

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 09-162

ORDER OF NOTICE

On September 1, 2009, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH (National Grid NH), a public utility engaged in the business of distributing natural gas in 29 cities and towns in southern and central New Hampshire and the city of Berlin in northern New Hampshire, filed its proposed cost of gas (COG) and fixed price option (FPO) rates for the winter period, November 1, 2009 through April 30, 2010, and local delivery adjustment clause (LDAC) charges and certain supplier charges for the period November 1, 2009 through October 31, 2010. National Grid NH also filed a motion for confidential treatment with respect to certain gas supply-related information.

The proposed residential COG rate is \$0.9663 per therm (FPO rate \$0.9863 per therm), a \$0.1225 per therm decrease compared to the weighted residential COG rate of \$1.0888 per therm for last winter. The proposed changes to National Grid NH's residential COG rate and LDAC charges, combined with a decrease in delivery rates due to the permanent rates approved by Order No. 24,972 (May 29, 2009) in Docket No. 08-009 being slightly lower than the temporary rates in effect last winter, are expected to decrease a typical residential heating customer's winter bill by approximately 10 percent.

The proposed commercial/industrial low winter use COG rate is \$0.9658 per therm (FPO rate \$0.9858 per therm) and the proposed commercial/industrial high winter use COG rate is \$0.9665 per therm (FPO rate \$0.9865 per therm). The changes in the commercial/industrial low and high winter use rates are commensurate with the changes in the COG rate of a residential

heating customer. The proposed firm transportation COG rate is (\$0.0003) per therm, compared to (\$0.0001) per therm for last winter.

A variety of charges and rates comprise the LDAC charges applicable to the different customer classes. The proposed charge to recover environmental remediation costs is \$0.0000 per therm, which is a continuation of the current environmental charge, with the result that there is no recovery of such costs during this period. The proposed energy efficiency/conservation charge for residential non-heating customers is \$0.0466 per therm, an increase of \$0.0285 per therm from the current rate. The proposed energy efficiency/conservation charge for residential heating customers is \$0.0460 per therm, an increase of \$0.0273 per therm from the current rate. The proposed energy efficiency/conservation charge for commercial and industrial customers is \$0.0250 per therm, an increase of \$0.0045 per therm from the current rate. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program is \$0.0099 per therm, an increase of \$0.0026 per therm from the current rate. The proposed one time surcharge for the emergency response incentive approved by Order No. 24,777 (July 12, 2007) in Docket No. 06-107 is \$0.0040 per therm. The proposed one-time credit for the net of the rate case expenses for which rate recovery is sought and the reconciliation of temporary and permanent rates in the delivery rate proceeding is (\$0.0195) per therm.

National Grid NH is also updating its supplier balancing charges, the charges that suppliers are required to pay National Grid NH for balancing services as National Grid NH attempts to meet the shifting loads for the supplier's customer pools. The proposed balancing charge of \$0.12 per MMBtu is a continuation of the current balancing charge and the proposed peaking demand charge of \$16.43 per MMBtu of peak maximum daily quantity is an increase of \$6.41 per MMBtu compared to the current rate. The changes are based on an update of volumes

and costs used in calculating the charges. The proposed capacity allocator percentages used to allocate pipeline, storage and local peaking capacity to a customer's supplier under New Hampshire's mandatory capacity assignment, required for firm transportation service, have also been updated to reflect National Grid NH's supply portfolio for the upcoming year.

The filing raises, inter alia, issues related to: RSA 378 relative to the justness and reasonableness of rates, forecasting of sales, supplier prices and transportation prices, calculation of indirect gas costs, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, the causes and treatment of over and under recoveries, the reconciliation of prior period costs and revenues, the prudence and recovery of environmental remediation costs, whether the criteria necessary to earn the emergency response incentive were fully satisfied, reconciliation of temporary and permanent rates, the prudence and recovery of rate case expenses and rate impacts. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on October 14, 2009 at 10:00 a.m.; and it is

FURTHER ORDERED, that National Grid NH, Staff of the Commission and any intervenors hold a technical session at the Commission on September 28, 2009 at 9:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, National Grid NH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 14, 2009, in a newspaper with general circulation in those

portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 14, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to National Grid NH and the Office of the Consumer Advocate on or before October 9, 2009, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 14, 2009.

By order of the Public Utilities Commission of New Hampshire this ninth day of September, 2009.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.