

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: September 17, 2012

AT (OFFICE): NHPUC

FROM:  Steven E. Mullen
Assistant Director – Electric Division

SUBJECT: Docket No. DA 12-074
National Grid Affiliate Contracts
Extension of Mutual Assistance Agreement
Staff Recommendation

TO: Debra A. Howland
Executive Director

On March 22, 2012, National Grid filed copies of an agreement to extend the current National Grid Mutual Assistance Agreement through March 23, 2013. The Mutual Assistance Agreement was originally filed with the commission in DA 08-050, and the extension was filed pursuant to RSA 366:3, which requires utilities to file copies of agreements between a public utility and an affiliate where the value of the transaction exceeds \$500.

The National Grid Mutual Assistance Agreement signatories include numerous affiliate companies, among them National Grid's electric and gas company subsidiaries in New Hampshire, Massachusetts, Rhode Island and New York, New England Power Company, New England Electric Transmission Corporation and New England Hydro Transmission Corporation.

As this was simply an extension of the 2008 Mutual Assistance Agreement, the services provided and the terms of payment were unchanged. Subsequent to the filing, the acquisition of Granite State Electric Company ("Granite State") and EnergyNorth Natural Gas, Inc. ("EnergyNorth") by Liberty Energy Utilities (New Hampshire) Corp. ("Liberty") was completed on July 3, 2012 (see Docket No. DG 11-040). Upon further inquiry by Staff as to the status of the Mutual Assistance Agreement with respect to that acquisition, Staff was presented with a copy of a letter (see attached) providing notice of termination of the Mutual Assistance Agreement effective with the closing of the sale transaction.

Staff notes that with the change in ownership, services that were formerly provided to Granite State and EnergyNorth pursuant to the Mutual Assistance Agreement will now be provided in accordance with the terms of Transition Services Agreements that are in

place between Liberty and National Grid. Those Transition Services Agreements are on file with the Commission and were reviewed as part of DG 11-040. Staff further notes that although the Mutual Assistance Agreement was terminated with respect to Granite State and EnergyNorth, the Agreement remains in effect for New England Power Company, New England Electric Transmission Corporation and New England Hydro Transmission Corporation.

Staff has reviewed the extension and the underlying contract and, at this point, does not recommend that the Commission take any further action pursuant to RSA 366. Because any issues that may arise related to the Mutual Assistance Agreement can be addressed in other proceedings, Staff recommends that this docket be closed without opening a formal investigation.

Please let me know if you have any questions.