

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: May 6, 2009

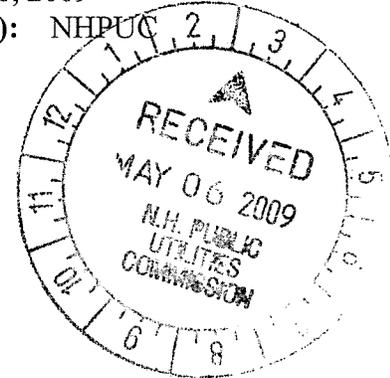
AT (OFFICE): NHPUC

FROM: Henry J. Bergeron
Utility Analyst III

HJB
TCF

SUBJECT: DM 08-108 Glacial Energy of New England, Inc.
Request for Waiver of Puc 201.05

TO: Debra A. Howland, Executive Director



Staff has received a request for a waiver of Puc 2003.02 (c) (5) from Glacial Energy of New England, Inc. (Glacial) as it relates to its application to become registered as a competitive electric power supplier.

Glacial filed its application on September 2, 2008. Included in that application were "Comparative Compiled Financial Statements for the Years Ended December 31, 2005, 2006, 2007". The cover letter from the accounting firm which prepared these compilations states that "A compilation is limited to presenting in the form of financial statements information that is the representation of management". In the first deficiency letter sent to the company, the following request was made: "Puc 2003.01 (c) (5) requires a "copy of the applicant's most recent audited financial statement". The submission of "Comparative Compiled Financial Statements" does not satisfy that requirement. Please submit Glacial's most recent audited financial statement." Glacial responded by saying that "Glacial Energy does not currently have audited financials".

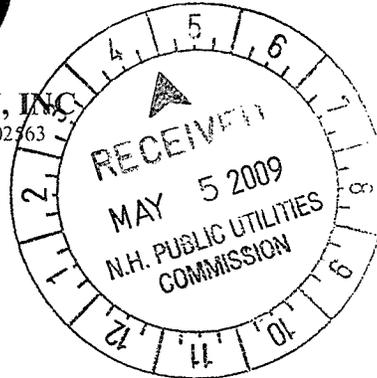
As a follow up, the company was asked why it does not have audited financials. Glacial's response was a memo from the chief financial officer which stated in part that "We have not issued an audited financial statement since it is not required by our banks and we are a privately held company....However at this point we feel that the audit is an expensive, cumbersome burden and unnecessary process at this time".

At the suggestion of the Executive Director, Glacial was informed that "it should formally request, in writing, a waiver of that rule". Glacial stated in an email that it was attaching "a copy of our audited 2007 financials". What was sent was a copy of the comparative compiled financial statements submitted as part of the original application. Glacial also sent the following as its motion for waiver: "As we do not have current audited financials completed, Glacial respectfully requests a waiver of the Public Utilities Commission section 2003.01 (c) (5)".

Staff has reviewed the waiver request and believes that it meets the requirements of Puc 201.05. Staff recommends that the waiver be granted.



GLACIAL ENERGY, INC.
24 Route 6A Sandwich, MA 02563
www.glacialenergy.com



May 4, 2009

Mr. Henry Bergeron
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, NH 03301-2429

RE: Glacial Energy Licensing

Mr. Bergeron,

Glacial Energy is currently in the final stages of the licensing process with the New Hampshire Public Utilities Commission for a license to sell retail electricity. Our Letter of Credit has been submitted and we are awaiting approval. We have also submitted Comparative Compiled Financial Statements for 2005, 2006 and 2007.

As we do not have current audited financials completed, Glacial respectfully requests a waiver of the Public Utilities Commission section 2003.01 (c) (5).

Thank you in advance for your assistance.

Respectfully,

Michael B. Giery Esq.
Senior Corporate Counsel
Glacial Energy
24 Route 6A
Sandwich, MA 02563
Ph 857-222-0958
Fax 888-767-6761

Glacial Energy Holdings
Comparative Compiled Financial Statements
For the Years Ended December 31, 2005, 2006, 2007

Prepared By:

Blumka and Company, PC
Certified Public Accountants
March 13, 2008

BLUMKA AND COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

2929 North Central Expressway

Suite 270

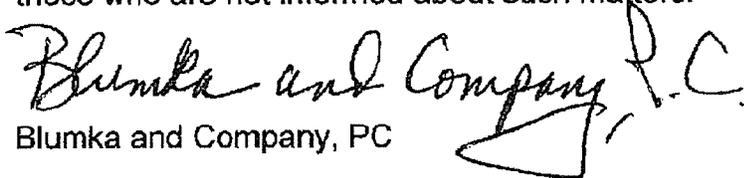
Richardson, Texas 75080

To the Board of Directors
Glacial Energy Holdings
Dallas, Texas

We have compiled the accompanying comparative consolidated balance sheets, of Glacial Energy Holdings as of December 31, 2005, 2006 and 2007 and the related statements of income and retained earnings, and cash flows for the years then ended in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.


