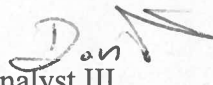


STATE OF NEW HAMPSHIRE**Inter-Department Communication****DATE:** November 30, 2016**AT (OFFICE):** NHPUC
FROM: David Goyette, Utility Analyst III
SUBJECT: DM 16-839 SmartEnergy Holdings, LLC
Application for Registration as Competitive Electric Power Supplier**TO:** Commissioners
Debra Howland, Executive DirectorExecutive Summary

SmartEnergy has applied to register as a competitive electric power supplier. SmartEnergy submitted a sample residential and small commercial customer contract, a certificate demonstrating it completed EDI testing with Eversource, a surety bond in the amount of \$100,000, and a request for a waiver of the five-year and 150-day term requirement for financial security. If the Commission were to grant the requested rule waiver, Staff believes the filing is acceptable. Staff recommends the Commission grant the waiver and approve the application for a registration period ending on the termination date of the surety bond.

Background and Analysis

On October 31, 2016, SmartEnergy Holdings, LLC (SmartEnergy) filed an application to register as a competitive electric power supplier (CEPS). The application included documentation that demonstrates it has completed electronic data interchange (EDI) testing with Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) and evidence that it is able to obtain supply in the New England energy market. On November 4, 2016, SmartEnergy filed a surety bond in the amount of \$100,000, which names the Commission as obligee, and expires on October 18, 2017, a revised customer complaint report, a statement that it intends to only serve in the service area of Eversource, and a request for a waiver of Puc 2003.03(a)(5), which requires the financial security filed with an initial CEPS application have a term of five years and 150 days. On November 30, 2016, SmartEnergy, LLC filed a residential and small commercial customer contract.

Staff has reviewed the information in the application and, if the Commission were to grant approval of the waiver request of the financial security term requirement, believes it meets the requirements of Puc 2003 and 2006.01. Staff recommends that the Commission grant the request for a waiver of Puc 2003.03(a)(5) and, because the surety bond does not meet the five-year and 150-day requirement and because it expires on October 18, 2017, that the Commission approve a registration period beginning on the

date of the Commission's letter and ending concurrently with the expiration of the surety bond, at the close of business on October 17, 2017. Staff also recommends that, if the Commission grants the requested waiver, the Commission notify SmartEnergy that the financial security rules are likely to change during 2017 and that SmartEnergy should monitor the rulemaking process in Docket No. DRM 16-853 and plan accordingly with respect to future operations in New Hampshire.

SmartEnergy filed documentation that demonstrates it has completed EDI testing with Eversource. Staff, therefore, recommends that the Commission approve SmartEnergy's application to register as a CEPS, and that it permit SmartEnergy to serve residential and small commercial customers and operate only in the service area of Eversource. If SmartEnergy seeks to operate in the service area of any other distribution utility, it can do so by filing a request with the Commission to extend its service area, and by providing proof that it has completed EDI testing with each distribution utility in whose franchise area it requests authority to operate. Staff will then review the request and make a recommendation to the Commission.

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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Docket #: 16-839-1 Printed: November 30, 2016

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.**