

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: March 15, 2012
AT (OFFICE): NHPUC

FROM: Grant W. Siwinski *JSW*
Utility Analyst III *GW*

SUBJECT: DA 12-006, National Grid – Affiliate Service Contracts for the Period
January 1, 2012 – December 31, 2012

TO: Debra A. Howland, Executive Director



On January 10, 2012, National Grid filed service request renewal forms for the period January 1, 2012 through December 31, 2012 for four affiliate agreements: the National Grid Corporate Services LLC Service Agreement, the National Grid Engineering & Survey Inc. Service Agreement, the National Grid Utility Services LLC Service Agreement and a Utility Money Pool Agreement.

The new service request forms enable EnergyNorth Natural Gas Inc., Granite State Electric Company, New England Power Company, New England Electric Transmission Corporation, New England Hydro-Transmission Corporation and New England Hydro-Transmission Electric Company, Inc. to request services from affiliated service companies National Grid Corporate Services LLC (formerly named KeySpan Corporate Services LLC), National Grid Engineering & Survey, Inc. (formerly named KeySpan Engineering & Survey Inc.) and National Grid Utility Services LLC (formerly named KeySpan Utility Services LLC) under the terms of agreements currently in effect and on file with the Commission (filed in DA 10-006 and in DA 11-003). The new service request forms will be effective January 1, 2012 through December 31, 2012 and replace the service request forms that expired December 31, 2011. There have been no changes in the National Grid Corporate Services LLC, the National Grid Engineering & Survey, Inc. and the National Grid Utility Services LLC service request forms.

The Utility Money Pool Agreement, to which EnergyNorth Natural Gas Inc. is a party, but Granite State Electric Company is not a party, renews the existing agreement that expired on December 31, 2011 and is for the period January 1, 2012 through December 31, 2012. Per a letter filed in DA 11-003, National Grid anticipated filing a consolidated legacy Keyspan Utility Money Pool agreement and legacy National Grid Money Pool Agreement¹, pending approval by the Massachusetts Department of Public Utilities in Docket D.P.U. 10-59, which approval was received in late January 2011.

¹ The form of the proposed regulated Money Pool Agreement was filed with the Commission on November 9, 2009.

However, the legacy National Grid and KeySpan companies have operated on different accounting system platforms, and National Grid has been working to implement a unified accounting system that will accommodate the joint money pool, which National Grid anticipates will occur in the summer 2012. In the meantime, National Grid continues to operate under the legacy money pool agreement.

Staff has reviewed the contracts and the changes and recommends that further investigation into the contract extensions is unnecessary at this time. As any potential issues that arise from the service contracts can be addressed in other dockets, or through the opening of a new docket, Staff is recommending that DA 12-006 be closed without opening a formal investigation.

Please let me know if you have any questions.

cc: Steve Mullen
Suzanne Amidon