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October 28, 2008

VIA E-FILE AND OVERNIGHT COURIER

Karen Geraghty, Administrative Director
Maine Public Utilities Commission
242 State Street, State House Station 18
Augusta, Maine 04333

Re: Petition of Northern Utilities, Inc. for Approval of Affiliate Agreement,
Docket No. 2008-

Dear Ms. Geraghty:

Northern Utilities, Inc. ("Northern") hereby submits the original and two copies of the above-referenced Petition, in which Northern requests that the Commission, pursuant to 35-A M.R.S. §§ 707, approve a proposed interim capacity agreement with its affiliate, Granite State Gas Transmission, Inc. ("Granite"). The interim capacity agreement is intended to be in place only until the transfer of Northern's stock to Unitil Corporation ("Unitil") and then will be replaced by another capacity agreement as embodied in the stipulation filed in that proceeding, Docket No. 2008-155. The interim amendment provides that Granite will provide Northern firm transportation, of up to 100,000 Dth per day of capacity, at tariff recourse rates for one (1) year.

In its approval of a stipulation recommending public interest approval of the sale of Northern's stock to Unitil on October 22, 2008, the Commission approved a two (2) year capacity agreement between Northern and Granite. Because of an unrelated condition that the Commission put on the sale order in Docket No. 2008-155, and rehearing requests filed by the parties, no order will be in place to assure Northern of Granite capacity as of November 1, 2008. Northern proposes the instant agreement be approved expeditiously in light of these unexpected events, or else 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 confirm your receipt of this submission by stamping the enclosed copy of this letter and returning it to us, and please let me know if you have any questions or require further

information.

Very truly yours,

A handwritten signature in black ink, appearing to read 'P. French', with a long horizontal flourish extending to the right.

Patricia M. French

Enc.

cc: Carol MacLennan, Hearing Examiner
Wayne R. Jortner, Office of the Public Advocate

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2008-_____

October 28, 2008

NORTHERN UTILITIES INC.,

PETITION FOR INTERIM
APPROVAL OF AFFILIATED
GAS TRANSPORTATION
AGREEMENT

Pursuant to 35-A M.R.S.A. § 707, Northern Utilities, Inc. ("Northern") hereby petitions the Maine Public Utilities Commission (the "Commission") to find that an interim contract between Northern and its affiliate, Granite State Gas Transmission, Inc. ("Granite") is not adverse to the public interest and to give its written approval to the same. Accompanying this Petition is a copy of Contract No. 08-003-FT (Exhibit Northern -1).

As grounds for this petition, Northern states as follows:

1. Northern is a "public utility" as defined in 35-A M.R.S.A § 102.
2. Granite is an "affiliated interest" of Northern as set forth in 35-A M.R.S.A. § 707(1).
3. Under 35-A M.R.S.A. § 707(3), a public utility must secure the Commission's written approval for contracts between itself and an affiliated interest, upon the Commission's finding that the contract is not adverse to the public interest.
4. On October 22, 2008, the Commission granted its approval of a stipulation ("Sale Stipulation") that established terms for the sale of Northern to Unitil Corporation ("Unitil") as in the public interest. However, the Commission granted its approval with a condition to which Unitil and Northern object. Accordingly the parties have asked for reconsideration of the Commission's order.

5. Northern requires interim approval of the FT agreement because the Sale Stipulation also contained a provision that secured Unitil's approval of a two year, 100 Dth firm transportation agreement with Granite at recourse rates. This provision is also contained in the sales stipulation approved unconditionally by the New Hampshire Public Utilities Commission in Docket DG 08-048.
6. The sale of Northern to Unitil cannot take place without receipt of the Commission's regulatory approval. However, as stated, the approval granted by the Commission is pending rehearing.
7. Northern's current FT agreement with Granite expires on October 31, 2008. Without a firm service agreement in place on November 1, 2008, Northern can only take interruptible service, which poses a risk to distribution system reliability as the peak winter heating season commences for both Northern's Maine and New Hampshire Divisions.
8. Northern seeks approval of a one-year 100 Dth FT agreement with Granite at recourse rates. Northern warrants that this FT agreement will be replaced by Unitil at close (or as soon as practicable thereafter) assuming the Sale Stipulation provision providing for a 2-year FT agreement remains in full force and effect at that time.

WHEREFORE, based on this Petition, Northern respectfully requests that the Commission:

(A) Find that the Agreement provided as Exhibit Northern-1, by and between Northern and its affiliate Granite, is not adverse to the public interest;

(B) Approve, in writing, the Agreement provided as Exhibit Northern-1, by and between Northern and its affiliate Granite; and

(C) Grant its approval as expeditiously as possible on the condition that the Agreement will be reformed and replaced at such time as the Unitil purchase of Northern is concluded under the terms of the Sales Stipulation.

Respectfully submitted,

NORTHERN UTILITIES, INC.



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Dated: October 28, 2008

08-003-FT-NN

GAS TRANSPORTATION CONTRACT
(For Use Under FT-NN Rate Schedule)

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2008, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and NORTHERN UTILITIES, INC., hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit A hereto.

WITNESSETH:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 100,000 dekatherms. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibits B and C attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

1.3 EQUIVALENT QUANTITY - shall mean the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II
SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-NN, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause

acceptance of delivery of the quantity received by Transporter or for Transporter's account, on any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

- (a) Execution by Shipper of the necessary Upstream Transportation Agreements;
- (b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibits B and C attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

ARTICLE V RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) N/A attached hereto.

ARTICLE VII

RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-NN.

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-NN.

