

STATE OF NEW HAMPSHIRE

Inter-Department Communication

JUL 14 2015 PM 4:12

DATE: July 14, 2015

AT (OFFICE): NHPUC

FROM: David K. Wiesner, Esq. *DKW*

SUBJECT: DG 11-040 National Grid, *et al.* Petition for Transfer of Assets
Authorization for Release of 25% of Pool C Escrow Funds

CC: Debra A. Howland, Executive Director
Docket Service List (by e-mail, *redacted version only*)

TO: F. Anne Ross, Esq., General Counsel

By letter dated July 2, 2015, National Grid USA filed a request for Commission authorization to release 25% of the Pool C escrow funds maintained in accordance with the terms of the Settlement Agreement reached in the above-captioned docket (Settlement Agreement). Under Section 10 of the Agreement Regarding Process for Release of Escrow Funds dated July 20, 2012 ("Escrow Release Agreement"), entered into in conjunction with the Settlement Agreement,

[i]f, one hundred eighty (180) days after Day N, there are no unresolved or uncorrected performance failures, Staff shall promptly issue to National Grid and the Companies a letter enclosing written confirmation, substantially in the form attached [to the Escrow Release Agreement] as Schedule 8 ("Performance Certification"), which shall authorize the release of twenty-five percent (25%) of the non-earmarked Pool C Escrow Funds to National Grid.

The Day N certification was submitted to the Commission on October 10, 2014, confirming the occurrence of Day N as of September 30, 2014. Commission Staff (Steve Frink, Amanda Noonan, and Randy Knepper) have reviewed the July 2, 2015 filing and have confirmed that there are no "earmarked funds" as a result of issuance of a staff review notice based on National Grid USA's failure to comply with applicable performance metrics under the Settlement Agreement and the Escrow Release Agreement.

Based on National Grid's filing and Staff's confirmation, attached are a draft letter with the Performance Certification and confidential Disbursement Request form for your signature, authorizing the release by the escrow agent to National Grid USA of the sum of \$2,500,000 from the Pool C Escrow Funds.

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

Attachments

Schedule 8

Performance Certification

On this _____ day of _____, 2015, the Staff of the New Hampshire Public Utilities Commission hereby confirms that Day N¹ occurred at least 180 days prior to the date of this Certification, and there are no unresolved or uncorrected performance failures outstanding for National Grid USA under the TSAs.

Accordingly and pursuant to the Settlement Agreement dated April 10, 2012 and approved by Order No. 25,370, Staff hereby authorizes the Escrow Agent to promptly release and disburse to National Grid USA an amount equal to twenty-five percent (25%) of the Pool C Escrow Funds, excluding any funds currently identified as Earmarked Funds.

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.

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.

July 14, 2015

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.
Authorization for Release of 25% of Pool C Escrow Funds

Dear Mssrs. Burlingame and Saad:

Per the terms of the Settlement Agreement reached in the above-captioned docket, Commission Staff have reviewed the National Grid USA disbursement request filing dated July 2, 2015 and have confirmed that the release of 25% of Pool C Escrow Funds may be authorized. Accordingly, attached please find Staff's signed Performance Certification form and signed confidential Schedule 3.1 Disbursement Request form authorizing the release by the escrow agent to National Grid USA of the sum of \$2,500,000 from the Pool C Escrow Funds.

Please let me know if I can be of further assistance in connection with this matter.

Sincerely,

F. Anne Ross, Esq.
General Counsel

Attachments

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 11-040-1 Printed: July 14, 2015

FILE FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**