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September 10, 2020

VIA E-FILING

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

Re: Hudson Energy Services, LLC. Request for Renewal of a Reduction in Level of
Security; Docket No. A-2010-2192137
Utility Code: 1112538

Dear Secretary Chiavetta:

Enclosed is the Compliance Filing of Hudson Energy Services, LLC. (“Hudson”), a licensed energy generation supplier (“EGS”), to obtain renewal of its reduced 5% security requirement. This is a renewal of Hudson’s previously granted security reduction; therefore no filing fee is enclosed.

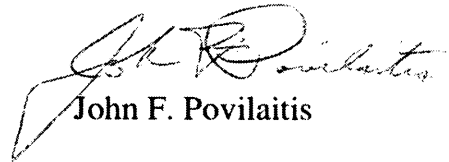
The Compliance Filing includes commercially valuable and sensitive information for which Hudson requests confidential treatment. Accordingly, enclosed is a version of the Compliance Filing marked “Public Version” for inclusion in the public record, and a version of the Compliance Filing marked “Confidential Version”. **Hudson respectfully requests that the Confidential Version of its Compliance Filing be maintained by the Pennsylvania Public Utility Commission under seal.**

Copies of the Public Version of Hudson’s Compliance Filing have been served on each of the statutory parties, 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 affected Pennsylvania electric distribution companies, as indicated in the attached Certificate of Service.

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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/tlg
Enclosures
cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Hudson Energy Services, LLC.	:	Docket No. A-2010-2192137
Request For Renewal of a Reduction	:	Utility Code: 1112538
in Level of Security	:	

HUDSON ENERGY SERVICES, LLC. COMPLIANCE FILING

I. Introduction

1. Hudson Energy Services, LLC. (“Hudson” or “Company”) is an electric generation supplier (“EGS”) authorized by the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) to provide electric generation supplier services to residential, small commercial, large commercial, industrial and governmental customers in the electric distribution company service territories within the Commonwealth of Pennsylvania. Hudson received its license to operate as an EGS by Order of February 11, 2011 at Docket No. A-2010-2192137. As a licensed EGS, Hudson 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 bond 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

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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 requests for a reduction in the level of bonding to the Bureau of Technical Utility Services.² In an Order entered September 20, 2018, the Commission streamlined the process for EGSs to obtain reductions in their annual security obligations and permitted, *inter alia*, the filing of a Compliance Filing for renewal of security rather than a formal Petition.³

3. Based on the July 24, 2014 Order, the September 20, 2018 Order, the Code, the Commission’s regulation at Section 54.40(d) and the following supporting material, Hudson respectfully requests that the Commission accept a reduced security requirement of 5% of its most recent 12 months of gross revenue.

4. By Secretarial Letter Dated October 12, 2017 at Docket No. A-2010-2192137, Utility Code: 1112538, the Commission approved Hudson’s September 6, 2017 Petition for a security reduction, effective to December 9, 2018. This approval synchronized the Company’s twelve (2) month security reduction period with its annual security renewal period. Hudson

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.

³ *Petition of the Retail Energy Supply Association to Simplify the Financial Security 5% Renewal Process*, Docket No. P-2017-2608078 (Order Entered September 20, 2018) at 17-20.

respectfully requests that the Commission set its new bond reduction renewal date as December 9, 2021 for it and its two other affiliates - Just Energy Solutions Inc. (“JES”), Docket No. A-110117, and Just Energy Pennsylvania Corp. (“JEPC”), Docket No. A-2009-2097544. Security reduction renewal requests are being separately filed for JES and JEPC requesting the same security reduction periods and annual security renewal dates in order to streamline the entire process for the Commission and the companies.

II. Information Provided in Support of Security Compliance Filing

5. This Compliance Filing includes Confidential Attachments 1 through 4. Confidential Attachment 1 provides Hudson’s gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent nine (9) months. Hudson will supplement this information with the most recent quarter of gross revenues (July-September) that will be available in October, 2020. It is important that Hudson include this most recent quarter in its Compliance Filing to reflect the downward trend in the Company’s gross revenues, precipitated by the downturn in United States economic activity due to the COVID-19 pandemic.

6. Confidential Attachment 2 is a Tax Status Letter of Good Standing obtained by Hudson from the Pennsylvania Department of Revenue (“DOR”).

7. Confidential Attachment 3 documents Hudson’s full compliance with the requirements of the Alternative Energy Portfolio Standards (“AEPS”) Act.

8. Confidential Attachment 4 is a Department of Revenue RCT-SPEC Specialty Tax Payment Form for Hudson.

9. Confidential Attachment 5 is proof that Hudson is current in its assessment obligation to the PaPUC for regulatory costs.

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10. Based on the foregoing information, Hudson requests that its bonding requirement be maintained at 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. An original security document will be submitted to the Commission when the final quarter of gross revenues is available.

III. Relief Requested and Conclusion

11. Based on its standing as an EGS licensed to do business in Pennsylvania, the Commission’s regulations the July 24, 2014 Order and the September 18, 2020 Order, Hudson respectfully requests that it be authorized to renew its security on file with the Commission to 5% of its most recent twelve (12) months of revenue, effective for the twelve (12) month period to December 9, 2021. Upon submission of the most recent quarter of gross revenues to the Commission, Hudson will also submit a new bond in this amount 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,



Dated: September 10, 2020

John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 North Second Street
Suite 500
Harrisburg, PA 17101
(717) 237-4825

Counsel for Hudson Energy Services, LLC.

Confidential Attachment 1

Gross revenues for the sale of electricity to retail customers in
Pennsylvania for the most recent nine (9) months

(REDACTED)

Confidential Attachment 2

Letter of Good Standing

(REDACTED)

Confidential Attachment 3

AEPS Compliance

Requested – waiting on receipt

Confidential Attachment 4

RCT-SPEC Specialty Tax Payment Form

(REDACTED)

Confidential Attachment 5

Requested – waiting on receipt

VERIFICATION

I, Inger Goodman, hereby verify that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and expect to be able to prove the same at any hearing that may be held in this matter. I understand that false statements made therein are made subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsifications to authorities.



Inger Goodman
Manager, Regulatory Affairs
Just Energy

DATED: September 10, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Hudson Energy Services, LLC.	:	Docket No. A-2010-2192137
Request For Renewal of a Reduction	:	Utility Code: 1112538
in Level of Security	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the **public version** of the foregoing 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
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
PO Box 3265
Harrisburg, PA 17105-3265

Office of Attorney General
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120

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

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
PO Box 280947
Harrisburg, PA 17128

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

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

Legal Department
First Energy
2800 Pottsville Pike
Reading, PA 19612

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

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

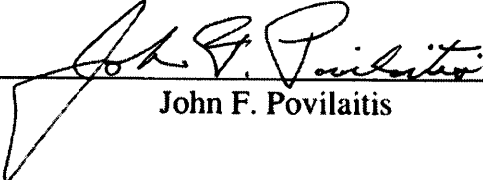
Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Office of General Counsel
Attn: Kimberly Klock
PPL
Two North Ninth Street
Allentown, PA 18108-1179

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

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

Dated this 10th day of September, 2020.



John F. Povilaitis