

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: March 25, 2013
AT (OFFICE): NHPUC

FROM: Lynn Fabrizio, Director of Administration 

SUBJECT: DG 11-040 National Grid *et al.* Petition for Transfer of Assets

CC: Docket Service List (by e-mail)

TO: Debra A. Howland, Executive Director

Attached is the March 1, 2013 filing by National Grid USA and EnergyNorth Natural Gas and Granite State Electric Company d/b/a Liberty Utilities as referenced in Staff's memorandum of March 22, 2013. The filing includes certifications of certain transition service transfers and a disbursement request for a pro rata release of Pool A escrow funds in accordance with the terms of the settlement agreement reached in the above-captioned docket.

Please let me know if you have any questions on this matter.





McLane, Graf,
Raulerson & Middleton
Professional Association

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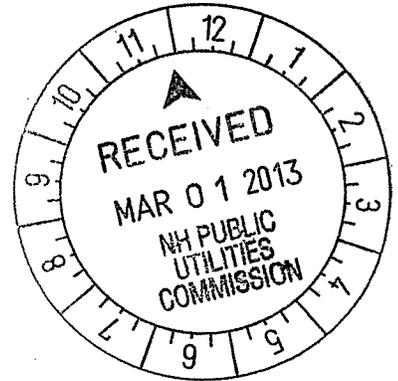
MANCHESTER
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PORTSMOUTH
WOBURN, MA

STEVEN V. CAMERINO
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Licensed in NH and MA

March 1, 2013

Via Electronic Mail and Hand Delivery

Lynn Fabrizio, Esquire
Director of Administration
& Assistant Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301



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

Dear Attorney Fabrizio:

In accordance with the Agreement Regarding Process for Release of Escrow Funds dated July 20, 2012 (“Escrow Release Agreement”) among National Grid USA (“National Grid”), Granite State Electric Company (“GSEC”), EnergyNorth Natural Gas, Inc. (“ENGI”), Liberty Energy Utilities Co. (“Liberty Energy”), Liberty Energy Utilities (New Hampshire) Corp., and the staff of the New Hampshire Public Utilities Commission (“Staff”), enclosed are executed TSA Transfer Certifications for ENGI and GSEC (each provided in duplicate so you will have original signatures for both signatories) in the form set forth as Schedule 1 to the Escrow Release Agreement covering the period October 1 through December 31, 2012. The TSA Transfer Certifications certify that the eighteen Transition Services identified on each Certification have been completed and transferred to ENGI and GSEC, respectively, in accordance with the terms of the relevant Transition Service Agreements. Notices relating to the termination of the Transition Services identified on the Certifications have previously been submitted to Staff in accordance with the Settlement Agreement approved by the Commission in its Order No. 25,370.

Also enclosed with this letter is an executed Pool A Release Certification for ENGI and GSEC in the form set forth as Schedule 2 to the Escrow Release Agreement as well as a Disbursement Request in the form set forth as Schedule 3.1 to the Escrow Agreement dated July 3, 2012 entered into by National Grid and the escrow agent, Bank of America. The Disbursement Request covers the aggregate funds to be released in association with the Pool A Release Certification for ENGI and GSEC. Pursuant to the Escrow Release Agreement, National

Lynn Fabrizio, Esquire

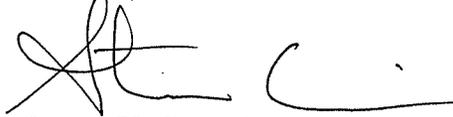
March 1, 2013

Page 2

Grid requests that the Commission's General Counsel execute the Pool A Release Certification and the Disbursement Request and return the originals to me to authorize release of \$2,685,600.00 of the Pool A Escrow Funds. Please note that the Disbursement Request form is a confidential document, as determined by the Commission in its Order No. 25,400, and therefore is being provided in a separate envelope. A redacted form of the Disbursement Request form is also enclosed and is the only form of that document that is being provided to the individuals on the service list other than the Consumer Advocate. Individuals requiring a copy of the unredacted form should contact me directly.

Please let me know if the Staff has any questions regarding the foregoing request or documentation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven V. Camerino', written over a horizontal line.

