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April 28, 2017

Thomas B. Getz
McLane, Middleton, P.A.
11 South Main St. Suite 500
Concord, NH 03301

Re: DA 17-040 National Grid USA Service Company, Inc.
Accession Agreement with Certain National Grid USA Affiliates

Dear Mr. Getz:

On March 10, 2017, you filed an Accession Agreement between National Grid USA Service Company, Inc. ("National Grid Service") and certain National Grid USA ("National Grid") affiliates. The purpose of the Accession Agreement is to add three National Grid affiliates (NATIONAL GRID CONNECT INC., NATIONAL GRID GREEN HOMES INC., and VERMONT GREEN LINE DEVCO LLC) to a 2012 Service Agreement under which National Grid Service provides certain services (including corporate, audit, information, and security and legal services) to its client affiliates.

Your letter states that in 2011, National Grid filed a similar agreement in Docket No. DA 11-003, pursuant to RSA 366.3. You state that since that filing, National Grid has, with Commission approval, transferred two of its former distribution subsidiaries, Granite State Electric Company ("GSEC") and EnergyNorth Natural Gas, Inc. ("ENGI") to Liberty Energy NH (a non-affiliate of National Grid). Your letter also notes that the Commission's Affiliate Transaction Rule Puc Chapter 2100 applies only to distribution utilities and, accordingly, you state that "it would seem to follow that the filing of agreements such as the Accession Agreement is no longer required."

The Accession Agreement filed in this docket adds three National Grid Affiliates to a 2012 Service Agreement under which National Grid Service provides services to certain of its affiliates. GSEC and ENGI do not appear to be parties to the 2012 Service Agreement (presumably because the Services Agreement was dated as of November 5, 2012 and National Grid sold GSEC and ENGI in July 2012). Thus National Grid's sale of GSEC and ENGI should have no bearing on whether the Accession Agreement requires filing under RSA 366:3.

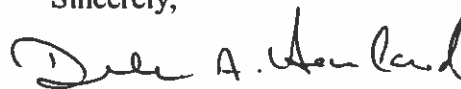
New England Power Company (“NEP”), another National Grid affiliate, is a signatory to this 2012 Service Agreement.¹ In Docket No., DA 11-003, pursuant to RSA 366:3, National Grid filed service agreements involving NEP (and other affiliates) and the Commission acted on that filing. We note that in Docket No. 16-844, in a Petition For Authority To Issue Long Term Debt Securities, NEP states that it is “a subsidiary of National Grid plc” and is “authorized to conduct business in the State of New Hampshire as a public utility, as that term is defined in RSA 362:2, and is subject to the jurisdiction of the New Hampshire Public Utilities Commission”. DE 16-844, NEP Petition at 1.

While the Commission agrees that GSEC and ENGI are no longer affiliates of National Grid, there is nothing presented in this docket that would cause the Commission to alter the course of action it took in DA 11-003, where the Commission acknowledged receipt of the filing which involved National Grid and NEP and issued a secretarial letter, dated February 23, 2011.

Nor does the Commission’s reading of Puc Rule 2100 lead it to conclude that a change in course is warranted concerning contracts between NEP and its affiliates. While your letter correctly notes that Rule 2100 applies to distribution utilities, we see nothing in those rules that similarly narrows the scope of RSA 366:3 to distribution companies only. To the contrary, Puc Rule 2106.01(d)(2), recognizes that RSA 366 may be broader than Puc Rule 2100 where it discusses a “contract or arrangement that is subject to this chapter *or RSA 366*” (emphasis added - demonstrating that a contract may not be subject to Puc Rule 2100 but may still be subject to RSA 366).

Accordingly, this letter serves as an acknowledgement that National Grid, pursuant to the requirements of RSA 366:3, has filed modifications to a contract between a public utility and an affiliate for the provision of services in exchange for compensation that (are presumed to) exceed \$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 contracts 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. Absent any additional facts or legal analysis from NEP or National Grid that might lead the Commission to a different conclusion, any further modifications of the contract must be filed with the Commission pursuant to RSA 366:3.

Sincerely,



Debra A. Howland
Executive Director

cc: Service List

¹ New England Hydro-Transmission Electric Company, Inc. and New England Hydro-Transmission Corporation, both National Grid affiliates, are also signatories to the 2012 Service Agreement and are subject to the jurisdiction of the Commission.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**