

**John F. Povilaitis**

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March 11, 2016

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

Re: Petition of GDF Suez Energy Resources NA, Inc. for Renewal of Authorized  
Reduction in Level of Bonding, Docket No. A-110156

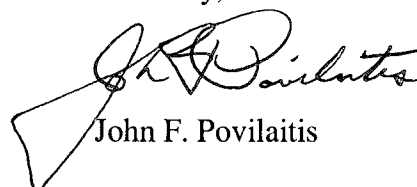
Dear Secretary Chiavetta:

Enclosed please find the Petition of GDF SUEZ Energy Resources NA, Inc. (“GDF Suez”) for a Renewal of its Authorized Reduction in Level of Bonding (“Petition”). This filing includes commercially valuable and sensitive information for which GDF Suez requests confidential treatment. Accordingly, enclosed is a version of the Petition marked “Public Version” for inclusion in the public record. A version of the Petition marked “Confidential Version” will be hand delivered. GDF Suez **respectfully requests that the Confidential Version of its Petition be maintained by the Pennsylvania Public Utility Commission (“Commission”) under seal.** Also enclosed is a filing fee in the amount of \$350.00. Please note that this filing will be supplemented with a copy of Confidential Attachment 2 as soon as it is obtained from the Pennsylvania Department of Revenue.

Copies of GDF Suez’s Public Version of its Petition have been served on each of the Public Advocates, the Commission’s Bureau of Investigation and Enforcement, the Commission’s Bureau of Technical Utility Services, the Commonwealth of Pennsylvania’s Department of Revenue, the Office of Attorney General’s Bureau of Consumer Protection and all Pennsylvania electric distribution companies as indicated in the attached Certificate of Service.

Please contact the undersigned if you have any questions regarding this matter.

Sincerely,



John F. Povilaitis

JFP/tlg  
Enclosure

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of GDF Suez Energy Resources NA, Inc. : Docket No. A-110156  
For A Reduction in Level of Bonding :

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PETITION OF GDF SUEZ ENERGY RESOURCES NA, INC. FOR A  
RENEWAL OF REDUCED BONDING LEVEL AUTHORIZATION

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**I. Introduction**

1. GDF SUEZ Energy Resources NA, Inc. (“GDF Suez” or “Company”) is an electric generation supplier (“EGS”) authorized by the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) to operate as a retail electric power supplier engaged in the business of supplying electricity to large commercial and industrial customers in the Commonwealth of Pennsylvania. GDF Suez, received its initial license to operate as an EGS in the service territories of Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, PPL Electric Utilities Corporation, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company by Order of September 25, 2002 at Docket No. A-110156. As a licensed EGS, GDF Suez is subject to the Commission’s authority to require it to furnish a bond or other security in order to operate in the Commonwealth of Pennsylvania, pursuant to Section 2809(c) of the Public Utility Code (“Code”) and Section 54.40 of the Commission’s regulations. 66 Pa.C. S. §2809(c); 52 Pa.Code §54.40.

2. Section 54.40(d) of the Commission’s regulations requires EGSs to provide a security level of 10% of the licensee’s reported gross receipts. However, a licensee may seek approval from the Commission of an alternative level of bonding, commensurate with the nature and scope of its operations. 52 Pa.Code §54.40(d). According to the Commission’s regulations,

the purpose of the bond is to ensure payment of the Pennsylvania Gross Receipts Tax (“GRT”) and to ensure the supply of electricity at the retail level in accordance with contracts, agreements or arrangements. 52 Pa.Code §54.40(f)(2). On July 24, 2014, after consideration of formal comments submitted to a December 5, 2013 Tentative Order, the Commission found that requiring an EGS to post a bond or security in the amount of 10% of gross receipts after the first year of operation “may be excessive in relation to the risk intended to be secured, unnecessarily burdening EGSs, and presenting a potential barrier to entry into Pennsylvania’s retail electric market.”<sup>1</sup> Therefore the Commission announced in the July 24, 2014 Order that it was adopting the policy of accepting Petitions by EGSs to reduce their level of bonding/security after the first year of operation to 5% of the EGS’s most recent 12 months of gross revenue or \$250,000, whichever is higher. In addition, the July 24, 2014 Order delegated authority to review uncontested requests for a reduction in the level of bonding to the Bureau of Technical Utility Services.<sup>2</sup>

