

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF VERDIGRIS ENERGY LLC	DOCKET Nos.	A-2012-2284040 M-2022-3030286
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PETITION FOR RECONSIDERATION

We, Verdigris Energy LLC (A-2012-2284040), hereby petition the Pennsylvania Public Utility Commission (PA PUC) to reconsider its order entered February 17, 2023 docket M-2022-3030286.

We, Verdigris Energy LLC, have had a \$10,000 bond in place since we were granted an EGS license in 2012 by the PA PUC. We are a very small company and have utilized the same insurance agency SCARBROUGH MEDLIN & ASSOCIATES, 5700 GRANITE PARKWAY SUITE 500, PLANO, TX 75024, for many years to secure all our bonds and provide them to the PA PUC. Our bonds have been secured through the Philadelphia Indemnity Insurance Company, One Bala Plaza, Suite 100, Balla Cynwyd, PA 19004. For several years, we have made requests of Scarbrough Medlin to secure a continuous bond for us for the PA PUC. We thought we had accomplished that last year. But through a misunderstanding and accompanying miscommunications, we realize that the *Continuous Certificate of bond* was in place instead of the *Continuous Term bond* even though we took steps to secure the Continuous Term bond.

On December 13, 2021 Leslie Knight of Scarbrough Medlin & Associates sent us an email stating “Now that this has been approved, I will work on the ‘Continuous Term

Bond' paper work so we do not have to go through this every year. I will keep you posted." [Exhibit 1]

January 5, 2022 the PA PUC sent a letter via certified mail to Scarbrough Medlin & Associates explaining that a " 'wet ink' signature for the principal company, preferably in blue ink" was needed as the one filed did not have such a signature. We were not provided a copy of this letter. [Exhibit 2]

Two weeks later, on January 19, 2022, Verdigris Energy LLC received a copy of the final order in which Verdigris Energy LLC was noted to have "provided the required approved financial security and are in compliance with 52 Pa. Code 54.42(a)." [Exhibit 3] At that point, due to the sequence of communications, we believed we had a Continuous Term bond in place and that it was in the approved proper form.

When we received email from the PA PUC sent August 2, 2022, regarding bonds, we thought it was a form letter sent to everyone and still believed that we had the correct Continuous Term bond in place. When we received the email from Ryan Sheffer on December 22, 2022, we believed it was a phishing email as the "To" field was blank and it was not signed and said in all caps "DO NOT REPLY TO THIS EMAI. REPLIES CANNOT BE ACCEPTED AS FILINGS." It had only a pdf attached. There was no logo or the usual identifying marks that accompany PA PUC emails. [Exhibit 4 no logo] [Exhibit 8 with logo] We did not click on it. We receive scores of phishing and spam emails pretending to be from entities with whom we do business, all with a something to be clicked on. We thought this was another phishing email and did not click on it.

On January 18, 2023, we received an email from Scarbrough Medlin & Associates that said "Good morning,

The PA Public Utility Bond is on a continuous form and it renewed 11-2-2022. I have attached the invoice for the premium due. For convenience, I have included our EPay link to make your payment electronically..." [Exhibit 5]

Again, this seemed to confirm that we had the proper continuous bond in place and needed to take no action other than paying for it.

On February 17, 2023 we received an email from Nathan Wagner that the "To" field held many names and addresses and was signed Nathan Wagner, PA PUC, Legal Assistant, Order Entry Secretary's Bureau. Attached was the "Final Order..." pdf. Again, there was no logo or phone numbers or real identifying information. It appeared to be a phishing email. [Exhibit 6]

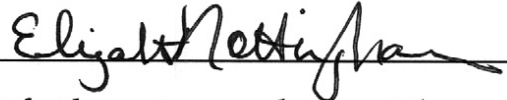
Although the order is dated February 17, 2023, the envelope was post marked February 22, 2023 and scanned by USPS informed delivery February 28, 2023. [Exhibit 10] We actually received it several days after that as we were traveling out of state. We were in Rochester, MN from March 1 through March 8, 2023. It was only when we received the copy of the Final Order M-2022-3030286 in the USPS mail, that we realized something was wrong.

