

Application for License to Supply Electricity or Electric Generation BEFORE THE MARYLAND PUBLIC SERVICE COMMISSION

You must use the attached form to submit your Application. (Please remove this instruction sheet prior to filing.) If you need more space than is provided on this form or if you are attaching exhibits, all attachments must be labeled or tabbed to identify the Application item to which they correspond. You are also required to file an electronic version of this document **(excluding confidential information)** using Microsoft Word or Adobe PDF. A compact disk (or other appropriate electronic storage device) must accompany the paper copies to be filed with the Maryland Public Service Commission.

To file an Application with the Maryland Public Service Commission, submit a signed and verified original and 17 copies of the Application, a electronic version of the Application and attachments, and a nonrefundable license fee of \$400.00 (payable to "Public Service Commission"). Send all material to:

David J. Collins
Executive Secretary
Maryland Public Service Commission
6 Saint Paul St.
Baltimore, MD 21202

One copy of the Application should be sent to:

The Office of People's Counsel
6 Saint Paul St.
Baltimore, MD 21202

Questions pertaining to completion of this Application may be directed to the Public Service Commission Staff, Energy Planning and Analysis Division, at the above address or you may call the Division at (410) 767-8085.

If your answer to any of the Application items changes during the pendency of your Application or while you are operating within the State of Maryland, you are under a duty to inform the Commission. An Applicant is also required to officially notify the Commission 60 days prior to ceasing operations in Maryland. The notice must be sent to be Commission's Executive Secretary at the address above.

Confidentiality: Section 19 of this Application related to financial information will be treated as confidential information by the Commission to the extent permitted by law. The remainder of the document is considered public information.

Applicable law: The provisions set forth in this Application related to the licensing of electricity suppliers and the provision of electricity supply and electricity supply services are addressed in detail in the Maryland Annotated Code, Public Utilities Article, § 7-507 et seq., and in the Code of Maryland Regulations ("COMAR"), Title 20, Subtitle 51.

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1.a. Identity of the Applicant:

(Must match the entity listed on the certificate issued by the State Department of Assessments and Taxation of Maryland)

Legal Name: _____

Current Address: _____

Street Address (if different than above): _____

Website URL:¹ _____

1. b. Transfer of Existing License:

- ☐ Attachment of attestation of transfer.
- ☐ Letter used to notify customers of transfer.

2. The Applicant proposes to operate as a: (Check all that apply)

- ☐ Supplier/Marketer
- ☐ Broker (acts as an agent or intermediary in the sale and purchase of electricity and does not take title to the electricity)
- ☐ Aggregator
- As an Aggregator, will the Applicant take title to the electricity?: Yes ☐ No ☐

3. Electricity supply related services, if any, the Applicant intends to offer:

- ☐ Competitive Billing Service: (If the Applicant is providing competitive billing service, provide proof of compliance with the Code of Maryland Regulations (COMAR) 20.51.02.02.B.7.)
- ☐ Metering
- ☐ Other (Describe in attachment.)

¹ PUA 7-507(j). An electricity supplier shall post on the Internet information that is readily understandable about its services and rates for small commercial and residential electric customers.

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4. Service Territories and Type of Customer the Applicant Intends to Serve:

Baltimore Gas and Electric Company

☐ Residential ☐ Commercial ☐ Industrial

Choptank Electric Cooperative, Inc.

☐ Residential ☐ Commercial ☐ Industrial

Delmarva Power and Light Company

☐ Residential ☐ Commercial ☐ Industrial

The Potomac Edison Company

☐ Residential ☐ Commercial ☐ Industrial

Potomac Electric Power Company

☐ Residential ☐ Commercial ☐ Industrial

Southern Maryland Electric Cooperative

☐ Residential ☐ Commercial ☐ Industrial

5. Source of Supply: (not required for Broker-only Applicant)

- ☐ Applicant owns generation
☐ Applicant contracts for generation
☐ Applicant obtains generation on the spot market
☐ Other: Applicant must attach a statement detailing its source of generation

6. a. Customer Restrictions:

- ☐ Restrictions on the number of end-use customers. (Describe in attachment)
☐ Applicant has no restrictions on the number of end-use customers.

6. b. ☐ Restrictions on the size of end-use customers. (Describe in attachment.)

- ☐ Applicant has no restrictions on the size of end-use customers.
☐ Other restrictions regarding customers. (Describe in attachment)

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7. The Applicant Proposes to Begin Providing Services:

- ☐ Upon approval of the Application and license.
☐ Other approximate date of commencement: ____ / ____ / ____
☐ The Applicant is currently operating in the state of Maryland.

