

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** **REVISED** - August 23, 2012

Q-PSNH 1-38. Is a utility's ability to disconnect a customer for non-payment a fundamental tenet of a POR program?

Witness: **RESA witnesses Allegretti, Kallaher, and Hanks**

Response: **Yes. In New Hampshire, retail suppliers cannot disconnect electric service for non-payment for their own, non-purchased receivables. Without POR, retail suppliers would be at a significant competitive disadvantage with respect to uncollectible costs. However, under a POR program a utility is permitted to disconnect a customer for non-payment of their bill, including supplier charges associated with the accounts receivable purchased by the utility. A POR program reduces barriers to supplier entry and helps level the playing field between an EDC's default service and retail supplier's competitive supply service, especially for the residential and small commercial market segments.**

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-39. Do the Commission's regulations allow the state's regulated electric utilities to disconnect customers for failure to pay amounts owed to a competitive supplier?

Witness: RESA witnesses Allegretti, Kallaher, and Hanks

Response: **Objection.** RESA objects to the request on the basis that the information may be more readily available from a more convenient and less burdensome source, namely the applicable electric distribution utilities or from a publicly available source like the NH Commission, that it is seeking information that is easily available to PSNH and that is asking RESA to do legal research and state a legal conclusion.

Notwithstanding and without waiving RESA's objections, RESA responds as follows: not explicitly.

Purchase of Receivables, the “Sub-Prime Mortgage” Equivalent for Utilities *June 12, 2012*

Posted by freedomenergy in Effort #3.

*Tags: Ovide Lamontagne, Retail Energy Supply Association
trackback*

The NH PUC has opened Docket DE 12-097 to investigate, among other issues, purchases of receivables (POR) in order to “enhance” the competitive options for energy supply.

In POR, competitive suppliers sell, at a discount, their Accounts Receivable to the utility that provides Standard Offer to the small electricity user. The discount is intended to provide relief for the apparently inevitable defaults of some consumers. Those bad debts are then paid for by all utility consumers through adjusted Stranded Costs.

The Retail Energy Supply Association (RESA)—22 companies, again, only one of which is headquartered in New England— encourages support for POR. A reasonable person might ask “why?” Well, RESA says it will encourage competitive suppliers like themselves to enter markets. When testifying in Maryland for a required POR, part of RESA’s argument rested on the elimination of costly credit checks undertaken by competitive suppliers to ensure that potential customers they planned to take from incumbent utilities could actually pay their energy bills. Since ratepayers who in fact paid their bills would have to pick up the tab for their less creditworthy brethren, POR would – wait for it – encourage suppliers “to market to all of the utility’s customers, not just those with the most favorable credit and bill payment histories.”

FEL sister company Resident Power (RP) believes customers receive goods or services because they can pay for them. To that end, RP currently performs such “costly credit checks” and it has had to turn down some prospective customers in New Hampshire because their credit history did not stand up to scrutiny. That’s the way wise business is conducted.

A working group for the Ovide Lamontagne gubernatorial campaign puts it this way,

“POR is little more than the ‘sub–prime mortgage’ equivalent of utility prices; it allows companies to sell energy to consumers whose credit ratings, or payment histories, have shown them to be poor risks for payment. Energy suppliers sell, or ‘factor’, these customers’ accounts to regulated utilities who, in turn, collect them as an equivalent stranded cost.”

So, the “competitive” supplier gets paid, albeit at some figure less than it billed, the utility becomes the bill collector to the “competitive” energy supplier’s deadbeat customers, and the loyal customer who pays their own bills sees their electricity rates rise even further through stranded costs subsidized on their backs.

FEL does not favor POR and will testify against it in the coming months.

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Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-34. On page 8, line 4, the question uses the term “non-recourse.” What is meant by that term?

Witness: **RESA witnesses Allegretti, Kallaher, and Hanks**

Response: **Under a non-recourse POR program payments made to a supplier are not subject to retroactive reconciliation based upon actual collections by a utility. Any under or over collection by the utility is reconciled by adjusting the discount rate on a going-forward basis. This provides commercial certainty for both suppliers and customers while assuring the utility is made whole.**

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-7. Would implementation of a POR program influence the motivation for suppliers to follow prudent credit practices?

Witness: RESA witnesses Allegretti, Kallaher, and Hanks

Response: **No. Suppliers are motivated to continue to follow prudent credit practices even where a POR program exists because suppliers are motivated to maintain and grow their base of customers. A customer who defaults on payment will ultimately be terminated from retail supply service resulting in the loss of that customer.**

PROPOSED REGULATIONS ON
SUBTITLE 53

*
* BEFORE THE
* PUBLIC SERVICE COMMISSION
* OF MARYLAND
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*
* Admin. Docket No. RM17
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Comments of Baltimore Gas and Electric Company

Pursuant to the notice of proposed action published in the Maryland Register on December 19, 2008, Baltimore Gas and Electric Company (BGE) files these comments on the proposed regulations concerning proposed section 20.53.05 of the Code of Maryland Regulations, entitled Supplier-Utility Coordination and Utility Consolidated Billing.

I. SUMMARY

On February 19, 2008 and September 9, 2008, BGE filed comments opposing the purchase of receivables (POR) mechanism and pro-ration as not being in the best interests of customers. For these reasons, BGE advocated that the current posting priority be maintained. BGE once again requests that the Commission carefully consider whether the expected savings or benefits from the rule outweigh the potential adverse impacts of the proposed RM17 rule. Implementing the POR mechanism that is required by the rule can result in increased costs to customers and will result in the shifting of the risk of collection of debt from the supplier to the utility's customers. Pro-ration of customer payments between a utility and a supplier has the potential to lead to increased service terminations and is therefore not in the public interest. Retaining the status quo is in the best interests of customers because it will impose no additional burdens upon customers.

II. ARGUMENT

A. **The Commission Should Maintain the Current Payment Posting Priority Because the Purchase of Receivables Shifts the Risk of Collection from the Supplier to the Utility and Will Result in Adverse Customer Impacts**

Proposed Section 20.59.05.06A requires a utility to either purchase the receivables of a supplier or pro-rate customer payments between the utility and the supplier. As BGE has previously argued, POR shifts the risk and costs of collection from the supplier to the utility's customers and is detrimental to customers' interests. First, POR will provide little incentive for suppliers to follow prudent credit practices to minimize its financial exposure. The risk for collecting the debt that otherwise would have been borne by the supplier shifts to the utility's customers. Second, POR can create the potential for adverse customer billing issues in the event that a supplier inadvertently provides the utility with an inaccurate commodity billing amount and the customer unknowingly pays this inaccurate amount. If the customer has not paid the supplier, the utility will have to attempt to recover the erroneous billing amounts from the supplier, which will unfairly place the utility in the middle of a supplier/customer dispute for the commodity portion of the bill. Third, the costs to incorporate the programming changes needed to implement purchasing the receivables of suppliers will be passed onto either the suppliers' or utilities' customers.

For these reasons, BGE continues to recommend that the current payment posting priority be maintained as an option in lieu of a forced utility purchase obligation. If a supplier wishes to outsource that function, it can seek businesses that specialize in buying receivables that achieve the identical result of what the Commission is attempting to

accomplish through the POR regulations, rather than place this responsibility with the utility.

B. The Current Payment Posting Priority Should be Maintained Because Pro-rating Payments between the Utility and Supplier Can Lead to Increased Service Disconnects

Proposed Section 20.59.05.06A provides as an alternative to POR the pro-ration of customer payments between the utility and the supplier. Under the current payment posting hierarchy, customer payments are applied to satisfy utility arrearages prior to supplier arrearages. Because less money is applied to satisfy the distribution portion of the bill under the pro-rata approach, a delinquent customer's debt to the utility will be larger and increase at a faster rate, exposing the customer to a greater threat of termination. For this reason, pro-ration is not in customers' best interests.

C. BGE Cannot Proceed with Implementation Prior to Approval of Its Compliance Plan Because It Would be Imprudent to Do Otherwise

In the rulemaking session to implement the first phase of RM17, the Commission and suppliers questioned the time period proposed by the utilities to implement the rules and the utilities' deferral of implementation until after the compliance plans were approved. *See e.g., Comments of Washington Gas Energy Services at 2* (Administrative Docket No. 17, August 15, 2008)(requesting accelerated implementation of the first phase of RM17 because "[t]he regulations are straightforward . . . and have been ready for implementation for two years"). BGE must defer implementation of the requirements of the rule until the compliance plans are approved by the Commission. A utility is tasked with spending its funds in a prudent manner. A utility must discharge this responsibility with care or else risk disallowance. Spending funds (that will later be passed onto customers) prior to Commission acceptance of its compliance plan is

especially unwise in this instance because the proposed rule in RM17 has undergone significant revisions in the past two and a half years it has been under consideration, resulting in provisions being removed. It would be imprudent to expend money that will ultimately be absorbed by customers to implement RM17 where the final form of the rule is unknown. For this reason, BGE must wait until the rule is clearly defined and not subject to change, and its implementation plan is accepted and not subject to change. This can only occur after Commission approval of its compliance tariff.

