

Subject: EGS Market Share - Docket No. M-00981211 APPI - A-110041

Pursuant to the reporting requirements related to the Pennsylvania Public Utility Commission's Market Share Data Collection from Electric Generation Industry (Docket No. M-00981211), Affiliated Power Purchasers, Inc. ("APPI") submits the following response.

APPI is an Electric Generation Supplier ("EGS") licensed as a broker/marketer in the Commonwealth of Pennsylvania (Commission File No. A-110041). APPI acts as a buyer's. representative for affiliated associations of commercial and industrial customers, making arrangements with licensed generators/suppliers for low-cost, reliable electricity. In the twelvemonth calendar period ending December 31, 1999, APPI made no retail sales of electricity to customers in Pennsylvania. APPI thus reports zero megawatt hours of sales in the residential, commercial and industrial customer classes in the service territory of each of Pennsylvania's electric distribution companies.

Please feel free to call me for further clarification and/or questions.

Sincerely,

DOWNES ASSOCIATES, INC.

Mary E. Layshock

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David V. Downes, P.E., Downes Associates, Inc. CC: Walter W. Moore, President, Affiliated Power Purchasers, Inc. 235.01

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2129 Northwood Drive, First Floor Satisbury, MD 21801 (800) 520-6685 (410) 749-8769 E-mathingo@appienergy.com Website www.appienergy.com

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October 10, 2001

DOCUMENT KJR Mr. Robert A. Rosenthal FOLDER Director, Bureau of Fixed Utility Services Pennsylvania Public Utility Commission RECEIVED SECRETARY'S BUREAU P.O. Box 3265 Harrisburg, Pa. 17105-3265 RE: License Bond or Other Financial Security for Affiliated Power Purchasers International, LLC License Number A-110041 ڢ Dear Mr. Rösenthal:

I am writing in response to your letter to me dated June 18, 2001, a copy of which is enclosed for your reference. Affiliated Power Purchasers International, LLC ("APPI") wishes to maintain its electric supplier license and comply with the requirements of 66 Pa. C.S. §2809(c) by furnishing a bond in an amount determined by the Public Utility Commission ("PUC") as adequate to meet the requirements and parameters of 52 Pa. Code §54.40(d).

APPI originally applied for and was granted an Electric Generation Supplier ("EGS") license (A-110041) on November 10, 1997, and provided financial security in the amount of \$250,000 pursuant to the requirements of 52 Pa. Code §54.40(d). Beginning in August 2000, APPI provided financial security in the form of an Irrevocable Letter of Credit in the amount of \$250,000. That security expired on August 17, 2001. Since that time, APPI has not renewed the security, nor has APPI requested cancellation of its license. During the past two months APPI evaluated its operations in Pennsylvania and determined that it does want to maintain its EGS license.

Accordingly, APPI intends to seek a reduction in the amount of financial security required from \$250,000 to a bond in the amount of \$10,000 by filing a Petition with the PUC pursuant to 52 Pa. Code §54.40(d) on or before October 17, 2001. The Petition will request an Order reducing the amount of financial security for the following reasons. APPI has always operated and currently operates in Pennsylvania exclusively as a buyer's agent that arranges retail electricity purchase transactions for its clients. For its

services APPI receives a fee. APPI only advises retail clients about their energy purchases. APPI never purchases or takes title to electricity nor does APPI supply electricity to retail clients. APPI does not receive deposits from clients. APPI is not required to collect, and therefore remit gross receipts taxes to the Pennsylvania Department of Revenue. In essence, APPI contends it is a "broker/marketer", as those terms are defined in 52 Pa. Code §54.31.

APPI believes it is highly likely that the PUC will favorably consider APPI's Petition and grant an Order reducing the financial security required. APPI's position is based on the decision of the PUC in the matter of Pennsylvania Public Utility Commission v. Parente Energy Consulting, LLC ("Parente"), Docket No.A-110099, (Order adopted May 4, 2001). In that matter, the PUC issued an Order reducing Parente's financial security to a \$10,000 bond. Parente contended that it was a "broker/marketer" rather than an EGS. Parente's description of its business activities in Pennsylvania parallels APPI's operations in the state.

APPI hereby requests that the PUC allow APPI's license to remain in force as the PUC considers APPI's Petition as described above and to not suspend or revoke APPI's license pursuant to 52 Pa. Code §54.42(2). Please advise APPI of any other issue that APPI may need to address in this matter by contacting me via telephone at 800.520.6685 or in writing at APPI, 2129 Northwood Drive, 1st Floor, Salisbury, Maryland 21801. A copy of the Petition filed by APPI in this matter will be provided to you via registered U.S. mail when the Petition is filed with the Prothonotary of the PUC. Thank you for your cooperation.

Sincerely, Walter Moore

Walter M. Moore President

Enclosure

Cc: James McNulty, Secretary, Pennsylvania PUC James Shurskis, Bureau of Fixed Utility Services



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

IN REPLY PLEASE REFER TO OUR FILE

Docket No. A-110041

June 18, 2001

AFFILIATED POWER PURCHASERS INC PO BOX 99 EDEN MD 21822-

ATTENTION: WALTER W 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 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 bond or other approved security provided by Affiliated Power Purchasers Inc expires on 8/17/01.

