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July 11, 2022

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

**Re: Petition of AP Gas & Electric (PA) LLC to Request Reduction in Security Amount Docket No. A-2010-2192731**

Dear Secretary Chiavetta:

Enclosed for filing please find an original and two (2) copies of the Petition of AP Gas & Electric (PA) LLC to Request a Reduction in its Security Amount. Please note that Exhibits 1, 2, 3, 4 and 5 to this filing contain Confidential information, and have been marked as such and provided in a separate envelope. The Petitioner requests that Exhibits 1, 2, 3, 4 and 5 be filed under Seal.

A previous petition was filed on April 8, 2022. This version includes an update to the Gross Receipts calculation as well as additional proof of Estimated Specialty Tax Payment all of 2022 (REV-423).

Thank you, and if you have questions, please do not hesitate to contact me.

Sincerely,

  
Ashley Britt  
Controller  
AP Gas & Electric (PA), LLC  
[abritt@apge.com](mailto:abritt@apge.com)  
832-402-8207

DATE OF DEPOSIT  
JUL 22 2022  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

JUL 22 2022

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PA Public Utility Commission  
Secretary's Bureau

Petition of AP Gas & Electric	:	Docket No. A-2010-2192731
(PA), LLC To Request Reduction	:	
in Security Amount	:	

**Petition of AP Gas & Electric (PA) LLC To Request a Reduction in Security  
Amount**

And Now, pursuant to 66 Pa.C.S.A. § 2809 (c)(1)(i) and the Order of the Pennsylvania Public Utility Commission ("Commission") entered on July 24, 2014 in Docket No. M-2013-2393141, AP Gas & Electric (PA), LLC ("APG&E") files this Petition to request that its security requirement be reduced from 10% of annual gross receipts to 5% of annual gross receipts. In support of this request, APG&E states as follows.

1. On August 6, 2010, APG&E filed an application to offer, render, furnish or supply electric generation services to residential, small commercial (25 kW and under), and large commercial (over 25 kW) customers in the electric distribution company service territories of West Penn Power, Duquesne Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, PECO Energy Company, PPL Electric Utilities Corporation and UGI Utilities Inc. within the Commonwealth of Pennsylvania.
2. By Order entered on October 18, 2010 in Docket No. A-2010-2192731, The Commission approved APG&E's Application and authorized APG&E to begin to offer the services described above.
3. On August 19, 2013, APG&E filed a request to amend its electric generation supplier license in order to serve residential, small commercial (25 kW and under), and large

commercial (over 25 kW) customers in the additional electric distribution company service territories of Citizens Electric Company and Wellsboro Electric Company, which request was approved by the Commission by Order entered on November 14, 2013.

4. APG&E provided an initial letter of credit in the amount of \$250,000 at the time it filed its initial Electric Generation Supplier ("EGS") license application, in accordance with the Commission's regulations at 52 Pa. Code § 54.40.

5. In the years following its licensure, APG&E has provided either a bond or a letter of credit in an amount sufficient to satisfy the Commission's financial security requirements for EGSs.

6. By Order entered on July 24, 2014, the Commission announced a new policy to allow EGSs, upon request, to reduce their required level of security to 5% of the EGS's most recent 12 months of revenue, or \$250,000, whichever is higher. The Commission found that requiring an EGS to post a bond or security in the amount of 10% of reported gross receipts after the first year of EGS operation may be excessive in relation to the risk intended to be secured, unnecessarily burdening EGSs, and presenting a potential barrier to entry to Pennsylvania's retail electric market.<sup>1</sup>

7. On April 9, 2021, APG&E filed a Petition to request a reduction in its financial security from 10% to 5%, which Petition was granted by Secretarial Letter dated May 27, 2021.

8. In accordance with the July 24, 2014 Order APG&E respectfully requests the Commission's approval to again reduce its required security amount from 10% to 5% of APG&E's most recent 12 months of Pennsylvania revenue.

9. Since becoming licensed in Pennsylvania, APG&E has always met all of its financial and annual reporting obligations.

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<sup>1</sup> *Public Utility Commission Bonding/Security Requirements for Electric Generation Suppliers/Acceptable Security Instruments*, Docket No. M-20 I 3-2393141 (Order Entered July 24, 2014)

10. APG&E has no outstanding Pennsylvania Tax liabilities, and since becoming licensed APG&E has paid its Gross Receipts Tax obligations in full and in a timely manner.

11. APG&E also has no outstanding financial obligations to any of its customers, to any of the Electric Distribution Companies ("EDCs") in Pennsylvania or to PJM Interconnection, LLC ("PJM").

