

# STATE OF NEW HAMPSHIRE

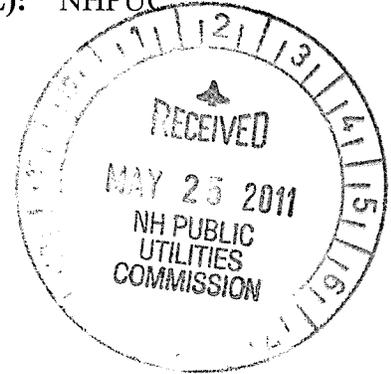
Inter-Department Communication

**DATE:** May 25, 2011  
**AT (OFFICE):** NHPUC

**FROM:** Stephen P. Frink *SPF*  
Assistant Director, Gas & Water Division

**SUBJECT:** Northern Utilities, Inc. - DG 11-069  
Cost of Capital Consultant

**TO:** Commissioners  
Debra Howland



On May 4, 2011, Northern Utilities, Inc. made a delivery rate filing requesting permission to increase delivery rates for natural gas service, based in part on a proposed return on equity of 10.5 percent and an overall rate of return of 7.65 percent.

While the Commission has highly competent staff with experience in many areas, current work load creates the need to retain the resources of an outside consulting service in this proceeding to assist the Commission in determining an appropriate rate of return.

Staff recommends that the Commission issue a Request for Proposals for Consulting Services regarding Cost of Capital in DG 11-069.

If you have any questions, please advise.