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.

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, Burcau 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.

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Please direct any questions to James Shurskis at (717) 787-8763 or Darren Gill at (717) 783-5244, Bureau of Fixed Utility Services.

Sincerely, The 8-1

Robert A. Rosenthal Director, Bureau of Fixed Utility Services

PETITION

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Mr. James McNulty Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, Pa. 17120

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DOCUMENT FOLDER

PETITIONER: AFFILIATED POWER PURCHASERS INTERNATIONAL, LLC ("APPI")

DOCKET NUMBER A-110041



By this PETITION, pursuant to 52 Pa. Code §54.40, APPI requests that the Public Utility Commission ("PUC") issue an ORDER Reducing the amount of security bond held pursuant to 66 Pa. C.S. §2809.

This PETITION is submitted by Walter W. Moore, President of APPI, whose mailing address is APPI, 2129 Northwood Drive, 1st Floor, Salisbury, Maryland 21801.

SUBJECT MATTER and FACTS RELIED UPON:

APPI originally applied for and was granted an Electric Generation Supplier ("EGS") license, Number A-110041, on November 10, 1997. APPI provided financial security in the amount of \$250,000 pursuant to the requirements of 52 Pa. Code §54.40(d). Beginning in August 2000, APPI provided financial security in the form of an Irrevocable Letter of Credit in the amount of \$250,000. That security expired on August 17, 2001. Since that time, APPI has not renewed the security, nor has APPI requested cancellation of its EGS license. APPI seeks to maintain its EGS license and comply with the requirements of 66 Pa. C.S. §2809(c), by furnishing a bond in a reduced amount as determined by the PUC as adequate to meet the requirements of 52 Pa. Code § 54.40(d).

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OCT 26 2001 PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU Accordingly, APPI has filed this PETITION to seek an ORDER by the PUC that reduces the amount of financial security required from the current Irrevocable Letter of Credit in the amount of \$250,000 to a security bond in the amount of \$10,000.

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APPI has always operated and currently operates in Pennsylvania exclusively as a buyer's agent that arranges retail electricity purchase transactions for its customers. For its services APPI receives a fee. APPI only advises retail customers about their energy purchases. APPI never purchases or takes title to electricity nor does APPI supply electricity to retail customers. APPI does not receive deposits for electricity service from customers. APPI is not required to add, collect, and therefore remit gross receipts taxes to the Pennsylvania Department of Revenue. In essence, APPI contends it is not an EGS but rather that it is merely an agent who serves as an intermediary in the purchase of electricity. APPI's status is most akin to that of a "broker/marketer", as those terms are defined in 52 Pa. Code §54.31.

In further support of APPI's request for an ORDER as detailed above, APPI respectfully refers the PUC to its decision in the matter of Pennsylvania Public Utility Commission v. Parente Energy Consulting, LLC ("Parente"), Docket No.A-110099. In that matter, the PUC considered Parente's Petition seeking to reduce the amount of its financial security and ultimately issued an Order reducing Parente's financial security to a \$10,000 bond. Parente contended that it was a "broker/marketer" rather than an EGS. Parente's description of its business activities in Pennsylvania closely parallels APPI's operations in the state.

Accordingly, APPI requests that the PUC allow APPI's license to remain in force pending the PUC's consideration of this PETITION and to not suspend or revoke APPI's license pursuant to 52 Pa. Code §54.42(2), and requests that the PUC issue an ORDER granting APPI's request to have its financial security reduced to a security bond in the amount of \$10,000.

RESPECTFULLY SUBMITTED,

Wutter Moore____

Walter W. Moore President APPI

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This original and three copies are being submitted together on October 29, 2001.

DATE: November 5, 2001

SUBJECT: A-110041

TO: Bureau of Fixed Utility Services

James J. McNulty, Secretary FROM:

DOCUMENT FOLDER

Affiliated Power Purchasers International, LLC

Enclosed please find a copy of a petition of Affiliated Power Purchasers International, LLC (APPI), for an Order granting APPI a reduction in its bond amount from \$250,000.00 to \$10,000.00, at docket number A-110041.

This matter is being assigned to your Bureau for appropriate action.

Cc: Law

Enclosures

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ddt



2129 Northwood Drive, First Floor Salisbury, MD 21801 (800) 520-6685 (410) 749-8769 nfo@appienergy.com www.appienergy.com

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PA PUBLIC UTILITY COMMISSION

SECRETARY'S BUREAU

December 10, 2001

Mr. James J. McNulty, Secretary Pennsylvania Public Service Commission P.O. Box 3265 DOCUMENT Harrisburg, Pa. 17105-3265

FOLDER Attention: James Shurskis **Energy Industry Group** Bureau of Fixed Utility Services

> **RE: REQUEST FOR AN ALTERNATIVE LEVEL OF BONDING BY** AFFILIATED POWER PURCHASERS INTERNATIONAL, LLC (APPI) A-110041

Dear Mr. McNulty,

This letter is submitted in conjunction with the above referenced request by APPI for an alternative level of bonding pursuant to 52 Pa. Code §54.40(d).

