



18 September 2018

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

RECEIVED

SEP 18 2018

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: American Power & Gas of Pennsylvania, LLC
Docket No. A-2013-2355561
Utility Code: 1115613

PETITION FOR SECURITY LEVEL REDUCTION RENEWAL

Before the Pennsylvania Public Utility Commission (the "Commission"), pursuant to 52 Pa.Code Section 54.40(d) American Power & Gas of Pennsylvania ("AP&G"), LLC hereby files this Petition for a renewal of our Security Level Reduction of our bond security level from 10% to 5%. In support of this petition for Security Level Reduction, AP&G states the following:

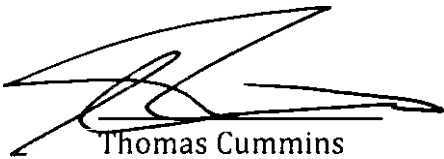
1. In February of 2013 AP&G submitted our application to become a Supplier of Electricity. This application included the initial letter of credit in the amount of \$250,000. The application was approved on July 16th, 2013.
2. On September 24, 2015 we received a letter that our license security bond needed to be increased to \$4,999,202 based on our gross receipts. Our letter of credit was amended with the Commission.
3. At Exhibit A is our approval of the 2016 and 2017 Financial Security Reduction Petition.
4. AP&G standardly complies with the PUC reporting and security requirements.
5. At Exhibit B is Proof of service of this petition on the statutory advocates and affected EDCs.

6. At Exhibit C is copies of our gross receipts for the most recent four quarters.
(Confidential)
7. At Exhibit D is our Tax Letter of Good Standing.
8. At Exhibit E is proof of our prepayment of Gross Receipts taxes for this year.
(Confidential)
9. At Exhibit F is a letter confirming our AEPS compliance for this last year.

For these reasons, AP&G respectfully submits that the Commission grant its Petition for renewal of our Security Level Reduction from 10% to 5% of our most recent 12 months of gross receipts or \$250,000 whichever is higher.

Thank you in advance for your consideration.

Sincerely,



Thomas Cummins
Chief Executive Officer
American Power & Gas of Pennsylvania, LLC
10601 Belcher Road South
Seminole, FL 33777
T: 727-479-0598
F: 727-733-6618
E: ia@GoAPG.com

Exhibit A



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY
PLEASE REFER
TO OUR FILE

October 18, 2017

Docket No. A-2013-2355561
Utility Code: 1115613

DAVID LANTZ
AMERICAN POWER & GAS OF PENNSYLVANIA LLC
10601 BELCHER RD SOUTH
SEMINOLE FL 33777

Re: Financial Security Reduction Petition Renewal

Dear Mr. Lantz:

On December 28, 2016, American Power & Gas of Pennsylvania, LLC (AP&G) was initially approved for a 5% Financial Security Reduction by Secretarial Letter. On September 8, 2017, AP&G filed a Financial Security Reduction Petition Renewal to maintain its 5% security reduction with the Pennsylvania Public Utility Commission of AP&G'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 AP&G'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 AP&G's Financial Security Reduction Petition to be effective from **December 28, 2017 to December 28, 2018.**

If AP&G has an annually expiring financial security and it has not previously been aligned with the Financial Security Reduction approval expiration date, AP&G 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 AP&G 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 AP&G 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. Additionally, a Petition for Reconsideration MUST include a Verification Statement as follows:

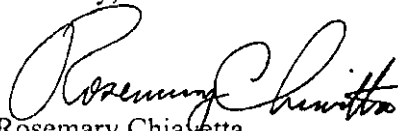
VERIFICATION

I, (YOUR NAME), hereby state that the facts above set forth are true and correct (or 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).

(SIGN AND DATE)

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



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY
PLEASE REFER
TO OUR FILE

December 28, 2016

Docket No. A-2013-2355561
Utility Code: 1115613

DAVID LANTZ
AMERICAN POWER & GAS OF PENNSYLVANIA LLC
10601 BELCHER ROAD SOUTH
SEMINOLE FL 33777

Re: Financial Security Reduction for Electric Generation Suppliers

Dear Mr. Lantz:

On October 14, 2016, American Power & Gas of Pennsylvania LLC (AP&G) filed a Financial Security Reduction Petition to reduce its bond with the Pennsylvania Public Utility Commission from 10% to 5% of AP&G'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, bond 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 AP&G's Financial Security Reduction Petition, we find that the proposed financial security reduction from 10% to 5% does not appear to be unlawful, unjust, unreasonable, or contrary to the public interest.

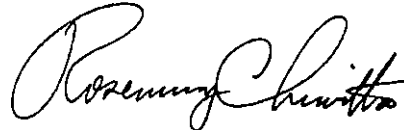
Accordingly, we will grant AP&G's Financial Security Reduction Petition to become effective on the date of this Secretarial Letter. AP&G's current security expiration date must be aligned with the Financial Security Reduction effective date.

The financial security reduction shall be effective for one year and may be renewed annually for additional years by the Commission, provided AP&G 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), ninety (90) days prior to the security expiration date. In the event AP&G 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, please contact the Bureau of Technical Utility Services at 717-783-5242.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is fluid and cursive, with the first name being more prominent.

Rosemary Chiavetta
Secretary

Exhibit B

CERTIFICATE OF SERVICE

On this the 18 day of September 2018, I certify that a true and correct copy of the foregoing Petition for Security Level Reduction for American Power & Gas of Pennsylvania (Lic No. A-2013-2355561) and all NON-CONFIDENTIAL attachments have been served, as a hardcopy upon the following:

Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2 West
Harrisburg, PA 17120

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

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

Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101

Vice President – Energy Supply
Corning Natural Gas Holding Co.
330 West William Street
Corning, NY 14830

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

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

Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

Office of General Counsel
Attn: Kimberly A. Klock
PPL
Two North Ninth Street (GENTW3)
Allentown, PA 18101

Legal Department
First Energy
2800 Pottsville Pike
Reading PA, 19612

UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, Pa 19612-2677

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

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



Lisa Barry, Regulatory Officer
American Power & Gas of Pennsylvania, LLC

ORIGIN ID:PIEA (727) 733-8700
LISA BARRY
AMERICAN POWER & GAS
10601 BELCHER ROAD SOUTH

SEMINOLE, FL 33777
UNITED STATES US

SHIP DATE: 18SEP18
ACTWGT: 1.00 LB
CAD: 113302630/NET4040

BILL SENDER

TO **SECRETARY**
PA PUC
400 NORTH STREET

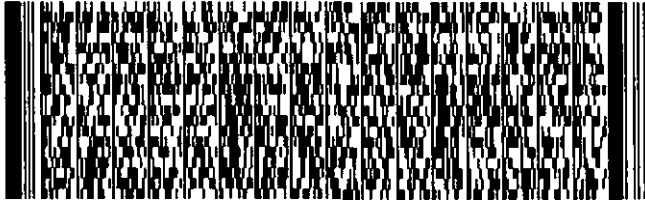
HARRISBURG PA 17120

(727) 712-7777
INV
PO

REF: PA SECURITY PETITION

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