



January 27, 2009

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

Re: Northern Utilities, Inc., New Hampshire Division - Docket DG 09-167-
Monthly Adjustment to the Cost of Gas Adjustment Rates to Minimize the
Projected End-of Period Over or Under-Collection

Dear Director Howland:

On January 25, 2010, Northern Utilities, Inc. ("Northern" of the "Company") filed its calculation of the Company's projected over or under-collection of gas costs ending April 30, 2010 for the 2009 - 2010 winter period. The projected under-collection was \$807,686, or 2.85%, of the total anticipated gas costs for the 2009 - 2010 winter period. At that time, Northern determined that no adjustments were necessary to its Cost of Gas Adjustment Rates as the projected balance was well under its target of +/- 5%.

Following discussions with Staff on the morning of January 26, 2010, the Company decided to agree to Staff's preference that Northern make smaller and more frequent changes to its cost of gas adjustment, using a 2% target.

Accordingly, the Company has enclosed for filing the following Tariff Pages reflecting an increase in its Cost of Gas Adjustment Rates pursuant to the Company's Tariff:

Forty-sixth Revised Page 38;
Forty-first Revised Page 94; and
Forty-first Revised Page 95.

These Tariff Pages are issued January 27, 2010 to be effective for usage on and after February 1, 2010. Red-line versions of these Tariff Pages also are enclosed.

The primary reasons for the projected 2009-2010 winter period under collection are twofold: (1) the actual direct costs for November and December 2009 were \$465,000 greater than the projected costs; and (2) the prior period under-collection (April 30, 2009) was revised upward by \$336,000 to conform with the findings of the Commission Audit Staff's draft report.

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The impact of the February 1 change in the Cost of Gas Adjustment Rate on the typical residential heating customer for the 2009 - 2010 winter period will be an increase of \$26.25, or 1.9%, more than that winter period bill at the Company's current Cost of Gas Adjustment Rate.

Should you have any questions or require additional information, please contact me or Susan Geiger of the firm, Orr & Reno.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Frederick J. Stewart".

Frederick J. Stewart

Enclosures

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