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August 29, 2023

VIA E-FILING (PUBLIC VERSION) AND
SECRETARY'S SHAREPOINT SITE (CONFIDENTIAL VERSION)

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

Re: Hudson Energy Services, LLC; Compliance Filing
Docket No. A-2010-2192137
Utility Code: 1112538

Dear Secretary Chiavetta:

Enclosed for filing is the security Compliance Filing of Hudson Energy Services, LLC, ("Hudson"), a licensed energy generation supplier ("EGS").

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 Request for Reduction in Security be maintained by the Pennsylvania Public Utility Commission under seal.**

Please note that we are filing the public version electronically on the Commission's website and the confidential version is being uploaded to the Secretary's SharePoint site.

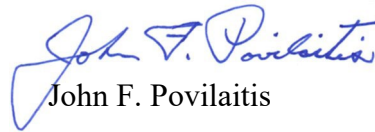
Copies of the Public Version of Hudson's Compliance Filing have been served on each of the statutory parties, the Commission's Bureau of Technical Utility Services, the Commonwealth of Pennsylvania's Department of Revenue, the Office of Attorney General's Bureau of Consumer Protection and all affected Pennsylvania electric distribution companies, as indicated in the attached Certificate of Service.

August 29, 2023

Page - 2 -

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/kas

Enclosures

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Hudson Energy Services, LLC : Docket No. A-2010-2192137
Security Compliance Filing :

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

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 and approve its annual security compliance filing.

4. By Secretarial Letter Dated June 14, 2023 at Docket No. A-2010-2192137, Utility Code 1112538, the Commission approved Hudson’s February 24, 2023 Petition for a security reduction, effective to November 30, 2023. Similar compliance filings are being made for Hudson’s two other affiliates - Just Energy Solutions Inc. (“JES”), Docket No. A-110117, and Just

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.

Energy Pennsylvania Corp. (“JEPC”), Docket No. A-2009-2097544 (collectively, 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 twelve (12) months, and a calculation of 5% of those reported gross revenues.

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 provides confirmation of Hudson’s gross receipts tax paid.

8. Confidential Attachment 4 is a copy of Hudson’s renewed security. An original security document will be delivered under separate cover to the Commission.


9. Based on the foregoing information, Hudson proposes to meet its security renewal requirement with security reflecting 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 and Section 54.40 of the Commission’s regulations. 66 Pa.C. S. §2809(c); 52 Pa. Code §54.40.

III. Relief Requested and Conclusion

Hudson respectfully requests that its Compliance Filing be accepted and approved.

Respectfully submitted,

Dated: August 29, 2023



John F. Povilaitis
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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 twelve (12) months

(July 2022 to June 2023)

(REDACTED)

Confidential Attachment 2

(REDACTED)

Confidential Attachment 3

(REDACTED)

Confidential Attachment 4

(REDACTED)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Hudson Energy Services, LLC : Docket No. A-2010-2192137
Security Compliance Filing :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy 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

Legal Department
West Penn Power Company
800 Cabin Hill Drive
Greensburg, PA 15601-1689

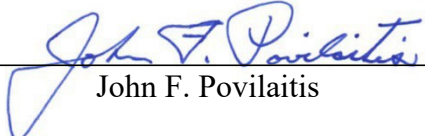
Office of General Counsel
Attn: Kimberly Klock
PPL
Two North Ninth Street
Allentown, PA 18108-1179

UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
1 UGI Drive
Denver, PA 17517

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

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

Dated this 29th day of August 2023.



John F. Povilaitis