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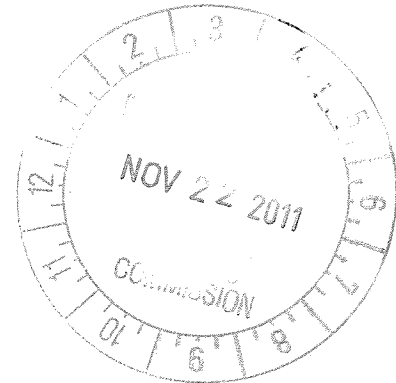
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November 22, 2011

Via Hand Delivery and Electronic Mail

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



***Re: DG 11-196, Unitil Corporation and Northern Utilities, Inc.
Show Cause Proceeding***

Dear Ms. Howland:

Northern Utilities, Inc. ("Unitil") submits this letter in response to Staff Attorney Fabrizio's letter of November 18, 2011 ("Staff's letter"). Staff's letter proposes an expedited procedural schedule for the above-referenced docket which begins with Unitil submitting prefiled testimony on December 2, 2011. In a letter dated November 16, 2011, Unitil submitted proposed procedural steps to the Commission which begin with Staff's prefiled testimony. The Office of Consumer Advocate ("OCA") supports Unitil's proposed procedural steps. For the reasons discussed below, Unitil objects to Staff's proposed procedural schedule and proposes a different procedural schedule which commences with the submission of Staff's prefiled testimony.

In support of its position that the next procedural step in this docket is for Unitil to submit prefiled testimony, Staff's letter implies that no prefiled testimony from Staff is necessary in this docket because Staff has previously filed a memorandum regarding Unitil's alleged noncompliance with emergency response standards, and Unitil does not contest its noncompliance. Staff's letter also states that "where the record has established that standards agreed to in a settlement agreement approved by the Commission have not been met, the company in violation of those standards bears the burden of persuasion." In support of this position, Staff cites *Wilton Telephone Company et al.*, Order No. 23,744 (July 26, 2001).

While Unitil agrees with Staff's assertion that Unitil bears the burden of persuasion in this docket, Staff's letter fails to note that the *Wilton* order clearly establishes that Staff bears the burden of production in this case. In "show cause" proceedings such as the instant docket (and *Wilton*) where the issue is a utility's alleged noncompliance with a settlement agreement, "the burden is on the complainant or the Commission, through its Staff, to establish the basis of the complaint and an initial demonstration of non-compliance..." *Re: Wilton Telephone Company*,

DT 00-294, DT 00-295, Order No. 23, 744, 86 NH PUC 498, 505 (July 26, 2001). In recognition of Staff's "burden of going forward and establishing a prima facie case" in a show cause proceeding, the Commission, in *Wilton*, ordered Staff to prefile its testimony prior to requiring prefiled testimony from the Wilton companies and OCA. See *Wilton, supra* at 506. This step was taken despite the fact that Staff had filed a report, supplemental report and a descriptive account of each settlement item and whether the Wilton companies had complied. See *Wilton, supra* at 499-500. Thus, notwithstanding that Staff has filed a memorandum and that Unitil and Staff have submitted a Joint Stipulation of Facts in the instant docket, Staff must meet its burden of production by submitting prefiled testimony first in this case.


Although Staff's letter opines that Unitil's proposed schedule is not consistent with similar proceedings the Commission has conducted", the *Wilton* order clearly demonstrates otherwise. Thus, in light of the fact that Staff bears the burden of production in this case, Staff's proposed procedural schedule should not be approved. Moreover, during the course of technical sessions in this docket, Staff has indicated to Unitil that it will be asking the Commission to impose financial penalties upon Unitil. Because Staff's position on penalties has not been provided in writing to any party or the Commission in this proceeding, Staff should be ordered to prefile testimony on that issue as well as on any other issue that Staff will be relying upon or advocating in this docket.

In view of the foregoing, Unitil respectfully urges the Commission to adopt the following procedural schedule for this docket:

Staff Prefiled Testimony	December 9, 2011
Data Requests to Staff	December 16, 2011
Data Responses from Staff	December 30, 2011
Non-Staff parties Prefiled Testimony	January 10, 2011
Data Requests to Non-Staff Parties	January 17, 2011
Staff Rebuttal Testimony	January 27, 2011
Hearing	To be determined

Please do not hesitate to contact me if there are any questions about this letter. Thank you for your assistance and cooperation.

Very truly yours,



Susan S. Geiger