At that point, we reached out to Scarbrough Medlin & Associates for assistance and clarification. That is when we learned that the associates who were assigned to handle our bonds had left the company some months back and had not notified us and did not appear to have properly forwarded an original copy of the Continuous Term Bond. We reached out directly to Philadelphia Indemnity Insurance Company and were told that we have to go through our insurance agency Scarbrough Medlin & Associates. We contacted the PA PUC, who explained that the Continuous Term Bond had not been properly signed with a wet ink signature and returned to the PA PUC by overnight mail; and therefore, we only had a Continuous Certificate Bond in place that needed to be renewed each year and further that a current 2022-2023 Continuous Certificate Bond had not been received by the PA PUC. They explained it was out of their hands and we needed to file a Petition to Reconsider. [Exhibit 7] [Exhibit 8]

The new employee at Scarbrough Medlin & Associates stated that their records showed they had previously secured another Continuous Certificate Bond for the time period of November 2, 2022 to November 2, 2023 and that it was valid and provided us with a copy of that bond. A copy is attached to this filing with the numbers redacted. [Exhibit 7] We are in the process of securing an "original" of the 2022-2023 Continuous Certificate Bond to provide to the PA PUC. Scarbrough Medlin & Associates have overnighted 2022-2023 Continuous Certificate Bond to provide to the PA PUC. Tracking number 1ZF694671322497717 [Exhibit 9]

Verdigris Energy LLC has acted in good faith to secure the proper bond each year for 10 years. Due to timing of communications from the PA PUC and the lack of communication from Scarbrough Medlin & Associates, we did not know that PA PUC had not received the proper documents verifying that we have been and are indeed bonded. Verdigris Energy LLC is small, minority owned business and losing our EGS license and having to reapply will be a tremendous hardship.

We pray the PA PUC will reconsider the revocation of the EGS license for Verdigris Energy LLC and allow Verdigris Energy LLC to supply the proper form of the Continuation Certificate Bond, which has never lapsed. We further pray that upon receipt of the Continuation Certificate Bond, that Verdigris Energy LLC be placed in good standing with the PA PUC.

I, , hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief), and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements

herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

March 15, 2023

Date

Signature

A handwritten signature in black ink, appearing to read "Elizabeth Nottingham", written over a horizontal line.

Elizabeth Nottingham
President
Verdigris Energy LLC
PO Box 1777
Allen, TX 75013

Exhibit 1



From: Leslie Knight leslie@scarbrough-medlin.com
Subject: PA Bond Renewal.
Date: December 13, 2021 at 7:32 AM
To: jnottingham@verdigrisenergy.com, liz@liznottingham.com, enotingham@verdisenergy.com

Hello everyone,

I received this on Friday 10, 2021. Now that this has been approved, I will work on the "Continuous Term Bond" paper work so we do not have to go thorough this every year. I will keep you posted.

Good morning,

The Commission received, approved, and docketed Verdigris Energy LLC's recently filed Continuation Certificate. Make sure to file your next bond renewal at least 30 days prior to 11/2/22.

Thank you for your cooperation
Stephen

Thank you,

Leslie Knight
Scarborough, Medlin & Associates, Inc.



214-423-3333 Office
214-423-3352 Direct | Ext. 125
214-423-3350 Fax

www.scarbrough-medlin.com | leslie@scarbrough-medlin.com

5700 Granite Pkwy, Suite 500 Plano, TX 75024

Please ask us about Employee Benefits... Health - Dental - Disability - Life - Medicare
For COI request please send to certs@scarbrough-medlin.com

A Professional Insurance Agency With
Personal Service



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Exhibit 2



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

IN REPLY PLEASE
REFER TO OUR FILE

January 5, 2022

Via Certified Mail

SCARBROUGH MEDLIN & ASSOCIATES
5700 GRANITE PARKWAY SUITE 500
PLANO TX 75024

RE: Continuous Bond
Verdigris Energy LLC
A-2012-2284040

Dear Sir/Madam:

Please find under cover of this letter the financial instrument filed with the Commission on behalf of Verdigris Energy LLC because it is not acceptable.

The Commission requires a supplier to file an **original** bond, letter of credit, continuation certificate, amendment, or other financial instrument as part of a supplier's licensing requirements under Section 2809(c) of the Pennsylvania Public Utility Code.

