

ELECTRIC SUPPLIER SERVICES MASTER AGREEMENT

This Electric Supplier Services Master Agreement ("Master Agreement") made this day of January 16, 2013, between Public Service Company of New Hampshire, a New Hampshire corporation with a principal place of business at 780 N Commercial Street, Manchester, NH ("the Company") and PNE Energy Supply LLC, a corporation with a principal place of business at 497 Hooksett Rd Suite 179 Manchester, NH 03104 ("Supplier").

I Basic Understandings

Under the Terms and Conditions for Suppliers which is an integral part of the Company's delivery service tariff approved by the New Hampshire Public Utilities Commission ("NHPUC") as in effect and revised from time to time (referred to herein as the "Terms and Conditions"), and recommendations made by the Electronic Data Interchange Working Group report (referred to herein as the "EDI Standards"), made effective by NHPUC Order No. 22,919 and other applicable regulations of the NHPUC, the Company has the authority and obligation to offer services to competitive suppliers of electricity. The Company agrees to provide services to Supplier as specifically selected by the Supplier in accordance with the Terms and Conditions, EDI Standards, both incorporated herein by reference, and the terms of this Master Agreement.

Exhibit A, attached hereto and incorporated herein by reference, specifies additional information necessary for the provision of services under this Master Agreement.

Exhibit B, attached hereto and incorporated herein by reference, contains pricing parameters for Services under this Master Agreement some of which are determined by Terms and Conditions of the Company's delivery service tariff and some of which are not specified in those Terms and Conditions. Each time the Terms and Conditions are changed by order of the Public Utilities Commission and each time the Supplier and the Company agree to new pricing parameters for Services which are not specified in the Terms and Conditions, a new Exhibit B will be issued and incorporated herein.

II Definitions

Any capitalized terms used in this Master Agreement and not defined herein shall be as defined in the Terms and Conditions or EDI Standards.

III Term

This Master Agreement shall become effective on the date last signed below ("Effective Date") and shall continue in full force and effect for one (1) year. After the expiration of the one (1) year period, this Master Agreement shall continue in full force and effect from month to month thereafter unless terminated by either party by written notice given no less than thirty (30) days prior to the desired termination date, except as provided in Sections VI and XI of this Master Agreement. Notwithstanding the foregoing, the parties agree to abide by all terms of this Master Agreement until the completion of processing any transactions that are outstanding at termination. Notwithstanding the Effective Date, Supplier acknowledges that the Company will provide Company Services as set forth in Section VII only upon satisfaction of, or express, written waiver of the requirements of Section IV of this Master Agreement.

IV Conditions Precedent

The following requirements shall be conditions precedent to the Company's obligations hereunder:

- A Supplier shall provide all information requested in Exhibit A attached hereto.
- B Supplier shall register and obtain the necessary licensing from the NHPUC.
- C Prior to initiation of supplier service covered under this Master Agreement, the Supplier shall have completed a Trading Partner Agreement with the Company and have fulfilled all of the Trading Partner Agreement requirements including, but not limited to, testing of the EDI process between the Company and Supplier.

V Representations

Each party represents that it is and shall remain in compliance with all applicable laws, tariffs, and NHPUC regulations during the term of this Master Agreement. Each person executing this Master Agreement for the respective parties represents and warrants that he or she has authority to bind that party.

Each party represents that: (a) it has the full power and authority to execute, deliver, and perform this Master Agreement; (b) the execution, delivery, and performance of this Master Agreement have been duly authorized by all necessary corporate or other action by such party; and (c) this Master Agreement constitutes that party's legal, valid and binding obligation, enforceable against such party in accordance with its terms.

Each party shall exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Master Agreement, and carry out its duties in accordance with applicable recognized professional standards.

VI Supplier's Responsibilities

The Supplier agrees that it desires to receive the services enumerated in Section VII of this Master Agreement at the rates contained in the Terms and Conditions as they may be revised from time to time or in Exhibit B. Supplier agrees to pay the Company's invoices for services rendered in a timely manner. Supplier agrees to provide all information necessary to the Company to fulfill the Company's obligations under this Master Agreement.

VII Company Services and Responsibilities

All services covered by this Master Agreement shall take effect not less than 30 days from the effective date of this Master Agreement, provided the conditions in Section IV have been satisfied by the Supplier. At the Company's option, services may begin in less than 30 days.

A Consolidated Billing Service

The Company agrees to provide consolidated billing service to Supplier at the rate specified for Billing and Payment Service in the Terms and Conditions. Once an agreement for provision of consolidated billing service is effective, the Supplier can specify on a customer by customer basis which customers it wants to receive consolidated billing service from the Company.

Basic Consolidated Billing Service

Basic consolidated billing service includes reading the customer's electric meter on a billing cycle basis, calculating billing determinants, applying such billing determinants against the Supplier rate and price option specified for each customer in the EDI enrollment or subsequent change transaction, incorporating the resulting Supplier charges with the Company's delivery service charges into a single consolidated bill, mailing such consolidated bill to the customer, processing payments received from the customer, allocating such payments between the Company and Supplier accounts receivable, transmitting payments allocated to Suppliers on a daily basis and transmitting all required EDI transactions resulting from such billing and payments in accordance with the EDI Standards. All measured billing determinants will be based on Company-owned metering, except as agreed to in a separate agreement.

Supplier related information required, by NHPUC guidelines or other applicable rules to be sent to customers shall be included with the consolidated billing. The Company reserves the right to specify the presentation methodology and other characteristics such as size or weight which will be included as part of the basic billing service. Supplier rates and pricing options must be supported by meters in place and the Company's billing systems. No more than one supplier rate and pricing option can be effective during a customer's monthly billing cycle.

Payments received shall be applied first to the Company's accounts receivable until the Company's accounts receivable are fully satisfied. Any remaining payment shall be applied to the Supplier accounts receivable until the Supplier accounts receivable are fully satisfied.

1 Rates Maintenance and Error Correction Service

The Company shall provide rates maintenance and error correction service at the rate specified in the Terms and Conditions. Such service shall include but not be limited to initial entry of Supplier rates and pricing options into the Company's electric billing systems, maintaining changes to Supplier rates and pricing options and calculating and processing Customer billing adjustments due to Supplier's errors in pricing.

2 Billing Errors

In the event of an error by the Company, the Company shall either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer.

B Collection Services

The Company conducts various collection activities to encourage Customers to pay amounts due to the Company for delivery service. To the extent allowed by PUC rules or other regulations, the Company agrees to employ consistent collection activities to encourage payment of Supplier amounts due for energy service. Supplier acceptance of collection services shall be mandatory where the Supplier has elected to receive consolidated billing service. The Company shall provide collection services at the rate specified in the Terms and Conditions.

Collection activity by the Company on behalf of the Supplier will terminate 60 days after Supplier's relationship with the Customer terminates through the Customer switching to another Supplier or the Supplier transmitting an EDI drop transaction to the Company. An EDI transaction informing the Supplier of such collection activity termination and the Supplier accounts receivable balance will be sent to the Supplier. At that point, the Company's responsibility for all collection activities related to the Supplier accounts receivable shall terminate and Supplier shall have sole responsibility for all subsequent collection activity.

C Supplier Customer Service

The Company agrees to provide customer service to Suppliers who have elected to receive consolidated billing services. Supplier customer service shall include responding to customer inquiries about Supplier balances, Supplier rates and price options used to calculate the Supplier portion of the bill, allocation of payments to Supplier accounts receivable and the processing of EDI enrollment, change or drop transactions.

Such supplier customer service shall be provided only to Supplier's customers within the Company's service area, shall be limited to inbound calls only and expressly excludes all outbound telemarketing calls to existing or potential Supplier customers or inbound responses to Supplier marketing campaigns.

Suppliers electing to receive supplier customer service shall be responsible for establishing a separate toll-free number routing into the Company's automatic call distribution switch. Supplier shall be responsible for all costs associated with initiation and ongoing charges of such toll-free number. Calls received shall be answered on a first come, first served basis. If the Company is experiencing significant outages, completion of customer calls may be deferred until the outages are fixed.

