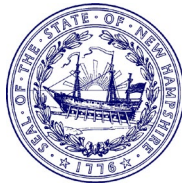


STATE OF NEW HAMPSHIRE

COMMISSIONER  
Jared S. Chicoine

DEPUTY COMMISSIONER  
Christopher J. Ellms, Jr.



DEPARTMENT OF ENERGY  
21 S. Fruit St., Suite 10  
Concord, N.H. 03301-2429

TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-3670

FAX No. 271-1526

Website:  
[www.energy.nh.gov](http://www.energy.nh.gov)

October 25, 2022

Daniel C. Goldner, Chairman  
New Hampshire Public Utilities Commission  
21 South Fruit Street  
Concord, New Hampshire 03301

Re: DG 21-144; Northern Utilities, Inc.; Petition for Approval of Seventh Amendment to Special Contract with Foss Manufacturing Company, LLC; Second Letter by Department of Energy Recommending Contract Amendment Approval

Dear Chairman Goldner:

On December 29, 2021, Northern Utilities, Inc. (Northern) petitioned for approval of an amendment to an existing special gas transportation contract with Foss Manufacturing Company, LLC (n/k/a Foss Performance Materials, LLC) (hereinafter Foss), pursuant to RSA 378:18. Northern submitted accompanying testimony and schedules in support of the amendment. The Department of Energy (Department) reviewed the materials submitted by Northern which indicated that estimated revenues to Northern from Foss would exceed Northern's estimated marginal cost to serve Foss, thus making a contribution to fixed costs that benefits all customers and on February 18, 2022, the Department recommended the Commission approve the proposed contract amendment.

On February 23, the Commission commenced an adjudicative proceeding and thereafter, Northern and Foss produced additional information in response to Commission record requests and Department data requests. Under the procedural schedule established October 3 in this matter, the Department provides this second letter recommending approval of the contract amendment<sup>1</sup>.

The Department's review of additional data demonstrates that:

- the projected marginal revenue to Northern from Foss exceeds the projected marginal cost to serve over the entire term of the proposed contract amendment. See Northern's Response to DOE 2-4, Attachment 1 (confidential)<sup>2</sup>
- the loss of Foss as a customer would significantly increase the distribution revenue requirement borne by Northern's remaining customers. See Northern's Response to

<sup>1</sup> The Department stands behind its letter of support dated February 18, 2022, for the reasons given in that letter.

<sup>2</sup> The Department believes the confidential information contained in this data response attachment is the same information provided in Schedule NU-11 (Supplemental) provided September 7 and which is protected from public disclosure by the Commission's Order No. 26,710.

DOE-2-5 (redacted).<sup>3</sup>

- the direct and indirect benefits that Foss brings to the New Hampshire economy are substantial. See Foss' Response to DOE-1-8.

Based on this, the Department continues to support Commission approval of the contract amendment as just and consistent with the public interest.

Consistent with the Commission's current practices, this letter is being filed only in electronic form. Thank you for attention to this matter.

Sincerely,

*/s/ Paul B. Dexter*

Paul B. Dexter, Esq., Staff Attorney

cc: Service List (electronically)

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<sup>3</sup> Only a redacted version of this data response is provided at this time, pending protection of the confidential information from public disclosure.