BGE cannot stress enough that implementation of POR will take time. POR is a complex process and the system to support it cannot be properly programmed and tested in a matter of weeks or even a few months. Optimally, this process is estimated to take eighteen months. BGE cannot begin implementation and incur expenses that will be borne by its customers until after Commission approval of its compliance plan. This is the only prudent course of action because the rules could be revised between the time of the notice of proposed action and final adoption. History has shown this to be true during the RM17 process.

In September 2006, the RM17 proposed regulations were sent for publication in the Maryland Register that contained a provision for customer lists. In November 2006 the Administrative, Executive, and Legislative Review committee objected to the inclusion of customer lists due to consumer protection concerns and the provision was later removed. Even though that provision had survived working group sessions and a Commission rulemaking session, had BGE incurred costs to implement the changes to effectuate that provision, those costs would have been ultimately borne by customers. A

utility can ill-afford to waste money in this fashion by prematurely and imprudently engaging in a course of action that is subject to change.

Additionally in RM17, the version published a year ago in the January 18, 2008 edition of the Maryland Register contained a provision to place amounts subject to supplier-customer disputes into an escrow account. This provision was removed from a later iteration of the rules. Again, had BGE incurred expenses to implement that provision, these monies would be wasted. It simply does not make sense to incur costs that customers will later absorb prior to knowing the final form of the rules due to this risk of revision.

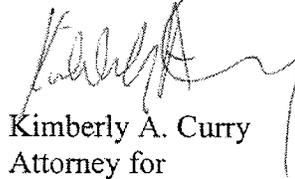
For these reasons, BGE must wait until the Commission approves its compliance plan so that it may proceed with implementation with the certainty that its plan will not be subject to change. Additionally, BGE must wait until its gas compliance tariff is approved prior to implementation. Although both the RM17 and RM35 rules have been sent for publication at the same time and the expectation is that the rules, if approved, will be approved concurrently, it is not efficient for BGE as a combined utility to build a POR system for electric and expend additional costs to add a POR system for its gas accounts at a later date.

III. CONCLUSION

Retaining the current payment posting priority will result in no additional customer impacts. Implementation of POR has adverse impacts associated with it that customers will ultimately have to bear. Pro-ration can lead to increased service terminations and therefore, can be detrimental to customer's interests. For these reasons, the current payment posting priority should be maintained. Finally, BGE must wait until

its gas and electric compliance tariffs are approved by the Commission prior to proceeding with implementation of RM17 because this is the most efficient means to spend funds to carry out the requirements of the rules.

Respectfully submitted,



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January 20, 2009

PROPOSED REGULATIONS ON
SUBTITLE 59

* BEFORE THE
* PUBLIC SERVICE COMMISSION
* OF MARYLAND
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*
* Admin. Docket No. RM35
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Comments of Baltimore Gas and Electric Company

Pursuant to the notice of proposed action published in the Maryland Register on December 19, 2008, Baltimore Gas and Electric Company (BGE) files these comments on the proposed regulations concerning Subtitle 59 of the Code of Maryland Regulations.

I. SUMMARY

BGE has previously filed comments in the companion rulemaking for electric competitive supply in RM17 administrative docket that objected to the forced implementation of purchase of receivables (POR) or pro-ration as not being in the best interests of customers. For this reason, BGE advocated that the current posting priority be maintained. BGE maintains this position for the gas competitive supply regulations as well. If the regulations are adopted as proposed, BGE will implement the requirements of the rule, but requests that the Commission carefully consider whether expected savings or benefits from the rule outweigh the potential adverse impacts of the proposed rules. Implementing the POR mechanism that is required by the rule can result in increased costs to customers and will result in the shifting of the risk of collection of debt from the supplier to the utility's customers. Pro-ration of customer payments between a utility and a supplier has the potential to lead to increased service terminations and is therefore not in the public interest. Retaining the status quo is in the best interests of customers because it will impose no additional burdens upon customers.

In the economic impact section, the Commission presumes, without any available analysis, that 10 percent of Maryland customers will seek competitive suppliers and will realize 10 percent savings on their energy bills as a result of these rules. Given adverse impacts that customers will have to bear, the Commission should carefully consider whether the adverse impacts of the proposed rules described herein are sufficient to justify any perceived savings or benefits from the rule.

II. ARGUMENT

A. The Commission Should Perform an Analysis of the Proposed Rules to Determine Whether the Benefits to Implement the Proposed Rules Outweigh Its Costs

In the economic impact section of the proposed rules, the Commission estimates that utility implementation of the proposed rules will amount to \$5 million. The proposed rules further assume that 10 percent of residential customers will enroll with a competitive supplier and concludes the expected savings in electricity bills for residential customers will be \$8.4 million. The estimates also assume, without any available support, that residential customers will save 10 percent on their monthly bills. If it has not already done so, the Commission should perform a thorough, supportable analysis of the proposed rules to confirm that customers will indeed experience this level of savings prior to adopting these rules.

B. The Commission Should Maintain the Current Payment Posting Priority Because There Is No Evidence that the Purchase of Receivables Will be Beneficial to Customers; and May be Detrimental to Customers' Interests

Proposed Section 20.59.05.03A provides that a utility may purchase the receivables of a supplier. POR is not in the public interest for several reasons.

First, POR will provide little or no motivation for suppliers to follow prudent credit practices. Because a supplier knows that it can sell its receivables to the utility, it will have little incentive to minimize its financial exposure and ascertain the creditworthiness of the customer by, for example, collecting a deposit. The risk for collecting the debt that otherwise would have been borne by the supplier will now shift to the utility's customers.

Second, POR can create the potential for adverse customer billing issues in that a supplier can inadvertently provide the utility with an inaccurate commodity billing amount. Utilities and customers will have to bear the risk that a supplier will become less diligent in calculating its commodity billing amounts because the supplier is guaranteed that the receivable will be purchased by the utility. Therefore, suppliers should ensure that the appropriate quality controls are in place to prevent this from occurring because the utility is required to purchase that receivable and pass those charges onto the customer without access to any information as to how the charge is calculated. This situation will likely not exist in the absence of POR, because the supplier has every incentive to bill accurately since the supplier will be the entity that will ultimately have to collect on those amounts. There are no customer protections in the rule to guard against this situation occurring. Customers will bear the impact of the incorrect billing amounts and may unknowingly pay the erroneous charges. Or, if the customer has not paid the supplier, the utility will have to attempt to recover the erroneous billing amounts from the supplier, which will be extremely difficult, and will unfairly place the utility in the midst of a supplier/customer dispute for the commodity portion of the bill. Since the receivable

must be purchased by the utility, the supplier will have little incentive to rectify the dispute with the customer in a timely manner.

Finally, POR will increase costs to customers in that the costs to incorporate the programming changes needed to implement purchasing the receivables of suppliers could be one component of the discount rate charged to suppliers, and the supplier will presumably pass these costs on to their customers. Alternatively, if these costs remain with the utility, the utility's customers will ultimately bear these costs. Placing these costs upon customers is even more problematic given that there has been no supportable cost benefit analysis performed to determine whether there are any savings to customers in the form of lower gas rates that can be offered by suppliers under POR that will be passed onto customers.

In sum, the effect of the rule is to shift risk and costs of collection from the supplier to the utility's customers. If the Commission is attempting to use POR as a means to increase competition, it should be mindful that the result is that the utility customers will have to bear some risks. For these reasons, BGE recommends that the current payment posting priority be maintained as an option in lieu of a forced utility purchase obligation. There are businesses that specialize in buying receivables that suppliers can use to achieve the identical result rather than requiring that the utility perform that function. Furthermore, because these businesses specialize in performing this task, it will presumably be more efficient than a utility-managed process.

