

KEEGAN WERLIN LLP

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:

(617) 951-1354

(617) 951-0586

May 19, 2006

VIA FACSIMILE AND U.S. MAIL

Luly Massaro, Commission Clerk  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

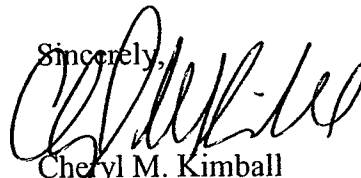
RE: Docket No. D-06-13 Joint Petition of Southern Union Company and The  
Narragansett Electric Company

Dear Ms. Massaro:

Attached are the responses of Southern Union Company to the Fifth Set of Discovery issued by the Rhode Island Division of Public Utilities and Carriers in the above-referenced docket.

Thank you for your attention to this matter.

Sincerely,



Cheryl M. Kimball  
R.I. Bar # 6458

Cc: Service List

Division Data Request 5-1

Request:

Referring to the response to Division Data Request 1-1, please explain the nature of the obligation that “requires” Southern Union to close the transaction by August 25, 2006. The response should specifically describe the factors that “require” a closing by that date and should also describe exactly how that date was chosen.

Response:

Southern Union conducted discussions with National Grid and other interested parties regarding the sale of the Rhode Island assets over a short time period in February 2006. At that time, Southern Union sought to incorporate the August 25, 2006 date as part of its overall agreement with National Grid based on three factors: (1) the need to ensure a timely transfer of the Rhode Island assets to minimize customer and employee disruption; (2) the need for Southern Union to unwind the Massachusetts operations from the Rhode Island operations and establish a separate management organization within a timeline coincident with a planned base-rate filing in Massachusetts; and (3) the need to facilitate Southern Union’s acquisition of Sid Richardson Energy Services, Ltd. and related entities (together “SRES”). Each of these reasons was of substantial significance to Southern Union in agreeing to the terms of the transaction with National Grid.

1. Timely Transfer to Minimize Customer and Employee Confusion: Southern Union has considerable experience with the integration of operations following the sale or acquisition of distribution facilities having purchased or sold operations in at least 8 major transactions over the last ten years, including wholesale and retail operations. Through these transactions, the Company has learned that integration efforts need to be conducted in a timely and organized manner to minimize the disruption and uncertainty for customers and employees. If the transition period is prolonged, operations have the potential to be affected by the loss of experienced employees, the delay of important management decisions and other ramifications. Given Southern Union’s decision to retain ownership of the Massachusetts operations (and to potentially transition some employees to those operations), a six-month time period (February through August) was both reasonable and advisable from Southern Union’s perspective.
2. Unwinding the Massachusetts Operations: Prior to its decision to sell the Rhode Island assets of the New England Gas Company, Southern Union initiated an

internal process to file with the Massachusetts Department of Telecommunications and Energy (MDTE) for an increase in the base rates of its Massachusetts operations. These original plans, which targeted a spring 2006 filing, contemplated creation of a Massachusetts operating subsidiary structure and the development of a comprehensive rate plan for the Massachusetts operations based on that operating structure. Southern Union recognized that the sale of the Rhode Island assets would inevitably delay the preparation of the base-rate filing into the summer months. Therefore, the Company sought to secure a closing schedule that would allow it to unwind the Massachusetts operations and prepare a base-rate case without causing a prejudicial delay in the filing schedule for the base-rate proposal. Based on this assessment, Southern Union identified a need to complete the sale of the Rhode Island operations during the third quarter of 2006, so that the base-rate filing could still be made in advance of the year end (and could be based on a FY2005 test year).

3. Furtherance of the SRES Acquisition

On December 15, 2005, Southern Union entered into a Purchase and Sale Agreement to acquire the SRES operations at a purchase price of approximately \$1.6 billion. By virtue of this transaction, Southern Union obtained the ownership rights to approximately 4,600 miles of natural gas and natural gas liquids pipelines in the Permian Basin, as well as four active cryogenic plants and six active natural gas treating plants. With the SRES acquisition, Southern Union now operates an interstate distribution system comprised of approximately 22,000 miles of pipeline stretching from the Gulf of Mexico to the Southwest, Midwest and Canada and serving customers in 18 states. Therefore, the SRES acquisition is an important transaction for the Company, substantially adding to the Company's financial strength and long-term position in the market.

The SRES acquisition factored into the timeline for the Rhode Island asset sale in two ways. First, at the time it was negotiating the terms of the transaction with National Grid (early February), Southern Union was also working to finance and close the transaction with SRES (which it did on March 1, 2006). Southern Union completed its acquisition of SRES using \$1.6 billion in short-term debt financing due and payable within 364 days of the SRES closing. The sale of the Rhode Island assets will generate approximately \$492 million in cash that the Company will apply to repay the financing under the bridge loan. Along with the proceeds of the Pennsylvania sale (\$580 million), the cash available as a result of the two asset sales will reduce the amount of permanent debt financing required to retire the bridge loan by as much as \$1 billion. This has a significant value to the Company and its customers in terms of

maintaining investment-grade ratings (even prior to the sale) and ensuring access to adequate capital at a reasonable cost to fund utility and non-utility operations. For that reason, accomplishing the SRES transaction with a substantially reduced need for permanent debt financing will have a strong beneficial effect on the financial position of the Company. Therefore, in establishing a date for closing, Southern Union sought to ensure that the sale could be completed no later than the third quarter of 2006 in order to make the cash available prior to any deadlines for decisions on long-term (permanent) financing. Attached are two press releases issued by Southern Union regarding the Pennsylvania sale and the SRES closing discussing the financing aspect of the Rhode Island schedule.

Secondly, in structuring and negotiating the sale of the Rhode Island operations, the Company sought to obtain like-kind exchange treatment for the SRES transaction under Section 1031 of the Internal Revenue Code (explained in response to Data Request DIV-5-4). To maximize Southern Union's ability to claim like-kind treatment, the closing for the Rhode Island transaction had to occur within the 180-day "safe harbor" period that would commence on the closing date for the SRES transaction, or March 1, 2006. This narrowed the possible closing from the third quarter of 2006 to a date on or before August 28, 2006. As a result, Southern Union's agreement to enter into the transaction under the terms offered by National Grid rested, in part, on National Grid's consideration of the closing date.

Southern Union's eligibility for this tax treatment is open to challenge in the event that the closing does not occur within the safe harbor period and Southern Union could incur significant costs to restructure the transaction if the safe-harbor period is not met. Therefore, to provide the maximum amount of time possible for regulatory review, while preserving the 180-day safe harbor period and meeting the Company's other requirements for a third-quarter closing, Southern Union incorporated a 20-day deadline for filing with the Division (from the date of the Agreement) and a closing date of August 25, 2006, which is virtually the last possible point that a closing could occur within the safe-harbor period. The timing issues associated with the like-kind exchange apply equally to the proceeding for approval of the sale of the PG Energy assets currently pending before the Pennsylvania Public Utility Commission.

**SOUTHERN UNION COMPANY AGREES TO SELL PG ENERGY**

- \$580 million cash transaction
- Proceeds will help fund Sid Richardson Energy Services acquisition
- Southern Union headquarters will move to Houston

**HOUSTON, January 27, 2006** — Southern Union Company (NYSE: SUG) today announced that it has entered into a definitive agreement to sell the assets of its PG Energy natural gas distribution division in Pennsylvania to UGI Corporation for \$580 million.

Proceeds from the sale will be used to retire a portion of the acquisition debt to be incurred in connection with Southern Union's previously announced \$1.6 billion purchase of Sid Richardson Energy Services Company which is slated for an early March closing.

"PG Energy is a well-managed natural gas distribution company with a significant presence in northeastern and central Pennsylvania. The sale of PG Energy in conjunction with the acquisition of Sid Richardson Energy Services will allow Southern Union to continue to grow as one of the country's leading energy companies," said George L. Lindemann, Southern Union's chairman, president and CEO. "Because Southern Union will no longer have a large employee base in Pennsylvania, we will be consolidating our corporate operations and activities in Houston."

Both companies' boards of directors have approved the transaction, which is subject to antitrust clearance, approval by the Pennsylvania Public Utilities Commission and other customary closing conditions. The sale is expected to close in the third quarter of 2006.

"This agreement is a significant step for Southern Union and is consistent with the company's mission to create value for its shareholders," said Eric D. Herschmann, senior executive vice president of Southern Union.

PG Energy, headquartered in Wilkes-Barre, Pa., is a natural gas distribution company serving approximately 158,000 customers in 13 counties throughout northeastern and central Pennsylvania.

UGI Corporation (NYSE:UGI), based in Valley Forge, Pa., is a holding company with propane marketing, utility and energy marketing subsidiaries. Through subsidiaries, UGI owns 44% of AmeriGas Partners, LP (NYSE:APU), the nation's largest retail propane marketer, and owns Antargaz, one of the largest LPG distributors in France. Comprehensive information about UGI Corporation is available on the Internet at <http://www.ugicorp.com>

**About Southern Union Company**

Southern Union Company is engaged primarily in the transportation, storage and distribution of natural gas.

Through Panhandle Energy, the company owns and operates 100% of Panhandle Eastern Pipe Line Company, Trunkline Gas Company, Sea Robin Pipeline Company, Southwest Gas Storage Company and Trunkline LNG Company – one of North America's largest liquefied natural gas import terminals. Through CCE Holdings, LLC, Southern Union also owns a 50% interest in and operates the CrossCountry Energy pipelines, which include 100% of Transwestern Pipeline Company and 50% of Citrus Corp. Citrus Corp. owns 100% of the Florida Gas Transmission pipeline system. Southern Union's pipeline interests operate approximately 18,000 miles of interstate pipelines that transport natural gas from the San Juan, Anadarko and Permian Basins, the Rockies, the Gulf of Mexico, Mobile Bay, South Texas and the Panhandle regions of Texas and Oklahoma to major markets in the Southeast, West, Midwest and Great Lakes region.

Through its local distribution companies, Missouri Gas Energy, PG Energy and New England Gas Company, Southern Union also serves approximately one million natural gas end-user customers in Missouri, Pennsylvania, Rhode Island and Massachusetts.

For further information, visit [www.sug.com](http://www.sug.com).

**Forward-Looking Information:**

This news release includes forward-looking statements. Although Southern Union believes that its expectations are based on reasonable assumptions, it can give no assurance that such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Southern Union's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission. The company assumes no obligation to

publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

For further information:

**Media:** John P. Barnett, Director of External Affairs  
713-989-7556

**Investors:** John F. Walsh, Director of Investor Relations  
1-800-321-7423

## **SOUTHERN UNION COMPANY COMPLETES SID RICHARDSON ACQUISITION**

**HOUSTON, March 2, 2006** – Southern Union Company (NYSE:SUG) today announced it has completed the previously-announced acquisition of the Sid Richardson Energy Services business. The acquired business will be known as Southern Union Gas Services.

The \$1.6 billion acquisition was funded through a bridge loan, which the company expects to retire with proceeds from various asset dispositions and debt and/or equity. To help finance the acquisition, Southern Union announced earlier this year that it has entered into agreements to sell its PG Energy distribution division in Pennsylvania to UGI Corporation for \$580 million and the Rhode Island assets of its New England Gas Company division to National Grid USA for \$575 million, less assumed debt of \$77 million. Both sales are expected to close by the end of the third quarter.

"We welcome the Southern Union Gas Services employees and customers to the Southern Union family," said George L. Lindemann, chairman, president and CEO of Southern Union. "We believe this acquisition will be immediately accretive to our earnings, and we will now focus on the successful integration of these assets into Southern Union Company."

"The closing of this acquisition demonstrates Southern Union's ongoing transformation into a higher return business with significant growth opportunities," said Eric D. Herschmann, senior executive vice president of Southern Union.

The acquired assets include approximately 4,600 miles of natural gas and natural gas liquids pipelines in the Permian Basin, fully integrated North and South systems connected by a high-pressure pipeline, four active cryogenic plants and six active natural gas treating plants. The primary activities of Southern Union Gas Services include connecting wells of natural gas producers to its gathering system, treating natural gas to remove impurities to meet pipeline quality specifications, processing natural gas for the removal of natural gas liquids, transporting natural gas and redelivering natural gas and natural gas liquids to a variety of markets. Primary customers include power generating companies, utilities, energy marketers and industrial users located in the southwestern United States. Southern Union Gas Services will remain based in Fort Worth, Texas.

### **About Southern Union Company**

Southern Union Company, headquartered in Houston, is one of the nation's leading diversified natural gas companies, engaged primarily in the transportation, storage, gathering, processing and distribution of natural gas. The company owns and operates the nation's second largest natural gas pipeline system with more than 22,000 miles of gathering and transportation pipelines.

Through Panhandle Energy, Southern Union's interstate pipeline interests operate approximately 18,000 miles of interstate pipelines that transport natural gas from the San Juan, Anadarko and Permian Basins, the Rockies, the Gulf of Mexico, Mobile Bay, South Texas and the Panhandle regions of Texas and Oklahoma to major markets in the Southeast, West, Midwest and Great Lakes region.

Southern Union Gas Services, with approximately 4,600 miles of pipelines, is engaged in the gathering, transmission, treating, processing and redelivery of natural gas and natural gas liquids in Texas and New Mexico.

Through its local distribution companies, Missouri Gas Energy, PG Energy and New England Gas Company, Southern Union also serves approximately one million natural gas end-user customers in Missouri, Pennsylvania, Rhode Island and Massachusetts.

For further information, visit [www.sug.com](http://www.sug.com).

### **Forward-Looking Information:**

This news release includes forward-looking statements. Although Southern Union believes that its expectations are based on reasonable assumptions, it can give no assurance that such assumptions

will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Southern Union's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

For further information:

**Media:** John P. Barnett, Director of External Affairs  
713-989-7556

**Investors:** John F. Walsh, Director of Investor Relations  
1-800-321-7423



Division Data Request 5-2

Request:

Referring to the response to Division Data Request 1-4, is it correct that if the transaction fails to close by August 25, neither party can unilaterally abandon the transaction at that time if the other party chooses to extend the Upset Date pursuant to Section 9.1(e) of the Purchase and Sale Agreement?

Response:

Yes. Assuming that the conditions of Section 9.1(e) are satisfied, if either party requests an extension of the transaction beyond the August 25, 2006 date, the other party must acquiesce to such extension up to an aggregate 120-day extension. There is no assurance, however, that one of the parties would find such an extension to be in its best interests and would avail itself of the provision.

Prepared by or under the supervision of: Richard N. Marshall

The Narragansett Electric Company d/b/a National Grid  
Southern Union Company  
Docket D-06-13  
Responses to Division Data Requests – Set 5  
Issued on April 28, 2006

Division Data Request 5-3

Request:

Referring to the response to Division Data Request 1-5, please provide a timeline showing the relevant dates from the June 30, 2006 (assuming Division approval on that date) to the proposed August 25, 2006 closing. The response should show each task that must be completed within that time frame for the merger to close on August 26, 2006.

Response:

Attached as DIV 5-3(a) is a current draft of the project plan that lists the tasks underway by the New England Gas Company/National Grid integration team to satisfy the applicable closing conditions. The list contemplates that all tasks will be completed by DAY 1, which is the day following the anticipated closing date of August 25, 2006.

The project plan is operational in nature and should be read in conjunction with the closing checklist, which is attached as DIV-5-3(b). The closing checklist itemizes the conditions to closing set forth in the Purchase and Sale Agreement and references various closing documents that will need to be prepared or produced by closing.

