

April 4, 2016

#### VIA HAND DELILVERY

#### D. Troy Sellars

Direct Phone 717-703-5890 Direct Fax 215-701-2416 tsellars@cozen.com

### CONTAINS CONFIDENTIAL APPENDIX

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor North P.O. Box 3265 Harrisburg, PA 17105-3265

Re: Petition of Talen Energy Marketing, LLC to Reduce Its Bonding Requirement;

**Docket No. A-110098** 

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Petition of Talen Energy Marketing, LLC ("Talen") to Reduce Its Bonding Requirement ("Petition"). The Petition is filed in accordance with the Commission's final order entered on July 24, 2014, at Docket No. M-2013-2393141. The license number for Talen is A-110098. Also enclosed is a check (Check No. 246553) in the amount of \$350.00 for the filing fee associated with the Petition.

If you have any questions regarding this filing, please do not hesitate to contact me. Please date-stamp the extra copy and return it with our courier. Thank you for your attention to this matter

Sincerely,

COZEN O'CONNOR

D. Trov Sellars

Counsel for Talen Energy Marketing.

DTS/kmg **Enclosures** 

Stephen Jakab, Bureau of Technical Utility Services (with appendix) CC:

Per Certificate of Service (without appendix)

J

#### **CERTIFICATE OF SERVICE Docket No.A-110078**

I hereby certify that I have this day served a true copy of Talen Energy Marketing, LLC's Petition to Reduce Its Bonding Requirements without the Confidential appendix, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

#### **VIA FIRST CLASS MAIL:**

Bureau of Investigation & Enforcement Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2 West P.O. Box 3265 Harrisburg, PA 17105-3265

Office of Consumer Advocate 555 Walnut Street Forum lace, 5th Floor Harrisburg, PA 17101-1923

Office of Small Business Advocate Suite 202, Commerce Tower 300 North Second Street Harrisburg, PA 17101-1303

Pennsylvania Department of Revenue Bureau of Compliance Fourth and Walnut Streets First Floor, Strawberry Square Harrisburg, PA 17128

Pennsylvania Office of Attorney General Bureau of Consumer Protection Fourteenth Floor, Strawberry Square Harrisburg, PA 17120

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

Med-Ed, Penelec, and Penn Power Legal Department FirstEnergy 2800 Pottsville Pike Reading, PA 19612

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

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

Manager Energy Acquisition PECO Energy Company 301 Market Street Philadelphia, PA 9101-8699

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

UGI Utilities, Inc. Attn: Rates Dept. - Choice Coordinator 2525 N. 12th Street, Suite 360 Post Office Box 12677 Reading, Pa 19612-2677

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

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

D. Troy Sellars, Esquire

Counsel for Talen Energy Corp.

Dated: April 4, 2016

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Talen Energy Marketing, LLC To Reduce Its Bonding Requirement

Docket No. A-110098

APR -4 PH 3: 33
APR -4 PH 3: 33

## PETITION OF TALEN ENERGY MARKETING, LLC TO REDUCE ITS BONDING REQUIREMENT

NOW COMES Talen Energy Marketing, LLC ("Talen"), by and through counsel, Cozen O'Connor, and files the instant Petition to Reduce its Bonding Requirement ("Petition") and, in support thereof, avers as follows:

- 1. Talen is a licensed electric generation supplier ("EGS") in the Commonwealth of Pennsylvania.
- 2. Talen has been a licensed EGS for more than one year. It was licensed on September 15, 1998 at Docket No. A-110098 and has maintained its license in good standing since that time.<sup>1</sup>
  - 3. Talen is compliant with its current bonding requirements through May 15, 2016.
- 4. By Final Order entered July 24, 2014, the Pennsylvania Public Utility Commission (the "Commission") held that an EGS, following its first year of operations, may petition to have its bonding requirement reduced from 10% to 5% of the EGS's last 12 months of revenue or \$250,000, whichever is greater. *Public Utility Commission Bonding/Security*

<sup>&</sup>lt;sup>1</sup> The license was issued to PPL EnergyPlus, LLC. On April 8, 2015, PPL EnergyPlus, LLC notified the Pennsylvania Public Utility Commission by letter that its name had changed to Talen Energy Marketing, LLC. The change was acknowledged and approved by Secretarial Letter dated July 8, 2015.

Requirements for Electric Generation Suppliers; Acceptable Security Instruments, Docket No. M-2013-2393141, pp. 17-18, Conclusion and Ordering ¶ 5 (Order entered July 24, 2014) (the "Bond Reduction Order").

- 5. Through this Petition, Talen seeks to reduce its bonding requirement to 5% of its last 12 months of revenue.
- 6. As required by the Bond Reduction Order and pursuant to guidance from the Commission's Bureau of Technical Utility Services, Talen has included as **Appendix A** (CONFIDENTIAL), a spreadsheet that reports Talen's: (i) gross receipts from electric generation sales to retail customers in Pennsylvania for the four most-recent quarters (as reflected on its Quarterly Gross Receipts Reports previously filed with the Commission); and, (ii) prepaid gross receipts tax for 2015 and year-to-date for 2016.
- 7. Talen is current with its tax obligations to the Commonwealth of Pennsylvania.

  Talen has requested a Tax Status Letter from the Pennsylvania Department of Revenue and will file such Letter immediately upon receipt.
- 8. After approval of the reduction, Talen will make a compliance filing with the new bond reflecting the reduced amount.

WHEREFORE, Talen Energy Marketing, LLC respectfully requests that this Honorable Commission, in accord with the Bond Reduction Order at Docket No. M-2013-2393141, grant the instant Petition and timely approve a reduction to the bonding requirements of Talen Energy Marketing, LLC.

Respectfully submitted

David P. Zambito (PA ID #80017)

D. Troy Sellars (PA ID #210302)

Cozen O'Connor

17 North Second Street

**Suite 1410** 

Harrisburg, PA 17101

Telephone: (717) 703-5892 Facsimile: (215) 989-4216 E-mail: dzambito@cozen.com

tsellars@cozen.com

Joseph R. Waala Assistant General Counsel 135 Hamilton Street, Suite 150

Allentown, PA 18101

Telephone: (610) 774-6880 Facsimile: (610) 774-2755

E-mail: Joseph.Waala@TalenEnergy.com

Dated: April 4, 2016 Counsel for Talen Energy Marketing, LLC

#### VERIFICATION

I, Clarence J. Hopf, Jr., President for Talen Energy Marketing, LLC, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: 4/4/10

Clarence J. Hopf, Jr.

# Appendix A CONFIDENTIAL