B. The Current Payment Posting Priority Should be Maintained Because Pro-rating Payments between the Utility and Supplier Can Lead to Increased Service Disconnects

Proposed Section 20.59.05.03A provides as an alternative to POR the pro-ration of customer payments between the utility and the supplier. Under the current payment posting hierarchy, customer payments are applied to satisfy utility arrearages prior to supplier arrearages. Because less money is applied to satisfy the distribution portion of the bill under the pro-rata approach, a delinquent customer's debt to the utility will be larger and increase at a faster rate, exposing the customer to a greater threat of termination. The concern that the current payment posting hierarchy favors utilities because funds are applied to outstanding utility debt first to the detriment of the supplier, is unwarranted because suppliers can protect themselves contractually by 1) terminating their agreement with the customer to minimize the debt owed to the supplier, 2) using prudence in its creditworthiness standards in enrolling customers, and 3) imposing a deposit.

C. BGE Cannot Proceed with Implementation Prior to Approval of Its Compliance Plan Because It Would be Imprudent

In the rulemaking session to implement the first phase of the companion RM17 electric docket, the Commission and suppliers questioned the time period proposed by the utilities to implement the rules and the utilities' deferral of implementation until after the compliance plans were approved. *See e.g., Comments of Washington Gas Energy Services* at 2 (Administrative Docket No. 17, August 15, 2008)(requesting accelerated implementation of the first phase of RM17 because "[t]he regulations are straightforward . . . and have been ready for implementation for two years"). BGE must defer implementation of the requirements of the rule until the compliance plans are approved

by the Commission. A utility is tasked with spending its funds in a prudent manner. A utility must discharge this responsibility with care or else risk disallowance. Spending money (that will later be passed onto customers) prior to Commission acceptance of its compliance plan is especially unwise in this instance because the proposed rule in RM17 (upon which these RM35 rules are modeled) has undergone significant revisions in the past two and a half years it has been under consideration, resulting in provisions being removed. It would be imprudent to expend dollars that ultimately will be absorbed by customers to implement RM35 where the final form of the rule is unknown. For this reason, BGE must wait until the rule is clearly defined and not subject to change, and its implementation plan is accepted and not subject to change. This can only occur after Commission approval of its compliance tariff.

BGE cannot stress enough that implementation of POR will take time. POR is a complex process and the system to support it cannot be properly programmed and tested in a matter of weeks or even a few months. Optimally, this process is estimated to take eighteen months. BGE cannot begin implementation and incur expenses that will be borne by its customers until after Commission approval of its compliance plan. This is the only prudent course of action because the rules could be revised between the time of the notice of proposed action and final adoption. History has shown this to be true during the RM17 process.

In September 2006, the RM17 proposed regulations were sent for publication in the Maryland Register that contained a provision for customer lists. In November 2006, the Administrative, Executive, and Legislative Review committee objected to the inclusion of customer lists due to consumer protection concerns and the provision was

later removed. Even though that provision had survived working group sessions and a Commission rulemaking session, had BGE incurred costs to implement the changes to effectuate that provision, those costs would have been ultimately borne by customers. A utility can ill-afford to waste funds in this fashion by prematurely and imprudently engaging in a course of action that is subject to change.

Additionally in RM17, the version published a year ago in the January 18, 2008 edition of the Maryland Register contained a provision to place amounts subject to supplier-customer disputes into an escrow account. This provision was removed from a later iteration of the rule. Again, had BGE incurred expenses to implement that provision, these monies would be wasted. It simply does not make sense to incur costs that customers will later absorb prior to knowing the final form of the rules due to this risk of revision.

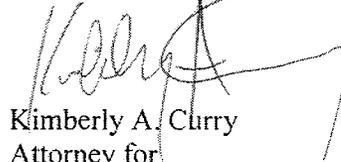
For these reasons, BGE must wait until the Commission approves its compliance plan so that it may proceed with implementation with the certainty that its plan will not be subject to change. Additionally, BGE must wait until its electric compliance tariff is approved prior to implementation. Although both the RM17 and RM35 rules have been sent for publication at the same time and the expectation is that the rules, if approved, would be approved concurrently, it is not efficient for BGE as a combined utility to build a POR system for gas and expend additional costs to add a POR system for its electric accounts at a later date.

III. CONCLUSION

No data has been provided by the Commission to support the proposed savings represented by the Commission in economic impact section of the proposed rule.

Retaining the current payment posting priority will result in no additional customer impacts. Implementation of POR has adverse impacts associated with it that customers will ultimately have to bear. Pro-ration can lead to increased service terminations and therefore, can be detrimental to customers' interests. For these reasons, the current payment posting priority should be maintained. Finally, BGE must wait until its gas and electric compliance tariffs are approved by the Commission prior to proceeding with implementation of RM35 because this is the most efficient means to spend funds to carry out the requirements of the rules.

Respectfully submitted,



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January 20, 2009

**PUC Docket No. DE 12-097
RESA Supplemental Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** December 21, 2012

Q-PSNH 1-19. Have any of the affiliates of your companies ever taken a position on Purchase of Receivables in any other jurisdiction? If so, please provide a summary of those positions.

Witness: None; provided by RESA as organization.

Response: Yes. Please see below for summary:

1. Liberty Power submitted a letter in the POR proceeding in Maryland (RM-17) in 2006. The letter urged the Commission to adopt a non-recourse POR program, allowing the utility to charge a discount, similar to the New York model.
2. PECO supported POR before the PA PUC in docket NO. P-2009-2143607.
3. ComEd opposed the addition of a POR program in its 2005 rate case but supported the 2007 law (Public Act # 095-0700) that made POR a requirement in IL.
4. As reflected in its compliance filings under Maryland Rulemaking (electric) 17, BG&E does not oppose Maryland's POR program, but has criticized certain aspects of its calculation of the discount rate, including the treatment of late payment revenues.
5. ConEd and O&R supported continuation of POR programs in New York in Case No. 07-M-0458.
6. PPL volunteered to implement a POR program in their default service case in docket number. See docket number P-2009-2129502 (Nov 19, 2009).

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

**THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DE 12-097

**ELECTRIC AND GAS UTILITIES
Investigation into Purchase of Receivables, Customer Referral and Electronic
Interface for Electric and Gas Distribution Utilities**

Retail Energy Supply Association's Responses to PSNH's First Round of Data Requests

Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-1. Could implementation of a POR mechanism result in increased costs to customers?

Witness: RESA witnesses Allegretti, Kallaher, and Hanks

Response: Under the mechanism suggested by RESA, as described on page 11 of the testimony of Messrs. Allegretti, Kallaher, and Hanks, an appropriate discount rate should make the program revenue neutral to the utility and therefore negate the need to recover monies from the utility's customers.

RESA believes a POR mechanism provides a legitimate and material opportunity to provide stability to retail suppliers who wish to enter into the New Hampshire market for residential and small commercial customers. The stability caused by the implementation of a POR mechanism should lessen risk for suppliers as well as incent more new market entrants, thereby bringing additional competitive market forces to bear creating more efficient pricing that inures to the benefit of New Hampshire electricity consumers.

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-2. Could implementation of a POR mechanism result in the shifting of the risk of collection of debt from the supplier to the utility's customers?

Witness: RESA witnesses Allegretti, Kallaher, and Hanks

Response: Under the mechanism suggested by RESA, as described on page 11 of the testimony of Messrs. Allegretti, Kallaher, and Hanks, an appropriate discount rate should make the program revenue neutral to the utility and therefore negate shifting of uncollectible debt risk to the utility's customers.

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-11. Could implementation of a POR program place the utility in the middle of a supplier/customer dispute regarding the energy portion of a customer's bill?

Witness: **RESA witnesses Allegretti, Kallaher, and Hanks**

Response: **No. The amount charged to a customer is a matter between the customer and the retail supplier.**

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-16. Are there third-party businesses that specialize in buying receivables that suppliers can use to achieve the same result as a POR program?

- Has RESA explored the possibility of using any such third-party vendors?
- If so, what is the range of discount rates such vendors have required?

Witness: RESA witnesses Allegretti, Kallaher, and Hanks

Response: The witnesses are not aware that RESA has explored the potential use of third party businesses that specialize in buying receivables.

**PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests**

Date of Request: July 27, 2012 **Date of Response:** **REVISED** - August 23, 2012

Q-PSNH 1-54. On page 10, lines 19-22, RESA's testimony states, "a well designed POR program would significantly contribute to the public policy objective to help reduce costs for all consumers by harnessing the power of competitive markets."

- a. Is RESA guaranteeing that implementation of a well-designed POR program will reduce costs for all consumers?
- b. In the states where RESA alleges "well-designed, non-recourse POR programs have been established, e.g., Connecticut, New York, Illinois, Maryland, and Pennsylvania" (p. 10, lines 11-13), are there retail electric customers that continue to receive their electric supply from standard offer, default service, provider-of-last-resort service, or some similar offering provided by an EDC in such state?
- c. If the answer to subpart b is in the affirmative, please provide a listing of the number of retail customers that continue to receive electric supply from the EDC, by state, utility, and customer class.

