

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: November 26, 2012

AT (OFFICE): NHPUC

FROM: Robert J. Wyatt, Utility Analyst IV



SUBJECT: Supplement to 10/30/12 Staff Recommendation
DM 12-203 Glacial Natural Gas, Inc.
Competitive Natural Gas Supplier Registration Application

TO: Debra Howland
Executive Director

Staff has reviewed the documents filed on November 8, 2012 by Glacial Natural Gas, Inc. (Glacial NG) as an update to its open CNGS registration renewal application in docket DM 12-203. Specifically, the documents include a cover letter from Glacial NG, along with an enclosed copy of a formal complaint filed by the Pennsylvania Public Utility Commission (PPUC) Bureau of Investigation and Enforcement (BIE) in April 2012 against a Glacial NG affiliate, Glacial Energy of Pennsylvania (Glacial PA), alleging compliance violations of certain Pennsylvania regulations.

Staff had previously acknowledged, in its October 30, 2012 recommendation for approval of this application, of Glacial NG's disclosure of a pending investigation and complaint against Gary D. Mole, the applicant's Chief Executive Officer, by the Public Utility Commission of Texas (PUCT). Under the requirements of Puc 3006.01(a)(14), Glacial NG provided a description of a pending investigation by the Public Utilities Commission of Texas related to a complaint against an affiliate retail electric supplier, Glacial Energy of Texas, Inc.

The complaint filed by the BIE at the PPUC is related to the same pending investigation and complaint reviewed by the Texas regulators. The Pennsylvania Public Utility Code requires applicants for approval as electric generation suppliers to identify all proceedings by name, subject and citation, dealing with business operations, in the last five years, whether before an administrative body or in a judicial forum, in which the applicant, an affiliate or a predecessor of either, or an individual identified herein has been a defendant or a respondent has been convicted of crime involving fraud or similar activity. In its PPUC complaint, the BIE states that in its application to become an electric generation provider, Glacial Energy of Pennsylvania (Glacial PA) responded that neither it, nor any of its affiliated entities, had been cited for criminal activity or fraud. The BIE further states that Glacial PA responded that it has not been a defendant or respondent to any proceedings dealing with business operations. The BIE complaint also notes that Glacial PA did not mention Gary Mole's involvement with Franklin Power Company, a retail electric provider involved in the PUCT (Texas) complaint.

Relative to Staff's current review of Glacial NG's New Hampshire application, Staff observes that the applicant did disclose that Gary Mole was the subject of a pending investigation and complaint in Texas, and did provide an update regarding the Pennsylvania investigation as well, on the applicant's own initiative (albeit long after the initial filing of the PPUC complaint in April 2012). Staff noted, in its October 30, 2012 recommendation, that Glacial NG's CNGS operations in New

Hampshire are in good standing, and that in Staff's view, the Texas complaint has no material effects on Glacial NG's New Hampshire operations. Staff believes the same holds true for the Pennsylvania complaint.

Updated Staff Recommendation:

Staff still recommends that the Commission approve the registration application for Glacial NG to continue as a registered CNGS in New Hampshire. The effective date should coincide with the expiration date of the current registration (9/10/12). Staff would also recommend that the approval letter include clear language firmly admonishing Glacial NG to provide timely updates regarding the compliance status of its affiliates, nationwide, to the Commission going forward.

This renewal CNGS registration will carry a term of five years from the effective date. Should you have any questions regarding this registration application, please do not hesitate to contact Robert Wyatt.