

**STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
INTER-DEPARTMENT MEMORANDUM**

Date: April 23, 2012

TO: Commissioners
FROM: F. Anne Ross, Hearing Examiner
RE: DG 12-071 New Hampshire Gas Corporation
2012 Summer Period Cost of Gas Adjustment



HEARING EXAMINER'S REPORT

At your request, I presided over the April 19, 2012 hearing in the above referenced case.

On March 20, 2012 New Hampshire Gas Corporation (Company) filed an estimate of its 2012 Summer Period Cost of Gas (COG) Adjustment together with the testimony of Brian R. Maloney. The Company's proposed COG rate for the Summer of 2012 with a proposed effective date of May 1, 2012 is \$1.7884 per therm for all customers.

Appearances

Meabh Purcell for New Hampshire Gas Corporation
Alex Speidel for Commission Staff

Intervention Requests

None

Hearing

Exhibits marked for identification and admitted as full exhibits at the close of hearing:

1. NH Gas's March 20, 2012 Cost of Gas filing
2. NH Gas's Affidavit of Publication showing publication on March 30, 2012
3. NH Gas's response to staff data requests

The Company presented its witness and its pre-filed written testimony and indicated that a typical residential heating customer will see approximately a 7% reduction in the total summer period gas bill. In response to Staff cross exam, Mr. Maloney reported that consistent with prior

years, none of the summer period cost of gas forecast purchased volumes are hedged. The witness also confirmed that audit staff had completed its audit of the Company's 2011 cost of gas reconciliation and had noted no exceptions. When asked if the Company anticipated any new system load growth opportunities this year, Mr. Maloney's response was that there were no significant growth opportunities that would be reflected in the upcoming winter period cost of gas forecast. The Company witness noted that unaccounted for gas was slightly higher than last year, but indicated that in his view that change reflected normal fluctuation in unaccounted for gas. The witness confirmed an insertion of additional supplier pricing markup detail in Schedule C of the filing and noted the markup is not a new charge, but had previously been embedded in the commodity price. The witness confirmed that the supplier markup is comparable to the estimated premium that is included in winter period pre-purchased volumes.

Closing Statements

Based upon its review of the Company's filing and responses to Staff data requests, Staff recommended that the Commission approve the cost of gas rates requested.

The Company concluded by stating that its COG rates are reasonable and asked that the Commission approve the filing for rates effective on May 1, 2012.

Recommendations

I recommend that the Commission approve the Company's proposed cost of gas for the 2012 Summer Period.

By 

F. Anne Ross, Hearing Examiner