8. Affiliates Engaged in the Retail Sale of Electricity or Natural Gas:

- ☐ The Applicant has no such Affiliate(s).
☐ Applicant is an Affiliate of a regulated electricity or natural gas utility. Describe in attachment.
☐ Affiliate(s) other than a regulated electricity or natural gas utility engaged in the retail sale of electricity, or electricity supply services, or natural gas are:

Name: _____
Business Address: _____

License Number/State of Issuance: _____
Location of Operations (Utility(s) Service Territory): _____

9. States in which the Applicant is now or has been engaged in the retail sale (including brokering) of electricity or natural gas:

State: _____	Type of License: _____	License No: _____
State: _____	Type of License: _____	License No: _____
State: _____	Type of License: _____	License No: _____
State: _____	Type of License: _____	License No: _____
State: _____	Type of License: _____	License No: _____
State: _____	Type of License: _____	License No: _____
State: _____	Type of License: _____	License No: _____

If additional space is required, please attach additional sheets of paper to the Application as necessary.

10. Regulatory Contact Person:

Name and Title: _____
Address: _____

Telephone: _____
Fax: _____
E-Mail: _____

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11. Customer Service Contact Person:

Name and Title: _____
Address: _____

Telephone: _____
Fax: _____
E-Mail: _____

12. Maryland Resident Agent: (Agent currently on file with the State Department of Assessments and Taxation)

Name: _____
Business Address: _____

13. Primary Corporate Officers/General Partners/Managing Partners

President/General Partner/Managing Partner:

Name: _____
Business Address: _____

CEO:
Name: _____
Business Address: _____

14. Applicant's Business Form:

- ☐ Proprietorship
- ☐ Corporation
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Limited Liability Company
- ☐ Limited Liability Partnership
- ☐ Other: _____

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15. Certificate of Status:

- ☐ Provided a certificate issued by the state of formation within the past 6 months certifying that the Applicant is in good standing and qualified to do business in the state of formation.
- ☐ If formed under the laws of a state other than Maryland, provided the certificate issued by the State Department of Assessments and Taxation of Maryland (SDAT) within the past 6 months certifying that the Applicant is registered or qualified, and in good standing, to do business in Maryland. For more information about the certificate of good standing, go to the SDAT website at <http://www.dat.state.md.us/> or the Business License Information System at <http://www.blis.state.md.us/>.
- ☐ If applicable, provided a certificate of compliance with the provisions of Labor and Employment Article, Title 9, Annotated Code of Maryland relating to Maryland Workers' Compensation.

16. Ownership and Control: Provide on a separate sheet the names and addresses of all persons and entities that directly or indirectly own ten percent (10%) or more of the ownership interests in the Applicant, have the right to vote ten percent (10%) or more of the Applicant's voting securities, or who otherwise have the power to control the Applicant.

17. Actions Against Licenses:

Provide the following information for the Applicant and any Affiliate.

- ☐ Actions such as Suspensions/Revocations, Limitations, Reprimands, Fines, Consent Decrees, or other similar actions have been taken or are pending against the Applicant or unregulated affiliate(s). If checked, provide an attachment describing the action; and include docket numbers, offense dates, and case numbers, if applicable.
- ☐ No such action has been taken.

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18. PJM Membership: (not required for Broker-only Applicant)

- ☐ Provide evidence of having met all applicable requirements of PJM Interconnection, LLC. (Attach evidence of being a signatory to all applicable agreements; *i.e.*, provide proof of PJM membership)

19. Financial Requirements

a. The Applicant must provide the most recent audited² versions of at least one of the following documents.

- ☐ Balance sheet and income statement for the two most recent 12 month periods for which information is available. Balance sheets and income statements must be for the Applicant and not a parent corporation in the event one exists; or
- ☐ If the Applicant has not been in existence for at least two-12 month periods, it must provide balance sheets and income statements for the life of the business; or
- ☐ In the event that a parent or other corporation or company has undertaken to insure the financial integrity of the Applicant, Applicant must submit such parent's, other corporation's or company's balance sheet and income statement – for the two most recent 12 month periods – together with documentation of such undertaking to insure the financial integrity of the Applicant. To the extent they exist, the Applicant must also submit its own balance sheet and income statement.

b. In addition to the financial documents above, the Applicant shall also provide the most recent versions of the following documents, if available.

- ☐ Credit reports or ratings prepared by a nationally recognized statistical rating organization regarding the applicant's payment and credit history, to the extent available or allowed.
- ☐ A current long-term bond rating or other senior debt rating.
- ☐ Proof that the applicant has met the credit requirements of PJM Interconnection, LLC, if the applicant has done so, and a detailed description of any credit security requirements PJM Interconnection, LLC has imposed on the applicant.

20. Broker and/or Aggregator Bond: A \$10,000 bond is required for an Applicant seeking to act solely as a broker or aggregator of electricity supply and electricity supply services. The bond is only required for those Applicants that will not take title to electricity. The bond must be in the format described in the broker/aggregator bond template in Attachment C.

