STATEMENT OF ASSETS, LIABILITIES AND CAPITAL-INCOME TAX BASIS June 30, 2010

## **ASSETS**

CURRENT ASSETS Cash-Checking Capital One Cash-Savings Capital One Accounts Receivable-Other TOTAL CURRENT ASSETS	\$ 117,955.07 267.78 4,209.89	\$ 122,432.74
PROPERTY AND EQUIPMENT		
Furniture and Fixtures	25,764.74	
Office and Computer Equipment	37,293.92	
Total Property and Equipment	63,058.66	
Less Accumulated Depreciation	(53,869.48)	
NET PROPERTY AND EQUIPMENT		9,189.18
OTHER ASSETS		
Investment-Skyline Drive LLC	100,000.00	
TOTAL OTHER ASSETS		100,000.00
TOTAL ASSETS		\$ 231,621.92
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES		
Accounts Payable-Other	\$ 2,795.40	
TOTAL CURRENT LIABILITIES		\$ 2,795.40
CAPITAL		
Partners' Capital	245,860.83	
Distributions	(309,860.48)	
Current Earnings	292,826.17	
TOTAL CAPITAL		228,826.52
TOTAL LIABILITIES AND CAPITAL		\$ 231,621.92

See Accountants' Report

# T.E.S. ENERGY SERVICES, L.P.

## STATEMENT OF REVENUES AND EXPENSES-INCOME TAX BASIS

For the Three Months and Six Months Ended June 30, 2010

		Current	%	Year-To-Date	%
REVENUES					
Consulting Income	\$	511,728.66	100.0	\$ 1,081,088.30	100.0
Other Income		0.00	0.0	120.00	0.0
Interest Income	_	0.64	0.0	203.71	0.0
TOTAL REVENUES		511,729.30	100.0	1,081,412.01	100.0
OPERATING EXPENSES					
Salaries		216,525,29	42.3	411,969.01	38.1
Payroll Taxes		15,331.51	3.0	33,653.44	3.1
Taxes-Other		4,384.60	0.9	4,511.32	0.4
Commissions Expense		69,293.28	13.5	134,112.62	12.4
Contract Labor		6,000.00	1.2	6,444.56	0.6
Outside Services		5,066.65	1.0	6,436.65	0.6
HR Administrative Fees		4,652.20	0.9	9,437.32	0.9
Retirement Contributions		0.00	0.0	15,308.01	1.4
Automobile Expense		13,421.20	2.6	24,203.25	2.2
Rent		17,955.00	3.5	27,811.79	2.6
Repairs and Maintenance		1,394.00	0.3	1,394.00	0.1
Insurance		15,714.49	3.1	28,157.03	2.6
Office Supplies		5,010.50	1.0	8,919.84	8.0
Sales Meeting Expenses		0.00	0.0	569.41	1.0
Trade Shows		850.00	0.2	850.00	0.1
Postage and Delivery		545.83	0.1	1,022.04	0.1
Printing and Reproduction		74.69	0.0	2,420.12	0.2
Equipment Rental		2,550.46	0.5	4,878.21	0.5
Telephone		5,883.09	1.1	10,661.49	1.0
Dues and Subscriptions		1,617.26	0.3	5,327.21	0.5
Professional Fees		2,038.00	0.4	5,471.75	0.5
Travel Expenses		3,199.80	0.6	8,648.26	0.8
Bank Fees		285.00	0.1	593.54	0.1
Entertainment		9,333.41	1.8	19,335.98	1.8
Advertising and Promotion		4,275.54	0.8	9,367.29	0.9
Other Operating Expenses		588.42	0.1	588.42_	0.1
TOTAL OPERATING EXPENSES	_	405,990.22	79.3	782,092.56	72.3
OPERATING INCOME	-	105,739.08	20.7	299,319.45	27.7
OTHER EXPENSES					
Contributions		1,757.00	0.3	1,907.00	0.2
Depreciation Expense		4,553.08	0.9	4,586.28	0.4
TOTAL OTHER EXPENSES	****	6,310.08	1.2	6,493.28	0.6
NET INCOME	- -	99,429.00	19.4	\$ 292,826.17	27.1

See Accountants' Report

appendix D505

# SHORT & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
18111 PRESTION ROAD, SUITE 620
DALLAS, TEXAS 75252
TELEPHONE (972) 733-3393 FACSIMILE (972)733-3174

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OCT 1 5 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

To the Partners T.E.S. Energy Services, L.P. Dallas, Texas

We have compiled the accompanying statement of assets, liabilities, and capital-income tax basis of T.E.S. Energy Services, L.P. (a partnership), as of December 31, 2009, and the related statement of revenues and expenses-income tax basis for the three months and twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Partnership for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Partnership's assets, liabilities, capital, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Short of Associates P.C.

February 8, 2010

appendix E

# MIKE TEAGUE



17480 Dallas Pkwy #200 • Dallas, Tx 75287 • Phone: 9720403-0877 • Fax: 972-447-0400 • F-Mail: mike@tesenergyservices.com

# Objective

To provide quality consulting services through education and practical experiences.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

# Experience

Over-head and Underground Electrical Construction

1973-2004

- Co-owner and President of Teague Industries, Inc./ dba Utility Construction Co., Inc.
- Teague Industries, Inc. was a major contractor for Texas Utilities, Inc. for 54 years. We excelled in
  pioneering the development of underground electrical distribution systems throughout the State of Texas. As a
  complement to the business we installed thousands of miles of fiber-optic cable throughout the region as well
  as Overhead distribution power lines.