Prepared by or under the supervision of: Richard N. Marshall

Day 1 or MA Unwind	Department	Item	HARDWARE MODEL/SPEC	SOFTWARE / APPLICATION	MAINTENANCE / SERVICES	CONSULTANT / CONTRACTOR	DESCRIPTION	# of users	CONTRACT OWNER	LEASE OWNER	ENTITIES COVERED BY LOCATION	ENTITIES EXCLUDED BY LOCATION	COMMENTS	NEG Executive Assigned to	Other Assigned to	MA/SU/NG Executive Assigned to	Status Notes
Day 1	Communications	Advertising	N/A	N/A	N/A	N/A	Done as needed, e.g., Dig Safe; NEGC must comply with RP1162 (USDOT reg re public awareness.	N/A	N/A	N/A	RI	MA	Need to produce and run Dig Safe ad April 2006; Dig Safe direct mailer to excavators (March/April), print & radio ad (April); must also decide how NEGC/NG will comply with RP 1162 going forward	Chris Medici	RDW Group & Karen Sousa		
Day 1	Communications	Billboards	N/A	N/A	N/A	N/A	Billboards on Allen's Ave Property. Currently promote/support Good Neighbor Energy Fund and Coalition Against Domestic Violence	N/A	N/A	N/A	RI	MA	Need to address if these can continue--Post Close	Chris Medici	Dave Black		
Day 1	Communications	Civic Organizations	N/A	N/A	N/A	N/A	NEGC is a member of Newport County Chamber, Northern RI Chamber, Greater Providence Chamber, Pawtucket Foundation, East Bay Chamber, RI Public Expenditure Council, Providence Foundation, New England Council	N/A	N/A	N/A	RI	MA	Need to finalize which organizations NG will support; must develop transition plan for civic organizations	Chris Medici			
Day 1	Communications	Community Connections Fund	N/A	N/A	N/A	N/A	CCF is a 501c3; employees serve as BOD; Marisa Albanese is Executive Director (non-voting); employees become members by donating \$25/year - usually done through payroll deduction. NEGC matches employee donations \$0.50-\$1 up to \$20,000 max. Since its was founded in 2003, more than 70K donated to local charities.	RI -98; MA-34	N/A	N/A	RI	MA	NEGC does not facilitate a United Way campaign for employees; NEGC does support United Way of Greater Fall River (\$10K in 2006); New BOD for CCF installed 2/28/06; Approx \$24,000 on balance; must decide how to handle employee payroll deductions & future of fund	Chris Medici	Marisa Albanese and Randy Cote		
Day 1	Communications	Community Relations (philanthropy, sponsorships, volunteerism)	N/A	N/A	N/A	N/A	Compiled list of organizations, events that NEGC has already committed its support for 2006: Jan - Aug and Sep - Dec; NEG senior staff sit on boards of local community organizations; List available.	N/A	N/A	N/A	RI	MA	How will NEGC's partnership with Gilbert Stuart Middle School (Providence) and Sullivan Elementary School (Newport) be handled?; PawSox BBQ events: May 25 (Community Connections Night), June 9 (Gilbert Stuart)	Tom Robillard	Chris Medici & Marisa Albanese		Need to determine what changes should be made to memberships and board seats effective 9-1-06. Have not committed beyond August 31, 2006. Karen Sousa is a member of the Henry Lord Middle School Improvement Team; Henry Lord Middle School Scholarship Program (interviews, awards presentation - June 2006); Hank Nadeau serves on St. Anne's Hospital Development Team
Day 1	Communications	Customer Communications (newsletter {Direct Connections}, bill inserts)	N/A	N/A	N/A	N/A	Customer newsletter is written in house and produced 4-6x/year; bill inserts are produced as needed;	N/A	N/A	N/A	RI	MA	Next issue of customer newsletter (Fall 2006); Special Protections Form - June-July.	Chris Medici	Karen Sousa		
Day 1	Communications	Employee Communications	N/A	N/A	N/A	N/A	Chris Medici, Mandy Allan primarily send out messages to all employees. Lynne Linden coordinates postings of employee bulletin boards across NEGC. Employee Newsletter is produced by outside vendor. Operating Procedure going forward?	N/A	N/A	N/A	RI	MA	Need Business Plan for Employee Communications Plan post close. Merger-related communications are available in hard copy, on the Intranet and in a Public Folder on the shared drive, which all employees can access.	Chris Medici	Karen Sousa & Mandy Allan		
Day 1	Communications	Governmental Affairs (US, State, Local)	N/A	N/A	N/A	N/A	Richard Beretta and Jim McVey are NEGC's lobbyists in RI; Tom Robillard, Chris Medici, Richard Beretta and Jim McVey meet weekly to discuss legislative activities, etc.	N/A	N/A	N/A	RI	MA	RIPAC has approx \$5,000 on balance; how should \$\$ be handled?; who will lobby for NG post closing?; Develop transition plan for Pawtucket officials re ongoing environmental investigation at Tidewater. Notifying government officials in service areas about possible work stoppage, security needs, contingency protocol, etc. Budget dollars are included in the Legal Department Budget. Contracts are managed through the Legal Department	Tom Robillard	Chris Medici, Beretta & McVey		
Day 1	Communications	Holiday Receptions	N/A	N/A	N/A	N/A	Past 2 years, NEGC hosted holiday receptions for employees (Weybosset St, Cumberland and Dexter St)	All Employees	N/A	N/A	RI	MA	Will NG host these receptions in the future?	Chris Medici	Karen Sousa		
Day 1	Communications	Integration Voicemail and Email boxes	N/A	N/A	N/A	N/A	Joann Therrien and Mandy Allan have access to retrieve messages. Joann will circulate questions to appropriate parties for review and feedback.	N/A	N/A	N/A	MA Only	RI	Once acquisition closes, employees should be directed to forward their inquiries accordingly.	D'Soehnge	Joann Therrien		
Day 1	Communications	Internet and Intranet	N/A	Internet and Intranet Hosting	N/A	Newfangled	Newfangled maintains the Intranet. They are paid quarterly. Karen Sousa modifies content as needed. Website includes information for customers (residential, commercial), trade partners, safety & conservation, community relations, etc. Website is maintained by Newfangled Web Factory; Newfangled is paid quarterly; Karen Sousa modifies content as needed	N/A	New England Gas Company	N/A	RI	MA	Month to Month agreement; no contract. Until May 1, this site was not very interactive. However, in May customers will commence utilization of Bill Payment. Contract with Kubra is segregated between MA & RI. Name of NE Gas was not sold to NG. MA will continue to use New England Gas Company website and intranet. Who will manage Intranet? Will Karen Sousa train someone? Need to change desktop images and point them to new internet. Enable NEG's RI employees to access National Grid's Intranet by or before Day One; NEG's RI employees should no longer be able to access NEG's Intranet on/after Day One. Working with Newfangled to create beta site (post version of content).	Chris Medici	Karen Sousa		Developed transition plan for RI content; Newfangled setting up beta site, which will be mapped to the RI section of National Grid's web site
Day 1	Communications	Media Relations (spokesperson)	N/A	N/A	N/A	N/A	Chris Medici is the spokesperson for NEGC: incident response, media inquiries re regulatory matters, etc. NEGC currently subscribes to a media monitoring service (New England News Clipping Service)	N/A	N/A	N/A	RI	MA	Who will serve as spokesperson after the close? Develop transition plan for media outlets to coincide with closing.	Chris Medici	Marisa Albanese		

Day 1 or MA Unwind	Department	Item	HARDWARE MODEL/SPEC	SOFTWARE / APPLICATION	MAINTENANCE / SERVICES	CONSULTANT / CONTRACTOR	DESCRIPTION	# of users	CONTRACT OWNER	LEASE OWNER	ENTITIES COVERED BY LOCATION	ENTITIES EXCLUDED BY LOCATION	COMMENTS	NEG Executive Assigned to	Other Assigned to	MA/SU/NG Executive Assigned to	Status Notes
Day 1	Communications	RI Good Neighbor Energy Fund	N/A	N/A	N/A	N/A	Tom is Chairman of the RIGNEF for the 2005-2006 campaign; NEGC does \$1:\$1 match for customer donations, pays approx 1/2 of admin expenses of the Fund	N/A	N/A	N/A	All of New England Gas Utilizes	MA	NEG and NG are supporting \$1:\$1 match for customer donations; will this continue in the future?; Wrap Up Luncheon is June 9, 2006	Tom Robillard	Chris Medici	N/A	
Day 1	Communications	Trade Organizations	N/A	N/A	N/A	N/A	Northeast Gas Association, Guild of Gas Managers (Tom is President), Society of Gas Lighting	N/A	N/A	N/A	All of New England Gas Company	None	Need to finalize which organizations SG will support; must develop transition plan for trade organizations.	Tom Robillard	Debi Sullivan		
Day 1	Contact Center	On Line Bill Payment	N/A	On Line Bill Payment	N/A	Kubra Data Transfer LTD. (Paymentech - merchant application)	Will have to be mapped with internet.	N/A	New England Gas Appliance Company	N/A	RI	MA	Will have to be mapped with internet.	Karen Czaplewski	Leo Scallon		
Day 1	Corporate	Docushare	This system is owned by PA.	N/A	N/A	N/A	Document Management System to facilitate SOX, Managed by Corp	Approx.20	Southern Union Company	N/A	New England Gas and all Southern Union Divisions utilize this software.	We do not own and it is an excluded asset.	Moving data to our own data base and investigating cost of acquiring our own license.	Karen Czaplewski	Al Mendonsa		
Day 1	Corporate	Docushare	This system is owned by PA.	N/A	N/A	N/A	Document Management System to facilitate SOX, Managed by Corp	Approx 5	Southern Union Company	N/A	New England Gas and all Southern Union Divisions utilize this software.	RI	SU to provide access to Docuhare for MA	Karen Czaplewski	Michelle Light	Steve Hotte	
Day 1	Corporate	Spice	Refer to Server Inventory Tab row 7	Spice	None	Southern Union Company (Energy Works)	This is software that was developed by Energy Works, a subsidiary of SU Company. Energy Works was dissolved 6.23.03 per Legal. The disk was provided to us from SU and we utilize for Operator Qualification Training	N/A	Southern Union Company	N/A	All of New England Gas Utilizes	None	Need to know if we can continue or not. Per Dave Black agreement to use is with SU. Must have explicit right if we are going to continue to use.	Czaplewski	Mendonsa		
Day 1	Credit & Collections	Collection Agencies and Attorneys (Stevens Business Service, Linda Lainge, NCC	N/A	File Transfers (FTP)	N/A	Various	Northeast Credit & Collections (SUG contract), Stevens Business Services (NEG contract), Strauss Factor Laing and Lyons (NEG contract). Need to determine if we want to continue using all or only some. Initiate new contracts for either RI or MA.	N/A	N/A	New England Gas Company or Southern Union Company	RI	MA	Currently we receive reports of collections from each agency and post to accounts. MA will have to be in a separate file, if MA receivables stay with SU. Need to determine exact name on agreements and determine who will assume these, and if new ones are needed by either SU-MA or NG	Karen Czaplewski	Leo Scallon		
Day 1	Credit & Collections	Customer Refunds	N/A	Internally developed	N/A	N/A	Will need new check Stock for NG on day 1	N/A	N/A	N/A	RI	MA	Need to determine who to work with at NG to obtain appropriate check stock on day one.	Karen Czaplewski	Mary Conroy & Mark Paparelli	John McGraw	
Day 1	Credit & Collections	Lockbox	N/A	N/A	N/A	Bank of America (Regulus)	Need to move to NG Lockbox Service	N/A	???	N/A	RI	MA	Waiting for copy of contract from SU Corp	Karen Czaplewski	Leo Scallon		
Day 1	Credit & Collections	Risk Management (LexisNexis)	N/A	N/A	N/A	Lexis Nexis	Corporate Contract through Missouri Gas Energy. Used for Positive ID verification. Need to know if we should continue to utilize, or what is standard business practice that NG wants us to follow.	N/A	Southern Union Co. & MGE	N/A	RI	MA	Contract Negotiated as Southern Union Corporate by MGE	Karen Czaplewski	Leo Scallon		
Day 1	Credit & Collections	Strictly Services	N/A	N/A	N/A	Strictly Services	Need to determine term of agreement to enter into with Strictly Services, should new contract need to be drawn	N/A	New England Gas Co	N/A	RI	MA	Need to determine if we want some of the paystations in MA to accept payments for NG, assuming we continue with Strictly Services for some period.	Karen Czaplewski	Leo Scallon		
Day 1	Customer Service	Office Hours	N/A	N/A	N/A	N/A	Discuss with NG their office hours for contact center. Do we want/need to change.	N/A	N/A	N/A	RI	MA		Karen Czaplewski	Leo Scallon		
Day 1	Customer Service	OSI	N/A	N/A	N/A	Yes	This is a Service Provider who provides 10 to 18 seats per month for inbound calls and outbound calls for NEG.	N/A	Southern Union Company	N/A	MA Only	RI	Asked Marilyn Flint-Jenkes (sp?) if we want to keep a relationship with OSI for outbound collection calling and some overflow, should the need arise. Agreement date is 2/17/2006.	Karen Czaplewski	Leo Scallon		
Day 1	Engineering	Dig Track (dig safe)	N/A	Web Based Application	N/A	N/A	Used to manage Dig Safe Tickets. Fee is .20 per ticket	N/A	New England Gas Company	N/A	RI	MA	We should be prepared to have invoicing separated on Day 1. On Day 1 MA tickets will be billed to New England Gas Co/SU. How will RI tickets be invoiced?	Mike Sullivan	Fred Amaral & Tony Ramono		
Day 1	Engineering	Flow Analyst	N/A	Access or Excel	N/A	N/A	Used by the engineering department to size pipe and check pressures.	N/A	N/A	N/A	RI	MA	Need to insure that copies off access data bases and spreadsheets utilized by all operations departments are copied for both MA and RI and other state is deleted where possible.	Karen Czaplewski	Al Mendonsa & Al Marsocci		Al Mendonsa to discuss with Mike A. to determine if he knows what this is and what we need to do. Used by MA??? Written by Bob Hillman in C++ and is used to calculate pressure drops.
Day 1	Engineering	GPS for as built work	N/A	N/A	N/A	N/A	For Bristol Warren. Kept in FR because it was closer. Need to return to RI	N/A	N/A	N/A	RI	MA		Mike Sullivan	Al Marsocci		
Day 1	Engineering	Project Estimation	N/A	Microsoft Access Application	N/A	N/A	Used by Engineering. Spreadsheet internally developed in Excel.	N/A	N/A	N/A	RI	MA	Need copy for MA.	Mike Sullivan	Al Marsocci		
Day 1	Facilities	Clean Management	N/A	N/A	N/A	N/A	Have Cleaning contract for many facilities. Will need to split contracts.	N/A	N/A	N/A	RI	MA	Will NG want to continue with this vendor for RI?	Bill Pratt	Dave Black		
Day 1	Facilities	LNG Facilities	N/A	N/A	N/A	N/A	Are there agreements associated with LNG facilities at Westerly, Newport, Exeter and Cumberland. If so, do they need to be assigned?	N/A	N/A	N/A	RI	MA		Bill Pratt	Dave Black		
Day 1	Facilities	Radio Tower Leases	N/A	N/A	N/A	N/A	Own a radio tower that has leased space to approx. 3 vendors	N/A	N/A	N/A	RI	MA	Need to determine if these leases are assignable to Grid	Bill Pratt	Dave Black		

