


**STATE OF NEW HAMPSHIRE**

## Inter-Department Communication

**DATE:** April 18, 2014  
**AT (OFFICE):** NHPUC

**FROM:**  David Goyette, Utility Analyst III

NHPUC 18APR'14am11:59

**SUBJECT:** DM 13-360, Ethical Electric, Inc.  
 Registration as Competitive Electric Power Supplier

**TO:** Commission  
 Debra Howland, Executive Director

Executive Summary

Ethical Electric, Inc. has applied to become a competitive electric power supplier. Ethical submitted a sample residential and commercial customer contract, a certificate demonstrating it completed EDI testing with New Hampshire Electric Cooperative, a one-year surety bond in the amount of \$100,000, and a request for a waiver of the five-year and 150-day term requirement for financial security. If the Commission were to grant the waiver, Staff believes the filing is acceptable. Staff recommends the Commission grant the waiver and approve the application, for service only in the NHEC franchise area, for an initial registration period ending on the termination date of the surety bond.

Background and Analysis

On December 6, 2013, Ethical Electric, Inc. (Ethical) filed an application to register as a competitive electric power supplier (CEPS). On March 5, 2014, and on April 15, 2014, Ethical Electric filed additional items required to complete its application. Included among these items was a surety bond in the amount of \$100,000, with a term of one year, which expires on April 15, 2015, and names the Commission as beneficiary. Also included was a sample residential and small commercial customer contract. On April 17, 2014, Ethical Electric filed a request for a waiver of Puc 2003.03(a)(5), which requires the financial security filed with a CEPS application have a term of five years and 150 days.

Staff has reviewed the information in Ethical's application, and, if the Commission were to grant the waiver request, Staff believes it meets the requirements of Puc 2003 and 2006.01. Staff recommends that the Commission grant the request for a waiver of Puc 2003.03(a)(5) and, because the surety bond does not meet the five-year and 150-day requirement and because it expires on April 15, 2015, that the Commission approve a registration period with a term concurrent with the surety bond, beginning on

the date of the Commission's approval letter and ending on April 15, 2015. Staff also recommends that, if the Commission grants the requested waiver, the Commission notify Ethical that the financial security rules are likely to change by December 2014 and that Ethical should monitor the rulemaking process in Docket No. DRM 13-151 and plan accordingly with respect to future operations in New Hampshire.

Ethical filed documentation that demonstrates it has completed EDI testing with New Hampshire Electric Cooperative (NHEC). Ethical also submitted a certificate demonstrating it completed supplier training with PSNH. This, however, does not qualify Ethical to provide service in the PSNH franchise area as a training certificate does not meet the requirement of Puc 2003.01(d)(1)c, which requires a statement from the utility that the applicant has demonstrated electronic transaction capability. Staff, therefore, recommends the Commission approve Ethical's application to register as a CEPS authorized to operate only in the franchise area of NHEC.

If Ethical seeks to operate in the franchise areas of other distribution utilities, it can do so by filing a request with the Commission to extend its service area and by providing proof that it has completed EDI testing with each distribution utility in whose franchise area it requests authority to operate. Staff will then review the request and make a recommendation to the Commission.

**SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED**

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**Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.**

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**FILING INSTRUCTIONS:**

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND  
EXECUTIVE DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**