



DM 12-315

UNION ATLANTIC ELECTRICITY

October 22, 2012

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



RE: CEPS Initial Registration Application for Union Atlantic Electricity

Dear Ms. Howland:

Pursuant to New Hampshire Code of Administrative Rules, Part Puc 2003.01 and Part Puc 2006.01, Union Atlantic Electricity is submitting this application for registration as Competitive Electric Power Supplier (CEPS) to being retail electricity supply to all residential, small, medium and large customers in New Hampshire.

Union Atlantic Electricity is co-owned by myself and Samuel Spencer, with each of us owning 50%. The company is a member of NEPOOL, has an ISO lead account, and is licensed by the Maine Public Utilities Commission to serve residential and small, medium and large commercial customers in Maine.

Enclosed for filing is an original and two copies of the application, an electronic copy in PDF format on CD, a motion for partial waiver of certain financial requirements, and a check for \$500 for the registration fee.

Union Atlantic Electricity respectfully requests that the Commission set its financial security requirements at \$15,000 during its first year of operation.

Sincerely,

Clifford Ginn
President

Enc.

DISTRIBUTED

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

Union Atlantic Electricity d/b/a Union Atlantic Electricity Co.

Docket No. _____

MOTION FOR PARTIAL WAIVER APPLICATION OF RULE PUC 2003.03

NOW COMES Union Atlantic Electricity d/b/a Union Atlantic Electricity Co. ("UAE"), and hereby moves that the Commission to waive in part the application of Rule Puc 2003.03, and in support thereof states the following.

1. Pursuant to New Hampshire Code of Administrative Rules, Part Puc 2003.01 and Part Puc 2006.01, UAE has submitted its application for registration as Competitive Electric Power Supplier (CEPS) to bring retail electricity supply to all residential, small, medium and large customers in New Hampshire.
2. UAE respectfully requests partial waiver of the financial security requirements under New Hampshire Code of Administrative Rules, Part Puc 2003.03, that the Commission set the company's initial financial security requirements at \$15,000 during its first year of operation.
3. Union Atlantic Electricity is a start-up competitive electricity provider that plans primarily to provide power to residential and small non-residential customers in New England.
4. The company will not require bond insurance or deposits from customers, and will be using consolidated billing services from New Hampshire transmission and distribution utilities. It is instituting a conservative risk management policy to limit volatility in its supply costs.
5. UAE has neither revenues nor customers at the moment. The company would do well to reach \$250,000 in gross revenue in its first year, with net revenues on the order of \$100,000.
6. UAE will be required to meet financial assurance requirements for its wholesale transactions within the ISO-NE wholesale markets. Union Atlantic is implementing a conservative risk management policy, further insulating customers from risk.
7. Union Atlantic Electricity understands that its financial security requirement will be adjusted as appropriate, in light of customer and revenue growth.

8. It is in the public interest for the Commission to foster competition, and an initial financial security requirement of \$100,000 constitutes a significant barrier to entry for start-up companies that could otherwise bring competition to the market and drive rates down for consumers.
9. UAE submits that the Commission can achieve the purposes of the financial security requirement by ramping it up in tandem with sales growth, in much the same way that ISO-NE does with financial assurance for wholesale market transactions.

WHEREFORE, Union Atlantic Electricity d/b/a Union Atlantic Electricity Co. respectfully requests that the Commission issue a ruling declaring the following:

1. That Union Atlantic Electricity's initial financial security requirement shall be \$15,000; and
2. That Union Atlantic Electricity's financial security requirements shall increase in amounts and on a schedule to be determined by the Commission.

Dated: October 22, 2012

Respectfully submitted,
Union Atlantic Electricity d/b/a
Union Atlantic Electricity Co.



Clifford Ginn, President
Union Atlantic Electricity
220 Maine Mall Road
South Portland, ME 04106

PART Puc 2003 REGISTRATION AND NOTICE OF INTENT REQUIREMENTS

Puc 2003.01 Initial Registration of Competitive Electric Power Suppliers

(c) Registration Application

See 2006.01(a)(1)-(22) CEPS Registration Form later in this document.

(d)(1) Electronic Data Interchange:

Union Atlantic Electricity has completed and filed Trading Partner Agreements and Supplier Service Agreements with the state's utilities. Liaison Technologies is Union Atlantic Electricity's contractor for Electronic Messaging Services. Liaison will schedule testing for EDI transactions with all New Hampshire utilities in December 2012.

Relevant documents will be submitted upon completion of EDI testing, and will be labeled Exhibit A.

(d)(2) Evidence that the CEPS is able to obtain supply in the New England energy market.

See Exhibit B – Union Atlantic Electricity Membership Approval. Union Atlantic Electricity's membership ID # is 89273

(d)(3) \$500 registration fee

The fee is enclosed.

(d)(4) Evidence of financial security

Union Atlantic Electricity will provide security in an amount and type acceptable to the PUC prior to licensing. Union Atlantic Electricity respectfully requests that the Commission set the company's initial financial security requirements at \$15,000 during its first year of operation. Union Atlantic Electricity is a start-up competitive electricity provider that plans primarily to provide power to residential and small non-residential customers in New England. The company will not require bond insurance or deposits from customers, and will be using consolidated billing services from New Hampshire transmission and distribution utilities.

The company has neither revenues nor customers at the moment. The company would do well to reach \$250,000 in gross revenue in its first year, with net revenues on the order of \$100,000. It will be required to meet financial assurance requirements for its wholesale transactions within the ISO-NE wholesale markets.

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Union Atlantic Electricity understands that its financial security requirement will be adjusted as appropriate, in light of customer and revenue growth.

Puc 2006.01 Form for Initial and Renewal Registration of Competitive Electric Power Suppliers

The legal name of the applicant as well as any trade name(s) under which it intends to operate in this state, and, if available, its website address;

Legal Name: Union Atlantic Electricity (NH Certificate of Authority will reflect the name "Union Atlantic Electricity Co.").

Trade Names: Union Atlantic Electricity; Union Atlantic; UA Electricity; UAE; Union Atlantic NH; Union Atlantic New Hampshire; Union Atlantic Electricity NH; Union Atlantic Electricity New Hampshire; UAE NH; UAE New Hampshire

Website: www.unionatlanticelectricity.com

The applicant's place of incorporation, if anything other than an individual:

Maine

The name(s), title(s), business address(es), telephone number(s), and email address(es) of the applicant if an individual, or of the applicant's principal(s) if the applicant is anything other than an individual;

Clifford Ginn – President
220 Maine Mall Road
South Portland, ME 04106
(207) 761-1844
clifford.ginn@unionatlanticelectricity.com

Samuel Spencer – Chief Executive Officer
220 Maine Mall Road
South Portland, ME 04106
(207) 761-1844
sam.spencer@unionatlanticelectricity.com

The following regarding any affiliate and/or subsidiary of the applicant that is conducting business in New Hampshire:

a. **The name, business address and telephone number of the entity;**

N/A

b. **A description of the business purpose of the entity; and**

N/A

c. **A description of any agreements with any affiliated New Hampshire utility;**

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N/A

The telephone number of the applicant's service department or the name, title, telephone number and e-mail address of the customer service contact person of the applicant, including toll free telephone numbers if available;

Customer Service Phone: (207) 761-1844

Customer Service Email: customerservice@unionatlanticelectricity.com

The name, title, business address, telephone number, and e-mail address of the individual responsible for responding to commission inquiries;

Clifford Ginn – President
220 Maine Mall Road
South Portland, ME 04106
(207) 761-1844
clifford.ginn@unionatlanticelectricity.com

The name, title, business address, telephone number, and e-mail address of the individual who is the applicant's registered agent in New Hampshire for service of process:

Clifford Ginn – President
220 Maine Mall Road
South Portland, ME 04106
(207) 761-1844
clifford.ginn@unionatlanticelectricity.com

A copy of the applicant's authorization to do business in New Hampshire from the New Hampshire secretary of state, if anything other than an individual;

Union Atlantic has filed its application and will supply the Commission with a copy of its authorization as soon as it is available.

