

Via Overnight Delivery

January 28, 2010

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 09-050
EnergyNorth Natural Gas, Inc d/b/a National Grid NH
2009 Summer Period Cost of Gas Reconciliation
CONFIDENTIAL

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MATERIAL
IN COMM FILE



Dear Ms. Howland:

Attached is an original and seven copies of the confidential version of the 2009 summer 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. 24,963, dated April 30, 2009 in Docket DG 09-050. The Company has also filed a redacted version electronically in accordance with Order Number 24,223 issued on October 24, 2003.

This reconciliation compares the actual deferred gas costs to the projections submitted in the Company's 2009 summer period cost of gas filing to the Commission on March 16, 2009. The filing shows an under recovery for the 2009 summer period of \$38,753. The 2009 summer period under recovery is summarized as follows:

Summer Period Beginning Balance	(\$1,969,485)
Prior Period Adjustment and Interest	\$265,425
Less: Cost of Gas Revenue Billed	(\$12,078,138)
Add: Cost of Gas Allowable	<u>\$13,820,952</u>
Summer Period Ending Balance	\$38,753

The filing consists of a four-page summary and eleven 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, prior period adjustment, interest, gas costs and gas cost revenue. The result is a net under recovery of \$38,753. Page 2 of the summary compares the actual demand charges of \$3,004,243 to the \$3,059,785 in demand charges estimated in the filing, resulting in a decrease in demand costs of \$55,542. Page 3 shows a similar comparison for commodity costs. The actual commodity costs were \$10,845,036 compared to the \$13,960,288 in

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the filing. The \$3,115,252 decrease in commodity costs was caused mainly by lower sendout volumes and lower commodity prices than originally forecasted. The results show that the total actual gas costs, demand and commodity, were \$3,170,794 lower than forecasted in the filing. Page 4 of the summary provides a variance analysis that explains how much of the difference between actual costs and forecasted costs is due to weather (\$307,047), changes in demand resulting from lower sendout (\$1,638,990) and changes in gas prices (\$886,298). Page 4 also provides the net total of (\$338,459) for the capacity managed credit, supplier cashouts and other costs.

Schedule 1 provides a monthly summary of the deferred gas cost account balances including beginning balances, actual gas cost allowable, gas cost revenue billed, and interest applied. The third and fourth pages of Schedule 1 provide 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 summer gas cost revenue billed by rate class. Schedule 4 provides a monthly summary of the non-firm margin and capacity release credits to the summer cost of gas account. Schedule 5 provides the monthly summary of the deferred gas cost balances associated with gas working capital and shows the monthly beginning account balances, working capital allowable, the working capital revenue billed 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 commodity costs and the related volumes. Schedule 9 provides a summary of the monthly prime interest rates used to calculate the interest on the deferred balances.

The Company has included in this filing the calculation of the occupant account disallowance/(credit) in accordance with the settlement agreement approved in Order 24-963 in docket DG 07-129/09-050. As shown on Schedules 10 and 11, the Company calculated a \$147,275 disallowance in gas cost recovery associated with the occupant accounts and reduced its OffPeak gas costs by \$31,121 and its Peak gas costs by \$116,154.

Please contact me by phone at 781-907-1809, or by e-mail at thomas.p.oneill@us.ngrid.com or Ann Leary by phone at 781-907-1836, or e-mail at 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.
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