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February 22, 2017

Hand-Delivery

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

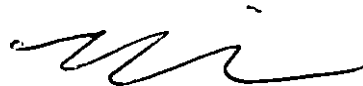
Re: **Dynegy Energy Services (East), LLC, d/b/a Dynegy Energy Services, LLC;**
Docket No. A-2010-2199236; EGS Security Bond Reduction

Dear Secretary Chiavetta:

Enclosed for filing are the original and two copies of the **public** version of *Petition of Dynegy Energy Services (East), LLC Requesting EGS Security Reduction*. Because Exhibits 1, 2 and 3 to the petition contain confidential information that Dynegy requests not be made available to the public, the confidential information in those exhibits has been redacted in the public version of this filing. Also attached to this filing is a sealed envelope containing the un-redacted, **confidential** versions of Exhibits 1, 2 and 3. Exhibits 1, 2, and 3 have been clearly marked "CONFIDENTIAL." A check in the amount of \$350.00 is also enclosed.

Thank you for your attention to this matter. Please contact me should you have any questions.

Sincerely,



Michelle M. Skjoldal

Enclosures

c: *See Certificate of Service*
Email
Judith S. Kim, Esquire, Dynegy
John P. Gomoll, Dynegy
William E. Fleissner, Dynegy
Marc D. Machlin, Esquire, Pepper Hamilton

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2017 FEB 22 PM 2:24
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SECRETARY'S BUREAU

Philadelphia Boston Washington, D.C. Los Angeles New York Pittsburgh
Detroit Berwyn Harrisburg Orange County Princeton Silicon Valley Wilmington

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**DYNEGY ENERGY SERVICES (EAST), LLC
D/B/A DYNEGY ENERGY SERVICES, LLC,**

Petitioner

Docket No: A-2010-2199236

**PETITION OF DYNEGY ENERGY SERVICES (EAST), LLC
REQUESTING EGS SECURITY REDUCTION**

On July 24, 2014, the Pennsylvania Public Utility Commission (the "Commission") established a new policy allowing electric generation suppliers ("EGSs") to request reductions their bonding/security amounts after their first year of operation. Under the Commission's policy, an EGS may seek a bond amount equal to five percent (5%) of the EGS's most recent twelve (12) months of revenue or \$250,000, whichever is higher. See Final Order dated July 24, 2014 in Docket No. M-2013-2393141, *Public Utility Commission Bonding/Securing Requirements for Electric Generation Suppliers; Acceptable Security Instruments* ("Bonding Order"), at p. 17. The Commission also delegated its authority to approve uncontested EGS petitions seeking a reduction in the required bonding amount to the Bureau of Technical Utility Services.

Consistent with the *Bonding Order*, Dynegy Energy Services (East), LLC d/b/a Dynegy Energy Services, LLC ("DESE"), hereby requests that the Commission authorize DESE to maintain with the Commission security set at five percent (5%) of its last twelve (12) months of revenue. (Subject to Commission approval, for calculation purposes, DESE proposes to use the twelve (12) month period January 1, 2016 through December 31, 2016.) DESE is not seeking any changes to the type of financial security instrument utilized to meet this requirement

and, if this request is approved, DESE will submit a revised bond for the appropriate dollar amount. In support of this request, DESE states as follows:

1. On April 2, 2015, Dynegy Inc. acquired all outstanding stock of Duke Energy Retail Sales, LLC (“DERS”). As a result, DERS has been renamed Dynegy Energy Services (East), LLC (“DESE”).

2. At the time of the acquisition by Dynegy Inc., DERS held a valid EGS license issued by the Commission. *See* PA PUC Docket No. A-2010-2199236.

3. On April 17, 2015, DESE filed with the Commission an EGS license amendment notification informing the Commission of certain amendments to DERS’ existing EGS license (the “Notification”) in connection with the April 2, 2015 transaction noted above. *See* PA PUC Docket No. A-2010-2199236. As part of the notification, DESE provided the Commission with an original bond in the amount of \$250,000 to replace DERS’ bond.

4. On September 30, 2015, the Commission approved by Secretarial Letter DESE’s proposed license amendment and issued a new EGS license to DESE authorizing DESE to supply electric generation services to large commercial, industrial, and governmental customers.

5. DESE’s current bond posted with the Commission is set at ten (10) percent of DESE’s revenue in the Commonwealth of Pennsylvania.

6. DESE’s current bond has a renewal date of April 2, 2017.

7. DESE now seeks approval to post a bond with the Commission equal to five percent (5%) of DESE’s last 12 months of revenue in Pennsylvania, a request which is consistent with the Commission’s Bonding Order.