Witness: **RESA witnesses Allegretti, Kallaher, and Hanks**

Response: **Objection. RESA objects to the request on the basis that it is argumentative, that it would be unduly burdensome to compile the information requested, that it is irrelevant to this proceeding and not calculated to lead to the discovery of information that would be admissible in this proceeding, and on the basis that the information may be more readily available from a more convenient and less burdensome source, namely the applicable electric distribution utilities or from a publicly available source.**

Notwithstanding and without waiving RESA's objections, RESA answers as follows:

- (a) No. RESA believes that current retail market prices are lower than New Hampshire EDC's default service commodity prices.**
- (b) Yes.**
- (c) Please see objection.**

Indicates sent to our legal department

Date	Requester	Customer	Account Number	Issue
05/12/10	Halifax/Freedom Energy Logistics	Seatrade International	8002091-01	It appeared the customer signature date was changed from 01/14/10 to 04/14/10.
05/17/10	Halifax/Freedom Energy Logistics	Seatrade International	8002091-01	It appeared the customer signature date was changed from 04/14/10 to 05/13/10. Called the customer and spoke with Robert Blais (controller - his signature was on all three PSNH EPO request forms) regarding the request from Halifax. He stated he did not sign any authorization forms 04/14/10 or 05/15/10 to give interval data access to Halifax.
05/20/10	Con Ed Solutions	Index Packaging	56-115941056 56-200051027 56-370151078 56-409121050 56-534084033 56-613651074 56-636441099 56-688551068	The customer's signature effective date appears to be manipulated. Called the customer and spoke with Bruce Lander (president - his signature was on both PSNH EPO request forms) regarding the request from Con Ed. He stated he did not remember signing the authorization forms three weeks ago.
08/20/10	Integrus Energy	Moore Business Forms	8000103-02 8000103-03	Received a form signed by the customer 06/07/10 which was denied since the customer's signature effective date was over 30 days ago. Integrus sent another form with the effective date of 08/17/10 which appeared to be the same form with the effective date changed. Called the customer and the customer's voice mail stated he has been out of the office since 08/06/10 and will be returning 08/23/10. Sent an e-mail to Integrus questioning how the form was signed two 3 days ago. Integrus responded that the customer's agent forwarded them a new copy.
08/23/10	Integrus Energy	Moore Business Forms	8000103-02 8000103-03	Per customer, he is aware of the date change and does not want to delay the EPO access for Integrus. Informed Integrus that the EPO request will be processed per the customer's request but in the future customer signature effective dates will not be accepted. Informed Aimee Croteau at Integrus of the possible customer signature effective date change on an EPO request. Explained that those types of requests should not be sent as the requests will not be accepted.
09/23/10	Enernoc Inc.	Middleton Building Supply	8001975-02	Received an interval data request with what appeared to have the customer's signature date changed from a 7 to a 9 on the PSNH EPO request form. Called the customer and spoke with Macy Perry. Macy stated she did not sign the EPO 09/17/10. She only signed the EPO form 07/19/10. Sent a denial e-mail to Enernoc Inc.
10/15/10	Constellation	Worthern Industries	8000303-02	Received an interval data request on an outdated PSNH EPO request form from Stacey Mitchell.
10/19/10	Constellation	Worthern Industries	8000303-02	The customer was called to verify the signature on the EPO form. We received a call back from Jeff Gagnon (customer) and he stated that he did not remember signing an EPO for Constellation. It appears the customer did not sign the form as the signature does not match another form received from Patriot Energy 10/14/10. Sent a denial e-mail to Constellation. Received another e-mail from Constellation with an letter of authorization. The LOA stated that Patriot Energy was authorized not Constellation. Replied to Constellation asking them to contact the customer for an LOA stating Constellation is authorized or an new PSNH EPO request form.
12/15/10	Gexa Energy	Hebert Foundry & Machine	8001260-01	After EPO access was given, the customer contacted us stating that they did not sign the form. The EPO Department was asked to suspend the access and an e-mail was sent to the requester.

Date	Requester	Customer	Account Number	Issue
12/16/10	Constellation	Hebert Foundry & Machine	8001260-01	Since the customer had already informed us that the EPO request form was not signed by them, a denial e-mail was sent to the requester.
01/10/11	Gexa Energy	Palace Entertainment	8001128-01	The customer informed us that he had signed a form last June for Gexa and did not sign the one just sent. Sent a denial e-mail to Gexa.
03/08/11	Hess Corporation	Osram Sylvania	8000479-03 8000479-05 8000206-03 8000206-05 8000206-06 8000206-08	Received an EPO form on a prior version of the PSNH EPO request form. The request was denied. Hess sent a new form with the customer's signature pasted in from the prior form sent. Denied the new request.
04/26/11	Gexa Energy	Hampstead School	8001610-01	Received an EPO form from Gexa Energy. According to the customer, he did not sign the EPO request form. Denied the request.
05/23/11	Constellation	WS Packaging	8005340-01 8005340-02 8005340-03	Received an EPO form from Constellation that did not include an LOA. When asked for one, an LOA was received dated 12/09. When a current LOA was asked for, Constellation sent another LOA dated 05/02/11. Since it appeared the date may not have been changed by the customer, the customer was called. According to the customer, she did not sign the LOA on 05/02/11.
06/14/11	Patriot Energy	Pfeiffer Vacuum Inc	8004034-02	Received a call from Jill Mckeown, claiming to be receptionist at Pfeiffer Vacuum, requesting copy of invoices. Based on the phone number, email address Jill gave me I contacted the customer to inquire if Jill Mckeown was employed there, she is not an employee of Pfeiffer Vacuum. I called the phone number 781-376-1888 that Jill gave me, it is Patriot Energy.
07/26/11	Competitive Energy	Spaulding Composites	8004780-01	Received an EPO request form. The customer was contacted because it appeared the customer did not sign the form. It appeared the EPO form was filled out by Competitive Energy and the customer's signature had been copied and pasted from an EPO form received and processed in March 2011.
08/02/11	Constellation	Raymond School District	8000780-03	Account # swapping
08/02/11	Constellation	Portsmouth School Dept	8000696-06	Account # swapping & adding
08/04/11	Competitive	Manchester Memorial	8005268-02	Account # swapping
08/04/11	Constellation	Rochester School Dept	8000669-04	Account # swapping & customer signature effective date changed
08/05/11	Constellation	Portsmouth (City of)	8000695-10	Account # swapping & customer signature effective date changed, service option changed from a 1 month to a 1 year subscription
09/02/11	Constellation	Worthern Industries	8000303-01 8000303-02	Customer did not sign the form. They gave an invalid customer e-mail address
09/15/11	Integrus Energy	G & K Services	8005128-01	Customer's data including customer's signature copied and pasted from a previously used form.
09/20/11	Hess Corporation	C & S Wholesalers	8004868-01 8004868-03	Customer did not sign the form. It appears Ross Weber at US Energy Services may have.
09/20/11	Integrus Energy	C & S Wholesalers	8004868-01 8004868-03	Customer did not sign the form. It appears Ross Weber at US Energy Services may have.
09/21/11	Constellation	C & S Wholesalers	8004868-01 8004868-03	Customer did not sign the form. It appears Ross Weber at US Energy Services may have.
09/26/11	Constellation	Fosters Daily Democrat	8000635-02	Customer did not sign the form according to Patrice Fosters.
09/26/11	Constellation	Somersworth	8000675-02 8001065-01 8005016-01	Customer did not sign the form according to Scott Smith. He did sign an EPO form for Taylor Consulting.

