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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** |

# October 5, 2018

# Docket No. A-2012-2325309

# Utility Code: 1115126

**CERTIFIED**

STEPHEN STETLER ASSISTANT TO THE PRESIDENT

SHIPLEY CHOICE LLC

415 NORWAY ST PO BOX 15052

YORK PA 17405

Re: Bonding/Security Reduction for Electric Generation Suppliers

Dear Mr. Stetler:

On July 16, 2018, Shipley Choice LLC (Shipley Choice) filed a petition with the Commission for permission to reduce its Electric Generation Supplier (EGS) financial security level from 10% to 5% of its most recent four quarters of revenue.

Shipley Choice filed the petition pursuant to the Commission’s Order entered July 24, 2014, at Docket No. M‑2013-2393141 (Reduction Order).

The Reduction Order at page 16 states that an EGS must, among other things, “provide the amount of gross receipt taxes that the EGS has prepaid towards it estimated revenues for the current calendar year”.

On August 13, 2018, Commission staff sent Shipley Choice a data request asking for proof of prepayment of gross receipt taxes. On April 19, 2018, Shipley Choice filed a response to the data request and did not provide proof of prepayment. On October 1, 2018, Shipley Choice filed a letter stating it does not prepay or make estimated payments for electric gross receipt taxes.

Because Shipley Choice failed to prepay its gross receipt taxes, we believe a reduction of Shipley Choice’s financial security from 10% to 5% of its most recent four quarters of revenue would be impudent, since that level of financial security may not cover Shipley Choice’s Gross Receipt Tax liability, as it is intended to do. Therefore, Shipley Choice’s petition for a bond reduction is hereby denied.

In accordance with 52 Pa. Code 5.44, this staff action will be deemed to be the final action of the Commission unless a petition of reconsideration is filed with the Secretary of the Commission within 20 days of the date on this notice.

**** Sincerely,

Rosemary Chiavetta

Secretary