8. In the Bonding Order, the Commission also requested that an EGS seeking to revise its financial security requirements provide the following information with the request:

- a. Gross revenues from the sale of electricity to retail customers in Pennsylvania for the most recent 12 months;
- b. The amount of gross receipts taxes that the EGS has prepaid towards its estimated revenues for the current calendar year;
- c. Documentation, if the EGS is proposing to utilize a parent guarantee or corporate guarantee, that demonstrates that the guarantor meets the required long-term bond rating from two of the approved rating agencies;
- d. Available AEPS compliance data from the most recent 12 months; and
- e. Copies of all Department of Revenue documents that support the EGS's request.

9. Therefore, in support of this Petition and consistent with the Bonding Order, DESE includes the following **exhibits** to this Petition:

<u>Exhibit</u>	<u>Description</u>
1 – Confidential	DESE's gross revenues for the sale of electricity to retail customers in Pennsylvania from January 2016 through December 2016
2 – Confidential	Documentation verifying payment of gross receipts covering estimated 2016 liability
3 – Confidential	Available AEPS compliance data from the most recent 12 months
4 – Public	Tax Status Letter issued by the Department of Revenue

10. DESE submits that the attached documentation is consistent with the Bonding Order and provides appropriate support to grant its Petition.

11. DESE is not proposing to utilize a parent guarantee or a corporate guarantee.

12. DESE further submits that approval of this Petition will not impede its ability to comply with 66 Pa.C.S. § 2809(c) or 52 Pa. Code § 54.40(a), which require DESE to maintain enough financial security to ensure financial responsibility, the payment of gross receipts taxes, and the supply of electricity at retail.

13. Granting DESE's Petition will enable it to better allocate resources to developing services for the benefit of retail customers in Pennsylvania.

14. If this Petition is approved, DESE will submit a newly revised bond to the Commission to replace the one currently on file at Docket No. A-2010-2199236.

15. DESE is prepared to work with the Commission's Bureau of Technical Utility Services to process this request and provide any additional information, as needed.

WHEREFORE, DESE respectfully requests that the Commission grant this Petition and permit DESE to maintain financial security in the form of a bond in the amount of five percent (5%) of DESE's last twelve (12) months of revenue.

Respectfully submitted,



Judith S. Kim
Senior Counsel – Retail
Dynergy Inc.
601 Travis Street, Suite 1400
Houston, Texas 77002
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judy.kim@dynergy.com

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Marc D. Machlin
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machlinm@pepperlaw.com

Dated: February 22, 2017

Attorneys for Petitioner Dynergy Energy Services (East), LLC d/b/a Dynergy Energy Services, LLC

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EXHIBIT 1

Total Invoice

2016

January	\$
February	\$
March	\$
April	\$
May	\$
June	\$
July	\$
August	\$
September	\$
October	\$
November	\$
December	\$
Total	

Grand total December 2015 to December 2016

**by billed date

EXHIBIT 2

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

2016	Tax	Billed \$	Total invoice (including tax)
January	\$		
February	\$		
March	\$		
April	\$		
May	\$		
June	\$		
July	\$		
August	\$		
September	\$		
October	\$		
November	\$		
December	\$		
YTD TOTALS	\$		

EXHIBIT 3

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FEB 22 2017

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

From: Customer Service [<mailto:customerservice@pennaeps.com>]
Sent: Thursday, January 19, 2017 8:42 AM
To: Moore, Dorian
Subject: Re: 2015-2016 PA AEPS Compliance

Dorian,
You are in compliance for both entities.

Regards,

Kevin Quilliam

Pennsylvania AEPS Customer Service
customerservice@pennaeps.com
www.pennaeps.com
(P) (877) 333-0573
(F) (443) 906-1180

On Tue, Jan 17, 2017 at 2:20 PM, Moore, Dorian <Dorian.Moore@dynegy.com> wrote:

I'm following to see if you have had a change to review my request.

Thanks.

Dorian

From: Moore, Dorian
Sent: Thursday, January 12, 2017 5:04 PM
To: Customer Service (customerservice@pennaeps.com)
Subject: 2015-2016 PA AEPS Compliance

Thanks,

Dorian

Dorian Moore

Account Management Analyst

T 618-343-7730 - F 888-354-9837 - Dorian.Moore@dynegy.com

www.Dynegy.com

 **DYNEGY. HOMEFIELD**
ENERGY A DYNEX COMPANY



PENNSYLVANIA ALTERNATIVE ENERGY CREDIT PROGRAM

Via Email to william.fleissner@dynegy.com, dorian.moore@dynegy.com, jennifer.yasinski@dynegy.com

18 July 2016

Dear Pennsylvania Electric Supplier:

If you have any questions regarding this letter please contact InClime, the Pennsylvania AEPS Administrator, at customerservice@pennaeps.com or by phone at 877-333-0573.