A listing of the utility franchise areas in which the applicant intends to operate. To the extent an applicant does not intend to provide service in the entire franchise area of a utility, this list shall delineate the cities and towns where the applicant intends to provide service;

-
- Public Service Co. of New Hampshire
- Unitil Energy Systems, Inc.
- New Hampshire Electric Cooperative
- Granite State Electric Co. (d/b/a Liberty Utilities)

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A description of the types of customers the applicant intends to serve, and the customer classes as identified in the applicable utility's tariff within which those customers are served;

Union Atlantic Electricity intends to serve all residential, small , medium, large and lighting customers, including industry-specific classes (such as the ski industry).

- Public Service Co. of New Hampshire
 - R, R-OTOD, EAP, G, G-OTOD, LCS, GV, LG, B, SR, OL, EOL, VIP, SKI
- Unitil Energy Systems, Inc.
 - D, G,-1, G-2, OL
- New Hampshire Electric Cooperative
 - B, B2, B3, B3H, BH, BC, BC2, BC3, BC3H, BCH, BW, BW2, BWC, BWC2, IND, INDC, LB, LB2, LB3, LBC3, LBH, LBI3, MLM, MLS, OPB, OPB2, OPB3, OPBH, P, P5, PC, PC5, PSKI, SKI, TDN, TDN2, TDF, TDF2, TDN3, TDF3, TOU, TOUCPP
- Granite State Electric Co. (d/b/a Liberty Utilities)
 - D, D-10, G-1, G-2, G-3, M, T, U, V

A listing of the states where the applicant currently conducts business relating to the sale of electricity;

Union Atlantic Electricity currently conducts business relating to the sale of electricity in Maine, where it is licensed by the Maine PUC as a competitive electricity provider. Union Atlantic Electricity has market based rate authority in the ISO-NE territory, is a member of NEPOOL, and is establishing an ISO load account.

A listing disclosing the number and type of customer complaints concerning the applicant or its principals, if any, filed with a state licensing/registration agency, attorney general's office or other governmental consumer protection agency for the most recent calendar year in every state in which the applicant has conducted business relating to the sale of electricity;

No customer complaint with respect to Union Atlantic Electricity or its principals has ever been made or filed.

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A statement as to whether the applicant or any of the applicant's principals, as listed in a. through c. below, have ever been convicted of any felony that has not been annulled by a court:

- a. For partnerships, any of the general partners;**
- b. For corporations, any of the officers, directors or controlling stockholders; or**

Neither Union Atlantic Electricity nor any of its officers (Clifford Ginn and Samuel Spencer), directors (Clifford Ginn and Samuel Spencer), or controlling stockholders (Clifford Ginn and Samuel Spencer), have ever been convicted of a felony that has not been annulled by a court.

- c. For limited liability companies, any of the managers or members;**

A statement as to whether the applicant or any of the applicant's principals:

- a. Has, within the 10 years immediately prior to registration, had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation;**
- b. Has, within the 10 years immediately prior to registration, settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or**
- c. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;**

Neither Union Atlantic Electricity nor its principals Clifford Ginn and Samuel Spencer, (a) have within the 10 years immediately prior to registration, had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation; (b) have within the 10 years immediately prior to registration, settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or are currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation.

If an affirmative answer is given to any item in (14) or (15) above, an explanation of the event;

N/A

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For those applicants intending to telemarket, a statement that the applicant shall:

- a. Maintain a list of consumers who request being placed on the applicant's do-not-call list for the purposes of telemarketing;**
- b. Obtain monthly updated do-not-call lists from the National Do Not Call Registry; and**
- c. Not initiate calls to New Hampshire customers who have either requested being placed on the applicant's do-not-call list(s) or customers who are listed on the National Do Not Call Registry;**

Union Atlantic Electricity intends to telemarket in the State of New Hampshire. The company will: maintain a list of consumers who request being placed on the applicant's do-not-call list for the purposes of telemarketing; obtain monthly updated do-not-call lists from the National Do Not Call Registry; and not initiate calls to New Hampshire customers who have either requested being placed on the applicant's do-not-call list(s) or customers who are listed on the National Do Not Call Registry.

For those applicants that intend not to telemarket, a statement to that effect;

N/A

A sample of the bill form(s) the applicant intends to use or a statement that the applicant intends to use the utility's billing service;

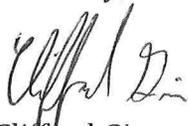
Union Atlantic Electricity intends to use the utilities' consolidated billing services.

A copy of each contract to be used for residential and small commercial customers;

Union Atlantic Electricity will submit copies as they become available.

By submitting this CEPS application for registration, I certify that I have the authority to file the application on behalf of Union Atlantic Electricity and that all contents are truthful and accurate to the best of my knowledge.

Sincerely,



Clifford Ginn
President
October 22, 2012

Exhibit B

COUNTERPART SIGNATURE PAGE
NEW ENGLAND POWER POOL AGREEMENT

IN WITNESS WHEREOF, the undersigned has caused this counterpart signature page to the New England Power Pool Agreement, being dated as of September 1, 1971, as amended, to be executed by its duly authorized representative as of June 27, 2012.
(please insert date)

Union Atlantic Electricity

By: Clifford Ginn

Name: Clifford Ginn

Title: President

Company: Union Atlantic Electricity

Address: 220 Maine Mall Road

South Portland, ME 04106

INDEMNIFICATION AGREEMENT

AGREEMENT made as of June 22, 2012, between, on the one hand, **Union Atlantic Electricity** ("Applicant" or "Indemnitor"), and, on the other hand, ISO New England Inc. ("ISO-NE"), the New England Power Pool ("NEPOOL") and the Participants in NEPOOL, each referred to herein individually as Indemnitee and collectively as Indemnitees.

WHEREAS, Applicant has applied to become a Participant in NEPOOL as a broker, load aggregator, power marketer, and a financial marketer;

WHEREAS, ISO-NE has screened Applicant's application and the NEPOOL Participants Committee has accepted Applicant as a Participant in NEPOOL, in each case subject to conditions and final favorable acceptance of such membership by the Federal Energy Regulatory Commission (the "FERC");

WHEREAS, the NEPOOL Participants Committee will file with the FERC the materials to permit Applicant's participation in NEPOOL to become effective and it is likely that the FERC will not, as of the requested effective date of membership set forth in the FERC application, have acted finally in a favorable manner upon that application and Applicant has requested that it be treated as if it were a Participant in the interim;

NOW, THEREFORE, in consideration of the promises contained herein and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION ONE AGREEMENT TO TREAT INDEMNITOR AS NEPOOL PARTICIPANT

As of July 1, 2012, which is the requested effective date for Applicant's participation in NEPOOL, and until the FERC acts finally in a favorable manner on the materials filed to make Indemnitor a NEPOOL Participant, or until ISO-NE and NEPOOL terminate this Agreement by written notice to the Indemnitor, Indemnitees agree to treat Indemnitor as if it were a Participant in NEPOOL, with all of the rights and obligations incident to being a Participant, and Indemnitor agrees to perform all such obligations as if it were a Participant, including Indemnitor's undertakings in connection with its application to NEPOOL. Indemnitor understands that it is possible that FERC may not finally act favorably on Indemnitor's application to become a Participant in NEPOOL, and that Indemnitees may incur liability, loss or damage as a result of treating Indemnitor as a Participant pending final FERC action. Accordingly, Indemnitor agrees to indemnify and hold harmless Indemnitees pursuant to this Agreement.

SECTION TWO
LIABILITY, LOSS OR DAMAGE

Indemnitor agrees to indemnify Indemnitees and hold them harmless from any and all liability, loss, damage and claims (including taxes, if any), and all related costs and expenses (including any and all reasonable attorneys' fees and reasonable costs of litigation, settlement, judgment, interest, and penalties) (collectively, "Losses") Indemnitees may suffer as a result of or arising from Indemnitees' performance of this Agreement. Such Losses will include, but not be limited to, the following:

1. Any Losses resulting from allegations or findings by the FERC or any other person that Indemnitees' performance of this Agreement violates the Federal Power Act, including any refund obligations or other remedy imposed on any Indemnitee as a result of such allegation or finding.
2. Any legal costs, expenses and attorneys' fees associated with Indemnitees' actions in response to any failure by the FERC to finally act favorably on Indemnitor's Application.
3. Any legal costs, expenses and attorneys' fees associated with Indemnitees' enforcement of this Agreement.

