



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,

Enclosed is the March 2012 over/under report. The March report is hereby filed to reflect the actual fuel costs from November 2011 through January as well as the projected fuel costs for February through October 2012.

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