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**CONFIDENTIAL
MATERIAL
IN COMM FILE**

June 26, 2012



NHPUC JUN26'12 PM 4:21

VIA EMAIL AND HAND DELIVERY

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

**Re: DG 11-040; Transfer of Ownership of Granite State Electric Company and
EnergyNorth Natural Gas, Inc. to Liberty Energy NH -
Escrow Agreement and Motion for Protective Order**

Dear Ms. Howland:

The settlement agreement relating to the acquisition of Granite State Electric Company and EnergyNorth Natural Gas, Inc. by Liberty Energy Utilities (New Hampshire) Corp. ("Liberty Energy NH") approved by the Commission in its Order No. 25,370 contemplated that National Grid USA would enter into an escrow agreement for purposes of administering a portion of the sale proceeds otherwise payable to National Grid. In its order, the Commission directed National Grid "to submit a copy of the escrow agreement for our review no later than one week prior to the anticipated Closing Date." Order at 36.

National Grid has now reached agreement with Bank of America regarding the terms of an escrow agreement to be entered into for purposes of complying with the approved settlement. In addition, National Grid has determined that to best implement the escrow arrangement contemplated by the settlement, it is also advisable to enter into a separate agreement regarding the authorizations required to obtain a release of funds from escrow and otherwise implement the escrow arrangement. Therefore, in compliance with Order No. 25,370, enclosed for the Commission's information and review are an original and six copies of the form of Escrow Agreement between National Grid USA and Bank of America as well as an Agreement Regarding Process for Release of Escrow Funds to be entered into by National Grid USA, the Commission staff, Liberty Energy Utilities Co., Liberty Energy NH, Granite State Electric

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Company, and EnergyNorth Natural Gas. Also enclosed are an original and six copies of a Motion for Protective Order relating to the enclosed Escrow Agreement. Because of its confidential nature, the Escrow Agreement is being submitted in both redacted and unredacted form.

It is National Grid's intention to enter into the enclosed agreements at or about the time of closing on the sale transaction. Once the documents have been fully executed, copies of the executed agreements will be filed with the Commission. I am authorized to represent that these documents have been reviewed by and have the support of both the Commission staff as well as Liberty Energy NH and its affiliates.

Please feel free to contact me if the Commission has any questions regarding the enclosed documents or requires any additional information.

Sincerely,



Steven V. Camerino

SVC

cc: Service List (via email)