SECTION THREE
DURATION

This Agreement shall become effective as of July 1, 2012, and shall continue in full force until the earlier of (i) FERC acceptance of the materials filed to make Indemnitor a NEPOOL Participant, (ii) termination of this Agreement by Indemnitees by written notice to the Indemnitor, or (iii) until the obligations of the parties have been fully performed.

SECTION FOUR
REQUIREMENT OF NOTICE TO INDEMNITOR

Indemnitees agree to notify Indemnitor in writing, at Indemnitor's address as furnished to the Secretary of the NEPOOL Participants Committee, of any Losses for which Indemnitees intend to seek indemnification.

SECTION FIVE
GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Connecticut, as applied to contracts entirely within the State of Connecticut.

SECTION SIX
CONSENT TO JURISDICTION

The Indemnitor irrevocably (1) submits to the jurisdiction of any Connecticut State or United States Federal court sitting in Connecticut over any action or proceeding arising out of or relating to this Agreement, (2) agrees that all claims in respect of such action or proceeding may be heard and determined in such Connecticut State or Federal court, (3) waives any objection to venue or any action or proceeding in Connecticut on the basis of *forum non conveniens*, and (4) agrees that service of process may be made on Indemnitor outside Connecticut by certified mail, return receipt requested.

SECTION SEVEN
OBLIGATIONS

The obligations hereunder shall remain in effect without regard to any reason cited by the FERC for failure to finally act favorably on Indemnitor's Application, including without regard to any actions, omissions, or failure to act by either the Indemnitor or Indemnitees.

In witness whereof, the parties have executed this Agreement as of the day and year first above written.

Union Atlantic Electricity
Indemnitor

By: _____

Its: _____

Clifford Dinw (Clifford Ginn)
President

**ISO New England Inc. on behalf of itself, NEPOOL and
NEPOOL Participants**

By: Kevin A. Kirby
Title: Vice President, Market Operations

MARKET PARTICIPANT SERVICE AGREEMENT

This MARKET PARTICIPANT SERVICE AGREEMENT is dated this 1st day of July, 2012 and is entered into by and between:

Union Atlantic Electricity having its registered and principal place of business located at 220 Maine Mall Road, South Portland, ME 04106 (the "Market Participant");

and

ISO New England Inc., a Delaware corporation having its principal place of business located at One Sullivan Road, Holyoke, MA 01040-2841, and acting as the Regional Transmission Organization for New England ("ISO").

The Market Participant and the ISO are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

BACKGROUND

A. The ISO operates the New England Transmission System pursuant to a certain Transmission Operating Agreement dated February 1, 2005, and other agreements entered into with merchant and other transmission owners. The ISO's operation of the New England Transmission System is intended to insure the reliability of the New England Transmission System. Subject to the requirements of bulk power supply reliability, the ISO provides non-discriminatory, open access to the New England Transmission System pursuant to the ISO's Transmission, Markets and Services Tariff on file with the Federal Energy Regulatory Commission (the "Commission") (as amended from time to time, the "Tariff").

B. The ISO operates competitive markets for the purchase and sale of energy, capacity, certain demand response services, certain Ancillary Services and certain related products and services pursuant to the Tariff. Accordingly, the ISO seeks to create and sustain open, non-discriminatory, competitive, unbundled markets for energy, capacity, and ancillary services (including Operating Reserves) that operate efficiently consistent with proper standards of reliability and the long-term sustainability of competitive markets.

C. The ISO operates purchase programs for certain Ancillary Services that are not procured through competitive markets. The ISO seeks to operate purchase programs for such services at rates that are intended to compensate sellers at not less than the incremental cost of providing such services and to attract and sustain adequate supplies of such services.

D. The ISO seeks to provide transparency with respect to the operation of and the pricing in markets and purchase programs to allow informed participation and encourage ongoing market improvements.

E. The ISO seeks to provide access to competitive markets within the New England Control Area and to neighboring regions.

F. The Market Participant made an application to the ISO to be eligible to participate in the markets and purchase programs for energy, capacity ancillary services and related products and services administered by the ISO.

G. The ISO has accepted the Market Participant's application.

H. The Market Participant and the ISO wish to set forth the terms and conditions upon which the ISO will provide services and the Market Participant may participate in the markets and programs administered by the ISO.

AGREEMENTS

In consideration of the mutual covenants set forth herein, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS, INTERPRETATIONS AND OBJECTIVES

1.1 Definitions.

Capitalized terms not defined herein shall have the meanings given them in the Tariff.

1.2 Interpretation.

In this Agreement, unless otherwise indicated or otherwise required by the context, the following rules of interpretation shall apply:

- (a) Reference to and the definition of any document or specific section thereof (including this Agreement and the ISO New England Operating Documents) shall be deemed a reference to such document as it may be amended, supplemented, revised or modified from time to time and any document that is a successor thereto. Nothing herein shall limit the ISO's right to modify the ISO New England Operating Documents as expressly provided in the Tariff and the laws and regulations governing the adoption and amendment of the ISO New England Operating Documents.
- (b) The article and section headings and other captions in this Agreement are for the purpose of reference only and do not limit or affect its meaning.
- (c) Defined terms in the singular shall include the plural and vice versa, and the masculine, feminine or neuter gender shall include all genders.
- (d) The term "including" when used herein shall be by the way of example only and shall not be considered in any way a limitation.
- (e) Unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns.

1.3 Mission of ISO.

The mission of ISO is (through means including but not limited to planning, central dispatching, coordinated maintenance of electric supply and demand-side resources and transmission facilities, obtaining emergency power for Market Participants from other Control Areas, system restoration (when required), the development of market rules, the provision of an open access regional transmission tariff and the provision of a means for effective coordination with other control areas and utilities situated in the United States and Canada):

- (a) to assure the bulk power supply within the New England Control Area conforms to proper standards of reliability;
- (b) to create and sustain open, non-discriminatory, competitive, unbundled markets for energy, capacity, and ancillary services (including Operating Reserves) that are (i) economically efficient and balanced between buyers and sellers, and (ii) provide an opportunity for a participant to receive compensation through the market for a service it provides, in a manner consistent with proper standards of reliability and the long-term sustainability of competitive markets;
- (c) to provide market rules that (i) promote a market based on voluntary participation, (ii) allow market participants to manage the risks involved in offering and purchasing services, and (iii) compensate at fair value (considering both benefits and risks) any required service, subject to FERC's jurisdiction and review;
- (d) to allow informed participation and encourage ongoing market improvements;
- (e) to provide transparency with respect to the operation of and the pricing in markets and purchase programs;
- (f) to provide access to competitive markets within the New England Control Area and to neighboring regions; and
- (g) to provide for an equitable allocation of costs, benefits and responsibilities among market participants.

In fulfilling this mission and consistent with the preceding principles, the ISO shall strive to perform all its functions and services in a cost-effective manner, for the benefit of all those served by the ISO. To assist stakeholders in evaluating any major ISO initiative that affects market design, system planning or operation of the New England bulk power system, the ISO will provide quantitative and qualitative *information on the need for and the impacts, including costs, of the initiative.*

ARTICLE 2 TERM AND TERMINATION

2.1 Effective Date.

This Agreement shall be effective as of the later of: (i) the effective date specified in the Commission order accepting the Agreement for filing, and (ii) the date on which the Market Participant is in compliance with the credit review procedures set forth in the ISO New England Operating Documents. In no event, however, shall the effective date be sooner than the Operations Date. This Agreement shall remain in full force and effect until terminated pursuant to Section 2.2 or 2.3 of this Agreement.

2.2 Termination by the ISO.

The ISO may terminate this Agreement, upon the Market Participant committing any material default under this Agreement as provided in the ISO New England Operating Documents. With respect to any termination pursuant to this Section, the ISO must file a notice of termination with the Commission. This Agreement shall terminate upon acceptance by the Commission of such notice of termination.

2.3 Termination by Market Participant.

In the event that the Market Participant no longer wishes to participate in the New England Markets or provide or receive services through the New England Transmission System with respect to any Asset then subject to this Agreement it may terminate this Agreement by complying with applicable provisions of the ISO New England Operating Documents, including Sections 3.9 and 3.10 of Section I of the Tariff, as well as all other legal or regulatory requirements applicable to the Market Participant.

