

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 11-040

**NATIONAL GRID USA, NATIONAL GRID NE HOLDINGS, LLC, GRANITE STATE
ELECTRIC COMPANY D/B/A NATIONAL GRID, ENERGYNORTH NATURAL GAS,
INC. D/B/A NATIONAL GRID NH, LIBERTY ENERGY UTILITIES CO. AND
LIBERTY ENERGY UTILITIES (NEW HAMPSHIRE) CORP.**

Joint Petition for Authority to Transfer Utility Ownership

ORDER OF NOTICE

On March 4, 2011, National Grid USA, National Grid NE Holdings 2 LLC, Granite State Electric Company d/b/a National Grid (“Granite State Electric”), EnergyNorth Natural Gas, Inc. d/b/a National Grid NH (“EnergyNorth Natural Gas”) (collectively, “National Grid”), Liberty Energy Utilities Co., and Liberty Energy Utilities (New Hampshire) Corp. (“Liberty Energy NH”) filed with the New Hampshire Public Utilities Commission (“Commission”) a joint petition for authority to transfer ownership of Granite State Electric and EnergyNorth Natural Gas to Liberty Energy NH for cash in accordance with separate stock purchase agreements and pursuant to RSA 374:30 and RSA 374:33. Subject to the adjustments provided in the stock purchase adjustments, the aggregate purchase price to be paid for the stock of Granite State Electric is \$83 million less certain existing indebtedness, and the aggregate purchase price for the stock of EnergyNorth Natural Gas is \$202 million. Accompanying the petition was pre-filed testimony by witnesses on behalf of Liberty Energy NH and a motion for confidential treatment filed by National Grid.

Granite State Electric, a wholly owned direct subsidiary of National Grid USA, serves approximately 43,000 electric customers in southern and western New Hampshire. EnergyNorth

Natural Gas, also wholly owned by National Grid USA, serves approximately 86,000 gas customers in southern and central New Hampshire and in Berlin. Liberty Energy NH, formed for the purpose of acquiring ownership of the stock of Granite State Electric and EnergyNorth Natural Gas, is a wholly-owned, indirect subsidiary of Algonquin Power and Utilities Corp. (Algonquin), a publicly traded Canadian corporation with power generation and regulated utility services business units. According to the petition, Algonquin has been doing business in New Hampshire since 1998 when it began acquiring the first of its eight New Hampshire hydroelectric facilities.

Regulatory approvals in connection with the proposed transaction are also sought to authorize: (i) Granite State Electric to borrow up to \$20 million from Liberty Energy NH, to be evidenced by a promissory note with a maturity of up to fifteen years, pursuant to RSA 369:1; (ii) EnergyNorth Natural Gas to borrow up to \$85 million from Liberty Energy NH, to be evidenced by a promissory note with a maturity of up to fifteen years, pursuant to RSA 369:1; and (iii) Granite State Electric and EnergyNorth Natural Gas to record a regulatory asset or liability reflecting the valuation of their pension plans and post retirement benefits other than pensions and to amortize the regulatory asset or liability.

The petition, pre-filed testimony and other docket filings, except information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2011/11-040.html>.

The filing raises, inter alia, issues related to the effects of the proposed transaction on the rates, terms, safety, reliability, and operations of Granite State Electric and EnergyNorth Natural Gas; whether the proposed transaction is lawful, proper and in the public interest and for the public good, and should be approved; and whether the other requested regulatory approvals

should be granted.. Each party has the right to be represented by an attorney at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on April 20, 2011 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, the petitioners, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow petitioners to provide any amendments or updates to their filing; and it is

FURTHER ORDERED, that pursuant to Puc 203.12, the petitioners shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than April 2, 2011, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before April 20, 2011; and it is

FURTHER ORDERED, that pursuant to Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to petitioners c/o their attorneys and the Office of the Consumer Advocate on or before April 15, 2011, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by and RSA 541-A:32, I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said
Objection on or before April 20, 2011.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of
March, 2011.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.