

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

_____)
EnergyNorth Natural Gas, Inc. d/b/a)
KeySpan Energy Delivery New England)
_____)

DG 07-____

**PETITION FOR APPROVAL OF A
FIRM TRANSPORTATION AGREEMENT WITH
TENNESSEE GAS PIPELINE COMPANY**

EnergyNorth Natural Gas Inc. d/b/a KeySpan Energy Delivery New England (“KeySpan” or the “Company”) hereby petitions the Public Utilities Commission (the “Commission”) for approval of a firm transportation agreement with Tennessee Gas Pipeline Company (“Tennessee”), including a determination that the Company’s decision to enter into the agreement is prudent and consistent with the public interest. In support of its request, KeySpan states as follows:

1. On August 21, 2006, KeySpan filed its 2006-2011 Integrated Resource Plan (the “IRP”), which is pending before the Commission in docket DG 06-105. In the IRP, the Company presented a forecast of its New Hampshire sendout requirements under design weather conditions for the five-year period of November 1, 2006 through October 31, 2011.
2. As a result of its analysis, the Company identified a need for additional city-gate deliverability of gas to reliably serve its customers.
3. On February 15, 2007, Tennessee announced an open season for additional firm transportation from the interconnection of the Tennessee system with the Maritimes and Northeast System at Dracut, Massachusetts

to delivery points along the Tennessee Concord Lateral. Tennessee plans to install additional compression to provide this service. Tennessee plans on making the additional pipeline capacity generated by this expansion available in 2009/2010.

4. On May 3, 2007, representatives of KeySpan met with the Commission staff ("Staff") to inform the Staff that KeySpan had determined that the least cost option for meeting the need identified in the Company's IRP was to contract with Tennessee for additional capacity on the Concord Lateral. At that meeting, Staff expressed strong concerns regarding whether the Company's determination was prudent, and indicated that it would require more detailed information before it could concur with the Company's decision.
5. As a result of the meeting between Staff and the Company, and in light of the significant financial commitment involved in entering into a long term agreement with Tennessee for additional capacity on the Concord Lateral, the Staff and the Company agreed that it would be appropriate and in the best interests of the Company and its customers, for the Commission to review the Company's analysis and make a determination of prudence before the Company irrevocably committed to the proposed pipeline project. It is the Company's understanding that the Staff contemplated that such a proceeding that would be similar in nature to a so-called Easton review, which is typically conducted as part of a proceeding in which a public utility seeks authority to engage in a financing transaction,

particularly where the proceeds of the financing will be used for a significant capital project. In such proceedings, the Commission has traditionally examined the prudence of the proposed use of the proceeds of the financing and the effect of such an expenditure on rates. *See, e.g., Pittsfield Aqueduct Company*, Order No. 24,610 (Mar. 31, 2006) *citing Appeal of Easton*, 125 N.H. 205, 211 (1984).

6. On August 29, 2007 KeySpan and Tennessee executed a precedent and negotiated rate agreement ("Precedent Agreement"), Section 13 of which provides that KeySpan may terminate the agreement if the Commission does not approve the agreement by February 28, 2008. A copy of that agreement is attached as Exhibit EDA -1 to the pre-filed testimony of Elizabeth D. Arangio.
7. The proposed arrangement with Tennessee, as set forth in the Precedent Agreement, is for a firm-transportation contract with a primary receipt point in Dracut, Massachusetts, a primary delivery point in Laconia, New Hampshire, a maximum daily transportation quantity ("MDTQ") of up to 30,000 MMBtu/day, and a term extending for the 20-year period of November 1, 2009 through October 31, 2029. Service would be provided at a negotiated fixed rate for the twenty year term. To provide the transportation service called for under the agreement, Tennessee would acquire and construct a new mid-point compressor station and expand its existing meter station to accommodate the incremental volumes to be transported.

8. In support of this petition KeySpan is submitting pre-filed testimony and other documentation to demonstrate that the proposed arrangement: (1) is consistent with the portfolio objectives established in the Company's IRP and (2) was selected as the result of a prudent decision making process that properly considered the alternatives that are reasonably available to the Company to provide the necessary service to its customers.

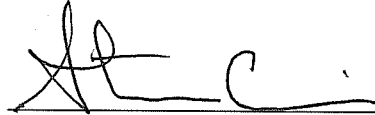
WHEREFORE, the Company respectfully requests that the Commission:

- A. Open a proceeding to conduct a review, similar in nature to so-called Easton reviews conducted by the Commission in financing proceedings, and determine that KeySpan's decision to enter into the proposed arrangement with Tennessee is prudent and consistent with the public interest;
- B. Complete the foregoing review, including the issuance of an order prior to February 28, 2008; and
- C. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

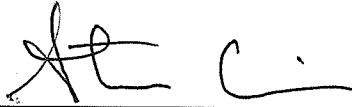
**KEYSPAN ENERGY DELIVERY
NEW ENGLAND**

By its attorneys


for _____

Thomas P. O'Neill
Senior Counsel
KeySpan Energy Delivery New England
52 Second Avenue
Waltham, MA 02451
(781) 466-5136

Dated: September 14, 2007



Steven V. Camerino
McLane, Graf, Raulerson & Middleton, P.A.
11 South Main Street, Suite 500
Concord, N.H. 03301
(603) 226-0400

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Petition for Approval of a Firm Transportation Agreement with Tennessee Gas Pipeline Company has been forwarded to the Office of Consumer Advocate.

Dated: September 14, 2007



Steven V. Camerino