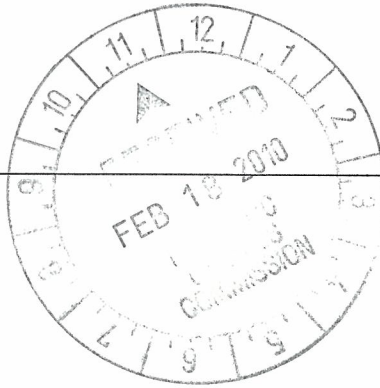


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February 17, 2010

Via Hand Delivery and Electronic Mail

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

***Re: DG 09-141, Northern Utilities, Inc. Petition for Approval of
Proposed Financial Hedging Program Redesign***

Dear Ms. Howland:

Enclosed for filing with the Commission in the above-captioned docket please find an original and seven copies of Northern Utilities, Inc.'s proposal to redesign its financial hedging program. The enclosed hedging program proposal should be substituted for that contained in Exhibit NUI-1 which was submitted with Northern's petition filed August 7, 2009. As the result of discovery and conversations with Staffs of both the New Hampshire and Maine Public Utilities Commissions, Northern has revised its originally-filed hedging plan redesign proposal. The enclosed redesign proposal seeks four primary changes to Northern's current financial hedging program: 1) the adoption of a portfolio approach to hedging whereby Northern would apply both its physically hedged supplies and financial program to target beginning each peak season with 70 percent of requirements available under a fixed price; 2) the introduction of a price ceiling calculated pursuant to a formula, above which purchases of futures contracts would be postponed; 3) the elimination of the price-based component of the existing hedging program; and 4) the introduction of a process under which futures contracts that appreciate in value above a specified percentage would be sold. This proposed redesign also addresses the structure and timing of program implementation and the manner in which price parameters are determined.

Please let me know if there are any questions about this filing. Thank you for your attention to this matter.

Very truly yours,

Enclosures

cc: Service List (Electronic Mail only)


Susan S. Geiger

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