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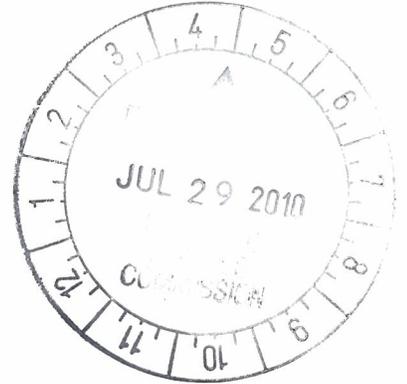
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July 29, 2010

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



Re: DG 09-162
EnergyNorth Natural Gas, Inc d/b/a National Grid NH
2009-10 Winter Period Cost of Gas Reconciliation
REDACTED

Dear Ms. Howland:

Enclosed are seven copies of the redacted version of the 2009-10 Winter Period Cost of Gas reconciliation filing for EnergyNorth Natural Gas, Inc d/b/a National Grid NH (“the Company”). This filing is being submitted under protective order and confidential treatment granted by the Commission in Order No. 25,032 dated October 29, 2009 in Docket DG 09-162. This report has been filed electronically with the New Hampshire Public Utilities Commission in accordance with Order Number 24,223 issued on October 24, 2003, in which the Commission found that the filing requirement would be satisfied by filing one electronic copy and one paper copy with the Commission. The Company has also filed separately a confidential version with the Commission.

The filing shows an under collection for the 2009-10 Winter Period of \$2,985,736 summarized as follows:

Winter Period Beginning Balance	\$779,942
Less: Cost of Gas Revenue Billed	(\$67,990,127)
Add: Cost of Gas Allowable (5/1/09 -10/31/09)	\$2,563,524
Add: Cost of Gas Allowable (11/1/09 -4/30/10)	<u>\$67,632,398</u>
Winter Period Ending Balance	\$2,985,736

This filing consists of a six-page summary and nine supporting schedules. Page 1 of the Summary compares the actual deferred gas costs to the projections submitted in the Company’s

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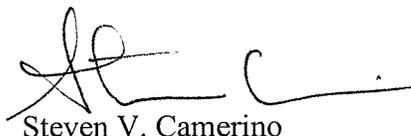
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filing, including the beginning balance, interest and other allowable adjustments to gas costs, gas costs and gas cost revenue. The result is a net under collection of \$2,985,736. Page 2 of the Summary compares the actual allowed Bad Debt and Working Capital costs to the filed projections submitted in the Company's filing, resulting in over collections of \$20,082 and \$481,137, respectively, for a net under collection for all the gas accounts of \$2,484,517. The Bad Debt and Working Capital over collections are the result of the Settlement Agreement in DG 10-051, which the Commission approved in its Order No. 25,094 dated April 29, 2010, revising the bad debt percentage from 1.75% to 2.54% effective May 1, 2009, and adjusting the working capital percentage from .148% to .091% effective May 1, 2009. Page 3 of the Summary compares actual demand charges of \$7,011,816 to the \$8,016,873 in demand charges estimated in the filing. Page 4 shows a similar comparison for commodity costs. The actual commodity costs were \$60,533,363 compared to \$68,266,408 in the filing. The \$7,733,045 decrease in commodity costs was caused mainly by lower sendout volumes and prices than originally forecast. The results show that the actual demand and commodity costs were \$8,738,103 lower than filed. Page 5 of the Summary provides a variance analysis that explains how much of the difference between actual costs and forecasted costs is due to weather (\$3,295,894), changes in demand (\$6,619,799), and changes in gas prices \$1,177,590. Page 6 of the Summary shows the calculation of the actual Transportation Cost of Gas Revenue compared to the filing.

The attached Schedule 1 provides a monthly summary of the deferred gas cost account balances including beginning balances, actual gas cost allowable, gas cost collections, and interest applied. The third page of Schedule 1 provides the same information for bad debt associated with the cost of gas. Schedule 2 provides the details of gas cost by source. Schedule 3 provides the detailed calculation of winter gas cost revenue billed by rate class. Schedule 4 provides a monthly summary of the non-firm margin and capacity release credits to the winter cost of gas account. Schedule 5 provides the monthly summary of the deferred gas cost balances associated with gas working capital. It shows the monthly beginning account balances, working capital allowable, the working capital collections and the interest applied to derive the monthly ending balances. Schedule 6 shows the bad debt and working capital calculation that determines the amount of expense booked for those items. Schedule 7 provides the backup calculations for the revenue billed to recover working capital and bad debt by rate class. Schedule 8 provides a summary of the monthly commodity costs and related volumes. Schedule 9 provides a summary of the monthly prime interest rates used to calculate the interest on the deferred balances.

Please do not hesitate to contact me with questions regarding this filing.

Sincerely,



Steven V. Camerino

Enclosures

cc: Meredith A. Hatfield, Esq.
Thomas P. O'Neill, Esq.
Ann E. Leary