

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

**DG 11-192**

**ENERGY NORTH NATURAL GAS, INC. d/b/a NATIONAL GRID NH**

**2011 Winter Period Cost of Gas Adjustment**

**ORDER OF NOTICE**

On September 1, 2011, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH (National Grid NH), a public utility engaged in the business of distributing natural gas in 28 cities and towns in southern and central New Hampshire and the city of Berlin in northern New Hampshire, filed its proposed cost of gas (COG) and fixed price option (FPO) rates for the winter period, November 1, 2011 through April 30, 2012, and local delivery adjustment clause (LDAC) charges and certain supplier charges for the period November 1, 2011 through October 31, 2012. National Grid NH also filed a motion for confidential treatment with respect to certain gas supply-related information.

The proposed residential COG rate is \$0.7926 per therm (FPO rate \$0.8126 per therm), a \$0.0103 per therm decrease compared to the weighted residential COG rate of \$0.8029 per therm for last winter. The proposed changes to National Grid NH's residential COG rate and LDAC charges, offset by the increase in base distribution rates specified by the settlement agreement approved by Order No. 25,202 (March 10, 2011) in Docket No. 10-017, together with the base distribution rate upward adjustment approved as part of the cast iron/bare steel replacement program by Order No. 25,244 (June 29, 2011) in Docket No. 11-106, are expected to increase a typical residential heating customer's winter bill by approximately 0.7 percent.

The proposed commercial/industrial low winter use COG rate is \$0.7911 per therm (FPO rate \$0.8111 per therm) and the proposed commercial/industrial high winter use COG rate is \$0.7929 per therm (FPO rate \$0.8129 per therm). The changes in commercial/industrial low and high winter use rates are commensurate with the changes in the COG rate of a residential heating customer. The proposed firm transportation COG rate is \$0.0000 (zero) per therm, compared to a \$0.0009 per therm charge last winter.

A variety of charges and rates comprise the LDAC charges applicable to the different customer classes. The proposed charge to recover environmental remediation costs is \$0.0003 per therm, which is an increase from the current environmental charge of \$0.0000 (zero) per therm, as National Grid NH seeks to recover certain environmental-remediation costs during this period. The proposed energy efficiency/conservation charge for residential customers is \$0.0498 per therm, a decrease of \$0.0027 per therm from the current rate. The proposed energy efficiency/conservation charge for commercial and industrial customers is \$0.0298 per therm, a decrease of \$0.0008 per therm from the current rate. The proposed charge to recover expenses and lost revenues related to the residential low income assistance program is \$0.0092 per therm, a decrease of \$0.0024 per therm from the current rate. The proposed charge to recover rate case expenses and the temporary and permanent rate reconciliation under recovery is \$0.0116 per therm, an increase of \$0.0064 per therm over the current rate. National Grid proposed a \$0.0013 per therm credit to firm sales customers and a \$0.0023 per therm charge to transportation customers to correct a prior year misallocation.

National Grid NH is also updating its supplier balancing charges, the charges that suppliers are required to pay National Grid NH for balancing services as National Grid NH attempts to meet the shifting loads for the supplier's customer pools. The proposed balancing

charge of \$0.22 per MMBtu is an increase of \$0.11 per MMBtu compared to the current balancing charge and the proposed peaking demand charge of \$18.96 per MMBtu of peak maximum daily quantity is an increase of \$0.48 per MMBtu compared to the current rate. The charges 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 also been updated to reflect National Grid NH's supply portfolio for the upcoming year.

As directed by the Commission in Order No. 25,217, National Grid NH performed an analysis of the impact on firm sales and transportation customers of having charged transportation customers a fixed percentage versus an updated percentage based on prior year actual data, as required by tariff. This charge reimburses firm sales customers for the pipeline transportation costs related to transportation service. As a result of its analysis, National Grid has proposed a one-time adjustment to rates.

The filing raises, inter alia, issues related to: RSA 378 relative to the justness and reasonableness of rates, forecasting of sales, supplier prices and transportation prices, calculation of indirect gas costs, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, the causes and treatment of over and under recoveries, the reconciliation of prior period costs and revenues, whether a one-time adjustment is the appropriate remedy for failing to update the cost allowance for transportation customers annually based on actual data, and the prudence and recovery of environmental remediation costs. 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 South Fruit Street, Suite 10, Concord, New Hampshire on October 17, 2011 at 10:00 a.m.; and it is


**FURTHER ORDERED**, that National Grid NH, Staff of the Commission and any intervenors hold a technical session at the Commission on September 29, 2011 at 9:00 a.m.; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.12, National Grid NH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 13, 2011, 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 3, 2011; 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 National Grid NH and the Office of the Consumer Advocate on or before October 14, 2011, 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 17, 2011.

By order of the Public Utilities Commission of New Hampshire this seventh day of  
September, 2011.

  
Debra A. Howland  
Executive Director

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.

