

JONES DAY

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December 21, 2016

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VIA OVERNIGHT DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

DEC 20 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: EDF Energy Services, LLC Response to Data Request
Docket No: A-2016-2571988
Utility Code: 1219298

Dear Secretary Chiavetta:

On behalf of EDF Energy Services, LLC ("EDF") we submit this response to the November 22, 2016 Data Request of the Pennsylvania Public Utility Commission ("PUC") regarding EDF's Application for Approval to Offer, Render, Furnish or Supply Natural Gas Supply Services in the Commonwealth of Pennsylvania (the "Application"), submitted on October 12, 2016. The PUC's Data Request asked EDF to supplement, clarify, or revise its Application as to four issues, each of which EDF addresses herein. EDF is making no changes to its Application other than to address the specific issues raised by the PUC, as detailed in the attached materials.

Included with this letter is a document entitled "Responses to Data Request," setting forth narrative responses to each of the four issues raised by the PUC in its Data Request, as well as attachments to each of the responses:

- Attachment 1 addresses EDF's classification as a foreign limited liability company. This attachment contains a revised version of Section 2.b (at page 6) of the Application, in which EDF has changed its designation from a "domestic limited liability company" to a "foreign limited liability company." EDF requests that this revised version of page 6 be substituted into the Application.
- Attachment 2 addresses the PUC's question regarding any public and non-public actions, investigations, and/or complaints in which EDF or affiliates have been involved in the last five years. Attachment 2 is separated into two sections, one public and one confidential. Attachment 2.A describes any public actions, investigations, and/or complaints in which EDF and/or its affiliates have been involved in the last five years. Attachment 2.B provides comparable information

for non-public matters. None of the matters described in Attachments 2.A or 2.B involve a complaint by an EDF customer or any other such customer concern. EDF is submitting Attachment 2.B on a confidential basis, and requests that the PUC not publish that document or the information it contains.

- Attachment 3 addresses EDF's proof of bonding or security, by providing documentation evidencing that EDF has satisfied the PUC's proof of bonding or security requirement with respect to each Natural Gas Distribution Company ("NGDC") in whose service territory EDF proposes to provide service.¹
- Attachment 4 addresses EDF's financial fitness. Attachment 4 contains copies of the summary pages of EDF's bank statements for the most recent three calendar months, which serve to demonstrate the soundness of EDF's financial position. EDF is submitting these statements on a confidential basis, and requests that these materials and the information they contain not be published.

EDF respectfully requests: (i) that the information and attachments contained herein be treated as a supplement to EDF's Application; (ii) that the PUC find that EDF's responses and accompanying attachments have fully resolved the issues raised in the Data Request; and (iii) that the PUC grant EDF a Natural Gas Supplier License as requested.

Correspondence and communications regarding this filing should be directed to the following persons:

Jennifer M. Hayes
Jones Day
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jhayes@jonesday.com

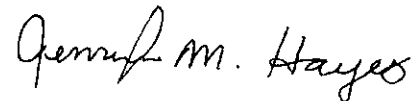
Kevin J. McIntyre
Andrew P. Mina
Jones Day
51 Louisiana Ave., N.W.
Washington, D.C. 20001
(202) 879-3939
kjmccintyre@jonesday.com
amina@jonesday.com

If there is any issue, or if you require further information, please contact Kevin J. McIntyre, at (202) 879-3917, or the counsel of record, Jennifer M. Hayes, at (412) 394-7922. Thank you for your time and attention to this matter.

¹ See 66 Pa. C.S. § 2208(c); 52 Pa. Code §§ 62.111(a), (c), and (d).

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Respectfully submitted,



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Counsel for EDF Energy Services, LLC

cc: Mr. Lee Yalcin, Pennsylvania Public Utility Commission

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EDF Energy Services, LLC
Docket No. A-2016-2571988
Responses to Data Request

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PUC Request 1:

Reference Application, Section 2.b, Business Entity and Department of State Filings – Applicant stated that it is a domestic limited liability company. However, from submitted documentation it appears that applicant is formed in Delaware and as such would be a foreign limited liability company. Please resubmit a revised page 6 of the application with applicant indicated as a foreign limited liability company.