Blumka and Company, PC

March 13, 2008

Glacial Energy Holdings
 Consolidated Balance Sheet
 December 31, 2005, 2006, 2007

	2005	2006	2007
Assets:			
Current Assets			
Cash	\$ 657,839	989,038	453,324
Accounts Receivable	1,884,471	6,177,326	9,647,448
Total Current Assets	<u>2,542,310</u>	<u>7,166,364</u>	<u>10,100,772</u>
Property and Equipment:			
Property and Equipment, Net of Accumulated Depreciation	2,517	350,221	534,749
Other Assets:			
Prepaid Expenses and Other Investments	6,820	54,166	4,277,776
Total Assets	<u>2,551,647</u>	<u>7,570,751</u>	<u>14,913,297</u>
Liabilities:			
Current Liabilities			
Accounts Payable	-	1,979,675	5,349,048
Accrued Expenses	743,331	1,401,167	839,114
Bank Line of Credit	-	1,676,000	2,999,590
Income Tax Payable	68,886	473,883	684,026
Related Party Loan	-	21,765	97,359
Subscription Escrow	-	-	1,202,383
Total Current Liabilities	<u>812,217</u>	<u>5,552,490</u>	<u>11,171,520</u>
Long Term Debt:			
Bank Loan	-	80,032	229,470
Total Liabilities	<u>812,217</u>	<u>5,632,522</u>	<u>11,400,990</u>
Stockholder Equity:			
Common Stock	1,605,711	1,605,711	2,833,961
Retained Earnings	133,719	332,518	678,346
Total Stockholder Equity	<u>1,739,430</u>	<u>1,938,229</u>	<u>3,512,307</u>
Total Liabilities and Stockholder Equity	<u>\$ 2,551,647</u>	<u>7,570,751</u>	<u>14,913,297</u>

See Accompanying Accountants' Compilation Report

Glacial Energy Holdings
Statement of Income and Retained Earnings
For the Years Ended
December 31, 2005, 2006, 2007

	2005	2006	2007
Sales:			
Sales of Electricity	\$ 6,407,940	45,682,369	75,897,026
Cost of Sales:			
Cost of Electricity Sold	5,454,173	33,549,552	57,129,624
Gross Profit	953,767	12,132,817	18,767,402
Operating Expenses:			
Selling	217,884	1,519,582	1,691,856
General	6,400	164,098	343,413
Administrative	531,762	9,643,271	15,177,988
Total Operating Expenses	756,046	11,326,951	17,213,257
Earnings Before Depreciation, Interest and Taxes	197,721	805,866	1,554,145
Depreciation Expense	133	64,826	135,178
Interest Income	5,017	9,029	1,776
Interest Expense	-	146,273	741,534
Profit Before Tax	202,605	603,796	679,209
Provision for Federal Income Tax	68,886	404,997	333,381
Net Profit	\$ 133,719	198,799	345,828
Beginning Retained Earnings	-	133,719	332,518
Ending Retained Earnings	\$ 133,719	332,518	678,346

See Accompanying Accountants' Compilation Report

Glacial Energy Holdings
Statement of Cash Flows
For the Years Ended
December 31, 2006, 2006, 2007

	2,005	2,006	2,007
Cash Flows from Operating Activities:			
Net Profit (Loss)	\$ 133,719	198,799	345,828
Depreciation	133	64,826	135,178
Bad Debt Expense	-	500,000	
(Increase)Decrease A/R	(1,884,471)	(4,792,855)	(3,470,122)
(Increase)Decrease Other Assets	(6,820)	(47,346)	(4,223,610)
Increase(Decrease) A/P	-	1,979,675	3,369,374
Increase(Decrease) Accrued A/P	743,331	657,836	(562,054)
Increase(Decrease) FIT Payable	68,886	404,997	210,143
Cash From Operating Activities	(945,222)	(1,034,068)	(4,195,263)
Cash Flows from Investing Activities:			
Purchase of Fixed Assets	(2,650)	(412,530)	(319,706)
Cash Flows from Financing Activities:			
Bank LOC	-	1,676,000	1,323,590
Related Party Loans	-	21,765	75,594
Issuance of Common Stock	1,605,711	-	1,228,250
Subscription Escrow	-		1,202,383
Bank Loan	-	80,032	149,438
Cash From Finance	1,605,711	1,777,797	3,979,255
Increase(Decrease) to	\$ 657,839	331,199	(535,714)
Beginning Cash Balance	-	657,839	989,038
Ending Cash Balance	\$ 657,839	989,038	453,324

See Accompanying Accountants' Compilation Report