² 20.51.02.08A. Each applicant for a license shall file audited financial documents as listed in Regulation .02B(4) of this chapter.

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21. **Deposit or Prepayment Bond:** A bond is required to the extent the Applicant requires prepayments and/or deposits from customers. Prepayments and/or deposits from individual customers whose metered demand during any month of the previous 12-month period was in excess of 1 MW will not be included in the calculation of the bond requirement.
- ☐ Applicant will not accept prepayments or deposits from customers.
- ☐ Applicant intends to accept prepayments and/or deposits from customers. Applicant must comply with Prepayment and Deposit Bonding Addendum governing collection of prepayments and deposits. See Attachment D of this Application for more information about the prepayment or deposit bond, and a copy of the prepayment/deposit bond template.
22. **Technical and Managerial Competency:** The Applicant must submit, in an attachment, a statement of technical and managerial competency. This must include owner and key employee resumes. The attachment should also include a description of the Applicant and current operations, intended operations in Maryland, past work experience, business plans, and other items or information that demonstrate technical and managerial competency.
23. **Training and Marketing Materials:** The Applicant must provide copies of the training materials offered to the Applicant's sales personnel/representatives; as well as the marketing materials that the Applicant will use to advertise to Maryland customers. If training material or marketing material is not available at the time of application, provide such material before commencing business in the state.
24. **Operations in Maryland:** Has the Applicant previously operated at any time—or is the Applicant currently operating—to supply, broker, aggregate, arrange, or market electricity to Maryland customers?
- Yes ☐ No ☐
- (NOTE:** *If the Applicant has previously operated, or is currently operating, directly or indirectly to serve Maryland customers, then the Applicant shall complete the "Data Request for Suppliers That Have Previously Operated or are Currently Operating in Maryland." The data request is included in the Application on Attachment E.)*
25. **Notice of Required Compliance:** The Applicant is hereby notified that it is required to comply with the following:
- The Applicant may be required to submit bonds, as applicable, as described in COMAR 20.51.02.08, in order to ensure financial integrity or the payment of taxes.
 - The Applicant must update this Application with the Commission within 30 days of a change to 1, 16, 17, 21, 26f, or 26g.
 - Except as set forth in paragraph (b) above, provide annual updates of all items that have changed in the Application. The annual update should be provided to the Commission within 120 days of the end of the supplier's fiscal year.

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- d. Supplement this Application in the event the Commission modifies the licensing requirements, or requests further information.
- e. Agree that it will not present itself as a licensed retail supplier of electricity in Maryland, accept deposits, prepayments, or contract with any end-use customers without a license from the Commission.
- f. Pay all fees imposed by the Commission and any State and local taxes.
- g. Ensure that a copy of each service agreement entered into with Maryland electricity companies is provided to the Commission.
- h. Acknowledge that the license to sell electricity and electricity supply services is not transferable without prior Commission approval.

26. Affidavits Required: The Applicant must supply Affidavits of Tax Compliance and General Compliance to the Commission with the completed Application. The affidavits are included with this Application packet and must be executed by the Applicant (or representative with authority to bind the Applicant) in compliance with Maryland law. The Affidavits contain the following statements on behalf of the Applicant:

- a. Agreement to comply with all terms and conditions of applicable electricity company tariffs and agreements with electricity companies.
- b. Agreement to comply with all applicable federal and State consumer protection and environmental laws and regulations, and Maryland Public Service Commission regulations and requirements.
- c. Agreement to comply with all applicable State and local tax and surcharge requirements.
- d. Statement that the Applicant has obtained all the licenses and permits required to operate the proposed business in the State of Maryland.
- e. Agreement of Non-Disclosure and No Reselling of customer data provided to the Applicant by any Maryland electricity distribution company.
- f. Statement that the Applicant, including the Company and any of its affiliates, the general partners, corporate officers or directors, or limited liability company managers or officers of the Company or such affiliates:
 - 1. Has had no civil, criminal, or regulatory sanctions or penalties imposed against it within the previous 10 years pursuant to any State or Federal consumer protection law or regulation; and has not ever been convicted of a felony; or, alternatively
 - 2. Has disclosed by attachment all such sanctions, penalties, or convictions.
- g. Statement that the Applicant:
 - 1. Is not under involuntary bankruptcy/insolvency proceedings including but not limited to, the appointment of a receiver, liquidator, or trustee of the supplier, or a decree by such court adjudging the supplier bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy as to reorganize the supplier; and
 - 2. Has not filed a voluntary petition in bankruptcy under any provision of any Federal or State bankruptcy/insolvency law, or its consent to the

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filing of any bankruptcy or reorganization petition against it under any similar law; or without limiting the generality of the foregoing, a supplier admits in writing its inability to pay its debts generally as they become due or consents to the appointment of a receiver, trustee or liquidator of it or of all or any part of its property.

