



April 2, 2012

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

ORIGINAL
P.A.P.U.C. Case No. <u>DG 11-040</u>
Exhibit No. <u>#5</u>
Witness <u>Panel 1</u>
DO NOT REMOVE FROM FILE

Re: DG 11-040; Transfer of Ownership of Granite State Electric Company and EnergyNorth Natural Gas, Inc. to Liberty Energy NH

Dear Ms. Howland:

I am writing to provide additional information requested by the Commission staff ("Staff") regarding the Technical Statements submitted on behalf of Granite State Electric Company ("Granite State") and EnergyNorth Natural Gas, Inc. ("EnergyNorth") on March 16, 2012, relating to proposed long term debt issuances by the two companies upon consummation of the stock transfer that is the subject of the above-captioned docket.

First, Staff has correctly noted that Footnote B on Exhibit 1 to the Granite State Technical Statement is incorrect. The footnote should state "Other than the \$15M of existing long term debt of Granite State, existing company debt is not being transferred with the transaction." The footnote in the document that was filed on March 16 incorrectly stated that the existing debt would not be transferred as part of the transaction.

Second, Staff has asked that Liberty Utilities provide the Commission with its best information regarding the interest rate and anticipated maturity of the proposed debt. Although the final terms and conditions of the debt will not be known until closing, Mr. Bronicheski indicates that the interest rate on the long term debt is expected to be between 275 and 350 basis points over the yield for 10-year U.S. Treasury bonds, which would result in an all-in interest rate of between 4.75% and 5.50%. The final pricing of the interest rate will depend on market conditions at the time of closing as well as the maturity term selected. The final decision regarding the maturity term will also be determined at the time of pricing of the debt, but is expected to be between ten years and fifteen years (and possibly longer), with a preference for a longer term given the historically low interest environment that currently exists.

Please do not hesitate to contact me if the Commission has any questions or requires any additional information.

Sincerely,


Shannon P. Coleman

cc: Service List