

Concord Steam

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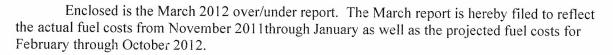
Steam and Power Generation

February 24, 2011

Debra Howland, Esq. Executive Director and Secretary Public Utilities Commission 21 S. Fruit St., Suite 10 Concord, NH 03301

Re: March 2012 monthly cost of energy over/under report (DG 11 - 209)

Dear Ms. Howland,



In this report changes were made to accurately reflect December 2011 costs. Natural gas cost was corrected from \$119,846 to \$95,462. A reduction of estimated cost of \$24,383. The change was due to a correction of the invoice from the NG supplier. Additionally we reviewed the itemized charges for oil consumption as well and made further adjustments. The adjustments resulted in a change of the actual use of oil from 30.43 to 225.43 bbl's. This adjustment resulted in an increase of oil costs of \$19,826, from \$3,162 to \$22,988. Additional review/audit of actual wood costs required an adjustment of \$160.17 of increased costs from \$170,090 to \$170,251. The net result of these changes was an overall \$4,397 decrease in energy costs from \$293,098 to \$288,701. There has also been a short fall of approximately 10% in expected steam sales since the beginning of the COE year (Nov 2011). As a result, the enclosed March report requires a change to the tariff March rate more accurately recover actual/projected fuel costs in the report for the upcoming COE 2011-12 year.

In order to recover actual costs of energy through the COE year we will need to adjust the COE rate \$1.60 per Mlb., an overall rate increase of 18% and a monthly increase of approximately 10%. A revised tariff page is attached to reflect the change necessary to recover both of these revised costs. The current February 2011 energy charge is \$16.90 and the March tariff is to change from \$16.90/mlb to \$18.50/mlb.

If there are any questions please call me.

Yours Truly

Mark E. Saltsman

Vice President