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VIA HAND DELIVERY & ELECTRONIC SERVICE

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



**RE: *Northern Utilities, Inc. Gas Energy Efficiency Programs
Docket No. DE 10-188
Northern Utilities, Inc. 2012 Program Year Budget Requests***

Dear Director Howland:

Please accept this letter on behalf of Northern Utilities, Inc. (the “Company”). This letter will address two issues: (1) A transfer within the Residential Sector between the Energy Star Homes program and the Residential High-Efficiency Heating, Water Heating and Controls program (“Residential Gas Networks”); (2) Notify the Commission that two of the commercial and industrial (“C&I”) sector programs are fully subscribed.

With respect to the funding transfer, this letter notifies the New Hampshire Public Utilities Commission that due to an overwhelming response in the 2012 Residential Gas Networks Program, and pursuant to Order No. 25,189, the Company will make the following transfer as shown in the table below.

Program	Budget	20% Cap	Amount Transferred To/(From)	% Transferred
Energy Star Homes	\$130,000	\$26,000	(\$20,000)	15%
High Efficiency Heating, Water Heating, and Controls (“Gas Networks”)	\$284,617	\$56,923	\$20,000	7%

Order No. 25,189 approving the 2011-2012 CORE programs specifies that the Company is permitted to end the year over budget within each sector up to 5% including Shareholder Incentive. The Company anticipates coming close to that threshold by the end of 2012 due to

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demand for the Residential Gas Networks program. Should it appear likely that the Company will exceed its residential sector budget by more than 5% it will alert the Commission and seek any necessary approvals.

With respect to the C&I programs, the Company is alerting the Commission that the C&I New Equipment and Construction Program ("C&I Gas Networks") and the C&I Multi-Family Program are fully subscribed as of this writing, although not every project has been installed. These programs rely on close contact between Company personnel and its customers, and this relationship means that informing customers that the programs are fully subscribed before the end of this year will not have a negative effect on the future of the programs. The Company is currently maintaining a waiting list of interested customers for both the C&I Gas Networks Program and the C&I Multi-Family Program so that if certain customers cannot be served this year, they can apply to be served in 2013.

Please feel free to contact me if you have any questions or concerns.

Yours truly,



Rachel Aslin Goldwasser

cc: Electronic Docket Service List for DE 10-188
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