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Day 1	Facilities	Voyager	Internet based program	Internet based program	Technical support through Voyager as requested	Voyager	Fuel card system for internal fleet use. All process are done via an internet website.	1 for Every Vehicle	Southern Union Company (?)	N/A	All of New England Gas Utilizes	None	We believe this contract is with Southern Union Company. Need to determine if NG will provide fuel card or procurement card on day 1 for RI operations. This is fleet fueling software that is utilized by RI & MA. It accounts for fuel/ mpg/and mileage on various vehicles. Is it interfaced to Fleet System for mpg info by vehicle?? Anything needed? "Our understanding is we will receive Wright Express Card on Day 1.	Sharon Partridge	Mark Paparelli		
Day 1	Fleet	Fleet Maintenance (System and Department)	N/A	Alpha	N/A	N/A	System is used for fleet management.	3 or 4	N/A	N/A	All of New England Gas Utilizes	None	System developed internally by PA developers. RI historic data will be mapped to Fleet Focus. Al LW w/Brian Detota, Syracuse on 4/21 to discuss mapping & requirements to move to Fleet Focus (per Venna).	Karen Czaplewski (system) Bill Pratt (fleet)	Al Mendonsa (system) John Jackson (fleet)		
Day 1	Fleet	Vehicles	N/A	N/A	N/A	N/A	There were a number of issues with the list included in the PSA. The vehicles move back and forth from MA to RI often and as necessary. Need to agree to a final list at some point and how settlement will be handled.	N/A	N/A	N/A	All of New England Gas Company	None		Bill Pratt	Dave Moniz		
Day 1	Gas Supply	FERC Notification	N/A	N/A	N/A	N/A	New England Gas w/ Weybosset and G. Beland is listed with FERC for all notifications. Need to identify contact and address for each of MA and NG	N/A	N/A	N/A	All of New England Gas	None		Sharon Partridge	Gary Beland	Rob Hack	
Day 1	Human Resources	Agency Temp Employees	N/A	N/A	N/A	N/A	Notify all agencies that have Temps in MA on Day 1, if any on staff, to Bill SU/NEG under their contract and NG under theirs	N/A	N/A	N/A	All of New England Gas	None	Need to insure billing is split day 1 for any active employees.	D'Anna Soehnge	Joanne Therrien		
Day 1	Human Resources	Badge America (Picture ID's)	Logitech Digital Camera, Printer Serial No. R2350152 Fargo DTC 525	All Sierra Tango System Software 2002 Edition and Lotus Approach 9.0 Millennium	Annual Maintenance Agreement	N/A	Employee Badge/ID photo system Hardware & Software	Approx. 5 (HR Staff)	New England Gas Company	N/A	All New England Gas Company locations	None	Agreement date is 10/1/05 to 10/1/06. Does MA need picture ID's? If so, we need a quote for software so that it can be located in MA. Needs to be on a PC running Windows 2003. Need camera, badge maker and Maintenance agreement with Badge America. Valid ID required on day 1.	D'anna Soehnge & Bill Pratt	Joanne Therrien & John Jackson		Can NG give this to SUG? Do they have their own solution?
Day 1	Human Resources	Team Manager	N/A	Microsoft Access Application	N/A	N/A	This is an Access database that is used throughout the company by all management employees to record absence/sick, vacation and personnel time for both bargained for and not bargained for employees.	N/A	N/A	N/A	All of New England Gas Utilizes	MA	This access database was written by a MO employee, but has been modified by our developers. Do we need to do anything to obtain clear title to continue to utilize this program?	Karen Czaplewski	Al Mendonsa		
Day 1	IT	Consents and Splitting of appropriate Licenses	N/A	Numerous	Numerous	Numerous	Obtain vendor approval to split licenses and agreements that are common to RI and MA, and/or to NEG and SU; in appropriate numbers	N/A	Various	Various	All New England Gas Company locations	None		Karen Czaplewski		Melissa Krakauer	
Day 1	IT Infrastructure	Access to Company equipment and facilities	See Description	See Description	N/A	N/A	Must have new photo id/badges, new e-mail addresses and access to new intranet. Don't forget Blackberrys.	Approx. 600	N/A	N/A	RI	MA		Karen Czaplewski	Michelle Light		
Day 1	IT Infrastructure	Computer Kiosks	Compac	Microsoft Windows Package	N/A	N/A	Kiosks are available (4) in RI (Dexter, Wey and Cumb) which enable employees to access the Intranet	For all users w/out desktops and for those who want to surf during off hours	N/A	N/A	RI	MA	Make arrangements for maintenance of kiosks post closing---if not going to be changed out.	Karen Czaplewski	Michelle Light		
Day 1	IT Telecom	Cell Phones	Cell phones	See Description	N/A	N/A	Need to address Cell Phones. Will we enter into a short term agreement w/Verizon in order to retain uninterrupted service?	Approx. 400	N/A	N/A	RI	MA		Karen Czaplewski	Michelle Light		
Day 1	IT Telecom	Verizon Network Integration Corp.	N/A	N/A	24/7	N/A	Supplies telecommunications and networking frame relay circuits, POTS, regular and long distance service, T-1 and T-3 for data and voice, CDMA. Contracts and invoicing are from various Verizon Companies and the contractor holder for NEG are in various formats. See following list	N/A	New England Gas	N/A	RI	MA	Agreement date is August 2005, for dedicated Internet Access w/leased circuit. Need to unwind and recontract for RI as appropriate	Karen Czaplewski	Michelle Light		
Day 1	IT Telecom	Verizon Select Services Inc.	N/A	N/A	27/7	N/A	Supplies Long Distance Voice Service: Outbound-Interstate; Inbound-Interstate (both are switched and dedicated access)	N/A	New England Gas Co.	N/A	RI	MA	2-year agreement dated 7/2005. Need to unwind and recontract for RI as appropriate	Karen Czaplewski	Michelle Light		
Day 1	IT Telecom	Verizon Wireless	Cell phones	Dependent on make/model	8-5 Mon - Fri	N/A	Cell phone services	N/A	Southern Union Company	N/A	RI	MA	Agreement dated 3/31/2004. Unwind cell phones. Need to unwind and recontract for RI as appropriate	Karen Czaplewski	Michelle Light		
Day 1	Legal	DOT Drug Testing for MA	N/A	N/A	N/A	N/A	Separate contract. Does NG want this contract or can SU keep and they will use their current vendor?	N/A	N/A	N/A	RI	MA		Dave Black	Kevin England		
Day 1	Legal	Resident Alien Cards	N/A	N/A	N/A	N/A	Employer assisting with legal residence process.	N/A	N/A	N/A	RI	MA	Dave Black is investigate process/requirements with outside legal.	Dave Black	Karen Czaplewski		
Day 1	Marketing	Key Accounts/InterruptService	N/A	N/A	N/A	N/A	These Customers all have agreements. Are they assignable? Approx. 100	N/A	N/A	N/A	RI	MA		Bill Pratt	Dave Black		
Day 1	Attachment 5-3(a)	Non-Firm Transportation Accounts	N/A	N/A	N/A	N/A	Estimated at Approx 30 Accounts that have non-firm multi-month pricing contracts. Are they assignable?	N/A	N/A	N/A	RI	MA		Bill Pratt	Dave Black		

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Day 1	Marketing	Service Connection Plan	N/A	N/A	N/A	N/A	Believe we should be prepared to send a letter to all RI Service Connection Plan customers notifying them that their Plan is being assumed by NG and the new name of the plan, assuming it is assignable..	24,163 RI customers 2,911 MA customers	NEG	N/A	RI	MA	We now have one plan for both MA & RI. The Customer data base will be split accordingly. What will new plan be called?	Karen Czaplewski	Bill Pratt		
Day 1	Marketing	Special Price Contracts	N/A	N/A	N/A	N/A	Have Special Pricing Contracts for Large Volume Customers	N/A	N/A	N/A	RI	MA	Are these assignable to NG or ??	Bill Pratt	Dave Black		
Day 1	Marketing	Trade Partners	N/A	N/A	N/A	N/A	Referral List of Gas System Contractors for installation of systems, appliances and repairs. We actually have Trade Referral Agreements with these vendors.	N/A	Various	N/A	RI	MA	Does NG want to continue this program? Our current operations does not allow for this type of work. Only Service work is that covered by Service Connection Plan, and some of that may be outsourced. Need to investigate each contract to determine if assignable to NG. Do we want them?	Bill Pratt	James Carey & David Black		
Day 1	Marketing	Trade Shows	N/A	N/A	N/A	N/A	Participate in the RI Business Expo and RI Home Show	N/A	N/A	N/A	RI	MA	Will need to determine post close if this will change.	Bill Pratt			
Day 1	Marketing	Water Heater Rental Program	N/A	N/A	N/A	N/A	Need to understand if these agreements are all assignable. Do we need to notify customers, seek consent or ???	1,670 conversion burners w/monthly rents totalling \$166K & 10,831 water heaters totalling \$1,573K	N/A	N/A	RI	MA	This program includes contracts with 2 plumbers for RI that do installations for us. Are they assignable?	Bill Pratt	David Black		
Day 1	Operations	Bristol Warren to RI (reroute and reassign)	Itron Handhelds?	N/A	N/A	N/A	Need to know what the decisions are surrounding Bristol Warren, so that we can redistribute meter reading. We do not want back office work to go Downtown. Also consider Collections and Service. Will we need to install laptops in additional vehicles?	N/A	N/A	N/A	RI	MA		Karen Czaplewski & Mike Sullivan	Rick Enright		
Day 1	Operations	Cumberland Tank Farm	N/A	N/A	N/A	N/A	Buried Tanks in Cumberland to be removed and refurbished w/a reduction in the number retained in total	N/A	N/A	N/A	RI	MA	Notified NG of the project per instruction from T. Robillard. NG requested more info. Provided???	Tom Robillard & David Black	Mike Sullivan		
Day 1	Operations	Underground Propane Tanks	N/A	N/A	N/A	N/A	Have underground propane tanks at customer locations that were initially installed years ago. Attempting to pass title to property owners and stop billing at natural gas rates	N/A	N/A	N/A	RI	MA	Notified NG of the situation	Bill Pratt & Mike Sullivan			
Day 1	Purchasing	Assignment of Contracts and Licensing	Various	Various	Various	Various	Assignment of all necessary for the operation of RI Assets (the "Business"), must be assigned to NG	N/A	NEG and/or SU	N/A	RI	MA		Sharon Partridge	Mark Paparelli		
Day 1	Purchasing	Bank 1 One Commercial Card Services	N/A	N/A	N/A	N/A	Master Card charge services	RI - 108	Southern Union Company	N/A	New England Gas and all Southern Union Divisions utilize the procurement card and associated reporting	None	This contract is held by SU and it is my understanding that we will have NG's Purchasing Card Day 1. If true, we must gather all of the old cards and provide to SU. N22	Sharon Partridge	Mark Paparelli		
Day 1	Purchasing	Now Courier	N/A	N/A	N/A	N/A	Stop courier service between RI and MA----- or does SU want to continue for a period and slowly wind down	N/A	N/A	N/A	All New England Gas Company locations	None		Sharon Partridge	Mark Paparelli		
Day 1	Purchasing	PowerPlant	Resides at Corporate (Houston)	Need to obtain info from Corp if req'd	Need to obtain info from Corp if req'd	N/A	Utilized for Property and Plant Accounting.	50 +	Need to obtain info from Corp if req'd	N/A	New England Gas and all Southern Union Divisions utilize this software.	N/A	Shared application and hardware between SU Corporate and NEG for MA and RI. RI employees must be trained on new business processes.	Sharon Partridge	Mark Paparelli		
Day 1	Purchasing	Splitting of appropriate Contracts	N/A	Numerous	Numerous	Numerous	Obtain vendor approval to split agreements that are common to RI and MA, and/or to NEG and SU; that will be continued to be used after Close in both states and by both companies	N/A	Various	Various	All New England Gas Company locations	None		Sharon Partridge	Mark Paparelli	Melissa Krakauer	
Day 1	Telecom	HTI Voice Solutions	Conversant IVR, Map 100; 24 ports	Version 7; customized scripts	8/5 support; after hours and holidays fee based support.	N/A	Voice Response Applications (IVR). Responds to customer service and gas leak lines. Also used for meter reads, automated information--balance, pay station locations, connection to agents, etc.	N/A	New England Gas Company	N/A	Weybosset Street, Dexter Street and Mendon Road	All others.	Original agreement between HTI and Company cannot be located. According to Rep it was in 1993. They moved in more recent years and a number of files were purged. Maintenance Contract is from 1/1/06 through 12/31/06.	Karen Czaplewski	Michelle Light		IVR must be modified and readied to support removal of MA and to include new branding
Day1	Marketing	Brand Materials	N/A	N/A	N/A	N/A	All Marketing and Customer related, NEG branded materials should not be utilized on Day 1 forward, if possible; as MA will continue to operate under current branding	N/A	Southern Union Company	N/A	RI	MA	Understand strategy for Day 1 of Operations	Bill Pratt & Chris Medici	Trish Walker & Karen Sousa		
MA Unwind	Billing	All Billing Related Exceptions	N/A	Indus Advantage	Yes	ADS	Need to determine what job descriptions are for Billing Reps in FR.	N/A	N/A	N/A	MA Only	RI	Crickette & John writing Job Descriptions	Karen Czaplewski	Suzanne Smith	John Davis & Crickette West	
MA Unwind	Billing	Appts after Consecutive Estimated Reads	N/A	N/A	N/A	N/A	Need ability to have OSI schedule appts for PT's and for meter reads after consecutive estimated reads via predictive dialer.	N/A	N/A	N/A	MA Only	RI	Asked AI to make available for RI as well. Request #3596 & #3607	Karen Czaplewski	Rick Enright and AI Mendonsa		Enright - now so OSI can start. Mendonsa in appt scheduler MA will be used long term.

