

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 13, 2012

AT (OFFICE): NHPUC

FROM: Robert J. Wyatt *RJW*
Utility Analyst IV

SUBJECT: Staff Recommendation
DM 12-052 Energy Express d/b/a Metromedia Energy, Inc.
Competitive Natural Gas Supplier Registration Application

TO: Debra Howland
Executive Director



Staff has completed its review of the competitive natural gas supplier (CNGS) registration application for Energy Express d/b/a Metromedia Energy, Inc. (Metromedia), filed on February 27, 2012. This is a renewal registration for Metromedia, a supplier that has been serving customers in New Hampshire since the early days of gas unbundling in the state. With the exception of two outstanding items, the registration application is generally complete and in compliance with the CNGS renewal registration requirements of Puc 3003.02.

In accordance with Puc 3003.03, Staff was able to determine the security financial requirement for Metromedia by using data from its most recently filed annual calendar year sales report. On February 6, 2012, Staff provided Metromedia a copy of the bond requirement analysis that indicated its bond would need to increase to the maximum amount, \$350,000. In an email received on May 1, 2012, Metromedia informed Staff that it was still in the process of increasing its security bond to meet the requirements of the Commission's administrative rules. As of May 30, 2012, the updated security bond had not been filed by Metromedia. Staff followed up with an email inquiry to Metromedia and was informed that Metromedia's CFO was not in the office at that time. Although this issue remains open, Staff expects the updated security bond to be forthcoming and will be filed with the Commission soon thereafter.

Puc 3003.03(d) requires that each CNGS registration application shall include a listing of aggregators whose New Hampshire customers currently receive supplier service, including the number of customers served by each. Last year Staff informed each supplier of the new aggregator registration requirements and surveyed each to develop a list of the aggregators currently conducting gas business activities with the suppliers in New Hampshire. Staff has seen an increase in new aggregator applications since revised Puc 3000 was adopted, and will continue in its efforts to achieve full compliance with the aggregator registration requirements.

The list provided by Metromedia with its current application identified sixteen aggregators, eight of which were registered. Of the eight unregistered aggregators that Metromedia is servicing, five are new to the supplier since last year's survey. Three others continue to be unregistered one year later.

To address the two administrative issues noted above, Staff recommends a conditional approval of the application for Metromedia to continue as a registered CNGS in New Hampshire. If the two recommended conditions noted below are acceptable to the Commission, and met by the applicant, the expiration date should be April 7, 2017, which is exactly five years after the expiration date of the current registration, April 7, 2012.

Condition #1. That Metromedia is directed to file its updated security bond for the amount of \$350,000, payable to the New Hampshire Public Utilities Commission within 30 days of the issuance of the Commission's approval letter; and

Condition #2. That Metromedia be required to submit, within 6 months of the issuance of the Commission's approval letter, a written representation that all aggregators that it serves in New Hampshire are in compliance with the registration requirements of Admin. Rules Puc 3000.

If either of these conditions are not met within the recommended timeframes, Metromedia's registration would be suspended, pending updated bond and/or registration filings being made with the Commission by the unregistered New Hampshire aggregators, or, in the alternative to the registration of an unregistered aggregator, pending a statement by Metromedia that it has severed its business ties with such unregistered aggregators. Staff believes that this would be an efficacious means of dealing with the problem of New Hampshire gas suppliers dealing with unregistered aggregators going forward.

Should you have any questions regarding this registration application, please do not hesitate to contact Robert Wyatt or Alex Speidel.