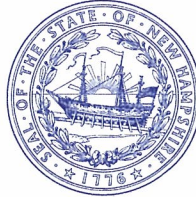


THE STATE OF NEW HAMPSHIRE

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May 30, 2012

To: Commissioners

From: Suzanne Amidon, Hearings Examiner

Re: Docket No. DG 12-131
Northern Utilities, Inc.
Investigation into Interstate Gas Cost Allocation Errors
Prehearing Conference



HEARING EXAMINER'S REPORT

At your request, I presided over the May 30, 2012 prehearing conference in the above-captioned docket. The prehearing conference was held pursuant to an Order of Notice issued in Docket No. DG 12-131 on May 16, 2012.

Procedural Matters

The affidavit of publication was filed on May 24, 2012.

The Office of Consumer Advocate filed a letter on May 24, 2012 stating that it would participate in this docket on behalf of residential ratepayers.

Appearances

Orr and Reno, P.A. by Susan S. Geiger, Esq. on behalf of Northern Utilities, Inc.

Office of Consumer Advocate by Rorie Hollenberg, Esq.

Commission Staff by Alexander Speidel, Esq.

Intervention Requests

No petitions to intervene were filed. No parties other than those identified above appeared at the prehearing conference.

Preliminary Positions of the Parties

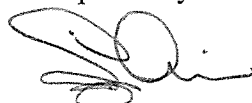
Northern Utilities, Inc. stated that the Company had already received data requests from Staff regarding the cost allocation error. Responses to those data requests are due June 6, 2012. The Company also said that it had conferred with Staff and the Office of Consumer Advocate (OCA) and agreed to file a report by June 22, 2012 with background and other information on the cost allocation error. Northern Utilities further stated that the Company would work collaboratively with Staff and the OCA to resolve all outstanding issues and to revise the Company's processes as appropriate.

The Office of Consumer Advocate stated that it had no preliminary position on the docket. The OCA said that it agreed with the proposed process for this investigation as described by Staff.

Commission Staff said that it had not determined the total cost of Northern Utilities' error to New Hampshire customers but that the total costs were likely in the millions of dollars. Staff stated that the amount of such over-charges should ultimately be credited back to customers. Staff said its investigation would attempt to determine how the error was made, the dollar amount associated with the error and how to prevent such accounting and reporting errors in the future.

Following the receipt of the June 22, 2012 report, Staff intends to hold a technical session with the Company and OCA to develop a procedural schedule. Staff said that it would be filing a proposed procedural schedule in July for the Commission's consideration. While Staff did not foreclose the possibility that the issues could be resolved by settlement, Staff said that a hearing will need to be scheduled for this proceeding.

Respectfully Submitted By,



Suzanne G. Amidon, Esq.
Hearings Examiner

Service List