

REDACTED VERSION

STATE OF NEW HAMPSHIRE

Inter-Department Communication

**CONFIDENTIAL
MATERIAL
IN COMM FILE****DATE:** March 20, 2014
AT (OFFICE): NHPUC**FROM:** David K. Wiesner *DKW*

NHPUC 20MAR14PM3:44

SUBJECT: DG 11-040 National Grid *et al.* Petition for Transfer of Assets
Confirmation of TSA Transfers and Authorization of Escrow Release**CC:** Debra A. Howland, Executive Director
Docket Service List (by e-mail)**TO:** F. Anne Ross, General Counsel

By letter dated February 25, 2014, National Grid USA and EnergyNorth Natural Gas and Granite State Electric Company d/b/a Liberty Utilities filed with Staff 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. Commission Staff (Steve Frink, Grant Siwinski, and David Wiesner) have reviewed the filing and confirmed that the transition services described in the TSA Transfer Certifications have been fully transferred in accordance with the terms of the Transition Service Agreements approved in Commission Order No. 25,370.

Based on Staff's confirmation of the transfers, attached are a draft letter with certification and confidential disbursement request forms for your signature authorizing the release by the escrow agent to National Grid USA of \$3,189,600 from Pool A Escrow Funds.

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

Attachments

DRAFT

March 20, 2014

Richard Burlingame, Jr.
Director, U.S. Mergers and Acquisitions
National Grid USA
40 Sylvan Road,
Waltham, MA 02451

Richard Leehr, President
Liberty Utilities (EnergyNorth Natural Gas) Corp.
d/b/a Liberty Utilities
Liberty Utilities (Granite State Electric) Corp.
d/b/a Liberty Utilities
11 Northeastern Boulevard
Salem, NH 03079

Re: DG 11-040 NATIONAL GRID USA, et al.
Joint Petition for Authority to Transfer Ownership of Granite State Electric
and EnergyNorth Natural Gas, Inc. to Liberty Energy Utilities Corp.
Pool A Escrow Pro Rata Release Authorization

Dear Mssrs. Burlingame and Leehr:

Per the terms of the settlement agreement reached in the above-captioned docket, Commission Staff have reviewed your disbursement request filing dated February 25, 2014, and confirmed that the transition services described in your TSA Transfer Certification have been fully transferred in accordance with the terms of the Transition Service Agreements. Accordingly, attached please find Staff's confirmation and a signed, confidential Schedule 3.1 Disbursement Request form authorizing the release by the escrow agent to National Grid USA of \$3,189,600 from Pool A Escrow Funds.

Please let me know if I can be of further assistance in connection with this matter.

Sincerely,

F. Anne Ross
General Counsel

Attachments

Schedule 2

Pool A Release Certification

On this ____ day of February, 2014, 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, 2013 – December 31, 2013 (“Current Period”):

1. Fin-1 Financial Reporting
2. Fin-4 Accounts Payable Processes
3. Fin-6 Cash Management
4. Fin-8 Property Tax Services
5. Fin-9 Claims Handling/Investigation
6. Elec Ops-3 Field Crew Dispatching and Scheduling
7. Elec Ops-5 Resource and Workload Planning
8. Elec Ops-16 Mutual Assistance
9. Energy Supply-4 Energy Procurement Consulting
10. Project Mgt-2 Cost Management Access
11. Security-2 Security Consulting
12. Supply-2 Materials Management System Support
13. Records-1 Identification of Books and Records
14. Records-2 Separation and Transfer of Books and Records

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. Fin-1 Financial Reporting**
- 2. Fin-4 Accounts Payable Processes**
- 3. Fin-6 Cash Management**
- 4. Fin-8 Property Tax Services**
- 5. Fin-9 Claims Handling/Investigation**
- 6. Gas Ops-7 LNG Compliance and Training**
- 7. Gas Ops-10 Gas Support Services/Workload Planning**
- 8. Gas Ops-11 Gas Meter Operations/Meter Shop**
- 9. Gas Ops-12 Customer Meter Support**
- 10. Gas Ops-14 System Integrity, Asset Replacement, & Corrosion Control**
- 11. Gas Ops-16 Ops Misc**
- 12. Gas Supply-2 Gas Procurement Services – General**
- 13. Gas Supply-3 Energy Transactions**
- 14. Gas Supply-5 Gas Procurement Consulting**
- 15. Gas Supply-6 Gas Procurement Miscellaneous**
- 16. ESD&E-2 Sales/Support for Commercial, Industrial and Municipal Customers**
- 17. Project Mgt-2 Cost Management Access**
- 18. HS&E-5 Site Investigation and Remediation**
- 19. Security-2 Security Consulting**
- 20. Supply-2 Materials Management System Support**
- 21. Customer Svc-1 Call Center Operations**
- 22. Customer Svc-3 Collections Process Support**
- 23. Customer Svc-4 New Business Administration**
- 24. Customer Svc-5 Revenue Protection/Diversion & Investigation**
- 25. Customer Svc-6 Customer Data Migration**
- 26. Records-1 Identification of Books and Records**
- 27. Records-2 Separation and Transfer of Books and Records**

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:	41	3	38
Previously Completed:	57	5	52
Cumulative Completed:	98	8	90
Total # of TSAs:	153	10	143
Adjusted Cumulative Completed Divided by Adjusted Total:			62.94%
Total Pool A Escrow Funds (non-reserved):			\$ 12,000,000
Pool A Escrow Funds for Disbursal (% x total):			\$ 7,552,800
Less Pool A Escrow Funds Previously Disbursed:			\$ 4,363,200
Total Disbursement Amount for Current Period:			\$ 3,189,600

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION

By: F. Anne Ross, Esq.
General Counsel

SCHEDULE 3.1

DISBURSEMENT REQUEST



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