

CONFIDENTIAL

**BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

SHELL ENERGY NORTH AMERICA (US), L.P.

RE: RENEWAL REGISTRATION AS A COMPETITIVE NATURAL GAS SUPPLIER

REQUEST FOR WAIVER

NOW COMES Shell Energy North America (US), L.P. ("Shell") to request a waiver of the rules of the New Hampshire Public Utilities Commission ("Commission") governing Competitive Natural Gas Suppliers ("CNGS").

BEGIN CONFIDENTIAL

1. [Pursuant to Puc 201.05, Shell respectfully requests the Commission to waive Puc Rule 3003.03 (a), (2) a.-c. as applied to Shell's request to renew its registration as a CNGS.
2. On September 29, 2015 Shell filed its application to renew its registration as a CNGS.
3. Subsequent to the filing, Shell personnel received a phone call from Commission Staff indicating the need for additional information about Shell's dealings with load aggregators and raising the issue of the need for more security as required by Puc 3003.03 (2) b.
4. As a result of the exchange of telephone calls and email messages between Staff and Shell personnel, agreement was reached on the issue of the load aggregators (Shell does not deal with "aggregators" as defined in the rules).

5. The issue of the security required from Shell was not resolved. Puc 3003.03 (2) a.-c., (3) requires an appropriate form of security ranging from a minimum of \$100,000 to \$350,000.

6. Prior to seeking to renew its registration as a CNGS, [REDACTED]

[REDACTED]

7. [REDACTED]

[REDACTED]

8. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9. Puc 3003.03 (a) (2) c. requires that the security to be provided by a CNGS shall be measured by the highest month's aggregated gas usage of all customers served by the CNGS (in this case Shell) multiplied by the same month's Tennessee Gas Pipeline Zone 6 monthly index for any year after the CNGS's first year of operations. Under the rules the security cannot exceed \$350,000 (Puc 3003.03 (a) (3)).

10. Applying the formula in Puc 3003 (a) (2) c. to Shell's activities in New Hampshire over the last seven years results in having Shell post security in the amount of \$350,000 for its [REDACTED] [REDACTED] —the maximum amount under the rules.

11. Shell has posted a bond in the amount of \$100,000 with its application to renew its registration. Shell will post additional security of a [REDACTED] bond¹ now for [REDACTED]

¹ [REDACTED]

[REDACTED] Under the facts set forth above Shell submits that these bonds are sufficient to protect the public interest represented by [REDACTED]

12. Under the circumstances, application of the requirements of Rule 3003.03 (a) to Shell is not necessary to protect the public interest in insuring that consumers are properly protected in the event a CNGS defaults in its service to its customers or otherwise enters straitened circumstances.

13. Shell is rated Aa1 by Moody's Investment Service and its parent Royal Dutch Shell PLC has a Prime-1 rating from Moody as well. The credit ratings for Shell and its parents provide additional assurance that the public interest to protect customers of Shell as a CNGS is well served.

14. In light of the allegations set forth in paragraphs 3 through 14 of this Request for Waiver, Shell respectfully requests that its registration be renewed with the posting of the surety bond in the amount of [REDACTED] continuous. Shell also respectfully requests that the Commission continue the waiver when [REDACTED]

15. Further Shell agrees to report promptly any significant changes of its customers or customer usage to Staff of the Commission for further review as to the adequacy of the surety originally posted. Should the estimated highest month's aggregated gas usage exceed [REDACTED] then Shell shall provide a bond to cover the additional amount. The total bond amount shall not exceed \$350,000.

[REDACTED]

CONFIDENTIAL

16. Under the circumstances of the relief requested by Shell, this request for a waiver serves the public interest in providing assurance that [REDACTED] of Shell is well protected given the bond and Shell's very high investment grade credit rating . The public interest is further served in that an additional CNGS will remain in the New Hampshire retail gas supply market and provide additional competition in that market.

17. The waiver will not disrupt the orderly and efficient resolution of matters before the Commission in that the requested waiver retains the principal features of the regulatory scheme as it is currently administered by Staff of the Commission.

18. The waiver also avoids the application of an onerous security requirement under the circumstances set forth above but retains the purpose of Puc 3003.03 by virtue of the Shell proposal. Shell with its Aa1 credit rating and [REDACTED] bond will provide security and will promptly notify Commission Staff if matters change with respect to the numbers of customers and customer usage. If necessary, based on changed circumstances, Shell will post additional security.

For the foregoing reasons Shell respectfully requests the Commission grant this request for a waiver of Puc Rule 3003.03 and renew Shell's registration as a CNGS on the following terms and conditions:

- (a) Shell is to post security of [REDACTED] in the form of a surety bond or equivalent liquid credit;
- (b) Shell, as a condition of its registration as a CNGS, will be required to submit promptly to Staff of the Commission any significant changes in its number of customers or customer gas usage and, if changed circumstances warrant, post additional security not to exceed \$350,000.]END CONFIDENTIAL