While the charges for this Supplier customer service are defined in the Terms and Conditions for Suppliers Section 2.(e) of the Company's delivery service tariff and reflected in Exhibit B to this Master Agreement, such Section also allows the Company and Supplier to negotiate an annual per customer fee for Supplier customer service.

D Interval Data and Metering Services

The Company agrees to provide the following services which are limited to Customers who are receiving service under the Company's Primary General Delivery Service Rate GV, Large General Delivery Service Rate LG and Backup Delivery Service Rate B. All time interval data will be provided in 30 minute intervals.

The Supplier is responsible for obtaining the customer's authorization to release their meter data to the Supplier, and Supplier shall maintain the confidentiality of the customer's information. The Supplier may not sell or provide this information, in whole or in part, to any other party.

1 Interval Data Access Service

The Company shall provide kilowatt-hour (KWH) and kilovar-hour (KVARH) interval data that has been collected by the Company and validated for accuracy on a monthly basis in an electronic format to the Supplier. Requests for historical interval data will also be completed in an electronic format to the Supplier. Rates to be charged to the Supplier for such interval data access service are specified in the Terms and Conditions.

2 Load Pulse Outputs Service

The Company will acquire and install equipment to allow the Supplier to have access to load pulse output from the Company's metering equipment at the rate specified in the Terms and Conditions. The Supplier shall be responsible for providing and connecting their own devices to the load pulse output and for retrieving such information from the devices.

3 Extended Metering Services

The Company shall provide "read only" telephone access to the Company's metering equipment allowing the Supplier to retrieve interval data directly from the meter through the Supplier's own software at the rate specified in the Terms and Conditions. The Supplier shall arrange for the installation and ongoing charges associated with the phone service necessary to access the Company's metering equipment.

4 Special Request Services

By mutual agreement, the Company may install metering or communications equipment requested by the Supplier providing it does not interfere with the operation of the Company's equipment. Such equipment must meet the Company's standards and requirements and will be owned, controlled and maintained by the Company. The Supplier shall bear all costs associated with the new equipment review and approval process as well as the installation, ownership and maintenance of such equipment.

E Customer Load Analysis

The Company shall provide Customer load analysis at the rate specified in the Terms and Conditions to the Supplier if requested, but only as provided further in this Section. The Customer load analysis shall include, but not be limited to, aggregation of interval demands for multiple metering points and determination of demand and energy usage for varying on-peak and off-peak periods which may differ from the Company's standard for such periods. The results of the analysis will be provided to the Supplier in an electronic format.

The Supplier is responsible for obtaining the Customer's authorization to release this information, and Supplier is required to maintain the confidentiality of the Customer information. The Supplier may not sell or provide this information, in whole or in part, to any other party.

VIII Fees

The Company may charge fees to Supplier as set forth in the Terms and Conditions for Suppliers section of the Company's delivery service tariff as it may be amended from time to time and approved by the NHPUC. For services which are not delineated in the Company's delivery service tariff, fees shall be negotiated and specified in Exhibit B to this Master Agreement. The Company shall have the right to subtract fees that Supplier owes to the Company, and that are sixty (60) days or more past due, from amounts the Company collects on behalf of Supplier before transmitting such amounts to Supplier. Amounts subject to a good faith dispute will not be subject to deduction.

IX Billing and Payment for Services

Bills for services provided by the Company under the terms of this Master Agreement shall be rendered to Supplier on a monthly basis and shall be due upon receipt of said bill.

Failure of Supplier to pay within twenty-five (25) days of the postmark date on the bill shall result in the Company retaining any amounts due from revenues received by the Company collected on behalf of Supplier. In the event that such revenues are insufficient to pay any amounts remaining due after such revenues are retained by the Company, the unpaid balance shall be subject to a late payment charge calculated at the rate of 1.5% per month on the total outstanding balance due commencing from the date said bill was postmarked. The bill may also be transmitted electronically if agreed to by the parties. The electronic transmission date shall be considered the postmark date of the bill.

X Nondisclosure

Neither party may disclose any Confidential Information obtained pursuant to this Master Agreement to any third party, including affiliates of the Company and the Supplier, without the express prior written consent of the other party. Supplier acknowledges that Company may disclose Confidential Information as it deems necessary to employees and agents of Northeast Utilities Service Company, the Company's service company affiliate, or its successor Service Company, to assist the Company in meeting its obligations under this Master Agreement. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the parties, Customers of either or both parties, Suppliers for either party, personnel of either party; any trade secrets; and other information of a similar nature; whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name. Confidential Information shall not include information known to either party prior to obtaining the same from the other party, information in the public domain, or information obtained by a party from a third party who did not, directly or indirectly, receive the same from the other party to this Master Agreement or from a party who was under an obligation of confidentiality to the other party to this Master Agreement, or information developed by either party independent of any Confidential Information. The receiving party shall use the higher of the standard of care that the receiving party uses to preserve its own Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Supplier shall, upon termination of this Agreement or at any time upon the request of the Company, promptly return or destroy all Confidential Information of the Company then in its possession.

Notwithstanding the preceding, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information

pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any order or injunction to prohibit such disclosure.

XI Termination

Notwithstanding anything to the contrary elsewhere in this Master Agreement, any party, by written notice to the other party ("Breaching Party"), may terminate this Master Agreement in whole or in part with respect to such Breaching Party or suspend further performance without terminating this Master Agreement upon the occurrence of any of the following: (a) the Breaching Party terminates or suspends doing business; (b) the Breaching Party becomes subject to any bankruptcy or insolvency proceeding under federal or state law (unless removed or dismissed within sixty (60) days from the filing thereof), or becomes insolvent, becomes subject to direct control of a transferee, receiver or similar authority, or makes an assignment for the benefit of creditors; or (c) the Breaching Party commits a material breach of any of its obligations under this Master Agreement or the Terms and Conditions and has not cured such breach within fifteen (15) days after receipt of a written notice from the other party specifying the nature of such breach.

No delay by either party in enforcing any of its rights hereunder shall be deemed a waiver of such rights, nor shall a waiver of one default be deemed a waiver of any other or subsequent default.

The enumeration of the foregoing remedies shall not be deemed a waiver of any other remedies to which either party is legally entitled.

XII Force Majeure

Neither party shall be considered in default under this Master Agreement or responsible in tort, strict liability, contract or other legal theory to the other party for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service, or any other failure to perform if such failure is not caused by the affected party's fault or negligence, is caused by factors beyond the party's reasonable control and that by exercise of reasonable diligence the party is unable to prevent or overcome, including

without limitation, storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, sabotage, war, insurrection, act of God or the public enemy, action of a court, public authority or Independent System Operator. In the event of a force majeure, both parties shall take all reasonable steps to comply with this Master Agreement.

XIII Liability and Indemnification

The Company and Supplier shall indemnify, defend, and hold the other and their respective affiliates, and the directors, officers, employees and agents of each of them, harmless from and against all damages, costs (including attorney's fees), penalties and liabilities, in tort, contract or otherwise, resulting from claims of third parties arising from, or claimed to have arisen from, any action of the other party conducted pursuant to this Master Agreement. For purposes of such liability and indemnification, however, the parties acknowledge and agree that nothing in such Terms and Conditions prohibits one party from impleading the other party as a third-party defendant, whether or not one or both parties are named as defendants in the initial claim of a third-party. The third-party claim shall be stayed pending resolution of any dispute regarding liability and indemnification under this Master Agreement. Such resolution shall be final and binding upon the parties only after agreement between the parties or after entry of a final judgment, after any further appeals of a court of competent jurisdiction to which any appeal may have been taken from the determination of the arbitrator(s).

The parties acknowledge and agree that for purposes of the Terms and Conditions, a party seeking recovery from the other party in connection with the performance of its obligations of the Terms and Conditions shall not be entitled to recovery if its conduct is deemed to be more negligent than the conduct of the other party.

The parties expressly acknowledge and agree that the dispute resolution provision in Paragraph XV of this Master Agreement shall apply to any and all disputes arising under this paragraph, including without limitation, those disputes that arise as a result of either of the parties being named as a defendant in the primary action or being named as a third-party defendant by a defendant in the primary action.

