

THE STATE OF NEW HAMPSHIRE

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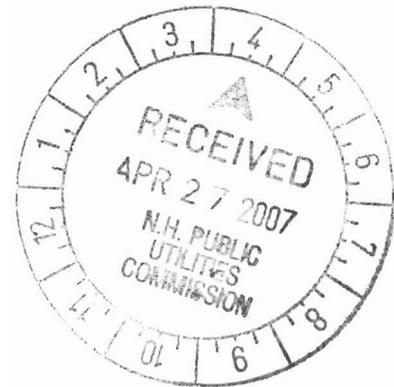
PUBLIC UTILITIES COMMISSION
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April 27, 2007

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Re: DG 06-107
National Grid-KeySpan Merger
Proposed Revised Procedural Schedule



Dear Ms. Howland:

In my letters to you dated April 17 and April 20, 2007, I indicated that the parties would be proposing modifications to the procedural schedule in the near future, reflecting the fact that the Joint Petitioners, the Office of Consumer Advocate and the Staff of the New Hampshire Public Utilities Commission had reached a settlement in principle that would, upon finalization of the settlement documents by the settling parties and approval by the Commission, resolve the issues in this docket. Set forth below is the proposed revised procedural schedule which the parties and Staff have agreed to recommend to the Commission:

Filing of settlement documents and testimony by parties and Staff	May 15, 2007
Hearing on settlement	May 30 and 31, 2007

The currently approved procedural schedule calls for the hearing to be held over a three day period, May 29, 30 and 31. However, in view of the settlement, the parties and Staff expect that two days of hearings should be sufficient.

One component of the settlement consists of a rate reduction and a five-year rate plan for Granite State Electric Company (Granite State). The Granite State rate plan may constitute an alternative form of regulation pursuant to RSA 374:3-a. The settling parties anticipate that the Granite State rate plan will be addressed at the hearing

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proposed for May 30 and May 31, 2007, along with the other components of the settlement. In addition, the settlement calls for the first phase of the proposed rate reduction for Granite State customers to occur thirty days after issuance of the Commission's order approving the merger. For that reason, the settling parties will be requesting a decision as soon as reasonably possible after the hearings.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Edward N. Damon". The signature is written in a cursive style with a light blue rectangular highlight behind it.

Edward N. Damon
Staff Attorney

cc Service List