

THE STATE OF NEW HAMPSHIRE

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March 21, 2008

Nicole D. Spaur
Senior Counsel
Sprague Energy Corporation
Two International Drive, Suite 200
Portsmouth, NH 03801

Re: DM 08-010, Sprague Energy Corporation - Renewal Application
as a Registered Competitive Natural Gas Supplier

Dear Ms. Spaur:

On January 30, 2008, Sprague Energy Corporation's (Sprague) filed with the New Hampshire Public Utilities Commission (Commission) an application for renewal of its registration as a competitive natural gas supplier (CNGS), together with a check in the amount of \$250.00. On March 12, 2008, Sprague filed a request to waive Puc 3003.01(b)(2)e which requires the applicant to provide a copy of its most recent financial statements.

In support of its March 12, 2008 waiver request, Sprague explained that it is a privately-held company and considers its financial statements to be confidential information. In lieu of providing its most recent financial statements, Sprague submitted a performance bond in the amount of \$100,000 payable to the New Hampshire Public Utilities Commission.

Under N.H. Code Admin. Rules Puc 201.05, the Commission may waive N.H. Code Admin. Rules Puc 3003.01 (b)(2)e if it finds the waiver serves the public interest and the waiver does not disrupt the orderly and efficient resolution of matters before the Commission. Determination of the public interest requires consideration of whether: (1) compliance with the rule would be onerous given the circumstances of Sprague, and (2) the purpose of the rule is satisfied by the alternative method proposed.

A primary purpose of the Commission's 3000 rules is to provide a level of protection to commercial and industrial gas consumers who choose to purchase gas supply from competitive natural gas suppliers. As an alternative to providing its most recent financial statements, Sprague has provided additional consumer protection in the form of a performance bond in the amount of \$100,000. This, plus Sprague's long history of providing reliable service in New Hampshire, its good standing with both EnergyNorth Natural Gas and Northern Utilities, its parental guaranty already in effect and the substantial credit exposure testing required to achieve approved shipper status on the interstate pipelines, provides adequate assurance of

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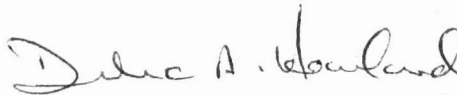
Sprague's financial stability. Based on the foregoing, the Commission has concluded that the applicable standards for a waiver are satisfied and the requested waiver is consistent with the public good.

Therefore, the renewal application meets the requirements for renewal registration pursuant to N.H. Code Admin. Rules Puc 3003.01. The Commission will approve the renewal registration of Sprague Energy Corporation as a CNGS in the State of New Hampshire, with the renewal registration to be effective on March 18, 2008. This effective date coincides with the expiration date of Sprague Energy Corporation's current registration as a CNGS (re. DM 06-018). As a condition of the approval, Sprague shall keep both the performance bond and parental guaranty effective throughout the term of this registration.

Additionally, please remember that pursuant to Puc 3003.01 (d), each CNGS applicant shall re-register with the Commission every 2 years by filing with the Commission an application for renewal. Each CNGS applicant shall file an application for renewal at least 60 days prior to the expiration of its current registration. In the case of Sprague Energy Corporation, this approved registration will expire on March 18, 2010 with the renewal application due on or before January 18, 2010.

A copy of the N.H. Code Admin. Rules Puc 3000, regarding competitive natural gas supplier and aggregator rules, are attached for your convenience. If you have any questions regarding these provisions, please contact the Commission. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland".

Debra A. Howland
Executive Director and Secretary