

Professional Association

FIFTEEN NORTH MAIN STREET • CONCORD, NH 03301-4945 TELEPHONE (603) 226-0400 • FACSIMILE (603) 230-4448

STEVEN V. CAMERINO Internet: steven.camerino@mclane.com

October 31, 2006

Debra A. Howland Executive Director and Secretary New Hampshire Public Utilities Commission 21 S. Fruit Street, Suite 10 Concord, NH 03301 FEGEIVED OCT 3 + 2036 OCT 3 OFFICES IN: MANCHESTER CONCORD PORTSMOUTH

Re:

DG 06-107; National Grid, PLC, National Grid USA and KeySpan Energy

Delivery New England -- Merger Transaction

Dear Ms. Howland:

Enclosed for filing with the Commission are an original and six copies of a Motion for Protective Order and Confidential Treatment with regard to the above-entitled matter. Please note that the responses to data requests that are the subject of the motion are being filed under separate cover by Alexandra Blackmore, counsel for National Grid. If you have any questions at all about the enclosed motion, please feel free to give me a call.

Sincerely,

Steven V. Camerino

SVC:cb Enclosure

cc: Service List

STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

RE: NATIONAL GRID PLC, NATIONAL GRID USA AND KEYSPAN ENERGY DELIVERY NEW ENGLAND

MERGER TRANSACTION

DOCKET NO. DG 06-107

ENERGYNORTH'S MOTION FOR PROTECTIVE ORDER AND CONFIDENTIAL TREATMENT

EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England ("EnergyNorth") respectfully requests that the Commission issue a protective order regarding certain information being provided in response to data requests from the Commission staff ("Staff") in the above-captioned proceeding. In support of its motion, EnergyNorth states as follows:

- 1. Certain data requests propounded by the Staff in this proceeding require EnergyNorth to provide confidential commercial information that is exempt from public disclosure under the New Hampshire Right to Know Act, RSA 91-A. These data requests are as follows:
 - Staff 1-19 Provide a copy of any presentations to investors, Moody's, S&P or Fitch prior to or after the announcement of the merger.
 - Staff 1-31 Ref. Bodanza testimony, Schedule JFB-2, page 3, significant TGP contribution to ENGI distribution system upgrade in the Tilton, New Hampshire area.
 - a. Provide an accounting of this upgrade to date, including:
 - i. Description of each completed phase
 - 1. Tennessee Gas Pipeline contributions, each phase
 - 2. ENGI capital expenditures, each phase
 - b. Have all TGP contributed funds pledged for this project been spent?
 - c. How much work still to be done on this project?
 - i. What is the timeframe?
 - ii. Who picks up the costs?
 - Staff 1-32 Ref. Bodanza testimony, Schedule JFB-2, page 3, estimated \$12 to \$16.5 million TGP NH lateral upgrade. Provide all available work-papers, assumptions and cost estimates associated with Company initiated discussions regarding this incremental capacity addition.

- Staff 1-33 Ref. Bodanza testimony, Schedule JFB-2, pages 3-4, KEDMA incremental TGP ConneXion capacity.
 - a. Provide all work-papers, assumptions, cost estimates and calculations used to determine an approximate savings to ENGI of \$1.1 million for year-one use of KEDMA excess TGP ConneXion capacity.
 - b. Provide a detailed description of all possible peaking resource alternatives used to compare the alternatives with the ConneXion capacity and its supply resource.
 - c. Why did KeySpan not include ENGI in the open season process for the TGP ConneXion capacity, as it did for KEDMA?
- 2. EnergyNorth's response to Staff 1-19 consists of presentations made to various rating agencies. The presentations relate not just to EnergyNorth, but also to KeySpan Corporation ("KeySpan") and all of its subsidiaries, both regulated and non-regulated. In addition, the presentations contain certain forward-looking projections. The information included in the presentations constitutes confidential, commercial or financial information that is exempt from public disclosure under RSA 91-A:5, IV because disclosure to the public could cause unfair economic or competitive damage to KeySpan and could potentially lead to a disorderly market in its securities. The requested documents contain material non-public information about KeySpan's operations and a variety of detailed, non-public projections. The financial projections included in the presentations were not prepared in a manner that would be appropriate for public disclosure. For example, the financial forecasts included in the presentations contain a number of assumptions and uncertainties that are not fully reflected in the response to the Staff's data request and that may or may not occur. Consequently, public disclosure of the response could provide the marketplace with information that may be incomplete, outdated, or superseded by later events, or otherwise confuse or potentially mislead the marketplace. Trading activity based on this information could adversely affect KeySpan's share price, subjecting it to the fluctuations of a disorderly marketplace.

