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July 11, 2017

VIA HAND DELIVERY

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

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Re: Petition of ENGIE Retail, LLC for a Reduction in Level of Bond or Security
Docket No. A-2011-2268361

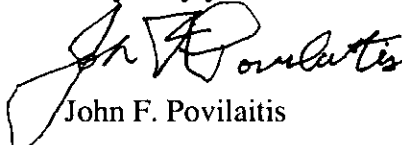
Dear Secretary Chiavetta,

Enclosed please find ENGIE Retail, LLC's ("ENGIE Retail") Petition for a Reduction in Level of Bond or Security ("Petition"). This filing includes commercially valuable and sensitive information for which ENGIE Retail requests confidential treatment. Accordingly, enclosed is a version of the Petition marked "Public Version" for inclusion in the public record, and a version of the Petition marked "Confidential Version". **ENGIE Retail respectfully requests that the Confidential Version of its Petition be maintained by the Pennsylvania Public Utility Commission ("Commission") under seal.** Also enclosed is a filing fee in the amount of \$350.00.

Copies of ENGIE Retail's Public Version of its Petition have been served on each of the Public Advocates, the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Technical Utility Services, the Commonwealth of Pennsylvania's Department of Revenue, the Office of Attorney General's Bureau of Consumer Protection and all Pennsylvania electric distribution companies where ENGIE Retail is licensed to operate as indicated in the attached Certificate of Service.

Please contact the undersigned if you have any questions regarding this filing. Thank you for your attention to this matter.

Very truly yours,


John F. Povilaitis

JFP/jls
Enclosures
cc: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of ENGIE Retail, LLC :
d/b/a Think Energy for a Reduction :
in Level of Bond or Security : Docket No. A-2011-2268361

PETITION OF ENGIE RETAIL LLC FOR A
REDUCTION IN LEVEL OF BOND OR SECURITY

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I. Introduction

1. ENGIE Retail, LLC d/b/a Think Energy ("ENGIE Retail" or "Company") is an electric generation supplier ("EGS") authorized by the Pennsylvania Public Utility Commission ("PaPUC" or "Commission") to provide service as a supplier to residential, small commercial (demand under 25 kW) and large commercial (demand over 25 kW) customers in the electric distribution company service territories of Duquesne Light Company, Metropolitan Edison Company, PECO Energy Company, Pennsylvania Electric Company, Pennsylvania Power Company, PPL Electric Utilities Corporation and West Penn Power Company in the Commonwealth of Pennsylvania. ENGIE Retail received its original license to operate as an EGS on December 16, 2011 at Docket No. A-2011-2268361. As a licensed EGS, ENGIE Retail is subject to the Commission's authority to require it to furnish a bond or other security in order to operate in the Commonwealth of Pennsylvania, pursuant to Section 2809(c) of the Public Utility Code ("Code") and Section 54.40 of the Commission's regulations. 66 Pa. C. S. §2809(c); 52 Pa. Code §54.40.

2. Section 54.40(d) of the Commission's regulations requires EGSs to provide a security level of 10% of the licensee's reported gross receipts. However, a licensee may seek

approval from the Commission of an alternative level of bonding, commensurate with the nature and scope of its operations. 52 Pa. Code §54.40(d). According to the Commission's regulations, the purpose of the security is to ensure payment of the Pennsylvania Gross Receipts Tax ("GRT") and to ensure the supply of electricity at the retail level in accordance with contracts, agreements or arrangements. 52 Pa. Code §54.40(f)(2). On July 24, 2014, after consideration of formal comments submitted to a December 5, 2013 Tentative Order, the Commission found that requiring an EGS to post a bond or security in the amount of 10% of gross receipts after the first year of operation "may be excessive in relation to the risk intended to be secured, unnecessarily burdening EGSs, and presenting a potential barrier to entry into Pennsylvania's retail electric market."¹ Therefore the Commission announced in the July 24, 2014 Order that it was adopting the policy of accepting applications by EGSs to reduce their level of bonding/security after the first year of operation to 5% of the EGS's most recent 12 months of gross revenue or \$250,000, whichever is higher. In addition, the July 24, 2014 Order delegated authority to review uncontested petitions requesting a reduction in the level of bonding to the Bureau of Technical Utility Services ("BTUS").²

3. Based on the July 24, 2014 Order, the Code, the Commission's regulation at Section 54.40(d) and the following supporting material, ENGIE Retail respectfully requests that the Commission approve a reduction in its security requirement to 5% of its most recent 12 months of gross revenue.

