



July 28, 2011



Ms. Debra 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. – New Hampshire Division, Docket DG 10-250,
2010-11 Winter Period Cost of Gas (COG) Adjustment Reconciliation

Dear Director Howland:

Enclosed are an original and eight copies of Northern Utilities, Inc. -- New Hampshire Division's ("Northern" or "the Company") 2010-11 Winter Period Cost of Gas Adjustment Reconciliation (Form III). The objective of this reconciliation is to present the details of Northern's winter period 2010-11 under-collection.

Form III, Schedules 1 through 5, of the attached reconciliation contain the accounting of six months of recoveries and costs assigned to the winter period. The schedules illustrate the Company's under-collection of \$973,628 as follows:

Schedule 1 provides the summary of the winter period ending balance;

Schedule 2 shows the deferred gas cost activity, allowable costs and revenues for the period May 2010 through April 2011, including interest;

Schedule 3, shows the summary of winter period gas cost collections for the period May 2010 through April 2011;

Schedule 4 (2 pages) presents the monthly detail of purchase gas costs allocated to the winter period; and

Schedule 5 contains the purchased and made volumes, the sendout metered at Northern's NH gate stations, and volumes by Residential and Commercial & Industrial customer classifications for the period, May 2010 through April 2011.

Attachment A presents the reconciliation of the working capital allowance and recoveries. The over-collection of (\$35,228) will be reflected on Revised Page 39 of Northern's Tariff No. 10 as a reduction to the costs used to calculate the COG rate.

Attachment B shows the reconciliation of the bad debt allowance and collections. The under-collection of \$1,935 will also be reflected on Revised Page 39 of Northern's Tariff No. 10 as an increase to the costs used in calculating the COG rate.

Attachment C reconciles the Environmental Response Costs with a true-up of the estimates used for June - October 2010, actuals for November 2010 – June 2011 and estimates for July - October 2011.

George H. Simmons Jr.
Manager Regulatory Services

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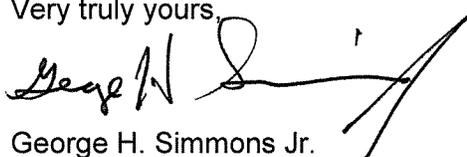
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Attachment D shows the RLIAP program costs and recoveries resulting in a projected over-recovery of (\$32,425).

Attachment E details the winter period sales variance analysis.

If you have any questions regarding this reconciliation or if you require any further information, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read "George H. Simmons Jr.", with a long, sweeping flourish extending to the right.

George H. Simmons Jr.

Enclosure

cc: Alexander Speidel, Staff Counsel
Meredith Hatfield, Consumer Advocate
Susan Geiger, Esq.