The Bond you filed does not contain a signature by the Principal for Verdigris Energy LLC at the bottom of the document. The document must include an **original "wet ink" signature for the principal company**, preferably in blue ink.

Please file the originally signed and sealed security instrument with my office within 20 days of the date of this letter, preferably by overnight delivery

Sincerely,

A handwritten signature in black ink that reads "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta
Secretary of the Commission

RC:jbs

JAN 19, 2022

Exhibit 3 pg 1

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Electric Generation Supplier License Cancellations of
Companies with an Expired Financial Security

M-2021-3023559

FINAL ORDER

On November 18, 2021, a Tentative Order was entered in the above captioned proceeding.

The Commission's regulations at 52 Pa. Code §54.42(a) require that a licensee shall comply with the applicable requirements of the code and Commission regulations and orders. Consistent with due process, a license may be suspended or revoked, and fines may be imposed against the licensee for failure to furnish and maintain a bond or other security approved by the Commission in the amount directed by the Commission.

The Electric Generation Suppliers (EGS) listed in Table 1 below filed approved financial securities within 30 days after publication in the *Pennsylvania Bulletin*.

Table 1 – EGSs Compliant with Financial Security Requirements

Below are the EGS licensees that provided the required approved financial security and are currently in compliance with 52 Pa. Code §54.42(a).

<u>Docket Number</u>	<u>Company Name</u>
A-2021-3024218	HERCULES ENERGY LLC
A-2010-2210786	INTELLIGEN RESOURCES LP
A-2012-2284040	VERDIGRIS ENERGY LLC



The EGS listed in Table 2 below failed to file any adverse public comments or approved security within 30 days after publication in the *Pennsylvania Bulletin*.

Table 2 – EGS License Cancellation

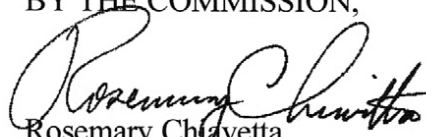
Below is the EGS licensee that failed to provide the required approved financial security.

<u>Docket Number</u>	<u>Company Name</u>
A-2020-3019881	SELECTED POWER INC

The Electric Generation Supplier License held by the company listed in Table 2 is cancelled, and shall be stricken from all active utility lists maintained by the Commission’s Bureau of Technical Utility Services, the Secretary’s Bureau, and the Assessment Section of the Bureau of Administration, shall be removed from the Commission’s website, and notifications will be sent to all electric distribution companies in which the Electric Generation Supplier is licensed to do business and the Pennsylvania Department of Revenue – Bureau of Compliance, Business License Clearance Division.

The Tentative Order has become FINAL by operation of law.

BY THE COMMISSION,


Rosemary Chavetta
Secretary

ORDER ENTERED: January 19, 2022

Exhibit 4

From: Sheffer, Ryan rsheffer@pa.gov
Subject: M-2022-3030286
Date: December 22, 2022 at 10:23 AM
To:



Attached is your PA Public Utility Commission Document.

DO NOT REPLY TO THIS EMAIL. REPLIES CANNOT BE ACCEPTED AS FILINGS.



Order -
30302...ion.pdf

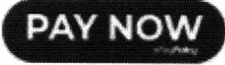
Exhibit 5



From: Karla Schoeni karla@scarbrough-medlin.com
Subject: Verdigris Energy Bond
Date: January 18, 2023 at 9:12 AM
To: enottingham@verdigrisenergy.com

Good morning,

The PA Public Utility Bond is on a continuous form and it renewed 11-2-2022. I have attached the invoice for the premium due. For convenience, I have included our EPay link to make your payment electronically. Please click on the dark blue PayNow button below and it will take you directly to the payment portal.



Please contact me with any concerns.

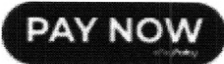
Welcome to your new Team!!