¹ *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers: Acceptable Security Instruments*, Docket No. M-2013-2393141 (July 24, 2014) ("July 24, 2014 Order") at 10.

² July 24, 2014 Order at 12-13.

II. Information Provided in Support of Bond Reduction Request

4. Prior to filing this Petition to reduce its bonding requirement, ENGIE Retail informally consulted with Commission staff to obtain guidance as to the appropriate information to support such a request, as was suggested by the Commission in the July 24, 2014 Order.³ Based on that consultation, this Application includes Confidential Attachments 1 through 4. Confidential Attachment 1 provides ENGIE Retail's gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent twelve (12) months. The Company is current in its obligation to submit Quarterly Reports of gross revenues to the BTUS, Finance Section.

5. ENGIE Retail has obtained a Tax Status Letter of Good Standing from the Pennsylvania Department of Revenue ("DOR"). It is provided as Confidential Attachment 2.

6. Confidential Attachment 3 documents ENGIE Retail's full compliance with the requirements of the Alternative Energy Portfolio Standards ("AEPS") Act. This attachment shows compliance data for the 2016 energy year by the Pennsylvania AEPS Administration Team.

7. Confidential Attachment 4 is documentation from DOR indicating how much has been prepaid to the Commonwealth of Pennsylvania by ENGIE Retail for 2017 Gross Receipts Taxes.

8. ENGIE Retail is current in its obligation to remit payments for its annual PaPUC assessment.

9. Based on the foregoing information which demonstrates that ENGIE Retail is in compliance with the AEPS Alternative Energy Credit Program and is in good standing with

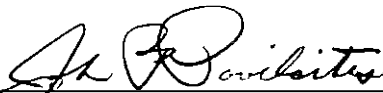
³ *Id.*

DOR, the Company requests that its bonding requirement be reduced to 5% of its most recent twelve (12) months of gross revenue. This amount is reasonable and satisfies the requirements of Section 2809(c) of the Public Utility Code ("Code") and Section 54.40 of the Commission's regulations. 66 Pa. C. S. §2809(c); 52 Pa. Code §54.40.

III. Relief Requested and Conclusion

10. Based on its standing as an EGS licensed to do business in Pennsylvania, the Commission's regulations and the July 24, 2014 Order, ENGIE Retail respectfully requests that it be authorized to amend its current bond security on file with the Commission to 5% of its most recent twelve (12) months of revenue. Upon approval of this Petition, ENGIE Retail will submit a new bond in an amount consistent with the security level specified by Commission staff that also complies with the Commission's bond requirements for EGSs listed in Section 55.40(f) of the Commission's regulations. 52 Pa. Code §54.40(f).

Respectfully submitted,



John F. Povilaitis
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Suite 500
Harrisburg, PA 17101
(717) 237-4825

Counsel for ENGIE Retail, LLC

Dated: July 11, 2017

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**CONFIDENTIAL
ATTACHMENT 1**

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ATTACHMENT 2

**CONFIDENTIAL
ATTACHMENT 3**

CONFIDENTIAL
ATTACHMENT 4

VERIFICATION

I, JOHN HENDERSON, Senior Vice President, on behalf of ENGIE Retail LLC d/b/a Think Energy, hereby verify that the information in the foregoing Petition is true and correct to the best of my information, knowledge and belief. I understand that the statements are made subject to the penalties of 18 Pa. C.S. § 4904, relating to the unsworn falsification to authorities.


Signature

JRH

Dated: July 6, 2017

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of ENGIE Retail, LLC d/b/a : Docket No. A-2011-2268361
Think Energy for A Reduction in Level :
of Bond or Security :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the **public version** of the attached document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

Via First Class Mail

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Michael L. Swindler
Stephanie Wimer
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
PO Box 3265
Harrisburg, PA 17105-3265

John M. Abel
Margarita Tulman
Office of Attorney General
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120

Candis A. Tunilo
Christy M. Appleby
Kristine E. Robinson
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101

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

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

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

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

Legal Department
First Energy
2800 Pottsville Pike
Reading, PA 19612

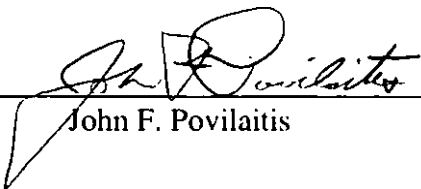
PUBLIC VERSION

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

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

PPL
Legal Department
Two North Ninth Street
Allentown, PA 18108-1179

Dated this 11th day of July, 2017.



John F. Povilaitis