7.3 NEW FACILITIES CHARGE - N/A

7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-NN, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII

BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-NN and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII TERM

12.1 This Contract shall become effective as of November 1, 2008, and shall remain in force and effect until October 31, 2009, and from N/A to N/A 1/ thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term. 2/

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customer's traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

ARTICLE XII
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

Transporter: Granite State Gas Transmission, Inc.
Attention: Customer Services
1700 MacCorkle Avenue, SE
Charleston, West Virginia 25314

Shipper: Northern Utilities, Inc.
Attention: Francisco DaFonte
300 Friberg Parkway
Westborough, MA 01581

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

15.4 Exhibits A, B, and C attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

By: _____
Director, Customer Services

Accepted and Agreed to this _____ Day of _____, 2008.

NORTHERN UTILITIES, INC.

By: _____

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "A"

**To Gas Transportation Contract
Dated November 1, 2008
Between
Granite State Gas Transmission, Inc.
And
Northern Utilities, Inc.
On Behalf of Parties**

Contract No. 08-003-FT-NN
MDQ: 100,000 Dekatherms

Company Name

Northern Utilities, Inc.

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "B"

**To Gas Transportation Contract
Dated November 1, 2008
Between
Granite State Gas Transmission, Inc.
And
Northern Utilities, Inc.**

Receipt Points

Contract No. 08-003-FT-NN
MDQ: 100,000 Dekatherms

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
020206	Pleasant St.	Tennessee Gas Pipeline	Essex/Haverill	MA	30,000
020900	Newington, NH	Joint Facilities	Rockingham/Newington	NH	20,000
050600	Westbrook, ME	Joint Facilities	Cumberland/Westbrook	ME	50,000

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "C"

**To Gas Transportation Contract
Dated November 1, 2008
Between
Granite State Gas Transmission, Inc.
And
Northern Utilities, Inc.**

Delivery Points

Contract No. 08-003-FT-NN

MDQ: 100,000 Dekatherms

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
082301	Pratt & Whitney	Granite State Gas Transmission, Inc.	York/No. Berwick	ME	200
062501	Wells Station	Granite State Gas Transmission, Inc.	York/Wells	ME	100
082701	Kennebunk Twine Mill	Granite State Gas Transmission, Inc.	York/Kennebunk	ME	100
082002	Biddeford Indus'l Park	Granite State Gas Transmission, Inc.	York/Biddeford	ME	2,800
082003	Biddeford-RR Ave	Granite State Gas Transmission, Inc.	York/Biddeford	ME	1,200
082802	Saco –Moody St.	Granite State Gas Transmission, Inc.	York/Saco	ME	100
	Saco – North St	Granite State Gas Transmission, Inc.	York/Saco	ME	300
081602	Scarborough Indus'l Park	Granite State Gas Transmission, Inc.	Cumberland/Scarborough	ME	300
081601	Roundwood Station	Granite State Gas Transmission, Inc.	Cumberland/Scarborough	ME	500
081201	Southborough Station	Granite State Gas Transmission, Inc.	Cumberland/So. Portland	ME	100
081202	Payne Road Gate	Granite State Gas Transmission, Inc.	Cumberland/So. Portland	ME	21,640
081103	Congress Street	Granite State Gas Transmission, Inc.	Cumberland/Portland	ME	2,000
081102	Warren Ave/Lewiston	Granite State Gas Transmission, Inc.	Cumberland/Portland	ME	16,000
082901	Cascade Rd.	Granite State Gas Transmission, Inc.	York/Old Orchard	ME	150
081301	Larrabee Rd.	Granite State Gas Transmission, Inc.	Cumberland/West Brook	ME	4,500
	Marshwood	Granite State Gas Transmission, Inc.	York/So. Berwick	ME	10
085401	Forrest Street	Granite State Gas Transmission, Inc.	Rockingham/Plaistow	NH	50
085402	Plaistow (Sweet Hill Rd.)	Granite State Gas Transmission, Inc.	Rockingham/Plaistow	NH	1,700
085201	East Kingston	Granite State Gas Transmission, Inc.	Rockingham/E. Kingston	NH	3,400
084201	Exeter West	Granite State Gas Transmission, Inc.	Rockingham/Exeter	NH	130
084202	Exeter-Newfield Road	Granite State Gas Transmission, Inc.	Rockingham/Exeter	NH	10,000
084901	Greenland-Rt. 151	Granite State Gas Transmission, Inc.	Rockingham/Greenland	NH	70
084902	Ocean Road	Granite State Gas Transmission, Inc.	Rockingham/Greenland	NH	2,200
084101	Panaway	Granite State Gas Transmission, Inc.	Rockingham/Portsmouth	NH	350
084102	Portsmouth-Borstick Ave.	Granite State Gas Transmission, Inc.	Rockingham/Portsmouth	NH	6,700
088801	Pease Development	Granite State Gas Transmission, Inc.	Rockingham/Pease	NH	3,500
084801	Gosling Rd.	Granite State Gas Transmission, Inc.	Rockingham/Newington	NH	1,400
084703	Varney Brook	Granite State Gas Transmission, Inc.	Strafford/Dover	NH	17,800
084802	Newington	Granite State Gas Transmission, Inc.	Rockingham/Newington	NH	2,600
084701	Dover Point	Granite State Gas Transmission, Inc.	Strafford/Dover	NH	50
084702	New Bellamy Lane	Granite State Gas Transmission, Inc.	Strafford/Dover	NH	50

The sum of transporter's deliveries to Shipper for all transportation contracts cannot exceed the limitations reflected above. Deliveries offsystem are made by displacement pursuant to the Agency and Exchange Agreement between Granite State and Northern, dated November 1, 1993.