

DA 08-058

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April 3, 2008

VIA E-FILE AND FIRST CLASS MAIL

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, New Hampshire 03301



Re: Northern Utilities, Inc., Affiliate Agreement with Granite State Gas Transmission

Dear Ms. Howland:

Enclosed please find an original and eight (8) copies of a proposed affiliate purchase and sale agreement ("PSA") between Northern Utilities, Inc. ("Northern") and Granite State Gas Transmission ("Granite") regarding Northern's purchase of metering and regulator equipment ("affiliate M&R PSA") from Granite, and Granite's sale of the same to Northern. The agreement has been filed this date with the Maine Public Utilities Commission ("Maine Commission" or "MPUC"). Northern asks the New Hampshire Public Utilities Commission ("Commission") to accept this proposed affiliate M&R PSA for filing.

Pursuant to the order of the MPUC in Docket No. 2007-119, Northern is required to update the Maine Commission relative to Northern's intent with regard to purchasing the stations. See, e.g. Northern Utilities, Inc., Request for Approval of Affiliated Interest Transaction with Granite State Gas Transmission, Inc., Docket No. 2007-919 (Oct. 17, 2007) ("Order"). The Order stated

"We find that [Northern's M&R O&M] Agreement is not adverse to the public interest and, in fact, should assist Northern increase its diligence in managing its system pressure regulation. We also see no problem with Northern operating and maintaining facilities owned by Granite over the long term, should it decide not to purchase them, so long as issues do not arise that impede Northern's ability to operate and maintain its system adequately and at reasonable cost. However, we request that Northern advise us on its decision within 6 months."

Accordingly, for the Commission's information and filing, Northern provides herewith its complete filing as made with the Maine Commission today regarding this

matter. Northern has decided to purchase the regulating equipment at the stations and proposes the attached PSA to accomplish the same. Accordingly, in addition to Northern's petition, today's filing includes the proposed affiliate M&R PSA as Attachment Northern-1, which articulates the parameters of the purchase and sale agreement relative to the M&R equipment at the stations in Northern's Maine Division and in its New Hampshire Division. Attachment Northern-1 also has Exhibit "A" -- a schedule of the M&R stations in Maine and New Hampshire; Exhibit "B" -- schematics of the mark of delineation for the M&R stations serving Northern's New Hampshire Division; Exhibit "C" -- Schematics of the mark of delineation for M&R stations serving Northern's Maine Division.

Thank you for your attention to this matter. Kindly date stamp a copy of this filing letter, included for this purpose, and return it to me in the envelope provided.

Very truly yours,



Patricia M. French

Enclosures

cc: Donald Kreis, Esq., General Counsel