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PUBLIC UTILITIES COMMISSION

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July 23, 2009

Ms. Gina Merritt-Epps, Esq.
Corporate Counsel and Secretary
South Jersey Energy Company
1 South Jersey Plaza
Folsom, NJ 08037



Re: DM 09-127 South Jersey Energy Company
Application for Registration as a Competitive Electric Power Supplier
First Deficiency Letter

Dear Ms. Merritt-Epps:

On July 14, 2009, the New Hampshire Public Utilities Commission (Commission) received an application from South Jersey Energy Company (SJE) for registration as a competitive electric power supplier (CEPS). Staff has reviewed your application and has noted the following items which must be addressed before SJE can be registered as a CEPS:

- 1) Puc 2003.01 (c) (1) requires the legal name of the applicant as well as any trade name(s) under which it intends to operate. For clarification, will the trade name be "Halifax American Operating Company and South Jersey Energy Company"?
- 2) Puc 2003.01 (c) (5) requires a copy of the applicant's most recent audited financial statement. The "Company Profile" and related information submitted as Exhibit B does not satisfy this requirement. Please submit the company's most recent audited financial statement.
- 3) Puc 2003.01 (c) (10) requires a copy of the applicant's authorization to do business in New Hampshire from the N. H. secretary of state. Please submit a copy of the authorization to do business in New Hampshire.
- 4) Puc 2003.01 (c) (12) requires a description of the types of customers the applicant intends to serve, and the customer classes as identified in the applicable utility's tariff. Although SJE

submitted a statement identifying the types of customers it intends to serve, i.e. “retail end-users with peak demands greater than 300kw”, it did not identify the customer classes as per each utility’s tariff. Please supply the necessary information.

5) Puc 2003.01 (d) requires that each applicant provide:

- (1) Demonstration of technical ability to provide for the efficient and reliable transfer of data and electronic information between regulated distribution companies and CEPS in the form of:
 - a. A statement from each electric distribution company with which the CEPS intends to do business indicating that the applicant has complied with the training and testing requirements for electronic data interchange; and
 - b. A statement from each electric distribution company with which the CEPS intends to do business indicating that the applicant has successfully demonstrated electronic transaction capability.

SJE provided copies of certificates of completion of EDI testing only from Public Service of New Hampshire and National Grid. SJE filed for authorization to operate in all four utility franchise areas. Please supply the required statements.

6) Puc 2003.01 (d) further requires that each applicant provide:

- (2) Evidence, including but not limited to proof of membership in the New England Power Pool (NEPOOL) or any successor organization or documentation of a contractual sponsorship relationship with a NEPOOL member, that the CEPS is able to obtain supply in the New England energy market.

Exhibit L states that “South Jersey Energy Company has entered into an ongoing relationship with Emera Energy Services Subsidiary No.2, a wholly owned affiliate of Emera Inc.” Neither a copy of the EEI agreement nor the ERRATA notice was submitted with the application. Please supply the proper documentation which would fulfill this requirement.

- 7) Puc 2003.01 (d) (4) requires evidence of financial security. Please submit the proper security which meets the requirements outlined in that rule.
- 8) Puc 2003.01 (l) requires that the CEPS shall notify any transmission and distribution utility doing business in an area where the CEPS intends to compete of its registration application at the time it files such application with the commission and confirm with the transmission and distribution utility that it has successfully completed its registration. It does not appear that any notification of SJE’s application to become registered as a CEPS was communicated to the utilities in whose areas SJE intends to serve customers. Please submit evidence that SJE has complied with this requirement.

Please address these discrepancies as soon as possible so that Staff may proceed with your request to register as a CEPS. Failure to respond in a timely manner may result in the Commission dismissing, without prejudice, SJE’s application. Also, please be advised that you should reference the docket number, DM 09-127, in all future correspondence with the Commission. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Henry J. Bergeron

Henry J. Bergeron
Utility Analyst III

cc: Suzanne Amidon
Staff Attorney