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February 21, 2013

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Via Electronic Mail and US Mail

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

**RE: DG 12-265 EnergyNorth Natural Gas, Inc.
2012-2013 Winter Period Cost of Gas – March 2013 Trigger**

Dear Ms. Howland:

On behalf of EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities (the "Company") and in accordance with New Hampshire Public Utilities Commission Order No. 25,435, dated October 30, 2012 in Docket DG 12-265, I enclose an original and two copies of the Company's projected over or under collection calculations. The cost of gas rates currently in effect will remain unchanged effective March 1, 2013 because the Company has reached the maximum rate authorized by the Commission in Order No. 25,435.

The revised projected under collection reflects an update of the winter period deferred gas cost balance and the projected commodity prices for the remainder of the winter period. The attached estimated cost of gas was calculated using the 15-day average NYMEX settled prices as of February 19, 2013. The cost of gas rate adjustment is being driven primarily by the continued sharp increase in gas prices in Tennessee's Zone 6 market area where EnergyNorth purchases a sizeable amount of its natural gas supplies. The price run up is a direct result of the increased demand due to colder than normal temperatures, coupled with increased demand from natural gas fired generators in the market area. Moreover, the lack of any significant increase in new pipeline infrastructure into New England and the lack of LNG imports have combined to create a supply/demand imbalance leading to the price escalation.

It is currently estimated that the under collection remaining at April 30, 2013, as a result of capping the increase in the cost of gas rates at 25%, will be approximately \$3.2 million. The Company does not intend to prepare a revised cost of gas filing because there is not sufficient time to prepare the filing and schedule a hearing in time for an order approving a revised cost of gas rate effective April 1, 2013.



The filing has also been submitted electronically to the Commission in accordance with Order Number 24,223 issued on October 24, 2003.

Thank you for your assistance with this matter. Please do not hesitate to call if you have any questions.

Sincerely,
MAUREN VANCE
FOR

ChristiAne G. Mason

Enclosures

cc: Celia O'Brien
Service List