

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: November 3, 2014

AT (OFFICE): NHPUC

FROM: David K. Wiesner *DKW*

NHPUC 3NOV14PM4:44

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, *redacted version only*)

TO: F. Anne Ross, General Counsel

By letter dated October 10, 2014, National Grid USA and Liberty Utilities (EnergyNorth Natural Gas) Corp. and Liberty Utilities (Granite State Electric) Corp. (collectively, the "Companies") filed with Staff certifications of certain transition service transfers and a disbursement request for a pro rata release of \$3,440,400 in Pool A Escrow Funds in accordance with the terms of the Settlement Agreement reached in the above-captioned docket.

In addition, the Companies filed a Day N Certification, consistent with Schedule 3 to the Agreement Regarding Process for Release of Escrow Funds, certifying that all transition services have been completed and that Day N (as defined in the Settlement Agreement) has now occurred. The filing also enclosed a Pool A Final Release Certification in the form set forth as Schedule 4 to the Escrow Release Agreement authorizing the release of the remaining \$1,500,000 of Pool A Escrow Funds. On October 16, 2014, the Companies filed a disbursement request form signed on behalf of National Grid USA relating to release of the final \$1,500,000 of Pool A Escrow Funds.

Commission Staff (Steve Frink and Grant Siwinski) have reviewed these filings and have confirmed that the transition services described in the TSA Transfer Certifications and the Day N Certification have been fully transferred in accordance with the terms of the Transition Service Agreements approved by the Commission in Order No. 25,370.

Based on Staff's confirmation of the transition services transfers and completion, attached are a draft letter with certifications and confidential disbursement request forms for your signature authorizing the release by the escrow agent to National Grid USA of the respective sums of \$3,440,400 and \$1,500,000 from the Pool A Escrow Funds.

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

Attachments

Schedule 2

Pool A Release Certification

On this ____ day of October, 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 Liberty Utilities (Granite State Electric) Corp. (f/k/a Granite State Electric Company) in accordance with the terms of the respective Transition Service Agreement(s) for the three-month period July 1, 2014 – September 30, 2014 ("Current Period"):

1. Fin-2 Accounting Consulting
2. Fin-7 Tax Consulting Services
3. Elec Ops-4 Electric Engineering and Design
4. Elec Ops-6 Electric Feeder, Sub-Transmission and Substation Asset Planning
5. Elec Ops-13 Mapping & Records
6. Elec Ops-14 Relay and Protection
7. Elec Ops-17 Business Continuity Support and Emergency Logistics
8. Elec Ops-18 Electric Operations Miscellaneous
9. ESD&E-1 Energy Efficiency Programs
10. ESD&E-2 Sales/Support for Commercial, Industrial and Municipal Customers
11. Energy Supply-1 Electric Network Control
12. Energy Supply-2 Electric Load Forecasting
13. Customer Svc-1 Call Center Operations
14. Customer Svc-2 Meter Reading, Billing and Payment Processing
15. Customer Svc-3 Collections Process Support
16. Customer Svc-4 New Business Administration
17. Customer Svc-5 Revenue Protection/Diversion & Investigation
18. Customer Svc-6 Customer Data Migration
19. Customer Svc-7 Meter Data Services Support
20. IT-1 Business Application Services
21. IT-2 Collaboration Services (E-Mail)
22. IT-3 Data Centers
23. IT-4 Client Services
24. IT-5 Contracts and Licenses
25. IT-6 Infrastructure Services
26. IT-7 Networking Support
27. IT-8 IS Energy Management Systems (EMS)
28. IT-9 Security Services

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 Liberty Utilities (EnergyNorth Natural Gas) Corp. (f/k/a EnergyNorth Natural Gas, Inc.) in accordance with the terms of the respective Transition Service Agreement(s) for the Current Period:

1. Fin-2 Accounting Consulting
2. Fin-7 Tax Consulting Services
3. Gas Ops-6 Maps & Records
4. Gas Ops-13 Gas Reliability Planning
5. Gas Supply-1 Gas Control
6. Gas Supply-4 Gas Load Forecasting
7. IT-1 Business Application Services
8. IT-2 Collaboration Services (E-Mail)
9. IT-3 Data Centers
10. IT-4 Client Services
11. IT-5 Contracts and Licenses
12. IT-6 Infrastructure Services
13. IT-7 Networking Support
14. IT-8 IS Energy Management Systems (EMS)
15. IT-9 Security Services

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:	43	2	41
Previously Completed:	110	8	102
Cumulative Completed:	153	10	143
Total # of TSAs:	153	10	143
Adjusted Cumulative Completed Divided by Adjusted Total:			100.00%
Total Pool A Escrow Funds (non-reserved):			\$ 12,000,000
Pool A Escrow Funds for Disbursal (% x total):			\$ 12,000,000
Less Pool A Escrow Funds Previously Disbursed:			\$ 8,559,600
Total Disbursement Amount for Current Period:			\$ 3,440,400