2.4 Other Remedies.

Nothing in Section 2.2 shall limit the remedies of the ISO under applicable law or the ISO New England Operating Documents, including the right, as applicable, to suspend the rights of one or more Assets to submit Bids, Schedules, Supply Offers or supply offers for Ancillary Services in the New England Markets or otherwise provide or receive services through the New England Transmission System.

2.5 Survival of Obligations.

Notwithstanding any termination of this Agreement, any accrued obligations under this Agreement or the *ISO New England Operating Documents, including obligations for the payment of money or obligations to provide information regarding operations or activities conducted prior to termination*, shall survive the termination of this Agreement.

ARTICLE 3 GENERAL TERMS AND CONDITIONS

3.1 ISO Services.

- (a) The ISO agrees to operate the New England Control Area, provide transmission service through the New England Transmission System, and administer the New England Markets all in accordance with the ISO New England Operating Documents.
- (b) The ISO will monitor the New England Markets in accordance with the ISO New England Operating Documents.
- (c) The ISO will maintain procedures for interconnection of Assets with the New England Transmission System in accordance with the New England Operating Documents.
- (d) The ISO does not provide Local Service. Local Service is acquired through a separate transmission service agreement with the applicable PTO.

3.2 Service Under the Tariff.

The Market Participant accepts service under the Tariff as a participant in the New England Markets. Market Participant agrees to be bound by the terms of the ISO New England Operating Documents and to make timely payment of all amounts due under the ISO New England Operating Documents.

3.3 Registration of Assets.

- (a) The Market Participant must register each Asset of which it is the Owner that seeks eligibility to sell or purchase services in the New England Markets by complying with the requirements of the ISO New England Operating Documents including, as applicable, registration information required by Section 12.2 of ISO New England Manual 28,

approval of an interconnection application required by Section I, Section 3.9 of the Tariff, compliance with the metering requirements of ISO New England Operating Procedure No. 18, and providing the electrical operating information required by ISO New England Operating Procedure No. 14. Market Participant must also register its contractual interest in any Load Asset which it has transferred to a new Owner without a corresponding transfer of legal title to the Load Asset (whether or not the Market Participant is the holder of the legal title).

- (b) The ISO shall be entitled to inspect and verify all registration information, including technical specifications, provided pursuant to Section 3.3.
- (c) The Market Participant shall provide written notice to the ISO of any proposed changes to the registration information as required by the ISO New England Operating Documents.
- (d) The Market Participant may withdraw Assets from the provision of particular services in accordance with the procedures set forth in the ISO New England Operating Documents.

3.4 Market Participant Operating Responsibilities.

The Market Participant shall direct, physically operate, repair and maintain all metering and interconnection equipment under its control and all Assets providing services through the New England Transmission System (a) consistent with New England Transmission System reliability; (b) in accordance with (i) this Agreement, (ii) all applicable provisions of the ISO New England Operating Documents and (iii) all applicable reliability guidelines, policies, standards, rules, regulations, orders, license requirements and all other requirements of NERC, NPCC, other applicable reliability organizations' reliability rules and all applicable requirements of federal or state laws or regulatory authorities; and (c) in such a manner as to maintain safe operations, including the enforcement of rules and procedures to ensure the safety of personnel.

3.5 Reserved Rights.

- (a) Except for obligations and limitations specifically imposed by the ISO New England Operating Documents, the Market Participant retains all rights that it otherwise has incident to its ownership of and legal and equitable title to, its Assets, including all land and land rights and the right to build, acquire, sell, lease, merge, dispose of, retire, use as security, or otherwise transfer or convey all or any part of its Assets.
- (b) The Market Participant has the right to adopt and implement procedures, consistent with Good Utility Practice, and to take such actions as it deems necessary to protect its facilities from physical damage or to prevent injury or damage to persons or property.
- (c) Nothing contained in this agreement is intended to alter or waive any rights that the ISO or the Market Participant may have to make filings with the Commission under the Federal Power Act.

3.6 Participants Agreement.

By entering into this Agreement, the Market Participant agrees to be bound by the Participants Agreement, through NEPOOL or individually, as the case may be, and to pay the fees and charges specified therein. The Participants Agreement provides processes for stakeholder input, individually and

collectively, into revisions of certain provisions of ISO New England Operating Documents and the planning process for the New England Transmission System.

ARTICLE 4 PROVISIONS RELATING TO SELLERS

4.1 Appointment of the ISO as Agent.

Market Participant appoints the ISO as its agent to apportion, bill and collect on its behalf for Energy, capacity, Ancillary Services, demand response services or other related products or services sold through the New England Markets in accordance with the ISO New England Operating Documents.

4.2 Collection.

The ISO agrees to apportion, bill and collect for Market Participant's services and to remit to Market Participant amounts due to it under the Market Rules, as and when collected. The ISO will use commercially reasonable efforts to collect amounts due to Market Participant, including exercising its rights under the ISO New England Financial Assurance Policy and ISO New England Billing Policy. *Allocation of revenues received will be made, and all disputes regarding amounts collected and remitted will be handled in accordance with the ISO New England Operating Documents.*

4.3 Participation in Markets and Programs.

In connection with submitting schedules, bids, and supply offers or otherwise offering to provide or providing services through the New England Markets, the Market Participant agrees at all times to comply with the ISO New England Operating Documents. The Market Participant hereby warrants to the ISO that, unless the ISO New England Operating Documents specifically permit supply offers unrelated to physical parameters, whenever it submits a Supply Offer for Energy or supply offer for Ancillary Services or a demand response service, it has the capability and the intention to provide that service in accordance with the ISO New England Operating Documents and it will comply with ISO dispatch instructions for the provisions of service in accordance with the ISO New England Operating Documents.

4.4 Rate Authority.

Market Participant warrants that, at any time it has registered one or more Assets, it either (a) has on file with the Commission for each such Asset market-based rate authority or other Commission-approved basis for setting prices for services offered by means of the New England Transmission System by such Asset or (b) is exempt from the requirement to have rates for services on file with the Commission.

4.5 Central Dispatch.

The Market Participant shall, to the extent scheduled or otherwise obligated under the ISO New England Operating Documents, either individually or through the Second Restated NEPOOL Agreement, as provided therein, subject each of the Assets it owns or operates to central dispatch by the ISO, provided, however, that each Market Participant shall at all times be the sole judge as to whether or not and to what extent safety requires that at any time any of such Assets will be operated at less than their full capacity or not at all.

**ARTICLE 5
PROVISIONS RELATING TO BUYERS**

5.1 Appointment of the ISO as Agent.

The Market Participant appoints the ISO as its agent to purchase on its behalf Energy, capacity, Ancillary Services, demand response services or other related products or services through the New England Markets in accordance with the ISO New England Operating Documents.

5.2 Purchase of Services.

In connection with submitting schedules, demand bids or withdrawing Energy from the system in Real-Time or otherwise offering to buy or receive services through the New England Markets, the Market Participant agrees at all times to comply with the ISO New England Operating Documents. Except as emergency circumstances may result in the ISO requiring load curtailments by Market Participants, and subject to the availability of transmission capacity, each Market Participant will be entitled to buy from other Market Participants, and shall be required to remit payment to those Market Participants therefor in accordance with the ISO New England Operating Documents, such amounts, if any, of Energy, capacity, Ancillary Services, demand response services or other related products or services as it requires.

5.3 Disputes.

All disputes regarding amounts payable for services purchased will be handled in accordance with the ISO New England Operating Documents.

**ARTICLE 6
FORCE MAJEURE; INDEMNIFICATION AND LIABILITIES**

6.1 Force Majeure Event.

An event of Force Majeure shall be as set forth in the Tariff.

6.2 Reasonable Efforts to Perform and Notice.

When the performance of either Party under this Agreement is hindered by an event of Force Majeure, that Party shall make all reasonable efforts to perform its obligations under this Agreement, and shall promptly notify the other Party and any affected Transmission Customers, if appropriate, of the commencement and end of each event of Force Majeure in accordance with the ISO New England Operating Documents.

6.3 Indemnification and Liabilities.

The indemnification responsibilities of the Parties, to the extent permitted by law, shall be as set forth in the Tariff.

