

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: February 3, 2017
AT (OFFICE): NHPUC**FROM:** Amanda O. Noonan **SUBJECT:** DM 16-064 Global Montello Group Corp., Waiver Request of 30-Day Notice Requirement in Puc 3004.04.(l), (m)**TO:** Martin Honigberg
Robert Scott
Kathryn Bailey
Debra Howland
Anne Ross

On January 31, 2017, Global Montello Group Corp. (Global) requested a waiver of the 30-day notice requirement contained in Puc 3004.04 (l) and (m). Puc 3004.03 (l) requires the provision of notice prior to any proposed transfer or sale of the right to serve customer contracts while Puc 3004.04 (m) defines the time period for such notice and other requirements of the notice. The required notice period is 30 days.

In its waiver request, Global stated that, with one exception, all of its customer contracts are assignable without consent of the customer (Assigned Contracts). Global represented that notice of the proposed sale and transfer and of its right to consent to the proposed assignment was provided to the single customer without an assignable contract on January 12, 2017. The waiver request also noted that, under the Asset Purchase Agreement (APA) entered into between Global and Sprague Operating Resources LLC (Sprague)¹, no customer account will be transferred to Sprague unless Global receives any required consent to do so. Rather, Global would continue to serve any such customer through the remainder of its contract term. Global asserted that the waiver of the 30-day notice period would not prejudice customers.

For the Assigned Contracts, Global stated that the contracts are assignable and no right to elect an alternate supplier or terminate the contract agreement in the event of a sale is contained in the contracts. While advance notice of the sale would still be required under the Commission's rules, Staff agrees with Global that a waiver of the 30-day notice period prior to sale closing would not adversely affect customers and would serve the public interest. Global proposes to send an informational notice to its customers with assignable contracts that complies with the relevant provisions of Puc 3004.04 (m), at least 30 days prior to transferring any natural gas supply customer contracts to Sprague.

¹ Global Montello Group Corp. and Sprague Operating Resources LLC have current registrations with the Commission as competitive natural gas suppliers.

Advance notice was provided to the single customer without an assignable contract, although the notice period was shorter than that required under the rule. As the APA between Global and Sprague provides that customer with the opportunity to remain with Global rather than transferring to Sprague if it does not consent to the assignment, Staff believes a waiver of the 30-day notice provision in Puc 3004.04 (m) would not adversely impact the customer and so would also serve the public interest.

For the reasons described above, Staff recommends that the Commission grant the rules waiver requested by Global Montello Group Corp.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

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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