Date	Requester	Customer	Account Number	Issue
09/29/11	Noble Americas	C & S Wholesalers	8004868-01 8004868-03	Customer did not sign the form. It appears Ross Weber at US Energy Services may have.
09/29/11	Gexa Energy	Greenland School District	8005236-01	Customer did not sign the form according to Jim Katkin.
09/29/11	Gexa Energy	Fosters Daily Democrat	8000635-02	Customer did not sign the form according to Patrice Fosters.
09/29/11	Gexa Energy	Field & Foster	8000644-01	Customer's signature date was changed.
10/04/11	Transcanada	Fosters Daily Democrat	8000635-02	Customer did not sign the form according to Patrice Fosters.
10/06/11	World Energy	GSA IBCP PO National Visa Center Dept of US/Dept of State Veterans Adm Hospital National Passport Center	8000061-01 8002013-01 8005278-01 8000149-02 8001937-01	Account # swapping
10/11/11	Gexa Energy	Rochester (City of)	8001809-01 8001809-02	Customer's signature date was changed.
10/11/11	World Energy	GSA IBCP PO	8000061-01	Changed customer signature effective date and account number swapped
09/29/11	Gexa Energy	Field & Foster	8000644-01	Customer's signature date was removed from a May 2011 form used.
10/18/11	Gexa Energy	Rockingham County	8000783-01	Customer section was copied and pasted from an outdated form denied 10/06/11.
10/19/11	Constellation	Nute Middle/High School	8005226-01	Customer section was copied and pasted from a form previously processed 06/06/11. The customer's signature effective date was changed from 05/20/11 to 10/20/11.
11/09/11	Integrus Energy	Freemont School District	8004872-01	Heidi Carlson signed the EPO form and was not authorized to sign the form.
12/21/11	Integrus Energy	Derry School District	8000361-01	Account # swapping
01/11/12	Hess Corporation	Life is Good	8004925-02	Service option was changed from a 1 month to a 1 year auto renew subscription.
01/30/12	Constellation	Bowl New England	8000394-03	Service option was changed from a 1 month to a 1 year auto renew subscription. Customer signature date was changed from 10/05/11 to 11/11/11.
02/08/12	World Energy	Axsys Technologies	8005039-01	Appears customer's signature was copied from a prior denied EPO request form and pasted to a new EPO form.
02/22/12	Ecova	Delta Energy	8001624-04	Appears customer's signature was copied from a prior denied EPO request form and pasted to a new EPO form.
02/27/12	Hess Corporation	Windham School District	8004532-04	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Windham School District	8004532-01	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Milford School District	8000328-02	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Milford School District	8000328-03	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Milford School District	8000328-04	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Merrimack Waste Treatment	8000245-01	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Merrimack Waste Treatment	8000245-02	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Wilton-Lynde Cooperative	8000349-01	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Hollis Upper Elementary	8001833-03	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Hollis-Brookline Coop	8004035-01	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/27/12	Hess Corporation	Hollis-Brookline Coop	8004053-02	Service option was changed from a 1 month to a 1 year auto renew subscription.
03/06/12	Integrus Energy	Worthern Industries	8000303-02	Account # swapping
03/15/12	Integrus Energy	Darden Restaurants	8004646-02	Account # swapping
03/28/12	Enernoc Inc.	Stop & Shop	8002486-08	Account # swapping
03/28/12	Hess Corporation	Bedford School District	8000099-01 8004316-01 8004316-02	Service option was changed from a 1 month to a 1 year auto renew subscription.
04/16/12	Hess Corporation	Arbors of Bedford	8005059-01	Customer section was copied and pasted from an outdated form previously received.
04/24/12	Hess Corporation	Arbors of Bedford	8005059-01	Service option was changed from a 1 month to a 1 year auto renew subscription.

Date	Requester	Customer	Account Number	Issue
04/30/12	Constellation	Albany Engineered	8005126-01 8005126-02 8005126-03	Service option was changed from a 1 month to a 1 year auto renew subscription.
05/02/12	World Energy	Pike Industries	56-256965096	Account # swapping
05/09/12	Hess Corporation	Latva machine	8002048-01 8002048-02	Service option was changed from a 1 month to a 1 year auto renew subscription.
05/09/12	Constellation	Bowl New England	8000394-03	Service option was changed from a 1 month to a 1 year auto renew subscription.
05/14/12	Gexa Energy	NH Veterans' Home NH Dept of Env Services	8000580-02 8000580-03 8000580-04 8000559-02	Account # swapping
05/15/12	Constellation	Laconia Savings Bank	8000543-01 8000543-03	Service option was changed from a 1 month to a 1 year auto renew subscription.
05/16/12	Hess Corporation	State of NH	8000580-02 8000580-03 8000580-04 8004364-01 8000545-01 8000559-02	Account # swapping
06/22/12	PNE Energy	Catholic Medical Center	8000849-01	Customer section was copied and pasted from an outdated form previously received.
06/26/12	Constellation	Genesis Healthcare	8005422-01	Account # swapping
07/09/12	Constellation	Genesis Healthcare	8005422-01	Account # swapping
07/11/12	Constellation	Filtrine	8000395-02	Customer did not sign EPO form
07/31/12	Constellation	Jewell Instruments	8000079-01	Account # swapping
07/31/12	Gexa Energy	Jewell Instruments	8000079-01	Account # swapping
08/02/12	Gexa Energy	Jewell Instruments	8000079-01	Account # swapping and date changing
08/27/12	Integrus Energy	Rapid Finishing	8004469-01	Service option was changed from a 1 month to a 1 year auto renew subscription.
08/29/12	Gexa Energy	Berlin Foodliner	8000822-01	Customer stated in an e-mail that he did not sign the EPO form
10/10/12	Hess Corporation	Markem-Imaje	8000873-04 8000873-05	Customer section was copied and pasted from an outdated form previously received and service option was changed from a 1 month to a 1 year auto renew subscription.
11/06/12	Integrus Energy	J B W Services	8005022-01	Service option was changed from a 1 month to a 1 year auto renew subscription.
11/19/12	Gexa Energy	NH Speedway	8001663-01	Customer stated in an e-mail that she did not sign the EPO form (05/04/12 and 10/30/12)
11/21/12	Constellation	H H P Inc	8000469-07	Service option was changed from a 1 month to a 1 year auto renew subscription.
11/27/12	Constellation	Keller Products	8000830-01	Customer's signature date was changed.
11/29/12	Gexa Energy	NH Speedway	8001663-01	Received the same form that was used sent 11/19/12
12/13/12	Noble Americas	Corning Netoptics	8002182-01	Customer's signature date was changed.
01/03/13	Hess Corporation	Blue Cross/Blue Sheild	8001919-02	Service option was changed from a 1 month to a 1 year auto renew subscription.
02/01/13	World Energy	G-P Gypsum	8002247-01	Customer's signature date was changed.
02/06/13	World Energy	G-P Gypsum	8002247-01	Customer's signature date was changed.
02/14/13	Constellation	Peoples Laundry	8002447-03 8002447-04	Customer's signature date was changed on the LOA.

PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests

Date of Request: July 27, 2012 **Date of Response:** August 10, 2012

Q-PSNH 1-69. On page 16, lines 2-3, RESA states that “suppliers should be permitted to use language in their contracts with their customers as authorization to secure historical monthly usage data.”

- a. Does RESA propose that the EDCs will have access to each of their contracts in order to verify that customers have indeed authorized access to that customer’s information?
- b. Does RESA propose that EDCs will be compensated for reviewing contracts on an individual basis to ensure that customer authorization has indeed been provided?
- c. If the answer to part a. is negative, what entity does RESA propose should have access to those contracts?
- d. If RESA is proposing that the Commission or its Staff have access, will such added responsibility increase the Commission’s administrative costs? If so, who should pay for such cost increase?

Witness: **RESA witnesses Allegretti, Kallaher, and Hanks**

Response: **(a) RESA would propose that the EDC have access to a sufficient number of contracts to verify that a supplier has authorization to access customers’ data.**
(b) No.
(c) Please see response to subsection (a).
(d) Not applicable.

PUC Docket No. DE 12-097
RESA Responses to
First Round of PSNH Data Requests

Date of Request: July 27, 2012 **Date of Response:** **REVISED** - August 24, 2012

Q-PSNH 1-59. On page 14, lines 2-5, regarding its proposed customer referral program, RESA's testimony states, "the EDCs would be also be required to offer residential and small commercial customers the option to learn about their electricity supply options when they contact the company for certain other purposes, namely (a) to make an inquiry regarding their rates or the amount of their bill; or (b) to seek information regarding energy efficiency or other value-added services."

