



**Bernstein, Shur,  
Sawyer & Nelson, P.A.**  
100 Middle Street  
PO Box 9729  
Portland, ME 04104-5029

T (207) 774 - 1200

F (207) 774 - 1127

N. Joel Moser  
(207) 228-7155 direct  
jmoser@bernsteinshur.com

\* Admitted in ME, MA and NH

**Via Hand Delivery and Electronic Mail**

January 31, 2017

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION  
1 FEB 17 AM 10:59

**Re: Global Montello Group Corp.  
Waiver Request of 30-Day Notice Requirement in Puc 3004.04(l), (m)**

Dear Ms. Howland:

On behalf of Global Montello Group Corp. (“Global” or the “Company”), a Certified Natural Gas Supplier (“CNGS”), and pursuant to Puc 201.05, enclosed please find a request for a waiver of the 30-day notice requirement contained in Puc 3004.04(l) and (m) for transfer of customer contracts. Because the closing of the transaction that will lead to transfer of customer contracts is scheduled to take place on Wednesday, February 1, 2017, Global respectfully requests expedited consideration of this waiver.

**I. Factual Background**

Global has executed an Asset Purchase Agreement (“APA”) with Sprague Operating Resources LLC (“Sprague”). Like Global, Sprague is a CNGS in New Hampshire. Pursuant to the APA, Global will sell its natural gas supply and electricity brokerage businesses, including those in New Hampshire, to Sprague (the “Transaction”). Among the assets to be transferred from Global to Sprague are Global’s contracts with commercial and industrial natural gas supply customers in New Hampshire (the “Assigned Contracts”).<sup>1</sup> The closing of the Transaction is scheduled for February 1, 2017 (the “Closing”); however, the actual transfer of any Assigned Contracts will not take place prior to the completion of the 30-day notice period after the customer notice proposed below is sent.

To be clear, the terms, conditions, and rates of the Assigned Contracts will remain the same after the Transaction and after the Assigned Contracts are transferred to Sprague.

<sup>1</sup> Global has no residential natural gas supply customers in New Hampshire.

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Furthermore, the APA provides that in the event Global does not receive the consent to assignment from a customer, said customer's contract will not be transferred. Instead, Global will continue to serve such customer through the remainder of the contract term and will provide Sprague with the economic benefits resulting from the contract.

Global and Sprague also will enter into a Transition Services Agreement ("TSA"), which states that Global will continue to provide certain back office and customer service functions (including billing, accounting, and IT) on behalf of Sprague for its customers after the Closing. The TSA is intended to facilitate the orderly transition of the Assigned Contracts from Global to Sprague.

## **II. Commission Rules**

Puc 3004.04(l) provides that "[i]f a CNGS proposes to transfer or sell the right to serve any customer of the CNGS . . . then prior to such proposed transfer or sale the CNGS shall: (1) [p]rovide notice to each affected customer pursuant to (m) below . . . ." Puc 3004.04(m) provides that the customer notice required by subsection (l) is to be provided "[n]ot less than 30 days prior to the effective date of any transfer or sale . . . ."

To the extent that the Commission interprets the "effective date of [the] transfer or sale" to mean the date of the Closing, not the date on which the actual transfer of an Assigned Contract occurs, there remains insufficient time to provide the customer notice 30 days before the Closing of the Transaction.

## **III. Waiver Request**

Global respectfully requests a waiver of the 30-day prior notice requirement in Puc 3004.04(m). Global proposes to mail its customers the customer notice required by Puc 3004.04(m) if and when the Commission grants this waiver request. The proposed text of the customer notice is attached hereto as Attachment A. The proposed customer notice describes the Transaction, and Global will send copies of the notice to the Commission and any affected LDCs when it sends the notices to the affected customers. Although the Closing is expected to occur on February 1, 2017, Global will postpone the transfer of any New Hampshire natural gas supply customers to Sprague pending Commission action on its waiver request and completion of the 30-day notice period.

Pursuant to Puc 201.05(a), the Commission "shall waive any provisions of any of its rules . . . if the commission finds that: (1) [t]he waiver serves the public interest; and (2) [t]he waiver will not disrupt the orderly and efficient resolution of matters before the commission." When considering public interest, the Commission "shall waive a rule if: (1) [c]ompliance with the rule would be onerous or inapplicable given the circumstances of the affected person; or (2) [t]he purpose of the rule would be satisfied by an alternative method proposed." Puc 201.05(b).

The requested waiver here will serve the public interest. The terms, conditions, and rates that apply to the Assigned Contracts will continue after the Closing and after they are transferred to Sprague. Sprague has an established history as a CNGS in New

Hampshire and is fully prepared to satisfy the terms of the Assigned Contracts. In addition, pursuant to the TSA, Global will continue to provide back office and customer service functions for the Assigned Contracts, even after the Closing. Global's role during the transition services period will ease the transfer from one supplier to another for Global's customers and prevent customer confusion.

The remaining elements of the notice required in Puc 3004.04(m) are almost entirely inapplicable to the Assigned Contracts. With one exception,<sup>2</sup> the Assigned Contracts are assignable, and do not include the right to elect an alternate supplier or terminate the contract. As such, the customer notice terms relating to selecting an alternate or LDC supplier do not apply. *See, e.g.*, Puc 3004.04(m)(2)-(5), (7)-(8). The Assigned Contracts also will not expire before the Closing, rendering inapplicable the notice terms that pertain to contracts that do not endure beyond the sale date. *See, e.g.*, Puc 3004.04(m)(2), (6), (9). Therefore, a key purpose underlying the customer notice requirement in Puc 3004.04(m)—to give information about any right to choose a different supplier upon assignment or expiration of the contract—does not apply to the transfer of the Assigned Contracts at issue here.

Global's customers, whose contracts are assignable and will remain the same after the transfer, will not be prejudiced from receiving a notice explaining the Transaction after the Closing. Furthermore, Global's post-Closing role pursuant to the TSA will smooth the transition, and Global respectfully asserts that its proposed alternative notice will sufficiently inform customers of the Transaction and the transition. Accordingly, the waiver will serve the public interest.

Global does not expect that a waiver will disrupt the orderly and efficient resolution of any matters before the Commission, and the waiver will not have any procedural consequences in subsequent matters.

Thank you for your assistance with this filing. Given the compressed timeframe and Global's desire to send a customer notice as soon as possible, Global would appreciate any expedited consideration of this waiver request that the Commission is able to give.

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

Sincerely,



N. Joel Moser

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<sup>2</sup> Global supplies one customer whose contract requires the customer to consent to any assignment of the contract. By letter dated January 12, 2017, Global notified the customer of the Transaction and its right to consent to the assignment of its contract.