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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  400 NORTH STREET, HARRISBURG, PA 17120 | **IN REPLY PLEASE REFER TO OUR FILE** |

November 23, 2016

# Docket No. A-2012-2328004

# Utility Code: 1115178

KENNETH FLOOD

DISCOUNT POWER INC

6 ARMSTRONG ROAD

SHELTON CT 06484

Re: Bonding/Security Reduction for Electric Generation Suppliers

Dear Mr. Flood:

On October 6, 2016, Discount Power, Inc. (Discount Power) filed a bond reduction petition to reduce its bond with the Pennsylvania Public Utility Commission from 10% to 5% of Discount Power’s most recent twelve (12) months of revenue pursuant to the Commission’s Order entered July 24, 2014 at Docket No. M-2013-2393141.

The Commission’s July 24, 2014, bond reduction Order states:

*“At a minimum, Commission staff will require each EGS seeking this change to:*

1. *Provide its gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent 12 months;*
2. *Provide the amount of gross receipts taxes that the EGS has prepaid towards its estimated revenues for the three prior years or the life of its license, whichever is the least period of time;*
3. *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;*
4. *Provide available AEPS compliance data from the most recent 12 months; and*
5. *Provide copies of all Department of Revenue documents that support the EGS’s request.*

*Depending on the nature of the EGS’s request, Commission staff may seek more information from the EGS, such as demonstration that the EGS has paid Pennsylvania GRT for the previous calendar year(s).”*

Upon review of Discount Power’s bond reduction petition, we find that the proposed bonding/security reduction from 10% to 5% does not appear to be unlawful, unjust, unreasonable, or contrary to the public interest.

Accordingly, we will grant Discount Power’s Bond Reduction Petition to become effective on the date of this Secretarial Letter. Discount Power’s current security expiration date must be aligned with the Bond Reduction effective date.

The bond reduction shall be effective for one year and may be renewed annually for additional years by the Commission, provided Discount Power provides annual documentation of its eligibility for a bond reduction with the Commission’s annual bond review pursuant to 52 Pa.Code Section 54.40(d), (90) days prior to the security expiration date. In the event Discount Power does not provide such documentation to the Commission, its bond reduction will cease and the bonding requirement will revert to 10% of gross receipts.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code §5.44, file a petition for reconsideration with the Commission within twenty (20) days of the date of this letter. The petition for reconsideration should be addressed to Secretary Rosemary Chiavetta, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120.

Should you have any questions pertaining to your petition, please contact the Bureau of Technical Utility Services at 717-783-5242.

 Sincerely,

Rosemary Chiavetta

Secretary