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MA Unwind	Billing	Bill Format and Bill Print	N/A	Internally developed	N/A	Document Technologies	Provides Bill Print Services. Need to provide 30 day notice of cancellation. Will ADS be ready to accept Bill Print on or before August 1st?	55,000 Customer	New England Gas Company	N/A	MA Only	RI	Need to check bill stock.	Karen Czaplewski	Al Mendonsa & Suzanne Smith	John Davis & Crickette West	
MA Unwind	Billing	Bill Retypes	N/A	N/A	N/A	N/a	Need to provide copy of internally developed software for MA. Visual basic program that runs on a desktop PC.	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	Al Mendonsa	John Davis & Crickette West	
MA Unwind	Billing	Lift and Drop MA Billing from Inside to ADS	IBM P670	Indus Advantage	Yes	ADS	Joe Farias Assigned to split data bases. Committed to availability to deliver to vendor in early June.	60,000 Customers	N/A	N/A	MA Only	RI		Karen Czaplewski	Al Mendonsa	John Davis & Crickette West	
MA Unwind	Billing	Post office box	N/A	N/A	N/A	N/A	Are we adequately covered for a general PO Box for MA operations? Rentals has a PO Box currently. The PO Box from the original FR office was left the same per Anna Silva. She was told if she needed a smaller box the number would change, so she decided to leave it the same. The box is adequate for all MA mail.	N/A	N/A	N/A	MA Only	RI	Need to ensure Box # is changed on Bill Print on or before Day 1.	Karen Czaplewski	Suzanne Smith	John Davis & Crickette West	
MA Unwind	Billing	Postage Meter	N/A	N/A	N/A	Pitney Bowes	Need a small postage meter for FR in order to meter outgoing mail as necessary.	Fall River Staff	N/A	N/A	MA Only	RI		Karen Czaplewski	Suzanne Smith	John Davis & Crickette West	
MA Unwind	Billing Transportation	SMS (move system to destination determined by SU	N/A	N/A	N/A	Would Utilize S3 Development on a time and material basis for any individual project, as may be contracted.	Complex system tracks usage and calculates billing for all the MA Large Volume and Transportation Billing customers. Bills are calculated in SMS, and those amounts are uploaded into Advantage. SMS, and Advantage are reconciled. When the customer bills have been completed, Marketer bills are then produced from SMS. An Adjusted Target Volume (ATV) based on an aggregate of the customer's base load and heat factors is provided to the marketers for nominating purposes.	15	Southern Union Company	N/A	MA Only	RI	MA ONLY. Windows based. Supported by AI's group, originally written by S3 Development for Fall River Gas Company. Excluded in sale to NG. Complex system tracks usage and calculates billing for all the MA Large Volume and Transportation Billing customers. Bills are calculated in SMS, and those amounts are uploaded into Advantage. SMS and Advantage are reconciled. When the customer bills have been completed, Marketer bills are then produced from SMS. An Adjusted Target Volume (ATV) based on an aggregate of the customer's base load and heat factors is provided to the marketers for nominating purposes. Need to move system to some location. On a server.	Karen Czaplewski	Suzanne Smith	John Davis & Crickette West	
MA Unwind	Communications	Advertising	N/A	N/A	N/A	N/A	Done as needed, e.g., Dig Safe; NEGC must comply with RP1162 (USDOT reg re public awareness).	N/A	N/A	N/A	MA Only	RI	Need to produce and run Dig Safe ad April 2006; Dig Safe direct mailer to excavators (March/April), print & radio ad (April); must also decide how NEGC/NG will comply with RP 1162 going forward	Chris Medici	RDW Group & Karen Sousa		
MA Unwind	Communications	Civic Organizations	N/A	N/A	N/A	N/A	NEGC is a member of Fall River Chamber of Commerce, North Attleboro Chamber of Commerce, New England Council; Hank Nadeau is a member of the Fall River Rotary Club	N/A	N/A	N/A	MA Only	RI	NEGC pays dues to Fall River Rotary Club on Hank's behalf (M. Conroy's budget)	Chris Medici	Karen Sousa		
MA Unwind	Communications	Community Connections Fund	N/A	N/A	N/A	N/A	CCF is a 501c3; employees serve as BOD; Marisa Albanese is Executive Director (non-voting); employees become members by donating \$25/year - usually done through payroll deduction. NEGC matches employee donations \$0.50:\$1 up to \$20,000 max. Since its was founded in 2003, more than 70K donated to local charities. Today, approx \$26,000 on balance	RI -98; MA-34	N/A	N/A	MA Only	RI	NEGC does not facilitate a United Way campaign for employees; NEGC does support United Way of Greater Fall River (\$10K in 2006); New BOD for CCF installed 2/28/06; Approx \$24,000 on balance; must decide how to handle employee payroll deductions & future of fund	Chris Medici	Marisa Albanese and Randy Cote		
MA Unwind	Communications	Customer Communications (newsletter {Direct Connections}, bill inserts)	N/A	N/A	N/A	N/A	Customer newsletter is written in house and produced 4-6x/year; bill inserts are produced as needed;	N/A	N/A	N/A	All of New England Gas	None	Next issue of customer newsletter (Fall 2006); Special Protections Form - June-July.	Chris Medici	Karen Sousa		
MA Unwind	Communications	Employee Communications	N/A	N/A	N/A	N/A	Chris Medici, Mandy Allan primarily send out messages to all employees. Lynne Linden coordinates postings of employee bulletin boards across NEGC. Employee Newsletter is produced by outside vendor. Operating Procedure going forward?	N/A	N/A	N/A	MA Only	RI	Who will update employee bulletin boards post closing?	Chris Medici	Karen Sousa & Mandy Allan		
MA Unwind	Communications	Holiday Receptions	N/A	N/A	N/A	N/A	Past 2 years, NEGC hosted holiday receptions for employees	All Employees	N/A	N/A	All of New England Gas	None	Will SUG host/sponsor reception?	Chris Medici	Karen Sousa		
MA Unwind	Communications	Integration Voicemail and Email boxes	N/A	N/A	N/A	N/A	Joann Therrien and Mandy Allan have access to retrieve messages. Joann will circulate questions to appropriate parties for review and feedback.	N/A	N/A	N/A	MA Only	RI	Once acquisition closes, who will manage this function, retrieve messages, etc.?	D'Soehnge	Joann Therrien		



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MA Unwind	Communications	Internet and Intranet	N/A	Internet and Intranet Hosting	N/A	Newfangled	Newfangled maintains the Intranet. They are paid quarterly. Karen Sousa modifies content as needed.	N/A	New England Gas Company	N/A	All of New England Gas Utilizes	N/A	Month to Month agreement; no contract. Until May 1, this site was not very interactive. However, in May customers will commence utilization of Bill Payment. Contract with Kubra is segregated between MA & RI. Name of NE Gas was not sold to NG. MA will continue to use New England Gas Company website and intranet. Need file and print server. Who will manage Intranet? Recommend HR person. Will Karen Sousa train someone? NEG's RI employees should no longer be able to access NEG's Intranet on/after Day One.	Chris Medici	Karen Sousa		
MA Unwind	Communications	MA Good Neighbor Energy Fund	N/A	N/A	N/A	N/A	NEGC is a member of the Fund, donating \$5,000 per year; member companies pay for envelopes inserted twice only in Jan & Feb	N/A	N/A	N/A	All of New England Gas Utilizes	MA	Will SU continue to support MAGNEF?; who will serve on MAGNEF Committee for SU-MA?	Tom Robillard	Chris Medici	N/A	
MA Unwind	Communications	Media Relations (spokesperson)	N/A	N/A	N/A	N/A	Chris Medici is the spokesperson for NEGC: incident response, media inquiries re regulatory matters, etc. NEGC currently subscribes to a media monitoring service (New England News Clipping Service)	N/A	N/A	N/A	All of New England Gas	None	Who will serve as spokesperson after the close? Develop transition plan for media outlets to coincide with closing	Chris Medici	Marisa Albanese		
MA Unwind	Communications	Trade Organizations	N/A	N/A	N/A	N/A	Northeast Gas Association, Guild of Gas Managers (Tom is President), Society of Gas Lighting	N/A	N/A	N/A	All of New England Gas Company	None	Need to finalize which organizations SU will continue to support; must develop transition plan for trade organizations	Tom Robillard	Debi Sullivan		
MA Unwind	Contact Center	Language Translation	N/A	N/A	N/A	Network Omni	An option for Call Center Reps to utilize when customer cannot speak English well enough to be understood. Fees are billed by the minute.	<a href="#">Julie, can you tell % of calls &amp;/or # of calls from MA that used this service last year?</a>	New England Gas Company	N/A	All of New England Gas Utilizes	None	Does MA need/want a language line? This was least expensive vendor we could find.	Karen Czaplewski	Leo Scallon		
MA Unwind	Contact Center	On Line Bill Payment	N/A	On Line Bill Payment	N/A	Kubra & Paymatech	MA will be assumed with intranet and Website.	N/A	New England Gas Appliance Company Vera look at contract	N/A	MA Only	RI		Karen Czaplewski	Leo Scallon		
MA Unwind	Contact Center	PT's	N/A	N/A	N/A	OSI	Need to train OSI to be able to schedule PT's when customers return calls to schedule these	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	Leo Scallon		
MA Unwind	Credit & Collections	Arrearage Management Program	N/A	Indus Advantage	N/A	ADS	Striving to have program in full production upon hand off to ADS.	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	AI Mendonsa & Leo Scallon	John Davis & Crickette West	
MA Unwind	Credit & Collections	Bad Debt Database	N/A	Indus Advantage	N/A	ADS	Striving to have old Database added to Advantage prior to handoff to Ads	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	AI Mendonsa & Leo Scallon	John Davis & Crickette West	
MA Unwind	Credit & Collections	Check Refunds	N/A	Internally developed	N/A	ADS	Provide Copy of Software for customer refunds	N/A	N/A	N/A	MA Only	RI	Today customer refunds are issued and printed from Providence. How will these be handled after the close?	Karen Czaplewski	AI Mendonsa & Leo Scallon	John Davis & Crickette West	May need new check stock because of address on checks. Need to check. With NEG name, could otherwise be utilized by MA.
MA Unwind	Credit & Collections	Collection Agencies and Attorneys (Stevens Business Service, Linda Lainge, NCC	N/A	File Transfers (FTP)	N/A	Various	Northeast Credit & Collections (SUG contract), Stevens Business Services (NEG contract), Strauss Factor Laing and Lyons (NEG contract). Need to determine if you want to continue using all or only some. Initiate new contracts for either RI or MA.	N/A	N/A	New England Gas Company or Southern Union Company	MA Only	RI	Currently we receive reports of collections from each agency and post to accounts. MA will have to be in a separate file, if MA receivables stay with SU. Need to determine exact name on agreements and determine who will assume these, and if new ones are needed by either SU-MA or NG	Karen Czaplewski	Leo Scallon	John Davis & Crickette West	
MA Unwind	Credit & Collections	Credit Related Functions	N/A	N/A	N/A	N/A	All other Credit Related Functions conducted in CU to be transferred to Credit and Collections Office in FR or MO ?? LIHEAP, Bad Debt Write Offs, Banking Exceptions, NSF Cks, MA Matching Program, Administration of New Arrearage Management Program and all other related to MA Credit and Collections.	N/A	N/A	N/A	MA Only	RI	Once employees for MA are identified, we must transition.hand off to them.	Karen Czaplewski	Leo Scallon	John Davis & Crickette West	
MA Unwind	Credit & Collections	Dunbar Courier Service	N/A	N/A	N/A	N/A	Cash Pickup--Do we use in MA today? Do we need? If other than current, we must make appropriate arrangements to either obtain or cancel service	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	Leo Scallon	John Davis & Crickette West	
MA Unwind	Credit & Collections	Lockbox	N/A	N/A	N/A	ADS & Bank of America (Regulus)	If MO is planning to move from Regulus, we need to provide appropriate notification.	N/A	???	N/A	MA Only	RI	<b>Waiting for copy of contract from SU Corp</b>	Karen Czaplewski	Leo Scallon	John Davis & Crickette West	
MA Unwind	Credit & Collections	Risk Management (LexisNexis)	N/A	N/A	N/A	OSI	Corporate Contract through Missouri Gas Energy. Used for Positive ID verification. Need to know if you plan to continue to utilize. If so we have to communicate w/OSI in training.	N/A	Southern Union Co. & MGE	N/A	MA Only	RI	Contract Negotiated as Southern Union Corporate by MGE	Karen Czaplewski	Leo Scallon	John Davis & Crickette West	



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MA Unwind	Credit & Collections	Strictly Services	N/A	N/A	N/A	Strictly Services	3rd Party Pay Station Vendor	N/A	New England Gas Co.	N/A	MA Only	RI	If MA plans to use these 3 <sup>rd</sup> party pay stations for collections in MA, they will have to negotiate a contract. Will have to determine which locations to continue to utilize as NEG paystations and modify existing contract or draw up a new one.	Karen Czaplewski	Leo Scallon	John Davis & Crickette West	
MA Unwind	Customer Service	Customer Survey	N/A	N/A	N/A	N/A	An annual survey is required by MA DTE and the SQL requirements. Done in Sept/Oct time frame annually	N/A	N/A	N/A	MA Only	RI	Have utilized Converge Marketing for the past many years.	Karen Czaplewski & Bill Pratt	Trish Walker		
MA Unwind	Customer Service	Gas View	N/A	Gas View	N/A	N/A	VB front end. Gas View reads an Oracle table in Advantage to find the index of the location of the bill on the CD. Application that stores an image of the bills mailed to customers. This application will not be available when MA moves from Doc Tech Bill Print. Will need to identify another solution for bill image.	N/A	N/A	N/A	MA Only	RI	S.Smith to notify Doc Tech to start placing RI & MA images on separate CD's by May 1. The MA CD's will go to SU. How will they view? Does SU want copies of historical CD's? How far back? They will have at lest 3 mos. (May to Aug). Suggest they have copies for what is often needed. Those needed only on occasion for Bill Adjustments would be provided on an as needed basis to MA in the TSA.	Karen Czaplewski	Suzanne Smith	John Davis & Crickette West	Doc Tech worked with AMS to split out RI and MA. They are as of 4/27, on separate disc.
MA Unwind	Customer Service	Office Hours	N/A	N/A	N/A	N/A	Recommend that you change office hours of inbound call center to be 7:30 or 8 AM to 4:30 or 5:00 PM. If you do, must notify OSI and MA DTE	N/A	N/A	N/A	MA Only	RI	Southern Union Co.	Karen Czaplewski	Kevin Penders	John Davis & Crickette West	
MA Unwind	Customer Service	OSI (service quality tracking associated with CS & Call Center)	N/A	N/A	N/A	Yes	This is a Service Provider who provides 10 to 18 seats per month for inbound calls and outbound calls for NEG.	N/A	Southern Union Company	N/A	MA Only	RI	Agreement date is 2/17/2006. Depending on model SU follows for MA, NG may best elect to allow SU to retain this agreement. Today my RI team obtains raw stats from OSI and we put them into our format for tracking and rptg. We need to be certain someone understands the metric thoroughly and obtains all necessary data from OSI and repts for regulatory needs.	Karen Czaplewski	Leo Scallon	John Davis & Crickette West	
MA Unwind	Engineering	Corrosion	N/A	N/A	N/A	N/A	Highly Visible and Mandated Programs	N/A	N/A	N/A	MA Only	RI	Engineering Group states that there is no way that the one person in MA can comply with all requirements for FR and NA. Need to contract out NA or will not meet compliance.	Mike Sullivan	Al Marsocci		
MA Unwind	Engineering	Dig Track (dig safe)	N/A	Web Based Application	N/A	N/A	Used to manage Dig Safe Tickets. Fee is .20 per ticket	N/A	New England Gas Company	N/A	MA Only	RI	We should be prepared to have invoicing separated on Day 1. On Day 1 MA tickets will be billed to New England Gas Co/SU. How will RI tickets be invoiced?	Mike Sullivan	Fred Amaral & Tony Ramono		
MA Unwind	Engineering	DOT Reporting	N/A	N/A	N/A	N/A	Numerous Reptg Requirements	N/A	N/A	N/A	MA Only	RI	Engineering Group is concerned that responsibility is assigned and complied with.	Mike Sullivan	Al Marsocci		
MA Unwind	Engineering	Flow Analyst	N/A	Access or Excel	N/A	N/A	Used by the engineering department to size pipe and check pressures.	N/A	N/A	N/A	MA Only	RI	Need to insure that copies off access data bases and spreadsheets utilized by all operations departments are copied for both MA and RI and other state is deleted where possible.	Karen Czaplewski	Al Mendonsa & Al Marsocci		Al Mendonsa to discuss with Mike A. to determine if he knows what this is and what we need to do. Used by MA??? Written by Bob Hillman in C++ and is used to calculate pressure drops.
MA Unwind	Engineering	Main Replacement and Encroachment Issues	N/A	N/A	N/A	N/A	MA replaces approx 3 miles of cast iron per year. Need someone local for designing. Concern about adequate resource to do everything	N/A	N/A	N/A	MA Only	RI					
MA Unwind	Engineering	Project Estimation	N/A	Microsoft Access Application	N/A	N/A	Used by Engineering. Spreadsheet internally developed in Excel.	N/A	N/A	N/A	MA Only	RI	Need copy for MA.	Mike Sullivan	Al Marsocci		
MA Unwind	Engineering	Smallworld Mapping System	N/A	Smallworld Core (Commit, Developer, Read), Oracle Direct Interface, Spatial Intelligence, SOM & Mr. Sid	Annual Maintenance and Support is purchased for all licenses. Have #'s of licenses for the various modules that range in number from 24 to 456.	In-Maps	In order for GIS to be current you need to merge and post the as built in GIS. You also need to run a routine to sync it with the CIS customer data base (Advantage). What will MA need for licensing? Do we have adequate to provide some? Updates to mapping needs to provide assessability to Indus (ADS) from MA.	Need to determine # of licenses purchased for MA and # actually needed	N/A	N/A	MA Only	RI	Who will do this? David Glass and his team in MO will need training or will need to contract with In-Maps. Who ever performs this task needs access to Advantage at ADS.	Mike Sullivan, Karen Czaplewski	Al Marsocci, Al Mendonsa & Michelle Light		
MA Unwind	Engineering	Synergee	N/A	N/A	N/A	N/A	Updating Models from historical load/consumption	N/A	N/A	N/A	MA Only	RI	Who will do this? David Glass and his team in MO will need training or will need to contract with 3rd Party. Who ever performs this task needs access to Advantage at ADS.				
MA Unwind	Executive	DTE Communication	N/A	N/A	N/A	N/A	Executive Management to Meet with MA Commission on Changes being made	N/A	N/A	N/A	MA Only	RI		Tom Robillard	Penders	Michael German	Tom Robillard, Mike German, Kevin Penders and Willie Johnson met with commissioners in early April.
MA Unwind	Facilities	Clean Management	N/A	N/A	N/A	N/A	Have Cleaning contract for many facilities. Will need to split contracts.	N/A	N/A	N/A	RI	MA		Bill Pratt	Dave Black		