Notwithstanding anything in this Master Agreement or the Terms and Conditions to the contrary, in no event shall any party hereto be liable to any other party hereto for indirect, consequential, punitive, special, or exemplary damages under any theory of law that is now

or may in the future be in effect, including without limitation: contract, tort, strict liability, or negligence.

Notwithstanding the availability of other remedies at law or in equity, either party hereto shall be entitled to specific performance to remedy a breach of this Master Agreement by the other party.

The provisions of this Section shall survive the termination of this Master Agreement.

XIV Terms and Conditions

The parties agree to act in compliance with the Terms and Conditions and the EDI Standards at all times. In the event the terms of this Master Agreement conflict with the Terms and Conditions, the Terms and Conditions shall control.

XV Dispute Resolution

Disputes hereunder shall be reduced to writing and sent to the parties' representatives for resolution. The parties' representatives shall meet and make all reasonable efforts to resolve the dispute. Pending resolution, the parties shall continue to fulfill their obligations under this Master Agreement in good faith, unless this Master Agreement has been suspended or terminated as provided in Section VII. If the parties fail to resolve the dispute within thirty (30) days, they may mutually agree to pursue mediation or arbitration to resolve such issues. The parties agree that the place of mediation or arbitration shall be Manchester, New Hampshire.

XVI Notice

All notices and other communications shall be to the Company Supplier Services contacts listed on the Company's website. Notices and other communications to Supplier shall be addressed as shown on Exhibit A. The parties agree that such written notice, upon confirmation of receipt, shall constitute an acceptable writing.

XVII Governing Law

This Master Agreement is governed by the laws of the State of New Hampshire without regard to the conflict of laws in effect therein.

XVIII Enforceability

In the event that any portion or part of this Master Agreement is deemed invalid, against public policy, void or otherwise unenforceable by a court of law, the validity and enforceability of the remaining portions thereof shall otherwise be fully enforceable.

XIX Assignment and Delegation

Either party to this Master Agreement may assign any of its rights or obligations under this Master Agreement; provided however, that no assignment by Supplier shall take effect until the assignee has met the requirements of Section IV hereunder. No assignment of this Master Agreement shall relieve the assigning party of any of its obligations under this Master Agreement until such obligations have been assumed by the assignee.

In addition, either party may subcontract its duties under this Master Agreement to a subcontractor provided that the party subcontracting shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, and shall serve as the point of contact between its subcontractor and the other party, and the subcontractor shall meet the requirements of any applicable laws, rules, regulations, and Terms and Conditions. The assigning or subcontracting party shall provide the other party with thirty (30) calendar days' prior written notice of any such subcontracting or assignment, which notice shall include such information about the subcontractor as the other party shall reasonably require.

XX Miscellaneous

This Master Agreement is the entire agreement between the parties and supersedes all other agreements, communications, and representations. This Master Agreement may be amended by written agreement of the parties. Paragraph headings are for convenience only and are not to be construed as part of this Agreement. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Electric Supplier Services Master Agreement to be executed by their duly authorized representatives as of the date above.

SUPPLIER

By *David M. Plouffe*

Title Vice President of Marketing

Date 1-16-13

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By *Lisa Carloni*

Title Director Billing Remittance Bill
Print

Date 1/28/2013

EXHIBIT A

Information to be supplied by Supplier for provision of Supplier Services

1. Name of receiving bank for payment receipts

2. Bank routing and transit number (ABA number)

3. Supplier bank account number

4. Is the account a checking or savings account?

Checking

5. Address where billings for services should be sent

497 Hooksett Road - Suite 179 - Manchester, NH 03104

6. Name, address, telephone number, fax number and e-mail address of primary contact for resolution of billing payment questions and notices.

Marianne Vetter

497 Hooksett Road - Suite 179 - Manchester, NH 03104

P: 603-413-6602 marianne.vetter@felpower.com

EXHIBIT B

Services Specified in Terms and Conditions for Suppliers

Billing and Payment Service	Required
Rates Maintenance and Error Correction Service	Required
Collection Services	Required
Supplier Customer Service	Optional
Load Pulse Outputs Service	Optional
Extended Metering Service	Optional
Special Request Services	Optional
Customer Load Analysis	Optional

Rates for services not specified in Terms and Conditions for Suppliers to be decided upon by the Supplier and the Company.

ELECTRIC SUPPLIER TRADING PARTNER AGREEMENT

This Electric Supplier Trading Partner Agreement ("Partner Agreement") made this day of January 16, 2013, between Public Service Company of New Hampshire, a New Hampshire corporation with a principal place of business at 780 N Commercial Street, Manchester, NH ("the Company") and PNE Energy Supply LLC, a corporation with a principal place of business at 497 Hooksett Road Suite 179 Manchester, NH 03104 ("Supplier").

I Basic Understandings

Under the Terms and Conditions for Suppliers which is an integral part of the Company's delivery service tariff approved by the New Hampshire Public Utilities Commission ("NHPUC") as in effect and revised from time to time (referred to herein as the "Terms and Conditions"), and recommendations made by the Electronic Data Interchange Working Group report (referred to herein as the "EDI Standards"), made effective by NHPUC order 22,919 and other applicable regulations of the NHPUC, the Company has the authority and obligation to perform services for competitive suppliers of electricity. The Company agrees to provide services to Supplier in accordance with the Terms and Conditions, incorporated herein by reference, and the terms of this Agreement.

This form of Agreement has been developed for use between the Company and Competitive Suppliers, and may not be waived, altered, amended, or modified, except as provided herein. Exhibit A, attached hereto and incorporated herein by reference, includes additional terms which are a part of this Agreement.

II Definitions

Any capitalized terms used in this Agreement and not defined herein shall be as defined in the Terms and Conditions or EDI Standards. Any reference made with respect to time either in this agreement or the EDI Standards is understood to be Eastern Standard or Daylight Saving Time, whichever is effective on the date of transaction receipt.

The Company observes the following holidays and will not send, receive or process electronic transactions on the following days:

New Years' Day	Fourth of July	Veteran's Day	Christmas Day
President's Day	Labor Day	Thanksgiving Day	
Memorial Day	Columbus Day	Day after Thanksgiving	

III Term

This Agreement shall become effective on the date last signed below ("Effective Date") and shall continue in full force and effect from month to month unless terminated by either party by written notice given no less than thirty (30) days prior to the desired termination date, except as provided in Sections VI and XI of this Agreement. Notwithstanding the foregoing, the parties agree to abide by all terms of this Agreement until the completion of processing any transactions that are outstanding at termination. Notwithstanding the Effective Date, Supplier acknowledges that the Company will provide Company Services as set forth in Section VII only upon satisfaction of, or express, written waiver of, the requirements of Section IV of this Agreement.

IV Conditions Precedent

The following requirements shall be conditions precedent to the Company's obligations hereunder:

- A. Supplier shall provide all information requested in Exhibit A attached hereto.
- B. Supplier shall register and obtain the necessary licensing from the NHPUC.
- C. Prior to Customer enrollment, Supplier shall successfully complete testing with the Company of the Electronic Data Interchange Transactions ("EDI") as specified in the EDI Working Group Report and any other applicable EDI Working Group standards published under the direction of the EDI Working Group (i.e. on the EDI Working Group Website or its successor) (all of which together with the EDI transactions are referred to as "EDI Standards" herein).

V Representations

Each party represents that it is and shall remain in compliance with all applicable laws, tariffs, and NHPUC regulations during the term of this Agreement.

Each person executing this Agreement for the respective parties represents and warrants that he or she has authority to bind that party.

Each party represents that: (a) it has the full power and authority to execute, deliver, and perform this Agreement; (b) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate or other action by such party; and (c) this Agreement constitutes that party's legal, valid and binding obligation, enforceable against such party in accordance with its terms.

Each party shall exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement, and carry out its duties in accordance with applicable recognized professional standards.

VI Supplier's Responsibilities

To the extent reasonably practicable, Supplier shall notify the Company within 24 hours in writing if its license to act as a Competitive Supplier is acted upon by the NHPUC in such a way that it materially affects Supplier's performance under this Agreement, including but not limited to, suspension, revocation, modification, or non-renewal. Revocation or non-renewal of Supplier's license shall be grounds for immediate termination of this Agreement by the Company.

