

NEW HAMPSHIRE LEGAL ASSISTANCE

48 South Main Street, 2nd Floor  
Concord, NH 03301

Tel: (603) 223-9750 • Fax (603) 223-9794  
TTY: (800) 634-8989

February 21, 2007

Debra Howland  
Executive Director and Secretary  
NH Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

Re: DG 06-107  
National Grid USA and KeySpan Corporation  
Petition For Approval of Merger Transaction

**Consumer Comment of Pamela Locke**

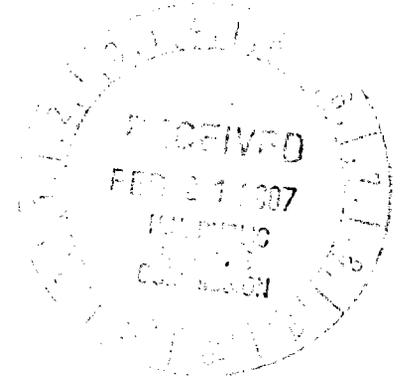
Dear Ms. Howland:

The following consumer comment is submitted on behalf of Pamela Locke with respect to the proposed merger of National Grid USA and KeySpan Corporation.

Pamela Locke is a residential heating customer of KeySpan Corporation (KeySpan). Ms. Locke is a party to DG 06-120, Residential Low Income Assistance Program For Natural Gas Customers (Program Year #2), and was a party to DG 05-076, Residential Low Income Assistance Program For Natural Gas Customers (Pilot Program: Year One). Ms. Locke was also a party to two prior KeySpan Winter Cost of Gas proceedings in which the Commission determined that it was appropriate to open a docket to investigate whether a low income assistance program for natural gas customers should be established. See Order No. 24, 323 (2004) and Order No. 24, 388 (2004). Ms. Locke was represented by the undersigned counsel in the above proceedings.

Ms. Locke and her counsel worked collaboratively with KeySpan, the Office of Consumer Advocate, Commission Staff and the Office of Energy and Planning in DG 05-076 to design and monitor the low income gas rate discount program. The program provided bill discounts to almost 5,000 KeySpan heating customers during the 2005-06 program year.

This low income bill discount program was approved by the Commission for the 2006-07 program year, effective November 1, 2006. See Order No. 24,669 dated September 22, 2006. Over 5,300 low income KeySpan heating customers are expected to benefit from the rate discount from November 1, 2006 through October 31, 2007. This bill discount program is to be reviewed by KeySpan, the Commission Staff, OCA, Ms. Locke and other parties during the summer and fall 2007 to determine whether a recommendation should be



NHPUC FEB21 07 PM 4:15

made to the Commission to approve the program for the 2007-08 program year. To date, KeySpan has been a firm supporter of the need for a bill discount program and has worked cooperatively with Staff and the parties in all of the above dockets to institute and implement such a program.

Similarly, National Grid has been a firm supporter of the statewide Electric Assistance Program (EAP) which provides low income electric customers with a discount on their electric bills. The EAP was authorized by the Commission in DR 96-150, and DE 02-034. National Grid is also a party to the current EAP docket, DE 07-009, and has expressed in that docket its on-going strong support for the EAP.

Although not a party to this proceeding, it is Ms. Locke's understanding, through her undersigned counsel, that in order for the Commission to approve this transaction the transaction must meet certain statutory criteria, including the requirements that the transaction "will not have an adverse effect on rates, terms, service or operation of the public utility within the state" (RSA 369:8, II(b)(1)), and that it be "lawful, proper and in the public interest" (RSA 374:33).

Ms. Locke, through her undersigned counsel, has reviewed the Companies' Joint Petition, Pre-filed Testimony and related attachments. The Companies agree in their Joint Petition that the legal tests to be applied by the Commission in determining whether to approve the proposed transaction are both the "no net harm" test as well as the "no adverse effect" on ratepayers test. Joint Petition, paragraphs 8 – 10. The Companies further assert in their Joint Petition that the public interest is served not only because "no net harm" results from the proposed transaction but also because "a positive benefit" to ratepayers will result. Joint Petition, paragraph 36. Indeed, the Companies state: "We are not seeking to maintain the status quo; we are aiming to provide affirmative benefits." *Id.*

As noted earlier, Ms. Locke has a substantial interest in assuring that the low income rate discount program continues. Ms. Locke also believes that the actual rate discount should be modestly increased.

KeySpan's rate discount has helped make heating bills more affordable for many low income customers. Nevertheless, the discount, currently 60% off the "delivery" rate, translates to approximately a 15% discount off the total bill. In times of rapidly increasing energy costs, a modest increase in the discount to at least 20% off the total bill would provide a much more meaningful discount to low income gas customers, many of whom are struggling to pay their winter heating bills. A review of the results of KeySpan's 2005-06 discount rate program and the results of KeySpan's first quarter 2006-07 discount program show that this suggested increase in the discount level would not significantly impact the financial integrity of the program.

The only mention of low income bill discount programs in the Joint Petition appears at the end of paragraph 17, and states only: "By working closely together, Energy North and Granite State Electric will be able to increase the impact of their efforts to publicize energy efficiency programs, implement low income programs, and coordinate community activities."

Joint Petition, pages 15, 16. See also Direct Testimony of William Sherry, page 7 of 9, lines 13 – 16 (similar quote as above).

Pamela Locke respectfully recommends that in order to meet the public interest test and fulfill the Companies' commitment to provide "a positive benefit" to ratepayers, approval of the proposed merger should be conditioned on the Companies' agreement to both continue the low income gas discount rate program, as well as to increase the discount, consistent with maintaining the financial integrity of the program. Ms. Locke believes that this needed rate relief will provide "a positive benefit" for ratepayers and will be in the "public interest".

Ms. Locke appreciates the opportunity to submit these comments.

Sincerely,

A handwritten signature in cursive script that reads "Alan Linder".

Alan Linder  
Attorney for Pamela Locke

AL:blg

Cc:  
Service List, DG 06-107  
Pamela Locke