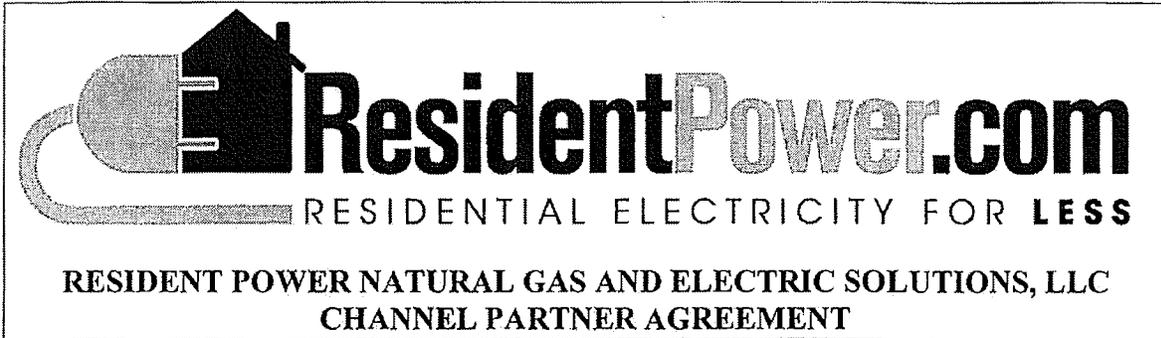
- a. Would the proposed marketing services provided by a utility's customer service representatives increase the duration of calls?
- b. Would the proposed marketing services require an increase in the number of customer service representatives employed by a utility in order to keep the average wait-time to answer at the same levels provided prior to implementation of those marketing services?
- c. How do RESA-member competitive suppliers inform customers about their electricity supply options today?
- d. Do RESA-member competitive suppliers pay for marketing and/or advertising services today?
- e. If any such marketing and/or advertising costs are incurred by RESA members today, do those costs include a profit margin to the entities supplying those services?
- f. Does RESA propose that the state's EDCs can charge competitive suppliers for providing the proposed marketing services?
- g. Does RESA propose that any charges imposed by the state's EDCs for such marketing services may include a profit margin?
- h. In what states, if any, do such customer referral programs exist?
- i. In any states identified in response to subpart h, do the utilities charge competitive suppliers for this service, and, if so, do such charges include a profit margin?

Witness: **RESA witnesses Allegretti, Kallaher, and Hanks**

Response: **Objection. RESA objects to the request on the basis that it is seeking information which is not in the possession, custody or control of RESA, and it would be imprudent for RESA to gather the requested information from its member companies because it is protected from disclosure among members by law and/or agreement respecting anti-trust principles, that calls for speculation, and that the information can be obtained from a publicly available source.**

Notwithstanding and without waiving RESA's objections, RESA answers as follows:

- (a) Possibly.
- (b) Possibly.
- (c) RESA cannot answer this question in that it seeks information which is not in the possession, custody or control of RESA, which does not keep or record the information requested for its individual member companies. Moreover, it would be imprudent for RESA to gather the requested information from its member companies because it is highly confidential, proprietary and protected from disclosure among members by law and/or agreement respecting antitrust principles, confidentiality and/or non-disclosure.
- (d) Please see response to subsection (c)
- (e) Please see response to subsection (c)
- (f) To the extent such proposed services can be provided at little or no incremental cost to the EDC, RESA recommends that they be provided as part of the EDC's general and administrative expense, recovered on a regulated cost of service basis. To the extent that the program requires significant incremental expenditures then RESA would support implementing some form of user fee to recover the expense from participating suppliers.
- (g) Please see response to subsection (f). To the extent that the program costs are included in the general operating expense of the EDC then they should be subject to the same rate of return treatment as other operating expenses. To the extent the program costs are recovered through user fees on participating suppliers, RESA recommends that such fees not include a profit margin for the EDC.
- (h) Please see response to Staff 1-10.
- (i) Please see response to Staff 1-10.



This Channel Partner Agreement (“Agreement”) is made and entered into as of _____, 2011 (“Effective Date”) between Resident Power Natural Gas and Electric Solutions, (“RPN GES”) and City of Franklin, NH (“Agent”) an individual/independent energy consultant/broker/company (please circle applicable). This agreement is intended to be a mutually beneficial channel partner agreement, in which Agent will be responsible for solicitation and execution of signed customer contracts and RPN GES will provide the electricity supply via third party supplier (“Supplier”) and back office support. The proceeds of these transactions will be shared in accordance with the breakdown provided below.

BACKGROUND

Whereas RPN GES is a leading broker of electricity supply and related services (“Service”) for residential and small commercial customers (“Customers”) throughout New England and through this Agreement enlists the efforts of the Agent to market RPN GES’ products to Customers.

The parties intend that an independent contractor relationship be created by this contract. Agent is not to be considered an actual “agent” or “employee” for purposes of liability, taxation or authority to act on behalf of RPN GES, or any of its related companies or partners, for any purpose. Agent further agrees to be responsible for all of Agent’s federal and state taxes, social security, and other liabilities and benefits.

DUTIES

This agreement does not obligate either party to deal exclusively with the other, unless otherwise agreed, or Agent is operating under umbrella of the electric broker license approved for RPN GES

RPN GES has no duty or obligation to Agent other than providing Agent with negotiated commission on each customer Agent successfully signs or generates, provided that RPN GES successfully places customer with a supplier.

RPN GES will provide Agent with commissions due in the month following receipt of customer payment from Supplier. Agent acknowledges that RPN GES is under no duty to pay Agent, until first paid by customer. In the event of non payment by customer, RPN GES will make use of all available collection options as well as any available remedies at law, unless rights superseded by supplier. In the event of successful, but incomplete collection/payment, RPN GES is excused from paying Agent commission. RPN GES is entitled to recoup full margins on partial paying or non paying customers before Agent is entitled to commission payment relating to such.

Agent shall conform with the laws and regulations of their State(s) of practice regarding the solicitation of retail electricity customers. Agent shall not sign up ANY Customer with RPN GES without proof of Customer permission. “Slamming” is expressly prohibited by RPN GES, and should Agent be found engaging in “Slamming”/enrolling customers against their wishes, Agent shall forfeit 100% of their

commissions, including those already paid, and be personally liable for any penalties, suits, fines or charges stemming from any court, government or regulatory body in connection therewith.

CONSIDERATION

Unless otherwise Agreed, in writing and executed by both parties, Agent's commission will be based on a percentage of RPNGES' negotiated margin from Supplier. That percentage shall be equal to 10 %.

Unless otherwise Agreed in writing and executed by both parties, the commission payments are intended to be made on a reoccurring, monthly basis for the duration of the customer contract with RPNGES, not to exceed thirty-six (36) months.¹

CONFIDENTIALITY

It is understood that in the performance of the duties and obligations agreed to in this contract, that Agent may obtain information about RPNGES, its related companies and partners, and RPNGES clients and potential clients; such information may include financial data, methods of operation, policy statements, marketing strategies and other confidential and/or proprietary information. Agent agrees to restrict the use of such information to the performance of services described in this contract. Agent agrees to demonstrate care and sensitivity in any communications that make mention of such information, recognizing at all times the highly competitive nature of the energy marketing business. Agent further agrees to return to RPNGES upon completion of relationship under this agreement, any and all documents (originals and copies) obtained from RPNGES to facilitate services described above.

APPLICABLE LAW

The parties agree that this contract is to be construed as a New Hampshire contract. As such, any disputes arising out this transaction will be decided under the laws and jurisdiction of that state.

ASSIGNABILITY

Agent may not, under any circumstances assign the rights, duties and/or obligations under this Agreement, without the express written consent of RPNGES. Any attempt to assign such rights, without consent, will result in a forfeiture of any and all obligations RPNGES has to the assignor and subsequently the assignee. RPNGES may assign their rights, duties and/or obligations under this Agreement at any time.

TERMINATION

This Agreement may be terminated by either party, for any reason and at any time, by providing to the other party ninety (90) days' prior written notice of its election to terminate this Agreement: *provided* that (a) this agreement shall automatically terminate if a party becomes insolvent, has bankruptcy proceeding against it, or ceases to conduct business in the ordinary sense; and (b) either party may terminate this Agreement immediately by written notice to the other party if (i) the other party or any of its officers or key personnel is arrested for a felony; (iii) the other party submits false information; (iv) the other party breaches this Agreement; or (v) management or ownership of the other party materially changes (excluding, however, any ownership changes resulting from publically-traded securities).

In the event that RPNGES is sold, any and all rights and/or responsibilities of RPNGES or purchasers towards Agent shall be void. RPNGES shall make best efforts to give Agent (30) thirty days notice prior to effect of sale.

¹ Please note, due to market conditions beyond the control of RPNGES, some customers may temporarily be moved back to the utility company in between negotiated competitive supplier agreements. In such cases, Agent will receive no commissions for impacted customers, until such time as they are re-enrolled with a supplier other than the utility company. Unless otherwise agreed, in writing and executed by both parties, should Agent produce less than fifty (50) RPNGES enrollments within six (6) months of the effective date of this Agreement, Agent's commissions shall be discontinued after twelve (12) months.

