



December 22, 2009



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

Re: Northern Utilities, Inc., New Hampshire Division - Docket DG 09-167-
December 2009 Monthly Cost of Gas Report

Dear Director Howland:

Pursuant to the Commission's Order No. 25,035 in Docket DG 09-167, enclosed are an original and one copy of Northern Utilities-New Hampshire Division's current calculation of its projected over or under collection of gas costs ending April 30, 2010 for the 2009/2010 winter period. The Company is also providing reports updated through November 2009 of Northern's: (a) monthly number of transportation service customers and associated gas usage, (b) summary of its hedging transactions, (c) monthly inventory interest calculation, and (d) the New Hampshire allocation of in-kind volumes of gas associated with the Newington metering issue.

The calculation, which reflects the gas futures prices of December 17, 2009, indicates an anticipated over-recovery as of April 30, 2010 of \$1,517,265 or 5.43% of the total anticipated gas costs for the winter 2009/2010 period. The Company notes that the anticipated over-collection, a substantial change from the anticipated period-ending balance reported last month, is primarily due to the following changes:

Revised 2008/2009 winter period direct gas costs as reflective of the recently completed Commission Staff's audit;

Revised Bad Debt Allowance resulting from the revised 2008/2009 winter period direct gas costs;

A revised 2008/2009 winter period beginning balance in conformance with Commission Order 25,038 dated October 31, 2009 in Docket DG 07-033;

Revised revenues for each month of the 2008/2009 winter period reflecting unbilled or accrued revenue as required by Commission Order 25,038 dated October 31, 2009 in Docket DG 07-033; and

A revised Working Capital Allowance for the 2008/2009 winter period and for the 2009/2010 winter period calculated in accordance with Commission Order 25,028 dated October 22, 2009 in Docket DG 07-072.

Frederick J. Stewart
Manager Regulatory Services

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The Company has enclosed for filing the following list of Tariff Pages reflecting a decrease in its Cost of Gas Adjustment Rates pursuant to the Company's Tariff:

Forty-fifth Revised Page 38;
Forty-fifth Revised Page 39;
Fortieth Revised Page 94; and
Fortieth Revised Page 95.

These Tariff Pages are issued December 22, 2009 to be effective for usage on and after January 1, 2010.

The impact of the January 1 change in the Cost of Gas Adjustment Rate on the typical residential heating customer for the 2009/2010 winter period will be \$51.28 or 3.6 percent less than that winter period bill at the Company's current Cost of Gas Adjustment Rate.

Should you have any questions or require additional information, please contact me or Susan Geiger of the firm, Orr & Reno.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Frederick J. Stewart", is written over a faint, circular embossed seal.

Frederick J. Stewart

Enclosures

cc: Matthew Fossum, Staff Counsel
Meredith Hatfield, Consumer Advocate
Susan Geiger, Esq.