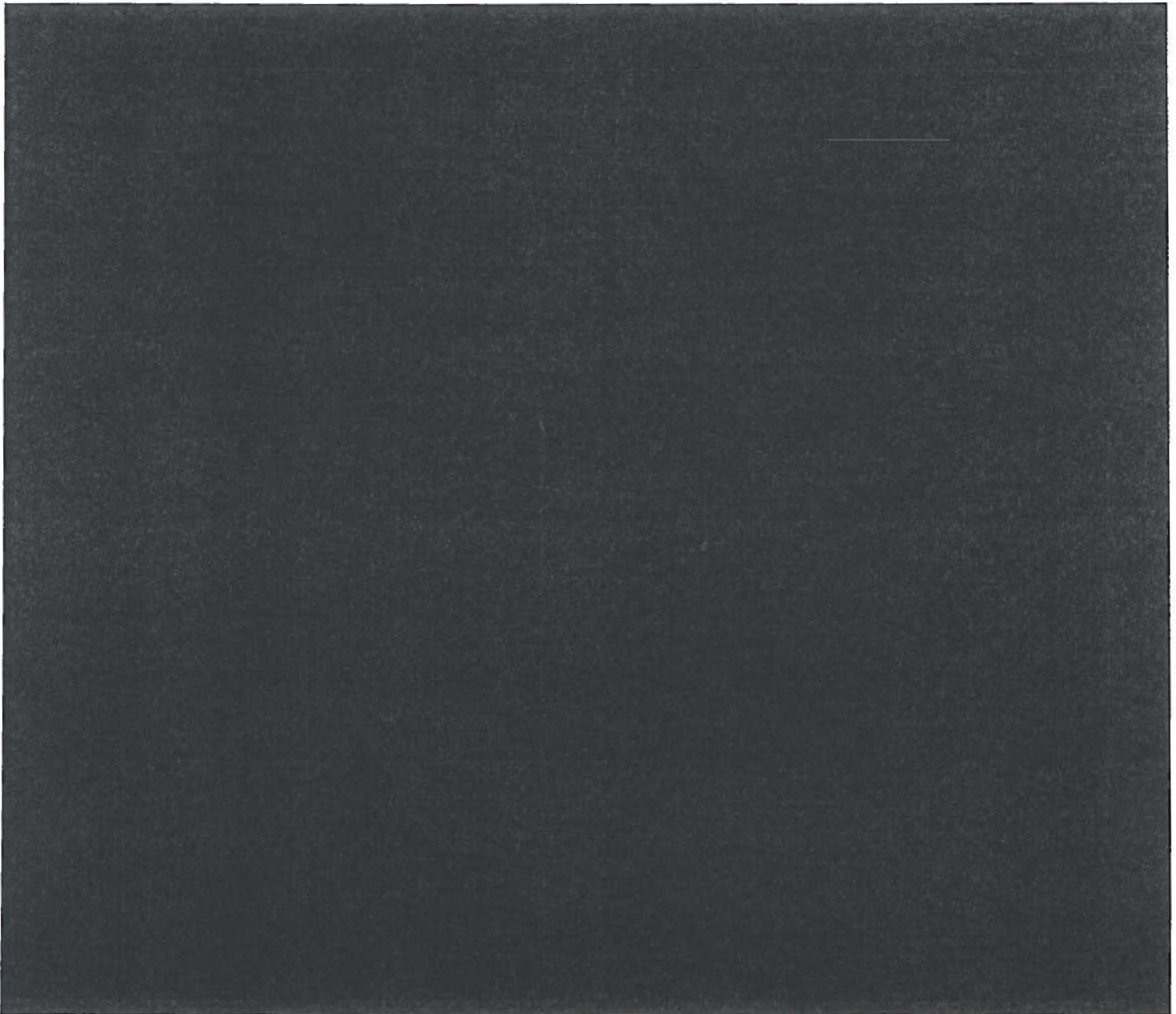
STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION

By: F. Anne Ross, Esq.
General Counsel

REDACTED

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.

Schedule 4

Pool A Final Release Certification

On this ____ day of _____, 2014, the Staff of the New Hampshire Public Utilities Commission ("Staff") hereby confirms that all Transition Services,¹ other than the Attachment L Transition Services, for both Liberty Utilities (Granite State Electric) Corp. (f/k/a Granite State Electric Company) and Liberty Utilities (EnergyNorth Natural Gas) Corp. (f/k/a EnergyNorth Natural Gas, Inc.) (together, the "Companies") have been completed by National Grid USA and transferred to Liberty Energy Utilities Co. and/or the Companies in accordance with the TSAs, and that all Transition Services other than the Attachment L Transition Services are complete.²

Accordingly and pursuant to the Settlement Agreement dated April 10, 2012 and approved by Order No. 25,370 ("Settlement Agreement"), Staff hereby authorizes the prompt release and disbursement of One Million Five Hundred Thousand Dollars (\$1,500,000) from the Pool A Escrow Funds plus any and all remaining Pool A Escrow Funds to National Grid USA.