**ARTICLE 7
MISCELLANEOUS PROVISIONS**

7.1 Commission Filing.

The ISO shall file this Agreement with, or electronically report this Agreement to, as applicable, the Commission.

7.2 Notices.

Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing and any such communication or notice shall become effective (a) upon personal delivery thereof, including by overnight mail or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of notice by facsimile, upon receipt thereof; provided that such transmission is promptly confirmed by either of the methods set forth in clauses (a) or (b) above, in each case addressed to each Party hereto at its address(es) set forth below or, at such other address(es) as such Party may from time to time designate by written notice to the other Party hereto; further provided that a notice given in *connection with this Section 7.2 but received on a day other than a business day, or after business hours in the situs of receipt*, will be deemed to be received on the next business day:

MARKET PARTICIPANT:

ISO New England Inc.:

Union Atlantic Electricity
Address: 220 Maine Mall Road
South Portland, ME 04106
Attn: President

Direct: 207-761-8844
Fax: 207-761-8845
E-mail: cliffginn@gmail.com

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040
Attn: General Counsel

Tel: (413) 540-4000
Fax: (413) 535-4379

7.3 Other Agreements.

In the event of a conflict between this Agreement and other agreements with respect to subjects addressed in this Agreement, this Agreement shall govern, subject to Section 13 of the Settlement Agreement.

7.4 Waiver.

Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by applicable law or otherwise afforded, shall be cumulative and not alternative.

7.5 Amendment.

Except as otherwise specifically provided herein, this Agreement shall not be subject to modification or amendment unless agreed to in writing by both Parties hereto. Notwithstanding the foregoing, nothing in this Agreement shall restrict in any way the rights of either Party to submit an application under Section 206 of the Federal Power Act for revisions to this Agreement.

The Parties acknowledge that this Agreement is entered into subject to the approval and continuing jurisdiction of the Commission. The ISO will notify the Market Participant of any changes to this Agreement required or approved by the Commission. Any such changes will take effect at the times and in the manner specified by the Commission in its order requiring or approving such changes. The Market Participant may, subject to the procedures referenced in Section 2.3, terminate this Agreement rather than accept any such changes.

7.6 No Third Party Beneficiaries.

It is not the intention of this Agreement or of the Parties to confer a third party beneficiary status or rights of action upon any Person or entity whatsoever other than the Parties and nothing contained herein, either express or implied, shall be construed to confer upon any Person or entity other than the Parties any rights of action or remedies either under this Agreement or in any manner whatsoever.

7.7 No Assignment.

Neither this Agreement nor any right, interest or obligation hereunder may be assigned by a Party (including by operation of law) without the prior written consent of each other Party in its sole discretion and any attempt at assignment in contravention of this Section 7.7 shall be void.

7.8 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, including all matters of construction, validity and performance without regard to the conflicts-of-laws provisions thereof.

7.9 Consent to Service of Process.

Each of the Parties hereby consents to service of process by registered mail, Federal Express or similar courier at the address to which notices to it are to be given, it being agreed that service in such manner shall constitute valid service upon such party or its respective successors or assigns in connection with any such action or proceeding; provided, however, that nothing in this Section 7.9 shall affect the right of any such Parties or their respective successors and permitted assigns to serve legal process in any other manner permitted by applicable law or affect the right of any such Parties or their respective successors and assigns to bring any action or proceeding against any other one of such Parties or its respective property in the courts of other jurisdictions.

7.10 Dispute Resolution.

The Parties shall resolve their disputes relating to this Agreement utilizing the dispute resolution provisions of the Tariff.

7.11 Invalid Provisions.

If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any Party under this Agreement shall not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, and (d) the court holding such provision to be illegal, invalid or unenforceable may in lieu of such provision add as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as it deems appropriate.

7.12 Relationship of the Parties.

Nothing in this Agreement is intended to create a partnership, joint venture or other joint legal entity making either Party jointly or severally liable for the acts or omissions of the other Party.

7.13 Confidentiality.

Confidential information acquired by either Party pursuant to this Agreement shall be governed by the ISO New England Operating Documents.

7.14 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. The Parties hereto agree that any document or signature delivered by facsimile transmission shall be deemed an original executed document for all purposes hereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

Market Participant:

The ISO:

Union Atlantic Electricity

ISO New England Inc.

By: Clifford Ginn
Name: Clifford Ginn
Title: President

By: _____
Name: Kevin A. Kirby
Title: Vice President, Market Operations

Date: June 27, 2012

Date: _____, 2012



NEW ENGLAND POWER POOL
Michael Lynch, Chair
NEPOOL Membership Subcommittee

June 22, 2012

Union Atlantic Electricity
c/o Clifford Ginn, President
220 Maine Mall Road
South Portland, ME 04106
cliffginn@gmail.com

Re: Application for NEPOOL Membership

Dear Cliff:

The request of Union Atlantic Electricity ("Union Atlantic") to become a Participant¹ in the New England Power Pool ("NEPOOL") was approved by the NEPOOL Participants Committee Membership Subcommittee at its June 19, 2012 meeting, subject to the applicable understandings, including those which are reflected in the attachment to this letter.

Please confirm Union Atlantic's acceptance of NEPOOL's Standard Membership Conditions, Waivers and Reminders by signing a copy of this letter and returning it, *along with a copy of the Standard Membership Conditions, Waivers and Reminders*, to:

Audra Perry
New England Membership Application Coordinator
c/o ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Fax: 413-540-4680
E-mail: aperry@iso-ne.com

I understand that Union Atlantic intends to operate in New England as a broker, load aggregator, power marketer, and financial marketer/trader. Your signature on this letter will also serve to confirm that understanding.

I have been instructed to remind Union Atlantic of the following obligations which are common to all NEPOOL Participants that operate as brokers, load aggregators, power marketers, and financial marketers/traders:

- (1) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the

¹ Capitalized terms used but not defined in this letter are intended to have the meanings given to such terms in the Second Restated New England Power Pool Agreement ("Restated NEPOOL Agreement"), the Participants Agreement, or the ISO New England Inc. Transmission, Markets and Services Tariff ("ISO Tariff").

Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff, and these conditions and waivers;

- (2) each Participant is obligated to conform to any future changes in NEPOOL requirements;
- (3) each Participant is obligated to comply with all governmental, regulatory or other legal requirements which must be satisfied as a condition to its participation in NEPOOL or the New England Markets, or which may be otherwise applicable to such participation;
- (4) each Participant is obligated to pay an allocated portion of certain NEPOOL and ISO costs in accordance with the Second Restated NEPOOL Agreement, the Participants Agreement, and the Tariff;
- (5) each Participant is obligated to pay its monthly share of Participant Expenses by the payment date as specified in the Billing Policy (or any successor rule or procedure), which is currently the third Business Day after the issuance of the first weekly statement issued after the tenth of a calendar month (the Monthly Statement due date) but may be subject to change. If a Participant is delinquent two or more times within any period of 12 months in paying on time its share of Participant Expenses or other Hourly or Non-Hourly Charges, such Participant shall pay, in addition to interest on each late payment, a late payment charge for its second failure to pay on time, and for each subsequent failure to pay on time within the same 12-month period (a "Late Payment Charge") in an amount equal to the greater of (i) two percent (2%) of the total amount of such late payment or (ii) \$1,000.
- (6) each Participant is obligated to meet the requirements specified in the Billing Policy on file with the FERC as it may be amended from time to time (Participants are encouraged to regularly review the Billing Policy for any changes to the billing and payment dates or procedures; the far-reaching consequences of the failure to pay all or any part of an amount due when and as due are set forth in the Billing Policy);
- (7) each Participant is obligated to meet the requirements specified in the Financial Assurance Policies on file with the FERC as they may be amended from time to time;
- (8) each Participant is required to submit information to the ISO from time to time, as is necessary to enable the ISO to meet its obligations, concerning any entity owned 10% or more by the Participant or any entity which owns 10% or more of the Participant, including upon a change in ownership or control of the Participant any such entity;
- (9) each Participant, except a Governance Only Member, has the obligation to assure for each transaction that it has identified transmission facilities required to accomplish such transaction and has made appropriate arrangements with the ISO or the owners of such transmission facilities, as appropriate, for use of such facilities;
- (10) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff and

any other agreement that NEPOOL or the ISO administers and, except a Governance Only Member, to verify that satisfactory transmission arrangements have been made for each transaction;

- (11) for brokered transactions, a Participant while acting, now or in the future, as a broker would not be considered either the purchaser or the seller;
- (12) each Participant is obligated to conform to standards established by the ISO or any duly authorized NEPOOL committee to assure reliable operation of the New England Control Area, including, without limitation, the obligation to have the ability to subject its load to load shedding as required by the ISO; and
- (13) no Participant may use its rights under the Second Restated NEPOOL Agreement, Tariff or the System Rules to avoid the application of any stranded cost policy, or to avoid or reduce the payment of any applicable stranded costs or access charges related to such stranded cost policy that has been approved by Federal regulators or regulators in any New England state in which that Participant is purchasing or selling electric energy and/or capacity for resale at wholesale or to retail customers.