- h. Statement that the information, statements, and documents submitted in connection with the Application are true and correct.

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- 27. Further Developments:** Applicant is under a continuing obligation to amend its Application if substantial changes occur in the information upon which the Commission relied in approving the original filing.

Pursuant to COMAR Title 20, Subtitle 51, Chapter 2, Section .03 – An Applicant shall immediately inform the Commission of any material change in the information provided in the Application during the Application review process.

Pursuant to COMAR Title 20, Subtitle 51, Chapter 3, Section .01 – within 30 days of a material change, a licensed supplier must update or supplement the information required in the Application under COMAR 20.51.02.02B(1), (4) and (5).

- 28. Annual Filing Requirements:** (b. and c. are not required for Broker-only Applicants or Suppliers with zero sales.)

Applicant is under an obligation to file with the Commission the following annual reports.

- a. RPS Supplier Annual Report: COMAR 20.61.04.02.
- b. Emissions and Fuel Mix Disclosure Report: Commission Order No. 77666.
- c. Marketed Renewable Electricity Sales Report: COMAR 20.61.04.01.D.

- 29. Application Fee:** The Applicant must enclose the required licensing fee of \$400.

Applicant: Company Name Here

By: _____

Print Name Here (sign line above)

Title: _____

Date: _____

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AFFIDAVIT OF TAX COMPLIANCE

State of _____ :
County of _____ : SS.

_____, Affiant, being duly [sworn/affirmed] according to law,
deposes and says that:

That he/she is the _____ (office of Affiant) of _____ (Name of
Applicant);

That he/she is authorized to and does make this affidavit for said Applicant;

That _____, the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by applicable state and local statutes and ordinances, as may be amended from time to time. In addition, the Applicant certifies that it will pay the full amount of all taxes and/or surcharges imposed by any local jurisdiction within the State of Maryland upon the services provided by the Applicant on a timely basis. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Maryland or any local jurisdiction within Maryland, shall be cause for the Commission to revoke the license of the Applicant. [The Applicant acknowledges that it shall provide to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission.]

That _____, the Applicant herein, further certifies that the failure to pay the full amount of all taxes to the State of Maryland and any local jurisdiction within Maryland in an timely fashion may result in the forfeiture by the Applicant of all or a part of any bond required by the Commission or local jurisdiction to ensure the payment of such obligations.

As provided by State Law, Applicant, by filing of this Application waives confidentiality with respect to its state tax information in the possession of the Comptroller of the State of Maryland, regardless of the source of the information, and shall consent to the Comptroller of the State of Maryland providing that information to the Maryland Public Service Commission. The Commission shall retain such information confidentially. This does not constitute a waiver of the confidentiality of such information with respect to any party other than the Maryland Public Service Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

Signature of Affiant

Sworn and subscribed before me this _____ day of _____, _____.

Signature of official administering oath

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My Commission expires _____

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AFFIDAVIT OF GENERAL COMPLIANCE

State of _____ :
County of _____ : SS.

_____, Affiant, being duly [sworn/affirmed] according to law,
deposes and says that:

He/she is the _____ (Office of Affiant) of _____
(Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant.

That the Applicant herein certifies to the Commission that:

The Applicant agrees to comply with the terms and conditions of all applicable electricity company tariffs and agreements with electricity companies.

The Applicant agrees to comply with all applicable requirements of the Federal Energy Regulatory Commission.

The Applicant agrees to comply with all applicable Federal and state consumer protection and environmental laws and regulations, and Maryland PSC regulations, fees, assessment, and requirements.

The Applicant has obtained all the licenses and permits required to operate the proposed business in the State of Maryland.

The Applicant agrees that it shall neither disclose nor resell individual residential customer data provided to the Applicant by any Maryland electricity company. Disclosure or resale of individual non-residential customer data provided to the Applicant by a Maryland electricity company will be governed by customer contract.

The Applicant, including any of its affiliates, the general partners, corporate officers or directors, or limited liability company members, managers, or officers of the Applicant or its affiliates:

1. Has had no civil, criminal or regulatory sanctions, or penalties imposed against it within the previous 10 years pursuant to any State or Federal consumer protection law or regulation; and has not ever been convicted of a felony; or, alternatively
2. Has disclosed by attachment all such sanctions, penalties or convictions.

The Applicant further certifies that it:

1. Is not under involuntary bankruptcy/insolvency proceedings including but not limited to, the

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appointment of a receiver, liquidator, or trustee of the supplier, or a decree by such court adjudging the supplier bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy as to reorganize the supplier; and

2. Has not filed a voluntary petition in bankruptcy under any provision of any Federal or State bankruptcy/insolvency law, or its consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or without limiting the generality of the foregoing, a supplier admitted in writing its inability to pay its debts generally as they became due, or consents to the appointment of a receiver, trustee, or liquidator of it or of all or any part of its property.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

Signature of Affiant

Sworn and subscribed before me this ____ day of _____, ____.