Best regards,

Pennsylvania Alternative Energy Credits Administrator

Subaccount Name	Zone Name	Month/ Year	Unit ID	Facility Name	State	Fuel Type	Certificate Serial Numbers	Quantity	State Certification Num	PA Solar	PA Tier I	PA Tier II	RPS	RPS Price	RPS Period	Deposit Date
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Account Name	Subaccount Name	Zone Name	GATS Load	RPS Load	Total Generation for Subaccount	PA Solar	PA Tier I	PA Tier II	Total Certificates Used for RPS
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EXHIBIT 4

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Dec. 12. 2016 11:58AM

Nov. 2011 P. 1

Bureau of Compliance
P.O. Box 280946
Harrisburg, PA 17128-0946
www.revenue.pa.gov



Monday, December 12, 2016

<i>From:</i>	Mark, TACT - PA DoR	<i>ATTN:</i>	Gilbert Duran
<i>Contact Number:</i>		<i>Fax Number:</i>	713-767-8320
<i>RE:</i>		<i>Number of Attachments:</i>	

Additional Comment:

Bureau of Compliance
P.O. Box 280946
Harrisburg, PA 17128-0946
www.revenue.pa.gov



Monday, December 12, 2016

Attention: Gilbert Duran

RE:
DUKE ENERGY RETAIL SALES LLC
DEC41A 550 S TRYON ST
CHARLOTTE, NC 28202-4200

Federal EIN:
Social Security Number:
Business Partner Number: 1000290009

Dear Requester:

I am writing to confirm that the above referenced tax accounts of DUKE ENERGY RETAIL SALES LLC are current. All returns have been filed with payment as of Monday, December 12, 2016. This confirmation is not intended to represent a "Bulk Sale Clearance" under the provision of section 1403 of the fiscal code. This letter does confirm that the account above is in good standing.

Sincerely,

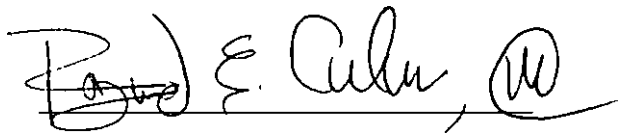
A handwritten signature in black ink, appearing to be 'G. Duran', written over a horizontal line.

PA Department of Revenue,
Bureau of Compliance,
Business License Clearance Division

VERIFICATION

I, Raymond E. Culver, III, Managing Director of Dynegy Energy Services (East), LLC, d/b/a Dynegy Energy Services, LLC, 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).

Date: February 20, 2017

Handwritten signature of Raymond E. Culver, III, with a circled 'W' at the end.

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

CERTIFICATE OF SERVICE

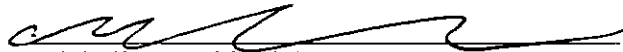
I hereby certify that I have this day served a true copy of the foregoing Petition of Dynegy Energy Services (East), LLC (public version) upon the persons listed below via first-class mail in accordance with the requirements of Section 1.54 of the Commission's rules, 52 Pa. Code § 1.54:

<p>Bureau of Investigation & Enforcement PA Public Utility Commission Commonwealth Keystone Building 2nd Fl., F West Harrisburg, PA 17120</p>	<p>Office of the Consumer Advocate Forum Place 555 Walnut Street, 5th Fl. Harrisburg, PA 17101-1923</p>
<p>Office of Attorney General Office of Consumer Protection Strawberry Square, 14th Fl. Harrisburg, PA 17120</p>	<p>Office of Small Business Advocate Commerce Building 300 North Second Street, Ste. 202 Harrisburg, PA 17101</p>
<p>PA Department of Revenue Strawberry Square, 11th Fl. Harrisburg, PA 17128</p>	<p>Pike County Light & Power Company Director of Customer Energy Services Orange and Rockland Company 390 West Route 59 Spring Valley, NY 10977-5300</p>
<p>West Penn Power d/b/a Allegheny Power Legal Department 800 Cabin Hill Drive Greensburg, PA 15601-1689</p>	<p>PECO Energy Company Manager Energy Acquisition 2301 Market Street Philadelphia, PA 19101-8699</p>
<p>Duquesne Light Company Regulatory Affairs 411 Seventh Street, MD 16-4 Pittsburgh, PA 15219</p>	<p>PPL Office of General Counsel Two North Ninth Street (GENTW3) Allentown, PA 18101-1179 Attention: Kimberly A. Klock</p>
<p>Met-Ed, Penelec and Penn Power c/o First Energy Legal Department 2800 Pottsville Pike Reading, PA 19612</p>	<p>UGI Utilities, Inc. 2525 North 12th Street, Ste. 360 P. O. Box 12677 Reading, PA 19612-2677 Attention: Rates Department/Choice Coordinator</p>

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

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

Date: February 22, 2017



Michelle M. Skjoldal (PA 202084)

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