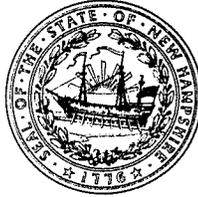


THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

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January 20, 2011

R. Scott Mahoney
Iberdrola USA
Durham Hall
52 Farm View Drive
New Gloucester, ME 04260

Re: DA 10-325, Service Agreement between New Hampshire Gas Corporation and New York State Electric and Gas Corporation

Dear Mr. Mahoney:

On December 8, 2010, New Hampshire Gas Corporation (NHGC) filed a Service Agreement entered into on November 31, 2010 between NHGC and New York State Electric and Gas (NYSEG). NHGC and NYSEG are associate companies within the Iberdrola USA, Inc. registered holding company system. Under the terms of the agreement, NYSEG is to provide services to NHGC, as requested by NHGC. Services include the following categories: call center services; billing; network support; telephone and voice mail; credit review and collections; management support; and technical/operations support. NHGC will be charged costs reasonably identified and related to the particular service performed. The agreement may be terminated by either party upon not less than 90 days prior written notice.

This letter serves as an acknowledgement that NHGC, pursuant to the requirements of RSA 366:3, has filed a contract between a public utility and an affiliate for the provision of services in exchange for compensation that exceeds \$500. This acknowledgement does not constitute approval of any rate or revenue requirement change that may be claimed as a result of the service provided for in the filed documents. As any issue that may arise under the contract may be addressed in another docket or through the opening of a new docket, the Commission will not open an investigation at this time under RSA 366:5. The Commission will accept the contract as filed and will close this docket. As you may be aware, any modifications of the contract must also be filed with the Commission pursuant to RSA 366:3.

Sincerely,

A handwritten signature in black ink that reads "Debra A. Howland".

Debra A. Howland
Executive Director