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May 17, 2012

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 Fruit Street, Suite 10
Concord, New Hampshire 03301-2429



**Re: DG 11-040, Transfer of Ownership of Granite State Electric Company and
EnergyNorth Natural Gas, Inc. to Liberty Energy NH
REPLACEMENT EXHIBIT #2 – SETTLEMENT AGREEMENT**

Dear Ms. Howland:

In connection with the above-referenced matter, I enclose an original unbound copy and six unbound copies of the Settlement Agreement that was designated as Exhibit 2 during the April 16, 2012 hearing. I also enclose a CD containing an electronic version of the Settlement Agreement and its attachments. As indicated on the record at that hearing, *see* Day 1 Transcript, Page 13, Lines 4-11, the attachments to the Settlement Agreement have been corrected to address a number of minor errors and other matters, none of which affect the Settlement Agreement itself. The enclosed document is intended to supplant and supersede the existing Exhibit 2. Corrections have been made to the following bates-stamped pages:

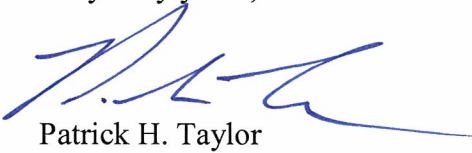
16; 27; 64; 141(a); 152; 194(a); 194(b); 195; 225(a); 521; 527

Please note that only the Settlement Agreement is intended to be entered into the record as Exhibit 2. *See* Day 1 Transcript, Page 10, Lines 12-13. On the Commission's website, it appears that a cover letter and an informal summary document that accompanied the initial paper filing of the Settlement Agreement are shown as being included in Exhibit 2, which was not the intent of the parties and appears to be contrary to the discussion on the record at the hearing. The Company therefore believes that only the enclosed document should be included in the record as Exhibit 2 and that the remainder of the material currently posted as Exhibit 2 on the Commission's website should be excluded.

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Thank you for your assistance. Please do not hesitate to contact me should you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'P. H. Taylor', with a long horizontal flourish extending to the right.

Patrick H. Taylor

cc: Service List