



October 21, 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 – Docket DG 08-115

Dear Director Howland:

Enclosed are an original and eight copies of Attachment C Revised October 21, 2009 to Northern Utilities, Inc. -- New Hampshire Division's 2008 - 2009 Winter Period Cost of Gas Adjustment Reconciliation.

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
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Northern Utilities, Inc.

New Hampshire Division

2008 – 2009 Winter Period Cost of Gas (COG) Adjustment Reconciliation

Explanation of Revision to Attachment C, Updated October 21, 2009

Attachment C to Northern's to Northern's 2008 – 2009 Winter Cost of Gas Adjustment Reconciliation Filing has been updated to include December 2008 through August 2009 actual recoveries from the Unitil accounting system. This results in some minor changes to the original filing, in which recoveries were based on the calculation, therms multiplied by the ERC rate, for December 2008 through August 2009. Attachment C also has been revised to conform with Attachment NUI-TMB-3, Schedule 1, Updated October 15, 2009, filed by Northern in Docket DG 09-167.

The major difference between Attachment C to Northern's 2008 – 2009 Winter Cost of Gas Adjustment Reconciliation Filing and Attachment NUI-TMB-3, Schedule 1, Updated October 15, 2009, is in the July 2009 ending balance.

NiSource informed Unitil that it had mistakenly used a seven year amortization in developing its ERC for the 2008/2009 period and believed it was collecting seven years of costs in a five year period for 2008. NiSource decided to make a \$179,862 adjustment to its ERC accounting after its 2008/2009 LDAC filing had been approved to remedy its error.

In preparation of Northern's 2009 LDAC (ERC component) filing, Unitil determined that this NiSource adjustment was inappropriate and reversed the adjustment with a journal entry to book the \$179,862 back to the correct account. Thus, the July ending balance is an over-collection of \$51,347, derived as follows:

June ending balance	(\$212,117)
Plus July Recoveries	(\$19,092)
Minus the adjustment	<u>\$179,862</u>
July ending balance	(\$51,347).

Northern Utilities, Inc. - New Hampshire Division
Environmental Response Costs
June 2008 through October 2009

	Beginning Balance	Firm Sales and Transportation (therms)	ERC Recovery/Passback Rate	Current ERC Recoveries/ Passbacks	Ending Balance
JUNE 2008 (act)	\$ 31,790	2,727,206	\$ 0.0052	\$ 14,181	\$ 17,608
JULY (act)	\$ 17,608	1,850,022	\$ 0.0052	\$ 9,620	\$ 7,988
AUGUST (act)	\$ 7,988	1,733,875	\$ 0.0052	\$ 9,016	\$ (1,028)
SEPTEMBER (act)	\$ (1,028)	1,822,336	\$ 0.0052	\$ 9,476	\$ (10,504)
OCTOBER (act)	\$ (10,504)	2,675,191	\$ 0.0052	\$ 13,911	\$ (24,415)
NOV (Summer) (act)	\$ (24,415)	3,411,890	\$ 0.0052	\$ 17,742	\$ (42,157)
NOV (Winter) (act)	\$ 279,694	1,151,894	\$ 0.0103	\$ 11,865	\$ 267,830
DECEMBER (act)	\$ 267,830	7,320,287	\$ 0.0103	\$ 73,609	\$ 194,221
JANUARY 2009 (act)	\$ 194,221	9,858,274	\$ 0.0103	\$ 101,563	\$ 92,658
FEBRUARY (act)	\$ 92,658	8,881,521	\$ 0.0103	\$ 89,082	\$ 3,576
MARCH (act)	\$ 3,576	7,895,992	\$ 0.0103	\$ 79,512	\$ (75,936)
APRIL (act)	\$ (75,936)	5,903,927	\$ 0.0103	\$ 63,073	\$ 139,009
MAY (act)	\$ 139,009	3,035,718	\$ 0.0103	\$ 37,935	\$ 176,944
JUNE (act)	\$ 176,944	2,396,914	\$ 0.0103	\$ 35,173	\$ (212,117)
JULY (act)	\$ (212,117)	1,854,261	\$ 0.0103	\$ 19,092	\$ (51,347) (1)
AUGUST (act)	\$ (51,347)	1,687,136	\$ 0.0103	\$ 11,387	\$ (62,734)
SEPTEMBER (est)	\$ (62,734)	2,181,742	\$ 0.0103	\$ 28,486	\$ (91,220)
OCTOBER (est)	\$ (91,220)	2,805,953	\$ 0.0103	\$ 28,901	\$ (120,121)

(1) An adjustment was made to include the sum of \$179,862 that was excluded from ERC costs.