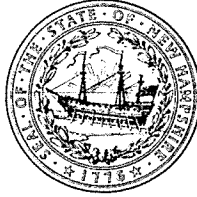


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PUBLIC UTILITIES COMMISSION

21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

SEP 11 11:56 PM '15

September 11, 2015

Otibo Arthur, Compliance Operations
Direct Energy
12 Greenway Plaza, Suite No. 250
Houston, TX 77046

Re: DM 15-373, Direct Energy Business, LLC
Competitive Electric Power Supplier Application
Deficiency Letter – Request for Additional Information

Dear Mr. Arthur:

On September 9, 2015, Direct Energy Business, LLC (Direct Energy Business) submitted an application to the Commission for registration as a competitive electric power supplier (CEPS). Commission Staff has reviewed the application and determined it is incomplete and therefore does not comply with the requirements of N.H. Code Admin. Rules Puc 2003. In particular, Staff identified the following requirements that have not been met and the related items which are missing from the application:

- 1) Proof of completion of EDI training and testing with Eversource Energy (Eversource), Liberty Utilities (Liberty), New Hampshire Electric Cooperative, Inc. (NHEC), and Unitil Energy Systems (Unitil).

Puc 2003.01(d)(1) Demonstration of technical ability to provide for the efficient and reliable transfer of data and electronic information between utilities and the CEPS in the form of:

(a) A statement from each utility with which the CEPS intends to do business indicating that the applicant has complied with the training and testing requirements for electronic data interchange.

(c) A statement from each utility with which the CEPS does or intends to do business indicating that the applicant has successfully demonstrated electronic transaction capability.

- 2) Proof that Direct Energy Business is able to obtain supply in the New England energy market.

Puc 2003.01(d)(2) Evidence that the CEPS is able to obtain supply in the New England energy market. Such evidence may include, but is not limited to, proof of membership in the New England Power Pool (NEPOOL) or any successor organization, or documentation of a contractual relationship with a NEPOOL member.

3) Proof of financial security.

Puc 2003.01(d)(4) Evidence of financial security, as defined in Puc 2003.03.

Regarding item #1, your application lists Eversource, Liberty, NHEC, and Unitil as franchise areas in which you intend to do business. Pursuant to Puc 2003.01(d)(1), you must demonstrate that you have completed EDI training and testing with each of those electric distribution companies prior to providing service in those franchise areas.

Regarding item #2, you can meet the requirement for proof of ability to obtain supply in the New England energy market by providing a copy of a letter from NEPOOL or ISO New England (ISO-NE) stating your company is an ISO-NE market participant and NEPOOL member or a screen print of ISO-NE's website showing your company listed as an ISO-NE market participant and member of NEPOOL.

Regarding item #3, because the bond can be cancelled on 30 days' prior notice, Staff does not find the bond acceptable and will not recommend the bond to the Commission. Staff requests that you either delete or revise the sentence reading:

“PROVIDED FURTHER, that the Surety may terminate its liability hereunder as to future acts of the Principal at any time by giving thirty (30) days written notice of such termination to the Obligee.”

Please note that, even if the above sentence were modified so that the 30 day cancellation provision is eliminated, because the term of the surety bond is less than five years after the application was filed (from September 9, 2015 to August 31, 2020), the bond will not meet the term requirements of Puc 2003.03(a)(5), which requires that the financial instrument have a term of not less than five years and 150 days after the application is filed. In order to be considered for approval, Direct Energy Business will need to file a request for a waiver of this requirement. Please note that Staff will not recommend that the Commission grant a waiver of the financial security term requirement for a bond with a term less than 12 full months from the effective date of registration or with a right of cancellation prior to the end of such 12-month period. The surety bond filed with the application should be amended, extended, or replaced in order to meet these conditions.

In order to complete your application, you should respond accordingly to the items listed above. When responding, please address your letter to Debra A. Howland, Executive Director, and reference the docket number listed on the subject line of this

LINKED

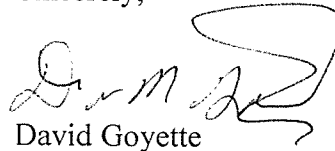
9/16/15 CHP

letter.

Pursuant to Puc 2003.04 (h), please provide all information requested within 60 days of the date of this letter, on or before **November 10, 2015**. Puc 2003.04 (h) is copied below.

Puc 2003.04(h) If the commission has requested information or clarification to complete an application for registration, and such information or clarification is not provided within 60 days of the request, the commission shall suspend the application. If, after 120 days of the date of the request, the applicant has not provided the requested information or clarification, the commission shall reject the application. If an application is rejected, the application fee shall be forfeited and the applicant shall be required to submit a new application and fee prior to acting as a CEPS in New Hampshire.

Sincerely,

A handwritten signature in black ink, appearing to read "D. M. Goyette", with a large, stylized flourish at the end.

David Goyette
Utility Analyst III

cc: Service List
Docket File

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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tom.frantz@puc.nh.gov

Docket #: 15-373-1 Printed: September 11, 2015

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.