

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. REPORT DATE: April 4, 2000	2. BUREAU AGENDA NO.: APR-2000-FUS-1035*
3. BUREAU: Fixed Utility Services	
4. SECTION(S): Energy	5. PUBLIC MEETING DATE: April 13, 2000
6. APPROVED BY: Director: Rosenthal 2-0400 <i>RA</i> Supervisor: Bennett 7-5553 <i>RB</i> Legal Review by: <i>W. J. J. 7-3464</i>	DOCKETED MAY 8 2000
7. PERSONS IN CHARGE: Rodrock/Gill 3-6185	
8. DOCKET NO.: A-110131 ✓	

9. (a) CAPTION (abbreviate if more than 4 lines)
 (b) Short summary of history & facts, documents & briefs
 (c) Recommendation

DOCUMENT FOLDER

- (a) Electric License Application of Unutil Resources, Inc. d/b/a Usource
 (Home Office: Hampton, NH)
- (b) On March 16, 2000, Unutil Resources, Inc. d/b/a Usource filed an application for a license to offer, render, furnish or supply electricity generation services to large commercial, industrial and governmental customers in all counties within the Commonwealth of Pennsylvania.
- (c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed draft Order which approves the License Application.

10. MOTION BY: Commissioner Chm. Quain

SECONDED: Commissioner Bloom

CONTENT OF MOTION: Staff recommendation adopted.

Commissioner Brownell - Yes
 Commissioner Wilson - Yes
 Commissioner Fitzpatrick - Yes



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

APRIL 13, 2000

A-110131

DOCUMENT
FOLDER

JOHN J GALLAGHER
LEBOEUF LAMB GREENE & MACRAE LLP
200 NORTH 3RD STREET
SUITE 300
PO BOX 12105
HARRISBURG PA 17108-2105

DOCKETED
APR 14 2000

License Application of Unitil Resources, Inc., d/b/a Usource
For Approval to Offer, Render, Furnish or Supply Electric Generation Services
As a Broker/Marketer of Electricity and Related Services

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on April 13, 2000 has adopted an Order in the above-entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

Enclosure
Certified Mail
FG

PENNSYLVANIA
PUBLIC UTILITY COMMISSION

IN THE MATTER OF THE APPLICATION OF: A-110131

Application of Unifil Resources, Inc., d/b/a Usource for approval to begin to offer, render, furnish or supply electric generation services to the public, within the Commonwealth of Pennsylvania.

The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing, it has, by its report and order made and entered, found and determined that the granting of the application is necessary or proper for the service, accommodation, convenience and safety of the public and hereby issues, evidencing the Commission's approval, to the applicant this:

LICENSE FOR ELECTRIC GENERATION SUPPLIER.

In Witness Whereof, The PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 13th day of April 2000.

James G. McNeill

Secretary

DOCUMENT
FOLDER

DOCKETED
APR 14 2000

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265

Public Meeting held April 13, 2000

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
Nora Mead Brownell
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

License Application of Unitil Resources, Inc. d/b/a
Usource for Approval to Offer, Render, Furnish or
Supply Electric Generation Services as a
Broker/Marketer of Electricity and Related Services

Docket Number:
A-110131

DOCUMENT

ORDER

FOLDER

BY THE COMMISSION:

On March 16, 2000, Unitil Resources, Inc. d/b/a Usource ("Usource") filed a License Application to operate as a broker/marketer of electric generation and related services. The application was filed pursuant to the Commission's regulations at 52 Pa. Code §54.31 -- 54.43, which became effective on August 8, 1998 and which were established under Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

§2809 provides in pertinent part that:

License Requirement--No person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators and

DOCKETED

APR 14 2000

other entities, shall engage in the business of an electric generation supplier in this Commonwealth unless the person or corporation holds a license issued by the Commonwealth. 66 Pa. C.S. §2809.

An electric generation supplier is defined as:

A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators or any other entities, that sells to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company, or that purchases, brokers, arranges or markets electricity or related services to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company. 66 Pa. C.S. §2803.