Steven V. Camerino

SVC

Enclosures

cc: Service List (via email)

Schedule 1

TSA Transfer Certification

On this 28th day of February, 2013, National Grid USA and EnergyNorth Natural Gas, Inc. hereby certify to the Staff of the New Hampshire Public Utilities Commission that National Grid USA has completed and transferred the following Transition Services¹ to EnergyNorth Natural Gas, Inc. in accordance with the terms of the respective Transition Service Agreement(s) for the three-month period October 1, 2012 – December 31, 2012 (“Current Period”):

1. HR – 1 Payroll Services
2. HR – 2 Employee Services
3. HR – 4 Labor Relations Support
4. HR – 5 Staffing Support
5. Gas Ops – 2 Operations Regulatory Support
6. Gas Ops – 15 Codes and Standards
7. Project Mgt – 1 Project Management Services
8. HS&E – 1 Reg. Monitor, Report. Compliance., and Training
9. HS&E – 2 Health and Safety Field Support
10. HS&E – 3 Technical Training
11. HS&E – 4 Environmental Compliance
12. HS&E – 6 Environmental Field Support
13. HS&E – 7 Spill Control/Response
14. HS&E – 8 Environmental Regulatory Support & Compliance
15. HS&E – 9 Licenses Permits and Orders
16. Supply – 1 Supply Chain Management
17. Supply – 3 Supplier Contracts
18. Supply – 4 Access to Seller Warehouses

NATIONAL GRID USA

ENERGYNORTH NATURAL GAS, INC.

By: John Cochrane
Its: Executive Vice President



By: Victor D. Del Vecchio
Its: President

¹ All capitalized terms used but not otherwise defined herein shall have the same meanings as in the Settlement Agreement dated April 10, 2012 and approved by Order No. 25,370.

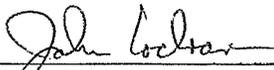
Schedule 1

TSA Transfer Certification

On this 28th day of February, 2013, National Grid USA and EnergyNorth Natural Gas, Inc. hereby certify to the Staff of the New Hampshire Public Utilities Commission that National Grid USA has completed and transferred the following Transition Services¹ to EnergyNorth Natural Gas, Inc. in accordance with the terms of the respective Transition Service Agreement(s) for the three-month period October 1, 2012 – December 31, 2012 (“Current Period”):

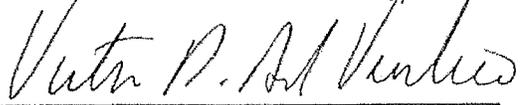
1. HR – 1 Payroll Services
2. HR – 2 Employee Services
3. HR – 4 Labor Relations Support
4. HR – 5 Staffing Support
5. Gas Ops – 2 Operations Regulatory Support
6. Gas Ops – 15 Codes and Standards
7. Project Mgt – 1 Project Management Services
8. HS&E – 1 Reg. Monitor, Report, Compliance., and Training
9. HS&E – 2 Health and Safety Field Support
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By: John Cochrane
Its: Executive Vice President

ENERGYNORTH NATURAL GAS, INC.



By: Victor D. Del Vecchio
Its: President

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Schedule 1

TSA Transfer Certification

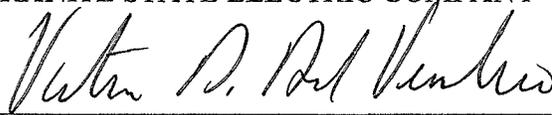
On this 28th day of February, 2013, National Grid USA and Granite State Electric Company hereby certify to the Staff of the New Hampshire Public Utilities Commission that National Grid USA has completed and transferred the following Transition Services¹ to Granite State Electric Company in accordance with the terms of the respective Transition Service Agreement(s) for the three-month period October 1, 2012 – December 31, 2012 (“Current Period”):

1. HR – 1 Payroll Services
2. HR – 2 Employee Services
3. HR – 4 Labor Relations Support
4. HR – 5 Staffing Support
5. Electric Ops – 11 Electric Labs
6. Electric Ops – 12 Infrared Testing
7. Electric Ops – 15 Codes and Standards
8. HS&E – 1 Reg. Monitor, Report. Compliance., and Training
9. HS&E – 2 Health and Safety Field Support
10. HS&E – 3 Technical Training
11. HS&E – 4 Environmental Compliance
12. HS&E – 5 Environmental Field Support
13. HS&E – 6 Spill Control/Response
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NATIONAL GRID USA

By: John Cochrane
Its: Executive Vice President

GRANITE STATE ELECTRIC COMPANY



By: Victor D. Del Vecchio
Its: President

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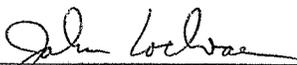
Schedule 1

TSA Transfer Certification

On this 28th day of February, 2013, National Grid USA and Granite State Electric Company hereby certify to the Staff of the New Hampshire Public Utilities Commission that National Grid USA has completed and transferred the following Transition Services¹ to Granite State Electric Company in accordance with the terms of the respective Transition Service Agreement(s) for the three-month period October 1, 2012 – December 31, 2012 ("Current Period"):