EDF Response:

As directed, EDF has revised Section 2.b on page 6 of its Application to indicate that EDF is a foreign limited liability company, and not a domestic limited liability company as originally stated in EDF's Application. EDF requests that the revised version of the affected page, which is included in Attachment 1, be substituted into the Application.

PUC Request 2:

Reference application, Section 5.c, Customer/Regulatory/Prosecutory Actions – Please elaborate on all present and past actions, investigations and/or complaints, indicate if these were formal or informal, explain the nature of the investigations/complaints or actions against the applicant, please indicate the outcome/adjudication or results.

EDF Response:

EDF's response to this request is set forth in Attachments 2.A and 2.B. Attachment 2.A identifies and describes all *public* actions, investigations, and/or complaints in which EDF and/or its affiliates have been involved in the last five years. Attachment 2.B provides comparable information for *non-public* matters. EDF is submitting Attachment 2.B on a confidential basis, and requests that the PUC not publish this document or the information it contains.

PUC Request 3:

Reference Application, Section 7.a, Bonding – Applicant stated that it is in the process of securing the bonding letters. Applicant must provide documentation that it has met the security requirement of each natural gas distribution company (NGDC) for which it proposes to establish business, by submitting the letters sent by the NGDCs stating what security they require.

*EDF Response to November 22, 2016 Data Request
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Narrative Responses to Specific Questions
Page 2 of 3*

EDF Response:

Attachment 3 contains documentation evidencing that EDF has met the bonding or security requirement of each of the three NGDCs in whose service territories EDF proposes to provide service: (i) The Peoples Natural Gas Company; (ii) Peoples TWP LLC; and (iii) Peoples Natural Gas–Equitable Division (individually, a “Company,” and collectively, the “Companies”). When EDF submitted its Application on October 12, 2016, EDF had not yet secured such proof of a bond or other security from each of the Companies, as required by the PUC,² and therefore EDF submitted the Application without furnishing proof of a bond or financial security. EDF explained its intent to later supplement the Application with such proof once it was received from the Companies.

On October 18, 2016, EDF secured a joint letter on behalf of all of the Companies, which indicates that EDF has satisfied the Companies’ bonding or security requirement. That letter states that because EDF “is not currently serving customers on the [Companies’] systems . . . EDF [] does not need a bond or other financial security requirement to provide” natural gas supply services to the Companies’ customers. The letter provides that the Companies may, however, require a bond or other financial instrument “[i]f a Pool is established, and customers are enrolled which alters the creditworthiness requirement or the Company’s exposure to [EDF’s] provision of services on the [Companies’] system changes in the future . . .”³

Because the PUC’s regulations provide that the amount and form of the security may be mutually agreed upon by the applicable NGDC and the licensee,⁴ EDF submits that the bonding letter, which evidences the agreement between each Company and EDF that no bond or security is currently required, satisfies the PUC’s bonding or security requirement. Therefore, EDF respectfully requests that the letter included in Attachment 3: (i) be accepted as a supplement to

² See 66 Pa. C.S. § 2208(c); 52 Pa. Code § 62.111(d) (“The licensee shall submit to the [PUC] documentation demonstrating that it has complied with the bonding or security requirement. One copy of each bond, letter of credit, or other financial or legal instrument or document evidencing an agreement between the licensee and the NGDC shall be submitted to the [PUC].”); *id.* at § 62.111(a) (“A license will not be issued or remain in force until the licensee furnishes proof of a bond or other security.”); *id.* at § 62.111(c) (indicating that the amount and form of security may be mutually agreed upon by the NGDC and the licensee).

³ At this time, EDF is not contemplating establishing a Pool (as that term is defined in each of the Companies’ respective applicable tariffs) in any of the Companies’ service territories. Therefore, no bond or security is required. However, EDF reserves the right to establish a Pool in the future. Should EDF later seek to establish a Pool in any of the three Companies’ service territories, EDF will alert the applicable NGDC(s) of its intent to do so, and will provide the PUC with documentation demonstrating that EDF has satisfied the bond or security requirement associated with the establishment of that Pool, to the extent such is necessary.

