

DM 10-011



January 27, 2010

Debra Howland, Executive Director  
STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION  
21 Fruit Street, Suite 10  
Concord, NH 03301-2429



RE: Waiver Request re: Natural Gas Supplier Renewal Application

Dear Ms. Howland:

Pursuant to PUC 201.05, please accept this letter as a formal request for a waiver of the audited financial statement requirement set forth in PUC 3003.01(b)(2)e with respect to Sprague Energy Corp.'s Natural Gas Supplier renewal application. Please note that Sprague Energy Corp. is a privately-held corporation and considers its audited financial statements to be confidential.

Founded in 1870, Sprague is one of the East Coast's largest suppliers of energy products, providing home heating oil, diesel fuels, residual fuels, gasoline and natural gas. Sprague owns and operates a network of 16 strategically located oil terminals between northern Maine and New York, with combined storage capacity of over 8 million barrels, from which we market petroleum products and provide liquid and dry bulk material handling services. Sprague conducts throughputs or exchanges at over 100 additional facilities. Sprague employs more than 450 people, and annually distributes over 2 billion gallons of petroleum products, 150 billion cubic feet of natural gas and 3 million tons of bulk materials.

Sprague is a wholly-owned subsidiary of Axel Johnson Inc., a member of the Axel Johnson Group of Sweden, a fourth-generation company privately owned by Antonia Ax:son Johnson and family. Through its various subsidiaries, the Axel Johnson Group is principally engaged in the food retail and wholesale, consumer retail, energy, trading, environmental and telecommunications businesses.

Pursuant to my discussion with Robert Wyatt at the Public Utilities Commission, as an alternative to submitting its audited financial statements, Sprague is providing the PUC with a parental guaranty to cover the term of the renewed license. Enclosed herewith please find a new parental Guaranty for the two year license period.



Accordingly, we believe a waiver is appropriate in these circumstances under Section PUC 201.05 and respectfully request that the PUC grant this request.

Thank you for your consideration of this request. Should you have any questions or concerns, please do not hesitate to contact me directly at 603-430-5302.

Sincerely,

Katherine K. Battles

Enclosures