Pursuant to the PUC's Secretarial letter, dated August 27, 2001, at Docket No. M-00011489, enclosed are copies of the Proof of Service of the PETITION and accompanying documents filed by APPI. Service of the materials to all the EDCs and other interested parties was accomplished between November 29th and December 3rd, 2001.

This completes APPI's compliance with the requirements of the Secretarial Letter and 52 Pa. Code §5.41.

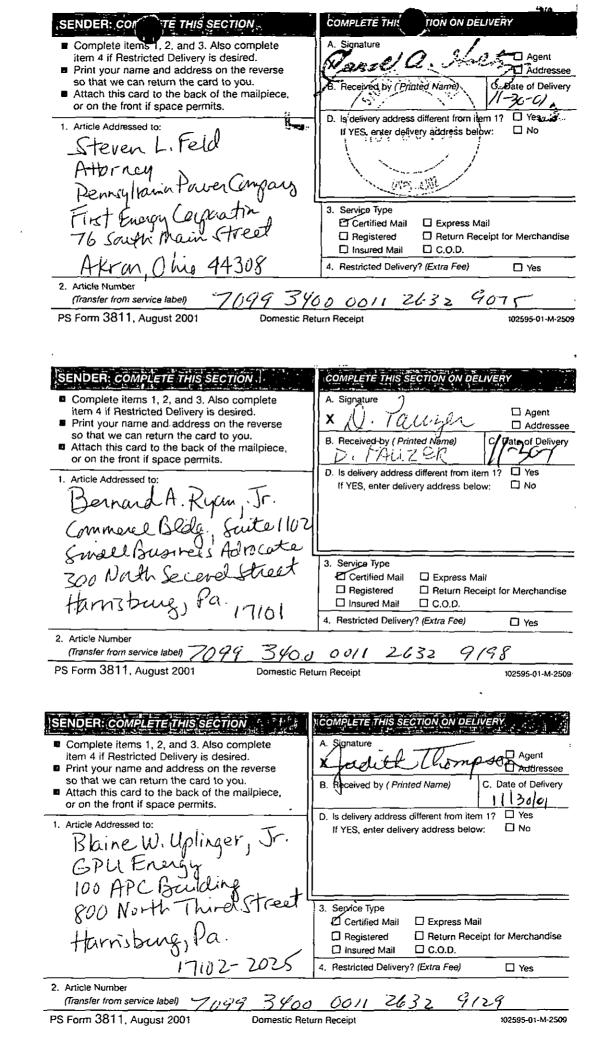
Please contact me with any questions or requests for additional information.

Sincerely.

Michael S. Payne Vice Presiden

Enclosures

SENDER: CC COMPLETE TH CTION ON DELIVERY ETE THIS SECTION Complete iten 1, 2, and 3, Also complete A. Signature item 4 if Restricted Delivery is desired. Agent Agent X Print your name and address on the reverse Addressee so that we can return the card to you. B. Received by (Printed Name) Date_of Delivery Attach this card to the back of the mailpiece, 60 or on the front if space permits. D. Is delivery address different from item 1? C Yes 1. Article Addressed to: Irwin A. Popowsky Office of Consumer Advocate 5th Floor, Forum Place 555 Walnut Street O No If YES, enter delivery address below: 3. Service Type - Certified Mail Express Mail tarnisbung, Pa Registered Return Receipt for Merchandise Insured Mail C.O.D. 170 4. Restricted Delivery? (Extra Fee) C Yes 2. Article Number 3400 0011 2632 (Transfer from service label) 099 PS Form 3811, August 2001 Domëstic Return Receipt 102595-01-M-2509 -----COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete ature item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. C Yes D. Is delivery address different from item 1? 1. Article Addressed to: If YES, enter delivery address below: DOCUMENTE mononwealth of Denny Harris FOLDE Bruean of Compliance Harritorie, Pa. 3. Service Type -Certified Mail Express Mail Registered Return Receipt for Merchandise C.O.D. 17128-0946 Insured Mail 4. Restricted Delivery? (Extra Fee) 🗘 Yes 2. Article Number 7099 3400 0011 2632 4105 (Transfer from service label) CNETE PS Form 3811, August 2001 Domestic Return Receipt 102595-01-M-2509 DEC 19 2001 COMPLETE THIS SECTION ON DELIVE LETE THIS SECTION SENDER: COM Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. D Addressee Print your name and address on the reverse so that we can return the card to you. C. Date of Delivery nted Name) B. Received by (Pn Attach this card to the back of the mailpiece, 3 0 2001 or on the front if space permits. Yes D. Is delivery address different from item 1? Office of the Attorney General Bureau of Cinsumer Protection Stranberry Service, 14th Floor Harniburg, Da. 17120 D No If YES, enter delivery address below: 3. Service Type Certified Mail Express Mail Return Receipt for Merchandise Registered C.O.D. Insured Mail 4. Restricted Delivery? (Extra Fee) C Yes 2 Article Number 3400 0011 2632 9181 (Transfer from service label) 102595-01-M-2509 Domestic Return Receipt PS Form 3811, August 2001



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