



DG 08-115

July 31, 2009



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

Re: Northern Utilities, Inc. – New Hampshire Division, 2008 - 2009 Winter Period  
Cost of Gas (COG) Adjustment Reconciliation

Dear Director Howland:

Enclosed are an original and eight copies of Northern Utilities, Inc. – New Hampshire Division's ("Northern" or "the Company") 2008 - 2009 Winter Period Cost of Gas Adjustment Reconciliation (Form III). The objective of this reconciliation is to present the details of Northern's winter period 2008 - 2009 under-collection.

Form III, Schedules 1 through 5, of the attached reconciliation contain the accounting of six months of recoveries and costs assigned to the winter period. The schedules illustrate the Company's under-collection of \$2,897,378 as follows:

Schedule 1 provides the summary of the winter period ending balance;

Schedule 2 shows the deferred gas cost activity, allowable costs and revenues for the period May 2008 through May 2009, including interest;

Schedule 3, page 1, shows the summary of winter period gas cost collections, and pages 2 through 8 illustrate the gas cost collections for each month;

Schedule 4 (2 pages) presents the monthly detail of purchase gas costs allocated to the winter period; and

Schedule 5 contains the purchased and made volumes, the sendout metered at Northern's NH gate stations, and volumes by Residential and Commercial & Industrial customer classifications for the period, May 2008 through April 2009.

Attachment A presents the reconciliation of the working capital allowance and recoveries. The under-collection of \$22,921 will be reflected on Revised Page 39 of Northern's Tariff No. 10 as an addition to the costs used to calculate the COG rate.

Attachment B shows the reconciliation of the bad debt allowance and collections. The under-collection of \$52,984 will also be reflected on Revised Page 39 of Northern's Tariff No. 10 as an addition to the costs used in calculating the COG rate.

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Attachment C reconciles the Environmental Response Costs as well as a true-up of the estimates used for July - October 2008 and an estimate for July - October 2009.

Attachment D presents the interruptible profits by month. A total of \$37,770 of interruptible profits has been recognized for May 2008 - April 2009. This amount has been deducted from the 2008 - 2009 winter period costs.

Attachment E shows the RLIAP program costs and recoveries. The projected under recovery of \$65,978 will be reflected in a revision to the RLIAP recovery rate of \$0.0039 per therm.

Attachment F details the summer period sales variance analysis.

If you have any questions regarding this reconciliation or if you require any further information, please contact me.

Very truly yours,



Frederick J. Stewart

Enclosure

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