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION

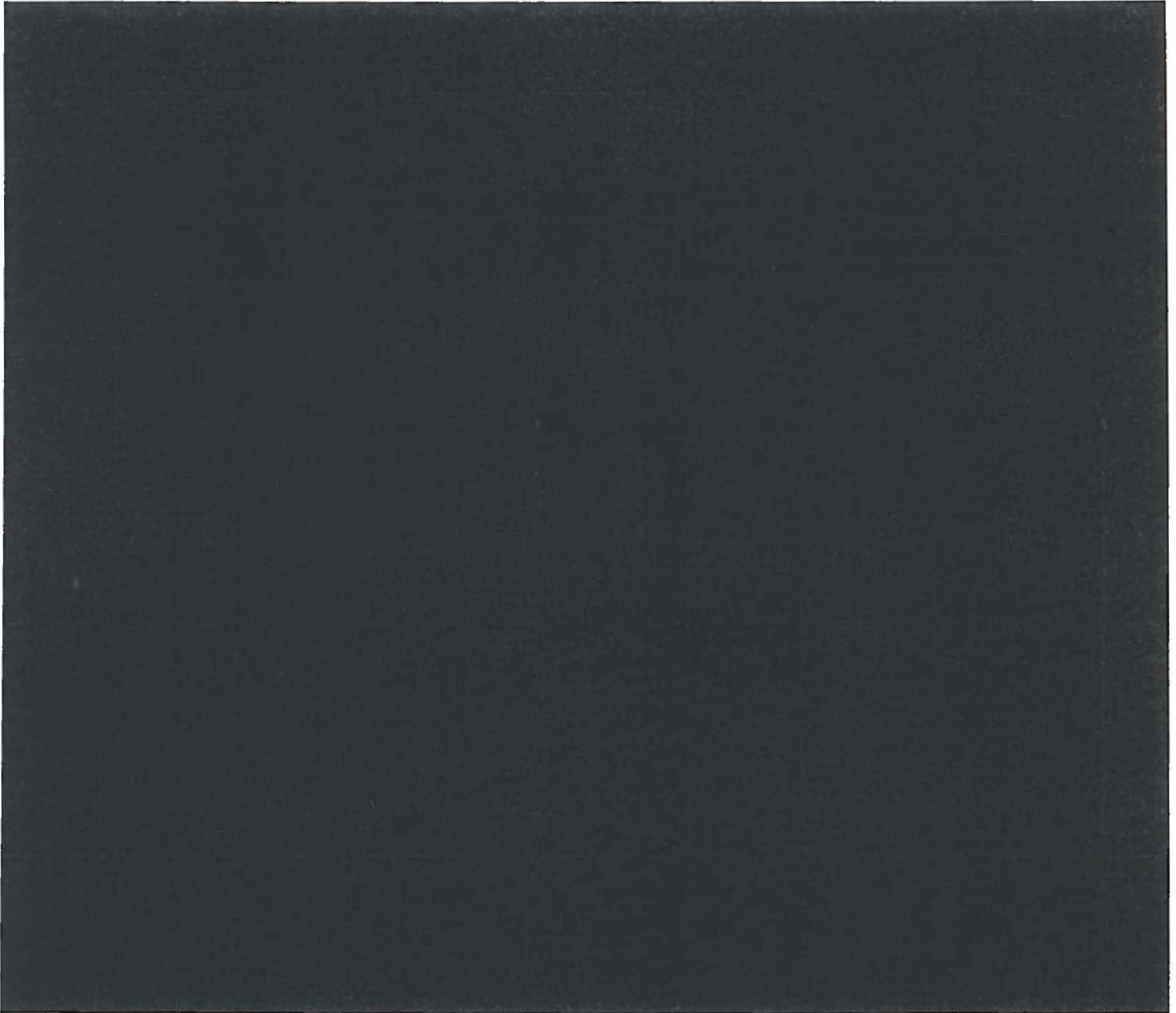
By: _____
F. Anne Ross, Esq.
General Counsel

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

² Language has been retained from original form of certification. However, the Companies and National Grid USA have indicated that in fact all Attachment L Transition Services have also been completed.

REDACTED

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.

DRAFT

November __, 2014

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

Daniel Saad, President
Liberty Utilities (EnergyNorth Natural Gas) Corp.
d/b/a Liberty Utilities
Liberty Utilities (Granite State Electric) Corp.
d/b/a Liberty Utilities
15 Buttrick Road
Londonderry, NH 03053

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 and Final Release Authorizations

Dear Mssrs. Burlingame and Saad:

Per the terms of the settlement agreement reached in the above-captioned docket, Commission Staff have reviewed your disbursement request filings dated October 10, 2014 and October 16, 2014, and have confirmed that the transition services described in your TSA Transfer Certification and the Day N Certification have been fully transferred in accordance with the terms of the Transition Service Agreements. Accordingly, attached please find Staff's confirmations and signed, confidential Schedule 3.1 Disbursement Request forms authorizing the release by the escrow agent to National Grid USA of the respective sums of \$3,440,400 and \$1,500,000 from the 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