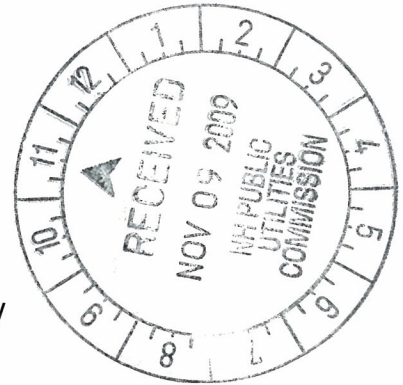




November 6, 2009

**BY OVERNIGHT and ELECTRONIC MAIL**

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



RE: Northern Utilities, Inc.'s Affiliate Agreement with  
Granite State Gas Transmission, Inc.  
Gas Transportation Contract

Dear Director Howland:

On October 15, 2009, Northern Utilities, Inc., ("Northern" or "Company") filed with the New Hampshire Public Utilities Commission ("Commission") copies of the executed Gas Transportation Contract by and between Northern and Granite State Gas Transmission, Inc. ("Granite"), as required by RSA 366:3.

This letter is to confirm Northern's and Granite's interpretation of the provision found at paragraph 7.2 of the August 15, 2008 Settlement Agreement approved in Dockets DG 08-048 and DG 08-079: For the entire term of the above-referenced gas transportation contract (November 1, 2009 through October 31, 2010), the rates paid by Northern to Granite for firm transportation for 100,000 Dth of capacity shall be at Granite's current recourse rate of \$1.6666/ Dth, except that if prior to the end of the contract the rates of Granite become subject to state jurisdiction, the rates under the contract may be terminated.

If you should have any questions, please do not hesitate to contact me directly.

Thank you for your cooperation in this matter.

Sincerely,

Gary Epler  
Attorney for Northern Utilities, Inc.

Gary Epler  
Chief Regulatory Counsel

6 Liberty Lane West  
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cc: Edward Damon, Staff Counsel  
Meredith Hatfield, Office of the Public Advocate