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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** |

# May 22, 2017

# Docket No. A-110078

# Utility Code: 110078

BRIAN J KNIPE

FIRSTENERGY SOLUTIONS CORP

76 MAIN ST

AKRON OH 44308

Re: Financial Security Reduction Petition Renewal

Dear Mr. Knipe:

On June 10, 2015, FirstEnergy Solutions Corp (FirstEnergy) was approved for a 5% Financial Security Reduction by Secretarial Letter. On March 31, 2017, FirstEnergy filed a Financial Security Reduction Petition Renewal to maintain its 5% security reduction with

the Pennsylvania Public Utility Commission of FirstEnergy’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, financial security 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 FirstEnergy’s Financial Security Reduction Petition Renewal, we find that the 5% proposed financial security reduction renewal does not appear to be unlawful, unjust, unreasonable, or contrary to the public interest.

Accordingly, we will grant FirstEnergy’s Financial Security Reduction Petition to be effective from **June 10, 2017 to June 10, 2018**.

If FirstEnergy has an annually expiring financial security and it has not previously been aligned with the Financial Security Reduction approval expiration date, FirstEnergy must do so as soon as possible.

The Financial Security Reduction Renewal shall be effective for one year from the original Financial Security Reduction approval/effective date and may be renewed annually for additional years by the Commission, provided FirstEnergy provides annual documentation of its eligibility for a financial security reduction with the Commission’s annual financial security review pursuant to 52 Pa.Code Section 54.40(d), (90) days prior to the financial security expiration date. In the event FirstEnergy does not provide such documentation to the Commission, its financial security reduction will cease and the financial security 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 or need to confirm the approved 5% amount, please contact the Bureau of Technical Utility Services at (717) 783-5242.

**** Sincerely,

Rosemary Chiavetta

Secretary