



**Public Service
of New Hampshire**

IR 14-196

780 N. Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
P. O. Box 330
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A Northeast Utilities Company

Robert A. Bersak
Assistant Secretary
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August 15, 2013

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

Re: Complaint of Senator Forrester

Dear Director Howland:

I am responding on behalf of Public Service Co. ("PSNH") of New Hampshire to your letter dated August 7, 2013, forwarding questions from Senator Forrester regarding the relationship between PSNH and Northern Pass Transmission, LLC ("NPT").

Both PSNH and NPT are wholly-owned subsidiaries of Northeast Utilities. PSNH is a New Hampshire corporation; NPT is a New Hampshire limited liability company.

Senator Forrester's inquiries center on whether any costs incurred by or on behalf of NPT have been paid for using funds derived from rates paid by customers of PSNH. The answer to that question is "No."

Any labor, goods or services used by or provided to NPT are charged to NPT. All New Hampshire employees of Northeast Utilities or its affiliated companies are required to directly charge their time and the costs of goods or services to the proper affiliated company. This process has been in place since PSNH joined the Northeast Utilities holding company system following bankruptcy and continues today. This ensures that costs are borne appropriately, and that customers only fund activities that relate to their utility's provision of utility service

PSNH's costs are subject to audit by the Commission. Such audits have been, and will continue to be, performed as deemed necessary by the Commission.

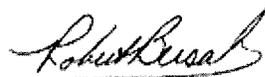
Senator Forrester's inquiry identifies a letter from Donna Gamache, PSNH's Director of Governmental Affairs, as the basis of her questions. Ms. Gamache performs lobbying and related legislative services for PSNH. Her services fall within the general definition of "political activity" under N.H. Code Admin. Rules Puc §310.01(f). The Commission's rules, at Rule Puc §310.02 expressly prohibit any utility from recovering "in any manner, from any person other than the shareholders or other owners of such utility any direct or indirect expenditure by such

utility for promotional, political or institutional advertising, or promotional, political or institutional activities... ." As a result, any costs incurred by Ms. Gamache's activities are not, and may not, be borne by customers of PSNH.

I trust that this responds to your inquiry.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert A. Bersak".

Robert A. Bersak
Assistant Secretary and
Associate General Counsel

cc: Sen. Forrester