Power and Demand Side Consulting

2002-present

- I was co-founder of TES Energy Service, LP i.e., Teague Energy Services. TES Energy Services was founded to bring my energy background to the market place assisting customers with pricing options as well as demand side management of their facilities. My knowledge of the grid systems as well the production of electricity is of benefit to the customer who does not have the background to make difficult decisions on their electricity needs.
- Family
- I have been married for 36 years and have 3 children and three grandchildren.

#### Education

Graduated from Sherman High School

1968

Associate Degree- Business Grayson County College 1968-1970
Studied Business and Accounting University of Texas at Austin 1968-1973

Collin County Sheriff Reserve (Certified Texas Peace Officer)

# Community Involvement

Chairman of the local American Diabetes Association 1975

Plano Symphony Orchestra Board 1983-1985

Plano Parks and Recreation Board 1985-1986

Plano City Council Member 1989-1991

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1991-2004

# Pat Teague- Resume

Frisco, Texas

Phone: 972-447-0447 ext. 107 Fax: 972-447-0400 E-Mail: mike@tesenergyservices.com

# Experience

Teague Industries, Inc. 1975-2002

- 1975-77 Worked on Electrical Service Crew installing electrical services to residential
- 1977-79 Services Crew Foreman
- 1979-85 Superintendent of Services-in charge of as many as 30 services crews-90 people
- 1985 Vice-President of Construction for Electrical Underground and Overhead Distribution
- -2002 Executive Vice-President for Teague Industries head of Construction in charge of up to 350 employees:

TES Energy Services 2002-2010

■ Co-Founder and Co-CEO of TES Energy Services

## Education

Sherman High School 1970

University of Texas @ Austin 1970-74

Degree-Bachelor of Science Business Administration

appendix F 283



# Brian Markham, President

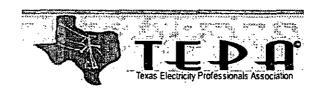
Brian Markham is the President of TES Energy Services, LP. Drawing a career that has cut across multiple industries inkling energy, distribution logistics, manufacturing representation and electrical supply distribution. Brian was also the past President of the Texas Electricity Professionals Association.

Prior to joining TES Energy Services, LP, Brian served as Vice President and General Manager of PhD. Southwest, Inc. PhD Southwest, Inc. is a leader in the distribution and logistics business throughout the United States.

Prior to joining PhD. Southwest, Inc., Brian worked within the house ware industry as the President and owner of D.U. Parker and Associates. D.U. Parker and Associates was a manufacturer representative in leading house ware manufactures.

Before joining D.U. Parker and Associates, Brian was the Director of Consumer Goods for Graybar Electric Co., located at the New York headquarters. Also, he served as the National Account Manager, Regional Manager and Branch Manager.

Brian earned his Bachelor of Business Administration at SMU and studied management courses at Harvard University. Brian served in the USMC.



appendix 3 8 3

Re: Docket No. A-

TES Energy Service, LLP.

**Electric Generation Supplier Application** 

#### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served upon the following person on the attached service list, in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

#### Via First Class Mail

Irwin A. Popowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

William R. Lloyd, Jr. Commerce Building, Suite 1102 Small Business Advocate 300 North Second Street Harrisburg, PA 17101

Gary A. Jack, Assistant General Counsel Duquesne Light Company 411 Seventh Street, MD 16-4 Pittsburgh, PA 15219

MetEd Company
Blaine W. Uplinger, Jr., Director of Governmental
and Regulatory Affairs
FirstEnergy
100 APC Building
800 North Third Street
Harrisburg, PA 17102-2025

Carol C. Reilly, Manager Energy Acquisition PECO Energy Company 2301 Market Street Philadelphia, PA 19101-8699

John L. Munsch, Attorney Allegheny Power 800 Cabin Hill Drive Greensburg, PA 15601-1689

Dated: October 15, 2010

Office of the Attorney General Bureau of Consumer Protection Strawberry Square, 14th Floor Harrisburg, PA 17120

Commonwealth of Pennsylvania Department of Revenue Bureau of Compliance Harrisburg, PA 17128-0946

John P. Litz, Division Control RECEIVED
UGI Utilities, Inc.
Electric Division
400 Stewart Road
P.O. Box 3200
Hanover Industrial Estates

Wilkes-Barre, PA 1877 PA POBLIC UTILITY COMMISSION SECRETARY'S BUREAU

Paul E. Russell, Esquire Associate General Counsel PPL Two North Ninth Street Allentown, PA 18108-1179

Stephen L. Feld, Esquire Pennsylvania Power Company First Energy Corporation 76 South Main Street Akron, OH 44308

largaret A. Morris, Esquire

MARGARET MORRIS, ESQ.

215-495-6500

REGER RIZZO & DARNALL 2929 ARCH ST PHILADELPHIA PA 19104

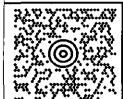
## SHIP TO:

ROSEMARY CHIAVETTA, ESQUIRE PA PUBLIC UTILITY COMMISSION 400 NORTH STREET COMMONWEALTH KEYSTONE BLDG. HARRISBURG PA 17120-0200

3.0 LBS

LTR

1 OF 1



# PA 171 9-20

# UPS NEXT DAY AIR

TRACKING #: 1Z 4XF 624 01 9132 4601



BILLING: P/P

Reference # 1: 10-885.001

CS 12.8.10. WXPIE70 06.0A 07/2010