⁴ See 52 Pa. Code § 62.111(c).

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Page 3 of 3*

EDF's Application; and (ii) be deemed to have satisfied the PUC's bonding or security requirement.

PUC Request 4:

Reference Application, Section 7.b, Financial Records, Statements and Ratings – Applicant has provided Audited financial statements of its parent company EDF Trading North America, LLC with their application package. However, this is not sufficient to demonstrate financial fitness. Please provide additional financial information of the types listed in the application to demonstrate this company's financial fitness, such as:

- **An executed agreement with its parent company EDF Trading North America, LLC guaranteeing financial support, including level of support and terms**
- **Bank account statements in the name of the applicant for the last 3 months**
- **Other forms of financing or proof of available funding**
- **Executed supplier agreement(s); applicant mentions a supplier agreement in its application, it appears such agreement has been omitted from the application**

EDF Response:

Included as Attachment 4 are confidential copies of the summary pages of EDF's bank account statements for the most recent three calendar months: September 2016, October 2016, and November 2016. These documents show EDF's beginning and ending balances for each month, together with the aggregate totals of debits and credits during the month, which demonstrate the company's financial fitness and stability. EDF is submitting Attachment 4 on a confidential basis, and requests that the PUC not publish this information.

Attachment 1

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Attachment 1

The Applicant is a:

- domestic corporation (15 Pa. C.S. §1308)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other (Describe):

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above. See Attachment A.
- Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation. See Attachment B.
- Give name and address of officers.

See Attachment C.

3. AFFILIATES AND PREDECESSORS

(both in state and out of state)

- a. **AFFILIATES:** Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

See Attachment D.

- b. **PREDECESSORS:** Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

EDF ENERGY SERVICES, LLC has not had any predecessors.

Attachment 2.A

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Attachment 2.A

EDF Energy Services, LLC

Docket No. A-2016-2571988

Public Actions, Investigations, and/or Complaints

Below is a chart detailing all public actions, investigations, and/or complaints involving EDF Energy Services, LLC (“EDF”) and/or its affiliates over the last five years. None of the matters described involves a complaint by an EDF customer or any other such customer concern.

Complainant/ Investigatory Body	Jurisdiction	Date Initiated	Docket No.	Nature of Complaint/ Investigation/ Self-Report	Final Resolution/ Date
California Public Utilities Commission (“CPUC”)	CPUC	June 3, 2015	Citation No. E-4195-24	Citation due to EDF Industrial Power Services, LLC’s (“EDF Industrial”) failure to file a Month- Ahead System Resource Adequacy Compliance Filing at the time, and in the manner, required.	EDF Industrial agreed to pay a \$1,000 fine to the CPUC. Resolved: June 15, 2016.
Public Utility Commission of Nevada (“Nevada PUC”)	Nevada PUC	October 16, 2014	Docket No. 15-05029	Allegation by the Regulatory Operations Staff of the Nevada PUC (“Nevada PUC Staff”) that EDF Trading North America, LLC (“EDF Trading”) was operating in the State of Nevada as an alternative seller of natural gas services without a license.	The Nevada PUC approved a Stipulation between the Nevada PUC Staff and EDF Trading, in which EDF Trading agreed to pay a \$2,500 administrative fine. Resolved: June 30, 2015.

Attachment 2.A

Complainant/ Investigatory Body	Jurisdiction	Date Initiated	Docket No.	Nature of Complaint/ Investigation/ Self-Report	Final Resolution/ Date
Texas Reliability Entity ("Texas RE")	Texas RE	February 13, 2012	NERC Violation ID– TRE201200 9735	EDF Trading self- reported that, during ramping, EDF Trading was operating a generator while the generator was not in automatic voltage control mode.	This matter was processed under the NERC Find, Fix, and Track process. No penalty or sanction resulted. Resolved: February 3, 2013.
Texas RE	Texas RE	May 10, 2016	NERC Violation ID– TRE201601 5847	NERC Generator Operator audit resulted in a finding that EDF had provided incorrect data to the Balancing Authority regarding the status of several generators' Automatic Voltage Regulators and Power System Stabilizers.	EDF's alleged noncompliance qualified for NERC's Compliance Exception process because the noncompliance posed a minimal reliability risk and was appropriately mitigated. Resolved: November 16, 2016.

