

**NISource<sup>SM</sup>**  
**Corporate Services**

Patricia M. French  
Lead Counsel

300 Friberg Parkway  
Westborough, Massachusetts 01581  
(508) 836-7394  
(508) 836-7039 (facsimile)  
[pfrench@nisource.com](mailto:pfrench@nisource.com)

October 6, 2006

**VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY**

Karen Geraghty  
Administrative Director  
ME Public Utilities Commission  
242 State Street  
18 State House Station  
Augusta, ME 04333

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

Re: Northern Utilities, Inc., MPUC Docket No. 2006-390  
Northern Utilities, Inc., NHPUC Docket DG 06-098

Dear Ms. Geraghty and Ms. Howland:

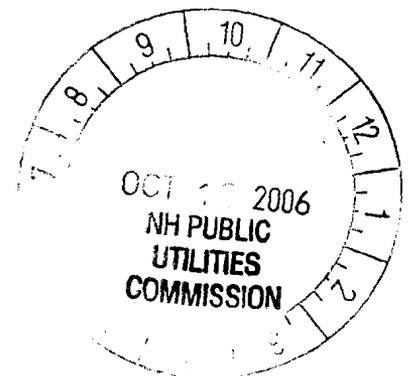
Enclosed for filing, on behalf of Northern Utilities, Inc. ("Northern"), please find Addendum A of Northern's Long-Range Integrated Resource Plan. Please include this as pages 48 and 49 of Northern's IRP Report, filed June 26, 2006. Northern's Addendum A to its 2006 IRP Report merely describes Northern's competitive solicitation and bidding process undertaken each time Northern makes a resource decision. This description was inadvertently omitted from Northern's initial filing.

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* / SBK  
Patricia M. French

cc: Edward Damon, Esq., NHPUC  
Carol A. MacLennan, Esq., MPUC  
Ken Traum, OCA  
Stephen G. Ward, Esq., OPA  
Service List for DG06-098  
Service List for Docket No. 2006-390



## ADDENDUM A

### DESCRIPTION OF NORTHERN UTILITIES, INC.'S COMPETITIVE SOLICITATION AND BIDDING PROCESS

Northern participates in the natural gas marketplace on a daily basis and derives market intelligence by maintaining contact with numerous suppliers/marketers/pipelines and other market participants via telephone and e-mail, and by monitoring the marketplace via electronic trading platforms, such as the Intercontinental Exchange (ICE), where price discovery is performed daily. This daily monitoring and participation in the broader natural gas market enables Northern to develop and maintain a comprehensive list of over forty (40) counter-parties with whom it can transact business as it needs arise.

If the results of Step 1 and Step 2 of Northern's Resource Planning Process (see Schedule II-1 of Northern's IRP Report) indicate that a resource decision is necessary and should be made, Northern will issue a comprehensive Request for Proposal ("RFP") to each of these counter-parties and any additional new market participants that Northern is able to identify. The objective of the RFP solicitation undertaken as part of Northern's Resource Planning Process is to secure a reliable, flexible and viable resource at the least reasonable cost.

The terms of a Northern-issued RFP can vary, but a typical RFP requests competitive market bids on price, volume, term and location for a particular supply and/or capacity resource. The bidding process ensures for Northern and its customers that all viable alternatives competitively participate in the solicitation and that Northern is able to evaluate a range of competitive market prices related to its needs. Once the bids are received, Northern then assesses both cost and non-cost characteristics, as discussed further on pages 13 and 14 of Northern's IRP Report.