To the extent reasonably practicable, Supplier shall notify the Company no less than forty-eight (48) hours prior, to an event reasonably within Supplier's knowledge, and of which Supplier has reason to believe the Company has no knowledge, and that will render Supplier or its agent unable to maintain Supplier's status with NEPOOL required to serve load. Upon such notice or upon the occurrence of such an event, the Company shall have the immediate right to switch Supplier's Customers so affected to the applicable Default or Transition Service Rate under the Company's tariffs with an effective date of the Customer's last meter reading date.

To the extent reasonably practicable, Supplier shall update information requested in Exhibit A five (5) business days prior to any change in information contained in Exhibit A.

Supplier acknowledges that the Company will select and may from time to time change the value added network ("VAN") or other electronic data transmission vehicle. The Company acknowledges the benefit to both the Company and Supplier in minimizing the transaction costs in selecting the VAN. Notwithstanding the above, the Company will not change the VAN or other electronic data transmission vehicle without first providing Supplier via Internet electronic mail at least seven (7) days' notice of any such change. Supplier shall be responsible for the initial testing costs of the VAN or other electronic data transmission vehicle and all costs of subsequent EDI transaction transmissions as described in the Terms and Conditions and the EDI Standards.

Supplier acknowledges that the Company is authorized to deny Supplier Service to Customers if the Company has terminated such Customer's Delivery Service in accordance

with the rules and regulations of the NHPUC, until such time as the Customer is reinstated by the Company. In order for Supplier to serve such a Customer after reinstatement, Supplier must re-enroll the Customer.

During the term of this Agreement, as to any EDI Standards implemented subsequent to the initial testing period referenced in Section IV D above, Supplier shall be required to successfully complete testing of said standards in accordance with the EDI Standards.

VII Company Services and Responsibilities

A Billing Options

Under the Standard Billing Option, Supplier agrees to separately bill Customers for the cost of Supplier Service provided by the Supplier and for the collection of amounts due to the Supplier from the Customer. The Company agrees to provide Supplier with Customer usage information, in accordance with the EDI Standards. All measured billing determinants provided by the Company will be based on Company-owned metering, except as agreed to in a subsequent agreement.

The Company also agrees to offer a Consolidated Billing Option by Supplier through a separate Service Agreement where the Company agrees to issue a single bill for electric service which contains both the Company's and Supplier's billing information.

B Transaction Processing

Customer transactions will be processed in accordance with the EDI Standards. These transactions include, but are not limited to, account administration, reporting of Customer usage, and reporting of billing, payments and adjustments if the Consolidated Billing Option is selected through a separate Service Agreement. Any changes in these standard transactions will be in accordance with the EDI Standards.

C Customer Inquiries under the Standard Billing Option

Customers that contact the Company concerning the billed amount for Supplier Service or any other Supplier issue will be referred to Supplier's customer service number identified in Exhibit A – The Company will not undertake bill investigations, inquiries concerning Supplier charges, collection activities, or the settlement of billing disputes on behalf of Supplier unless the Consolidated Billing Option is selected in a Service Agreement executed between the Company and Supplier. For both Standard Billing and

Consolidated Billing Options, Supplier shall be responsible for the reporting and payment of any taxes assessed upon Supplier Service.

D Errors

In the event of an error by the Company, the Company shall either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer.

E Load Estimating and Reporting

The Company shall determine Supplier's hourly loads and report such to the ISO-NE in accordance with the Terms and Conditions. In addition, upon Supplier's written request as indicated in Exhibit A, the Company shall provide Supplier with the following reports: (1) daily report of Supplier's aggregated hourly loads; and (2) monthly reconciliation of Supplier's aggregated loads (completed once the Company has read Customers' meters). The Company will provide these reports to Supplier in a format designated by the Company and reasonably acceptable to Supplier. Upon Supplier's request, the Company shall provide the methodology used to calculate transmission and distribution line losses and unaccounted for energy.

VIII Fees

The Company may charge fees to Supplier as set forth in the Terms and Conditions for Suppliers section of the Company's delivery service tariff as it may be amended from time to time and approved by the NHPUC. For services which are not delineated in the Company's delivery service tariff, fees shall be negotiated and specified in the Service Agreement governing the provision of those services. The Company shall have the right to subtract fees that Supplier owes to the Company, and that are sixty (60) days or more past due, from amounts the Company collects on behalf of Supplier for reimbursement to Supplier, if applicable. Amounts subject to a good faith dispute will not be subject to deduction.

IX Billing and Payment for Services

Bills for services provided by the Company under the terms of this Agreement shall be rendered to Supplier on a monthly basis and shall be due upon receipt of said bill. Failure of Supplier to pay within twenty-five (25) days of the posting date on the bill shall result in the Company retaining any amounts due from revenues received by the Company collected on behalf of Supplier. In the event that such revenues are insufficient to pay any amounts remaining due after such revenues are retained by the Company, the unpaid balance shall

be subject to a late payment charge calculated at the rate of 1.5% per month on the remaining outstanding balance due commencing from the date said bill was transmitted to the Supplier. The bill may also be transmitted electronically if agreed to by the parties.

X Nondisclosure

Neither party may disclose any Confidential Information obtained pursuant to this Agreement to any third party, including affiliates of such party, without the express prior written consent of the other party. Supplier acknowledges that the Company may disclose Confidential Information as it deems necessary to employees and agents of Northeast Utilities Service Company or its successor, (the Company's Service Company Affiliate) to assist the Company in meeting its obligations under this Agreement. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the parties, Customers of either or both parties, Suppliers for either party, personnel of either party; any trade secrets; and other information of a similar nature; whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name. Confidential Information shall not include information known to either party prior to obtaining the same from the other party, information in the public domain, or information obtained by a party from a third party who did not, directly or indirectly, receive the same from the other party to this Agreement or from a party who was under an obligation of confidentiality to the other party to this Agreement, or information developed by either party independent of any Confidential Information. The receiving party shall use the higher of the standard of care that the receiving party uses to preserve its own Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Supplier shall, upon termination of this Agreement or at any time upon the request of the Company, promptly return or destroy all Confidential Information of the Company then in its possession.

Notwithstanding the preceding, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any order or injunction to prohibit such disclosure.

XI Termination

Notwithstanding anything to the contrary elsewhere in this Agreement, any party, by written notice to the other party ("Breaching Party"), may terminate this Agreement in whole or in part with respect to such Breaching Party or suspend further performance without terminating this Agreement upon the occurrence of any of the following: (a) the Breaching Party terminates or suspends doing business; (b) the Breaching Party becomes subject to any bankruptcy or insolvency proceeding under federal or state law (unless removed or dismissed within sixty (60) days from the filing thereof), or becomes insolvent, becomes subject to direct control of a transferee, receiver or similar authority, or makes an assignment for the benefit of creditors; or (c) the Breaching Party commits a material breach of any of its obligations under this Agreement or the Terms and Conditions and has not cured such breach within fifteen (15) days after receipt of a written notice from the other party specifying the nature of such.

No delay by either party in enforcing any of its rights hereunder shall be deemed a waiver of such rights, nor shall a waiver of one default be deemed a waiver of any other or subsequent default.

The enumeration of the foregoing remedies shall not be deemed a waiver of any other remedies to which either party is legally entitled.

XII Force Majeure

Neither party shall be considered in default under this Agreement or responsible in tort, strict liability, contract or other legal theory to the other party for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service, or any other failure to perform if such failure is not caused by the affected party's fault or negligence, is caused by factors beyond the party's reasonable control and that by exercise of reasonable diligence the party is unable to prevent or overcome, including without limitation, storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, sabotage, war, insurrection, act of God or the public enemy, action of a court, public authority or Independent System Operator. In the event of a force majeure, both parties shall take all reasonable steps to comply with this Agreement.