Attachment 2.A

Complainant/ Investigatory Body	Jurisdiction	Date Initiated	Docket No.	Nature of Complaint/ Investigation/ Self-Report	Final Resolution/ Date
Public Utility Commission of Texas ("PUCT")	PUCT	August 5, 2013; May 12, 2014	Docket No. 41897; Docket No. 43576	Two separate PUCT investigations into EDF Trading's deployment of generators that failed to reach their "Low Sustained Limit" within twenty five minutes, relating to non-spinning reserve service energy deployment criteria.	The PUCT approved a Settlement Agreement between EDF Trading and the Staff of the PUCT in each proceeding. EDF Trading agreed to pay an administrative penalty of \$30,000 in the first investigation and \$57,000 in the second investigation. Resolved: November 4, 2013 and November 14, 2014, respectively.

Attachment 2.A

Complainant/ Investigatory Body	Jurisdiction	Date Initiated	Docket No.	Nature of Complaint/ Investigation/ Self-Report	Final Resolution/ Date
PUCT	PUCT	March 12, 2014	Docket No. 44388	PUCT investigation into an EDF Trading Load Resource failing to curtail sufficient load within ten minutes, as instructed by the Electric Reliability Council of Texas.	The PUCT approved a Settlement Agreement between EDF Trading and the Staff of the PUCT, in which EDF Trading agreed to pay an administrative penalty of \$50,000. Resolved: March 10, 2015.

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Attachment 2.B

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Attachment 3



PEOPLES NATURAL GAS



PEOPLES TWP

375 North Shore Drive
Pittsburgh, PA 15212

Lynda W. Petrichevich
Director, Rates and Regulatory Affairs

Peoples Service Company LLC
Phone: 412-208-6528; Fax: 412-208-6577
Email: lpetrichevich@peoples-gas.com

October 18, 2016

Mr. Robert Louisy
VP Operations and Accounting
EDF Energy Services, LLC
4700 W. Sam Houston Parkway N., Suite 250
Houston, Texas 77041

Dear Mr. Louisy:

We are pleased that EDF Energy Services, LLC has applied for a license to provide natural gas services on the Peoples Group of Companies. Specifically you have requested to be licensed as a supplier on the distribution systems of Peoples Natural Gas Company LLC, Peoples TWP, and Peoples Natural Gas LLC – Equitable Division (“the Companies”).

Since EDF Energy Services, LLC is not currently serving customers on the Peoples systems, we have determined at this time that EDF Energy Services, LLC does not need a bond or other financial security requirement to provide these services to the Company’s customers.

If a Pool is established, and customers are enrolled which alters the creditworthiness requirement or the Company’s exposure to EDF Energy Services, LLC provision of services on the Peoples’ system changes in the future, the Companies may deem it appropriate to require a bond or other financial instrument.

If you have any questions feel free to contact me at 412-208-6528 or by email at Lynda.W.Petrichevich@peoples-gas.com.

Sincerely,

Lynda W. Petrichevich
Director – Rates and Regulatory Affairs
Peoples Natural Gas Company LLC

Cc: Steven Kolich
Stephen Kelly

SAFETY

CUSTOMER
COMMITMENT

TRUST

COMMUNITY

Attachment 4

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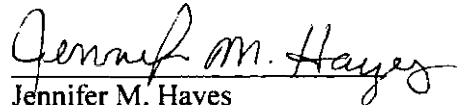
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VERIFICATION

I, Jennifer M. Hayes, hereby state that the facts above set forth 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).