It is important to note that a licensee must comply with, and be governed by, our Chapter 56 regulations. Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa Code Chapter 56) is applicable only to residential accounts. An electric generation supplier cannot physically disconnect a customer from the electricity grid, and the service termination provisions are not applicable. An electric generation supplier may seek to terminate its generation service through an appropriate written notice to the customer and the distribution company. The customer can then attempt to repair its relationship with the supplier, seek a new supplier, or default to utility service at capped rates in accordance with the local electric distribution utility's obligations under Section 2807(e). 66 Pa. C.S. §2807(e). The customer would only be

disconnected from the electricity grid pursuant to Chapter 56 if the customer failed to meet its obligations to the utility or the provider of last resort.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives and employees have agreed to lawfully abide by all Commission regulations, procedures and orders, including Emergency Orders which may be issued verbally, or in writing during any emergency situations that may unexpectedly develop from time-to-time in the course of doing business in Pennsylvania.

Usource has stated that upon the approval of this Application, it proposes to provide electricity broker/marketer services to large commercial, industrial and governmental customers in all counties within the Commonwealth of Pennsylvania. As a broker/marketer of supply, Usource plans to use its internet platform to match willing buyers with willing sellers of energy products.

Usource has provided proofs of publication from the Pennsylvania newspapers in which it was required by the Commission to publish its notice of application.

Regarding the financial and technical fitness requirements of the license application, Usource has submitted its annual report and financial statements. In support of its technical fitness requirements, Usource filed with the Federal Energy Regulatory Commission to be a Power Marketer and received approval at Docket No. ER97-2460-000. Usource has demonstrated its technical and financial fitness in order to be licensed to provide electricity generation services in Pennsylvania.

Usource has furnished a \$250,000 bond in support of its license application.

As of April 4, 2000, no protests have been filed.

We find that the applicant:

1. Is fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and the lawful Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to Standards and Billing Practices for Residential Utility Service).
2. Has agreed to lawfully abide by all Commission regulations, procedures and orders, including Emergency Orders which may be issued verbally, or in writing during any emergency situations that may unexpectedly develop from time-to-time in the course of doing business in Pennsylvania.
3. That the proposed service to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation and convenience of the public; **THEREFORE,**

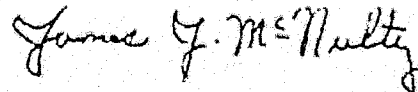
IT IS ORDERED:

1. That the application of Unitil Resources, Inc. d/b/a Usource is hereby approved, consistent with this Order.

2. That a license be issued authorizing, Unitil Resources, Inc. d/b/a Usource, the right to begin to offer, render, furnish or supply electric and electric related services to the public within the Commonwealth of Pennsylvania.

3. That this proceeding at Docket No. A-110131 be closed.

BY THE COMMISSION



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: April 13, 2000

ORDER ENTERED: **APR 13 2000**

A-110131

OFFICE OF CHIEF COUNSEL
DEPT 281061
HARRISBURG, PA 17128-1061

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE



DOCUMENT
FOLDER

April 13, 2000

PHONE: 717 787-1382
FAX: 717 772-1459

JOHN W. LOOMIS
DIRECT DIAL: EXT. 3047
jloomis@state.pa.us

John J. Gallagher, Esq.
LeBoeuf, Lamb, Greene
& LacRae
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

Re: Sales and Use Tax
Miscellaneous
Taxpayer: Usource

DOCKETED
APR 14 2000

SECRETARY'S BUREAU
00 APR 13 PM 1:30

Dear Mr. Gallagher:

Thank you for your letter of March 28, 2000.

Your letter indicates that you represent Unutil Resources, Inc., d/b/a Usource ("Usource"), a New Hampshire corporation authorized to do business within the State of Pennsylvania. You indicate further that Usource has made application for a license from the Pennsylvania Public Utility Commission ("PUC") to do business as a electricity broker in Pennsylvania.

As a broker, Usource will represent various out-of-state sellers of electricity and natural gas. Through the use of its internet "platform," Pennsylvania purchasers and those nonresident sellers represented by Usource, may enter into agreements for the purchase of electricity or natural gas. Usource does not take title to the natural gas or electricity. Usource simply provides the "platform" through which sellers and purchasers may enter into agreements. Usource receives a commission from the energy suppliers for each agreement.

You indicate that the license application required be filed by Usource with the PUC requires the applicant provide its sales tax license number. You seek our opinion as to whether or not Usource is required to hold a Pennsylvania sales tax license under the facts set forth above.

