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August 3, 2016

**VIA HAND DELIVERY**

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

Re: Petition of MidAmerican Energy Services LLC for Reduction in Bonding Requirement; Docket No. A-2015-2496354 (P-2016-\_\_\_\_\_)

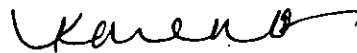
Dear Secretary Chiavetta:

On behalf of MidAmerican Energy Services LLC, enclosed for filing is the original and one copy of a Petition for Reduction in Bonding Requirement (Public Version Excluding Confidential Appendix A, Exhibit 1) in the above-captioned matter. The \$350 filing fee is enclosed.

The Petition is a public document; however, we are also separately filing a confidential version which will include a Confidential Appendix A.

Copies have been served on all parties as indicated in the attached certificate of service.

Very truly yours,



Karen O. Moury

KOM/bb  
Enclosure  
cc: Certificate of Service

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**Petition of MidAmerican Energy Services LLC For Reduction in Bonding Requirement** : : **Docket No. A-2015-2496354 (P-2016-\_\_\_\_\_)**

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**PETITION OF MIDAMERICAN ENERGY SERVICES LLC  
FOR REDUCTION IN BONDING REQUIREMENT**

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**TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

MidAmerican Energy Services LLC ("MES"), by and through its counsel, Karen O. Moury, and Buchanan Ingersoll & Rooney PC, files this Petition for Reduction in Bonding Requirement pursuant to the Commission's Final Order ("Petition") in the matter of *Bonding/Security Requirements for Electric Generation Suppliers*, Docket No. M-2013-2393141 (Order adopted July 24, 2014) ("*Bond Reduction Order*") and in accordance with the Secretarial Letter issued on April 8, 2016 at the same docket number ("*Bond Reduction Secretarial Letter*"). Effective October 1, 2016, MES specifically requests approval to reduce its financial security requirement with the Commission to a level equal to 5 percent of its most recent 12 months of gross revenues for electricity sales in Pennsylvania. In support hereof, MES avers as follows:

1. On February 14, 2011, the Commission entered an Order approving the issuance of a license to MidAmerican Energy Company ("MEC") to operate as an electric generation supplier ("EGS"), serving small and large commercial, industrial and governmental customers throughout Pennsylvania. *Application of MidAmerican Energy Company*, Docket No. A-2010-2201370 (Order entered February 14, 2011) ("*MEC Licensing Order I*").

2. On June 21, 2012, the Commission entered an Order approving an amendment to MEC's EGS license, permitting it to also serve residential customers throughout Pennsylvania.

*Application of MidAmerican Energy Company*, Docket No. A-2010-2201370 (Order entered June 21, 2012) (“*MEC Licensing Order II*”).

3. By the *Bond Reduction Order* issued on July 24, 2014, the Commission concluded that an EGS, following its first year of operation, 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.

4. Pursuant to the *Bond Reduction Order*, MEC filed a Petition for Bond Reduction on August 17, 2015 requesting a reduction in its bond from 10% to 5% of its most recent 12 months of revenue. MEC’s Petition for Bond Reduction was approved by Secretarial Letter dated October 20, 2015 at Docket No. A-2010-2201370 (“*MEC Secretarial Letter*”). Per the terms of the *MEC Secretarial Letter*, the bond reduction is effective for one year and may be renewed annually by the Commission, provided that MEC provides annual documentation of eligibility as part of the annual bond review that occurs under 52 Pa. Code § 54.40(d).

5. On July 8, 2015, MES filed an EGS application, which was approved by the Commission on October 1, 2015 at Docket No. 2015-2496354 (“*MES Licensing Order*”). In that application, MES explained that MEC’s unregulated retail services division initially entered competitive retail markets in 1999 and has been serving electric customers in Pennsylvania since 2011 under *MEC Licensing Order I*. MES further noted that due to the evolution of the unregulated retail services division’s competitive market activities, corporate leadership determined that the division would be transferred to an affiliate within Berkshire Hathaway Energy. This new company is MES, which now holds an EGS license and is authorized by the *MES Licensing Order* to serve all customers classes in all electric distribution company (“EDC”) service territories throughout Pennsylvania.

6. Although MEC still holds an EGS license pursuant to *MEC Licensing Order I* and *MEC Licensing Order II*, it is no longer serving any retail customers in Pennsylvania. MEC provided notice of abandonment to the Commission by letter dated July 20, 2016, which was docketed at Docket No. A-2016-2559005. By that letter, MEC informed the Commission that all customers formerly served by MEC have been transferred to MES for electric generation service and requested the release of its bond on file with the Commission.

7. Under the *Bond Reduction Secretarial Letter*, the Commission directed EGSs seeking renewal of security reductions to provide documentation at least 90 days prior to the current security's expiration date. This documentation must include a petition for renewal; a \$350 filing fee; proof of service of the petition on the public advocates and affected EDCs; a tax letter of good standing from the Department of Revenue ("DOR") relating to the payment of gross receipts taxes; and the company's gross receipts for the most recent four quarters.

8. Since MEC is no longer serving customers, it is not filing a renewal petition as contemplated by the *MEC Secretarial Letter* and the *Bond Reduction Secretarial Letter*. Rather, MES is filing this bond reduction petition due to the affiliate relationship between MEC and MES and the transfer of all of MEC's customers to MES. Through this Petition, MES is seeking to have its security obligation reduced from 10% to 5% of the most recent 12 months of gross receipts, effective October 1, 2016.

9. Currently, MES is still maintaining the initial bond of \$250,000, which will be increased as part of the Commission's annual bond review. Rather than being required to increase its bond to 10% of its most recent 12 months of gross receipts during the annual review, MES is seeking to increase the security to 5% of the most recent 12 months of gross receipts. Particularly given the bond reduction approved for MEC on October 20, 2015, the affiliate

relationship between MEC and MES and the transfer of all retail customers from MEC to MES, MES submits that this proposal is an effective and efficient way for the Commission to ensure that adequate security is maintained.

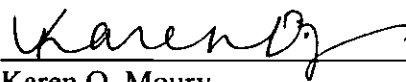
10. The information required by the *Bond Reduction Secretarial Letter* is set forth in **Confidential Appendix A** attached to this Petition and demonstrates that both MEC and MES is in good standing with DOR. With respect to the most recent 12 months of gross receipts, MES is submitting blended information from MES and MEC.

11. MES stands ready to supplement this information as may be required by the Commission to process this Petition.

WHEREFORE, MidAmerican Energy Services LLC respectfully requests the issuance of a Secretarial Letter approving a reduction in the level of MES' bond to equate to 5% of the MES and MEC gross revenues from retail electricity sales in Pennsylvania for the most recent 12 months, effective October 1, 2016.

Respectfully submitted,

Dated: August 3, 2016



Karen O. Moury  
BUCHANAN INGERSOLL & ROONEY PC  
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Suite 500  
Harrisburg, PA 17101  
(717) 237-4820

*Attorneys for MidAmerican Energy Services LLC*

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing 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

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

Pennsylvania Public Utility Commission  
Bureau of Investigation & Enforcement  
PO Box 3265  
Harrisburg, PA 17105-3265

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

Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101

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

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946  
Legal Department

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

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

Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD 16-4  
Pittsburgh, PA 5219

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

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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

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

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

Dated this 3<sup>rd</sup> day of August, 2016.



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Karen O. Moury, Esq.

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