

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 07-083

ORDER OF NOTICE

On August 2, 2007, Iberdrola, S.A. (Iberdrola), a large international utility and energy company headquartered in Spain, Energy East Corporation (Energy East) and New Hampshire Gas Corporation (NHGC) (collectively, the Joint Petitioners) filed a petition with the Commission seeking approval pursuant to RSA 369:8 and RSA 374:33 of a merger transaction that would result in NHGC becoming a wholly owned indirect subsidiary of Iberdrola. Energy East is NHGC's parent holding company and NHGC provides propane air services to approximately 1,000 customers in Keene. The Joint Petitioners request that the Commission issue an order authorizing the proposed transaction within 60 days of the filing but no later than 150 days of the filing.

According to the Joint Petitioners, the merger will not affect the Commission's ability to regulate the operations of NHGC and neither the locations of NHGC's operations and service center or the present arrangement under which the Berkshire Gas Company, another subsidiary of Energy East, provides affiliate services to NHGC will change in connection with the merger. Iberdrola does not contemplate that any utility company operations, plant, equipment, franchises permits or other assets of NHGC will change or be transferred pursuant to the transaction. In addition, the Joint Petitioners assert that the merger will not adversely affect contracts with NHGC's customers, suppliers, lenders, employees or vendors or NHGC's ability to provide safe, adequate and reliable propane service to its customers. Iberdrola states that it highly values the skills and experience of the management teams and the employees of Energy East, Berkshire Gas

Company and NHGC who will be vital to the success of the proposed transaction. The Joint Petitioners further state that they will not seek to recover any acquisition premium or transaction costs associated with the merger in rates and they affirm that there will be no change in the rates, terms or conditions of service provided to NHGC's customers in connection with the transaction. The Joint Petitioners explain that the merger will not result in synergy savings. They assert, however, that the merger will provide positive benefits to New Hampshire, pointing to Iberdrola's global energy experience, focus on clean technology and the environment, financial stability, and commitment to customer service and reliability.

The filing raises, inter alia, issues related to whether the transaction will have an adverse effect on the rates, terms, service or operation of NHGC and whether the transaction is lawful, proper and in the public interest and should be approved. Each party has the right to have an attorney represent them at the party's own expense at the prehearing conference and any subsequent hearings.

Based upon the foregoing, it is hereby

ORDERED, that a prehearing conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on September 6, 2007 at 1 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. Rule Puc 203.15(c) and (d) shall be considered; and it is

FURTHER ORDERED, that, immediately following the prehearing conference, the Joint Petitioners, the Staff of the Commission and any intervenors hold a technical session to

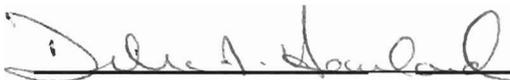
review the petition and allow Joint Petitioners to provide any amendments or updates to their filing; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, Joint Petitioners shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than August 27, 2007, in a newspaper with general circulation in Keene, publication to be documented by affidavit filed with the Commission on or before September 6, 2007; and it is

FURTHER ORDERED, that any party seeking to intervene in the proceeding shall submit to the Commission an original and seven copies of a petition to intervene with copies sent to the Joint Petitioners and the Office of the Consumer Advocate on or before September 4, 2007, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before September 6, 2007.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of August, 2007.



Debra A. Howland
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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Docket #: 07-083 Printed: August 22, 2007

FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
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21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429