



**By Overnight and Electronic Mail**

September 15, 2010

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

RE: Northern Utilities, Inc. (NU) Short-Term Debt Limit

Dear Director Howland:

Pursuant to Order No. 25,068 dated January 22, 2010 in docket DG 09-239, NU hereby submits its annual update to its short-term debt limit.

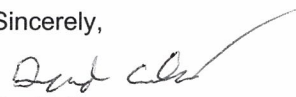
NU's short-term debt limit effective from November 1, 2010 through October 31, 2011 will be \$46,164,421 million.

Pursuant to Order No. 25,068, NU's short-term debt limit will equal 30 percent of total projected winter period gas costs for fuel financing purposes and 15 percent of net utility plant for non-fuel financing purposes. The table below summarizes the calculation of NU's short-term debt limit for the period November 1, 2010 through October 31, 2011.

<b><u>NU Short-Term Debt Limit Calculation</u></b>		
<b><u>Fuel Financing Purposes</u></b>		
NU ME winter gas costs	26,892,781	
NU NH winter gas costs	31,330,157	
Total	58,222,938	
30% of total winter gas costs	17,466,881	(a)
<b><u>Non-Fuel Financing Purposes</u></b>		
Estimated net utility plant @ 12/31/10 before plant acquisition adjustment	191,316,932	
15% of Net Utility Plant	28,697,540	(b)
<b><u>Short-Term Debt Limit</u></b>		
<b>Short Term Debt Limit</b>	<b>46,164,421</b>	(a) + (b)

If you have any questions, please contact me at 603-773-6499.

Sincerely,

  
David Chong  
Director of Finance

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