

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 06-129

ORDER OF NOTICE

On September 15, 2006 Northern Utilities, Inc. (Northern) filed with the New Hampshire Public Utilities Commission (Commission) its Cost of Gas (COG) rates for the period November 1, 2006 through April 30, 2007 and its Local Delivery Adjustment Clause rates and certain supplier charges for the period November 1, 2006 through October 31, 2007. Included in the filing were revised tariff pages and supporting materials for the changed rates and charges. Northern also filed a Motion for Protective Order and Confidential Treatment.

The estimated impact of the proposed firm sales cost of gas and revised surcharges on a typical residential heating customer's winter bill is an increase of approximately \$152, or 10% from last winter's rates.

The proposed residential COG rate is \$1.3701 per therm, a \$0.1601 per therm increase over the weighted residential COG rate of \$1.2100 per therm for last winter. The proposed commercial/industrial low winter use COG is \$1.3682 per therm and the proposed commercial/industrial high winter use COG is \$1.3839 per therm.

The proposed surcharge to recover expenses and lost revenues related to the Low Income Assistance Pilot Program is \$0.0050 per therm. The proposed surcharge to recover environmental remediation costs is \$0.0083 per therm, a decrease of \$0.0018 per therm from the current environmental surcharge of \$0.0101 per therm. The proposed Conservation charge for residential customers is \$0.0128 per therm, an increase of \$0.0050 per therm from the current

rate of \$0.0078 per therm. The proposed Conservation charge for commercial and industrial (C&I) customers is \$0.0101 per therm, an increase of \$0.0002 per therm from the current rate of \$0.0099 per therm.

Northern is updating its Supplier Balancing charges, the charges that suppliers are required to pay Northern for balancing services as Northern attempts to meet the shifting loads for the supplier's customer pools. The proposed Balancing charge of \$0.78 per MMBtu of Daily Imbalance Volumes is an increase of \$0.01 per MMBtu from the current rate of \$0.77 per MMBtu. In addition, the proposed Peaking Demand charge of \$18.97 per MMBtu of Peak Maximum Daily Quantity (MDQ) is a decrease of \$3.52 per MMBtu from the current rate of \$22.49 per MMBtu of Peak MDQ. The changes are based on an update of volumes and costs used in calculating the charges. The proposed Capacity Allocator percentages used to allocate pipeline, storage and local peaking capacity to a customer's supplier under New Hampshire's mandatory capacity assignment, required for firm transportation service, have been updated to reflect Northern's supply portfolio for the upcoming year.

The filing raises, inter alia, issues related to: RSA 378 relative to rates, forecasting of sales, supplier prices and transportation prices, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, cost allocations between the New Hampshire and Maine divisions, the causes and treatment of any substantial over and under recoveries, the reconciliation of prior period costs and revenues, and the prudence of environmental remediation costs for which recovery is being sought and not previously approved by the Commission. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 18, 2006 at 10:30 a.m.; and it is

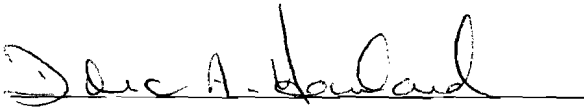
FURTHER ORDERED, that Northern, Staff of the Commission and any intervenors hold a technical session at the Commission on October 11, 2006 at 10:00 a.m.; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, Northern shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 28, 2006, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 18, 2006; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Northern and the Office of the Consumer Advocate on or before October 13, 2006, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 18, 2006.

By order of the Public Utilities Commission of New Hampshire this twenty-
second of September, 2006.

A handwritten signature in cursive script, reading "Debra A. Howland", written over a horizontal line.

Debra A. Howland
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.