

**H**awke  
  **M**cKeon &  
   **S**niscak LLP

ATTORNEYS AT LAW

Todd S. Stewart  
Office: 717 236-1300 x242  
Direct: 717 703-0806  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 [www.hmslegal.com](http://www.hmslegal.com)

August 17, 2015

**VIA HAND DELIVERY**

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

RE: Petition of Interstate Gas Supply, Inc., dba IGS Energy to Revise Its Current Bond/Security; Docket No. A-2011-2228643; **PETITION OF INTERSTATE GAS SUPPLY, INC. TO REDUCE BONDING LEVEL**

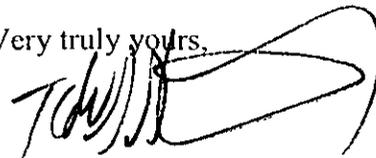
Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Petition of Interstate Gas Supply, Inc. to Reduce Bonding Level in the above-captioned docket. Please note that all 4 attachments to the Petition contain Proprietary business information and that IGS is requesting that they be treated as CONFIDENTIAL and not be placed in the Commission's public files. Each attachment is separately marked as being CONFIDENTIAL.

Also enclosed is a check in the amount of \$350 for the filing fee.

Thank you for your attention to this matter. If you have any questions related to this filing, please do not hesitate to contact my office.

Very truly yours,



Todd S. Stewart  
Counsel for Interstate Gas Supply, Inc.  
d/b/a IGS Energy

SECRETARY'S BUREAU  
PA PUC

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TSS/jld  
Enclosure  
cc: Anthony Cusati

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Interstate Gas Supply, Inc., dba :  
IGS Energy to Revise Its Current : Docket No. A-2011-2228643  
Bond/Security :

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**PETITION OF INTERSTATE GAS SUPPLY, INC.  
TO REDUCE BONDING LEVEL**

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NOW COMES, Interstate Gas Supply, Inc., d/b/a IGS Energy (“IGS”), pursuant to the Pennsylvania Public Utility Commission’s (“Commission”) Final Order entered on July 24, 2014 at Docket Number M-2013-2393141 (“*Financial Security Order*”), and hereby requests that the Commission reduce the level of security that IGS is required to maintain with the Commission for its operations as an electric generation supplier (“EGS”), from the current 10% to 5%, based upon its last twelve months of revenue as reported to the Commission. In support of this request, IGS states and avers as follows:

1. IGS is currently licensed as an EGS for all customer classes within the Commonwealth of Pennsylvania. The EGS license was approved on May 19, 2011.
2. IGS has maintained its license in good standing and is compliant with current financial security requirements.
3. Pursuant to the *Financial Security Order*, the Commission concluded that following its first year of operations, an EGS may petition to have its bonding requirement reduced from 10% to 5% of the EGS’s prior 12 months of revenue or \$250,000, whichever is

higher, so long as the revised amount still meets the other criteria set forth in 52 Pa Code § 54.40(f). *Financial Security Order* at 11-12.

4. The Commission also requested that an EGSs seeking to revise its financial security requirements and provide the following information with the request:

- Gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent 12 months;
- The amount of gross receipts taxes that the EGS has prepaid towards its estimated revenues for the current calendar year;
- Submit documentation, if the EGS is proposing to utilize a parental or corporate guarantee, that demonstrates that the guarantor meets the required long-term bond rating from two of the approved rating agencies;
- Available AEPS compliance data from the most recent 12 months; and,
- Copies of all Department of Revenue documents that support the EGS's request.

5. In support of its Petition, IGS is including the following attachments:

<b>Attachment</b>	<b>Description</b>
A <b>CONFIDENTIAL</b>	IGS's gross revenues for the sale of electricity to retail customers in Pennsylvania from January 1, 2012 through December 31, 2014, as evidenced by the attached copy of its annual report as filed with the Commission.
B <b>CONFIDENTIAL</b>	Demonstrates IGS' Gross Receipts Tax payments for 2012 through 2014.
C <b>CONFIDENTIAL</b>	Available AEPS compliance data from the most recent 12 months
D <b>CONFIDENTIAL</b>	Proof of payment of Pennsylvania other taxes for 2012-2014

6. IGS submits that this supporting documentation is consistent with the Commission's *Financial Security Order* and provides appropriate support to grant its Petition. Importantly, granting IGS's Petition will not in any way impede IGS's ability to comply with 66 Pa. C.S. § 2809(c) or 52 Pa Code § 54.40(a) which requires IGS to maintain sufficient financial security to ensure financial responsibility, the payment of gross receipts tax and the supply of

electricity at retail. Finally, granting IGS's petition will enable IGS to better allocate resources to developing retail products for the benefit of consumers.

7. IGS is prepared to work with the Commission's Bureau of Technical Utility Services to process this request and provide any additional information as may be needed.

**WHEREFORE**, IGS respectfully requests that the Commission grant this petition and permit IGS to maintain financial security in the amount of 5% of its last twelve months of revenue secured through a bond.

Respectfully submitted,



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Todd S. Stewart  
PA Attorney I.D. #75556  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
E-mail: [tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)  
Telephone: (717) 236-1300  
Facsimile: (717) 236-4841

*Counsel for Interstate Gas Supply, Inc.  
d/b/a IGS Energy*

DATED: August 17, 2015

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