3. Based on the July 24, 2014 Order, the Code, and the Commission’s regulation at Section 54.40(d), GDF Suez filed a bond reduction petition to reduce its bond with the PaPUC from 10% to 5% of GDF Suez’s most recent twelve (12) months of revenue on September 14, 2014. By Secretarial Letter dated March 5, 2015, the PaPUC granted GDF Suez’s bond reduction petition effective March 11, 2015. Thereafter, annually, GDF Suez must provide continued documentation of its eligibility for a bond reduction with the Commission’s annual bond review pursuant to 52 Pa.Code Section 54.40(d). Therefore, GDF Suez provides the following material in support of its request that the Commission approve a continued reduction in its security requirement to 5% of its most recent 12 months of gross revenue.

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<sup>1</sup> *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers; Acceptable Security Instruments*, Docket No. M-2013-2393141 (July 24, 2014) (“July 24, 2014 Order”) at 10.

<sup>2</sup> July 24, 2014 Order at 12-13.

**II. Information Provided in Support of Bond Reduction Request**

4. Prior to filing this Petition to reduce its bonding requirement, GDF Suez informally consulted with Commission staff to obtain guidance as to the appropriate information to support such a request, as was suggested by the Commission in the July 24, 2014 Order.<sup>3</sup> Based on that consultation, this Petition includes Confidential Attachments 1 through 3. Confidential Attachment 1 provides GDF Suez's gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent twelve (12) months.

5. Confidential Attachment 2 will be a Tax Status Letter of Good Standing obtained by GDF Suez from the Pennsylvania Department of Revenue ("DOR"). This Tax Status Letter has been requested, but has not been received. It will be supplied as a supplement to this request as soon as it is received.

6. Confidential Attachment 3 documents GDF Suez's full compliance with the requirements of the Alternative Energy Portfolio Standards ("AEPS") Act. This attachment shows compliance data for the most recent 12 month period (January through December 2015) taken from the report of the Statewide Administrator of the Pennsylvania AEPS Alternative Energy Credit Program, stating the compliance obligation for the most recent energy year.

7. Based on the foregoing information which demonstrates that GDF Suez is in compliance with the AEPS Alternative Energy Credit Program and is in good standing with DOR, GDF Suez requests that its bonding requirement continue to be reduced to 5% of its most recent twelve (12) months of gross revenue. This amount is reasonable and satisfies the requirements of Section 2809(c) of the Public Utility Code ("Code") and Section 54.40 of the Commission's regulations. 66 Pa.C.S. §2809(c); 52 Pa. Code §54.40.

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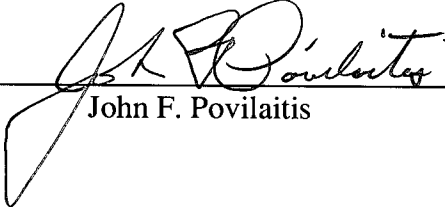
<sup>3</sup> *Id.*

**III. Relief Requested and Conclusion**

8. Based on its standing as an EGS licensed to do business in Pennsylvania, the Commission's regulations and the July 24, 2014 Order, GDF Suez respectfully requests that it be authorized to continue to maintain its current bond security on file with the Commission at 5% of its most recent twelve (12) months of revenue. Upon approval of this Petition by the Commission, GDF Suez's current bond on file with the Commission will comply with the Commission's bond requirements for EGSs listed in Section 55.40(f) of the Commission's regulations. 52 Pa.Code §54.40(f).

