

ORIGINAL	
N.H.P.U.C. Case No.	DG 10-017
Exhibit No.	#1
Witness	Panel #1
DO NOT REMOVE FROM FILE	

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

ENERGYNORTH NATURAL GAS, INC. D/B/A
NATIONAL GRID NH

DG 10-017

PETITION FOR RATE INCREASE

SETTLEMENT AGREEMENT – TEMPORARY RATES

I. INTRODUCTION

This Agreement is entered into this 25th day of April, 2010, by and between EnergyNorth Natural Gas, Inc. d/b/a National Grid NH (“National Grid NH” or “the Company”) and the staff (Staff) of the New Hampshire Public Utilities Commission (“the Commission”).

II. PROCEDURAL BACKGROUND

On February 26, 2010, the Company filed revised tariff pages with an effective date of March 29, 2010, which were designed to increase its revenues by \$11,422,718 on an annual basis. Along with its request for a permanent rate increase, the Company filed a Petition for Temporary Rates and accompanying tariff pages, seeking a temporary rate increase of \$5,711,359 in annual revenues to take effect with service rendered on and after June 1, 2010. On March 10, 2010, the Commission issued an Order of Notice, suspending the Company’s permanent rate filing and scheduling a procedural conference for April 8, 2010 and a hearing on the Company’s temporary rate request for May 6, 2010.

The procedural conference was held as scheduled on April 8, 2010, at which time the Commission granted intervenor status to Pamela Locke. After the conclusion of the procedural

conference, the Company, the Office of Consumer Advocate (“OCA”), Staff and counsel for Ms. Locke participated in a technical session at which, among other things, they discussed the Company’s request for temporary rates. The Company and Staff reached agreement on the issue of temporary rates, and the terms of that agreement are set forth below. Ms. Locke has indicated that she takes no position on the agreement reached by the Company and Staff.

III. TERMS OF AGREEMENT

A. REVENUE REQUIREMENT

The Company and Staff agree that the Company should be authorized to implement temporary rates, in accordance with RSA 378:27, sufficient to yield an increase of \$5,000,000.00 in annual revenues above the revenues yielded by the rates currently in effect.

B. RATE DESIGN

The increase in rates provided for by this agreement should be implemented by increasing the existing volumetric rates for all customers on an equiproportional basis, thereby yielding the rates set forth on Attachment A.

C. EFFECTIVE DATE AND RECOUPMENT

The temporary rates contemplated by this agreement shall be effective for service rendered on and after June 1, 2010. Any difference between the temporary rates agreed to herein and the permanent rates ultimately approved by the Commission in this docket is subject to reconciliation upon implementation of new permanent rates.

IV. CONDITIONS

This agreement shall not be deemed in any respect to constitute an admission by any party that any allegation or contention in these proceedings is true or valid. This agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept this agreement in its entirety, without change or condition, the agreement shall at the Company's or the Staff's option, exercised within ten days of such Commission order, be deemed to be null and void and without effect and shall not constitute any part of the record in this proceeding nor be used for any other purpose.

The Commission's acceptance of this agreement shall not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding, but such acceptance does constitute a determination that the provisions set forth herein in their totality are consistent with the public interest under the circumstances. The signatories to this agreement acknowledge that the procedural schedule for temporary rates in this proceeding was truncated because they reached agreement on a proposed resolution regarding the issues related to temporary rates, and therefore the information and testimony previously provided in this proceeding are not expected to be subject to cross-examination for such purpose. The Company and Staff agree that all pre-filed testimony should be admitted as full exhibits for the purpose of consideration of this agreement. Agreement to admit all pre-filed testimony without challenge, however, does not constitute agreement by any party that the content of the pre-filed testimony filed by another party is accurate or what weight, if any, should be given to the views of any

witness. In addition, the identification of the resolution of any specific issue in this agreement does not indicate the Company's or Staff's agreement to such resolution for purposes of permanent rates, nor does the reference to any other document bind the Company or Staff to the contents of, or recommendations in, such document for purposes of any future proceeding.

The Commission's approval of the recommendations in this agreement shall not constitute a determination or precedent with regard to any specific adjustments, but rather shall constitute only a determination that the revenue requirement and rates resulting from this agreement are consistent with the public interest for purposes of temporary rates in this proceeding.

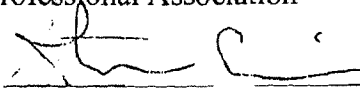
The discussions that produced this agreement have been conducted on the explicit understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

IN WITNESS WHEREOF, the parties to this agreement have caused the agreement to be
duly executed in their respective names by their fully authorized agents.

ENERGYNORTH NATURAL GAS, INC.
D/B/A NATIONAL GRID NH

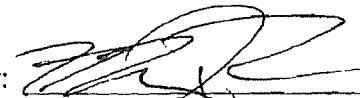
By McLane, Graf, Raulerson & Middleton,
Professional Association

Dated: April 23, 2010

By: 
Steven V. Camerino, Esq.

STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Dated: April 23, 2010

By: 
Matthew J. Fossum, Esq.

04/29/2010 7:56 AM

**National Grid NH
Rate Design Filing
Summary of Proposed Temporary Rates**

Attachment A

Line No.	Description	RESIDENTIAL			C & I High Winter Use			C & I Low Winter Use			
		Non-Heat	Heat	Low Income (Prior to)	Small High Winter Use	Med High Winter Use	Large High Winter Use	Small Low Winter Use	Med Low Winter Use	Large Load Factor <90%	Large Load Factor >90%
		RNSH R-1	RSH R-3	RLIAP R-4	SH G-41	MH G-42	LH G-43	SL G-51	ML G-52	LLL90 G-53	LLL110 G-54
1	<u>Eligibility</u> Annual Usage, Therms	N/A	N/A	N/A	<=10,000	<=100,000	>100,000	<=10,000	<=100,000	>100,000	>100,000
2	Summer Usage, % of Annual	N/A	N/A	N/A	<=33%	<=33%	<=33%	>33%	>33%	>33%	>33%
3	Load Factor, Avg Use/Dec - Feb Avg Use	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<90%	<110%
4											
5	<u>Customer Charge, \$/Month</u>	\$10.88	\$15.62	\$6.25	\$39.07	\$111.63	\$468.86	\$39.07	\$111.63	\$480.02	\$480.02
6											
7	<u>Winter Rate</u>										
8	Head Block Size	N/A	100	100	100	1,000	N/A	100	1,000	N/A	N/A
9	Head Block Rate	\$ 0.1678	\$ 0.2747	\$ 0.1099	\$ 0.3312	\$ 0.2942	\$ 0.1772	\$ 0.2147	\$ 0.1676	\$ 0.1211	\$ 0.0395
10	Tail Block Rate	\$ 0.1678	\$ 0.2070	\$ 0.0828	\$ 0.2154	\$ 0.1943	\$ 0.1772	\$ 0.1386	\$ 0.1137	\$ 0.1211	\$ 0.0395
11											
12	<u>Summer Rate</u>										
13	Head Block Size	N/A	20	20	20	400	N/A	100	1,000	N/A	N/A
14	Head Block Rate	\$ 0.1678	\$ 0.2747	\$ 0.1099	\$ 0.3312	\$ 0.2942	\$ 0.0811	\$ 0.2147	\$ 0.1232	\$ 0.0579	\$ 0.0214
15	Tail Block Rate	\$ 0.1678	\$ 0.2070	\$ 0.0828	\$ 0.2154	\$ 0.1943	\$ 0.0811	\$ 0.1386	\$ 0.0709	\$ 0.0579	\$ 0.0214