

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

DOCUMENT FOLDE

1. REPORT DATE: September 10, 1999	2. BUREAU AGENDA NO.: SEP-1999-FUS-1081*
3. BUREAU: Fixed Utility Services	
4. SECTION(S): Energy	5. PUBLIC MEETING DATE:
6. APPROVED BY: Director: Rosenthal 3-5242 <i>BW</i> Supervisor: Bennett 7-5553 <i>RR</i> Legal Review by: <i>f. R. Bunker</i> 7-3444	September 15, 1999
7. PERSONS IN CHARGE: <i>JDB</i> Sivilich/Deichmiller 7-5865	
8. DOCKET NO.: A-110117	SEP 23 1999

9. (a) **CAPTION** (abbreviate if more than 4 lines)
 (b) Short summary of history & facts, documents & briefs
 (c) Recommendation

KJR

- (a) License Application of Commonwealth Energy Corporation d/b/a Advantage Energy, Inc. ("Commonwealth Energy")
 (Home Office: Tustin, Ca.)
- (b) On July 1, 1999, Commonwealth Energy filed an application for a license to operate as a broker/marketer of electric generation services to serve customers in the region of southeastern Pennsylvania.
- (c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed draft Order which approves the License Application.

10. MOTION BY: Commissioner Chm. Quain

Commissioner Rolka - Yes

SECONDED: Commissioner Bloom

Commissioner Brownell - Yes

Commissioner Wilson - Yes

CONTENTS OF MOTION: Staff recommendation adopted.



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

IN REPLY PLEASE
REFER TO OUR FILE

A-110117

SEPTEMBER 15, 1999

TODD S STEWART ESQUIRE
MALATESTA HAWKE & MCKEON
PO BOX 1778
HARRISBURG PA 17105-1778

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Application of Commonwealth Energy Corporation d/b/a Advantage Energy, Inc. for approval to offer, render, furnish or supply electricity generation services as Broker and/or Marketer of electricity and related services

To Whom It May Concern:

This is to advise you that an Order has been adopted by the Commission in Public Meeting on September 15, 1999, in the above entitled proceeding.

An Order has been enclosed for your records.

DOCKETED
SEP 16 1999

Very truly yours,

James J. McNulty,
Secretary

smk
Enclosure
cert. mail

EEF

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265

Public Meeting held September 15, 1999

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
David W. Rolka
Nora Mead Brownell
Aaron Wilson, Jr.

Application of Commonwealth Energy Corporation
d/b/a Advantage Energy, Inc. for Approval to Offer, Render,
Furnish or Supply Electricity Generation Services as Broker
and/or Marketer of Electricity and Related Services

Docket No.
A-110117

ORDER

BY THE COMMISSION:

On July 1, 1999, Commonwealth Energy Corporation d/b/a Advantage Energy, Inc. ("Commonwealth Energy" or "Applicant") filed a license Application to operate as a broker/marketer of electric generation and related services in the Commonwealth of Pennsylvania. The filing is made pursuant to Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

§2809 provides in pertinent part that:

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License Requirement--No person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators and other entities, shall engage in the business of an electric generation supplier in this Commonwealth unless the

DOCKETED
SEP 16 1999

person or corporation holds a license issued by the Commission. 66 Pa. C.S. §2809.

An electric generation supplier is defined as:

A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators or any other entities, that sells to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company, or that purchases, brokers, arranges or markets electricity or related services to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company. 66 Pa. C.S. §2803.

It is important to note that a licensee must comply with, and be governed by, our Chapter 56 regulations. Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa. Code Chapter 56) is applicable only to residential accounts. An electric generation supplier cannot physically disconnect a customer from the electricity grid, and the service termination provisions are not applicable. An electric supplier may seek to terminate its generation service through an appropriate written notice to the customer and the distribution company. The customer can then attempt to repair its relationship with the supplier, seek a new supplier, or default to utility service at capped rates in accordance with the utility's obligations under Section 2807(e), 66 Pa. C.S. §2807(e). The customer would only be disconnected from the electricity grid pursuant to Chapter 56 if the customer failed to meet its obligations to the utility or the provider of last resort.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives and employees have agreed to lawfully abide by all Commission regulations, procedures and orders, 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.

Commonwealth Energy proposes to operate as a broker/marketer engaged in the business of supplying electricity. Applicant intends to engage in the business of selling electricity to residential, commercial, industrial and government customers in the Southeastern Pennsylvania region. Applicant also expects to sell energy efficiency products, and to engage in performance contracting for demand side energy management.

Commonwealth Energy has provided proofs of publication from the Pennsylvania newspapers in which it was required by the Commission to publish its notice of application.

Sufficient information was included in Commonwealth Energy's Application to demonstrate its technical fitness in order to be licensed to operate as an Electric Generation Supplier in Pennsylvania.

Commonwealth Energy has furnished the following items as support for its financial fitness in order to be licensed to operate as an Electric Generation Supplier in Pennsylvania: (1) a copy of Applicant's most recent Financial Statement, (2) a copy of a Dunn and Bradstreet report on Applicant and (3) a description of Applicant's insurance coverage.

Applicant has furnished a security bond in the amount of \$250,000 to cover the financial requirement of Commonwealth Energy's license application.

As of September 10, 1999, no protests have been filed.

We find that the applicant:

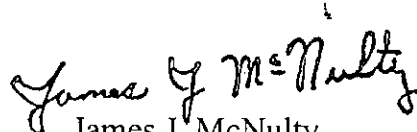
1. Is fit, willing and able to properly perform the service in conformance with applicable provisions of the Public Utility Code and the lawful Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to Standards and Billing Practices for Residential Utility Service).
2. Has agreed to lawfully abide by all Commission regulations, procedures and orders, 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.
3. That the proposed service to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation and convenience of the public; **THEREFORE,**

IT IS ORDERED:

1. That the application of Commonwealth Energy Corporation is hereby approved, consistent with this Opinion and Order.
2. That a license be issued authorizing Commonwealth Energy Corporation to begin to offer, render, furnish or supply electric generation supplier services to the public in the Commonwealth of Pennsylvania.
3. That this proceeding at Docket No. A-110117 be closed.

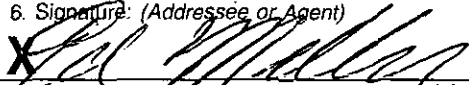
BY THE COMMISSION


James J. McNulty,
Secretary

(SEAL)

ORDER ADOPTED: September 15, 1999

ORDER ENTERED: **SEP 15 1999**

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