Signature of official administering oath

My Commission expires _____

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VERIFICATION

State of _____ :
County of _____ : SS.

_____, Affiant, being duly [sworn/affirmed] according to law,
deposes and says that:

He/she is the _____ (Office of Affiant) of _____
(Name of Applicant);

That he/she is authorized to and does make this affidavit for said company;

The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to all applicable sections of the Annotated Code of Maryland as may be amended from time to time relating to perjury and falsification in official matters.

That the Applicant will supplement this Application in the event the Commission modifies the licensing requirements, or requests further information.

That the Applicant agrees that it will not present itself as a licensed retail supplier of electricity in Maryland, accept deposits, prepayments, or contract with any end-use customers without a license from the Commission.

That the Applicant agrees that a license issued pursuant to this Application may not be transferred without Commission approval.

That the Applicant agrees to update information contained in this Application in accordance with the schedule otherwise set forth in the Application.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

Signature of Affiant

Sworn and subscribed before me this _____ day of _____, _____.

Signature of official administering oath

My Commission expires _____

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APPLICANT'S GENERAL AUTHORIZATION FOR VERIFICATION OF FINANCIAL INFORMATION, ETC.

TO WHOM IT MAY CONCERN:

I/We have applied to the Maryland Public Service Commission ("the Commission") for a license to be a Electricity Supplier, or to provide certain Electricity Supply related services, and authorize you to release to the Commission and its Staff, authorized representatives, and agents any information or copies of records requested concerning:

MY/OUR COMPANY OR BUSINESS AND ITS HISTORY, PERFORMANCE, OPERATIONS, CUSTOMER RELATIONS, FINANCIAL CONDITION, INCLUDING BANK ACCOUNT TRANSACTIONS AND BALANCES, PAYMENT HISTORY WITH SUPPLIERS AND OTHER CREDITORS, VERIFICATION OF NET WORTH AND OTHER INFORMATION AND RECORDS WHICH THE COMMISSION OR ITS STAFF REQUIRES TO VERIFY OR MAKE INQUIRY CONCERNING MY/OUR FINANCIAL INTEGRITY AND THE INFORMATION CONTAINED IN MY/OUR LICENSE APPLICATION OR OTHER INFORMATION PROVIDED BY ME/US TO THE COMMISSION OR, STAFF OF THE COMMISSION, OR ITS REPRESENTATIVES OR AGENTS.

This Authorization is continuing in nature and includes release of information following issuance of a license, for re-verification, quality assurance, internal review, etc. The information is for the confidential use of the Commission and the Staff of the Commission in determining my/our financial integrity for being a licensee or to confirm information I/We have supplied and may not be released except by order of the Commission or by order of a court of competent jurisdiction.

A photographic or fax copy of this authorization may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed form is maintained by the Staff of the Commission.

APPLICANT'S AUTHORIZATION TO RELEASE INFORMATION:

APPLICANT (Please print)

By: _____
APPLICANT'S SIGNATURE

DATE

TITLE

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Attachment A

FINANCIAL INTEGRITY REQUIREMENTS

An Applicant for a license can demonstrate financial integrity by providing evidence that it has met either A, B or C.

A. COMAR 20.51.02.08.B: Show that the applicant has received an unsecured credit allowance greater than \$2,000,000 from PJM Interconnection, LLC, and providing documentation of the credit allowance.

B. COMAR 20.51.02.08.E: Provide financial statements³ showing:

1. Positive working capital; or debt service coverage equal to or greater than two times the annual interest costs;
2. Positive stockholder equity; or positive working capital and a dedicated source of additional financing including a line of credit, a pending stock issuance or debt issuance, or other committed source of financing; and
3. Positive net income; or stockholder equity equal to or greater than two times the amount of net loss.

C. COMAR 20.51.02.08.F: Provide the Commission with security in the form of the bond shown in Attachment B, or other security as required under COMAR 20.51.02.08.H.

³ For proof of financial integrity, an Applicant may rely upon a guarantee provided by a parent corporation or other person. If a parent corporation or other person undertakes to guarantee the financial integrity of the Applicant, the parent corporation or other person shall supply the information and meet the financial standards that would otherwise be required of the Applicant.

