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# October 1, 2021

# Docket No. A-2010-2192137

#  Utility Code: 1112538

**EMAIL**

JOHN F POVILAITIS

BUCHANAN INGERSOLL & ROONEY PC

409 NORTH SECOND STREET STE 500

HARRISBURG PA 17101

Re: Bonding/Security Reduction for Electric Generation Supplier Hudson Energy Services, LLC

Dear Mr. Povilaitis:

On September 20, 2021, Hudson Energy Services LLC (Hudson Energy Services) filed a 5% Annual Compliance Filing with the Commission for permission to maintain its Electric Generation Supplier financial security level of 5% of its most recent four quarters of revenue.

Hudson Energy Services filed the 5% Annual Compliance Filing pursuant to the Commission’s Order entered September 20, 2018, at Docket No. P-2017-2608078.

On March 9, 2021, Hudson Energy Services filed notice with the Commission of its voluntary petition under Chapter 15 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (Bankruptcy Proceeding).

The financial security is designed “to ensure the financial responsibility of the electricity generation supplier and the supply of electricity at retail in accordance with contracts, agreements or arrangements[[1]](#footnote-1).” Because of the ongoing Bankruptcy Proceeding, we find considerable uncertainty regarding Hudson Energy Services’ ability to fulfil its future annual obligations under Section 2809. In particular, we have concerns regarding Hudson Energy Services’ ability to fulfil its obligations related to gross receipts taxes, Alternate Energy Portfolio Standards (AEPS) and the Commission’s Annual Fee levied on EGSs. Because of these uncertainties, we believe that it is prudent to require Hudson Energy Services to increase its current financial security level to 10% of its most recent four quarters of revenue.

Therefore, for the reasons stated above, Hudson Energy Services’ 5% Annual Compliance Filing 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

1. 66 Pa. C.S. Section 2809(c)(1)(i) [↑](#footnote-ref-1)