XIII Liability and Indemnification

The Company and Supplier shall indemnify, defend, and hold the other and their respective affiliates, and the directors, officers, employees and agents of each of them, harmless from

and against all damages, costs (including attorney's fees), penalties and liabilities, in tort, contract or otherwise, resulting from claims of third parties arising from, or claimed to have arisen from, any action of the other party. For purposes of such liability and indemnification, however, the parties acknowledge and agree that nothing in such Terms and Conditions prohibits one party from impleading the other party as a third-party defendant, whether or not one or both parties are named as defendants in the initial claim of a third-party. The third-party claim shall be stayed pending resolution of any dispute regarding liability and indemnification under this Agreement. Such resolution shall be final and binding upon the parties only after agreement between the parties or after entry of a final judgment, after any further appeals of a court of competent jurisdiction to which any appeal may have been taken from the determination of the arbitrator(s).

The parties acknowledge and agree that for purposes of the Terms and Conditions, a party seeking recovery from the other party in connection with the performance of its obligations of the Terms and Conditions shall not be entitled to recovery if its conduct is deemed to be more negligent than the conduct of the other party.

The parties expressly acknowledge and agree that the dispute resolution provision in Paragraph XV of this Agreement shall apply to any and all disputes arising under this paragraph, including without limitation, those disputes that arise as a result of either of the parties being named as a defendant in the primary action or being named as a third-party defendant by a defendant in the primary action.

Notwithstanding anything in this Agreement or the Terms and Conditions to the contrary, in no event shall any party hereto be liable to any other party hereto for indirect, consequential, punitive, special, or exemplary damages under any theory of law that is now or may in the future be in effect, including without limitation: contract, tort, strict liability, or negligence. Notwithstanding the availability of other remedies at law or in equity, either party hereto shall be entitled to specific performance to remedy a breach of this Agreement by the other party.

The provisions of this Section shall survive the termination of this Agreement.

XIV Terms and Conditions

The parties agree to act in compliance with the Terms and Conditions at all times. In the event the terms of this Agreement conflict with the Terms and Conditions, the Terms and Conditions shall control.

XV Dispute Resolution

Disputes hereunder shall be reduced to writing and referred to the parties' representatives for resolution. The parties' representatives shall meet and make all reasonable efforts to resolve the dispute. Pending resolution, the parties shall continue to fulfill their obligations under this Agreement in good faith, unless this Agreement has been suspended or terminated as provided in Section VII. If the parties fail to resolve the dispute within thirty (30) days, they may mutually agree to pursue mediation or arbitration to resolve such issues. The parties agree that the place of mediation or arbitration shall be Manchester, New Hampshire.

XVI Notice

All notices and other communications shall be to the Company contacts listed on the Company's website except as provided in Exhibit A. Notices and other communications to Supplier shall be addressed as shown on Exhibit A. The parties agree that such written notice, upon confirmation of receipt, shall constitute an acceptable writing.

XVII Governing Law

This Agreement is governed by the laws of the State of New Hampshire without regard to the conflict of laws in effect therein.

XVIII Enforceability

In the event that any portion or part of this Agreement is deemed invalid, against public policy, void or otherwise unenforceable by a court of law, the validity and enforceability of the remaining portions thereof shall otherwise be fully enforceable.

XIX Assignment and Delegation

Either party to this Agreement may assign any of its rights or obligations under this Agreement; provided however, that no assignment by Supplier shall take effect until the assignee has met the requirements of Section IV hereunder. No assignment of this Agreement shall relieve the assigning party of any of its obligations under this Agreement until such obligations have been assumed by the assignee.

In addition, either party may subcontract its duties under this Agreement to a subcontractor provided that the subcontracting party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, and shall serve as the point of

contact between its subcontractor and the other party, and the subcontractor shall meet the requirements of any applicable laws, rules, regulations, and Terms and Conditions. The assigning or subcontracting party shall provide the other party with thirty (30) calendar days' prior written notice of any such subcontracting or assignment, which notice shall include such information about the subcontractor as the other party shall reasonably require.

XX Miscellaneous

This Agreement is the entire agreement between the parties and supersedes all other agreements, communications, and representations.

This Agreement may be amended by written agreement of the parties.

Paragraph headings are for convenience only and are not to be construed as part of this Agreement.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date above.

SUPPLIER

By 

Title Vice President of Marketing

Date 1-16-13

PUBLIC SERVICE OF NEW HAMPSHIRE

By 

Title Director Billing Remittance
BillPnat

Date 1/18/2013

**EXHIBIT A
SUPPLIER INFORMATION**

A supplier must provide the Company all of the information requested below prior to entering into a contract for services with the Company or providing Supplier Services to any of the Company's customers. A failure to provide all information will render the Company unable to provide services for Supplier.

1. Legal name of the supplier

PNE Energy Supply LLC

2. Type of Business Entity

Limited Liability Company

3. Supplier Dun & Bradstreet number
-

4. Supplier Tax Identification number
-

5. Supplier Contact for Legal Notices - Name, telephone number, fax number and e-mail address

James T. Rodier, Esq.

P: 603-559-9987

jrodier@mbtu-co2.com

6. Supplier General Contact - Name, telephone number, fax number and e-mail address

Howard Plante

P: 603-413-6602

howard.plante@powernewengland.com

7. Supplier EDI technical Contact - Name, telephone number, fax number and e-mail address

Mary Do

972-747-1983 x116

mary@latitudetech.com

8. Supplier ISO Load Contact - Name, telephone number, fax number and e-mail address

Marianne Vetter

P: 603-413-6602

marianne.vetter@felpower.com

9. Date Supplier attended a New Hampshire supplier training session

May 26, 2011

10. Supplier's NHPUC supplier license number if available

NHPUC Docket DM11-075

11. Format and size of Supplier's account numbers

12. Name of Supplier's Value Added Network (VAN) provider

Inovis (Onramp)

13. Supplier VAN ISA Qualifier

01

14. Supplier VAN ISA ID

0058906252T

15. Name of the NEPOOL Participant in whose ISO-NE Load Asset the Supplier's load will be served

PNE Energy Supply LLC

16. Load Asset ID Number

17. Estimated Load Transfer (kW Demand)

20,000 kW

18. Estimated Transfer Date

8-2011

**ISO NEW ENGLAND INC. TRANSMISSION, MARKETS AND
SERVICES TARIFF**

(Formerly known as FERC Electric Tariff No. 3)

TARIFF TABLE OF CONTENTS

Section I	General Terms and Conditions
Section II	Open Access Transmission Tariff
Section III	Market Rule 1
Section IV	ISO Funding Mechanisms
Attachment A	Market Participant Service Agreement
Attachment A-1	MPSA for FTR-Only, DRP-Only and ODR-Only Customers
Attachment B	Pro forma ITC Operating Agreement
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SECTION I – GENERAL TERMS AND CONDITIONS

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- Exhibit IC – [Reserved.]**
- Exhibit ID – ISO New England Billing Policy**

border to a Hydro-Quebec 120 kilovolt line in Bedford, Quebec). The HTF include any upgrades associated with increasing the capacity or changing the physical characteristics of these facilities as defined in the above stated agreement dated August 1, 1984 until the Operations Date, as defined in the TOA. The current HTF rating is a nominal 225 MW. The HTF are not defined as PTF. Coincident with the Operations Date and except as stipulated in Schedules, 9, 12, and Attachment F to the OATT, HTF shall be treated in the same manner as PTF for purposes of the OATT and all references to PTF in the OATT shall be deemed to apply to HTF as well. The treatment of the HTF is not intended to establish any binding precedent or presumption with regard to the treatment for other transmission facilities within the New England Transmission System (including HVDC, MTF, or Control Area Interties) for purposes of the OATT.

Host Participant or Host Utility is a Market Participant or a Governance Participant transmission or distribution provider that reconciles the loads within the metering domain with OP-18 compliant metering.

Hourly Adjusted Audited Demand Reduction is calculated in accordance with Section III.13.7.1.5.10.1.2.

Hourly Calculated Demand Resource Performance Value means the performance of a Demand Resource during Real-Time Demand Response Event Hours and Real-Time Emergency Generation Event Hours for purposes of calculating a Demand Reduction Value pursuant to Sections III.13.7.1.5.7.3 and III.13.7.1.5.8.3.

Hourly Charges are defined in Section 1.3 of the ISO New England Billing Policy.

Hourly PER is calculated in accordance with Section III.13.7.2.7.1.1.1(a) of Market Rule 1.