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MA Unwind	Facilities	Shanix (building security)	N/A	IdentiiPass software	N/A	N/A	Software used for Id passes to allow access to NEG work sites.	N/A	N/A	N/A	All	N/A	System was purchased turnkey. Maintenance agreement was last paid for year ended April 2005. Facilities uses source vendor for support on a Time and Material basis as required. MA currently has one security access pad at LNG Gas Control facility Will MA continue to utilize this one pad? Will some other sort of security for entrance into facilities be required? Needs to be addressed, as hardware and software that controls system at all facilities was sold to NG. What will MA utilize for building security? Have 7 licenses (3 used). Keep 1 license and panel in MA. Need software loaded to operate and license spirited if NEG wants to continue to utilize.	Bill Pratt	John Jackson	Steve Holcomb	
MA Unwind	Facilities	Voyager	Unknown???	Unknown???	Unknown???	Unknown???	Fuel card system for internal fleet use.	1 for Every Vehicle	Southern Union Company (?)	N/A	All of New England Gas Utilizes	None	We believe this contract is with Southern Union Company. This is fleet fueling software that is utilized by RI & MA. It accounts for fuel/ mpg/and mileage on various vehicles. Is it interfaced to Fleet System for mpg info by vehicle?? Assumed MA will continue to use. Who responsible for managing system?	Sharon Partridge	Mark Paparelli		
MA Unwind	Facilities	Radio Communication	N/A	N/A	N/A	N/A	Remove radio communication (Dispatch) from CU and reinstall in FR	N/A	N/A	N/A	MA Only	RI	Recommend that Dispatch for FR be handled from 5th Street, as it formally was; including all emergency calls. Radios UHF and VHF - need to separate for CU and FR.	Bill Pratt, David Black & Mike Sullivan	Michelle Light & Rick Enright		Can be done if we act now. Unwind NA from CU and put on FR. Is there a radio at LNG facility? Do we need at 5th Street for Dispatch?
MA Unwind	Finance	Accounting	N/A	N/A	N/A	N/A	Discuss and understand current processes. We will separate and then transition FR from RI. Copy F drive for MA. Where do we put it?	N/A	N/A	N/A	MA Only	RI		Sharon Partridge	Tony Varrecchione	John Davis	
MA Unwind	Finance	Financial Data	N/A	N/A	N/A	N/A	Need copies of MA financial (historic) info for SUG	N/A	N/A	N/A	MA Only	RI		Sharon Partridge	Tony Varrecchione	John Davis	
MA Unwind	Finance	Historical Financial Data	On Desktop	Lawson Financial Module	N/A	N/A	Historical Data for NEG was in PA.	N/A	N/A	N/A	All of New England Gas Utilizes	N/A	We have database here in Providence. We will provide a copy for SU, but they must decide where they want this data placed. Do we need license to access data?	Karen Czaplewski	Al Mendonsa	Steve Hotte	
MA Unwind	Finance	Historical Financial Data	Resides on Windows NT Workstation in Cumberland.	Mapper	N/A	N/A	No applications currently running. However, the historic data is in a local data base. This was an enterprise wide system utilized by the former Valley Gas Co. Used for inquiry only.	N/A	N/A	N/A	Cumberland and FR (RI & MA)	N/A	In-house application. Need to provide SU/MA a copy of the data base, as FR was on this system for a period of time.	Karen Czaplewski	Al Mendonsa	Steve Hotte	Where do you want this placed? MA, Houston, MO?? On desktop
MA Unwind	Finance	Historical Financial Data	Fin1 Fin2 Refer to server tab row 90, 91	SAP	None	N/A	No applications currently running. However, the system is available for Historic information, primarily for the former Providence Gas Co and North Attleboro Gas Co. Used for inquiry only.	N/A	N/A	N/A	Providence and North Attleboro (RI & MA)	N/A	Need to provide copy of database to SU/MA so that they have for NA. NA was on SAP for a period of time.	Karen Czaplewski	Al Mendonsa	Steve Hotte	Where do you want this placed? MA, Houston, MO?? On desktop
MA Unwind	Finance	Vendor Billing	N/A	N/A	N/A	Various	Commence vendor billing for MA and separate from RI.	N/A	Various	N/A	MA Only	RI		Sharon Partridge	Mark Paparelli		
MA Unwind	Fleet	Fleet Maintenance (System and Department)	N/A	Alfa System	N/A	N/A	System is used for fleet management.	3 or 4	N/A	N/A	All of New England Gas Utilizes	None	System developed internally by PA developers. RI historic data will be mapped to Fleet Focus. Need to provide the historic fleet info on vehicles that will be retained by SU. SU or MO to implement new fleet system. We can provide data file for historic info to them. Seems data entry would be done locally. What system or format will SU want the historic info provided in - or to?	Karen Czaplewski (system) Bill Pratt (fleet)	Al Mendonsa (system) John Jackson (fleet)	Steve Hotte	SU needs to inform us of what format, where it should be placed and when.
MA Unwind	Gas Supply	FERC Notification	N/A	N/A	N/A	N/A	New England Gas w/ Weybosset and G. Beland is listed with FERC for all notifications. Need to identify contact and address for each of MA and NG	N/A	N/A	N/A	All of New England Gas	None		Sharon Partridge	Gary Beland	Rob Hack	
MA Unwind	Gas Supply	Gas Supply	N/A	N/A			SU Gas Supply to meet with NE at NE and hand off all responsibility	N/A	N/A	N/A	MA Only	RI	Discuss and understand current processes and then transition.	Sharon Partridge	Gary Beland		
MA Unwind	Gas Supply	Send Out Model Software	Resides on Bill Whittaker's Desktop	Send Out Model Software	None-Time & Material		Portfolio Management	2	N/A	N/A	All of New England Gas Utilizes	MA should not need after close.	MO has this software too. So, as long as they do Gas Supply for MA, it should be covered by their application	Sharon Partridge	Gary Beland		See Gary's e-mail in my licensing file. Confirm that MO does not need this software
MA Unwind	Human Resources	Agency Temp Employees	N/A	N/A	N/A	N/A	Notify all agencies that have Temps in MA on Day 1, if any on staff, to Bill SU/NEG under their contract; and NG under theirs	N/A	N/A	N/A	All Of New England Gas	None	Need to insure billing is split day 1 for any active employees.	D'Anna Soehnge	Joanne Therrien		
MA Unwind	Human Resources	Badge America (Picture ID's)	Logitech Digital Camera, Printer Serial No. R2350152 Fargo DTC 525	All Sierra Tango System Software 2002 Edition and Lotus Approach 9.0 Millennium	Annual Maintenance Agreement	N/A	Employee Badge/ID photo system Hardware & Software	Approx. 5 (HR Staff)	New England Gas Company	N/A	All New England Gas Company locations	None	Agreement date is 10/1/05 to 10/1/06. Does MA need picture ID's? If so, we need a quote for software so that it can be located in MA. Needs to be on a PC running Windows 2003. Need camera, badge maker and Maintenance agreement with Badge America. Valid ID required on day 1. MA may have to purchase this type of system as it is believed that employees must have photo ids when going to customer premises.	D'anna Soehnge & Bill Pratt	Joanne Therrien & John Jackson		Can NG give this to SUG? Do they have their own solution?
MA Unwind	Human Resources	Benefits	N/A	N/A	N/A	N/A	SU HR to meet with NE HR at NE and hand off all appropriate materials for cut over	N/A	N/A	N/A	MA Only	RI	Discuss and Understand current processes. Need to move to new location of administration.	D'anna Soehnge	Joann Zito and Joanne Therrien		

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MA Unwind	Human Resources	Grievance DataBase	Desktop (ask Michelle Light if on a shared drive???)	Microsoft Access Application	N/A	N/A	Utilized to track Grievances by Union Local, type, etc.	1 or 2	N/A	N/A	All of New England Gas Utilizes	N/A	Data Base is being separated. Once Complete, HR will maintain by RI and MA until sale date. Then MA data base will be given to MA.	Karen Czaplewski	Al Mendonsa		Where do you want MA Grievance file? Desktop in MA HR, MO????
MA Unwind	Human Resources	Holiday Gift Cards	N/A	N/A	N/A	N/A	Each employee receives a \$30 Stop and Shop Gift Card at the Christmas Holiday	N/A	N/A	N/A	MA Only	RI	Need to determine if this tradition will be continued	D'anna Soehnge	Joanne Therrien		
MA Unwind	Human Resources	Labor Relations Issues	N/A	N/A	N/A	N/A	SU HR to meet with NE HR at NE and hand off all appropriate materials for cut over	N/A	N/A	N/A	MA Only	RI	Need labor unit clarification (BW and NA). Where will it go?	Mike Sullivan & D'Anna Soehnge	Joan Chaffee		
MA Unwind	Human Resources	People Track (Technical Difference, Inc.)	N/A	People-Trak	Annual Maintenance Agreement	N/A	Utilized by HR to track historic pay information and emergency contact info. HR to provide reports from this proprietary software to SU for MA employees and then remove them from RI database.	N/A	New England Gas Company	N/A	MA Only	RI		D'Anna Soehnge	Joann Therrien		
MA Unwind	Human Resources	Personnel and Training Records	N/A	Regulator Training is a Microsoft Access Application	N/A	N/A	Need to separate active files for MA. Records on regulator training and appropriate schedules needs to be provided for PUC.	N/A	N/A	N/A	MA Only	RI		D'Anna Soehnge	Joann Therrien		
MA Unwind	Human Resources	Team Manager	N/A	Microsoft Access Application	N/A	N/A	This is an Access database that is used throughout the company by all management employees to record absence/sick, vacation and personnel time for both bargained for and not bargained for employees.	N/A	N/A	N/A	All of New England Gas Utilizes	RI	Need to provide copy of database to SU/MA so that they have for MA..	D'Anna Soehnge	Joann Therrien		
MA Unwind	IT	Consent, Transfer and Separation of Licenses & Contracts	N/A	N/A	N/A	Various	Must insure that MA has all necessary licenses and contracts required to conduct operations.	N/A	N/A	N/A	MA Only	RI	Working with SUG Corporate.	Karen Czaplewski			
MA Unwind	IT Infrastructure	ACL	N/A	ACL 8.3	Annual Premium Support Agreement	N/A	Program that lets you access and import data from various sources and in multiple formats, for example, mainframe files, Excel files, database files such as Oracle, for the purpose of analyzing the data. Once the data is imported it cannot be changed. This is used exclusively and extensively by our Advantage Business Analyst to balance various files for posting and footing to G/L	2	New England Gas Company	N/A	New England Gas utilizes with Advantage CIS system.	N/A	No contract - purchased software requires annual support (license). We currently have 6 licenses and pay \$396 @ per yr. We could reduce to 4 or 5 and give one or two to Southern Union Company; assuming they will have a continuing need since they want to keep Indus Advantage, and will utilize.	Karen Czaplewski	Michelle Light		
MA Unwind	IT Infrastructure	Computer Kiosks	Compac	Microsoft Windows Package	N/A	N/A	Kiosks are available (3) in MA (Charles St, 5th St and Anawan) which enable employees to access the Intranet.	For all users w/out desktops and for those who want to surf during off hours	N/A	N/A	MA Only	RI	Make arrangements for maintenance of kiosks post closing---if not going to be changed out	Karen Czaplewski	Michelle Light		
MA Unwind	IT Infrastructure	Desktops for MA (including new image)	N/A	N/A	N/A	N/A	We will need many computers for proposed staff in FR, if approved. Will they take computers from their current work locations or??? Do we need NG Approval?? If either surviving entity plans to deploy new computers, do we care? What about re-image for MA?	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	Michelle Light		For Historic Info for MA, I am assuming that SU will be responsible for obtaining from Lawson as necessary.
MA Unwind	IT Infrastructure	Install connectivity from FR to MO	N/A	N/A	N/A	N/A	MO ordered T-1 in March 06	N/A	N/A	N/A	MA Only	RI	Assume it might be from 5 <sup>th</sup> Str., but??? This would be for accounts payable to be entered (cks cut and mailed from MO), residential billing to be processed and mailed from MO.	Karen Czaplewski	Jeff Ghahramani	Scott Fatheree	
MA Unwind	IT Infrastructure	LAN (remove NE LAN and install new (MO?))	N/A	N/A	N/A	N/A	Need to remove FR and establish new.	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	Michelle Light		
MA Unwind	IT Infrastructure	Provide Mapping of where all applications are to reside for MA; along with connectivity. (Infrastructure Mapping)	N/A	N/A	N/A	N/A	Need to know where to put each item for MA: IHistorian (D. Glass thinks on Server in MO)	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	Michelle Light	Steve Hotte	
MA Unwind	IT Infrastructure	register.com for reserved/registered names	N/A	N/A	N/A	N/A	Web Address Subscriptions Total of 10 names which includes Legacy Company names. Does SU want us to let expire or do they want to maintain?	N/A	New England Gas Company	N/A	All of New England Gas Utilizes	RI	Need to determine which of these (if any) SU wants to maintain. Expiry dates are between 8/2006 and 12/2011 for all 10.	Karen Czaplewski	Michelle Light	Steve Hotte	
MA Unwind	IT Tech Service	Access to Company equipment and facilities	See Description	See Description	N/A	N/A	Must terminate all access to systems at Weybosset for all SU and MA employees. Includes Blackberrys, e-mail, cells, access to facilities, etc. And, RI employees should not have access to the NEG intranet effective day 1 or their facilities.	Approx. 125	N/A	N/A	RI	MA		Karen Czaplewski	Michelle Light		
MA Unwind	IT Telecom	Recording Equipment for FR	N/A	N/A	N/A	N/A	Is there a requirement to record gas leak emergencies? SU to decide. OSI records randomly for coaching and observation.	N/A	N/A	N/A				Karen Czaplewski	Leo Scallon		
MA Unwind	IT Telecom	Sprint	N/A	N/A	N/A	N/A	Circuit for connectivity to Corporate (Houston)	N/A	Southern Union Company	N/A	All of New England Gas Utilizes	N/A	Excluded in sale to NG. SU will have to transfer connectivity from Weybosset to Fall River for connectivity to Corporate	Karen Czaplewski	Michelle Light		