MISCELLANEOUS PROVISIONS

If any provision or portion of this Agreement is determined to be illegal or unenforceable by a court or any regulatory agency with competent jurisdiction, the remainder of this Agreement shall remain in full force and effect and shall not be rendered illegal, unenforceable or otherwise affected by such disposition; *provided, however*, that if the invalidity, illegality or inability to enforce any such provision results in a material alteration of the terms of this Agreement, the remaining provisions of this Agreement shall be adjusted equitably so that no party benefits disproportionately. Either party's failure to insist upon strict performance of any provision herein shall not constitute a waiver of, or estoppel against asserting, the right to require such performance in the future.

Dated: / /

<p>Name:</p> <p>Resident Power Natural Gas and Electric Solutions, LLC</p> <p>Title:</p> <p>Signature: _____</p>	<p>Name:</p> <p>Title:</p> <p>Signature: _____</p>
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Elizabeth Dragon

From: Frank Dumont [frank.dumont@felpower.com]
Sent: Friday, October 26, 2012 4:18 PM
To: Elizabeth Dragon
Subject: RE: Funding
Attachments: RP Channel Partner Agreement 11-9-11 FRANKLIN NH.doc

This is great news Elizabeth! Auburn, Bedford and other towns have benefited greatly in this program. The Town of Hampstead, NH should also be on board next week. Please find attached the typical agreement we use. In short, 10% of our "profits" will be provided to the town for each enrollment. This amounts to about \$1 to \$2.50 per household each month. Home owners typically do not use as many kWh's as a business although, small businesses can enroll and benefit as well. According to NH.gov website, the City of Franklin has over 3,600 households (besides businesses that can enroll as well). If the town participates, that is a monthly funding of \$3,600.00 +/- (based on home owners participation). Even if we see a low participation rate of 1,000 home owners, this is still not a bad monthly funding program! And each home owner will benefit from lower electricity supply rates and could help curtail tax increase to a small degree. If the energy markets allow, we could even see that number double in funding and save the community money on their utility bills! A win win.

Next step is to return the agreement and we will get the city up on the Resident Power website under "municipalities". Also, we have a IFrame snippet available for the towns website. If the IFrame is used, the enrollment form will be set up right on your website for easy enrollment. The nice feature is that the enrollment form will not have any drop down menu with other towns or rep's. Please advise as to any questions and then I will provide all the needed info (FAQ's, enrollment form - PDF, IFrame etc). Thank you!

Respectfully,

Frank Dumont
 Freedom Energy Logistics, LLC
 816 Elm Street, Suite 364
 Manchester, NH 03101
 B: 1.603.625.2244
H/O: 1.603.513.1988
 F: 1.866.745.9114
www.Felpower.com

From: Elizabeth Dragon [citymgr@franklinnh.org]
Sent: Friday, October 26, 2012 3:51 PM
To: Frank Dumont
Subject: RE: Funding

Hi Frank,
 I remember you contacting me before
 Yes I would like to do that.
 Elizabeth

From: Frank Dumont [mailto:frank.dumont@felpower.com]
Sent: Friday, October 26, 2012 3:48 PM
To: Elizabeth Dragon
Subject: Funding

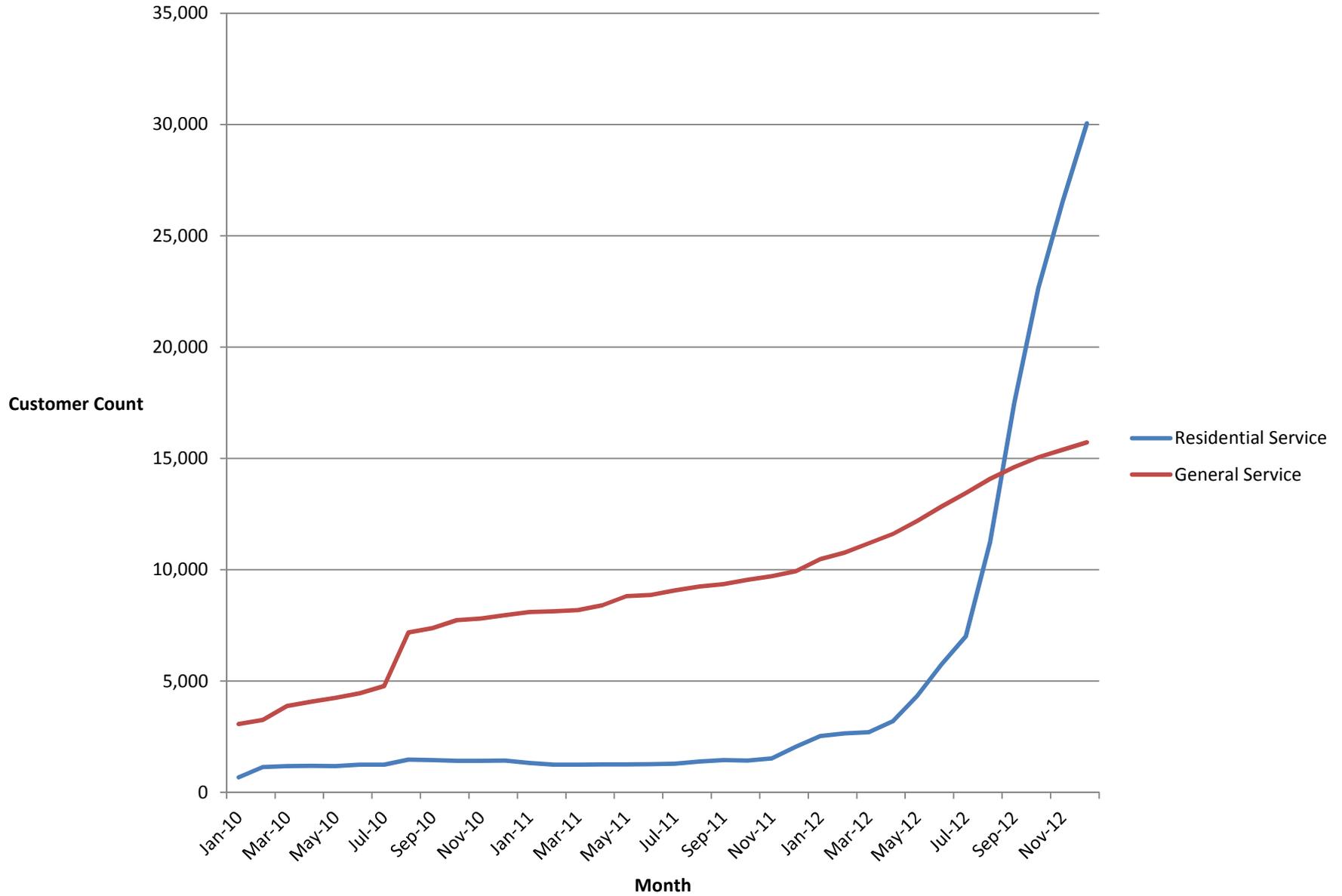
Elizabeth,

Our company has been working with the City of Franklin for electricity supply and natural gas options if I am correct. I work with Resident Power (sister company) on programs that towns in NH can take advantage of to create funding for the town. We would like to see if Franklin would like to consider a "funding" option for each kWh on the residential side?