Hourly Real-Time Demand Response Resource Deviation means the difference between the Average Hourly Load Reduction or Average Hourly Output of the Real-Time Demand Response Resource and the amount of load reduction or output that the Market Participant was instructed to produce pursuant to a Dispatch Instruction calculated pursuant to Section III.13.7.1.5.7.3.1.

Hourly Real-Time Emergency Generation Resource Deviation is calculated pursuant to Section III.13.7.1.5.8.3.1.

Market Credit Limit is a credit limit for a Market Participant's Financial Assurance Obligations (except FTR Financial Assurance Requirements) established for each Market Participant in accordance with Section II.C of the ISO New England Financial Assurance Policy.

Market Credit Test Percentage is calculated in accordance with Section III.B.1(a) of the ISO New England Financial Assurance Policy.

Market Efficiency Transmission Upgrade is defined as those additions and upgrades that are not related to the interconnection of a generator, and, in the ISO's determination, are designed to reduce bulk power system costs to load system-wide, where the net present value of the reduction in bulk power system costs to load system-wide exceeds the net present value of the cost of the transmission addition or upgrade. For purposes of this definition, the term "bulk power system costs to load system-wide" includes, but is not limited to, the costs of energy, capacity, reserves, losses and impacts on bilateral prices for electricity.

Market Participant is a participant in the New England Markets (including a FTR-Only Customer) that has executed a Market Participant Service Agreement, or on whose behalf an unexecuted Market Participant Service Agreement has been filed with the Commission.

Market Participant Financial Assurance Requirement is defined in Section III of the ISO New England Financial Assurance Policy.

Market Participant Obligations is defined in Section III.B.1.1 of Appendix B of Market Rule 1.

Market Participant Service Agreement (MPSA) is an agreement between the ISO and a Market Participant, in the form specified in Attachment A or Attachment A-1 to the Tariff, as applicable.

Market Rule 1 is ISO Market Rule 1 and appendices set forth in Section III of this ISO New England Inc. Transmission, Markets and Services Tariff, as it may be amended from time to time.

Market Violation is a tariff violation, violation of a Commission-approved order, rule or regulation, market manipulation, or inappropriate dispatch that creates substantial concerns regarding unnecessary market inefficiencies.

**SHEEHAN
PHINNEY
BASS +
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April 15, 2013

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**Robert A. Bersak, Esquire
Assistant Secretary and Associate General Counsel
Public Service Co. of NH
PSNH Energy Park
780 North Commercial Street
Manchester, NH 03105-0330**

**Re: (i) PNE Energy Supply, LLC/PSNH Improperly Withheld Customer
Payments**

**(ii) Notice Pursuant to Section XV of Electric Supplier Trading Partner
Agreement dated January 16, 2013**

Dear Mr. Bersak:

This letter demands, on behalf of PNE Energy Supply LLC (PNE), the immediate release to PNE of \$100,000 in PNE customer payments retained and withheld by Public Service Company of NH (PSNH). As set forth below, the retention of this amount – which, as PSNH likely understands, imposes a serious financial burden on PNE – is contrary to its tariff and existing agreements with PNE.

Based on our prior communications, PSNH has indicated that these funds are being withheld to cover: (i) a \$5.00 transfer fee that PSNH asserts is due under the tariff for approximately 7,300 PNE accounts that were transferred to PSNH default service on or after February 20, 2013, (ii) other “usual” (but as yet unidentified) fees associated with PSNH’s collection of payments for these accounts, and (iii) extraordinary costs allegedly incurred by PSNH in moving these PNE accounts to default service. As conveyed during our conversations, PSNH is holding back \$60,000 for “fees” and \$40,000 for “recoupment of costs.”

PSNH has acted improperly and inconsistent with the current Electric Supplier Master Services Agreement (ESSMA) and Electric Supplier Trading Partner Agreement (ESTPA) in effect between PSNH and PNE. Under Section VII.A of the ESSMA “[b]asic consolidated billing service includes ... transmitting payments allocated to Suppliers on a daily basis and transmitting all required EDI transactions resulting from such billing and payments in accordance with EDI Standards ...” Under Section IX of the ESTPA, bills for services provided by PSNH “shall be rendered to Supplier on a monthly basis ...” (emphasis added).

Robert A. Bersak, Esq.
April 15, 2013
Page 2

Following the transfer of approximately 7,300 PNE customers to PSNH default service on February 20, 2013 (and, parenthetically, PNE has not received sufficient records of the transfer from PSNH to determine exactly which accounts or how many were transferred), PSNH halted regular daily EDI payments to PNE. Despite PNE requests to resume the regular EDI payments, PSNH withheld approximately \$250,000 of PNE customer payments while it determined the amount of fees and so-called "recoupment costs" that PSNH alleges it is owed as a result of the February 20 transfer of accounts. Finally, on March 1, 2013, PSNH released \$148,017.47 in EDI payments but continues to withhold \$100,000. To date, PNE has not received any invoice for the \$100,000 of PNE customer payments that PSNH has withheld from PNE. On at least three occasions since February 20, by telephone (February 28), email (March 13) and in person (March 14), I have requested that PSNH provide PNE with a written accounting for the \$100,000 of PNE customer payments being withheld by PSNH. Again, no invoice or written accounting for this \$100,000 has been provided to PNE.

Section VIII of the ESTPA states that PSNH may charge fees to the electric power supplier as set forth in the company's approved tariff. For services not delineated in the tariff the Trading Partner Agreement says that the fees shall be negotiated and specified in the Service Agreement. The ESTPA seems to make clear that PSNH's withholding of customer payments to PNE and failure to provide PNE with an invoice for the amounts withheld is a violation of the Agreement. The ESTPA provides as follows:

"The Company shall have the right to subtract fees that Supplier owes to the Company, and that are sixty (60) days or more past due, from amounts the Company collects on behalf of Supplier for reimbursement to Supplier, if applicable. Amounts subject to a good faith dispute will not be subject to deduction (emphasis added)."

As you see, this provision plainly restricts PSNH to subtracting fees from amounts collected on behalf of PNE that are 60 days or more "past due." Accordingly, it is clear under the ESTPA that PNE must be invoiced by PSNH (that is, PNE must be provided with the opportunity to see exactly what charges are being assessed by PSNH, and must be given the opportunity to make payment therefor). Only if PNE fails to make payment within 60 days would PSNH have a right to start withholding PNE customer payments. Providing an invoice of specific charges would then allow the parties to determine whether they needed to engage in the dispute resolution process set forth in Section XV of the ESTPA.

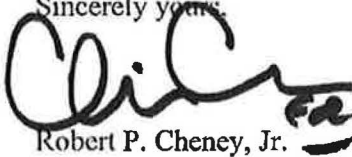
Here, however, PSNH has simply withheld \$100,000; it has completely failed to present an invoice for, or an accounting of, the amount withheld. Under those circumstances, PNE cannot with any degree of precision determine the validity of those charges or properly evaluate which charges warrant invocation of the dispute resolution process.

Robert A. Bersak, Esq.
April 15, 2013
Page 3

In light of the foregoing – including PSNH’s apparent breach of the operating agreements between it and PNE – and PSNH’s unilateral, unexplained and improper decision to withhold \$100,000 of PNE customer payments, PNE demands that PSNH pay over to PNE on or before April 19, 2013, the \$100,000 in PNE customer payments being withheld by PSNH, together with applicable interest, and render to PNE a proper accounting and invoice of the amounts it asserts PNE owes relative to the transfer of approximately 7,300 PNE accounts to default service on or about February 20, 2013.

In the event PNE does not receive the \$100,000 by that date, this letter shall constitute PNE’s notice and written demand for dispute resolution, pursuant to Section XV of the ESTPA. The 30-day period referenced in Section XV shall commence on April 20.

Thank you for your prompt attention to this matter.

Sincerely yours,

Robert P. Cheney, Jr.