Keleigh Buchanan -Producer 214-423-3333 ext. 120 keleigh@scarbrough-meldin.com

Karla Schoeni-Account Manager karla@scarbrough-medlin.com



A Professional Insurance Agency
with Personal Service



Karla Schoeni
Account Manager

Phone: 214-423-3333 x 126

Fax: 214-423-3350

Web: <http://www.scarbrough-medlin.com/>

Email: karla@scarbrough-medlin.com

5700 Granite Parkway, Suite 500
Plano, TX 75024



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INVOICE

Customer	Verdigris Energy LLC
Acct #	10236
Date	01/18/2023
Customer Service	CAROLYN GILBERT KELEIGH BUCHANAN
Page	1 of 1

Exhibit 6



From: Wagner, Nathan R nawagner@pa.gov
Subject: M-2022-3030286 Final Order
Date: February 17, 2023 at 8:00 AM

To: compliance@aapandg.com, ctravis@travislawnc.com, kserwin@ces-ltd.com, Jennifer Young jyoung@ces-ltd.com, Mitchell Ingerman mingerman@aeadvisorsllc.com, mjimenez@aeadvisorsllc.com, dcooke@esui.us, regulatory@esui.us, KMURPHY@BURTONENERGYGROUP.COM, RRJ@HKW-LAW.COM, ABE@LIGHTPOWERANDGAS.COM, Todd Stewart tsstewart@hmslegal.com, FWARNER@MSIUTILITIES.COM, BDR@CPMLAW.COM, mwatson1@msiutilities.com, ADMIN@NATIONALENERGYADVISORY.COM, NORMA@NATIONALENERGYADVISORY.COM, KALPESH@FLPATELLAW.COM, inazarkina@qenergysolutions.com, jnewberry@qenergysolutions.com, MROONEY@LICENSELOGIX.COM, cbergman@theoegroup.com, gfigueroa@bmg.law, Murray Bevan mbevan@bmg.law, lvehmas@usenergylink.com, svarney@usenergylink.com, jnottingham@verdigrisenergy.com, info@verdigrisenergy.com, Blair, Jamal jblair@pa.gov, Ed Rogers erogers@ctenterprises.org, winslowe@citizenselectric.com, michael.innocenzo@peco-energy.com, john.mcdonald@exeloncorp.com, dick.webster@exeloncorp.com, amy.neufeld@exeloncorp.com, Gay, Anthony E:(PECO) Anthony.Gay@exeloncorp.com, info@esui.us, gndudkin@pplweb.com, djbonenberger@pplweb.com, sraymond@pplweb.com, Kimberly Klock (kklock@pplweb.com) kklock@pplweb.com, skbreininger@pplweb.com SKBreininger@pplweb.com, Jones, Nikki L NJones@pplweb.com, wymans@firstenergycorp.com, Gregorits, Matthew N mgregorits@firstenergycorp.com, Bingaman, Bradley A bbingaman@firstenergycorp.com, Giesler, Tori tgiesler@firstenergycorp.com, Roell, Wendy A wroell@duqlight.com, jhilderbrandll@duqlight.com, Baxter, Lindsay lbaxter@duqlight.com, kwalker@duqlight.com, kkubiak@duqlight.com, grandinali@pclpeg.com, Beard, Robert (RBeard@ugi.com) RBeard@ugi.com, Bell, Hans G hbell@ugi.com, esorber@ugi.com, Fessler, Michael mfessler@ugi.com, Szykman, Paul PSzykman@ugi.com

Attached is the Final Order for docket number M-2022-3030286

DO NOT REPLY TO THIS EMAIL REPLIES CANNOT BE ACCEPTED AS FILINGS

Nathan Wagner
PA PUC
Legal Assistant
Order Entry Secretary's Bureau



Final Order -
30302...ion.pdf



**PHILADELPHIA
INSURANCE COMPANIES**

A Member of the Tokio Marine Group

CONTINUATION CERTIFICATE

Philadelphia Indemnity Insurance Company, Surety, on Bond Number ~~PBE 2022000000~~ in the penal sum of Ten Thousand Dollars (\$10,000.00), on behalf of Verdigris Energy, LLC, Principal, in favor of Pennsylvania Public Utility Commission, Secretary, 400 North St, Keystone Bldg, Harrisburg, PA 17120, Obligee, hereby certifies that this Bond is continued in full force and effect from the 2nd day of November, 2022 to the 2nd day of November, 2023, subject to all covenants and conditions of said Bond.

