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August 26, 2014

Via FedEx, Tracking No. 770945967077
New Hampshire Public Utilities Commission
Debra Howland, Executive Director
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Re: DM 13-228 FairPoint Energy, LLC
Competitive Electric Power Supplier Application
Request for waiver

Dear Ms. Howard:

This letter responds to the Commission's August 25, 2014 email to FairPoint Energy ("FPE") to request a waiver of Section (a)(5)(a) of the Public Utilities Commission Rule 2003.03, *Reporting and Financial Requirements of Competitive Electric Power Suppliers*. Please find below this response and waiver request:

Request for Waiver of Section of Rule

FPE requests that the Commission waive Section (a)(5)(a) (the "Section") of the Public Utilities Commission Rule 2003.03, *Reporting and Financial Requirements of Competitive Electric Power Suppliers*, (the "Rule"). FPE requests waiver of only the Section of the Rule regarding the expiration date for the surety. Specifically, the Rule requires that the surety have an expiration date not less than 5 years and 90 days after the date the applicant's renewal application is filed. FPE requests waiver of this Section to allow for a one year term that automatically renews each year. In all other regards, FPE's enclosed surety bond conforms to the requirements of the Rule.

FPE has used commercially reasonable efforts to obtain a surety bond that meets the Section requirements. We have consulted several times with our surety provider, Nick Elmasry, Senior Vice President, Director of Surety, at Aon Risk Solutions, and he has explained to us that due to financial market conditions, the type of surety bond we are requesting is not available unless FPE issues a letter of credit, underwriting the surety bond. FPE would be willing to issue a letter of

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credit to underwrite the surety bond; however, the same issue arises, that is, FPE can only obtain an annual term letter of credit. Therefore, FPE has been advised by its surety provider that there is not a commercially feasible way for FPE to meet the Section requirement of the Rule.

FPE believes that an annually renewed surety will protect and serve the public interest and the waiver will not disrupt the orderly and efficient resolution of matters before the Commission. Further, FPE believes that, given the above explanation detailing the onerous circumstances of complying with the Section, that FPE has provided an alternative compliance solution that fulfills the purpose of the Section.

For these reasons, we ask the Commission to waive the Section of the Rule for FPE and accept the alternative compliance solution provided.

Please do not hesitate to contact me at (203) 663-7530 with any questions.

Respectfully submitted,



Brittany Nolan