

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: August 23, 2012

AT (OFFICE): NHPUC

FROM: Robert J. Wyatt *RJW*
Utility Analyst IV

SUBJECT: Staff Recommendation
DM 11-154 MRDB Holdings d/b/a LPB Energy Consulting
Natural Gas Aggregator Registration Withdrawal

TO: Debra Howland
Executive Director



Staff has completed its review of the merger/acquisition documents filed by Ecova, Inc. (Ecova) on August 7, 2012, in response to the Commission's conditional approval of the Ecova natural gas aggregation registration in DM 12-108 by secretarial letter dated June 8, 2012. The filed documents are related to Ecova's recent acquisition of MRDB Holdings d/b/a LPB Energy Consulting (LPB Energy), a separately registered natural gas aggregator in New Hampshire.

The documents provided by Ecova show that LPB Energy was acquired by Bridge Acquisition Corp., Inc. on January 31, 2012. According to an informational letter that LPB Energy sent via email to its New Hampshire customers following the merger, Bridge Acquisition Corp., Inc. was said to be a wholly-owned subsidiary of Ecova and that it had subsequently merged with and into Ecova, effective February 3, 2012, following its acquisition of LPB Energy. The cover letter for the merger documents filed with the Commission by Ecova noted that by virtue of the Merger and under operation of law, MRDB was dissolved and no longer exists.

Although Ecova appears to be fully in compliance with the Commission's Puc 3000 Competitive Natural Gas Supplier rules at this time, it appears that Ecova failed to comply with the following provisions of PUC rules in connection with Ecova's acquisition of LPB Energy:

1.) N.H. Code Admin. Rule Puc 3003.04(i) requires that each aggregator shall notify the Commission of any changes to the information required in this section within 30 days following the effective date of the change. For the merger of LPB Energy into Ecova, the Commission only became aware of the LPB Energy transfer of ownership on April 26, 2012, when Ecova noted the acquisition in the cover letter to its separate gas aggregator registration application. The Commission was not fully informed of the changed LPB Energy gas aggregator registration status until it received the merger-related details from Ecova on August 7, 2012.

2.) N.H. Code Admin. Rule Puc 3003.04(a) requires that no aggregator shall enroll customers, or arrange to sell or contract with customers, or solicit specific customers for such purposes until such aggregator has completed all aspects of registration required by Puc 3003. In the letter to

update the Commission as to the status of LPB Energy, Ecova states that the merger was effective on February 3, 2012. It also explained that by virtue of the Merger, LPB Energy was dissolved and no longer exists. Based on this information, Staff concludes that Ecova had been operating as an unregistered gas aggregator in New Hampshire from February 3, 2012 through June 8, 2012.

3.) N.H. Code Admin. Rules Puc 3004.07 through Puc 3004.09 afford consumers important protections related to specific aggregator contact information, provisions assuring protection of confidential customer information, compliance with telemarketing provisions, and various other consumer protections. It is unclear if any of these consumer protection requirements have been violated by Ecova. However, if Staff were to use the LPB Energy letter emailed to its customers as an example, it appears the transfer of contracts and customer information to Ecova may have occurred without prior written authorization from these customers.

Staff Recommendations:

That the Commission approve Ecova's request to withdraw the gas aggregator registration for MRDB Holdings d/b/a LPB Energy Consulting, as the entity has been dissolved as a result of the merger into Ecova, Inc.

That the Commission issue a secretarial letter informing Ecova of its past failures to comply with the requirements of Puc 3000 Competitive Natural Gas Supplier and Aggregator rules, and notifying Ecova that future non-compliance could result in decertification and additional sanctions as deemed appropriate following an investigation.

Should you have any questions regarding the gas aggregator registrations in DM 11-154 (LPB Energy) or DM 12-108 (Ecova), please do not hesitate to contact Robert Wyatt, Utility Analyst IV, Gas/Water Division.

Cc: DM 11-154 Service List (electronically)
DM 12-108 Service List (electronically)