Upon receipt of this countersigned letter, NEPOOL expects to make the necessary filings with the Federal Energy Regulatory Commission in order for Union Atlantic's application to become effective.

Very truly yours,

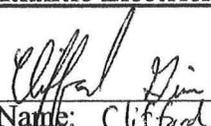


Michael J. Lynch
Chair, Membership Subcommittee
of the NEPOOL Participants Committee

Accepted and approved:

Union Atlantic Electricity

By: _____


Name: Clifford Ginn
Its: President

Dated: _____

June 27, 2012

Enclosure

STANDARD MEMBERSHIP CONDITIONS, WAIVERS AND REMINDERS

WHEREAS, an applicant (“Applicant”) for membership in the New England Power Pool (“NEPOOL”) may be one or more of the following types of entities: a **“load aggregator,”** which is considered for this purpose to be an entity that purchases at wholesale electric energy and capacity for resale to retail customers and resells such energy and capacity to retail customers in New England; a **“power marketer,”** which is considered for this purpose to be an entity that purchases as a principal or as a principal and a broker at wholesale electric energy and capacity for resale to wholesale customers and resells such energy and capacity to wholesale customers in New England; a **“financial marketer/trader,”** which is considered for this purpose to be an entity that submits Increment Offers and/or Decrement Bids in the Day-Ahead Energy Market; an **“exempt wholesale generator”** or **“EWG,”** which is considered for this purpose to be an entity granted such status by the Federal Energy Regulatory Commission under the Public Utility Holding Company Act of 2005, as amended (“PUHCA 2005”), pursuant to which it is required to be engaged “exclusively in the business of owning or operating, or both owning and operating, all or part of one or more eligible facilities and selling electric energy at wholesale”; an entity which owns a **“qualifying facility”** or **“QF,”** which is considered for this purpose to be an entity within the meaning of the Public Utility Regulatory Policies Act of 1978 (“PURPA”) or an **“eligible facility”** within the meaning of the PUHCA 2005; an **“independent power producer”** or **“IPP,”** which is considered for this purpose to be an entity other than an EWG or QF whose exclusive business is owning or owning and operating all or a part of one or more generating facilities and selling electric energy at wholesale or retail; a **“broker,”** which is considered for this purpose to be an entity that acts from time to time for purchasers or sellers in New England in arranging the purchase or sale at wholesale of electric energy and/or capacity; an **“AR Provider,”** which is considered for this purpose to be an entity with a “Substantial Business Interest” in Alternative Resources located within the New England Control Area; or an **“end user,”** which is considered for this purpose to be (a) a consumer of electricity in the New England Control Area that generates or purchases electricity primarily for its own consumption, (b) a non-profit group representing such consumers, or (c) a Related Person of an End User Participant and which (i) is licensed as a competitive supplier under the statutes and regulations of the state in which the End User Participant which is its Related Person is located and (ii) participates in the New England Market solely to serve the load of the End User which is its Related Person.

WHEREAS, effective February 1, 2005 the NEPOOL Agreement was amended by the One Hundred Seventh Agreement Amending New England Power Pool Agreement and restated as the “Second Restated NEPOOL Agreement”; and

WHEREAS, ISO New England Inc. (the “ISO”), has been approved by the Federal Energy Regulatory Commission (“FERC”) as the regional transmission organization (“RTO”) for the New England region consisting of the states of Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont and substantial portions of Maine;

WHEREAS, the ISO will be responsible for maintaining the reliability of the System by, among other things, exercising operational authority over the Transmission Facilities of the System, administering and seeking to enhance sustainable, competitive and efficient energy markets in New England and providing non-discriminatory, open-access transmission service over the Transmission Facilities in accordance with the Participants Agreement, the ISO’s Transmission, Markets and Services Tariff (the “Tariff”), and the System Rules;

WHEREAS, an Applicant that proposes to act as a load aggregator must represent that, if it is permitted to become a Market Participant, it would qualify under existing law and regulation in the one or more New England states where it proposes to act as a load aggregator;

WHEREAS, an Applicant that is qualified to become an End User Participant may elect to be a "Governance Only Member";

WHEREAS, a duly authorized NEPOOL subcommittee has recommended that certain conditions and waivers be applied to an Applicant in connection with its becoming a Participant in NEPOOL; and

WHEREAS, each Applicant acknowledges that it has reviewed the Second Restated NEPOOL Agreement and the Tariff, including the billing policy and financial assurance policies set forth as Exhibits to Section I of the Tariff, and fully understands its financial obligations that could arise under the Second Restated NEPOOL Agreement and the Tariff from participation in NEPOOL and the New England Markets.

NOW, THEREFORE, an Applicant to become a Participant in NEPOOL shall be required to agree in writing to the following understandings:

Any capitalized terms used in the following understandings (a) through (l) that are not defined in such understandings shall have the same meaning ascribed to them in the Second Restated NEPOOL Agreement, the Participants Agreement or the Tariff, as appropriate. The following understandings (a) through (d) apply to all Applicants:

- (a) Applicant will have an ongoing obligation to meet the definition of an "Entity" within the meaning of the Second Restated NEPOOL Agreement as it is in effect on the date of the approval by the NEPOOL Participants Committee or its designee of Applicant's application to become a Participant in NEPOOL.
- (b) Applicant shall notify NEPOOL of any proposed change in affiliate status or any proposed change in the electric business Applicant conducts within the New England Control Area to include business other than that originally applied for in its membership application. NEPOOL shall have the right to delete any conditions imposed or waivers granted at this time and to impose additional reasonable conditions on Applicant's participation in NEPOOL that shall apply to such change in Applicant's business or circumstances, if such deletions or conditions are necessary or appropriate in view of such changes (see additional provisions regarding this understanding (b) in understanding (e) below for load aggregators and understanding (f) below for EWGs and QF owners and understanding (g) below for end users electing Governance Only Membership). Applicant shall be advised of any deletion of conditions or waivers and shall be provided a draft of any additional conditions before such deletions or additional conditions become effective. In accordance with the Second Restated NEPOOL Agreement, comments on such deletions or additions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.
- (c) In lieu of a certified copy of its Board of Directors duly authorizing the execution and performance of the Second Restated NEPOOL Agreement, Applicant may provide, each in a form reasonably acceptable to NEPOOL Counsel, (i) an opinion of competent outside counsel that the officer or other representative executing a counterpart of the Second Restated NEPOOL Agreement on behalf of the Applicant is duly authorized to do so and to cause the Applicant to perform its obligations under the Agreement upon the effectiveness of its membership; and (ii) an affidavit by Applicant's duly-authorized officer or other representative that he/she has reviewed the Second Restated NEPOOL Agreement and the Tariff, including the billing policy and financial assurance policies set forth as Exhibits to Section I of the Tariff, and

fully understands Applicant's financial obligations that could arise under the Second Restated NEPOOL Agreement and the Tariff from participation in NEPOOL and the New England Markets.

- (d) In the event it is determined in an appeal, or by a court or regulatory agency, that any of these conditions is invalid for any reason, NEPOOL shall have the right to impose *one or more valid reasonable conditions in place of the invalidated condition*. Applicant shall be advised of any invalidated condition and shall be provided a draft of any replacement conditions before such conditions become effective. In accordance with the Second Restated NEPOOL Agreement, comments on such replacement conditions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.