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Attachment B

---\$250,000 FINANCIAL INTEGRITY BOND TEMPLATE---

Electricity Supplier Bond

(Insurer Name)

Bond No. _____

KNOWN ALL MEN BY THESE PRESENTS:

That we, **Company Name**, as Principal(s) and **Insurance Co.**, a company authorized to transact surety business in the State of **Maryland**, as Surety, are held and firmly bound unto **Maryland Public Service Commission**, as Obligee, in the penal sum of **Two Hundred and Fifty Thousand (\$250,000.00) DOLLARS**, lawful money of the United States of America, for payment of which, well and truly be made, we hereby bind ourselves, our heirs, executors, administrators, legal representatives and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal has obtained or is about to obtain, from the Obligee, a license to do business as an **Electricity Supplier** in Maryland under the Maryland Annotated Code, Public Utilities Article, § 7-507 et seq. and Code of Maryland Regulations, Title 20.

NOW THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, that if the said Principal shall comply with the provisions of the said Code, licenses, all applicable Ordinances, Rules and Regulations, and any Amendments thereto, then this obligation shall not be payable, but shall otherwise remain in full force and effect, subject to the payment as set forth below.

This obligation shall become effective on the ____ day of _____, _____, and shall remain in force until cancelled.

PAYMENT under this bond shall be due if the Commission determines that **Company Name** is financially insolvent or unable to meet its obligations as a licensed **Electricity Supplier** in Maryland. **Insurance Co.** will permit the Commission to direct that the proceeds of this bond be paid or disbursed to satisfy the electricity supplier's financial obligations to the Commission or other Maryland governmental entity. **Insurance Co.** will permit a Maryland court to direct proceeds of the bond be paid to a person that has obtained a judgment against a licensed supplier and has previously attempted to collect the judgment through all other means available through the Court.

PROVIDED, that the Surety may terminate its liability hereunder as to future acts of the Principal at any time by giving sixty (60) days written notice of such termination to the Obligee.

SIGNED AND SEALED this ____ day of _____, _____.

(Electricity Supplier Name)

BY: **(Principal Signature)**
Principal Name, Title

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(Insurer/Bond Company _____)

BY: (Signature of Insurer _____)
Insurer Name, Attorney-in-fact

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Attachment C

---BROKER/AGGREGATOR BOND TEMPLATE---

LICENSE OR PERMIT BOND

(Insurer Name)

Bond No. _____

KNOWN ALL MEN BY THESE PRESENTS:

That we, **Company Name**, as Principal(s) and **Insurance Co.**, a company authorized to transact surety business in the State of **Maryland**, as Surety, are held and firmly bound unto **Maryland Public Service Commission**, as Obligee, in the penal sum of **Ten Thousand (\$10,000.00) DOLLARS**, lawful money of the United States of America, for payment of which, well and truly be made, we hereby bind ourselves, our heirs, executors, administrators, legal representatives and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal has obtained or is about to obtain, from the Obligee, a license to do business as an **Electricity Supplier** in Maryland under the Maryland Annotated Code, Public Utilities Article, § 7-507 et seq. and Code of Maryland Regulations, Title 20.

NOW THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, that if the said Principal shall comply with the provisions of the said Code, licenses, all applicable Ordinances, Rules and Regulations, and any Amendments thereto, then this obligation shall not be payable, but shall otherwise remain in full force and effect, subject to the payment as set forth below.

This obligation shall become effective on the ____ day of _____, _____, and shall remain in force until cancelled.

PAYMENT under this bond shall be due if the Commission determines that **Company Name** is financially insolvent or unable to meet its obligations as a licensed **Electricity Supplier** in Maryland. **Insurance Co.** will permit the Commission to direct that the proceeds of this bond be paid or disbursed to satisfy the electricity supplier's financial obligations to the Commission or other Maryland governmental entity. **Insurance Co.** will permit a Maryland court to direct proceeds of the bond be paid to a person that has obtained a judgment against a licensed supplier and has previously attempted to collect the judgment through all other means available through the Court.

PROVIDED, that the Surety may terminate its liability hereunder as to future acts of the Principal at any time by giving sixty (60) days written notice of such termination to the Obligee.

SIGNED AND SEALED this ____ day of _____, _____.

(Electricity Supplier Name)

BY: (Principal Signature)
Principal Name, Title

**Application for License to Supply Electricity or Electric Generation
BEFORE THE MARYLAND PUBLIC SERVICE COMMISSION**

(Insurer/Bond Company _____)

BY: (Signature of Insurer _____)
Attorney-in-fact

Application for License to Supply Electricity or Electric Generation BEFORE THE MARYLAND PUBLIC SERVICE COMMISSION

