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August 29, 2023

<u>VIA E-FILING (PUBLIC VERSION) AND</u> 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: Just Energy Pennsylvania Corp; Compliance Filing

Docket No. A-2009-2097544

Utility Code: 1110954

Dear Secretary Chiavetta:

Enclosed for filing is the security Compliance Filing of Just Energy Pennsylvania Corp, ("JEPC"), a licensed energy generation supplier ("EGS").

The Compliance Filing includes commercially valuable and sensitive information for which JEPC 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". JEPC 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 JEPC's Request for Reduction in Security 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/kas Enclosures

cc: Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Just Energy Pennsylvania Corp : Docket No. A-2009-2097544

Security Compliance Filing : Utility Code: 1110954

JUST ENERGY PENNSYLVANIA CORP COMPLIANCE FILING

I. <u>Introduction</u>

- 1. Just Energy Pennsylvania Corp ("JEPC" 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. JEPC received its initial license to operate as an EGS in the service territory of Duquesne Light Company by Order of December 23, 2009 at Docket No. A-2009-2097544. By Order of June 21, 2012, JEPC obtained authority to operate as an EGS in all electric distribution company service territories in the Commonwealth of Pennsylvania at Docket No. A-2009-2097544. As a licensed EGS, JEPC 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." 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. 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, JEPC 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-2009-2097544, Utility Code 1110954, the Commission approved JEPC's February 24, 2023 Petition for a security

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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 (Oder Entered September 20, 2018) at 17-20.

reduction, effective to November 30, 2023. Similar compliance filings are being made for JEPC's two other affiliates - Hudson Energy Services, LLC. ("Hudson"), Docket No. A-2010-2192137, and Just Energy Solutions Inc. ("JES"), Docket No. A-110117 (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 JEPC'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 JEPC from the Pennsylvania Department of Revenue.
 - 7. Confidential Attachment 3 provides confirmation of JEPC's paid gross receipts tax.
- 8. Confidential Attachment 4 is a copy of JEPC's renewed security. An original security document will be delivered under separate cover to the Commission.
- 9. Based on the foregoing information, JEPC 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

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

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PUBLIC VERSION

Respectfully submitted,

John F. Povilaitis

Dated: August 29, 2023

Buchanan Ingersoll & Rooney PC 409 North Second Street, Suite 500

Harrisburg, PA 17101

(717) 237-4825

Counsel for Just Energy Pennsylvania Corp

Gross revenues for the sale of electricity to retail customers in Pennsylvania for the most recent twelve (12) months

(July 2022 to June 2023)

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Just Energy Pennsylvania Corp : Docket No. A-2009-2097544

Security Compliance Filing : Utility Code: 1110954

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