Share price fluctuations may in turn elicit attention from securities regulators, requiring KeySpan to explain the market's response, including requiring KeySpan to release more of the sort of information that created the situation in the first instance. It is precisely because of the potential complications of such a scenario that KeySpan is so cautious about what information it releases and how it manages release of this information to the marketplace. External parties interested in the kind of information provided in the response to Staff 1-19 would encounter extremely high degrees of difficulty and costs to developing such information. Indeed, it is highly unlikely that any external party could easily develop all the information without considerable assistance from KeySpan personnel.

3. To respond fully to Staff 1-31, 1-32 and 1-33, EnergyNorth must provide information concerning the prices and terms on which EnergyNorth or its affiliates have obtained pipeline capacity to serve its customers, including EnergyNorth's analysis of proposals to provide such capacity. This information is of the same nature as that for which the Commission has routinely provided protective treatment in prior proceedings, including all EnergyNorth cost of gas proceedings. Release of the information that EnergyNorth seeks to protect is likely to result in competitive disadvantage for EnergyNorth and its affiliates in the form of less advantageous or more expensive capacity contracts. Suppliers possessing the confidential information described above would be aware of EnergyNorth's or its affiliates expectations regarding capacity costs and other contract terms, and would be unlikely to propose to supply such goods and services on terms significantly more advantageous to EnergyNorth or its affiliates. If EnergyNorth or its affiliates were to receive less favorable agreements due to public disclosure, their customers would ultimately bear the burden of the increased costs.

- 4. All of the foregoing information constitutes trade secrets of EnergyNorth and/or KeySpan and should be protected as confidential commercial information. EnergyNorth and KeySpan do not disclose this information to anyone outside of their corporate affiliates and their representatives.
- 5. Concurrent with this motion, EnergyNorth is providing redacted and unredacted copies of the foregoing information under separate cover, except that a redacted copy of the information in response to Staff 1-19 is not being provided because of the voluminous nature of the materials. By this motion, EnergyNorth is seeking a protective order covering the unredacted copies of the information being provided in response to Staff 1-19, 31, 32 and 33. Because of the confidential nature of the financial information contained in EnergyNorth's response to Staff 1-19, EnergyNorth does not intend to provide the response to the two unions that have intervened in this proceeding because EnergyNorth believes that such information may be used by those unions in a manner that is harmful to EnergyNorth or its affiliates in future negotiations or other dealings between EnergyNorth or its affiliates and the unions.
- 6. RSA 91-A:5, IV expressly exempts from the public disclosure requirements of Chapter 91-A any records pertaining to "confidential, commercial or financial information." The Commission has the authority to protect the information described above pursuant to N.H. Code of Admin. Rules Puc 203.08.
- 7. EnergyNorth requests that the Commission issue a protective order granting this motion and protecting from public disclosure the confidential commercial information described above. Copying, duplication, dissemination or disclosure in any form should be prohibited and the protected materials should be returned at the conclusion of the proceeding or destroyed on terms

acceptable to EnergyNorth. The protective order should also be extended to any discovery, testimony, argument or briefing relative to the confidential information.

8. Counsel for EnergyNorth has contacted counsel for the Staff and all parties to this proceeding regarding the relief requested in this motion. The Office of Consumer Advocate indicated that it takes no position regarding the relief requested, but that it agrees to treat the information in accordance with the terms of the protective order sought by KeySpan unless and until the protective order is removed by subsequent order of the Commission. Staff and the other parties were not able to respond prior to the time this motion was filed with the Commission.

WHEREFORE, EnergyNorth respectfully requests that the Commission:

- A. Issue an order protecting the information described above; and
- B. Grant such other and further relief as may be just and equitable.

Respectfully submitted,

ENERGYNORTH NATURAL GAS, INC. D/B/A
KEYSPAN ENERGY DELIVERY NEW ENGLAND

By Its Attorneys

MCLANE, GRAF, RAULERSON &

MIDDLETON, P.A.

Steven V. Camerino, Esq.

15 North Main Street

Concord, NH 03301

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Motion for Protective Order and Confidential Treatment has been forwarded to all persons on the Service List for this proceeding.

Dated: October 31, 2006

Steven V. Camerino