

THE STATE OF NEW HAMPSHIRE

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July 22, 2010

Gary Epler  
Unitil Service Corp.  
6 Liberty Lane West  
Hampton, NH 03842-1720

Re: DA 07-026 & DA 08-058 – Contract between Affiliates  
Northern Utilities, Inc. & Granite State Gas Transmission, Inc.

Dear Mr. Epler:

Upon reviewing its records, the Commission determined that there were outstanding matters regarding the above-referenced dockets requiring attention. Specifically, the Commission determined that the status of the affiliate contracts at issue in the above dockets was unknown. Upon requesting and receiving pertinent information, the Commission renders the below findings and rulings relative to these contracts.

DA 07-026:

On March 1, 2007, Northern Utilities, Inc. (Northern) filed an unexecuted Operating and Maintenance Affiliate Agreement with both the Maine and New Hampshire public utility commissions. The agreement delineates the facilities either Northern or its affiliate Granite State Gas Transmission, Inc. (Granite) are responsible for operating and maintaining at each metering and regulation station where Granite delivers gas to Northern. On August 3, 2007 Northern filed a revised agreement and on October 17, 2007 the Maine Commission approved the revised agreement. By its terms, the agreement is in effect for as long as the equipment is operational, or until terminated by either party after 90 days' notice. On July 12, 2010, Northern filed the executed contract, dated November 1, 2007, with the New Hampshire Commission.

DA 08-058:

On April 4, 2008 Northern Utilities, Inc. filed a Purchase and Sales Agreement entered into between Northern and Granite. The agreement transfers ownership from Granite to Northern of certain metering and regulator station facilities covered under the Operating and Maintenance Affiliate Agreement filed in DA 07-026. The Purchase and

Sales Agreement was not executed, and on July 30, 2008 Northern withdrew the Maine filing in advance of its statutory expiration.

Under RSA 366:3, any contract or arrangement, or a summary of any unwritten contract or arrangement, between a utility and its affiliate is to be filed by the utility within 10 days after being executed or entered into. With regard to the agreement in DA 07-026, Northern filed an unexecuted agreement on March 1, 2007, and an executed agreement on July 12, 2010 with an effective date of November 1, 2007. In that the agreement was effective on November 1, 2007, but not filed until July 12, 2010, Northern can not be said to have met the filing requirements of RSA 366:3. Pursuant to RSA 366:4, however, the Commission hereby approves of the late filing of this contract. As to the contract in DA 08-058, since that contract was never executed, and was withdrawn, we acknowledge that nothing further is required for this docket. We anticipate that Northern will be more diligent in the future in complying with the timeframes for filing.

In that Northern has now filed the executed agreement in DA 07-026, this letter serves as an acknowledgement that Northern, pursuant to the requirements of RSA 366:3 and RSA 366:4, has filed a contract between a public utility and an affiliate for the provision of services in exchange for compensation that exceeds \$500. This acknowledgement does not constitute approval of any rate or revenue requirement change that may be claimed as a result of the service provided for in the filed documents. As any issue that may arise under the contract may be addressed in another docket or through the opening of a new docket, the Commission will not open an investigation at this time under RSA 366:5. Both dockets will be closed. As you may be aware, any modifications of the contracts must also be filed with the Commission pursuant to RSA 366:3.

Sincerely,

A handwritten signature in cursive script, appearing to read "Debra A. Howland".

Debra A. Howland  
Executive Director

cc: Docket File