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June 28, 2011

Rosemary Chiavetta  
Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, Pennsylvania 17105-3265

Re: Docket No. A-110041  
License Bond or Other Financial Security

Dear Madam Secretary:

Affiliate Power Purchasers International, LLC ("APPI") is writing to respond to a letter it received dated June 20, 2011 from Robert Wilson, Director of the Bureau of Fixed Utility Services, regarding the Renewal of the bond or other security relating to our license Docket No. A-110041. A copy of the letter is enclosed.

The initial security approved by the Pennsylvania Public Utility Commission ("PA PUC") and provided by APPI many years ago was a \$10,000 Letter of Credit. APPI has provided a renewal of the Letter of Credit each year to meet APPI's obligation to provide approved security pursuant to the requirements of 52 Pa. Code §54.40(d).

The Letter of Credit now has an expiry date of August 30, 2011. APPI is in the process of obtaining the renewal of the \$10,000 Letter of Credit with PNC Bank. It will have an effective date of August 30, 2011 and an expiry date of August 30, 2012. It is anticipated that the renewal will be completed by July 29, 2011. APPI will provide the original documentation of the renewal of the Letter of Credit to the PA PUC when it is obtained and prior to August 30, 2011, just as we have done for the past several years.

Please advise whether APPI's renewal of the \$10,000 Letter of Credit as described above will continue to meet the requirements of 52 Pa. Code §54.40(d).

Thank you for your cooperation.

Best regards,

Michael S. Payne  
Executive Vice President & Corporate Counsel

Cc: Mr. James Shurskis

**RECEIVED**

JUN 28 2011

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

June 20, 2011

Docket No. A-110041

AFFILIATED POWER PURCHASERS INC  
224 PHILLIP MORRIS DRIVE STE 402  
SALISBURY MD 21804

ATTENTION: WALTER MOORE

RE: License Bond or Other Financial Security

Dear Mr. Moore:

Pursuant to 66 Pa. C.S. §2809(c), no electric supplier license shall remain in force unless the licensee furnishes an original of a bond or other security approved by the Commission *to ensure the financial responsibility of the electric generation supplier and the supply of electricity at retail*. The Commission's records indicate that the expiration of the bond or other approved security provided by Affiliated Power Purchasers, Inc. occurs on August 30, 2011.

The Commission's regulations at 52 Pa. Code §54.40(d) require "the security level for each licensee will be reviewed annually and modified primarily based upon the licensee's reported annual gross receipts information. The security level will be 10% of the licensee's reported 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.

The Commission's regulations at 52 Pa. Code §54.39(b) require a licensee to file an annual report on or before April 30 of each year, for the previous calendar year, in order to comply with 66 Pa. C.S. §2810(c)(6). This report discloses the total amount of gross receipts from the sale of electricity and the total amount of electricity sold during the preceding calendar year. You must use this same information in calculating the appropriate security level necessary to maintain your license.

In order for your company to maintain its status as a licensed electric supplier in the Commonwealth of Pennsylvania, it must provide proof to the Commission that a bond or other approved security has been obtained. Provide an original of any documentation submitted as proof; including bond, letter of credit, continuation certificate, amendment, etc.

Your response in this matter is requested within fifteen (15) days of the date of this letter. Submit your response to the Commission's Secretary. Additionally, fax a copy of your response to James Shurskis at (717) 787-4750, Bureau of Fixed Utility Services.

Failure to respond to this matter within fifteen (15) days will cause Commission staff to initiate a formal proceeding, that may lead to the following: cancellation of your company's electric supplier license, removal of your information from the Commission's website and notification to all electric distribution companies, in which your company is licensed to do business, of the cancellation of the license.

Please direct any questions to James Shurskis at (717) 787-8763, Bureau of Fixed Utility Services.

Sincerely,

A handwritten signature in cursive script that reads "Robert Wilson".

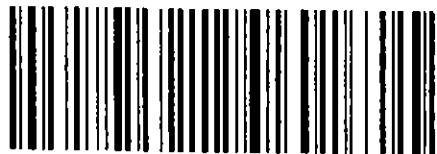
Robert Wilson, Director  
Bureau of Fixed Utility Services

Cc: R. Chiavetta, Secretary

**APPI**

ENERGY

224 PHILLIP MORRIS DR.  
SUITE 402  
SALISBURY, MD 21804



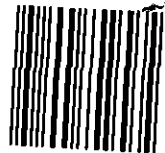
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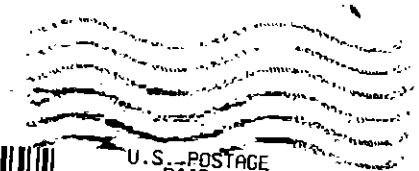
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Rosemary Chiavetta  
PA Public Utility Commission  
PO Box 3265  
Harrisburg, PA  
17105-3265

1710583265

