

# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE:** May 3, 2012

**AT (OFFICE):** NHPUC

**FROM:** Alexander F. Speidel, Staff Attorney *ASD*  
Robert J. Wyatt, Utility Analyst IV

**SUBJECT:** Staff Recommendation  
DM 12-022 Sprague Operating Resources LLC  
Competitive Natural Gas Supplier Registration Application

**TO:** Debra Howland  
Executive Director



Staff has completed its review of the competitive natural gas supplier (CNGS) registration application for Sprague Operating Resources LLC, filed on January 19, 2012, and updated on April 4, 2012. This is a renewal registration for the company that was formerly registered under the name Sprague Energy Corporation. The registration application is complete and generally in compliance with the CNGS renewal registration requirements of Puc 3003.02 as of April 4, 2012. In accordance with Puc 3003.03, Staff was able to determine the security financial requirement for Sprague Operating Resources LLC by using data from its most recently filed annual calendar year sales report. The calculation indicated Sprague Operating Resources LLC would need to increase its bond to the maximum amount, \$350,000. Sprague Operating Resources LLC agreed to increase its security amount to the maximum and made the necessary change as of April 4, 2012.

Staff does have one issue related to this application. Revised Puc 3000 rules now require, under Puc 3003.03(d) that with each application for renewal, each CNGS shall file a report listing the aggregators currently using the CNGS to provide service to New Hampshire customers, including the number of customers served by each. The list provided by Sprague Operating Resources LLC included nine aggregators, two of which were registered. After discussing this issue with the applicant, three others on the list have commenced the process to become registered gas aggregators. The applicant has reported that it is continuing its efforts to encourage the final four entities to comply with the aggregator registration requirements.

In light of these facts, Staff recommends a conditional approval of the application for Sprague Operating Resources LLC to continue as a registered CNGS in New Hampshire. The effective date should coincide with the expiration date of the current registration (3/18/12). This renewal CNGS registration normally carries a term of five years from the effective date, but as a condition to this approval, Staff recommends that Sprague Operating Resources LLC be required to submit, within 6 months of the issuance of the Commission's approval letter, a written representation that all aggregators that it serves in New Hampshire are registered with the Commission. If this filing is not provided, Sprague Operating Resources LLC's registration would be suspended, pending registration filings being made with the Commission by the unregistered New Hampshire aggregators, or, in the alternative, pending a statement by Sprague Operating Resources LLC that it has severed its business ties with such unregistered aggregators. Staff believes that this would be an efficacious means of dealing with the problem of New Hampshire gas suppliers dealing with unregistered aggregators going forward.

Should you have any questions regarding this registration application, please do not hesitate to contact Bob Wyatt or Alex Speidel.