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June 14, 2006

VIA EMAIL, FACSIMILE, AND OVERNIGHT DELIVERY

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

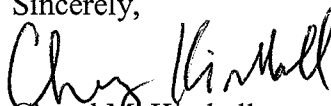
RE: Docket No. D-06-13 Joint Petition of Southern Union Company and The
Narragansett Electric Company

Dear Ms. Massaro:

Attached are the original and four copies of the Objection of Southern Union Company to the Motion to Compel submitted by the Town of Tiverton in the above-referenced docket.

Thank you for your attention to this matter.

Sincerely,


Cheryl M. Kimball
R.I. Bar # 6458

Cc: Service List

STATE OF RHODE ISLAND & PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: JOINT PETITION OF THE NARRAGANSETT)
 ELECTRIC COMPANY AND SOUTHERN)
 UNION COMPANY FOR APPROVAL OF)
 PURCHASE AND SALE OF ASSETS) Docket D-06-13

**OBJECTION OF SOUTHERN UNION COMPANY TO
MOTION TO COMPEL OF THE TOWN OF TIVERTON**

Petitioner, Southern Union Company ("Southern Union"), objects to the motion of the Town of Tiverton ("Tiverton") to compel responses to Tiverton Requests 1-1, 1-2 and 1-5. The Division should deny the motion because these requests are not relevant to the limited scope of Tiverton's permitted intervention, and instead seek to conduct a fishing expedition regarding every environmental claim ever asserted against Southern Union in its corporate history, as well as documents concerning the ultimate cost of remediating alleged contamination in the Town.

In its May 4 Order, the Division expressly circumscribed Tiverton's intervention to the "limited purpose" of seeking assurances that "the proposed asset sale does not negatively impact Southern Union's ability to pay for remedial actions in the event it is found liable for any of the contamination in Tiverton." Order at 16 (emphasis in original). Southern Union has fully addressed all questions from the Division staff, RIDEM, and the Attorney General, among others, concerning the financial impact of the proposed asset sale and Southern Union's financial wherewithal to pay any conceivable judgment arising from the alleged environmental issues in Tiverton.

The Tiverton Requests at issue have nothing to do with the impact of the proposed transaction on Southern Union's ability to pay a judgment. Requests 1-1 and 1-2 respectively seek internal communication within Southern Union, and communications between Southern

Union and National Grid, regarding the estimated costs of remediating alleged contamination in Tiverton. Tiverton states that “any information . . . relative to the cost of remediation is highly relevant,” but has failed to provide any rationale for this conclusion (see, Tiverton Motion at 1-2). With no rationale set forth by Tiverton as to the reasons that this information is “highly relevant” to this proceeding, the Division should find that the Requests have no relevance to the determination of whether the proposed transaction will negatively affect Southern Union's ability to pay for such alleged contamination, nor to a determination of Southern Union's financial wherewithal generally. In any event, Southern Union has represented both in written response to AG 2-7 and DIV 4-4 and during the discovery conference held on June 8, 2006, that it has no internal documents, nor any exchanged communications between Southern Union and National Grid, estimating the cost of remediating the alleged contamination in Tiverton.

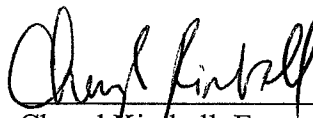
Request 1-5 should also be denied as it purports to seek information regarding every environmental claim ever instituted against Southern Union and its subsidiaries. Tiverton claims that the basis for this request is: (1) any other environmental claim could someday impact Southern Union's \$5.7 billion in assets and thus its ability to pay a future judgment arising out of the alleged Tiverton contamination; and (2) performance or non-performance of remediations in similar cases where it has been found liable is a “significant issue in this case.” Both of these alleged justifications are off base because neither justification cites to any nexus between the information sought and the proposed transaction, nor do these justifications evidence the intent to discover information relating to the impact of the proposed transaction on the Company's ability to pay. Instead, these justifications make it clear that this Request is a fishing expedition attempting to obtain information relating to matters of liability and cleanup methodology, which have already been determined to be beyond the scope of this matter. In addition, the Request is

overly broad in time and scope, and therefore, imposes an unreasonable burden on Southern Union without having the potential to produce any probative information for the determination of issues properly under consideration in this proceeding.

For the foregoing reasons, and those stated on the record during the discovery conferences in this matter, Tiverton's motion to compel should be denied in its entirety.

SOUTHERN UNION COMPANY

By Its Attorneys,



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Dated: June 14, 2006

CERTIFICATION

I hereby certify that I mailed a copy of the within to counsel of record, as set forth on the attached Certification List, via e-mail and first class mail on the 14 day of June, 2006.