Cc: Amanda Noonan, OCA
F. Anne Ross, Esquire, General Counsel, NH PUC
PNE Energy Supply, LLC

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April 30, 2013



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Robert A. Bersak, Esq.
Assistant Secretary & Associate General Counsel
Northeast Utilities Service Co.
PSNH Energy Park
780 N. Commercial Street
Manchester, NH 03105-0330

Re: **Invoice for Fees/\$100,000 Holdback by PSNH**

Dear Mr. Bersak:

This letter is a follow-up to my letter of April 15, 2013. In that letter PNE Energy Supply, Inc. ("PNE") noted its repeated requests for an invoice/accounting of the \$100,000 in PNE customer payments made to and retained by Public Service Company of NH ("PSNH"). PNE continues to demand the immediate release of those funds to PNE and proper invoicing of any proposed fees and charges in accordance with the Electric Supplier Services Master Agreement and Electric Supplier Trading Partner Agreement.

On April 17, 2013, we spoke further on the telephone about the generation of an invoice/accounting by PSNH. You explained that family issues had prevented you from responding earlier, but that you would aim to send us an invoice/accounting by the following Tuesday or Wednesday (April 23 or April 24). Although we are not insensitive to your family issues, that week has now come and gone and another week besides, and PSNH has yet to provide PNE with any information regarding the withheld customer payments. Two issues that appear to elude PSNH's consideration is the relative importance of this considerable amount of money and PSNH's assumed role as the host utility and agnostic gatekeeper between customers and their electric power suppliers in a deregulated environment. Suffice it to say that the issues presented by our repeated demands to PSNH regarding these customer payments held by PSNH are crucial to PNE and are, in a fundamental sense, apparently being totally ignored by PSNH.

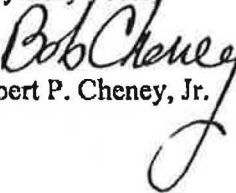
As our April 15 letter indicated, that letter constituted PNE's notice and written demand for dispute resolution pursuant to Section XV of the Electric Supplier Trading Partner Agreement and, if the invoice/accounting was not forthcoming by April 20, the 30-day informal dispute resolution period referenced in Section XV would commence on April

Robert A. Bersak, Esq.
April 30, 2013
Page 2

20. Although we have waited a further few days before sending this letter, out of courtesy, at this juncture PNE considers the 30-day period for informal dispute resolution to have been triggered on April 20. PNE continues to demand that PSNH immediately issue an invoice for the claim fees and expenses as contemplated by the Electric Supplier Trading Partner Agreement.

Notwithstanding PNE's willingness to engage in informal dispute resolution as contemplated by the Electric Supplier Trading Partner Agreement, PNE continues to demand that PSNH immediately forward to PNE the PNE customer payments that PSNH continues to withhold contrary to the Electric Supplier Trading Partner Agreement.

Very truly yours,


Robert P. Cheney, Jr.

RPC/lag
Enclosures

Cc: Christopher Cole, Esq.



**Public Service
of New Hampshire**

780 N. Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
P. O. Box 330
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(603) 634-3355
(603) 634-2438 Law Dept. Fax

Robert.Bersak@psnh.com

A Northeast Utilities Company

Robert A. Bersak
Assistant Secretary
and Associate General Counsel

May 8, 2013

Robert P. Cheney, Esq.
Sheehan, Phinney Bass + Green PA
Two Eagle Square
Concord, New Hampshire 03301

Re: PNE Energy Supply LLC

Dear Attorney Cheney:

I am writing regarding our prior discussions concerning the issue of monies mutually owed by and between your client, PNE Energy Supply LLC ("PNE") and Public Service Company of New Hampshire ("PSNH").

As you are aware, on February 14, 2013, PNE was the subject of an immediate suspension from market participant status by ISO New England Inc. ("ISO-NE"). Resident Power, PNE's affiliate and business partner, has admitted that PNE's suspension from the ISO-NE market was "voluntary" and that PNE "was not forcibly suspended or removed from the market."

ISO-NE provided notice of the suspension to PSNH, as the "host Market Participant" under the ISO-NE Tariff, via email at 4:38 p.m. on Thursday, February 14. In that notice, ISO-NE stated that PNE had waived its possibility to cure the default leading to the suspension. Pursuant to the ISO-NE Tariff, ISO-NE directed PSNH, as the host Market Participant, that PNE's load responsibilities in the ISO-NE market "need to be retired as soon as practicable, but no later than 00:01, Wednesday February 20, 2013 (3 business days following the date of the suspension)."

PNE's default was a violation of the terms of service contained in PSNH's NHPUC-approved Tariff. That Tariff requires, *inter alia*:

- "At all times, the Supplier must meet the registration and licensing requirements established by law and/or by the Commission and must comply with all applicable

rules promulgated by the Commission.” PNE has failed to comply with this Tariff requirement.

- “The Supplier or the Customer in the case of Self-Supply Service must be either a member of NEPOOL or have an agreement in place with a NEPOOL member whereby the NEPOOL member agrees to take responsibility for all the NEPOOL load obligations, including but not limited to losses and uplift costs, associated with supplying energy and capacity to the Customer’s delivery point.” PNE has failed to comply with this Tariff requirement.
- “The Supplier shall provide the Company with at least 30 days’ notice prior to either the cancellation of an agreement for load responsibility with NEPOOL or a NEPOOL member, or the termination of business in the Company’s Service Area. The Supplier shall accept load responsibility for all its Customers, or have an agreement with a NEPOOL member which provides for accepting load responsibility for all its Customers, until the first meter read date for each respective customer occurring two business days after notice to the Company or transmittal of any Electronic Data Interchange (“EDI”) to the Company.” PNE has failed to comply with this Tariff requirement.

As a result of PNE’s voluntary default at ISO-NE and Tariff violations, PSNH and Northeast Utilities Service Co. (“NUSCO”), its affiliated service company, were required to expend time and resources over a three-day holiday weekend to assume PNE’s load responsibility at ISO-NE and to transfer the retail customers served by that load within PSNH’s billing system. Under the ISO-NE Tariff, these actions had to be completed by the end of the day, Tuesday, February 19. These services and related costs were above and beyond what would have been required had PNE complied with the terms of PSNH’s Tariff, had not voluntarily chosen to default on its ISO-NE obligations, and had allowed customers to transfer from PNE to FairPoint on meter-read dates in the normal course of business as PNE so-informed the NHPUC in its Joint Petition dated February 7 in Docket No. DE 13-049.

PSNH/NUSCO personnel had to work throughout the holiday weekend in order to complete the tasks necessary to deal with PNE’s actions. The cost of the effort by NUSCO IT, customer service, and legal personnel, and for special computer programming accomplished by an outside vendor totaled \$38,570. These costs were incurred strictly to deal with the work necessary for PSNH to assume load responsibility at ISO-NE for PNE’s load responsibilities, and to transfer the related retail customers from PNE to PSNH energy service. The accounting for these costs are limited solely to the approximately one week period when PNE defaulted, and do not include many other costs incurred by PSNH/NUSCO following the load assumption process. A statement itemizing these costs is attached hereto.

In addition to the costs identified above incurred by PSNH/NUSCO to deal with PNE’s voluntary default, in the normal course of business PNE takes certain services from PSNH pursuant to the “Terms and Conditions for Energy Service Providers” included in PSNH’s “Electricity Delivery Service Tariff – NHPUC No. 8”. During the months of February and March, PNE incurred charges totaling \$54,391.39 for these services. Attached are itemized bills detailing the services provided and the related charges for February and March. Due

to PNE's default and the uncertainty regarding PNE's continued status as a going concern, these bills were held by PSNH and not sent to PNE. The normal billing process for these services will resume for charges incurred by PNE in April and beyond.

In light of PNE's default at ISO-NE, and the notification to customers by Resident Power that PNE "suffered from cash flow issues," PSNH deemed it necessary to withhold sufficient payments to PNE to satisfy the payment via setoff and recoupment of costs identified above. To that end, PSNH has withheld \$100,000 from customer payments that would otherwise be paid by PSNH to PNE. Amounts due PNE from PSNH above and beyond this \$100,000 were paid to PNE via wire-transfer initiated on February 28 and subsequent amounts due PNE have been paid in the normal course of business.