Attachment D

PREPAYMENT AND DEPOSIT BONDING REQUIREMENTS ADDENDUM

1. DEFINITION AND EXCLUSION

- a. Any electricity supplier who charges or collects deposits or prepayments shall maintain a bond in an amount at least equal to the total amount of such deposits and prepayments as specified in this section. Prepayments and/or deposits from customers whose metered demand during any month of the previous 12-month period was in excess of 1 MW are exempt from the calculation of the bond requirement.
- b. "Deposits" include all payments made by a consumer to an electricity supplier to secure the electricity supplier against the consumer's nonpayment or default.
- c. "Prepayments" include all payments made by a consumer to an electricity supplier for services that have not been rendered at the time of payment.
 - (1) When an electricity supplier charges for services based on a quantity of electricity, such as a price per kilowatt/hour, then prepayments include any payments for any quantity that has not been delivered to the consumer at the time of payment.
 - (2) When an electricity supplier charges for services based on a period of time, such as charging a membership fee, initiation fee or other fee for services for a time period, then prepayments include the amount of the total charges collected by the electricity supplier for the period of time less the prorated value of the period of time for which services have been rendered.
 - (3) When an electricity supplier charges for services based on a measure other than quantity of electricity delivered or a period of time, the PSC shall determine, on a case by case basis, whether the charges involve a prepayment and the appropriate method of calculating the required bond.
 - (4) Prepayments do not include any funds received in advance of the services being rendered as a result of the consumer's voluntary participation in a budget billing or level billing plan by which the consumer's anticipated electrical costs are averaged over a period of time.

- 2. **WHO MUST POST A PREPAYMENT OR DEPOSIT BOND.** Any electricity supplier who is not exempt pursuant to 1(a) above and who states on its license Application or annual renewal that it intends to charge deposits or prepayments, or who does in fact charge a deposit or prepayment, must post the bond. Any electricity supplier which states on its license Application or renewal that it does not intend to charge deposits or prepayments will not be required to post a bond or provide the audited CPA/PSC Accounting Division certification described below. Any electric supplier who actually charges a deposit or prepayment without notifying the PSC and posting the required bond may be subject to

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suspension, revocation, or other action against its license, as well as for restitution to any consumers who paid such deposits or prepayments.

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3. PROCEDURE FOR DETERMINING AMOUNT OF BOND
 - a. INITIAL BOND: Before accepting any deposits or prepayments, an electric supplier must (1) notify the PSC on its license Application, within 30 days of the change for an existing license holder, or by separate communication that it intends to begin charging deposits or prepayments, and (2) post an initial bond of \$50,000.
 - b. SIX MONTH CERTIFICATION: Within six months after the initial bond is posted, (1) the electric supplier shall provide to the PSC, an audited certification conducted by either an independent certified accountant ("CPA") or the PSC Accounting Division (see below) of the amount of the deposits and prepayments and (2) a bond in the amount certified by the CPA/PSC Accounting Division.
 - c. ANNUAL CERTIFICATION: Annually thereafter, coinciding with the annual update requirements of the PSC license Application, the electric supplier shall provide to the PSC (1) a statement of the amount of the deposits and prepayments conducted by either an independent CPA or the PSC Accounting Division and (2) a bond in that amount.
 - d. QUARTERLY UPDATES: Following submittal of the first annual update, the electric supplier must provide to the PSC (1) a quarterly management report stating the amount of deposits and prepayments collected and (2) an adjustment to the bond in that amount.
4. CPA/PSC ACCOUNTING DIVISION AUDIT REPORT. The electricity supplier shall provide appropriate certification at the intervals discussed in the above paragraphs, on funds collected by a Supplier for prepayments or deposits. The Supplier will have the option of certifying funds through an audit conducted by independent certified accountant or by the PSC Accounting Division. The audit will verify collections and balances of prepayments and deposits as of a specific date and whether the Supplier has appropriate bond coverage.
5. BOND FORM: BENEFICIARY, CLAIMS, DISTRIBUTION. The electric supplier shall provide a bond on the form required by the PSC.
6. COMPLIANCE INVESTIGATIONS. The PSC has the right to initiate appropriate investigations if it determines a Supplier is collecting prepayments and/or deposits from customers without appropriate bond coverage. The PSC will utilize appropriate legal remedies both to investigate and/or enforce actions necessary to ensure suppliers have appropriate bonds.

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---PREPAYMENT OR DEPOSIT BOND TEMPLATE---

Prepayment or Deposit Bond

(Insurer Name)

Bond No. _____

KNOWN ALL MEN BY THESE PRESENTS:

That we, **Company Name**, as Principal(s) and **Insurance Co.**, a company authorized to transact surety business in the State of **Maryland**, as Surety, are held and firmly bound unto **Maryland Public Service Commission**, as Obligee, in the penal sum of **Fifty Thousand (\$50,000.00) DOLLARS**, lawful money of the United States of America, for payment of which, well and truly be made, we hereby bind ourselves, our heirs, executors, administrators, legal representatives and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal has obtained or is about to obtain, from the Obligee, a license to do business as an **Electricity Supplier** in Maryland under the Maryland Annotated Code, Public Utilities Article, § 7-507 et seq. and Code of Maryland Regulations, Title 20.

