

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 13-071

NEW HAMPSHIRE GAS CORPORATION, ET AL.

Petition to Approve an Internal Corporate Reorganization

Order *Nisi* Approving Petition

ORDER NO. 25,486

April 8, 2013

On March 6, 2013, New Hampshire Gas Corporation (NH Gas), Keene, New Hampshire, a propane-air gas utility serving customers in Keene, and its current or future corporate affiliates, Iberdrola USA Enterprises, Inc. (Enterprises), Iberdrola USA Networks (Networks), and Iberdrola USA, Inc. (Iberdrola USA) (collectively, Petitioners), filed an updated petition for approval pursuant to RSA 369:8, II(a) and RSA 374:33 for an internal corporate reorganization that would involve transfer of the ownership of NH Gas within the Iberdrola, S.A. (Iberdrola Spain) parent company structure. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, is posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-071.html>.

Petitioners, in Docket No. DG 12-051, sought, and received, the Commission's approval for a reorganization proposal that would have resulted in the insertion of two intermediate holding companies in the chain of ownership of NH Gas. *See* Order No. 25,366 (May 15, 2012). The first new intermediate holding company would have been Networks, which would have owned all of the stock of Enterprises, which, in turn, owns all the stock of NH Gas. Networks

would have been a direct, wholly-owned subsidiary of Iberdrola USA, and was to be responsible for directly holding all of Iberdrola Spain's regulated electric and gas utilities in the United States (including NH Gas and its service affiliates, New York State Gas & Electric Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E)). The second newly-formed intermediate holding company would have been Iberdrola Finance UK Limited, a direct, wholly-owned subsidiary of Iberdrola Spain that would have owned all of the stock of Iberdrola USA. In the instant, updated petition, Petitioners have removed Iberdrola Finance UK Limited from the proposed Iberdrola Spain chain of ownership, leaving Networks as the only proposed new intermediate holding company in NH Gas' ownership structure, with the same roles as those proposed in the petition reviewed in Docket No. DG 12-051.

The Petitioners seek approval of these transactions under RSA 369:8, II(a) and RSA 374:33, as transfer of more than 10 percent of the share ownership of NH Gas, a New Hampshire public utility under RSA 362:2, is implicated by this proposal. The Petitioners have readopted the assertions made in their original petition in Docket No. DG 12-051, in which Petitioners asserted that no adverse effect on the rates, terms, service or operation of NH Gas would result from the proposed reorganization, and that this reorganization, by enhancing administrative efficiencies in the United States' operations of Iberdrola Spain through centralization in Networks, is proper and in the public interest.

Petitioners, in the instant petition, also stated that: (1) Networks will have the same decision-making role currently occupied by Iberdrola USA in the operation of Iberdrola Spain's United States regulated utilities, including NH Gas; (2) none of the annual operating expenses incurred by Networks will be charged to NH Gas; (3) the insertion of Networks is the only

corporate change contemplated as part of the petitioned-for reorganization; and (4) there would be no changes to annual affiliate expense charged to NH Gas as a result of the proposed reorganization.

On the basis of these representations by the Petitioners, and Staff's review of the filing, Staff recommended, in a memorandum filed on April 4, 2013, that the Commission approve the proposed reorganization under RSA 369:8, II(a) and RSA 374:33 by Order *Nisi*.

We have reviewed the petition and Staff's recommendation, and have concluded that the proposed transaction will have no adverse effect on the rates, terms, service or operation of NH Gas, and we also find that the Petitioners' proposal is lawful, proper, and in the public interest; therefore, we approve this petition.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the Petitioners' proposed reorganization, pursuant to RSA 369:8, II(a) and RSA 374:33, is APPROVED; and it is

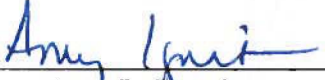
FURTHER ORDERED, that the Petitioners shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than April 18, 2013 and to be documented by affidavit filed with this office on or before May 8, 2013; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than April 25, 2013 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than May 2, 2013; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective May 8, 2013, unless the Petitioners fail to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.


By order of the Public Utilities Commission of New Hampshire this eighth of April, 2013.



Amy L. Ignatius
Chairman



Michael D. Harrington *(pres)*
Commissioner



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director