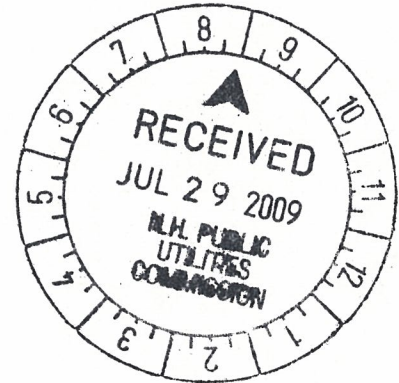


**CONFIDENTIAL  
MATERIAL  
IN COMM FILE**

July 29, 2009

Debra A. Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

Re: DG 08-106  
EnergyNorth Natural Gas, Inc d/b/a National Grid NH  
2008-09 Winter Period Cost of Gas Reconciliation  
REDACTED



Dear Ms. Howland:

Attached is the redacted version of the 2008-09 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. 24,909 dated October 29, 2008 in Docket DG 08-106. 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 via an overnight parcel service.

The filing shows an under collection for the 2008-09 Winter Period of \$935,450 summarized as follows:

Winter Period Beginning Balance	\$2,883,321
Less: Cost of Gas Revenue Billed	(\$95,997,524)
Add: Cost of Gas Allowable (5/1/08 -10/31/08)	\$719,217
Add: Cost of Gas Allowable (11/1/08 -4/30/09)	<u>\$93,330,435</u>
Winter Period Ending Balance	\$935,450

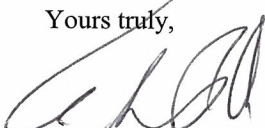
This filing consists of a six-page summary and nine supporting schedules. Page 1 of the Summary compares the actual deferred gas costs to the projections submitted in the Company's filing including the beginning balance, interest and other allowable adjustments to gas costs, gas costs and gas cost revenue. The result is a net under collection of \$935,450. 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 \$212,161 and \$63,719, respectively, for a net under collection for all the gas accounts of \$659,570. The Bad Debt and Working Capital over collections are the result of the New Hampshire Commission approving the Settlement Agreement in DG 07-050, Order No. 24,858 dated May 23, 2008, which revised the Bad Debt percent from 2.56% to 2% effective November 1, 2006 and 1.75% effective November 1, 2007, plus the Working Capital percent from .967% to .645% effective May 1, 2007. Page 3 of the Summary compares actual demand charges of \$7,271,527 to the \$7,758,721 in demand charges estimated in the filing. Page 4 shows a similar comparison for commodity costs. The actual commodity costs were \$85,521,642 compared to \$95,969,537 in the filing. The \$10,447,895 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 \$10,935,088 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 \$352,280 changes in demand (\$6,161,253) and changes in gas prices (\$5,126,115). 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 return one copy of this filing to me bearing the Commission's receipt stamp in the envelope that has been provided for your convenience.

Please contact me by phone at 781-907-1809, or by e-mail at [thomas.p.oneill@us.ngrid.com](mailto:thomas.p.oneill@us.ngrid.com) or Ann Leary by phone at 781-907-1836, or e-mail at [Ann.Leary@us.ngrid.com](mailto:Ann.Leary@us.ngrid.com), if you have any further questions.

Yours truly,



Thomas P. O'Neill

Enclosures

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