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MA Unwind	IT Telecom	Telephone Numbers	N/A	N/A	N/A	N/A	1-800 CS # that is currently advertised for MA will be pointed and terminated at OSI. Water Heater Rentals # will continue for MA. If SU wants MA Admin #, we can assign the old Service # (MA local) as the admin #. Where do they want it pointed/terminated?	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski	Michelle Light		
MA Unwind	IT Telecom	Verizon Network Integration Corp.	N/A	N/A	24/7	N/A	Supplies telecommunications and networking frame relay circuits, POTS, regular and long distance service, T-1 and T-3 for data and voice, CDMA. Contracts and invoicing are from various Verizon Companies and the contractor holder for NEG are in various formats. See following list	N/A	New England Gas	N/A	All of New England Gas Utilizes	None	Agreement date is August 2005, for dedicated Internet Access w/leased circuit. Need to unwind and recontract for MA as appropriate	Karen Czaplewski	Michelle Light		
MA Unwind	IT Telecom	Verizon Select Services Inc.	N/A	N/A	27/7	N/A	Supplies Long Distance Voice Service: Outbound-Interstate; Inbound-Interstate (both are switched and dedicated access)	N/A	New England Gas Co.	N/A	All of New England Gas Utilizes	None	2-year agreement dated 7/2005. Need to unwind and recontract for MA as appropriate	Karen Czaplewski	Michelle Light		
MA Unwind	IT Telecom	Verizon Wireless	Cell phones	Dependent on make/model	8-5 Mon - Fri	N/A	Cell phone services	N/A	Southern Union Company	N/A	All of New England Gas Utilizes	None	Agreement dated 3/31/2004. Unwind cell phones. Need to unwind and recontract for MA as appropriate	Karen Czaplewski	Michelle Light		
MA Unwind	Legal	Administration of Workman's Comp, FMLA and Medical	N/A	N/A	N/A	N/A	Hearings, Investigations, payroll. Who will administer and handle this highly-confidential information?	N/A	N/A	N/A	MA Only	RI		Dave Black			
MA Unwind	Legal	Contract Administration	N/A	Microsoft Access Application	N/A	N/A	Who will be responsible for review of all contracts prior to signing locally?	N/A	N/A	N/A	MA Only	RI	Legal's access data base of contract listing. Does SU/MA want need? If so, we need to duplicate the data base and manually move those that are for MA to one and the others remain in RI.	David Black	Anne Connor		
MA Unwind	Legal	DOT Drug Testing for MA	N/A	N/A	N/A	N/A	Separate contract. Does NG want this contract or can SU keep and they will use their current vendor?	N/A	N/A	N/A	MA Only	RI		Dave Black	Kevin England		
MA unwind	Legal	Health & Safety training	N/A	N/A	N/A	N/A	Find a home for responsibility in MA. Good bit to be done with this.	N/A	N/A	N/A	MA Only	RI		Dave Black	Kevin England		
MA Unwind	Legal	Safety items to be addressed for MA	N/A	N/A	N/A	N/A	Pipeline Safety Inspections, NOPV Process and environmental compliance. Who will be responsible for these?	N/A	N/A	N/A	MA Only	RI		Dave Black	Kevin England		
MA Unwind	Legal	Safety related to facilities	N/A	N/A	N/A	N/A	Fire extinguisher inspections and other facility related items. Who will be responsible for this?	N/A	N/A	N/A	MA Only	RI	Simplex Grinelle was fired. Who will now be used for MA fire extinguisher inspections?	Dave Black	Kevin England		
MA Unwind	Marketing	NEG Brand Materials	N/A	N/A	N/A	N/A	All Marketing and Customer related, NEG branded materials that are MA specific should be delivered to MA	N/A	New England Gas/SU	N/A	MA Only	RI		Bill Pratt & Chris Medici	Trish Walker & Karen Sousa		
MA Unwind	Marketing	Service Connection Plan	N/A	N/A	N/A	N/A	Should deliver all marketing materials for Service Connection Plan to MA if they can be utilized by them	24163 RI customers 2911 MA customers	New England Gas/SU	N/A	MA Only	RI	We now have one plan for both MA & RI. The Customer data base will be split accordingly.	Karen Czaplewski & Bill Pratt	Al Mendonsa & Trish Walker		
MA Unwind	Marketing	Trade Partners	N/A	N/A	N/A	N/A	Referral List of Gas System Contractors for installation of systems, appliances and repairs	N/A	N/A	N/A	MA Only	RI	Does SU want to continue this program? Who will manage?	Bill Pratt	James Carey		
MA Unwind	Meter Services	Meter Reading (reroute for NAG to FR)	N/A	N/A	N/A	N/A	Can they go in a DCO file for FR hand helds?	N/A	N/A	N/A	MA Only	RI		Mike Sullivan	Gary Denis		
MA Unwind	Operations	Bascom Turner Instruments	Has its' own docking station (N-CAL) and compaq desktop for diagnostics and calibration of handhelds	N-CAL Version 10.06	None; time and material; 1 year warranty	N/A	System used for testing the CFS Combustible Gas Indicator Meters. The base unit records test results of the individual handheld units. The N-Cal software provides reports of all the units, last celebration date, etc.	N/A	N/A	N/A	All New England Gas Company locations	No one excluded	SU will need to purchase base software application in order to continue to utilize in MA. Estimated cost is \$2,000; per R. Enright. Currently the application resides in the Cumberland, RI facility and the other facilities (including MA) are all read only.	Mike Sullivan	Rick Enright		
MA Unwind	Operations	Bristol Warren to RI (reroute and reassign)	N/A	N/A	N/A	N/A	Need to know what the decisions are surrounding Bristol Warren, so that we can redistribute meter reading from FR database back to RI.	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski & Mike Sullivan	Rick Enright		
MA Unwind	Operations	Emergency Reporting to DTE	N/A	N/A	N/A	N/A	Who will handle for MA? SUG to decide.	N/A	N/A	N/A	MA Only	RI		Mike Sullivan	Dave Black		
MA Unwind	Operations	Emergency Response Plan for State of MA	N/A	N/A	N/A	N/A	Who will handle for MA? SUG to decide.	N/A	N/A	N/A	MA Only	RI		Mike Sullivan	Dave Black		
MA Unwind	Operations	Engineering	N/A	N/A	N/A	N/A	SU engineering meet with NE in NE. Work with SU engineering to discuss and understand current processes and then transition to them.	N/A	N/A	N/A	MA Only	RI		Mike Sullivan	Al Marsocci		

Day 1 or MA Unwind	Department	Item	HARDWARE MODEL/SPEC	SOFTWARE / APPLICATION	MAINTENANCE / SERVICES	CONSULTANT / CONTRACTOR	DESCRIPTION	# of users	CONTRACT OWNER	LEASE OWNER	ENTITIES COVERED BY LOCATION	ENTITIES EXCLUDED BY LOCATION	COMMENTS	NEG Executive Assigned to	Other Assigned to	MA/SU/NG Executive Assigned to	Status Notes
MA Unwind	Operations	GE-Fanuc Automation Americas	Intellution is installed on workstations. Refer to Inventory Tab row 12 for iHistorian.	Intellution Software; iHistorian Version 3.0.0 & iFix (Scada)	Annual Maintenance Agreement (Proficy GlobalCare)	AutomaTech, Inc. is the authorized reseller of License for GE-Fanuc. They are our contact.	Products produced by GE Fanuc Automation Americas, Inc. The SCADA system (iFix Plus) collects distribution system data in real time. This data includes gas flow and pressure readings. Access to the database is implemented through a M.S. Excel add-in. The data is collected and stored in the iHistorian database. Accessing the most recent data entries provides near real-time access to system data while avoiding the security issues associated with real-time access to data through the SCADA system. The iHistorian application serves as a data repository for our Supervisory Control and Data Acquisition (SCADA) system.	10	New England Gas Company	N/A	All of New England Gas Utilizes	N/A	Supported by network/desktop. Network/desktop installs and maintains. Maintenance Agreement expires 12/26/06. The licenses for iFix need to be split between MA (2) & RI (8). MA may need to acquire their own iHistorian license and Maintenance Agreement. Recommend that MA obtain appropriate license and we provide data file for MA. Scada needs T1 to MO to function.	Karen Czaplewski	Al Marsocci	Melissa Krakauer	
MA Unwind	Operations	Leak Walking Survey	N/A	Microsoft Access Application	N/A	N/A	Used by field techs - use Palm Pilots in the field then upload the data into access. Need to create for MA and separate MA from RI	N/A	N/A	N/A	MA Only	RI		Mike Sullivan & Karen Czaplewski	Fred Amaral & Al Mendonsa		
MA Unwind	Operations	Paving	N/A	Microsoft Access Application	N/A	N/A	Used by Operations to record and reconcile contrator's paving work. Need to create for MA and separate MA from RI	N/A	N/A	N/A	MA Only	RI		Mike Sullivan & Karen Czaplewski	Fred Amaral & Al Mendonsa		
MA Unwind	Operations	Permits	N/A	Microsoft Access Application	N/A	N/A	Generates permits by specific town format and records relevant data. Need to create for MA and separate MA from RI	N/A	N/A	N/A	MA Only	RI		Mike Sullivan & Karen Czaplewski	Fred Amaral & Al Mendonsa		
MA Unwind	Operations	Qquest Software Systems	N/A	N/A	N/A	N/A	Time tracking system used in conjunction with IQ600 time clocks w/ biometric fingerprint readers. Used primarily in Customer Field Service facilities	N/A	New England Gas Company	N/A	RI	MA	Need authorization from SUG to remove clocks from FR. Does not merit investment to utilize and to maintain.	Karen Czaplewski & Mike Sullivan	Rick Enright		
MA Unwind	Operations	Regulators	N/A	Microsoft Access Application	N/A	N/A	Repository of information regarding district regulators on our distribution system. Need to create for MA and separate MA from RI	N/A	N/A	N/A	MA Only	RI		Mike Sullivan & Karen Czaplewski	Fred Amaral & Al Mendonsa		
MA Unwind	Operations	Work Measurement	N/A	Microsoft Access Application	N/A	N/A	Repository of Construction & Maintenance work performed. Data is captured from a packet of documents relation to the specific job once it is completed. Hours are the only quantifiable figures captured. Need to create for MA and separate MA from RI	N/A	N/A	N/A	MA Only	RI		Mike Sullivan & Karen Czaplewski	Fred Amaral & Al Mendonsa		
MA Unwind	Payroll	Lawson Time Entry	Resides in PA	Lawson Time Entry Module & Lawson Financial Module	N/A (If there is one, it is provided by PA)	N/A	Utilized to enter all hours for Oracle Payroll. Historical Financial data for the years we were on Lawson. Historical Data for NEG was in PA	N/A	N/A	N/A	All of New England Gas Utilizes	None	Cut over day one for RI will negate the need for Time Entry. MA will continue to use SU's Lawson time entry, or an alternative solution that they select. Need Copy of Financial info from Lawson Days for SU/ MA. On Day 1 after closing, where will time entry to for MA? Into Lawson, or ?	Sharon Partridge	Tony Varrecchione		Where do you want this to be placed for SU? Desktop where?
MA Unwind	Payroll	Payroll	N/A	N/A	N/A	N/A	SU Payroll to meet with NE Payroll at NE. Hand over all responsibility as directed on or prior to Day 1	N/A	N/A	N/A	MA Only	RI	Discuss and understand current processes. Need to move to MGE's time entry system? - then transition. Need to change time sheet coding and training by 7/1/06. Workforce?	Sharon Partridge	Tony Varrecchione		
MA Unwind	Purchasing	Bank 1 One Commercial Card Services	N/A	N/A	N/A	N/A	Master Card charge services	9 MA	Southern Union Company	N/A	New England Gas and all Southern Union Divisions utilize the procurement card and associated reporting	RI	This contract is held by SU. We must gather all of the old cards from RI Users and provide to SU on Day 1. There may be a need for additional users to have the SU card for Day 1 for MA.	Sharon Partridge	Mark Paparelli		
MA Unwind	Purchasing	Courier	N/A	N/A	N/A	N/A	Since the mail for MA is all addressed to RI locations. SU may want to hire courier service for some period of time to pick up mail from RI locations. Currently service is provided by Now Courier Service	N/A	N/A	N/A	All New England Gas Company locations	None		Sharon Partridge	Mark Paparelli		
MA Unwind	Purchasing	Inventory Control	N/A	N/A	N/A	N/A	Mark Paparelli is working with staff locally in FR and in MO to be fully transitioned on Day 1	N/A	N/A	N/A	MA Only	RI		Sharon Partridge	Mark Paparelli		
MA Unwind	Purchasing	Konica	N/A	N/A	N/A	N/A	Copier support. Are there adequate copiers and faxes in FR for additional office staff?	N/A	N/A	N/A	MA Only	None	Need to split contract from Corporate and for MA for printer support	Sharon Partridge	Mark Paparelli		
MA Unwind	Purchasing	Office Max	N/A	N/A	N/A	N/A	Office supplies vendor. Any modifications needed to contract to allow MA to continue to utilize. Presume NG will have own contract in place Day 1.	N/A	N/A	N/A	MA Only	RI		Sharon Partridge	Mark Paparelli		

