

DG-06-129

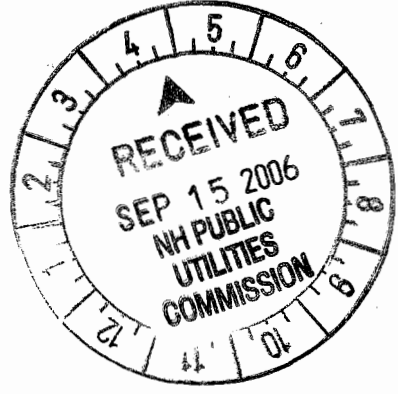
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**CONFIDENTIAL  
MATERIAL  
IN COMM FILE**

September 15, 2006



**Via HAND DELIVERY**

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

Re: Northern Utilities, Inc., Proposed Cost of Gas Factor  
for the Winter Period of November 2006 through April 2007

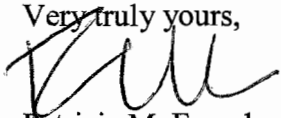
Dear Ms. Howland:

Enclosed please find an original and eight (8) copies of the direct testimony of Ronald D. Gibbons and Francisco C. DaFonte pertaining to the Company's 2006-2007 Winter Period Cost of Gas Filing ("2006 COG Filing").

Also, be advised an electronic version of the filed information in Excel was emailed to Staff.

Please note that eight (8) schedules of the 2006 COG Filing have been redacted to preserve supplier pricing, contract quantity and cost information, specifically by removing supplier identities.<sup>1</sup> In addition, Schedule 1 of Appendix A supporting the Peaking Demand Charge is also redacted. Seven (7) copies of the protected information, along with a Motion for Protective Order, are filed herewith.

If you have any questions or need additional information, please do not hesitate to telephone me. Please return one copy of this letter bearing the Commission's receipt stamp in the return envelope, which has been provided for your convenience.

Very truly yours,  
  
Patricia M. French

Enclosures

<sup>1</sup> Six (6) of the eight (8) redacted schedules are contained in the "Gas Cost Exhibits" section, one (1) is in the "Supplier Prices" section of the filing and the other one is Revised Tariff Page 38.

cc: Kenneth Traum, Office of Public Advocate  
Ronald D. Gibbons, Manager Regulatory Accounting  
Joseph A. Ferro, Manager, Regulatory Policy



delivered and produced gas. As part of this filing, Northern provides its projected or forecast of its natural gas commodity and storage pricing, including resource name, volumes, rate and total amount.

2. Among the Supplier Charges set out in Appendix A of the T&Cs, Schedule of Administrative Fees and Charges, are the Supplier Balancing Charge and the Peaking Service Demand Charge. Northern is required to update these charges once each year, effective for the billing (calendar) month of November. As part of the filing of revised charges in Appendix A, Northern provides specific information about its suppliers, resource information, commodity and demand charges and related contract terms.

#### Material Requested to be Protected

3. Northern requests that the Commission protect the supplier identities contained in Northern's cost of gas adjustment materials provided in support of NHPUC No. 10, Nineteenth Revised Page 38, and the resource, supplier identity and cost information contained in Schedule 1 of the Appendix A update to Northern's Model Delivery tariff.

#### Basis for Protection of Proprietary Resource Information

4. Northern does not disclose this information outside a close circle of Northern employees with a need to know, and their representatives; release of this information is likely to result in competitive disadvantage for Northern and possibly also its suppliers as these contracts are renegotiated and renewed; and this information is likely to be very beneficial to a competitor of Northern or NiSource, or their suppliers, who may gain a competitive edge as a result of

disclosure. Northern seeks to protect from disclosure on the public record this information on a continuing going-forward basis in order to protect trade, contractual and financial secrets that are otherwise and should be closely held by Northern.

5. R.S.A. 91-A:5(iv) expressly exempts from the public disclosure requirements of Chapter 91-A any records pertaining to “confidential, commercial or financial information.” The Commission’s rule on public records, Puc 204.07, also allows documents to be protected from public disclosure pursuant to an appropriate order of the Commission.
6. Northern requests that the Commission not disclose on the public record the confidential information on the grounds that disclosure of the confidential information would disadvantage Northern in negotiations with Suppliers or other resource providers. Public knowledge of the confidential information would impair Northern’s future bargaining position and thus its ability to obtain the best cost resources for its natural gas portfolio. The Commission has recognized that supply information is sensitive commercial information in the competitive market.

#### Breadth of Requested Protection

7. While Northern requests protection from public disclosure, Northern is not requesting non-disclosure protection from Staff or the Office of the Consumer Advocate. Northern seeks to make available its confidential information to Staff and the Consumer Advocate during this proceeding subject to the requested order from the Commission that such information be accorded confidential treatment.

8. The Commission has granted protected treatment to similar financially-sensitive information that is held as a trade secret, finding that the benefits of non-disclosure in similar cost of gas proceedings outweigh the benefits to the public of disclosure. Northern Utilities, Order Approving the Cost of Gas Rate, Local Distribution Adjustment Clause Rates and Other Rates, Docket DG 05-147 (2005); Northern Utilities, Inc., Order Approving the Cost of Gas Rate, Local Distribution Adjustment Clause Rates and Other Rates, Order No. 24,389 (October 29, 2004); See also, Northern Utilities, Inc., Order No. 24, 228 (October 30, 2003); EnergyNorth Natural Gas, Inc., Order Granting Motion for Protective Order and Confidential Treatment, Order No. 23,950, Docket No. DG 02-045 (Apr. 12, 2002) citing Union Leader Corp. v. New Hampshire Housing Finance Authority, 142 N.H. 540 (1997); Re NET (Auditel), 80 NHPUC 437 (1995); Re Eastern Utilities Assoc., 76 NHPUC 236 (1991); EnergyNorth Natural Gas, Order No. 23,559, Docket No. 00-193 (Sept. 25, 2000). On March 15, 2001, in Docket No. DE 98-124, the Commission approved Northern's Model Delivery Tariff, currently identified as NHPUC No. 10 – Gas, Part VII. Delivery Service Terms and Conditions (“T&Cs”).
9. R.S.A. 91-A:5(iv) expressly exempts from the public disclosure requirements of Chapter 91-A any records pertaining to “confidential, commercial or financial information.” The Commission’s rule on public records, Puc 204.07, also allows documents to be protected from public disclosure pursuant to an appropriate order of the Commission.

#### Summary of Requested Protection

10. Northern requests that the Commission not disclose on the public record the confidential information on the grounds that disclosure of the confidential information would disadvantage Northern in negotiations with Suppliers or other resource providers. Public knowledge of the confidential information would impair Northern's future bargaining position and thus its ability to obtain the best cost resources for its natural gas portfolio. The Commission has recognized that supply information is sensitive commercial information in the competitive market.
11. Disclosure of this information would expose to the public and to actual and potential competitors Northern's internal, and closely held, business information. Northern does not disclose this information in any venue nor to anyone outside of its corporate affiliates with a lawful need to know and their representatives.

WHEREFORE, Northern Utilities, Inc. respectfully requests that the Commission grant its protective order over Northern's confidential and trade secret information as described herein, and that the Commission grant all such other relief as it deems just and reasonable.

Respectfully submitted,

NORTHERN UTILITIES, INC.

By its attorney,



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DATED: September 15, 2006