The following additional understanding (e) applies only to Applicants while acting, now or in the future, as load aggregators in the New England Control Area:

- (e) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to *any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes*:
 - (i) it is determined that Applicant has failed to qualify as a load aggregator in the one or more New England states where it proposes to act as a load aggregator in accordance with its representation; or
 - (ii) the state laws or regulations under which Applicant does qualify to act as a load aggregator are changed in ways that could impact NEPOOL or ISO operations.

The following additional understanding (f) applies only to Applicants while acting, now or in the future, as EWGs and/or QF owners:

- (f) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to *any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes*:
 - (i) Applicant has represented that its facility is a "qualifying facility" within the meaning of PURPA and the facility is determined at any time not to be such a facility or PURPA is amended to permit Applicant to own facilities or engage in activities not permitted to it as the owner of a qualifying facility under the present provisions of PURPA; or
 - (ii) Applicant has represented that it is an "exempt wholesale generator" within the meaning of PUHCA 2005 and Applicant is determined at any time not to be such a generator or PUHCA 2005 is amended to permit Applicant to own facilities or engage in activities not permitted to it as an exempt wholesale generator under the present provisions of PUHCA 2005.

The following additional understanding (g) applies only to Applicants while acting, now or in the future, as end users in NEPOOL:

- (g) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply if it is determined that Applicant has failed to qualify as an End User Participant, as defined in Section 1 of the Second Restated NEPOOL Agreement, if such deletions or conditions are necessary or appropriate in view of such changes.

The following additional understandings (h), (i), and (j) apply only to Applicants that would qualify as End User Participants and elect before their application is approved by NEPOOL to be a Governance Only Member (as described more fully below):

- (h) Applicant's participation in NEPOOL shall be for governance purposes only ("Governance Only Member"). As a Governance Only Member, Applicant shall be:
 - (i) entitled to participate in all NEPOOL governance matters, including voting membership in all Principal Committees;
 - (ii) required to pay all application and annual fees applicable to End User Participants pursuant to Section 14 of the Second Restated NEPOOL Agreement;
 - (iii) required to forego participation in the New England Market, other than as permitted or required pursuant to the Load Response Program; and
 - (iv) required to deliver written notice of such election to the Secretary of the Participants Committee. Other than for an election made prior to the approval of its application by NEPOOL, the election to be a Governance Only Member shall become effective beginning on the first annual meeting of the Participants Committee following notice of such election
- (i) The acceptance in NEPOOL of such Applicant as a Governance Only Member does not require nor prescribe any different treatment from the treatment then accorded to any other End User Participant for the determination of its transmission or distribution charges.
- (j) The Governance Only Member Applicant with generation shall certify in a form reasonably acceptable to NEPOOL as to the following conditions, and shall become a End User Participant without Governance Only Member status if and when such conditions are no longer satisfied:
 - (i) For any hour in which the End User Behind-the-Meter Generation owned by the Governance Only Member does not fully meet its associated Electrical Load which is behind the meter, another Participant which is not a Governance Only Member is obligated under tariff or contract to include as part of its load asset in such hour the difference between (x) the Electrical Load of the Governance Only Member and (y) the kilowatthours of that Electrical Load which are produced by the End User Behind-the-Meter Generation; and
 - (ii) For any hour in which the output of the End User Behind-the-Meter Generation owned by the Governance Only Member exceeds its Electrical Load, the Governance Only Member is obligated to ensure that another Participant which is not a Governance Only Member is obligated under tariff or contract to report such excess to the ISO pursuant to applicable Market Rules.

The following additional understanding (k) applies only to Applicants that would qualify as End User Participants entitled to join the End User Sector, and which are Small End Users:

- (k) Applicant may not appoint to a NEPOOL committee a voting member or alternate to that member, or have its vote cast by another person pursuant to a written, standing designation or proxy, except in accordance with this understanding (k):
 - (i) An Applicant shall be entitled to appoint as its voting member, and alternate to that member, of each NEPOOL committee, and have as its designated representative or proxy, any individual; provided, however, that such individual shall not be a Related Person of another Participant in a Sector other than the End User Sector.

The following additional understanding (l) applies only to Applicants that are end users without generation, that do not elect to be Governance Only Members, and that participate directly in the New England Market ("Market Participant End Users"):

- (l) The Applicant shall certify in a form reasonably acceptable to NEPOOL as to the following conditions, and shall be permitted to participate in the New England Market only if, and for so long as, the following conditions are satisfied:
 - (i) Applicant shall have no ability to be reflected in the ISO's settlement system as either a purchaser or a seller of any Market Products so long as such participation causes NEPOOL and/or the ISO to be subject to regulation as the electrical supplier for Applicant's Electrical Load ("Retail Supplier") by the state regulatory agency of the state(s) in which the Applicant consumes electricity;
 - (ii) The obligation to serve the electrical load of the Applicant shall at all times be assigned to a Market Participant (whether such Market Participant is Applicant or another Participant) which is duly authorized or required under the applicable state statutes and regulations of the Applicant's state(s) to be a licensed Retail Supplier or is otherwise authorized to serve its electrical load without a license; and
 - (iii) Applicant shall have in place arrangements with its default service provider, either contractual or statutory, to provide for the automatic assignment of the obligation to serve its electrical load and the load associated with any of its Load Assets to such default service provider should the Retail Supplier be suspended from the New England Markets in accordance with the provisions of the Tariff, including the Financial Assurance Policy for Market Participants (Exhibit IA to Section I of the Tariff).

In notifying an Applicant that its application has been accepted subject to the stated understandings and requesting Applicant's written acceptance of the understandings, the Membership Subcommittee Chair, or appropriate NEPOOL Participants Committee designee, shall include in a letter to Applicant the following reminders (1) through (8), applicable to all Applicants, unless otherwise specified in the following provisions:

- (1) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff, and these conditions and waivers;

- (2) each Participant is obligated to conform to any future changes in NEPOOL requirements;
- (3) each Participant is obligated to comply with all governmental, regulatory or other legal requirements which must be satisfied as a condition to its participation in NEPOOL or the New England Markets, or which may be otherwise applicable to such participation;
- (4) each Participant is obligated to pay an allocated portion of certain NEPOOL and ISO costs in accordance with the Second Restated NEPOOL Agreement, the Participants Agreement, and the Tariff;
- (5) each Participant is obligated to pay its monthly share of Participant Expenses by the payment date as specified in the Billing Policy (or any successor rule or procedure), which is currently the third Business Day after the issuance of the first weekly statement issued after the tenth of a calendar month (the Monthly Statement due date) but may be subject to change. If a Participant is delinquent two or more times within any period of 12 months in paying on time its share of Participant Expenses or other Hourly or Non-Hourly Charges, such Participant shall pay, in addition to interest on each late payment, a late payment charge for its second failure to pay on time, and for each subsequent failure to pay on time within the same 12-month period (a "Late Payment Charge") in an amount equal to the greater of (i) two percent (2%) of the total amount of such late payment or (ii) \$1,000.
- (6) each Participant is obligated to meet the requirements specified in the Billing Policy on file with the FERC as it may be amended from time to time (Participants are encouraged to regularly review the Billing Policy for any changes to the billing and payment dates or procedures; the far-reaching consequences of the failure to pay all or any part of an amount due when and as due are set forth in the Billing Policy);
- (7) each Participant is obligated to meet the requirements specified in the Financial Assurance Policies on file with the FERC as they may be amended from time to time; and
- (8) each Participant is required to submit information to the ISO from time to time, as is necessary to enable the ISO to meet its obligations, concerning any entity owned 10% or more by the Participant or any entity which owns 10% or more of the Participant, including upon a change in ownership or control of the Participant any such entity.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (9) and (10), applicable to Applicants, other than Governance Only Members:

- (9) each Participant, except a Governance Only Member, has the obligation to assure for each transaction that it has identified transmission facilities required to accomplish such transaction and has made appropriate arrangements with the ISO or the owners of such transmission facilities, as appropriate, for use of such facilities; and

- (10) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Second Restated NEPOOL Agreement, the Participants Agreement, the Tariff and any other agreement that NEPOOL or the ISO administers and, except a Governance Only Member, to verify that satisfactory transmission arrangements have been made for each transaction.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (11), applicable to load aggregators, power marketers and brokers:

