



January 29, 2013



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

Re: Northern Utilities, Inc. – New Hampshire Division, Docket DG12-068  
2012 Summer Season Cost of Gas Reconciliation Adjustment

Dear Ms. Howland:

Enclosed are an original and eight copies of Northern Utilities, Inc. ("Northern" or "the Company") – New Hampshire (NH) Division's 2012 Summer Season Cost of Gas (COG) Reconciliation Adjustment (Form III). The objective of this reconciliation is to present details of Northern's 2012 Summer Season COG under-collection.

Form III, Schedules 1 through 5, contains an accounting of revenue recoveries and costs assigned to the 2012 Summer Season COG, November 2011 through October 2012. These schedules illustrate the Company's under-collection of \$147,647 as follows:

Schedule 1 provides the 2012 Summer Season COG beginning and ending balances;

Schedule 2 shows monthly deferred and COG allowable gas costs and revenues, including interest;

Schedule 3 presents monthly accrued and billed COG revenue collections;

Schedule 4 summarizes Northern's monthly total purchase gas costs and volumes, by supplier, as well as COG costs, per unit costs and volumes assigned to the NH and Maine (ME) divisions; and

Schedule 5 contains monthly purchased and made gas volumes, including metered sendout at gate stations and metered volumes for Residential and Commercial & Industrial customer classes.

Attachment A presents the reconciliation of monthly working capital allowances on purchased gas costs and associated revenue recoveries. The under-collection of \$1,289 will be reflected on Revised Page 38 of Northern's Tariff No. 10 as an increase to the costs used to calculate COG rates.

Attachment B shows the reconciliation of monthly bad debt expenses and associated revenue collections. The over-collection of (\$19,277) will be reflected on Revised Page 38 of Northern's Tariff No. 10 as a reduction to the costs used to calculate COG rates.

Attachment C includes the 2012 Summer Season monthly sales variance analysis.

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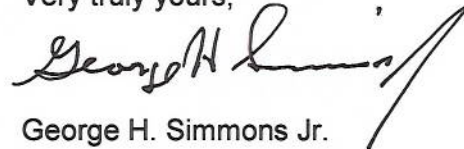
As indicated above, Schedule 4 includes Northern's total and divisional monthly and per unit COG costs and volume data. Submitting both aggregated and divisional data is the result of discussions the Company had with Staff after the Commission's order in DG12-131, *Investigation into Maine-New Hampshire Interstate Allocation Matters*. In that order the Commission approved a Settlement Agreement in which Northern agreed to work with the parties to develop additional filing detail in Form III, Schedule 4, which will demonstrate Northern's total monthly Commodity and Demand charges as well as the amounts of these costs assigned to the ME and NH Divisions.

Please note that Schedule 4 is CONFIDENTIAL, and the Company believes that this material falls within the provisions of Puc 201.06(a)(26), and it will rely upon the procedures outlined in Puc 201.06 and 201.07 to protect confidentiality.

Lastly, please note the 2012 Summer Season beginning balances for the COG in Schedule 2, and the working capital allowances and bad debt expenses in Attachments A and B, respectively, have been adjusted slightly to reflect differences from the final methods used to allocate costs in DG12-131 and the Company's rate case proceeding, DG11-069. The adjustment to the COG is (\$14,609), to the working capital allowances is \$552, and to the bad debt expenses is \$931.

If you have any questions regarding this reconciliation, require additional filing detail in Form III, Schedule 4, or want more information, please let me know.

Very truly yours,



George H. Simmons Jr.

Enclosure

cc: Alexander Speidel, Staff Counsel (with confidential material)  
Rorie Hollenberg, Assistant Consumer Advocate (with confidential material)  
Susan Geiger, Orr & Reno (with confidential material)  
Rachel Goldwasser, Orr & Reno (with confidential material)