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July 24, 2013

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NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Debra Howland, Executive Director

21 South Fruit Street, Suite 10

Concord, NH 03301-2429

Subject: Procurement of Surety Bond

Dear Ms. Howland,

The following is a recap of the exercise undertaken by First Point Power to procure a Surety Bond in conjunction with its quest to register with the New Hampshire Public Utility Commission as Competitive Electric Power Supplier.

We partner with Rose and Kiernan, Inc. which is a well-respected Insurance Broker / Agent here in the North East for all of our insurance requirements. They, on our behalf, had aggressively marketed the New Hampshire Surety Bond requirements as outlined under Puc 2003.03 Reporting and Financial Requirements of Competitive Electric Suppliers to several Surety companies. In respect to these requirements, caps or limits on the premium were not set as part of this exercise.

Jennifer Vanat, of Rose and Kiernan Surety division, marketed the coverage to several Surety Bond Companies and the results are detailed below. In addition to these results, she further commented that they did not have any surety markets that will issue a bond for a five (5) year term. If you have any questions for Jennifer, she can be reached at 518-244-4225 or via email jvanat@rkinsurance.com

- Hartford Fire Insurance Company declined to offer coverage as it no longer writes utility bonds but also indicated they couldn't accommodate a five (5) year term.
- Western Surety Company was not familiar with the obligation along with the five (5) year term requirement and therefore declined to quote.
- NGM Insurance Company declined to quote due to the five (5) year term requirement.
- Platte River Insurance Company offered coverage, but would require the bond to be issued for a one (1) year term with annual renewals, indemnity and at a higher premium than what Hanover offered.




- The Hanover Insurance Group offered a surety bond in the amount of \$100,000 with a one year term and did not require indemnity. The bond form in which it was issued contains a clause which allows the bond to be renewed with a continuation certificate thereafter. This requires First Point Power to provide written notice of its intent 60 days prior to its anniversary date (policy June 4, 2013 through June 4, 2014) so in this case by April 4, 2014. It is/would be our intent to comply on this basis.

Per the instructions, two copies of this letter are being sent via USPS registered mail to the address listed at top.

Thank you for your time and consideration in this matter.

Best regards,



Peter Schieffelin, CEO
First Point Power, LLC