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April 13, 2009

Via Electronic and U.S. Mail

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



***Re: Request of Northern Utilities, Inc. for Waiver of
 N.H. Admin. Rule Puc 505.07 Relative to Maintenance of
 Meter Testing Facilities and Equipment***

Dear Ms. Howland:

Pursuant to N.H. Admin. Rules Puc 202.01 (d) and Puc 201.05 (c), I am writing on behalf of Northern Utilities, Inc. ("Northern") to request that the New Hampshire Public Utilities Commission ("the Commission") waive the requirement under N.H. Admin. Rule 505.07 that Northern "maintain" facilities and equipment necessary for accurately testing all types and sizes of meters employed for the measurement of gas to its customers. N.H. Admin. Rule Puc 505.07 (a) provides as follows:

"Each utility shall maintain the equipment and facilities necessary for accurately testing all types and sizes of meters employed for the measurement of gas to its customers, unless arrangements approved by the commission, pursuant to Puc 201.05, have been made to have such testing done elsewhere."

The wording of foregoing rule reveals that the Commission may, pursuant to the waiver process under Puc 201.05, allow a gas utility to have meter testing performed off site rather than to maintain its own meter testing equipment. N.H. Admin. Rule Puc 201.05 permits the Commission to waive its rules, except where precluded by statute, upon request of an interested party if the Commission finds that the waiver serves the public interest and the waiver will not disrupt the orderly and efficient resolution of matters before the Commission. The public interest determination set forth above may be met by a showing that the purpose of the rule would be satisfied by an alternative method proposed. N.H. Admin. Rule Puc 201.05 (b)(2). For

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the reasons discussed below, Northern asserts that it meets the standards expressed in the foregoing rule and therefore qualifies for a waiver of Puc 505.07 (a).

As the Commission is aware, on December 1, 2008, the ownership of Northern transferred from NiSource, Inc. ("NiSource") to Unitil Corporation ("Unitil"). When Unitil acquired Northern it did not acquire any of the meter testing equipment and facilities that had been previously used by Northern to meet its meter testing obligations under N.H. Admin. Rule Puc 505. Accordingly, in order to meet those obligations, Northern proposes to contract with Austin International, Inc. ("Austin") for testing diaphragm meters up to and including AL 1000, and with IMAC Systems, Inc. for testing larger meters. Unitil's Massachusetts subsidiary, Fitchburg Gas and Electric Company ("Fitchburg"), has contracted with Austin for approximately 2 years for gas meter testing and related services and has retained IMAC Systems for testing its larger meters for the past 7 years. Based upon Fitchburg's experience with contracting for meter testing services, Unitil is confident that Austin and IMAC Systems, Inc. are capable of providing the required services. More information about Austin's capabilities may be found on its website at www.electricalconnector.com/Gas-Metershop.htm. More information about IMAC Systems' capabilities may be found on its website at www.imacsystems.com/meterrepair.htm.

It is Northern's intent to contract with Austin for a period of 12 months and to contract with IMAC Systems for a period of 12 months which will enable Northern to meet its meter testing obligations as it is transitioning from the NiSource organization to the Unitil organization. During this time, Unitil and Northern will be analyzing whether it would be more cost-effective to pursue purchasing meter testing equipment and facilities. In the interim, however, Northern believes that these contracts meet the objectives of the meter testing equipment and facilities rule, and provides a reasonable and appropriate alternative to the requirement that Northern maintain such equipment and facilities on-site. A waiver of N.H. Admin. Rule Puc 505.07 (a) is therefore in the public interest. In addition, the waiver will not disrupt the orderly and efficient resolution of any matters before the Commission. Lastly, Northern is aware of no statute that precludes the granting of this waiver.

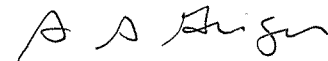
Northern is currently meeting its obligation under N.H. Admin. Rule 505.05 (a) (5) to perform meter testing in the presence of the customer or the customer's agent at the NiSource testing facility located in Springfield, Massachusetts. Beginning June 1, 2009, these tests will be conducted in Fitchburg, Massachusetts where the Company has arranged for contractor assistance as needed. This change should reduce the travel time for those customers seeking to observe the meter testing.

In view of the foregoing, Northern respectfully requests a waiver of N.H. Admin. Rule Puc 505.07 (a) to permit Northern to meet its gas meter testing and related obligations through the above-described contracts.

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Seven (7) copies of the within letter are enclosed. Please contact me if there are any questions about this matter. Thank you for your assistance and cooperation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "S. S. Geiger".

Susan S. Geiger

Enclosures
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