Day 1 or MA Unwind	Department	Item	HARDWARE MODEL/SPEC	SOFTWARE / APPLICATION	MAINTENANCE / SERVICES	CONSULTANT / CONTRACTOR	DESCRIPTION	# of users	CONTRACT OWNER	LEASE OWNER	ENTITIES COVERED BY LOCATION	ENTITIES EXCLUDED BY LOCATION	COMMENTS	NEG Executive Assigned to	Other Assigned to	MA/SU/NG Executive Assigned to	Status Notes
MA Unwind	Purchasing	Record Storage	N/A	N/A	N/A	N/A	Capital Records and Iron Mountain. Will MA obtain all documents from these locations and handle accordingly? Or will the storage costs be handled in a TSA? Most recent records not in storage but on site in RI. Where do you want these? Who is custodian?	N/A	N/A	N/A	MA Only	RI		Sharon Partridge & Dave Black	Mark Paparelli & Anne Connor		
MA Unwind	Purchasing	Warehouse & Other Purchasing Responsibilities	N/A	N/A	N/A	N/A	Insure that Business processes have all been modified and employees trained/informed of new protocol's for these items, as well as contract review and execution requirements	Approx. 125	Various	Various	MA Only	RI		Sharon Partridge & Dave Black	Mark Paparelli	John Garrison	Mark Paparelli has met with John Garrison in MO and he is prepared to assume Mark's responsibilities for MA. (4-18-06)
MA Unwind	Purchasing	Purchasing Management	N/A	N/A	N/A	N/A	Purchasing Management (Buying) to be assumed by MO Management (John Garrison)	N/A	N/A	N/A	MA Only	RI	Mark Paparelli is working with John Garrison to transition all tasks associated with this function	Sharon Partridge	Mark Paparelli		
MA Unwind	Regulatory	DTE contact Rates and Regulatory - Technical - CS	N/A	N/A	N/A	N/A	Need to notify of new contact names (e.g. Complaint Officer, CS numbers, Billing Adjustments, etc.). Recommend that all CS Contact for MA be transferred to the local Credit and Collections Office at 5 <sup>th</sup> Str. (from CU), or to a Regulatory Person in MA----if someone is retained locally.	N/A	N/A	N/A	MA Only	RI		Karen Czaplewski & Sharon Partridge	Kevin Penders		
MA Unwind	Telecom	IVR	N/A	N/A	N/A	N/A	Voice Response Applications (IVR). Responds to customer service and gas leak lines. Also used for meter reads, automated information--balance, pay station locations, connection to agents, etc.	N/A	New England Gas Company	N/A	Weybosset Street, Dexter Street and Mendon Road	All others.	Investigating if OSI can provide any capabilities. If not, does MA need to purchase IVR?	Karen Czaplewski	Leo Scallon & Michelle Light		
MA Unwind	Telecom	Voice Mail	N/A	NA	N/A	Verizon	Voice Mail will be the standard Verizon package, unless SU identifies another solution.	Approx. 50	Southern Union Co.	N/A	MA Only	RI		Karen Czaplewski	Michelle Light	Steve Hotte	



Completed Date























Completed Date

**PURCHASE AND SALE AGREEMENT  
BETWEEN  
SOUTHERN UNION COMPANY  
AND  
NATIONAL GRID USA**

**CLOSING CHECKLIST**

**SIGNED: FEBRUARY 15, 2006**  
**CLOSING: \_\_\_\_\_, 2006**

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**DEFINED TERMS**

Buyer	National Grid USA
F&W	Fleischman and Walsh, L.L.P., Seller's counsel
SASMF	Skadden, Arps, Slate, Meagher & Flom LLP, Buyer's counsel
Seller	Southern Union Company

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The purpose of this document is to list certain documents and actions necessary for the closing of the Purchase and Sale Agreement (the "PSA") and the transactions contemplated thereby. Additional ERISA and tax documents and action items will be identified and handled by ERISA and tax counsel, respectively.

DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
<b>I. PRE-CLOSING</b>					
1. <b>HSR Application (§ 6.3(a))</b>	Seller/Buyer	X	X	X	
2. <b>RIDPUC Joint Application (§ 6.3(b))</b>	Seller/Buyer	X	Filed 3/[16]/06		
3. <b>FCC Assignment Applications (§ 6.3(b))</b>					
a) Seller (Transferor's Portion)	Seller/F&W	X			See <u>Attachment 1</u> for a list of FCC Licenses.
b) Buyer (Transferee's Portion)	Buyer				
4. <b>Other Governmental Consents (§ 6.3(b))</b>	Seller/Buyer				See <u>Attachment 2</u> for a list of Other Governmental Consents.
5. <b>Environmental Permits (§ 6.3(c))</b>	Seller/Buyer				
6. <b>Seller's Stockholder Approval</b>					
Proxy Statement (§ 6.1(f)(i))	Seller	X	X		
Seller's Stockholder Meeting (§ 6.1(f)(iii))	Seller	X	X		
7. <b>Bank Consent/Releases (§ 6.1(c))</b>					
a) Consent of lenders under Southern Union Company's Fourth Amended and Restated Revolving Credit Agreement	Seller	X	X	X	

DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
b) [Special Arrangements re the Indenture, dated as of January 1, 1922 between Seller (as successor to The Providence Gas Company), and U.S. Bank Trust Company, National Association (as successor to Rhode Island Hospital Trust Company), as Trustee, and all indentures supplemental thereto]	Seller				Mortgages may need to be re-filed in the name of Buyer.
8. Other Non-Governmental Consents (§ 6.1(c) and § 6.2(a))	Seller/Buyer				See <u>Attachment 3</u> for a list of other Non-Governmental Consents.
9. Insurance Arrangements (§ 6.9)	Seller/Buyer				
10. Renewal or Extension of Collective Bargaining Agreement with Utility Workers Union of America, AFL-CIO, and Local Union No. 472 (§ 6.12(a))	Seller				
11. Third-Party Consents Necessary to Provide Transition Services (Exh. 6.6, § X)	Seller/Buyer	X	X	X	See <u>Attachment 5</u> for a list of third party consents.
12. [Special Arrangements re Stone & Webster Settlement Agreements (Item III of Schedule 1.1(b))]	Seller/Buyer				
13. Arrange for Qualified Intermediary for Seller's Like-Kind Exchange (§ 11.2)	Seller				
14. Joint Transition Team (§ 6.6)	Seller/Buyer	X	X	X	Buyer to deliver to Seller 15 days after execution of the PSA ( <i>i.e.</i> , 03/02/2006) a list of proposed representatives. Within 15 days after receipt of such a list, Seller will add its representatives.

DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
15. <b>Transition Plan (§ 6.6 and Exhibit 6.6)</b>	Seller/Buyer	Waived	Waived	Waived	Representatives on such transition team to take all reasonable steps necessary to develop a mutually acceptable transition plan by no later than 60 days after execution of the PSA ( <i>i.e.</i> , 04/16/2006).
16. <b>Seller's Bank Accounts and Lock Boxes (§ 6.11(a))</b>	Seller/Buyer				All of the bank accounts and lock boxes of Seller used in the Business shall be transferred to Buyer at Closing. What needs to be done to arrange for such transfer?
17. <b>Large Volume Meter Reading (§ 6.8)</b>	Seller				Conduct reading of each Large Volume Meter the day immediately preceding the Closing Date. Seller must provide Buyer the results as soon as practicable after the Closing.
18. <b>Excluded Assets (Schedule 1.1(b))</b>	Seller/Buyer				
19. <b>Employee Matters (See Exhibit 10.1 - Employment Agreement)</b>					
a) Employee Agreement ("EA") (§ 10.1)	Seller/Buyer	X	X	X	Executed and delivered on 2/15/06.
b) Provide Buyer an updated list, as of the date of the PSA, of Employees (EA § 2.1)	Seller	X	X	X	Seller to provide no later than 5 days following the execution of the PSA.
c) Buyer shall offer employment to all Employees (EA § 2.3(a))	Buyer				To be made 30 days prior to the anticipated Closing Date. Such offers to include certain language set forth in Schedule 2.3(b) or similar language reasonably acceptable to Buyer and Seller.

DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
d) Buyer to notify Seller of the Employees' responses to Buyer's offers of employment (EA § 2.3(b))	Buyer				Notify Seller as soon as administratively feasible following execution of the PSA.
e) Provide Buyer a list reflecting the paid time off balances standing to the credit of each Transferred Employee (EA § 2.6)	Seller				To be provided as soon as administratively feasible following execution of the PSA.
f) Establish Buyer as successor to Seller as to all rights, assets (held in trust), duties, liabilities and obligations under or with respect to Seller's Pension Plans. (EA § 3.1)	Seller/Buyer				Seller and Buyer shall take all action necessary and appropriate. To be effective as of the Closing Date.
g) Seller shall vest the Transferred Employees in their account balances under Seller's 401(k) Plan (EA § 3.2)	Seller				To be vested as of the Closing Date.
h) Provide a list of the name and site of employment of any and all employees of Seller who have experienced, or who will experience, an employment loss or layoff within 90 days prior to the Closing Date (§ 7.3(a))	Seller				To be provided on or before the Closing Date.
20. Wire Transfer Instructions	Seller				Note that the funds will be directed to Seller's Qualified Intermediary.

II. CLOSING					
21. Purchase and Sale Agreement	Seller/Buyer	X	X	X	
22. Bill of Sale and Assignment and Assumption Agreement (§ 8.1(a))	Seller/Buyer				

DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
<b>23. Collective Bargaining Agreement Assignment and Assumption Agreements (§ 8.1(a))</b>					
Collective Bargaining Agreement with United Steelworkers of America, AFL-CIO-CLC, on behalf of United Steelworkers of America, Local 12431-01	Seller/Buyer				
Collective Bargaining Agreement with United Steelworkers of America, AFL-CIO-CLC, on behalf of United Steelworkers of America, Local 12431-02	Seller/Buyer				
Collective Bargaining Agreement with Utility Workers Union of America, AFL-CIO, and Local Union No. 472	Seller/Buyer				
<b>24. Certificates Representing the Stock, with Separate Stock Powers, of Each Subsidiary (§ 8.1(b)(i))</b>	Seller				
<b>25. Resignation Letters from Each Director and Officer of Each Subsidiary (§ 8.1(b)(ii))</b>	Seller				See <u>Attachment 6</u> for a list of each Subsidiary's directors and officers.
<b>26. Certificate of Seller's Non-Foreign Status (§ 8.1(b)(iii))</b>	Seller				
<b>27. Transition Services Agreement (§ 8.1(c))</b>	Seller/Buyer				
<b>28. Litigation Support Agreement (§ 8.1(d))</b>	Seller/Buyer				Substantially in the form of Exhibit 8.1(d) to the PSA.



DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
29. Evidence of Governmental Approvals (§§ 7.1(d) and 7.2(d))	Seller/Buyer				All Consents of Governmental Bodies by Final Order that are required in order to consummate the transactions contemplated by the PSA.
30. Evidence of HSR Act Approval (§§ 7.1(e) and 7.2(e))	Seller/Buyer	X	X	X	
31. Buyer's Officer's Bring Down Certificate (§ 7.1(c))	Buyer				
32. Seller's Officer's Bring Down Certificate (§ 7.2(c))	Seller				
33. Seller's Stockholder Approval (§ 7.1(g))	Seller				
34. Evidence of Third Party Consents (§§ 7.1(h) and 7.2(i))	Seller				Seller shall have obtained all Consents of Persons (other than Governmental Bodies) listed on <u>Attachment 3</u> that are required in order to consummate the transactions contemplated by the PSA.
35. New Leases or Purchase of Leased Assets (§ 6.7)	Buyer				Buyer and Seller shall use commercially reasonable efforts to arrange for Buyer, if unable to arrange for new leases, to purchase any Leased Assets directly from the lessor on, or promptly after, the Closing Date. (See <u>Attachment 7</u> for a list of the Leased Assets to be Purchased or Transferred to New Lease.)
36. Insurance Indemnification Agreement (§ 6.9(b))	Seller/Buyer				

DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
37. [Documents re Like-Kind Exchange (§ 11.2)]	Seller				Qualified Intermediary Acknowledgement
38. Special Warranty Deeds or Quitclaim Deeds (grouped by town or city) (§ 8.1(f))	Seller				See <u>Attachment 8</u> for a list of owned real property.
39. Quitclaim Blanket Easement Assignment and Assumption Agreements (one per town or city) (§ 8.1(f))	Seller/Buyer				See <u>Attachment 9</u> for a list of easements.
40. Motor Vehicle Certificates (§ 8.1(f))	Seller				See <u>Attachment 10</u> for a list of vehicles and titled equipment.
41. [Other Special Assignment and Assumption Agreements (as requested by third parties) (§ 8.1(f))]	Seller/Buyer				
42. Assumed Proceedings (§ 2.2(b)(v))	Seller/Buyer				Are any actions necessary to document Buyer's assumption of the proceedings?
<b>III. POST-CLOSING</b>					
43. Obtain Full and Complete Release of Bonds, no later than 90 days after Closing (§ 6.2(c))	Seller/Buyer				See <u>Attachment 4</u> for a list of Bonds.
44. Delivery of Closing Statement to Seller (§ 3.2(a))	Buyer				Within 90 days after the Closing Date.
45. Seller to provide to Buyer any Objection to the Closing Statement (§ 3.2(b))	Seller				Within 15 Business Days after Seller's receipt of the Closing Statement.
46. Buyer to Respond to any Such Objections (§ 3.2(b))	Buyer				Within 15 Business Days after Buyer's receipt of Seller's Objections.

DOCUMENT/ ITEM	RESPONSIBILITY	DRAFTED/ ORDERED	FINAL FORM	EXECUTED/ RECEIVED	COMMENTS/ SIGNING PARTIES
47. <b>Payment of Difference between Working Capital on the Final Closing Statement and Working Capital Target, plus Settlement Interest (§ 3.2(c))</b>	Seller <i>or</i> Buyer				By Buyer, in the event of a positive difference; by Seller in the event of a negative difference; within 5 Business Days of the determination of the Final Closing Statement.
48. <b>Allocation of Purchase Price (§ 11.1)</b>	Seller/Buyer				Parties to use their good faith efforts to agree upon the Allocation within 180 days after the Closing Date.
49. <b>Preparing and Filing of Transaction Taxes (§ 11.3)</b>	Seller/Buyer				Seller to provide to Buyer Seller's work papers 15 days before filing.
50. <b>Cessation of Seller Marks (§ 6.4)</b>	Buyer				Within 180 days after the Closing Date, Buyer must cease using any Seller Marks.
51. <b>Meter Reading (§ 6.8)</b>	Buyer				Determine by allocation the volumes of gas sold by Seller through all meters other than Large Volume Meters for purposes of the Working Capital Adjustment.
52. <b>Post-Closing Employee Matters (See Employment Agreement)</b>					
a) Provide Buyer a revised Schedule 1.1 updated as of the Closing Date (§ 2.1)	Seller				To be provided within 10 days after the Closing Date.
b) Provide Buyer a revised list reflecting the paid time off balances of each Transferred Employee as of the Closing Date (§ 2.6)	Seller				To be provided within 10 days after the Closing Date.

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
c) Transfer to Buyer's flexible benefits plan, in cash, any health care and dependent care balances standing to the credit of Transferred Employees under Seller's Flex Plan (§ 4.5)	Seller				To be done as soon as administratively feasible after the Closing Date.
d) Deliver to Buyer, to the extent permitted by applicable Legal Requirements, all personnel files and records in its possession relating to the Transferred Employees (§ 6.1)	Seller				Deliver on or soon after the Closing Date.