- (11) for brokered transactions, a Participant while acting, now or in the future, as a broker would not be considered either the purchaser or the seller.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (12) and (13), applicable while the Applicant is acting, now or in the future, as a load aggregator, IPP, or end user:

- (12) each Participant is obligated to conform to standards established by the ISO or any duly authorized NEPOOL committee to assure reliable operation of the New England Control Area, including, without limitation, the obligation to have the ability to subject its load to load shedding as required by the ISO; and
- (13) no Participant may use its rights under the Second Restated NEPOOL Agreement, Tariff or the System Rules to avoid the application of any stranded cost policy, or to avoid or reduce the payment of any applicable stranded costs or access charges related to such stranded cost policy that has been approved by Federal regulators or regulators in any New England state in which that Participant is purchasing or selling electric energy and/or capacity for resale at wholesale or to retail customers.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (14), applicable to EWGs, QF owners and IPPs:

- (14) membership in NEPOOL and participation in the New England Markets could affect Applicant's operations in many ways, including without limitation its status as the owner of a qualifying facility under PURPA, an exempt wholesale generator under PUHCA, or an entity exempt under PUHCA because of its predominantly intrastate activities. Applicant should assess all such effects before becoming a Participant or participating in the New England Markets. Pursuant to the understandings under which it does become a Participant, Applicant should notify NEPOOL if, as a result of or following its joining of NEPOOL or as a result of its participation in the New England Market, the facility loses its status as a qualifying facility or the Market Participant loses its status as an exempt wholesale generator.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminders (15) and (16), applicable to all end users:

- (15) membership in NEPOOL and participation in the New England Markets could affect Applicant in many ways, including without limitation subjecting Applicant to the jurisdiction of federal and/or state regulatory agencies to which Applicant may not already be subject. Applicant should assess all such effects before becoming a Participant or participating in the New England Markets. Pursuant to the understandings under which it does become a Participant, Applicant should notify NEPOOL if, as a result of or following its joining of NEPOOL or as a result of its participation in the New England Market, it becomes subject to regulation by any federal and/or state regulatory agencies; and
- (16) without limiting the generality of reminder (2), each End User Participant is obligated to provide NEPOOL and the ISO, within fifteen (15) days of the annual meeting of the Participants Committee, with a report of its highest Energy use during any hour in the preceding year (net of any use of End User Behind-the-Meter Generation) and any other information that NEPOOL or the ISO determines is required in order to administer and implement the provisions of Section 14 of the Second Restated NEPOOL Agreement or Section 14 of the Participants Agreement, as appropriate.

The Membership Subcommittee Chair, or appropriate Participants Committee designee, shall further include in a letter to Applicant the following reminder (17), applicable to all Provisional Members:

- (17) A Provisional Member that becomes eligible to designate an individual voting member of a Sector other than the End User Sector or is eligible to be represented by a group voting member (other than a Provisional Member Group Member) is obligated to promptly designate in a notice to the Secretary of the Participants Committee either (i) the voting member appointed by it for each Principal Committee and alternate of each such member; or (ii) the group voting member by which it shall be represented. Such change in representation and/or Sector shall become effective beginning on the first day of the calendar month following the notice of such change.

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Union Atlantic Electricity
Docket No. ER12-1926-001

August 1, 2012

Mr. Clifford Ginn
President
Union Atlantic Electricity
220 Maine Mall Road
South Portland, Maine 04106

Reference: Market-Based Rate Authorization

Dear Mr. Ginn:

On June 1, 2012, as amended on June 8, 2012, June 29, 2012, and July 2, 2012, you filed on behalf of Union Atlantic Electricity (Union Atlantic) an application for market-based rate authority with an accompanying tariff.¹ The proposed market-based rate tariff provides for the sale of energy, capacity, and ancillary services at market-based rates.² Union Atlantic requests waivers commonly granted to similar market-based rate applicants.

Your filings were noticed on June 4, 2012, June 8, 2012, July 2, 2012, and July 3, 2012, with comments, protests or interventions due on or before June 22, 2012, June 29, 2012, July 20, 2012, and July 23, 2012, respectively. None was filed.

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307, your submittal filed in the referenced

¹ We note that you filed on behalf of Union Atlantic a revised market-based rate tariff reflecting the name change of Independence Electricity to Union Atlantic Electricity.

² Union Atlantic requests authorization to sell ancillary services in the markets administered by ISO New England Inc. (ISO-NE). Union Atlantic also requests authorization to engage in the sale of certain ancillary services as a third-party provider in other markets.

docket is accepted for filing, effective June 30, 2012, as requested. Based on your representations, Union Atlantic meets the criteria for a Category 1 seller in all regions and is so designated.³

You state that Union Atlantic is located in New England, and intends to acquire hydroelectric generation assets, but does not currently own or control any generation. You further represent that Union Atlantic is wholly owned and operated by two individuals, and is not affiliated with any entity that owns or controls generation or transmission facilities. Further, you affirmatively state that Union Atlantic has not erected barriers to entry and will not erect barriers to entry into the relevant market.

You state that Union Atlantic satisfies the Commission's criteria for Category 1 seller status in all regions. You state that Union Atlantic neither owns nor is affiliated with any generation or transmission facilities in any region. You further state that Union Atlantic is not affiliated with a franchised public utility and does not raise any other vertical market power issues.

Market-Based Rate Authorization

The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power.⁴

Based on your representations, Union Atlantic's submittal satisfies the Commission's requirements for market-based rate authority regarding horizontal and vertical market power.

Union Atlantic's request for waiver of Subparts B and C of Part 35 of the Commission's regulations requiring the filing of cost-of-service information, except for sections 35.12(a), 35.13(b), 35.15 and 35.16 is granted. Union Atlantic's request for waiver of Part 41, Part 101, and Part 141 of the Commission's regulations concerning accounting and reporting requirements is granted with the exception of 18 C.F.R. §§

³ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 848-50, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, FERC Stats. & Regs. ¶ 31,305 (2010), *aff'd sub nom. Montana Consumer Counsel v. FERC*, 659 F.3d 910 (9th Cir. 2011), *cert. denied sub nom. Public Citizen, Inc. v. FERC*, 2012 U.S. LEXIS 4820 (U.S. June 25, 2012).

⁴ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 62, 399, 408, 440.

141.14 and 141.15.⁵ Notwithstanding the waiver of the accounting and reporting requirements here, Union Atlantic is expected to keep its accounting records in accordance with generally accepted accounting principles.

Union Atlantic requests blanket authorization under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability. A separate notice was published in the Federal Register establishing a period during which protests could be filed. None was filed. Union Atlantic is authorized to issue securities and assume obligations or liabilities as guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes of Union Atlantic, compatible with the public interest, and reasonably necessary or appropriate for such purposes.⁶

Union Atlantic must file electronically with the Commission Electric Quarterly Reports.⁷ Union Atlantic further must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority in accordance with Order No. 697.⁸

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by

⁵ *Citizens Energy Corp.*, 35 FERC ¶ 61,198 (1986); *Citizens Power and Light Corp.*, 48 FERC ¶ 61,210 (1989) (*Citizens Power*); *Enron Power Marketing, Inc.*, 65 FERC ¶ 61,305 (1993), *order on reh'g*, 66 FERC ¶ 61,244 (1994) (*Enron*).

⁶ *Citizens Power*, 48 FERC ¶ 61,210; *Enron*, 65 FERC ¶ 61,305.

⁷ *Revised Public Utility Filing Requirements*, Order No. 2001, FERC Stats. & Regs. ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reh'g denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *order directing filing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *order directing filing*, Order No. 2001-D, 102 FERC ¶ 61,334 (2003). Attachments B and C of Order No. 2001 describe the required data sets for contractual and transaction information. Public utilities must submit Electric Quarterly Reports to the Commission using the EQR Submission System Software, which may be downloaded from the Commission's website at <http://www.ferc.gov/docs-filing/eqr.asp>.

⁸ *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005); 18 C.F.R. § 35.42 (2012).

the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R § 385.713.

Questions regarding the above order should be directed to:

Federal Energy Regulatory Commission
Attn: Michelle Barnaby
Phone: (202) 502-8407
Office of Energy Market Regulation
888 First Street, N.E.
Washington, D.C. 20426

Sincerely,

Steve P. Rodgers, Director
Division of Electric Power
Regulation - West