This Bond has been continued in force upon the express condition that the full extent of the Surety's liability under said Bond and all continuations thereof for any loss or series of losses occurring during the entire time the Surety remains on said Bond shall in no event exceed the penal sum of the Bond.

In witness whereof Surety has caused this instrument to be duly signed, sealed and dated as of the 4th day of August, 2022.



Philadelphia Indemnity Insurance Company

By: Michael E. Cundiff
Michael E. Cundiff, Attorney-in-Fact

PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950

~~PHILADELPHIA INDEMNITY INSURANCE COMPANY~~

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: That **PHILADELPHIA INDEMNITY INSURANCE COMPANY** (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint Michael E. Cundiff its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed \$10,000.00.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY on the 14th of November, 2016.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

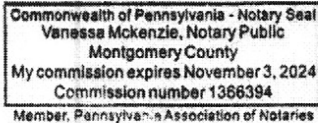
IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 5TH DAY OF MARCH, 2021.



(Seal)

John W. Glomb Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 5th day of March, 2021 before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the **PHILADELPHIA INDEMNITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.



Notary Public: Vanessa McKenzie

residing at: Bala Cynwyd, PA

My commission expires: November 3, 2024

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and the Power of Attorney issued pursuant thereto on the 5th day March, 2021 are true and correct and are still in full force and effect. I do further certify that John W. Glomb Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 04 day of August, 2022.



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY

Exhibit 8



From: Jakab, Stephen sjakab@pa.gov
Subject: RE: [External] 90-Day Financial Security Renewal Notification
Date: March 8, 2023 at 8:55 AM
To: enottingham verdigrisenergy.com enottingham@verdigrisenergy.com
Cc: Karla Schoeni karla@scarbrough-medlin.com, jnottingham verdigrisenergy.com jnottingham@verdigrisenergy.com, Backer, Debra dbacker@pa.gov

Reinstating your EGS license is out of my hands. I recommend choosing one of the following options to get your EGS license reinstated.

- 1) File a new EGS Application with the Commission.
 - a. http://www.puc.pa.gov/general/onlineforms/pdf/EGS_Lic_App.pdf
- 2) File a Petition for Reconsideration.
 - a. You can e-file or mail the Petition for Reconsideration
 - b. File a letter that states your wish to for reconsideration
 - c. Include proof and the reasons you think the decision to cancel should be reconsidered
 - d. Make sure you also file a signed verification with a wet signature

www.puc.pa.gov

[EGS Resources](#)

Stephen Jakab
Fixed Utility Financial Analyst
Technical Utility Services
Email: sjakab@pa.gov

Consumer Hotline:
1-800-692-7380

Mailing Address:
Rosemary Chiavetta, Secretary
PA PUC
400 North Street
Harrisburg, PA 17120

From: Jakab, Stephen
Sent: Wednesday, March 08, 2023 9:51 AM
To: enottingham verdigrisenergy.com <enottingham@verdigrisenergy.com>
Cc: Karla Schoeni <karla@scarbrough-medlin.com>; jnottingham verdigrisenergy.com <jnottingham@verdigrisenergy.com>; Backer, Debra <dbacker@pa.gov>
Subject: RE: [External] 90-Day Financial Security Renewal Notification

The Commission did not receive the continuation certificate. We must have the original bond renewal in hand and on file at the Commission. Do you have tracking information for this bond? If so, please provide it.

www.puc.pa.gov

[EGS Resources](#)

Stephen Jakab
Fixed Utility Financial Analyst
Technical Utility Services
Email: sjakab@pa.gov

