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October 25, 2007

Via Hand Delivery

Ms. Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-2429



***Re: DG 07-033, Northern Utilities, Inc. – 2007 Summer
Cost of Gas***

Dear Ms. Howland:

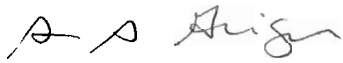
I am writing on behalf of Northern Utilities, Inc. (“Northern”) and EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy New England (“KeySpan”) in response to the Commission Staff Objection to Northern’s Motion for Reconsideration, Rehearing and Clarification in the above-captioned docket.

On page 5 of its Objection, Staff states that there was “...an error made when the billed revenue accounting methodology was first implemented: namely the inclusion of only half a month’s revenue in the initial month.” However, the record in this case includes no evidence of an error at the time the “billed” methodology was first implemented. Thus, to the extent that Staff argues the transition method objected to by Northern and KeySpan is appropriate because it corrects an error that occurred when the existing cost of gas methodology began, that argument cannot serve as the basis for denying Northern’s Motion for Rehearing. Northern and KeySpan continue to believe that the best way to resolve the remaining issues in this proceeding would be to grant a rehearing, so the Commission can have the benefit of a full record on these issues.

Northern and KeySpan would appreciate your bringing this letter to the Commission’s attention. Thank you.

Ms. Debra A. Howland
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Very truly yours,


Susan S. Geiger

cc: Service List
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