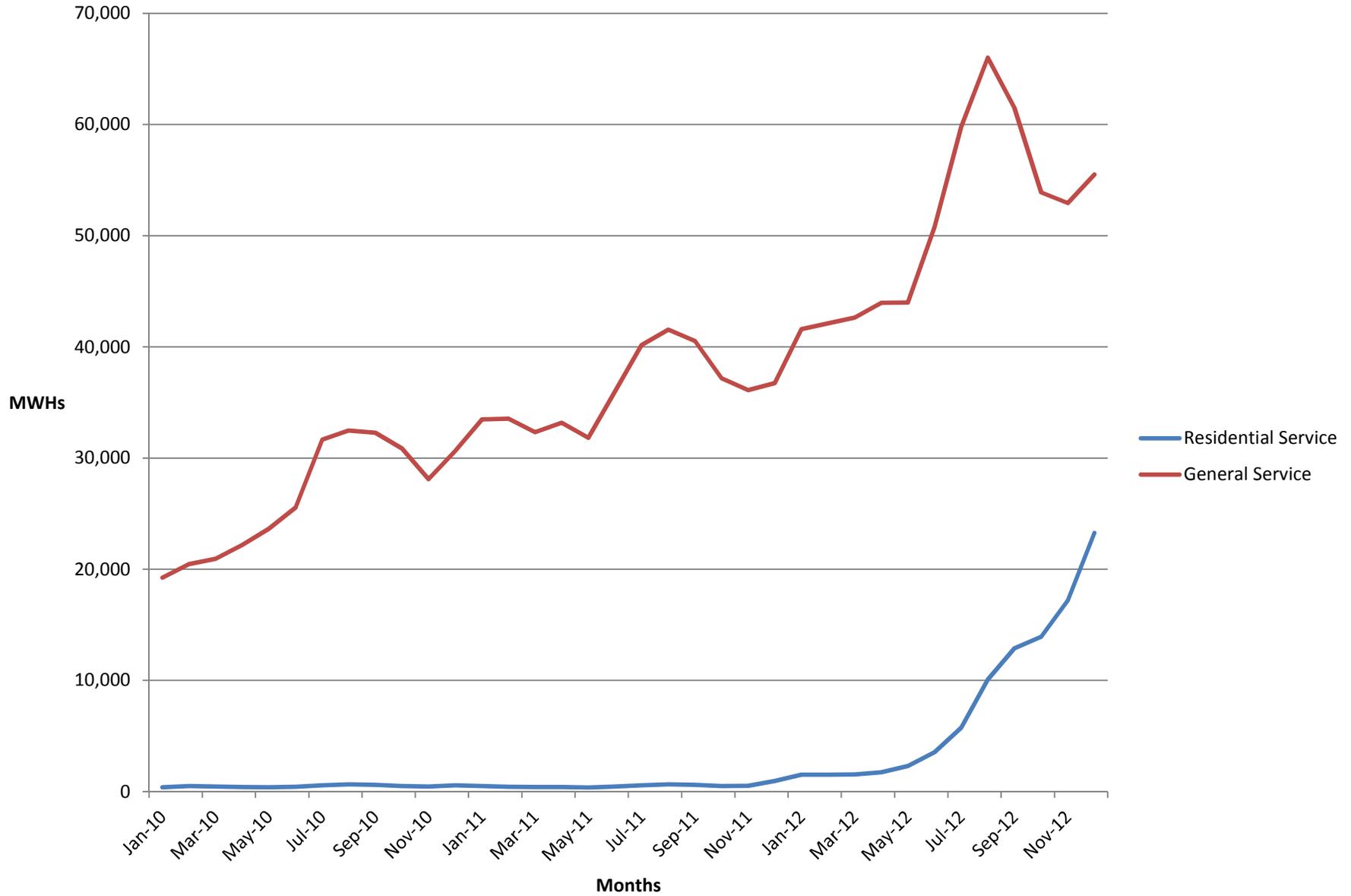
Respectfully,

Frank Dumont
Freedom Energy Logistics, LLC
816 Elm Street, Suite 364
Manchester, NH 03101
B: 1.603.625.2244
H/O: 1.603.513.1988
F: 1.866.745.9114
www.Felpower.com

Customer Migration - Customer Count



Customer Migration - Megawatt Hours



PSNH competitor out of business

By ANNMARIE TIMMINS Monitor staff

Wednesday, February 20, 2013

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One of the first companies to offer homeowners a cheaper alternative to Public Service of New Hampshire is out of business and 8,500 of its customers are headed back to PSNH, at least temporarily.

The switch won't leave customers without power, but it means they will have to act quickly if they want control over who keeps their lights on. Unclear yesterday was whether the sudden change was voluntary.

Power New England, based in Manchester, told customers in mid-February that it was transferring its business to FairPoint Energy of Connecticut, according to its website. The company did not explain the change in the notice, but filings with the state Public Utilities Commission indicate the two companies had "entered a purchase and sales agreement" earlier this month.

But a spokesman for PSNH said yesterday that Power New England has been "suspended" from the energy market. Martin Murray said he did not know the reason for the suspension but that the PUC has ordered PSNH to resume service to the 8,500 customers until it can move them to FairPoint.

Power New England customers can choose a different supplier, but they must do it before their meters are read next, Murray said. Otherwise, they will become FairPoint customers.

"We do not agree that it 'should' happen," Murray said. "We believe (Power New England customers) should be treated like any other . . . customer and have the opportunity to solicit, or be solicited, by another energy provider."

Gus Fromuth, who is part owner of Power New England, said yesterday he could not comment on the company's closure. A message left with FairPoint was not returned yesterday.

ISO-New England, which regulates the regional energy grid, said it could not comment on a specific company. But spokeswoman Marcia Blomberg suggested that Power New England had run into financial problems.

“In general, all market participants who are active in the wholesale electricity markets in New England must maintain a minimum amount of collateral and comply with other financial assurance and billing requirements to participate in the markets,” said Blomberg in an email.

Business customers have left PSNH for alternative power providers in large numbers, but residential customers have only begun migrating to other companies for a little over a year. Murray said Power New England was one of the first companies to offer residential customers a choice.

Murray said yesterday that for years the alternative providers offered customers a lower price thanks to natural gas. That’s changed, he said, since the supply of natural gas hasn’t kept up with demand, and prices have spiked.

North American Power, based in Connecticut, has also entered the New Hampshire energy market and currently has 17,000 customers. Taff Tschamler, senior vice president for business development, said Power New England’s departure from the energy market should not give customers pause about the reliability of PSNH competitors.

“The fact is the market systems are working the way they were intended,” he said through a spokeswoman. “No one’s lights went out and the process is working. We look forward to working with PSNH and the PUC to advance the market and help more and more customers choose lower prices in the weeks and years to come.”

Fromuth is also part owner of Residential Power, which aggregates customers interested in an alternative energy provider. He was using Power New England to provide that power.

“I think the competitive market choice is robust,” he said. “Nobody in the market is going to suffer any injury as a result of what happened to (Power New England.) I think it’s a little early to be burying the alternative retail market.”

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ISO New England pulls plug on PSNH competitor

Electricity provider Resident Power's energy supplier has been suspended and most of its 8,700 residential and small business customers were switched to Public Service of New Hampshire by midnight Wednesday - at least for now - following a ruling by ISO New England.

However, unless those customers choose to stay with PSNH or pick another provider, they will wind up with electricity service provided by FairPoint Energy - a subsidiary of FairPoint Communications - at the end of the next billing cycle. That's because on Feb. 6 FairPoint acquired those Resident Power customers. The terms were not disclosed.

ISO-New England - which regulates the electric grid for the region - suspended PNE Energy Supply LLC (also known as Power New England) on Valentine's Day - according to a filing PSNH made Tuesday concerning another matter in front of the state Public Utilities Commission. But ISO-NE, which delivered the news via email to the state's utility, would not confirm the suspension to NHBR or give a specific reason why it took the action.

"ISO doesn't comment on specific market participants," said Marcia Blomberg, the spokesperson for the Holyoke, Mass.-based regional transmission organization. "In general, all market participants who are active in the wholesale electricity markets in New England must maintain a minimum amount of collateral and comply with other financial assurance and billing requirements to participate in the markets."

"It was a financially related suspension," said August "Gus" Fromuth, managing director of Resident Power and PNE, related companies that are both based in Manchester.

Although the exact reasons for the suspension were valid, he said, he would not disclose them. "The company will do what is necessary to restore its status with ISO, so its suspension will be lifted in the near future."

But even if it does, the deal with FairPoint would prevent them from pursuing those customers for two years.

Despite the regulatory and technical complications that will result from customers having three power suppliers in a matter of weeks, Fromuth said the switch would be a "seamless transfer." He added: "This may be the first event of its kind. We are all pulling together for the customer."

About 1,000 of those customers had already been switched to FairPoint, but the suspension changed that. The remaining 7,700 customers will be switched to PSNH as their default customer, at least until the next billing cycle - thanks to a PUC ruling that PSNH disagrees with - when Resident Power will switch them FairPoint.

PSNH thinks that default customers should mean just that, said spokesperson Martin Murray. That is what a public utility is there for.

"Our role is that they can always get their service from us. They have that insurance of getting energy from PSNH," he said.

FairPoint - which took over Verizon's telecommunications in northern New England in 2007 and fell into and climbed out of bankruptcy -- entered the energy business last summer. It now sells energy supplied by Crius Energy, a Connecticut company, which sells its power through four other brands as well. FairPoint and Crius didn't comment on the transfer by NHBR deadline.

While Resident Power is now leaving its book of business to FairPoint and ENH - at least for now - Resident Power has no regrets that it got into it that market in the first place, said Fromuth.

"We helped jump-start the market for residential choice," he said. "Even though I'm the one with arrows in my back, we helped create something that has taken off like wildfire." - BOB SANDERS/NEW HAMPSHIRE BUSINESS REVIEW

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