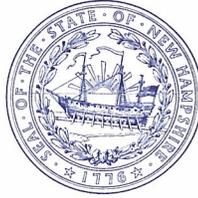


THE STATE OF NEW HAMPSHIRE

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Thomas B. Getz

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Amy L. Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

June 17, 2010

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



Re: DG 08-009, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH
Staff Recommendation on Rate Case Expenses

Dear Ms. Howland:

In the context of reviewing another matter, it has come to the attention of Staff that the recommendation filed in a letter dated December 3, 2009 in the above-captioned matter contained a reference to information that was not included with the recommendation. Specifically, on page 3 at footnote 1 of the recommendation letter, there is a reference to information provided in the response to Staff's rate case data request 1-4. That response, however, was inadvertently omitted from the recommendation letter. Therefore, included with this letter as a supplement to that recommendation letter is the response to Staff's rate case data request 1-4 in Docket No. DG 08-009. I apologize for any confusion or inconvenience caused by the omission. Please contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew J. Fossum".

Matthew J. Fossum
Staff Attorney

ENERGYNORTH NATURAL GAS, INC.
d/b/a NATIONAL GRID NH
DG 08-009

National Grid NH's Responses to
Staff Data Requests – Rate Case Expense Set 1

Date Request Received: 8/21/2009
Request No. Staff 1-4

Date of Response: 9/14/2009
Witness: Gary Ahern

REQUEST: Did the contracts for consultants and attorneys retained by the Company result from an RFP process, negotiations with the consultant or some other method? Please describe any process used including, but not limited to:

- a. any Company requests for proposals by outside attorneys or consultants for work in connection with the rate case;
- b. any proposals made by outside attorneys or consultants;
- c. any initial cost estimates and budgets made by outside attorneys or consultants or by the Company for work in connection with the rate case; and
- d. the Company's analysis of any cost estimates and budgets made by outside attorneys or consultants.

RESPONSE: Management Applications Consulting and P. Moul Associates were retained pursuant to an RFP process. The decision to hire Management Applications Consulting and P. Moul Associates was based on an analysis of their proposal responses including cost estimates and hourly rates.

The McLane Law Firm and Hewitt Associates were retained based on their historic knowledge of and familiarity with the Company and the relevant legal, regulatory and other issues. As discussed in the response to Staff 1-3, Hewitt was called on during the proceeding to assist with providing certain detailed and complex information regarding the Company's pension and OPEB accounting practices and related expenses. As the actuary who prepared the Company's pension and OPEB financial records, Hewitt was uniquely situated to provide the needed services.

The decision to retain McLane was based on their long standing relationship as regulatory counsel to EnergyNorth. Because the merger order in docket DG 06-107 required the Company to prepare and file a rate case within six months following the merger close, the Company determined that McLane was uniquely positioned to provide the best quality and most cost-effective legal advice under the circumstances. Hiring new outside counsel who was not familiar with the Company's history, process and procedures would likely have hindered the effective and timely preparation of the case and would not have provided the Company with the assistance that it required. In January 2008, McLane provided an initial budget estimate of \$185,000 for professional services exclusive of expenses and assuming a settled outcome. Subsequently, in April 2008, when it became apparent that the case was more complex than originally anticipated and

EnergyNorth Natural Gas, Inc.
d/b/a National Grid NH
Response to Staff 1-4
Page 2 of 2

the scope of McLane's role in assisting the Company was expanded beyond what was originally anticipated, McLane was asked to review its original estimate. The estimate was revised to \$350,000, again assuming a settlement. As part of its proposal, McLane agreed to provide the administrative support needed to manage the discovery process at no charge.

STEVEN V CAMERINO
MCLANE LAW FIRM
11 SOUTH MAIN ST STE 500
CONCORD NH 03301

SARAH KNOWLTON
MCLANE GRAF RAULERSON & MIDD
PO BOX 459
PORTSMOUTH NH 03801

STEPHEN R ECKBERG
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301

ANN LEARY
KEYSPAN ENERGY DELIVERY NEW E
52 2ND AVE
WALTHAM MA 02451-1127

GARY EPLER
UNITIL ENERGY SYSTEMS INC
6 LIBERTY LANE WEST
HAMPTON NH 03842-1720

ALAN LINDER
NH LEGAL ASSISTANCE
117 N STATE ST
CONCORD NH 03301-4407

DAN FELTES
NEW HAMPSHIRE LEGAL ASSISTANCE
117 N STATE ST
CONCORD NH 03301-4407

THOMAS O'NEILL
NATIONAL GRID
40 SYLVAN RD
WALTHAM MA 02451

ART FREITAS
LA CAPRA ASSOCIATES
1 WASHINGTON MALL STE 9
BOSTON MA 02108-2603

SAMANTHA SAARI
MCLANE GRAF RAULERSON & MIDD
PO BOX 459
PORTSMOUTH NH 03802-0459

ROBERT R GIORDANO
12 COBBLER LANE
BEDFORD NH 03110

KEN E TRAUM
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301-2429

MEREDITH A HATFIELD
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301

RORIE HOLLENBERG
OFFICE OF CONSUMER ADVOCATE
21 SOUTH FRUIT ST STE 18
CONCORD NH 03301-2429

Docket #: 08-009

Printed: June 17, 2010

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
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429

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DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN
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21 SOUTH FRUIT ST, SUITE 10
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BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

PRADIP CHATTOPADHYAY
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

JIM CUNNINGHAM
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

EDWARD DAMON
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

MATTHEW FOSSUM
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

STEPHEN FRINK
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

RANDY KNEPPER
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

GEORGE MCCLUSKEY
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

F ANNE ROSS
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

MARCIA THUNBERG
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

ROBERT WYATT
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

AMANDA NOONAN
CONSUMER AFFAIRS DIRECTOR
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429