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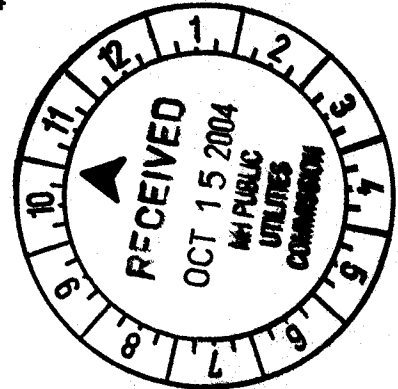
Corporate Services

Patricia M. French
Senior Attorney
Legal

October 14, 2004

Via Overnight Delivery

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



Re: Northern Utilities, Inc., Docket No. DG 04-162
Revision to Proposed Cost of Gas Adjustment for the Winter Period (Nov. 2004 – April 2005)

Dear Ms. Howland:

Enclosed please find an original and eight (8) copies of Northern Utilities Inc.'s ("Northern's") revised Cost of Gas ("COG") for the 2004-2005 Winter Period in the above referenced docket. This filing revises Northern's 2004-2005 Winter Period COG filing initially made on September 15, 2004. Included in today's revised filing are tariff sheets providing Northern's calculation of the Unit Cost of Gas, Eleventh Revised Page 38 and Eleventh Revised Page 39. This tariff page provides for a COG for the residential heating class of \$0.9798 per therm. The revised rate represents an increase of \$0.0453 per therm from the September 15th proposed residential COG rate. As is normal practice, Northern recalculated the COG using current NYMEX futures gas prices (dated October 12, 2004), updated storage refill activity, and hedging results based on the current NYMEX futures strip.

Due to the increase in the NYMEX futures gas prices, commodity costs for the winter period have increased from the September 15th forecast by \$2,441,083, from \$23,294,696 to \$25,735,779. Offsetting this increase in projected commodity costs is the increase in the hedging gains of \$733,640, from \$292,585 to \$1,026,225. Thus, the revised NYMEX prices have resulted in a net increase in forecast commodity costs of \$1,707,443.

Included with this revised filing are updated revised commodity costs and commodity rates sheets, as well as the NYMEX rates from October 12, 2004. Also enclosed are revised typical bill impact schedules, a revised variance analysis schedule comparing this proposed COG with the actual cost of gas charged last winter, and updated hedging gain/loss calculation sheets.

If you have any questions regarding Northern's revised 2004-2005 Winter Period COG filing, please do not hesitate to contact Joseph A. Ferro, Manager Regulatory Policy at 508-836-7273, or me at 508-836-7394.

Please return one copy of this revised filing to me bearing the Commission receipt stamp in the envelope provided for your convenience.

Very truly yours,

Patricia M. French / SBK

Patricia M. French
Attorney for Northern Utilities, Inc.

Enclosures

cc: Kenneth Traum, OCA
Ronald D. Gibbons
Joseph A. Ferro