



January 31, 2011



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

RE: Northern Utilities, Inc. Gas Energy Efficiency Programs, Docket 09-053
(Order No. 24,968) 2010 Year End Spending Results (2009 program year)

Dear Director Howland:

Please accept this letter on behalf of Northern Utilities, Inc. (“Northern” or the “Company”) notifying the New Hampshire Public Utilities Commission that the Company has exceeded its originally proposed budget for the period May 1, 2009 through December 31, 2010 in the following programs: Residential Home Performance with ENERGY STAR® (\$37,136.75) and Residential GasNetworks® (\$240,073.79).

Residential Home Performance with Energy Star® Program (“HPwES”)

Both Northern’s filing in DG 09-053 and Order No. 24,968 regarding the Northern energy efficiency programs are silent concerning the issue of transferring funds between individual programs within a sector.¹ To accommodate the overage in the HPwES Program, the Company plans to make the following reallocation from the following programs:

From	Amount	Percentage	To
Residential Home Energy Assessment Program	\$25,236.27	37.0%	HPwES Program
Self-Install Program	\$5,045.96	20.0%	HPwES Program
Residential ENERGY STAR® Homes Program	\$6,854.52	9.17%	HPwES Program

Residential GasNetworks® (“GasNetworks”) Program

In February 2010, the Company requested permission to close the GasNetworks® Program due to oversubscription. In response to that request, the Public Utilities Commission allowed the Company to close GasNetworks® while the similar Office of Energy and Planning ARRA Appliance Program (“OEP ARRA”) operated. In

¹ The long-standing standard for the electric utilities has been that they may transfer up to 20% of funds between programs within a sector without Commission approval, but that to transfer more than 20%, they must receive Commission approval. Until the 2011-2012 program years, no such analogous requirement has applied to Northern.

accordance with the Commission's order, the Company re-opened the GasNetworks® Program on November 1, 2010, after the OEP ARRA program closed. See Order No. 25,136 (Aug. 11, 2010).

Approximately \$215,000 of the overspending for the GasNetworks® Program is associated with projects initiated prior to the February 2010 program closing, the period after the program was closed during which projects in process were funded, and other costs associated with the program while it was closed. Pursuant to Order No. 25,162, the Company will adjust its LDAC in order to recover the Companies under collected residential balance as of September 1, 2010. The Company will seek recovery for any remaining under collection in its 2011/2012 Winter Period Proposed Cost of Gas Adjustment.

The remaining overage, approximately \$25,000, is associated with the program operating from November 1 to December 31, 2010. In addition, the Company expects several more applications to arrive in January 2011 for projects installed during November and December. In accordance with the Commission's Order, projects installed on or after November 1, 2010 will be funded with program year 2011 funds.

Attached to this letter please find a statement of current Gas Energy Efficiency Programs' spending as of December 31, 2010.

Please feel free to contact me if you have any questions.

Regards,

A handwritten signature in blue ink that reads "TH Palma". The letters are cursive and fluid.

Thomas Palma, Esq.
Manager, Distributed Energy Resources

cc: DE 09-170 Service List