

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 13-060

PNE Energy Supply, LLC

Order Approving Reduction in Financial Surety

ORDER NO. 25,667

May 16, 2014

In this order, we grant PNE's petition for reduction of financial surety, as a modification of a settlement agreement.

I. BACKGROUND

On February 10, 2014, PNE Energy Supply, LLC (PNE), a registered competitive electric power supplier (CEPS) headquartered in Auburn, New Hampshire, filed a Motion for Reduction of Financial Surety to reduce its level of financial surety required by the settlement agreement approved in Order No. 25,492 (April 15, 2013). As part of the settlement agreement, PNE was required to maintain an escrow account with a minimum amount of \$200,000. Order No. 25,492 at 5. In its motion, PNE asserted that a modification of this term of the settlement agreement would be appropriate, based on PNE's current level of sales and the requirements of N.H. Code Admin. Rules PART Puc 2003. PNE requested that the Commission authorize a reduction of its surety to the \$100,000 minimum level required by PART Puc 2003.

After its initial review of PNE's motion, the Commission issued a secretarial letter inquiring as to certain categories of information related to PNE's request. *See* Letter of Executive Director Debra Howland, March 24, 2014. PNE's response to the Commission's inquiry included: (1) an affidavit from August G. Fromuth, Managing Director of PNE, attesting

to the completion of the customer payments called for in the settlement agreement; (2) a reference to the relevant recent sales figures for PNE; and (3) a statement from PNE regarding the reduction of surety being in the public interest. *See* Letter of James T. Rodier, Esq., with Affidavit of August G. Fromuth, March 28, 2014.

On May 12, 2014, Commission Staff (Staff) filed a memorandum recommending approval of PNE's request. On the basis of PNE's current sales figures and the requirements of PART Puc 2003, Staff indicated that a reduction of PNE's surety to its requested \$100,000 level would be appropriate. Staff also recommended that PNE submit revised sales figures pursuant to Puc 2003.03(a)(2) every six months for the purposes of adjusting surety requirements to ensure that PNE maintains an appropriate level of surety. *See* Memorandum of Alexander F. Speidel, Esq., May 12, 2014.

II. COMMISSION ANALYSIS

We have reviewed PNE's petition, its response to the Commission's inquiry, and Staff's memorandum. We find that allowing a reduction of PNE's surety to \$100,000 in escrow is appropriate at the present time, and that modification of the relevant term of the settlement agreement is in the public interest. We also find that a semi-annual (every 6 months) sales reporting period for the specific purpose of adjusting PNE's surety is advisable. We order such semi-annual reporting, in addition to and not as a substitute for, the quarterly sales reporting already required of PNE under Puc 2003.03(b). PNE should adjust its surety upward as part of this semi-annual reporting cycle if the sales figures would require it under the terms of PART Puc 2003. PNE must also certify that its surety level is adequate under the standards of PART


Puc 2003 in its semi-annual filings. We require that the first such semi-annual filing be made on October 31, 2014, and shall incorporate PNE's sales figures through the third quarter of 2014.

Based upon the foregoing, it is hereby

ORDERED, that PNE's surety requirement is reduced to \$100,000, in escrow, as of the date of this Order, subject to future upward revision on the basis of PNE's future sales figures pursuant to N.H. Code Admin. Rules Puc 2003.03; and it is

FURTHER ORDERED, that in addition to its regular quarterly sales reports made pursuant to Puc 2003.03(b), every six (6) months, starting with the report due October 31, 2014, and continuing each April 30 and October 31 thereafter, PNE shall certify that the level of surety maintained by PNE meets the standards of PART Puc 2003 for the purposes of semi-annual adjustment of PNE's surety, if appropriate.

By order of the Public Utilities Commission of New Hampshire this sixteenth day of May, 2014.


Amy L. Ignatius (KNS)
Chairman


Robert R. Scott
Commissioner


Martin P. Honigberg
Commissioner

Attested by:


Debra A. Howland
Executive Director