NOW THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, that if the said Principal shall comply with the provisions of the said Code, licenses, all applicable Ordinances, Rules and Regulations, and any Amendments thereto, then this obligation shall not be payable, but shall otherwise remain in full force and effect, subject to the payment as set forth below.

This obligation shall become effective on the _____ day of _____, _____, and shall remain in force until cancelled.

PAYMENT under this bond shall be due if the Commission determines that **Company Name** is financially insolvent or unable to meet its obligations as a licensed **Electricity Supplier** in Maryland. **Insurance Co.** will permit the Commission to direct that the proceeds of this bond be paid or disbursed to satisfy the electricity supplier's financial obligations to the Commission or other Maryland governmental entity. **Insurance Co.** will permit a Maryland court to direct proceeds of the bond be paid to a person that has obtained a judgment against a licensed supplier and has previously attempted to collect the judgment through all other means available through the Court.

PROVIDED, that the Surety may terminate its liability hereunder as to future acts of the Principal at any time by giving sixty (60) days written notice of such termination to the Obligee.

SIGNED AND SEALED this _____ day of _____.

(Electricity Supplier Name)

BY: **(Principal Signature)**
Principal Name, Title

**Application for License to Supply Electricity or Electric Generation
BEFORE THE MARYLAND PUBLIC SERVICE COMMISSION**

(Insurer/Bond Company _____)

BY: (Signature of Insurer _____)
Insurer Name, Attorney-in-fact

Application for License to Supply Electricity or Electric Generation BEFORE THE MARYLAND PUBLIC SERVICE COMMISSION

Attachment E

Data Request for Suppliers that have Previously Operated or are Currently Operating in Maryland

Electricity and Gas suppliers, including brokers, may not operate in the state prior to receiving a supplier license from the Maryland Public Service Commission. Suppliers that are currently providing service directly or indirectly to Maryland customers shall cease such activity until a license is obtained from the Maryland Public Service Commission. If you have provided such services in Maryland, respond to the requests below. **(The Applicant's response must include both the questions below, as well as the answers)**

1. Applicant business name.
2. Date the Application for a Maryland electricity or gas license was submitted.
3. In what states does the Applicant or an affiliate operate as an electricity or gas supplier, aggregator, marketer, or broker? List each state and the specific operation in each state for the Applicant or its affiliate (e.g., New Jersey-electricity; New York-gas; Delaware-electricity and gas).
4. In what states is the Applicant licensed or certificated to operate as an electricity or gas supplier, aggregator, marketer, or broker? List each state and the license or certificate obtained (e.g., New Jersey-licensed as an electricity broker).
5. Is the Applicant currently operating as an electricity or gas supplier, aggregator, marketer, or broker in Maryland? If yes, describe current operations.
6. Describe why the Applicant operated as an electricity or gas supplier, aggregator, marketer, or broker in Maryland without the appropriate license.
7. How did the Applicant realize that it must obtain a license to operate in Maryland?
8. On what date (approximately) did the Applicant realize that it must obtain a license to operate in Maryland.
9. For what period of time has the Applicant operated in Maryland, provide beginning and ending dates (month and year)?
10. Disclose the total annual revenues (broken out by each calendar year) for Maryland specific electricity and gas supplier, aggregator, marketer, or broker operations. If the Applicant served both electricity and gas customers separate the revenue by type of service.
11. Number of Maryland customers served by the Applicant.

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12. Number of Maryland accounts served by the Applicant.
13. Has the Applicant ceased making offers in Maryland to new customers?
14. Other information related to licensing that the Applicant wishes to disclose.

Application for License to Supply Electricity or Electric Generation BEFORE THE MARYLAND PUBLIC SERVICE COMMISSION

Checklist of Required Items for Electricity Supplier Applications

1. Certificate of good standing from the state of formation.
2. Certificate of good standing from the state of Maryland (Maryland State Department of Assessments and Taxation, www.dat.state.md.us/).
3. Statement of technical and managerial competency (this should include a description of the Applicant and current operations, intended operations in Maryland, past work experience, owner and employee resumes, business plans, and other items or information that demonstrate technical and managerial competency).
4. Maryland-specific training material provided to company sales personnel/representatives. If training material is not available, provide such material when prepared.
5. Maryland specific marketing material. The Applicant must provide copies of the training materials offered to the Applicant's sales personnel/representatives. If marketing material is not available, provide such material when prepared.
6. Provide financial information as described in this application.
7. A \$10,000 bond is required for suppliers operating as brokers.
8. A \$50,000 bond is required for suppliers intending to collect prepayment or deposits from customers.
9. Suppliers who intend to take title to electricity must verify PJM membership.
10. A \$400 application fee.