Jennifer M. Hayes

Jones Day

500 Grant Street

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Pittsburgh, PA 15219

(412) 394-7992 (phone)

jhayes@jonesday.com

Counsel for EDF Energy Services, LLC

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CERTIFICATE OF SERVICE

On this the 21st day of December 2016, I certify that a true and correct copy of the foregoing Response to Data Request and all NON-CONFIDENTIAL attachments have been served, as either a hardcopy or a searchable PDF version on a cd-rom, upon the following:

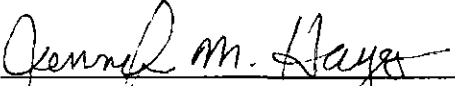
Office of Consumer Advocate 5th Floor, Forum Place 555 Walnut Street Harrisburg, PA 17120	Office of the Attorney General Bureau of Consumer Protection Strawberry Square, 14th Floor Harrisburg, PA 17120
Office of the Small Business Advocate Commerce Building, Suite 202 300 North Second Street Harrisburg, PA 17101	Commonwealth of Pennsylvania Department of Revenue Bureau of Compliance Harrisburg, PA 17128-0946
Columbia Gas of PA, Inc. Thomas C. Heckathorn 290 W. Nationwide Blvd. Columbus, OH 43215 PH: 614.460.4996 FAX: 614.460.8426 EMAIL: theckathorn@nisource.com	Bureau of Investigation & Enforcement Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2 West Harrisburg, PA 17120
Peoples Natural Gas - Equitable Division Lynda Petrichevich 225 North Shore Drive Pittsburgh, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 EMAIL: Lynda.w.oetrichevich@peoples-gas.com	National Fuel Gas Distribution Corp. David D. Wolford 6363 Main Street Williamsville, NY 14221 PH: 716.857.7483 FAX: 716.857.7479 EMAIL: wolfordd@natfuel.com

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<p>The Peoples Natural Gas Company Lynda Petrichevich 225 North Shore Drive Pittsburgh, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 EMAIL: Lynda.w.petrichevich@peoples-gas.com</p>	<p>PECO Carlos Thillet, Manager, Gas Supply and Transportation 2301 Market Street, S9-2 Philadelphia, PA 19103 PH: 215.841.6452 EMAIL: carlos.thillet@exeloncorp.com</p>
<p>Peoples TWP LLC (Formerly T. W. Phillips) Lynda Petrichevich 225 North Shore Drive Pittsburgh, PA 15212 PH: 412.208.6528 FAX: 412.208.6577 EMAIL: Lynda.w.petrichevich@neooles-aas.com</p>	<p>Philadelphia Gas Works Nicholas LaPergola 800 West Montgomery Avenue Philadelphia, PA 19122 PH: 215.684.6278 EMAIL: nicholas.lapergola@pgworks.com</p>
<p>UGI Central Penn David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 EMAIL: dlahoff@ugi.com</p>	<p>UGI David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 EMAIL: dlahoff@ugi.com</p>
<p>Valley Energy Inc. Robert Crocker 523 South Keystone Avenue Sayre, PA 18840-0340 PH: 570.888-9664 FAX: 570.888.6199</p>	<p>UGI Penn Natural David Lahoff 2525 N. 12th Street, Suite 360 Reading, PA 19612-2677 PH: 610.796.3520 EMAIL: dlahoff@ugi.com</p>


Jennifer M. Hayes, Counsel for EDF Trading Services, LLC

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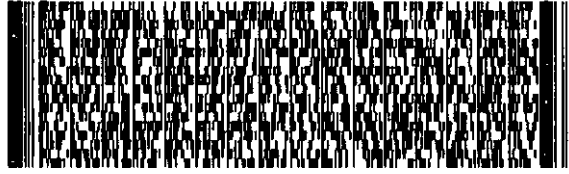
TO **ROSEMARY CHIAVETTA SECRETARY
PENNSYLVANIA PUBLIC UTILITY COMMISS
400 NORTH ST**

HARRISBURG PA 17120

(412) 394-7992
INV
PO

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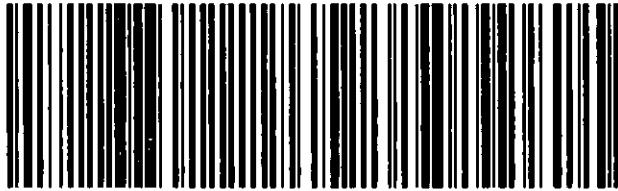


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2. Place the label in a waybill pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.
3. Keep the second page as a receipt for your records. The receipt contains the terms and conditions of shipping and information useful for tracking your package.

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