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June 18, 2012

VIA EMAIL AND US MAIL

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



Re: DE 12-097; Investigation into Purchase of Receivables, Electronic Interchange and Customer Referral

Dear Ms. Howland:

I am writing on behalf of Granite State Electric Company and EnergyNorth Natural Gas, Inc. in response to the letter dated June 15, 2012 to the Commission from the Commission staff (“Staff’s letter”) relating to the technical session held after the conclusion of the May 31 procedural hearing in this proceeding. Granite State and EnergyNorth support the procedural schedule set forth in the Staff’s letter as well as the recommendation that issues relating to the natural gas industry not be included in this proceeding. The purpose of this letter is to address certain statements in Staff’s letter relating to the natural gas industry that EnergyNorth does support and which EnergyNorth believes need not be addressed by the Commission.

In discussing the natural gas industry, under the heading “Scope of Proceeding”, Staff’s letter includes a statement regarding mandatory capacity assignment that EnergyNorth believes is incorrect and, more significantly, both paints an incomplete picture of the natural gas market in New Hampshire and fails to recognize that there are important reasons relating to reliability of service that the Commission implemented mandatory capacity assignment when it unbundled gas service in its Order 23,652 in Docket DE 98-124. Order 23,652 approved a comprehensive settlement of the New Hampshire Gas Collaborative that, based in part on the position of the Consumer Advocate, made competitive gas supplies available to all commercial and industrial customers, but not to residential customers. Notably, since that time the competitive gas market has been remarkably free of controversy or issues related to market design.

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The current proceeding, Docket DE 12-097, was opened in response to issues relating to evolution of the competitive electric supply market. At the technical session held on May 31, neither the Commission staff nor any party asserted that the competitive natural gas market was not working effectively. Similarly, EnergyNorth is not aware of any customers or others having raised concerns with the Commission related to the design of the gas market, and does not believe that it would be productive or an efficient use of the Commission's resources or those of the gas utilities or others to begin an open ended investigation of the competitive natural gas market in New Hampshire. Therefore, EnergyNorth believes that the recommendation that now appears in the Staff's letter is unwarranted and should not be adopted by the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "SVC", written over a horizontal line.

Steven V. Camerino

SVC

cc: Service List (via email)