Respectfully submitted,

Dated: March 11, 2015

  
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John F. Povilaitis

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of GDF SUEZ Energy Resources NA, Inc.     §  
For a Reduction in Level of Bonding                     §

Docket No. A-110156

**PETITION OF GDF SUEZ ENERGY RESOURCES NA, INC. FOR A  
CONTINUED REDUCTION IN LEVEL OF BONDING**

**ATTACHMENT 1  
2015 GROSS REVENUES**

**CONFIDENTIAL**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of GDF SUEZ Energy Resources NA, Inc.     §  
For a Reduction in Level of Bonding                     §

Docket No. A-110156

**PETITION OF GDF SUEZ ENERGY RESOURCES NA, INC. FOR A  
CONTINUED REDUCTION IN LEVEL OF BONDING**

**ATTACHMENT 2**

**Letter of Good Standing Issued by  
Commonwealth of PA Department of Revenue**

**CONFIDENTIAL**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of GDF SUEZ Energy Resources NA, Inc.     §  
For a Reduction in Level of Bonding                   §

Docket No. A-110156

**PETITION OF GDF SUEZ ENERGY RESOURCES NA, INC. FOR A  
CONTINUED REDUCTION IN LEVEL OF BONDING**

**ATTACHMENT 3**

**Email Confirmation from  
PA AEPS Administrator Confirming 2015 Compliance  
With AEC Requirements**

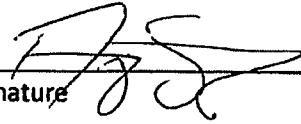
**CONFIDENTIAL**



## **VERIFICATION**

I, DOUGLAS STEIN, Vice President & Controller for GDF SUEZ Energy Resources NA, Inc. ("GDF Suez"), hereby verify that the information in the foregoing Petition of GDF Suez for a Continued Reduction in Level of Bonding of GDF Suez filed at Docket No. A-110156, is true and correct to the best of my information, knowledge and belief. I understand that the statements are made subject to the penalties of 18 Pa. C.S. Section 4904, relating to the unsworn falsification to authorities.

Signature

A handwritten signature in black ink, appearing to be 'D. Stein', written over a horizontal line.

Dated: March 11, 2016

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of GDF Suez Energy Resources NA, Inc. : Docket No. A-110156  
For A Reduction in Level of Bonding :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the **public version** of the attached document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

**Via First Class Mail**

Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Michael L. Swindler  
Wayne T. Scott  
Stephanie Wimer  
Pennsylvania Public Utility Commission  
Bureau of Investigation & Enforcement  
PO Box 3265  
Harrisburg, PA 17105-3265

John M. Abel  
Margarita Tulman  
Office of Attorney General  
Bureau of Consumer Protection  
15<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120

Candis A. Tunilo  
Christy M. Appleby  
Kristine E. Robinson  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101

Kirk House,  
Director of Office of Competitive Market  
Oversight  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
3rd Floor, Room N-309  
Harrisburg, PA 17105

Bureau of Technical Utility Services  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
3rd Floor  
Harrisburg, PA 17105

Legal Department  
West Penn Power d/b/a Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

Citizens' Electric Company  
Attn: EGS Coordination  
1775 Industrial Boulevard  
Lewisburg, PA 17837

Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD 16-4  
Pittsburgh, PA 15219

**PUBLIC VERSION**

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
PO Box 280947  
Harrisburg, PA 17128

Legal Department  
Attn: Paul Russell  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

Director of Customer Energy Services  
Orange and Rockland Company  
390 West Route 59  
Spring Valley, NY 10977-5300

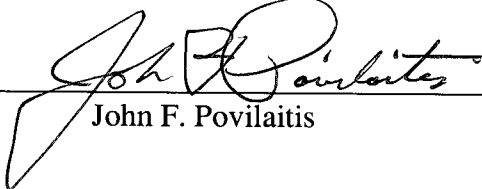
UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12<sup>th</sup> Street, Suite 360  
P.O. Box 12677  
Reading, PA 19612-2677

Legal Department  
First Energy  
2800 Pottsville Pike  
Reading, PA 19612

Wellsboro Electric Company  
Attn: EGS Coordination  
33 Austin Street  
P.O. Box 138  
Wellsboro, PA 16901

Manager Energy Acquisition  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

Dated this 11<sup>th</sup> day of March, 2016.

  
John F. Povilaitis