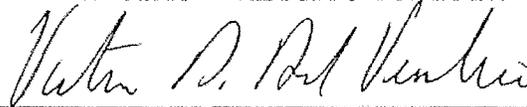
1. HR – 1 Payroll Services
2. HR – 2 Employee Services
3. HR – 4 Labor Relations Support
4. HR – 5 Staffing Support
5. Electric Ops – 11 Electric Labs
6. Electric Ops – 12 Infrared Testing
7. Electric Ops – 15 Codes and Standards
8. HS&E – 1 Reg. Monitor, Report, Compliance., and Training
9. HS&E – 2 Health and Safety Field Support
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NATIONAL GRID USA



By: John Cochrane
Its: Executive Vice President

GRANITE STATE ELECTRIC COMPANY



By: Victor D. Del Vecchio
Its: President

¹ All capitalized terms used but not otherwise defined herein shall have the same meanings as in the Settlement Agreement dated April 10, 2012 and approved by Order No. 25,370.

Schedule 2

Pool A Release Certification

On this ____ day of March, 2013, the Staff of the New Hampshire Public Utilities Commission (“Staff”) hereby confirms that National Grid USA has completed and transferred the following Transition Services¹ to Granite State Electric Company in accordance with the terms of the respective Transition Service Agreement(s) for the three-month period October 1, 2012 – December 31, 2012 (“Current Period”):

1. HR – 1 Payroll Services
2. HR – 2 Employee Services
3. HR – 4 Labor Relations Support
4. HR – 5 Staffing Support
5. Electric Ops – 11 Electric Labs
6. Electric Ops – 12 Infrared Testing
7. Electric Ops – 15 Codes and Standards
8. HS&E – 1 Reg. Monitor, Report, Compliance., and Training
9. HS&E – 2 Health and Safety Field Support
10. HS&E – 3 Technical Training
11. HS&E – 4 Environmental Compliance
12. HS&E – 5 Environmental Field Support
13. HS&E – 6 Spill Control/Response
14. HS&E – 7 Environmental Regulatory Support & Compliance
15. HS&E – 8 Licenses Permits and Orders
16. Supply – 1 Supply Chain Management
17. Supply – 3 Supplier Contracts
18. Supply – 4 Access to Seller Warehouses

¹ All capitalized terms used but not otherwise defined herein shall have the same meanings as in the Settlement Agreement dated April 10, 2012 and approved by Order No. 25,370.

In addition, Staff hereby confirms that National Grid USA has completed and transferred the following Transition Services to EnergyNorth Natural Gas, Inc. in accordance with the terms of the respective Transition Service Agreement(s) for the Current Period:

1. HR – 1 Payroll Services
2. HR – 2 Employee Services
3. HR – 4 Labor Relations Support
4. HR – 5 Staffing Support
5. Gas Ops – 2 Operations Regulatory Support
6. Gas Ops – 15 Codes and Standards
7. Project Mgt – 1 Project Management Services
8. HS&E – 1 Reg. Monitor, Report. Compliance., and Training
9. HS&E – 2 Health and Safety Field Support
10. HS&E – 3 Technical Training
11. HS&E – 4 Environmental Compliance
12. HS&E – 6 Environmental Field Support
13. HS&E – 7 Spill Control/Response
14. HS&E – 8 Environmental Regulatory Support & Compliance
15. HS&E – 9 Licenses Permits and Orders
16. Supply – 1 Supply Chain Management
17. Supply – 3 Supplier Contracts
18. Supply – 4 Access to Seller Warehouses

Accordingly and pursuant to the Settlement Agreement dated April 10, 2012 and approved by Order No. 25,370, Staff hereby authorizes the prompt release and disbursement of the following amount from the Pool A Escrow Funds to National Grid USA:

	# of TSA Services	# of Schedule L TSA Services	Adjusted # of TSA
Services			
Completed in Current Period:	36	4	32
Previously Completed:			
Cumulative Completed:			
Total # of TSAs:	153	10	143
Adjusted Cumulative Completed Divided by Adjusted Total:			22.38 %
Total Pool A Escrow Funds (non-reserved):			\$12,000,000.00
Pool A Escrow Funds for Disbursal (% x total):			\$2,685,600.00
Less Pool A Escrow Funds Previously Disbursed:			0
Total Disbursement Amount for Current Period:			\$2,685,600.00

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION

By: F. Anne Ross, Esq.
General Counsel

SCHEDULE 3.1

DISBURSEMENT REQUEST

[REDACTED]

¹ All capitalized terms used but not otherwise defined herein shall have the same meanings as in the Escrow Agreement.