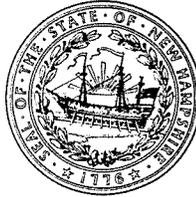


THE STATE OF NEW HAMPSHIRE



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March 4, 2010

Katherine K. Battles, Esq.  
Senior Counsel  
Sprague Energy Corporation  
Two International Drive, Suite 200  
Portsmouth, NH 03801

Re: DM 10-011, Sprague Energy Corporation  
Renewal Application as a Registered Competitive Natural Gas Supplier

Dear Ms. Battles:

On January 19, 2010, Sprague Energy Corporation's (Sprague) filed with the New Hampshire Public Utilities Commission (Commission) an application for renewal of its registration as a competitive natural gas supplier (CNGS), together with a check in the amount of \$250.00. On January 28, 2010, Sprague filed a request to waive Puc 3003.01(b)(2)e which requires the applicant to provide a copy of its most recent financial statements.

In support of its January 28, 2010 waiver request, Sprague explained that it is a privately-held company and considers its financial statements to be confidential information. In lieu of providing its most recent financial statements, on February 16, 2010, Sprague submitted a Guaranty from its parent company, Axel Johnson Inc., in the amount of \$100,000 payable to the State of New Hampshire - Public Utilities Commission. By its terms, the guaranty expires on March 18, 2012.

Under N.H. Code Admin. Rules Puc 201.05, the Commission may waive N.H. Code Admin. Rules Puc 3003.01 (b)(2)e if it finds the waiver serves the public interest and the waiver does not disrupt the orderly and efficient resolution of matters before the Commission. Determination of the public interest requires consideration of whether: (1) compliance with the rule would be onerous or inapplicable given the circumstances of Sprague; or (2) the purpose of the rule is satisfied by the alternative method proposed.

A primary purpose of the Commission's 3000 rules is to provide a level of financial protection to commercial and industrial gas consumers who choose to purchase gas supply from competitive natural gas suppliers. As an alternative to providing its most recent financial

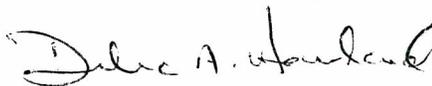
statements, Sprague has provided consumer protection in the form of a guaranty in the amount of \$100,000. This, plus Sprague's long history of providing reliable service in New Hampshire, its good standing with both National Grid NH (EnergyNorth) and Unitil (Northern Utilities), and the substantial credit exposure testing required of Sprague to achieve approved shipper status on the interstate pipelines, provides adequate assurance of Sprague's financial stability. Based on the foregoing, the Commission has concluded that the purpose of the rule requiring the disclosure of financial statements is satisfied by the alternative method proposed by Sprague and, therefore, that the requested waiver is consistent with the public good.

Subject to the waiver request granted above, the Commission finds that the renewal application meets the requirements for renewal registration pursuant to N.H. Code Admin. Rules Puc 3003.01. The Commission will approve the renewal registration of Sprague Energy Corporation as a CNGS in the State of New Hampshire, with the renewal registration to be effective on March 18, 2010. This effective date coincides with the expiration date of Sprague Energy Corporation's current registration as a CNGS (re. DM 08-010). As a condition of the approval, Sprague shall keep its parental guaranty effective throughout the term of this registration.

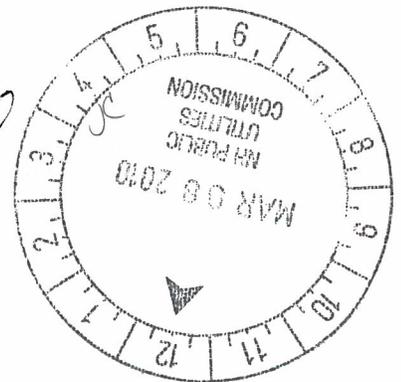
Additionally, pursuant to Puc 3003.01 (d), each CNGS applicant shall re-register with the Commission every 2 years by filing with the Commission an application for renewal. Each CNGS applicant shall file an application for renewal at least 60 days prior to the expiration of its current registration. In the case of Sprague Energy Corporation, its approved registration will expire on March 18, 2012, and a renewal application is therefore due on or before January 18, 2012. Instructions on how to properly file a renewal registration application are located on the Commission website at <http://www.puc.nh.gov/Gas-Steam/CNGS-Aggregator%20application%20instructions.pdf>.

N.H. Code Admin. Rules Puc 3000 – Competitive Natural Gas Marketer Rules, can be found on our website at <http://www.puc.nh.gov/Regulatory/Rules/PUC3000.pdf>. If you have any questions regarding these provisions, please contact the Commission. Thank you for your cooperation in this matter.

Sincerely,



Debra A. Howland  
Executive Director



cc: Robert Wyatt, Utility Analyst IV, NHPUC

**LINKED**

3.8.10 JC