Consumer Hotline:
1-800-692-7380

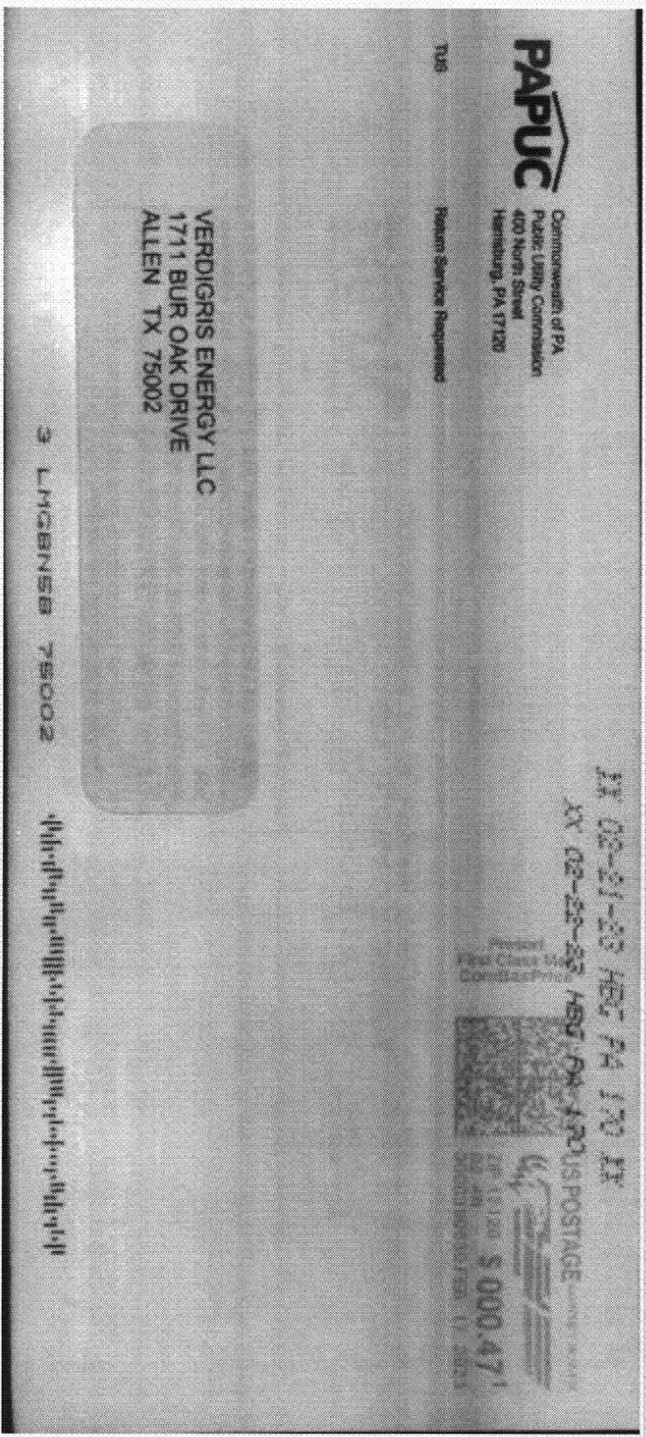
Mailing Address:
Rosemary Chiavetta, Secretary
PA PUC
400 North Street
Harrisburg, PA 17120

From: enottingham verdigrisenergy.com <enottingham@verdigrisenergy.com>
Sent: Wednesday, March 08, 2023 9:46 AM

Exhibit 9

<p>CESAR IBARRA 2144233333 SCARBROUGH, MEDLIN & ASSOCIATE 5700 GRANITE PARKWAY PLANO TX 75024-6640</p>	<p>0.1 LBS LTR</p>	<p>1 OF 1</p>
<p>SHIP TO: SECRETARY OF THE PA PUBLIC UTILITY 8006927380 PENNSYLVANIA PUBLIC UTILITY COMMIS KEYSTONE BUILDING 400 NORTH STREET HARRISBURG PA 17120</p>		
	<p>PA 171 9-20</p> 	
<p>UPS NEXT DAY AIR SAVER 1P TRACKING #: 1Z F69 467 13 2249 7717</p>		
		
<p>BILLING: P/P</p>		
<p>Reference #1: COI : Verdigris Energy LLC XOL23.02.02 NV45 1.0A.03/2023*</p>		
		

USPS Informed Delivery Liz Nottingham **To** Your Daily Digest for Tue, Feb 28 2/28/23, 7:15... Inbox - enotti... 101 KB
USPS Informed Delivery Liz Nottingham **To** Your Daily Digest for Tue, Feb 28 2/28/23, 7:16... Inbox - liz@liz... 326 KB



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Exhibit 10