

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: October 16, 2012

AT (OFFICE): NHPUC

FROM: *SEM*
Al-Azad Iqbal
Utility Analyst III

SUBJECT: DM 12-138 Application of North American Power and Gas, LLC for
Registration as a Competitive Electric Power Supplier (CEPS); Staff
Recommendation

TO: Debra A. Howland
Executive Director



On May 22, 2012, the New Hampshire Public Utilities Commission (Commission) received an application from North American Power and Gas, LLC (NAPower) for its registration as a Competitive Electric Power Supplier (CEPS). On June 29, 2012, NAPower requested a waiver of Puc 2003.03(a)(5) which requires for an initial CEPS application that the financial surety have an expiration date of 'not less than 5 years and 150 days' after the date the applicant's application is filed. Instead, the company proposed to submit a financial surety with an expiration date of one year after the application is filed. NAPower stated that it was unable to obtain financial surety for more than one year in duration from the bonding company and proposed to renew its financial surety annually. It also provided documentation of its membership in NEPOOL, a copy of a proposed form of contract for residential and small commercial customers, and paid the remaining registration fees. On July 2, 2012, NAPower filed supplemental information. In its July 2 letter, NAPower stated that it was in the process of meeting the electric data transfer requirements (EDI Testing), pursuant to Puc 2003.01(d)(1). On August 6, 2012, NAPower submitted its financial surety with an expiration date of July 20, 2013 and its certification of EDI testing from Public Service of New Hampshire (PSNH).

With regard to NAPower's proposal to renew its financial surety annually, Staff recommends the Commission grant the waiver subject to the following conditions:

- 1) NAPower be required to file confirmation that the current bond is renewed on or before June 20 every year under current docket;
- 2) If the current bond is not renewed, NAPower must file proof of suitable replacement financial surety on or before June 20 every year;
- 3) If the Commission receives notification of cancellation of the bond, NAPower's registration will expire on the day the Commission receives such notification unless prior to that date NAPower provides replacement financial security which meets the requirements under Puc 2003.01(d)(4). In the case of such expiration, NAPower must suspend its New Hampshire operations and file a new registration application if it intends to continue to be a registered CEPS in New Hampshire.

- 4) If NAPower does provide satisfactory replacement financial security, then its renewal period would continue until the earlier of the expiration date of the replacement financial surety or the remainder of the five-year registration period provided pursuant to Puc 2003.02.

Staff has reviewed NAPower's application and believes that, subject to the above recommended conditions, it meets the requirements of Puc 2006.01. Considering that NAPower has only submitted certification of EDI testing with PSNH, it is Staff's recommendation that NAPower's application for Registration as a CEPS be approved to serve only PSNH customers at this time. Upon completion of EDI testing with the remaining utilities, NAPower can request extension of its service to the service territories of those utilities by updating its application with documentation demonstrating successful completion of the testing. Upon receipt of such submittal, Staff will review the information and make a recommendation to the Commission. Staff encourages NAPower to consolidate the submittal of such updates to result in a more efficient review process. It is Staff's recommendation that NAPower's application of registration as CEPS in New Hampshire be approved for 5 years effective from October 16, 2012, subject to potential earlier termination consistent with the conditions described above.

Should you have any questions, please do not hesitate to contact me.