12. Attached hereto as Confidential Exhibit 1 is a statement showing APG&E's gross revenues for sales of electricity to retail customers in Pennsylvania for the months of July 2021 through June 2022.

13. Attached hereto as Confidential Exhibit 2 is a copy of APG&E's Form Rev-423 for as filed with the Pennsylvania Department of Revenue, reflecting the amounts of Gross Receipts Tax obligations pre-paid for the past four quarters.

14. Attached hereto as Confidential Exhibit 3 is a Tax Status Letter of Good Standing from the Pennsylvania Department of Revenue to confirm that APG&E is current with all of its Pennsylvania tax obligations.

15. Attached hereto as Confidential Exhibit 4 is a report from the Statewide Administrator of the Pennsylvania Alternative Energy Portfolio Standards Act, showing APG&E's compliance for the most recent energy year.

16. APG&E's current bond on file with the Commission expires on July 22, 2022, so APG&E respectfully requests expeditious consideration of this Petition so that the proper amount of security can be submitted to the Commission prior to the expiration of the APG&E's

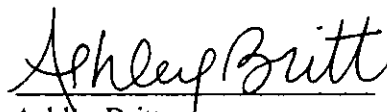
current bond.

17. Copies of this Petition are being served on the Bureau of Technical Utility Services, the Office of Consumer Advocate, Office of Small Business Advocate, Bureau of Investigation and Enforcement, PA Department of Revenue, Office of Attorney General Bureau of Consumer Protection and all of the EDCs in Pennsylvania in whose territories APG&E is licensed to operate.

WHEREFORE, for the foregoing reasons, AP Gas & Electric (PA), LLC respectfully requests the Commission grant this Petition and reduce AP Gas & Electric (PA), LLC's security requirement from 10% of its most recent annual gross receipts to 5% of most recent annual gross receipts. Upon approval of this Petition by the Commission, AP Gas & Electric (PA), LLC will provide an updated bond which will comply with the Commission's bond requirements for EGSs at 52 Pa. Code§ 54.40(f).

Respectfully Submitted

Dated: July 11, 2022



Ashley Britt  
Controller

6161 Savoy Dr. Ste 500  
Houston TX 77036  
832-402-8207  
abritt@apge.com

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of AP Gas & Electric (PA)  
LLC To Request Reduction in  
Security Amount

Docket No. A-2010-2192731

**VERIFICATION**

I, Ashley Britt, holding the title of Controller with AP Gas & Electric (PA) LLC verify that the statements made in the foregoing Petition are true and correct to the best of my knowledge, information and belief. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsifications to authorities.

  
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Ashley Britt

DATE OF DEPOSIT

JUL 22 2022

PA Public Utility Commission  
Secretary's Bureau



DATE: July 11, 2022

Ashley Britt

Ashley Britt



# Express

ORIGIN ID: SGRA (832) 402-8207  
ASHLEY BRITT  
AP GAS & ELECTRIC (PA), LLC  
6161 SAVOY LN  
STE 500  
HOUSTON, TX 77038  
UNITED STATES US

SHIP DATE: 22JUL22  
ACTWGT: 0.50 LB  
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TO **SECRETARY ROSEMARY CHIAVETTA**  
**PENNSYLVANIA PUBLIC UTILITY COMMISS**  
**400 NORTH STREET**

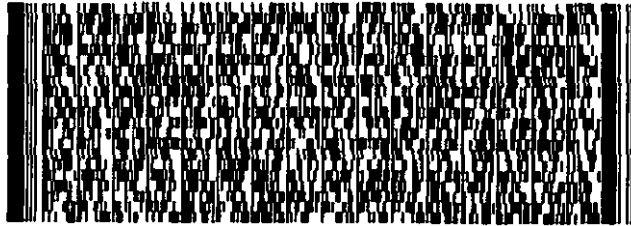
**HARRISBURG PA 17120**

(832) 402-8207 REF: PA BOND - FINAL 2

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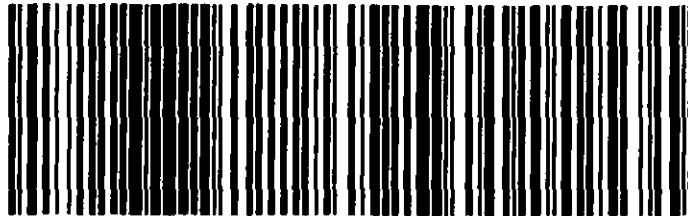
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