**LIST OF FCC LICENSES**

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
1. KNFD988	Seller/Buyer				
2. WNRO674	Seller/Buyer				
3. WNTU789	Seller/Buyer				
4. WNTU299	Seller/Buyer				
5. WPEZ265	Seller/Buyer				
6. WYZ730	Seller/Buyer				

**LIST OF OTHER GOVERNMENTAL CONSENTS/NOTICES**

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
1. Narragansett Bay Commission Wastewater Discharge Permits					
a) No. P2712-071-0307 re Gas Holding Tanks at 642 Allens Avenue, Providence	Seller/Buyer	_____	_____	_____	
b) No. P4012-017-0307 re Remediation Project at 642 Allens Avenue, Providence	Seller/Buyer	_____	_____	_____	
2. Hazardous Waste ID numbers	Seller/Buyer	_____	_____	_____	Notification is required to update new owner contact information.
3. Hazardous Waste Transporter Permit (RI Permit #642)	Seller/Buyer	_____	_____	_____	Update to the annual permit renewal application.
4. DOT Hazardous material registration 071604004009M (linked to US DOT ID# 221285)	Seller/Buyer	_____	_____	_____	
5. Source Registration and Emission Statements	Seller/Buyer	_____	_____	_____	Notification of owner change with annual update.
6. Environmental Permits	Seller/Buyer	_____	_____	_____	

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
7. Lease between Southern Union Company, New England Division (dba Providence Gas Company) (as Lessee) and the United States of America (as Lessor) for a natural gas peakshaving facility at Newport Naval Station, Middletown, RI	Seller/Buyer				
8. State of Rhode Island Official Inspection Permits:					
a) 222-FC	Seller/Buyer				
b) 907-FC	Seller/Buyer				
9. FERC 7(f) Service Area Determination and Waiver of Reporting and Accounting Requirements re Connecticut Facilities	Seller/Buyer	4/10/06			
10. Various Permits with respect to Street Openings, Issued or Pending Issuance by the State of Rhode Island and various Municipalities	Seller/Buyer				

**LIST OF OTHER NON-GOVERNMENTAL CONSENTS**

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
1. Storage Contract with Columbia Gas Transmission Company	Seller/Buyer	_____	_____	_____	
2. Storage Contracts with Dominion Transmission, Inc.	Seller/Buyer	_____	_____	_____	
3. Storage Contracts with Tennessee Gas Pipeline Company	Seller/Buyer	_____	_____	_____	
4. Storage Contracts with Texas Eastern Transmission Corporation	Seller/Buyer	_____	_____	_____	
5. Storage Contract with Algonquin LNG, Inc. (n/k/a KeySpan LNG, LLC)	Seller/Buyer	_____	_____	_____	
6. Transportation Contracts with Algonquin Gas Transmission Company	Seller/Buyer	_____	_____	_____	
7. Transportation Contracts with Columbia Gas Transmission Corporation	Seller/Buyer	_____	_____	_____	
8. Transportation Contracts with Dominion Transmission, Inc.	Seller/Buyer	_____	_____	_____	
9. Transportation Contract with Iroquois Gas Transmission System, L.P.	Seller/Buyer	_____	_____	_____	
10. Transportation Contract with Narragansett Electric Company	Seller/Buyer	_____	_____	_____	Agreement is with subsidiary of Buyer.



<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
11. Transportation Contract with National Fuel Gas Supply Corporation	Seller/Buyer				
12. Transportation Contracts with Tennessee Gas Pipeline Company	Seller/Buyer				
13. Transportation Contracts with Texas Eastern Transmission Corporation	Seller/Buyer				
14. Transportation Contracts with Transcontinental Gas Pipe Line Corporation	Seller/Buyer				
15. Supply Contract with Amerada Hess Corporation, Energy Marketing Division	Seller/Buyer				
16. Supply Contract with Anadarko Energy Services Company	Seller/Buyer				
17. Supply Contract with BP Energy Company	Seller/Buyer				
18. Supply Contract with Cargill Incorporated, Natural Gas Trading	Seller/Buyer				
19. Supply Contract with Chevron Texaco Natural Gas, a division of Chevron U.S.A. Inc.	Seller/Buyer				
20. Supply Contract with ConocoPhillips Company	Seller/Buyer				
21. Supply Contracts with Distrigas of Massachusetts, LLC	Seller/Buyer				

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
22. Supply Contract with ExxonMobil Gas & Power Marketing Company (a division of ExxonMobil Corporation)	Seller/Buyer				
23. Supply Contract with Noble Gas Marketing, Inc.	Seller/Buyer				
24. Supply Contract with ONEOK Energy Services Company, L.P.	Seller/Buyer				
25. Supply Contract with Occidental Energy Marketing, Inc.	Seller/Buyer				
26. Supply Contract with ProLiance Energy, LLC	Seller/Buyer				
27. Supply Contract with Sequent Energy Management, L.P.	Seller/Buyer				
28. Supply Contract with Sprague Energy Corp.	Seller/Buyer				
29. Supply Contract with Tenaska Marketing Ventures	Seller/Buyer				
30. Supply Contract with Virginia Power Energy Marketing, Inc.	Seller/Buyer				
31. Master Leasing Agreement with BLC Corporation	Seller/Buyer				
32. Agreements with CGI-AMS Inc.	Seller/Buyer				
33. Environmental Agreement with Clean Harbors Environmental Services, Inc.	Seller/Buyer				

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
34. Agreements with SCT Utility Systems, Inc. (Indus International, Inc., as successor-in-interest)	Seller/Buyer				
35. Agreements with ITRON, Inc.	Seller/Buyer				Consent not required if purchaser agrees in writing to comply with the terms of the agreement.
36. Outsourcing Services Agreement with OSI – Outsourcing Services, Inc.	Seller/Buyer				
37. Agreements with Strictly Services Inc.	Seller/Buyer				
38. Master Service Agreement with Supply New England Inc.	Seller/Buyer				
39. License Agreements with National Railroad Passenger Corporation (Amtrak)	Seller/Buyer				
40. Antenna Lease Agreement with Midwest Tower Partners, LLC	Seller/Buyer				
41. Tower Site Agreement with Plasse Tower Rentals, Inc.	Seller/Buyer				
42. Lease Agreement with Cingular (formerly Wireless PSC, Inc. d/b/a AT&T Wireless Services)	Seller/Buyer				Consent not required if Buyer agrees in writing to comply with terms of the agreement.
43. Lease Agreement with J.T. Holding LLC/John and Loretta Strafach	Seller/Buyer				

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
44. General Purpose Lease N62470-01-RP-00175 with Department of the Navy	Seller/Buyer				
45. Master Leasing Agreement with Bank of America Leasing and Capital LLC	Seller/Buyer				
46. Firm Transportation, Construction and Interconnection Service Agreement, as amended, with Yankee Gas Services Company	Seller/Buyer				
47. Interconnection Contracts with Pawtucket Power Associates Limited Partnership	Seller/Buyer				
48. Agreements with Algonquin LNG, Inc. (n/k/a KeySpan LNG, LLC)	Seller/Buyer				
49. Software Licenses:					
a. Oracle database licenses not associated with Financial and HR systems	Seller/Buyer				
b. GE-Fanuc Small World GIS Version 4.0	Seller/Buyer				
c. Tivoli	Seller/Buyer				
d. TSM	Seller/Buyer				
e. Iron Mail	Seller/Buyer				
f. Strohl	Seller/Buyer				
g. People Trak	Seller/Buyer				

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
h. Web Inspector (Cyberguard)	Seller/Buyer				
i. Orion Solar Winds	Seller/Buyer				
j. RSA/Citrix (remote access manager)	Seller/Buyer				
k. Cisco (Dimension Data) Works/ACE – (Router and switch manager tool)	Seller/Buyer				
l. Legato (EMC)	Seller/Buyer				
m. Proficy Historian	Seller/Buyer				
n. Bass-Trigon	Seller/Buyer				
o. Autocad 2004	Seller/Buyer				
p. LDCM	Seller/Buyer				
q. Business Choice	Seller/Buyer				
r. Voyager	Seller/Buyer				
s. Fuelmaster	Seller/Buyer				
t. Badge America	Seller/Buyer				
u. ACL	Seller/Buyer				
v. Track-it	Seller/Buyer				
w. Serena PVCS	Seller/Buyer				
x. Dictronics	Seller/Buyer				

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
y. Nice Systems	Seller/Buyer				
z. IBM – AIX Operating System	Seller/Buyer				
aa. Virtual Hold	Seller/Buyer				
bb. HTI	Seller/Buyer				

**LIST OF BONDS**

<b>DOCUMENT/ ITEM</b>	<b>RESPONSIBILITY</b>	<b>DRAFTED/ ORDERED</b>	<b>FINAL FORM</b>	<b>EXECUTED/ RECEIVED</b>	<b>COMMENTS/ SIGNING PARTIES</b>
1. Annual Street Opening Permit Bond 61BSBDL9962 (Town of Barrington)	Seller/Buyer	_____	_____	_____	
2. Annual Street Opening Permit Bond 21BSBAQ9154 (Town of East Greenwich)	Seller/Buyer	_____	_____	_____	
3. Annual Street Opening Permit Bond 61BSBDO3902 (Town of North Kingstown)	Seller/Buyer	_____	_____	_____	
4. Annual Street Opening Permit Bond 61BSBDL9907 (Town of Tiverton)	Seller/Buyer	_____	_____	_____	
5. [Others?]		_____	_____	_____	

**THIRD PARTY CONSENTS NECESSARY TO PROVIDE TRANSITION SERVICES**

As requested by Seller:

Advantage

CUI

SynerGee Gas

SAP Mapper

Hummingbird Exceed

**[Others?]**

As requested by Buyer:

Sunguard

Fleet Management

**[Others?]**



**LIST OF DIRECTORS AND OFFICERS OF EACH SUBSIDIARY**

**LIST OF LEASED ASSETS TO BE PURCHASED OR TRANSFERRED TO NEW LEASE BY BUYER**

**LIST OF OWNED REAL PROPERTY (GROUPED BY TOWN/CITY)**

**LIST OF EASEMENTS (GROUPED BY TOWN/CITY AND RECORDED/UNRECORDED)**

**LIST OF MOTOR VEHICLES**

	<b>VEHICLE #</b>	<b>VIN</b>	<b>OWNED</b>	<b>YEAR</b>	<b>MAKE/MODEL</b>	<b>DEPT</b>	<b>LOCATION</b>
1	2070	LCAUS0810RT121830	NEGAS	1995	Trailer	Gas Supply	PROV
2	2094	288898	NEGAS	1964	Lincoln Welding Machine	Gas Supply	PROV
3	2149	7003906	NEGAS	1966	Sears Flatbed Trailer	C/M	PROV
4	2435	1FTEF25Y5PNA71142	NAG	1993	Ford F-250 Pickup	Maint	CUMB
5	2447	1862633U90329	NEGAS	1990	Comp Inger Utility Trailer	Construction	CUMB
6	2525	2FTFF25N1KCB19325	VG	1989	Ford F-250	Fleet Services	CUMB
7	2584	2FDKF37H1HCB06431	VG	1987	F-350	C/M	CUMB
8	2609	3949	VG	1970	Trailer	C/M	CUMB
9	2618	4M8US1627XD003779	VG	1999	Superior	C/M	CUMB
10	2619	16MPF0611YD026701	VG	2000	Coil Pipe Trailer	Construction	CUMB
11	2620	10983	VG	1994	Traffic Controller Trailer	Construction	CUMB

	<b>VEHICLE #</b>	<b>VIN</b>	<b>OWNED</b>	<b>YEAR</b>	<b>MAKE/MODEL</b>	<b>DEPT</b>	<b>LOCATION</b>
12	2710	1GBM7D1B3F4207678	B/W Owned	1985	Chev/C-70 Dump	Construction	CUMB
13	2725	168339U88317	B/W Owned	1988	Compressor Trlr	Construction	CUMB
14	2513/ AE-102	1HGEN1643WL000378	AEC	1998	Civic GX-4 Dr	Cumb Pool	CUMB
15	2718	3910	B/W Owned	1971	Backhoe Trlr	Parked	B/W Gate Station
16	2719	1S9TS1318H132009	B/W Owned	1987	Fusionn Tailer Tag Along	Parked	B/W Gate Station
17	2189	4M8US1215WD000956	Prov. Gas	1998	Trailer	Gas Supply	PROV
18	2338/2147	A1180506	Prov. Gas	1990	Lincoln Welding Machine	C/M	PROV
19	2353/2262		Prov. Gas	1993	Lincoln Welding Machine	C/M	PROV

Division Data Request 5-4

Request:

Referring to the response to Division Data Request 1-6, please provide the estimated income tax payable in 2006 that relates to the transaction, assuming that the transaction does not qualify as a like-kind exchange of property. If an exact calculation of the tax is not available, please provide the best estimate, with supporting assumptions and calculations.

Response:

In Southern Union's response to Division Data Request 1-6, the Company explained that structuring the transaction so as to qualify as part of a like-kind exchange of property pursuant to Section 1031 of the Internal Revenue Code of 1986 would allow Southern Union to *defer* federal income tax liability that would otherwise be payable in 2006 over a number of years in the future. Therefore qualification as a like-kind exchange will not *eliminate* tax liability or provide tax savings to Southern Union. The only bottomline benefit to Southern Union is the time value of money resulting from the payment of this year's tax liability over future years (in future dollars).

Southern Union filed its initial response to Division Data Request 1-6 on April 21, 2006, and was unable at that time to estimate the amount of tax that may be deferred because a valuation of the SRES assets, which is a major driver in the calculation, was not yet completed. A preliminary valuation was completed in connection with the Company's Form 10-Q for the quarter ended March 31, 2006, which was filed with the Securities and Exchange Commission on May 10, 2006. Based on this information, the Company has estimated the amount of tax liability eligible for deferral and the net present value to the Company of that deferral.

*Tax Basis:* As of December 31, 2005, the Rhode Island assets subject to the Purchase and Sale Agreement had a book value of approximately \$601 million (including the purchase price and acquisition premium paid in 2000 by Southern Union and subsequent capital investments), before giving effect to a \$77 million writedown in the 4<sup>th</sup> quarter of 2005 to account for a goodwill impairment charge required under generally accepted accounting principles as a result of the announced sale to National Grid. Given the purchase price to be paid by National Grid, had Southern Union's tax basis in the assets equaled its investment in the properties, Southern Union would not recognize a tax gain on the sale. However, due to the structure of the 2000 acquisition, Southern Union adopted the seller's existing tax basis in the underlying assets, which is expected to be approximately \$138 million as of the closing date. This means that, for tax purposes, Southern Union

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will recognize a tax gain on the sale of the Rhode Island assets of approximately \$360 million (the purchase price of \$575 million minus \$77 million of assumed debt, less the tax basis of \$138 million).

*Tax Liability and Eligible Deferral:* At a statutory tax rate of 37.5%, and without the like kind exchange, Southern Union's 2006 tax liability on the sale would total approximately \$135 million (all else being equal). If the Company assumes that the like-kind exchange is 90% efficient (and the ultimate efficiency of the transaction is not yet known), 90% of the \$135 million in tax payable on the sale of the Rhode Island assets could be deferred, resulting in a 2006 tax payment relating to the sale of \$13.5 million (all else being equal). In a like-kind exchange, the "efficiency rate" essentially refers to the degree of comparability between the relinquished assets and the replacement assets. The process to establish the efficiency rate for this exchange is underway, but will not be completed for some time. However, the efficiency rate for this transaction is not reasonably anticipated to exceed 90% and is more likely to be less. As the efficiency rate falls, the net present value to the Company is reduced because less tax is deferred.

However, assuming a 90% efficiency rate, the net present value to Southern Union of the tax deferral would be approximately \$13 million in relation to the Rhode Island assets (assuming a discount rate of 8% over 15 years).

Prepared by or under the supervision of: Richard N. Marshall



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Division Data Request 5-5

Request:

Please provide the tax basis of the property being sold by Southern Union. The tax basis should be stated as of the time of closing, or if that has not been determined, as of the latest date available. The response should provide all supporting documentation and calculations.

Response:

Please see the response to Division Data Request 5-4.

Prepared by or under the supervision of: Richard N. Marshall