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|  | **PENNSYLVANIA****PUBLIC UTILITY COMMISSION****Harrisburg, PA 17105-3265** |  |

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|  | Public Meeting held July 12, 2017 |
| Commissioners Present: |  |

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| Gladys M. Brown, ChairmanAndrew G. Place, Vice Chairman |  |
| John F. Coleman, Jr. |  |
| Robert F. Powelson |  |
| David W. Sweet |  |
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| Electric Generation Supplier License Cancellations of Companies with an Expired Financial Security or Insufficient Financial Security Amount | M-2017-2584781 |

**TENTATIVE ORDER**

**BY THE COMMISSION:**

 The Commission's regulations at 52 Pa. Code §54.40(a) state that an Electric Generation Supplier (EGS) license will not be issued or remain in force until the licensee furnishes a bond or other security approved by the Commission. In addition, 52 Pa. Code §54.40(d) states that the maintenance of an EGS license is contingent on the licensee providing proof to the Commission that a bond or other approved security in the amount directed by the Commission has been obtained.

 Each EGS must file an original bond, letter of credit, continuation certificate, amendment, or other approved financial instrument with Rosemary Chiavetta, Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120 prior to the EGS’s current security expiration date. Each financial instrument must be an original document that displays a “wet” signature or digital signature, preferable in blue ink, and displays a “raised seal” or original notary stamp. The name of the principal on the original financial instrument must match exactly with the name that appears on the EGS’s license issued by the Commission.

Failure to file before the financial security’s expiration date may cause Commission staff to initiate a formal proceeding that may lead to the following: cancellation of each company’s electric supplier license, removal of each company’s information from the Commission’s website and notification to all electric distribution companies, in which each company is licensed to do business, of the cancellation of the license.

As of June 30, 2017, each EGS listed in the Supplier Table below has not provided proof to the Commission that it has a bond or other approved security in the amount directed by the Commission, to replace its expired bond as noted in the table below.

Supplier Table – List of Electric Generation Suppliers

|  |  |  |  |
| --- | --- | --- | --- |
| **Docket Number** | **Company Name** | **Expired Financial Security Date** | **Commission Approved Amount** |
| A-2015-2461133 | ENERGYCONNECT INC | 6/28/17 | Yes |
| A-2013-2374566 | HOVEY ENERGY LLC | 6/27/17 | Yes |
| A-2011-2257924\* | TERM POWER & GAS LLC | 6/8/17 | Yes |

\*Taking title to electricity

As part of its EGS license validation procedures, the Commission’s Bureau of Technical Utility Services sent a 90-day Security Renewal Notice Letter to each entity in the Supplier Table above stating that original documentation of a bond, or other approved security, must be filed within 30 days prior to each entity’s security expiration date. None of the companies listed in the Supplier Table provided the required documentation.

Based on the above facts, we tentatively conclude that the EGSs listed in the Supplier Table are not in compliance with 52 Pa. Code §54.40(a) and (d) and therefore it is appropriate to initiate the cancellation process for each EGS license of each company listed in the Supplier Table, without the necessity of a formal complaint, as being in the public interest; **THEREFORE,**

**IT IS ORDERED:**

1. That cancellation of the Electric Generation Supplier Licenses of each company listed in the Supplier Table is hereby tentatively approved as being in the public interest.

2. That the Secretary serve a copy of this Tentative Order upon the Office of Consumer Advocate, the Office of Small Business Advocate, the Bureau of Investigation & Enforcement, Department of Revenue – Bureau of Corporation Taxes, all electric distribution companies, all of the Electric Generation Suppliers in the Supplier Table and also cause a copy of this Tentative Order to be published in the *Pennsylvania Bulletin* with a 30-day comment period.

 3. That absent the filing of adverse public comment or the filing of an approved security within 30 days after publication in the *Pennsylvania Bulletin*, the Bureau of Technical Utility Services shall prepare a Final Order for entry by the Secretary.

4. That upon entry of the Final Order described in Ordering Paragraph No. 3 above, each company listed in the Supplier Table will be stricken from all active utility lists maintained by the Commission’s Bureau of Technical Utility Services and the Assessment Section of the Bureau of Administration, removed from the Commission’s website, and notifications be sent to all electric distribution companies in which the Electric Generation Suppliers are licensed to do business.

5. That upon entry of the Final Order described in Ordering Paragraph No. 3, each electric distribution company in which the Electric Generation Suppliers are licensed to do business, shall return the customers of the Electric Generation Suppliers to default service.

**BY THE COMMISSION,**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: July 12, 2017

ORDER ENTERED: July 13, 2017