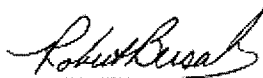
The withholding of amounts payable pending a resolution of PNE's business status and an accounting of what amounts PNE owes PSNH for services rendered or as recoupment for services necessitated by its voluntarily defaulting on its obligations at ISO-NE was done as a normal, prudent business measure in light of PNE's admitted "cash flow issues." Indeed, payments resumed for all but the \$100,000 referenced above just 9 business days from PNE's suspension from the ISO-NE market.

The amounts owed PSNH for tariff services provided in February and March (\$54,391.39) and for the PSNH/NUSCO work required to assume load responsibility from PNE and to make the related retail customer transfers (\$38,570) total \$92,961.39. I have authorized the payment of the excess withholding of \$7038.61 (\$100,000 - \$92,961.39) to PNE.

By letter dated April 30, 2013, on behalf of PNE you have invoked the "Dispute Resolution" provision of the Electric Supplier Trading Partner Agreement. PSNH is willing to implement the terms of that dispute resolution process if PNE not satisfied by the details and actions noted herein. Please let me know what PNE chooses to do.

If you have any questions regarding this, please let me know.

Very truly yours,



Robert A. Bersak
Assistant Secretary and
Associate General Counsel

Attachments

cc: NHPUC
OCA
C. Cole, Esq.

<u>IT</u>	<u>Time Code</u>	<u>Hours</u>	<u>Avg. Rate</u>	<u>Payroll Direct</u>	<u>61% Payroll Overhead</u>	<u>Total</u>
Rep. A	000	13	\$48	\$624	\$381	\$1,005
Rep. B	020					\$0
Rep. C						
Rep. D	000	7	\$41	\$287	\$175	\$462
Rep. E	020	6	\$41	\$246	\$150	\$396
	000	20	\$48	\$960	\$586	\$1,546
	020	7	\$48	\$336	\$205	\$541
	000	9	\$53	\$477	\$291	\$768
	020	15	\$53	\$795	\$485	\$1,280
	000	3	\$53	\$159	\$97	\$256
	020	6	\$53	\$318	\$194	\$512
Infosys Costs (external programming vendor)						\$3,840
						86
						\$10,605
CSR						
Customer Rep	OT	134	\$35	\$4,690	\$2,860.90	\$7,551
Supervisors	000	39	\$70	\$2,730	\$1,665.30	\$4,395
						173
						\$11,946
Law Dept.						
			Rate Loaded			
	000	20	\$193			\$3,860
	000	20	\$193			\$3,860
	000	26	\$193			\$5,018
	000	12	\$193			\$2,316
	000	5	\$193			\$965
						83
						\$16,019
Totals		342				\$38,570

Company:
PSNH

Bill Type Code:
Q7

Sundry ACCT # :
296449880

Billing Date:

Address: up to 5 lines:

PNE Energy Supply LLC
497 Hooksett Rd, Suite 179,
Manchester, NH 03104

Phone #: (603) 413-6602

ACTIONS

X

Initiate invoice

Update existing invoice

Write off account

Billing Information

SELECTION CHARGE OF \$5.00 PER TRANSACTION FOR
ENROLLING OR DROPPING A CUSTOMER DURING

February-13

MONTHLYS: FOR

9,547

ACCOUNTS @

\$ 5.00

PER MONTH =

\$

47,735.00

PLEASE SEE ATTACHED LIST:

MONTHLY SUPPLIER CHARGES BILLED AS FOLLOWS:

1. BILLING AND PAYMENT SERVICE CHARGE	\$.50 PER BILL RENDERED OR \$100.00 MINIMUM	\$	4,092.50
2. RATE MAINTENANCE AND ERROR CORRECTION CHARGE	\$50.00 PER HOUR	\$	-
3. COLLECTION SERVICES - RECEIVABLE DOL	0.252% OF TOTAL MONTHLY	\$	1,477.60
	LPB \$ -		
	C2 \$ 586,349.14		
	\$ 586,349.14		
	SUBTOTAL 1	\$	5,570.10
	SUBTOTAL 2	\$	47,735.00
	TOTAL	\$	<u>53,305.10</u>

SPECIAL INSTRUCTIONS

Mail a copy of the bill to: Aaron Downing, PSNH, 73 W Brook, Manchester, NH

ACCOUNTING DISTRIBUTION CREDIT

CAU	CCCC	W. O.	ACTIVITY	TASK	RES CD	FACILITY	FERC ACCT	AMOUNT
6D	780		SPCHG		FO		45199	\$ 53,305.10

DESCRIPTION:

Selection and Monthly Supplier Charges

prepared by (printed and signed):

Sent by : Aaron Downing
ext . 720-3629



date:

3-7-13

approved by (printed and signed):

Steve Burnham
Ext. 607-6057

originating ccc:
780

date:

Company:
PSNH

Bill Type Code:
Q6

Sundry ACCT # :
296461842

Billing Date:

Address up to 5 lines:

PNE Energy Supply LLC
497 Hooksett Rd, Suite 179,
Manchester, NH 03104

Phone #: (603) 413-6602

ACTIONS

Initiate invoice Update existing invoice Write off account

Billing Information

INTERVAL DATA SUBSCRIPTION FOR THE MONTH February-13

ANNUALS: FOR 2 ACCOUNTS @ \$ 300.00 PER MONTH = \$ 600.00

NEWMARKET SCHOOL DISTRICT
MILAN LUMBER CO

SUBSCRIBED:
8000777-03 02/05/13
8005224-01 02/05/13

MONTHLYS: FOR 0 ACCOUNTS @ \$ 50.00 PER MONTH = \$ -

SPECIAL INSTRUCTIONS

Mail a copy of the bill to: Aaron Downing, PSNH, 73 W Brook, Manchester, NH

ACCOUNTING DISTRIBUTION CREDIT

CAU	CCCC	W. O.	ACTIVITY	TASK	RES CD	FACILITY	FERC ACCT	AMOUNT
6D	780		MIDFC		FO		45104	\$ 600.00

DESCRIPTION: Interval Data Request	prepared by (printed and signed): Sent by : Aaron Downing ext . 720-3629 <i>Aaron Downing</i>	date: <u>3-7-13</u>
approved by (printed and signed): Steve Burnham Ext. 607-6057	originating ccc: 780	date:

Company:
PSNH

Bill Type Code:
Q7

Sundry ACCT # :
296449880

Billing Date:

Address up to 5 lines:

PNE Energy Supply LLC
497 Hooksett Rd, Suite 179,
Manchester, NH 03104

Phone #: (603) 413-6602

ACTIONS

Initiate invoice

Update existing invoice

Write off account

Billing Information

SELECTION CHARGE OF \$5.00 PER TRANSACTION FOR
ENROLLING OR DROPPING A CUSTOMER DURING

March-13

MONTHLYS: FOR 0 ACCOUNTS @ \$ 5.00 PER MONTH =

\$ -

MONTHLY SUPPLIER CHARGES BILLED AS FOLLOWS:

1. BILLING AND PAYMENT SERVICE CHARGE \$.50 PER BILL RENDERED OR \$100.00 MINIMUM	\$	-
2. RATE MAINTENANCE AND ERROR CORRECTION CHARGE \$50.00 PER HOUR	\$	-
3. COLLECTION SERVICES - RECEIVABLE DOL 0.252% OF TOTAL MONTHLY	\$	486.29
LPB \$ -		
C2 \$ 192,973.91		
\$ 192,973.91		
SUBTOTAL 1	\$	486.29
SUBTOTAL 2	\$	-
TOTAL	\$	<u>486.29</u>

SPECIAL INSTRUCTIONS

Mail a copy of the bill to: Aaron Downing, PSNH, 73 W Brook, Manchester, NH

ACCOUNTING DISTRIBUTION CREDIT

CAU	CCCC	W. O.	ACTIVITY	TASK	RES CD	FACILITY	FERC ACCT	AMOUNT
6D	780		SPCHG		FO		45199	\$ 486.29

DESCRIPTION:

Selection and Monthly Supplier Charges

prepared by (printed and signed):

Sent by: Aaron Downing
ext. 720-3629

Aaron Downing

date:

4-23-13

approved by (printed and signed):

Steve Burnham
Ext. 607-6057

originating ccc:
780

date: