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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSIONP.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE** |

# **March 3, 2015**

#  Docket No. A-2010-2150814

Utility Code: 1111684

**CERTIFIED**

JAMES MCDONNELL

AVALON ENERGY SERVICES

5507 LAMBETH RD

BETHESDA MD 20814

**RE: LICENSE BOND OR OTHER FINANCIAL SECURITY**

Dear Mr. Mcdonnell:

On March 25, 2010, Avalon Energy Services LLC (Avalon) obtained a license to provide electric generation supplier services as a Broker/Marketer in the Commonwealth of Pennsylvania.

On September 2, 2014, the Bureau of Technical Utility Services sent a 60 day Bond Renewal Notice seeking proof, be submitted to the Commission that a bond or other approved security has been obtained. To date, Avalon has not submitted the required proof. This 60 day Bond Renewal Notice is attached.

**Please be advised that you are directed to forward the requested information to the Commission within 10 days of receipt of this letter.** Avalon must provide an original of any documentation submitted as proof; including bond, letter of credit, continuation certificate, amendment, etc. Failure to respond may result in the 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. As well, if Avalon has decided to abandon its license, please reply notifying the Commission of such a decision.

Any and all responses are to be sent to the Public Utility Commission’s Secretary’s Bureau.

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| Rosemary Chiavetta, Secretary |  | Rosemary Chiavetta, Secretary |
| Pennsylvania Public Utility Commission | or | Pennsylvania Public Utility Commission |
| P.O. Box 3265 |  | 400 North Street |
| Harrisburg, PA 17105-3265 |  | Harrisburg, PA 17120 |

Please direct any questions to Stephen Jakab at sjakab@pa.gov or (717) 783-6174, Bureau of Technical Utility Services.

 Sincerely,

 Rosemary Chiavetta

 Secretary

Attachment

cc: Stephen Jakab, TUS

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September 2, 2014

JAMES MCDONNELL

AVALON ENERGY SERVICES

5507 LAMBETH RD

BETHESDA MD 20814

RE: 60 day License Bond or Other Financial Security Renewal Notice

Dear Mr. Mcdonnell:

 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 Avalon Energy Services LLC occurs on November 1, 2014.

 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. To respond, contact Stephen Jakab at sjakab@pa.gov or (717) 783-6174 to further discuss this issue. The proof to the Commission that a bond or other approved security has been obtained will

need to be provided by November 1, 2014. Submit the documentation to the Commission’s Secretary at:

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| Rosemary Chiavetta, Secretary |  | Rosemary Chiavetta, Secretary |
| Pennsylvania Public Utility Commission | or | Pennsylvania Public Utility Commission |
| P.O. Box 3265 |  | 400 North Street |
| Harrisburg, PA 17105-3265 |  | Harrisburg, PA 17120 |

 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 Stephen Jakab at sjakab@pa.gov or (717) 783-6174, Bureau of Technical Utility Services.

 Sincerely,

 

 Darren D. Gill, Deputy Director

 Bureau of Technical Utility Services

cc: R. Chiavetta, Secretary