

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 10-017

ENERGYNORTH NATURAL GAS, INC. D/B/A NATIONAL GRID NH

Notice of Intent to File Rate Schedules

**Order Suspending Proposed Tariff
and Scheduling Prehearing Conference and Temporary Rate Hearing**

ORDER NO. 25,081

March 10, 2010

On February 26, 2010, EnergyNorth Natural Gas, Inc., d/b/a National Grid NH (National Grid or Company) made a delivery rate filing requesting permission to implement new permanent delivery rates for natural gas service and to implement temporary delivery rates, pursuant to RSA 378:27, effective with service rendered on and after June 1, 2010. The Company also seeks waivers of: (1) certain provisions of the New Hampshire Code of Administrative Rules Puc 1604.01(a)(25), which requires any subsidiary applying for rate relief to file duplicates of the information required by 1604.01(a) on its parent entity; (2) Puc 1203.02(d), which requires that notice of the Company's filing be given to customers within thirty days of the Company's original filing; and (3) Puc 1604.07(a)(5) and Puc 1604.07(j) "to the extent that they require a separate schedule setting forth payroll figures categorized by Operation, Maintenance, Construction, Plant Removal, and other accounts related to payroll." Finally, the Company moves for confidential treatment for certain compensation information relating to its officers and directors.

National Grid proposes new permanent delivery rates that are designed to produce an increase of \$11,422,718 in annual revenues. According to the Company's filing, based upon its

proposal a residential heating customer will experience an increase of approximately 10 percent in annual bills, while residential non-heating customers will see an increase of about 15.4 percent annually. Commercial and industrial high use customers would experience an increase of 4.6 to 5.2 percent, while commercial and industrial low use customers would have increases of 1.4 to 3.7 percent.

In addition to its request for an increase in delivery rates, the Company proposes other changes aimed at modifying its cost recovery. Among other proposals, the Company seeks to modify its cast iron/bare steel replacement program to eliminate the threshold of \$500,000 in expenditures, prior to obtaining cost recovery, and to eliminate the restriction on recovery of costs incurred in conjunction with public works projects. Also, the Company seeks a mechanism to adjust its rates in response to changes in its pensions and other costs. Additionally, the Company has proposed a revenue decoupling mechanism intended to remove the link between revenues and the volume of natural gas delivered.

Regarding the Company's temporary rate filing, National Grid seeks an increase of \$5,711,359 in annual operating revenues. Such temporary rates would result in an increase in customers' total bills on average by approximately 3.47 percent.

According to the Company, the increase in its rates is necessary because it is unable to earn the rate of return authorized by the Commission in its last rate case, Docket No. DG 08-009. *See EnergyNorth Natural Gas, Inc. d/b/a National Grid NH*, Order No. 24,972 (May 29, 2009). In particular, the Company states that, for the test year ended June 30, 2009, its overall earned rate of return was 3.35 percent, as opposed to the 8.28 percent overall return authorized by the Commission.

National Grid has submitted a proposed notice form that, upon approval by the Commission's Consumer Affairs Division, will be sent to customers as part of the Company's billing cycle, in order to avoid the expense of a separate mailing. Inasmuch as sending the notice with the Company's regular mailings will reduce costs, and should not impair customers' ability to participate in this proceeding, or disrupt the orderly resolution of the matter, we grant the waiver pursuant to Puc 201.05.

Staff, the Company and intervenors should be prepared to address the Company's remaining requests for waivers, as well as its motion for confidential treatment of certain information at the pre-hearing conference.

Based upon the foregoing, it is hereby

ORDERED, that the proposed tariff pages for natural gas delivery service filed by National Grid, be and they hereby are suspended, pursuant to RSA 378:6, I(a) pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that a waiver of the 30-day notice requirement of Puc 1203.02(d) is hereby granted pursuant to Puc 201.05 on the condition that notice be sent to customers with their regular bills in the billing cycle immediately following approval of the notice by the Commission's Consumer Affairs Division; and it is

FURTHER ORDERED, that a pre-hearing conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on April 8, 2010 at 1:00 p.m., at which each party will provide a preliminary statement of its position with regard to the petition for temporary rates and any of the noticed issues; and it is

FURTHER ORDERED, that, immediately following the pre-hearing conference, the Staff of the Commission and any intervenors hold a technical session to review the filing and allow National Grid NH to provide any amendments or updates to its filing and establish a proposed procedural schedule for this proceeding; and it is

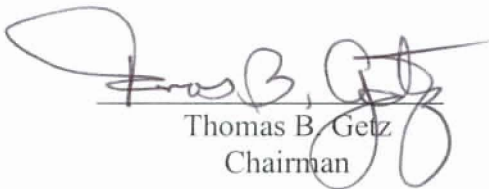
FURTHER ORDERED, that pursuant to Puc 203.12, National Grid shall notify all persons desiring to be heard at this pre-hearing conference by publishing a copy of this Order of Notice no later than March 18, 2010 in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before April 8, 2010; and it is

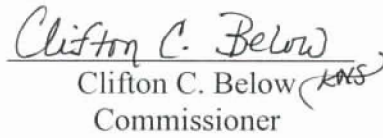
FURTHER ORDERED, that pursuant to Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a petition to intervene with copies sent to the Company and the Office of the Consumer Advocate on or before April 5, 2010, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by Puc 203.17 and RSA 541-A:32, I(b); and it is

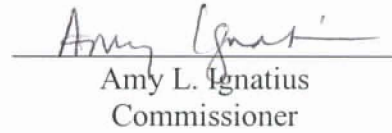
FURTHER ORDERED, that any party objecting to a petition to intervene make such objection on or before April 8, 2010; and it is

FURTHER ORDERED, that a hearing on temporary rates shall be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on May 6, 2010 at 10:00 a.m.


By order of the Public Utilities Commission of New Hampshire this tenth day of March,
2010.


Thomas B. Getz
Chairman


Clifton C. Below
Commissioner


Amy L. Ignatius
Commissioner

Attested by:


Lori A. Davis
Assistant Secretary

