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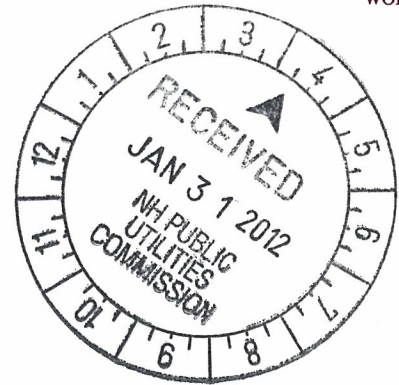
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January 31, 2012

Via Electronic and Hand Delivery

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 11-046; EnergyNorth Natural Gas, Inc. d/b/a National Grid NH
2011 Summer Period Cost of Gas Reconciliation
CONFIDENTIAL**

Dear Ms. Howland:

Enclosed are seven copies of the confidential version of the 2011 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. 25217, dated April 29, 2011 in Docket DG 11-046. The Company is also submitting to the Commission today a redacted version of the filing. This reconciliation compares the actual deferred gas costs to the projections submitted in the Company's 2011 Summer Period Cost of Gas Filing submitted to the Commission on March 15, 2011.

The filing shows an over recovery for the 2011 Summer Period of (\$416,947) summarized as follows:

Summer Period Beginning Balance	(\$460,169)
Prior Period Adjustment and Interest	(\$6,855)
Less: Cost of Gas Revenue Billed	(\$13,053,598)
Add: Cost of Gas Allowable	<u>\$13,103,675</u>
Summer Period Ending Balance	(\$416,947)

The filing consists of a four-page summary and twelve 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

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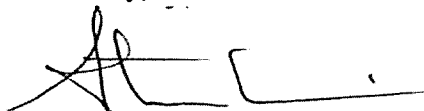
and gas cost revenue. The result is a net over recovery of \$416,947. Page 2 of the Summary compares the actual demand charges of \$4,807,003 to the \$5,012,822 in demand charges estimated in the filing, resulting in a decrease in demand costs of \$205,819. Page 3 shows a similar comparison for commodity costs. The actual commodity costs were \$8,299,085 compared to the \$9,411,507 in the filing. The \$1,112,422 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 \$1,318,241 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 (an over collection of \$147,880), changes in demand resulting from lower sendout (an over collection of \$1,865,077) and changes in gas prices (an under collection of \$475,211). Page 4 also provides the net total of \$219,505 for the capacity managed credit, supplier cashouts and other costs.

The attached 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. Schedules 2A and 2B provide the details of gas cost by source. Schedule 3 provides the detailed calculation of summer gas cost revenue billed by rate class. Schedule 3A provides a breakdown of the calculation of unbilled gas costs. 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). As shown on Schedules 10, 11 and 12, the Company calculated a \$52,304 disallowance/(credit) in gas cost recovery associated with the occupant accounts, which consists of an OffPeak disallowance/(credit) of \$9,278 in gas costs and a Peak disallowance/(credit) of \$43,206 in gas costs.

Please do not hesitate to contact me if you have any questions regarding this filing. Thank you for your assistance with this matter.

Sincerely,



Steven V. Camerino

Enclosures

cc: Meredith A. Hatfield, Esq.
Megan F. Tipper, Esq.
Ann E. Leary