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Lead Counsel

DA08-140

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November 3, 2008

**VIA ELECTRONIC FILING AND OVERNIGHT COURIER**

Debra A. Howland, Esq.  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, New Hampshire 03301



Re: Interim Capacity Agreement between Affiliates, Northern Utilities, Inc. and Granite State Gas Transmission, Inc.

Dear Secretary Howland:

Pursuant to 34 R.S.A. 366:3 and 366:4, Northern Utilities, Inc. ("Northern") hereby respectfully submits an Interim Capacity Agreement that it proposes to execute with its affiliate Granite State Gas Transmission, Inc. ("Granite").

Attached are eight (8) copies of Northern's Petition for Interim Approval of Affiliated Gas Transportation Agreement that was filed with the Maine Public Utilities Commission ("MPUC") on October 28, 2008, in accordance with Maine Law requiring MPUC pre-approval of affiliate contracts. The Interim Capacity Agreement is included as Exhibit Northern-1 of the MPUC filing. Northern believes the Interim Capacity Agreement is reasonable and consistent with the public interest in that its purpose is to provide Northern's customers with firm transportation and delivery of service until such time as the sale of Northern's stock to Unitil Corporation ("Unitil") is approved and finalized<sup>1</sup>. Absent this Interim Capacity Agreement, Northern will be subject to interruptible service from Granite which may jeopardize reliable service to Northern just as the peak winter heating season commences.

Please do not hesitate to contact me with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to be "P. French".

Patricia M. French

cc: Edward Damon, Esq., NHPUC  
Meredith Hatfield, Esq., OCA

<sup>1</sup> Due to unrelated conditions put on the sale order issued by the MPUC in Docket No. 2008-155 and the resulting rehearing requests, the capacity agreement between Northern and Granite embodied in the sales stipulation will not be in effect on November 1, 2008.